LOUISIANA LAND BANK, ACA

FINANCIAL REPORT

For the Quarter and Nine Months Ended
September 30, 2022

REPORT OF MANAGEMENT

The consolidated financial statements of Louisiana Land Bank, ACA (Association) are prepared by management, who is responsible for the statements' integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America appropriate in the circumstances. Other financial information included in the quarterly report is consistent with that in the consolidated financial statements and there are no significant changes in the Association's internal controls or in other factors that could significantly affect such controls during the year.

The undersigned certifies that we have reviewed this report, that it has been 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 our knowledge and belief.

F. Stephen Austin, Chief Executive Officer

November 9, 2022

James Mark Morgan, Chairman, Board of Directors

November 9, 2022

Christopher E. Bentley, Chief Financial Officer

November 9, 2022

Third Quarter 2022 Financial Report

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LOUISIANA LAND BANK, ACA
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following commentary reviews the financial performance of the Louisiana Land Bank, ACA, referred to as the Association, for the quarter ended September 30, 2022. These comments should be read in conjunction with the accompanying financial statements and the December 31, 2021 Annual Report to Stockholders.

The Association is a member of the Farm Credit System (System), a nationwide network of cooperatively owned financial institutions established by and subject to the provisions of the Farm Credit Act of 1971, as amended, and the regulations of the Farm Credit Administration (FCA) promulgated thereunder.

The consolidated financial statements comprise the operations of the ACA and its wholly-owned subsidiaries. The consolidated financial statements were prepared under the oversight of the Association's audit committee.

Significant Events

In March 2022, the Association's Board of Directors (Board) paid a patronage of $9,700,341 to the eligible stockholders from 2021's earnings. The patronage is in the form of a qualified patronage distribution.

On July 26, 2022, the Association's Board of Directors appointed Mrs. Kristin Guillory to the Board. Mrs. Guillory will serve as the Board's Financial Expert and Audit Committee Chair. Mrs. Guillory is serving as a Board Elected Board Member.

Conditions in the Association's Chartered Territory

Throughout the pandemic, the Association continued to fulfill its mission to support agriculture and rural communities by providing access to reliable and consistent credit. Demand for Association loans has been historically high, leading to growth across the state. However, loan growth has begun to moderate in the current rising interest rate environment. After a prolonged pandemic period that has been characterized by both supply chain disruptions and geopolitical conflicts which have impacted the availability and prices of relevant agricultural inputs, volatility in risk ratings is likely in future periods.

Inflationary pressures continued during the third quarter of 2022. The Federal Open Market Committee ("FOMC") has increased the target federal funds rate by a total of 300 basis points through the end of the third quarter, including three consecutive 75-basis-point increases in June, July, and September. As of September 30, 2022, the federal funds target range rate is 3.00 – 3.25 percent. The FOMC is strongly committed to returning inflation to its 2 percent long-run objective. The Consumer Price Index for All Urban Consumers increased by 8.3 percent for the 12-month period ending August 2022, up from 5.2 percent for the same period last year, but down from a peak of 9.0 percent reached in June 2022.

On September 29, 2022, the U.S. Bureau of Economic Analysis ("BEA") released its third estimate of real gross domestic product ("GDP"). BEA confirmed that the U.S. economy experienced two consecutive quarters of negative growth during the first and second quarters of 2022, contracting at annualized rates of -1.6 percent and -0.6 percent, respectively.

Respondents to the Federal Reserve Bank of Philadelphia's Third Quarter 2022 Survey of Professional Forecasters released in August estimated that real GDP growth would reach an annual rate of 1.4 percent during the third quarter. According to the International Monetary Fund's latest World Economic Outlook released in July 2022, U.S. real GDP growth is estimated to be 2.3 percent in 2022 and 1.0 percent in 2023. The most recent data available from the U.S. Bureau of Labor Statistics indicates that the U.S. unemployment rate was 3.7 percent in August, slightly up from 3.6 percent in June, but down from 5.2 percent in August 2021.

Second quarter real GDP growth rates released by BEA on September 30 was -3.0 percent in Louisiana. Likewise, the August unemployment rate national average was 3.7 percent.

In September 2022, the U.S. Department of Agriculture ("USDA") presented its latest farm income forecast. Net farm income (nominal) is forecast at $147.70 billion in 2022, up about 5.2 percent YOY. Total production expenses (nominal) are forecast to increase by about 17.8 percent in 2022. Farm sector assets and equity are both forecast to increase by about 9.7 percent and 10.4 percent, respectively, while farm debt is forecast to decrease by about 4.6 percent in nominal terms. The debt-to-assets ratio is forecast to continue improving in 2022.

According to USDA's September 2022 World Agricultural Supply and Demand Estimates report, average farm prices for corn, soybeans and cotton will increase during the 2022/23 marketing year. Similarly, steer prices are estimated to have averaged higher during the third quarter of 2022 compared to the prior quarter and are expected to continue rising during the fourth quarter. Overall, steers, broilers and turkeys are projected to experience double-digit increases in 2022 while barrows and gilts prices are projected to rise by about 6 percent. The USDA is similarly projecting high inflation in all-milk, with prices reaching an average of about $25 per hundredweight (cwt) during 2022, before declining to around $22/cwt in 2023. Lumber prices continued to trend lower during the third quarter of 2022 and decreased about 33 percent YOY.

Agricultural producers may be negatively affected by several factors during the remainder of 2022, including volatile commodity prices, high input costs, export market disruptions, geopolitical challenges, economic slowdown, transportation issues, including low water levels on major rivers such as the Mississippi and weather-related challenges. The Association's loan portfolio is well-supported by industry diversification and conservative advance rates. Additionally, a high percentage of the Association's borrowers primarily rely on non-farm sources of income to repay their loans.

Management is monitoring the historic low levels of the Mississippi River. The low levels have disrupted agricultural related shipping on the river. Agricultural products could be negatively impacted should the low river levels persist for a prolonged period. At Memphis, the river reached negative 10.76 feet on October 17th. That is the lowest reading since 1988.

Loan Portfolio

Total loans outstanding at September 30, 2022, including nonaccrual loans and sales contracts, were $1,027,225,272 compared to $1,003,680,258 at December 31, 2021, reflecting an increase of 2.3 percent. Nonaccrual loans as a percentage of total loans outstanding were 0.7 percent at September 30, 2022, compared to 0.2 percent at December 31, 2021.

The Association recorded no recoveries and $26,782 in charge-offs for the quarter ended September 30, 2022, and $8,535 in recoveries and $64,756 in charge-offs for the same period in 2021. The Association's allowance for loan losses was 0.6 percent and 0.7 percent of total loans outstanding as of September 30, 2022, and December 31, 2021, respectively.

Risk Exposure

High-risk assets include nonaccrual loans, loans that are past due 90 days or more and still accruing interest, formally restructured loans and other property owned. The following table illustrates the Association's components and trends of high-risk assets.

	September 30, 2022		December 31, 2021	
	Amount	**%**	Amount	%
Nonaccrual	**$ 7,081,373**	**64.9%**	$ 1,723,169	27.8%
Formally restructured	**3,823,311**	**35.1%**	4,479,285	72.2%
Total	**$ 10,904,684**	**100.0%**	$ 6,202,454	100.0%

Results of Operations

The Association had net income of $5,020,554 and $13,891,855 for the three and nine months ended September 30, 2022, as compared to net income of $4,240,426 and $12,629,522 for the same period in 2021, reflecting an increase of 18.4 percent and 10.0 percent. Net interest income was $6,858,431 and $6,470,854 for the three and nine months ended September 30, 2022, compared to $20,286,724 and $19,156,947 for the same period in 2021.

	Nine Months Ended			
	September 30, 2022		September 30, 2021	
	Average Balance	**Interest**	Average Balance	Interest
Loans	**$ 1,019,270,251**	**$ 34,080,877**	$ 948,496,497	$ 30,961,038
Interest-bearing liabilities	**857,918,794**	**13,794,153**	793,560,223	11,804,091
Impact of capital	**$ 161,351,457**		$ 154,936,274	
Net interest income		**$ 20,286,724**		$ 19,156,947

	2022 Average Yield	2021 Average Yield
Yield on loans	**4.47%**	4.36%
Cost of interest-bearing liabilities	**2.15%**	1.99%
Interest rate spread	**2.32%**	2.37%
Net interest income as a percentage of average earning assets	**2.66%**	2.69%

	Nine months ended: September 30, 2022 vs. September 30, 2021		
	Increase (decrease) due to		
	Volume	**Rate**	**Total**
Interest income - loans	**$ 2,310,237**	**$ 809,602**	**$ 3,119,839**
Interest expense	**957,342**	**1,032,720**	**1,990,062**
Net interest income	**$ 1,352,895**	**$ (223,118)**	**$ 1,129,777**

Interest income for the three and nine months ended September 30, 2022, increased by $1,491,603 and $3,119,839, or 12.4 percent and 10.1 percent respectively, from the same period of 2021, primarily due to increases in average loan volume and an increase in yields on earning assets. Interest expense for the three and nine months ended September 30, 2022, increased by $1,104,026 and $1,990,062, or 27.4 percent and 16.9 percent, from the same period of 2021 due to an increase in average debt volume and an increase in interest rates. Average loan volume for the nine months ended September 30, 2022 was $1,019,270,251, compared to $948,496,497 in the third quarter of 2021. The average net interest rate spread on the loan portfolio for the nine months ended September 30, 2022 was 2.32 percent, compared to 2.37 percent in the third quarter of 2021.

The Association's return on average assets for the nine months ended September 30, 2022, was 1.8 percent compared to 1.7 percent for the same period in 2021. The Association's return on average equity for the nine months ended September 31, 2022, was 10.5 percent, compared to 10.0 percent for the same period in 2021.

Loan growth has been minimal for the first nine months of the year. Management expects decreased loan demand as interest rates increase for the remainder of the year. The Association accrues for direct note patronage activity to be received from the District Bank. This balance causes the variance in Other Receivable from the Farm Credit Bank of Texas. The Association's direct note's volume changes as net loan volume changes. Management expects these funding levels, as a percentage, to remain the same for the foreseeable future.

The Patronage Distribution Payable account was reduced in 2022 at the time of payment causing the variance on the balance sheet.

Provision expense has been minimal for 2022 and 2021. Allowance levels are reviewed on an ongoing basis and are adjusted accordingly for risk and credit factors.

Loan fee income has declined year over year. Management does not expect the record level of fee income in 2020 to be sustainable going forward. Management expects fee income to revert to pre-COVID levels.

The Association had a sale of fleet vehicles in the first quarter of 2022. This sale had high demand and produced record level gains on used fleet vehicles. Management does not believe the results of this sale are sustainable going forward. Management is closely monitoring the fleet during this time of dealer inventory shortage.

From time to time, the Association will have other income. Management considers this income one time and should not be measured on a go forward basis.

Public and Member Relations expense has increased in 2022 compared to 2021. This is due to more customer-oriented events taking place since COVID numbers have declined. Management expects to see travel related expense increase during the year since COVID has subsided. This has been budgeted for accordingly. If COVID numbers continue to stay low, Management expects more in person meetings and travel for Board, Committees, management, and employee training.

The Association's FCSIC insurance expense has increased due to premium increases that are required for funding levels. Management and the Board have no control over this expense. Management expects this expense to remain elevated due to the growth of loan volume in the Farm Credit System. Currently, the premium is at the maximum allowable amount, 20 basis points.

Communications expense has been a target for expense reduction. The Association is starting to see the results of that work. The Association continues to invest in quality ISP services across the state but looks for acceptable pricing terms.

The increase in Supervisory and Exam expense is tied to increases in all audit areas. Additionally, the Association accrued heavily in the first quarter for 2022 appraisal field work review that was completed in the second quarter. The Audit Committee added an additional IT audit which was completed during the second quarter of this year.

Liquidity and Funding Sources

The Association secures the majority of its lendable funds from the Farm Credit Bank of Texas (the Bank), which obtains its funds through the issuance of System-wide obligations and with lendable equity. The following schedule summarizes the Association's borrowings.

	September 30, 2022	December 31, 2021
Note payable to the Bank	**$ 865,877,615**	$ 840,219,583
Accrued interest on note payable	**1,724,819**	1,404,171
Total	**$ 867,602,434**	$ 841,623,754

The Association operates under a general financing agreement (GFA) with the Bank. The current GFA is effective through September 30, 2023. The primary source of liquidity and funding for the Association is a direct loan from the Bank. The outstanding balance of $865,877,615 as of September 30, 2022, is recorded as a liability on the Association's balance sheet. The note carried a weighted average interest rate of 2.4 percent at September 30, 2022. The indebtedness is collateralized by a pledge of substantially all of the Association's assets to the Bank and is governed by the GFA. The increase in note payable to the Bank and related accrued interest payable since December 31, 2021, is due to the Association's increase in loan volume. The Association's own funds, which represent the amount of the Association's loan portfolio funded by the Association's equity, were $160,845,521 at September 30, 2022. The maximum amount the Association may borrow from the Bank as of September 30, 2022, was $1,025,000,000 as defined by the GFA. The indebtedness continues in effect until the expiration date of the GFA, which is September 30, 2023, unless sooner terminated by the Bank upon the occurrence of an event of default, or by the Association, in the event of a breach of this agreement by the Bank, upon giving the Bank 30 calendar days' prior written notice, or in all other circumstances, upon giving the Bank 120 days' prior written notice.

The liquidity policy of the Association is to manage cash balances to maximize debt reduction, and to increase accrual loan volume. This policy will continue to be pursued during 2022. As borrower payments are received, they are applied to the Association's note payable with the Bank.

Capital Resources

The Association's capital position increased by $13,865,623 at September 30, 2022, compared to December 31, 2021. The Association's debt as a percentage of members' equity was 4.76:1 as of September 30, 2022, compared to 5.06:1 as of December 31, 2021.

Farm Credit Administration regulations require the Association to maintain minimums for various regulatory capital ratios. New regulations became effective January 1, 2017, which replaced the previously required core surplus and total surplus ratios with common equity tier 1, Tier 1 capital, and total capital risk-based capital ratios. The new regulations also added tier 1 leverage and unallocated retained earnings and equivalents (UREE) ratios. The permanent capital ratio continues to remain in effect, with some modifications to align with the new regulations. As of September 30, 2022, the Association exceeded all regulatory capital requirements.

Starting in 2022, the URE and URE equivalents (UREE) calculation was modified to include all CET1 deductions included in Tier 1 Capital. As a result of this change, the add back of the purchased investments in System Institutions is no longer applicable and has been removed from the calculation. This change has a minimal impact and does not result in the Association's URE and UREE ratios falling below the regulatory minimum.

Significant Recent Accounting Pronouncements

In March 2022, the Financial Accounting Standards Board (FASB) issued an update entitled, "Financial Instruments - Credit Losses: Troubled Debt Restructurings and Vintage Disclosures." The guidance eliminates the accounting guidance for troubled debt restructurings (TDRs) by creditors while enhancing disclosure requirements for certain loan refinancings and restructurings when a borrower is experiencing financial difficulty. The creditor will have to apply the guidance to determine whether a modification results in a new loan or a continuation of an existing loan. In addition to the TDR guidance, the update requires public business entities to disclose current period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of the credit losses standard. These amendments will be effective for the Association at the time of adoption of the measurement of credit losses on financial instruments standard on January 1, 2023.

In January 2021, the Financial Accounting Standards Board (FASB) issued an update to Reference Rate Reform whereby certain derivative instruments may be modified to change the rate used for margining, discounting, or contract price alignment. An entity may elect to apply the new amendments on a full retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or on a prospective basis to new modifications from any date within an interim period that includes or is subsequent to the date of the update, up to the date that financial statements are available to be issued. These amendments do not apply to contract modifications made or new hedging relationships entered into after December 31, 2022, and existing hedging relationships evaluated for effectiveness in periods after December 31, 2022. The Association adopted the guidance in the first quarter of 2021 and the impact was not material to the Association's financial condition or its results of operations.

In March 2020, the FASB issued guidance entitled "Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. The guidance simplifies the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contracts related to the replacement of the reference rate. With respect to hedge accounting, the guidance allows amendment of formal designation and documentation of hedging relationships in certain circumstances as a result of reference rate reform and provides additional expedients for different types of hedges, if certain criteria are met. The optional amendments are effective as of March 12, 2020, through December 31, 2022. The Association applied the optional accounting expedients available under the guidance to debt and derivative contract modifications related to LIBOR transition in the fourth quarter of 2020. The impact of adoption was not material to the Association's financial condition or results of operations. In addition, the Association adopted the optional expedient as it relates to loans during the first quarter of 2021 and the impact of adoption was not material to the Association's financial condition or results of operations.

In December 2019, the FASB issued guidance titled "Simplifying the Accounting for Income Taxes." This guidance eliminates certain intra period tax allocations, foreign deferred tax recognition and interim period tax calculations. In addition, the guidance simplifies disclosure regarding capital and franchise taxes, the allocation of goodwill in business combinations, subsidiary financial statements, and other disclosures. The new guidance is intended to eliminate and/or simplify certain aspects of income tax accounting that are complex or that require significant judgment in application or presentation. The guidance became effective for fiscal years beginning after December 15, 2021. Early adoption of the guidance is permitted and the Association adopted this guidance on January 1, 2020. The adoption of this guidance did not materially impact the Association's financial condition or results of operations; nor did the guidance impact the presentation of taxes for prior periods in the 2021 year-end financial statements.

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

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

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

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

Relationship With the Bank

The Association's financial condition may be impacted by factors that affect the Bank. The financial condition and results of operations of the Bank may materially affect the stockholder's investment in the Association. The Management's Discussion and Analysis and Notes to Financial Statements contained in the 2021 Annual Report of Louisiana Land Bank, ACA more fully describe the Association's relationship with the Bank.

The annual and quarterly stockholder reports of the Bank are available free of charge, upon request. These reports can be obtained by writing to Farm Credit Bank of Texas, Corporate Communications, P.O. Box 202590, Austin, Texas 78720, or by calling (512) 483-9204. The annual and quarterly stockholder reports for the Bank are also available on its website at *www.farmcreditbank.com.*

The Association's quarterly stockholder reports are also available free of charge, upon request. These reports can be obtained by writing to Louisiana Land Bank, ACA, 2413 Tower Drive, Monroe, LA, 71201 or calling 318-387-7535. The annual and quarterly stockholder reports for the Association are also available on its website at *www.louisianalandbank.com.* Copies of the Association's quarterly stockholder reports can also be requested by e-mailing *alyssa.allen@louisianalandbank.com.*

LOUISIANA LAND BANK, ACA

CONSOLIDATED BALANCE SHEETS

		September 30, 2022 (unaudited)		December 31, 2021
ASSETS				
Cash	**$**	**94,840**	$	36,228
Loans		**1,027,225,272**		1,003,680,258
Less: allowance for loan losses		**6,569,160**		6,554,422
Net loans		**1,020,656,112**		997,125,836
Accrued interest receivable		**12,575,008**		9,191,090
Investment in and receivable from the Farm Credit Bank of Texas:				
Capital stock		**15,971,980**		15,971,980
Other		**4,691,719**		2,174,631
Premises and equipment, net		**4,193,360**		4,544,576
Other assets		**1,162,131**		791,970
Total assets	**$**	**1,059,345,150**	$	1,029,836,311
LIABILITIES				
Note payable to the Farm Credit Bank of Texas	**$**	**865,877,615**	$	840,219,583
Accrued interest payable		**1,724,819**		1,404,171
Drafts outstanding		**72,471**		102,601
Patronage distributions payable		**60**		9,736,987
Other liabilities		**7,744,728**		8,313,135
Total liabilities		**875,419,693**		859,776,477
MEMBERS' EQUITY				
Capital stock and participation certificates		**2,978,470**		2,978,915
Unallocated retained earnings		**181,799,946**		167,967,448
Accumulated other comprehensive loss		**(852,959)**		(886,529)
Total members' equity		**183,925,457**		170,059,834
Total liabilities and members' equity	**$**	**1,059,345,150**	$	1,029,836,311

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

LOUISIANA LAND BANK, ACA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2022	2021	**2022**	2021
INTEREST INCOME				
Loans	**$ 11,996,179**	$ 10,504,576	**$ 34,080,877**	$ 30,961,038
INTEREST EXPENSE				
Note payable to the Farm Credit Bank of Texas	**5,137,748**	4,033,722	**13,794,153**	11,804,091
Net interest income	**6,858,431**	6,470,854	**20,286,724**	19,156,947
(REVERSAL OF) PROVISION FOR LOAN LOSSES	**(132,050)**	66,037	**109,564**	177,496
Net interest income after (reversal of) provision for loan losses	**6,990,481**	6,404,817	**20,177,160**	18,979,451
NONINTEREST INCOME				
Income from the Farm Credit Bank of Texas:				
Patronage income	**1,504,169**	1,120,045	**4,444,978**	3,324,716
Loan fees	**(102,116)**	110,437	**111,878**	601,673
Financially related services income	**753**	748	**1,507**	1,522
Gain on sale of premises and equipment, net	**26**	-	**217,142**	1,884
Other noninterest income	**14,801**	4,800	**169,008**	114,062
Total noninterest income	**1,417,633**	1,236,030	**4,944,513**	4,043,857
NONINTEREST EXPENSES				
Salaries and employee benefits	**1,901,890**	2,180,658	**6,669,299**	6,644,045
Directors' expense	**109,062**	70,017	**285,640**	212,748
Purchased services	**88,918**	69,508	**323,087**	284,091
Travel	**184,941**	135,573	**435,060**	331,785
Occupancy and equipment	**182,373**	184,683	**547,892**	546,265
Communications	**51,646**	56,436	**162,762**	190,175
Advertising	**94,394**	87,250	**298,068**	256,188
Public and member relations	**63,932**	42,784	**295,712**	176,999
Supervisory and exam expense	**157,878**	127,420	**567,447**	461,042
Insurance Fund premiums	**438,698**	344,511	**1,311,990**	991,150
Loss on other property owned, net	**-**	5,557	**-**	7,971
Other components of net periodic postretirement benefit cost	**43,428**	43,655	**130,283**	130,966
Other noninterest expense	**70,779**	53,795	**202,511**	164,737
Total noninterest expenses	**3,387,939**	3,401,847	**11,229,751**	10,398,162
Income before income taxes	**5,020,175**	4,239,000	**13,891,922**	12,625,146
(Benefit from) provision for income taxes	**(379)**	(1,426)	**67**	(4,376)
NET INCOME	**5,020,554**	4,240,426	**13,891,855**	12,629,522
Other comprehensive income:				
Change in postretirement benefit plans	**11,190**	15,252	**33,570**	45,756
COMPREHENSIVE INCOME	**$ 5,031,744**	$ 4,255,678	**$ 13,925,425**	$ 12,675,278

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

LOUISIANA LAND BANK, ACA

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

(unaudited)

	Capital Stock/ Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2020	$ 2,873,060	$ 159,797,603	$ (1,007,628)	$ 161,663,035
Comprehensive income	-	12,629,522	45,756	12,675,278
Capital stock/participation certificates and allocated retained earnings issued	368,500	-	-	368,500
Capital stock/participation certificates and allocated retained earnings retired	(271,180)	-	-	(271,180)
Patronage refunds:				
Cash	-	186,981	-	186,981
Balance at September 30, 2021	$ 2,970,380	$ 172,614,106	$ (961,872)	$ 174,622,614
Balance at December 31, 2021	$ 2,978,915	$ 167,967,448	$ (886,529)	$ 170,059,834
Comprehensive income	-	13,891,855	33,570	13,925,425
Capital stock/participation certificates and allocated retained earnings issued	256,850	-	-	256,850
Capital stock/participation certificates and allocated retained earnings retired	(257,295)	-	-	(257,295)
Patronage refunds:				
Cash	-	(59,357)	-	(59,357)
Balance at September 30, 2022	**$ 2,978,470**	**$ 181,799,946**	**$ (852,959)**	**$ 183,925,457**

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

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

The Louisiana Land Bank, ACA (Agricultural Credit Association), referred to as the Association, is a member-owned cooperative that provides credit and credit-related services to or for the benefit of eligible borrowers/stockholders for qualified agricultural purposes. The Association serves the parishes of Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermillion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn in the state of Louisiana. The Association is a lending Association of the Farm Credit System (the System), which was established by Acts of Congress to meet the needs of American agriculture.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of 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, 2021, as contained in the 2021 Annual Report to Stockholders.

In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform with generally accepted accounting principles (GAAP), except for the inclusion of a statement of cash flows. GAAP require a business enterprise that provides a set of financial statements reporting both financial position and results of operations to also provide a statement of cash flows for each period for which results of operations are provided. In regulations issued by FCA, associations have the option to exclude statements of cash flows in interim financial statements. Therefore, the Association has elected not to include a statement of cash flows in these consolidated financial statements. These interim financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021, as contained in the 2021 Annual Report to Stockholders. 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, 2022. Descriptions of the significant accounting policies are included in the 2021 Annual Report to Stockholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In March 2022, the Financial Accounting Standards Board (FASB) issued an update entitled, “Financial Instruments - Credit Losses: Troubled Debt Restructurings and Vintage Disclosures.” The guidance eliminates the accounting guidance for troubled debt restructurings (TDRs) by creditors while enhancing disclosure requirements for certain loan refinancing and restructurings when a borrower is experiencing financial difficulty. The creditor will have to apply the guidance to determine whether a modification results in a new loan or a continuation of an existing loan. In addition to the TDR guidance, the update requires public business entities to disclose current period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of the credit losses standard. These amendments will be effective for the Association at the time of adoption of the measurement of credit losses on financial instruments standard on January 1, 2023.

In January 2021, the Financial Accounting Standards Board (FASB) issued an update to Reference Rate Reform whereby certain derivative instruments may be modified to change the rate used for margining, discounting, or contract price alignment. An entity may elect to apply the new amendments on a full retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or on a prospective basis to new modifications from any date within an interim period that includes or is subsequent to the date of the update, up to the date that financial statements are available to be issued. These amendments do not apply to contract modifications made or new hedging relationships entered into after December 31, 2022, and existing hedging relationships evaluated for effectiveness in periods after December 31, 2022. The Association adopted the guidance in the first quarter of 2021 and the impact was not material to the Association’s financial condition or its results of operations.

In March 2020, the FASB issued guidance entitled “Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. The guidance simplifies the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contracts related to the replacement of the reference rate. With respect to hedge accounting, the guidance allows amendment of formal designation and documentation of hedging relationships in certain circumstances as a result of reference rate reform and provides additional expedients for different types of hedges, if certain criteria are met. The optional amendments are effective as of March 12, 2020, through December 31, 2022.

The Association applied the optional accounting expedients available under the guidance to debt and derivative contract modifications related to LIBOR transition in the fourth quarter of 2020. The impact of adoption was not material to the Association's financial condition or results of operations. In addition, the Association adopted the optional expedient as it relates to loans during the first quarter of 2021 and the impact of adoption was not material to the Association's financial condition or results of operations.

In December 2019, the FASB issued guidance titled "Simplifying the Accounting for Income Taxes." This guidance eliminates certain intra period tax allocations, foreign deferred tax recognition and interim period tax calculations. In addition, the guidance simplifies disclosure regarding capital and franchise taxes, the allocation of goodwill in business combinations, subsidiary financial statements, and other disclosures. The new guidance is intended to eliminate and/or simplify certain aspects of income tax accounting that are complex or that require significant judgment in application or presentation. The guidance became effective for fiscal years beginning after December 15, 2021. Early adoption of the guidance is permitted and the Association adopted this guidance on January 1, 2020. The adoption of this guidance did not materially impact the Association's financial condition or results of operations; nor did the guidance impact the presentation of taxes for prior periods in the 2021 year-end financial statements.

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

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

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

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

The consolidated financial statements comprise the operations of the ACA and its wholly-owned subsidiaries. The preparation of these consolidated financial statements requires the use of management's estimates. The results for the quarter ended September 30, 2022, are not necessarily indicative of the results to be expected for the year ended December 31, 2022. Certain amounts in the prior period's financial statements may have been reclassified to conform to current financial statement presentation.

NOTE 2 — LOANS AND ALLOWANCE FOR LOAN LOSSES:

A summary of loans follows:

Loan Type	**September 30, 2022**	December 31, 2021
Production agriculture:		
Real estate mortgage	**$ 871,813,136**	$ 845,921,789
Production and intermediate term	**69,972,101**	64,560,323
Agribusiness:		
Processing and marketing	**46,615,536**	38,976,394
Farm-related business	**16,584,406**	17,117,007
Loans to cooperatives	**646,036**	14,846,702
Communication	**11,116,038**	11,119,992
Rural residential real estate	**8,009,283**	7,746,666
International	**1,827,118**	1,826,765
Energy	**641,618**	762,818
Water and waste water	**-**	801,802
Total	**$ 1,027,225,272**	$ 1,003,680,258

The Association purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at September 30, 2022:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 45,188,369	$ 16,956,314	$ -	$ -	$ 45,188,369	$ 16,956,314
Agribusiness	20,017,747	99,681,242	-	-	20,017,747	99,681,242
Communication	11,116,038	-	-	-	11,116,038	-
International	1,827,118	-	-	-	1,827,118	-
Energy	641,618	-	-	-	641,618	-
Production and intermediate term	406,123	5,000,000	-	-	406,123	5,000,000
Total	$ 79,197,013	$ 121,637,556	$ -	$ -	$ 79,197,013	$ 121,637,556

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

	September 30, 2022	December 31, 2021
Nonaccrual loans:		
Real estate mortgage	**$ 6,917,098**	$ 1,556,837
Energy	**127,992**	144,421
Production and intermediate term	**26,263**	9,279
Rural residential real estate	**10,021**	12,632
Total nonaccrual loans	**7,081,374**	1,723,169
Accruing restructured loans:		
Real estate mortgage	**3,701,423**	4,361,000
Energy	**-**	-
Production and intermediate term	**-**	-
Rural residential real estate	**121,887**	118,285
Total accruing restructured loans	**3,823,310**	4,479,285
Total nonperforming loans	**10,904,684**	6,202,454
Total nonperforming assets	**$ 10,904,684**	$ 6,202,454

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

- Acceptable – assets are expected to be fully collectible and represent the highest quality;
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness;
- Substandard – assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan;
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable; and
- Loss – assets are considered uncollectible.

The following table shows loans and related accrued interest as a percentage of total loans and related accrued interest receivable by loan type as of:

	September 30, 2022	December 31, 2021
Real estate mortgage		
Acceptable	**98.4** %	98.3 %
OAEM	**0.5**	0.8
Substandard/doubtful	**1.1**	0.9
	100.0	100.0
Production and intermediate term		
Acceptable	**99.9**	99.9
OAEM	**-**	-
Substandard/doubtful	**0.1**	0.1
	100.0	100.0
Agribusiness		
Acceptable	**98.6**	97.1
OAEM	**-**	1.6
Substandard/doubtful	**1.4**	1.3
	100.0	100.0
Energy and water/waste water		
Acceptable	**80.1**	90.8
OAEM	**-**	-
Substandard/doubtful	**19.9**	9.2
	100.0	100.0
Communication		
Acceptable	**100.0**	100.0
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0	100.0
Rural residential real estate		
Acceptable	**97.0**	97.0
OAEM	**-**	1.5
Substandard/doubtful	**3.0**	1.5
	100.0	100.0
International		
Acceptable	**100.0**	100.0
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0	100.0
Total loans		
Acceptable	**98.5**	98.3
OAEM	**0.4**	0.8
Substandard/doubtful	**1.1**	0.9
	100.0 %	100.0 %

The following tables provide an age analysis of past due loans (including accrued interest) as of:

September 30, 2022	**30-89 Days Past Due**	**90 Days or More Past Due**	**Total Past Due**	**Not Past Due or Less Than 30 Days Past Due**	**Total Loans**	**Recorded Investment >90 Days and Accruing**
Real estate mortgage	**$ 945,509**	**$ 409,235**	**$ 1,354,744**	**$ 881,036,486**	**$ 882,391,230**	**$ -**
Production and intermediate term	**158,876**	**26,263**	**185,139**	**71,005,619**	**71,190,758**	**-**
Processing and marketing	**-**	**-**	**-**	**47,240,216**	**47,240,216**	**-**
Farm-related business	**-**	**-**	**-**	**16,691,220**	**16,691,220**	**-**
Loans to cooperatives	**-**	**-**	**-**	**654,193**	**654,193**	**-**
Communication	**-**	**-**	**-**	**11,117,629**	**11,117,629**	**-**
Rural residential real estate	**-**	**-**	**-**	**8,038,755**	**8,038,755**	**-**
International	**-**	**-**	**-**	**1,832,529**	**1,832,529**	**-**
Energy	**-**	**-**	**-**	**643,750**	**643,750**	**-**
Water and waste water	**-**	**-**	**-**	**-**	**-**	**-**
Total	**$ 1,104,385**	**$ 435,498**	**$ 1,539,883**	**$ 1,038,260,397**	**$ 1,039,800,280**	**$ -**

December 31, 2021	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	$ 971,570	$ 436,487	$ 1,408,057	$ 852,256,511	$ 853,664,568	$ -
Production and intermediate term	-	-	-	65,561,798	65,561,798	-
Processing and marketing	-	-	-	39,140,946	39,140,946	-
Farm-related business	-	-	-	17,246,007	17,246,007	-
Loans to cooperatives	-	-	-	14,966,818	14,966,818	-
Communication	-	-	-	11,120,633	11,120,633	-
Rural residential real estate	12,632	-	12,632	7,763,384	7,776,016	-
International	-	-	-	1,828,845	1,828,845	-
Energy	-	-	-	763,879	763,879	-
Water and waste water	-	-	-	801,838	801,838	-
Total	$ 984,202	$ 436,487	$ 1,420,689	$ 1,011,450,659	$ 1,012,871,348	$ -

Note: The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges or acquisition costs, and may also reflect a previous direct write-down of the investment.

A restructuring of a debt constitutes a troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Troubled debt restructurings (TDRs) are undertaken in order to improve the likelihood of recovery on the loan and may include, but are not limited to, forgiveness of principal or interest, interest rate reductions that are lower than the current market rate for new debt with similar risk, or significant term or payment extensions.

As of September 30, 2022, the total recorded investment of troubled debt restructured loans was $4,033,790, including $210,480 classified as nonaccrual and $3,823,310 classified as accrual, with no specific allowance for loan losses. As of September 30, 2022 and December 31, 2021 there were no commitments to lend funds to borrowers whose loan terms have been modified in a troubled debt restructuring.

The following tables present additional information regarding troubled debt restructurings, which includes both accrual and nonaccrual loans with troubled debt restructuring designation, that occurred during the nine months ended September 30. The premodification outstanding recorded investment represents the recorded investment of the loans as of the quarter end prior to the restructuring. The post modification outstanding recorded investment represents the recorded investment of the loans as of the quarter end the restructuring occurred.

For the Nine Months Ended September 30, 2022	Premodification Outstanding Recorded Investment	Postmodification Outstanding Recorded Investment
Troubled debt restructurings:		
Real estate mortgage	**$ 1,072,272**	**$ 440,663**
Total	**$ 1,072,272**	**$ 440,663**

For the Nine Months Ended September 30, 2021	Premodification Outstanding Recorded Investment	Postmodification Outstanding Recorded Investment
Troubled debt restructurings:		
Real estate mortgage	$ 1,820,864	$ 1,821,012
Total	$ 1,820,864	$ 1,821,012

In restructurings where principal is forgiven, the amount of the forgiveness is immediately charged off. In restructurings where accrued interest is forgiven, the interest is reversed (if current year interest) or charged off (if prior year interest). Charge-offs recorded at the modification date were $26,782 for the quarter ending September 30, 2022.

The predominant form of concession granted for troubled debt restructuring includes rate reductions and term extensions. At times, these terms might be offset with incremental payments, collateral or new borrower guarantees, in which case the Association assesses all of the modified terms to determine if the overall modification qualifies as a troubled debt restructuring.

There were no loans that met the accounting criteria as a troubled debt restructuring and that occurred within the previous 12 months and for which there was a subsequent payment default during the quarter ended September 30, 2022 and 2021, respectively.

There were no additional commitments to lend to borrowers whose loans have been modified in TDRs at both September 30, 2022 and December 31, 2021.

The following table provides information on outstanding loans restructured in troubled debt restructurings at period end. These loans are included as impaired loans in the impaired loan table at:

	Loans Modified as TDRs		TDRs in Nonaccrual Status*	
	September 30, 2022	December 31, 2021	**September 30, 2022**	December 31, 2021
Real estate mortgage	**$ 3,885,640**	$ 4,664,689	**$ 184,217**	$ 303,689
Production and intermediate term	**26,263**	-	**26,263**	-
Rural residential real estate	**121,887**	118,285	**-**	-
Total	**$ 4,033,790**	$ 4,782,974	**$ 210,480**	$ 303,689

*represents the portion of loans modified as TDRs that are in nonaccrual status

Additional impaired loan information is as follows:

	September 30, 2022			December 31, 2021		
	Recorded Investment	Unpaid Principal Balance[a]	Related Allowance	Recorded Investment	Unpaid Principal Balance[a]	Related Allowance
Impaired loans with a related allowance for credit losses:						
Real estate mortgage	$ 3,064,218	$ 3,086,510	$ 13,784	$ -	$ -	$ -
Production and intermediate term	-	-	-	-	-	-
Energy and water/waste water	127,992	127,992	20,622	144,421	144,421	32,201
Rural residential real estate	-	-	-	-	-	-
Total	$ 3,192,210	$ 3,214,502	$ 34,406	$ 144,421	$ 144,421	$ 32,201
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	$ 7,554,302	$ 7,607,739	$ -	$ 5,917,837	$ 8,921,247	$ -
Production and intermediate term	26,263	27,280	-	9,279	10,708	-
Energy and water/waste water	-	-	-	-	-	-
Rural residential real estate	131,909	131,200	-	130,917	144,288	-
Total	$ 7,712,474	$ 7,766,219	$ -	$ 6,058,033	$ 9,076,243	$ -
Total impaired loans:						
Real estate mortgage	$ 10,618,520	$ 10,694,249	$ 13,784	$ 5,917,837	$ 8,921,247	$ -
Production and intermediate term	26,263	27,280	-	9,279	10,708	-
Energy and water/waste water	127,992	127,992	20,622	144,421	144,421	32,201
Rural residential real estate	131,909	131,200	-	130,917	144,288	-
Total	$ 10,904,684	$ 10,980,721	$ 34,406	$ 6,202,454	$ 9,220,664	$ 32,201

[a] Unpaid principal balance represents the recorded principal balance of the loan.

	For the Three Months Ended				For the Nine Months Ended			
	September 30, 2022		September 30, 2021		September 30, 2022		September 30, 2021	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:								
Real estate mortgage	$ 3,091,919	$ -	$ -	$ -	$ 1,087,329	$ -	$ -	$ -
Production and intermediate term	-	-	-	-	-	-	-	-
Energy and water/waste water	128,438	-	159,213	-	135,772	-	133,382	38
Rural residential real estate	-	-	-	-	-	-	-	-
Total	$ 3,220,357	$ -	$ 159,213	$ -	$ 1,223,101	$ -	$ 133,382	$ 38
Impaired loans with no related allowance for credit losses:								
Real estate mortgage	$ 7,486,460	$ 73,919	$ 6,069,213	$ 62,192	$ 5,426,795	$ 168,133	$ 6,060,369	$ 208,387
Production and intermediate term	18,938	134	33,474	195	6,382	134	33,460	513
Energy and water/waste water	-	-	-	-	-	-	-	-
Rural residential real estate	131,946	5,229	148,307	5,483	126,302	15,687	151,215	16,299
Total	$ 7,637,344	$ 79,282	$ 6,250,994	$ 67,870	$ 5,559,479	$ 183,954	$ 6,245,044	$ 225,199
Total impaired loans:								
Real estate mortgage	$ 10,578,379	$ 73,919	$ 6,069,213	$ 62,192	$ 6,514,124	$ 168,133	$ 6,060,369	$ 208,387
Production and intermediate term	18,938	134	33,474	195	6,382	134	33,460	513
Energy and water/waste water	128,438	-	159,213	-	135,772	-	133,382	38
Rural residential real estate	131,946	5,229	148,307	5,483	126,302	15,687	151,215	16,299
Total	$ 10,857,701	$ 79,282	$ 6,410,207	$ 67,870	$ 6,782,580	$ 183,954	$ 6,378,426	$ 225,237

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

	Real Estate Mortgage	Production and Intermediate Term	Agribusiness	Communications	Energy and Water/Waste Water	Rural Residential Real Estate	International	Total
Allowance for Credit Losses:								
Balance at June 30, 2022	$ 5,419,747	$ 493,817	$ 614,383	$ 39,058	$ 82,903	$ 56,586	$ 800	$ 6,707,294
Charge-offs	(25,765)	(1,017)	-	-	-	-	-	(26,782)
Recoveries	(459)	1,429	-	-	-	(970)	-	-
Provision for (reversal of) loan losses	(103,536)	(7,500)	(10,265)	(1,535)	(7,999)	(965)	(250)	(132,050)
Other	521	18,351	1,676	150	-	-	-	20,698
Balance at September 30, 2022	$ 5,290,508	$ 505,080	$ 605,794	$ 37,673	$ 74,904	$ 54,651	$ 550	$ 6,569,160
Balance at December 31, 2021	$ 5,312,536	$ 497,018	$ 599,605	$ 36,694	$ 54,222	$ 53,955	$ 392	$ 6,554,422
Charge-offs	(114,578)	(1,017)	-	-	-	-	-	(115,595)
Recoveries	17,326	1,429	-	-	-	-	-	18,755
Provision for (reversal of) loan losses	75,148	6,137	5,781	962	20,682	696	158	109,564
Other	76	1,513	408	17	-	-	-	2,014
Balance at September 30, 2022	$ 5,290,508	$ 505,080	$ 605,794	$ 37,673	$ 74,904	$ 54,651	$ 550	$ 6,569,160
Ending Balance:								
Individually evaluated for impairment	$ 13,784	$ -	$ -	$ -	$ 20,622	$ -	$ -	$ 34,406
Collectively evaluated for impairment	5,276,724	505,080	605,794	37,673	54,282	54,651	550	6,534,754
Balance at September 30, 2022	$ 5,290,508	$ 505,080	$ 605,794	$ 37,673	$ 74,904	$ 54,651	$ 550	$ 6,569,160
Balance at June 30, 2021	$ 5,272,111	$ 464,291	$ 578,080	$ 34,821	$ 59,952	$ 52,867	$ 134	$ 6,462,256
Charge-offs	(56,531)	-	-	-	-	-	-	(56,531)
Recoveries	-	-	-	-	-	-	-	-
Provision for (reversal of) loan losses	20,677	49,463	1,668	323	(6,537)	394	49	66,037
Other	1,238	14,071	10,206	208	-	-	-	25,723
Balance at September 30, 2021	$ 5,237,495	$ 527,825	$ 589,954	$ 35,352	$ 53,415	$ 53,261	$ 183	$ 6,497,485
Balance at December 31, 2020	$ 5,218,575	$ 460,013	$ 573,863	$ 34,045	$ 13,751	$ 52,362	$ -	$ 6,352,609
Charge-offs	(64,756)	-	-	-	-	-	-	(64,756)
Recoveries	7,443	1,092	-	-	-	-	-	8,535
Provision for (reversal of) loan losses	75,087	53,829	6,713	1,121	39,664	899	183	177,496
Other	1,146	12,891	9,378	186	-	-	-	23,601
Balance at September 30, 2021	$ 5,237,495	$ 527,825	$ 589,954	$ 35,352	$ 53,415	$ 53,261	$ 183	$ 6,497,485
Ending Balance:								
Individually evaluated for impairment	$ -	$ 46,646	$ -	$ -	$ 38,964	$ -	$ -	$ 85,610
Collectively evaluated for impairment	5,237,495	481,179	589,954	35,352	14,451	53,261	183	6,411,875
Balance at September 30, 2021	$ 5,237,495	$ 527,825	$ 589,954	$ 35,352	$ 53,415	$ 53,261	$ 183	$ 6,497,485

	Real Estate Mortgage	Production and Intermediate Term	Agribusiness	Communications	Energy and Water/Waste Water	Rural Residential Real Estate	International	Total
Recorded Investments in Loans Outstanding:								
Ending Balance at September 30, 2022	$ 882,391,230	$ 71,190,758	$ 64,585,629	$ 11,117,629	$ 643,750	$ 8,038,755	$ 1,832,529	$ 1,039,800,280
Individually evaluated for impairment	$ 10,618,520	$ 26,263	$ -	$ -	$ 127,992	$ 131,909	$ -	$ 10,904,684
Collectively evaluated for impairment	$ 871,772,710	$ 71,164,495	$ 64,585,629	$ 11,117,629	$ 515,758	$ 7,906,846	$ 1,832,529	$ 1,028,895,596
Ending Balance at December 31, 2021	$ 853,664,568	$ 65,561,798	$ 71,353,771	$ 11,120,633	$ 1,565,717	$ 7,776,016	$ 1,828,845	$ 1,012,871,348
Individually evaluated for impairment	$ 5,917,837	$ 9,279	$ -	$ -	$ 144,421	$ 130,917	$ -	$ 6,202,454
Collectively evaluated for impairment	$ 847,746,731	$ 65,552,519	$ 71,353,771	$ 11,120,633	$ 1,421,296	$ 7,645,099	$ 1,828,845	$ 1,006,668,894

NOTE 3 — CAPITAL:

The Association's board of directors has established a Capital Adequacy Plan (Plan) that includes the capital targets that are necessary to achieve the Association's capital adequacy goals as well as the minimum permanent capital standards. The Plan monitors projected dividends, equity retirements and other actions that may decrease the Association's permanent capital. In addition to factors that must be considered in meeting the minimum standards, the board of directors also monitors the following factors: capability of management; quality of operating policies, procedures and internal controls; quality and quantity of earnings; asset quality and the adequacy of the allowance for losses to absorb potential loss within the loan and lease portfolios; sufficiency of liquid funds; needs of the Association's customer base; and any other risk-oriented activities, such as funding and interest rate risk, potential obligations under joint and several liability, contingent and off-balance-sheet liabilities or other conditions warranting additional capital. At least quarterly, management reviews the Association's goals and objectives with the board.

Regulatory Capitalization Requirements

Risk-adjusted:	**Regulatory Requirements Including Capital Conservation Buffers**	**As of September 30, 2022**
Common equity tier 1 ratio	7.00%	15.16%
Tier 1 capital ratio	8.50%	15.16%
Total capital ratio	10.50%	15.80%
Permanent capital ratio	7.00%	15.26%
Non-risk-adjusted:		
Tier 1 leverage ratio	5.00%	15.69%
UREE leverage ratio	1.50%	15.41%

The details for the amounts used in the calculation of the regulatory capital ratios as of September 30, 2022:

	Common equity tier 1 ratio	Tier 1 capital ratio	Total capital ratio	Permanent capital ratio
Numerator:				
Unallocated retained earnings	**176,275,640**	**176,275,640**	**176,275,640**	**176,275,640**
Common Cooperative Equities:				
Statutory minimum purchased borrower stock	**2,981,679**	**2,981,679**	**2,981,679**	**2,981,679**
Allowance for loan losses and reserve for credit losses subject to certain limitations	**-**	**-**	**6,869,967**	**-**
Regulatory Adjustments and Deductions:				
Amount of allocated investments in other System institutions	**(15,971,980)**	**(15,971,980)**	**(15,971,980)**	**(15,971,980)**
	163,285,339	**163,285,339**	**170,155,306**	**163,285,339**
Denominator:				
Risk-adjusted assets excluding allowance	**1,092,702,356**	**1,092,702,356**	**1,092,702,356**	**1,092,702,356**
Regulatory Adjustments and Deductions:				
Regulatory deductions included in total capital	**(15,971,980)**	**(15,971,980)**	**(15,971,980)**	**(15,971,980)**
Allowance for loan losses	**-**	**-**	**-**	**(6,683,165)**
	1,076,730,376	**1,076,730,376**	**1,076,730,376**	**1,070,047,211**

	Tier 1 leverage ratio	UREE leverage ratio
Numerator:		
Unallocated retained earnings	**176,275,640**	**176,275,640**
Common Cooperative Equities:		
Statutory minimum purchased borrower stock	**2,981,679**	**-**
Regulatory Adjustments and Deductions:		
Amount of allocated investments in other System institutions	**(15,971,980)**	**(15,971,980)**
	163,285,339	**160,303,660**
Denominator:		
Total Assets	**1,059,441,315**	**1,059,441,315**
Regulatory Adjustments and Deductions:		
Regulatory deductions included in Tier 1 capital	**(18,957,306)**	**(18,957,306)**
	1,040,484,009	**1,040,484,009**

An additional component of equity is accumulated other comprehensive loss, which is reported net of taxes, is as follows:

Accumulated Other Comprehensive Loss		
September 30, 2022		**Net of Tax**
Nonpension postretirement benefits	**$**	**(852,959)**
Total	**$**	**(852,959)**

September 30, 2021		Net of Tax
Nonpension postretirement benefits	$	(961,872)
Total	$	(961,872)

The Association's accumulated other comprehensive loss relates entirely to its nonpension other postretirement benefits. Amortization of prior service credit and of actuarial loss are reflected in “Other components of net periodic benefit cost” in the Consolidated Statements of Comprehensive Income. The following table summarizes the change in accumulated other comprehensive loss for the nine months ended September 30:

	2022	2021
Accumulated other comprehensive loss at January 1	**$ (886,529)**	$ (1,007,628)
Amortization of prior service credit included in salaries and employee benefits	**(22,635)**	(22,633)
Amortization of actuarial loss included in salaries and employee benefits	**56,205**	68,389
Other comprehensive income, net of tax	**33,570**	45,756
Accumulated other comprehensive loss at September 30	**$ (852,959)**	$ (961,872)

NOTE 4 — INCOME TAXES:

Louisiana Land Bank, ACA conducts its business activities through two wholly-owned subsidiaries. Long-term mortgage lending activities are conducted through a wholly-owned FLCA subsidiary which is exempt from federal and state income tax. Short- and intermediate-term lending activities are conducted through a wholly-owned PCA subsidiary. The PCA subsidiary and the ACA holding company are subject to income tax. Louisiana Land Bank, ACA operates as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, under specified conditions, Louisiana Land Bank, ACA can exclude from taxable income amounts distributed as qualified patronage dividends in the form of cash, stock or allocated retained earnings. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage dividends. Deferred taxes are recorded at the tax effect of all temporary differences based on the assumption that such temporary differences are retained by the Association and will therefore impact future tax payments. A valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (more than 50 percent probability), based on management’s estimate, that they will not be realized.

NOTE 5 — FAIR VALUE MEASUREMENTS:

FASB guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 13 to the 2021 Annual Report to Stockholders for a more complete description.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

September 30, 2022	**Fair Value Measurement Using**			**Total Fair**
	Level 1	**Level 2**	**Level 3**	**Value**
Assets:				
Assets held in nonqualified benefit trusts	**$ 27,110**	**$ -**	**$ -**	**$ 27,110**

December 31, 2021	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Assets:				
Assets held in nonqualified benefit trusts	$ 28,641	$ -	$ -	$ 28,641

Assets and liabilities measured at fair value on a nonrecurring basis for each of the fair value hierarchy values are summarized below:

September 30, 2022	**Fair Value Measurement Using**			**Total Fair**
	Level 1	**Level 2**	**Level 3**	**Value**
Assets:				
Loans*	**$ -**	**$ -**	**$ 3,157,804**	**$ 3,157,804**

December 31, 2021	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Assets:				
Loans*	$ -	$ -	$ 112,220	$ 112,220

*Represents the fair value of certain loans that were evaluated for impairment under the authoritative guidance "Accounting by Creditors for Impairment of a Loan." The fair value was based upon the underlying collateral since these were collateral-dependent loans for which real estate is the collateral.

Valuation Techniques

As more fully discussed in Note 13 to the 2021 Annual Report to Stockholders, authoritative guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a brief summary of the valuation techniques used for the Association's assets and liabilities. For a more complete description, see Notes to the 2021 Annual Report to Stockholders.

Assets Held in Nonqualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Standby Letters of Credit

The fair value of letters of credit approximate the fees currently charged for similar agreements or the estimated cost to terminate or otherwise settle similar obligations.

Loans Evaluated for Impairment

For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but in many cases it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

Other Property Owned

Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of the other property owned involves the use of independent appraisals and other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. As a result, these fair value measurements fall within Level 3 of the hierarchy.

Cash

For cash, the carrying amount is a reasonable estimate of fair value.

Loans

Fair value is estimated by discounting the expected future cash flows using the Associations' current interest rates at which similar loans would be made to borrowers with similar credit risk. The discount rates are based on the Associations' current loan origination rates as well as management's estimates of credit risk. Management has no basis to determine whether the fair values presented would be indicative of the value negotiated in an actual sale and could be less.

For purposes of estimating fair value of accruing loans, the loan portfolio is segregated into pools of loans with homogeneous characteristics. Expected future cash flows, primarily based on contractual terms, and interest rates reflecting appropriate credit risk are separately determined for each individual pool.

The fair value of loans in nonaccrual status that are current as to principal and interest is estimated as described above, with appropriately higher interest rates which reflect the uncertainty of continued cash flows. For collateral-dependent impaired loans, it is assumed that collection will result only from the disposition of the underlying collateral.

Commitments to Extend Credit

The fair value of commitments is estimated using the fees currently charged for similar agreements, taking into account the remaining terms of the agreements and the creditworthiness of the counterparties. For fixed-rate loan commitments, estimated fair value also considers the difference between current levels of interest rates and the committed rates.

NOTE 6 — EMPLOYEE BENEFIT PLANS:

The following table summarizes the components of net periodic benefit costs of nonpension other postretirement employee benefits for the three and nine months ended September 30:

Three months ended September 30:

	Other Benefits	
	2022	2021
Service cost	**$ 17,799**	$ 19,152
Interest cost	**32,239**	28,402
Amortization of prior service credits	**(7,545)**	(7,544)
Amortization of net actuarial loss	**18,735**	22,797
Net periodic benefit cost	**$ 61,228**	$ 62,807

Nine months ended September 30:

	Other Benefits	
	2022	2021
Service cost	**$ 53,395**	$ 57,457
Interest cost	**96,712**	85,206
Amortization of prior service credits	**(22,635)**	(22,631)
Amortization of net actuarial loss	**56,205**	68,391
Net periodic benefit cost	**$ 183,677**	$ 188,423

The Association's liability for the unfunded accumulated obligation for these benefits at September 30, 2022, was $4,219,688 and is included in other liabilities on the balance sheet.

The components of net periodic benefit cost other than the service cost component are included in the line item "other components of net periodic postretirement benefit cost" in the income statement.

The structure of the District's defined benefit pension plan is characterized as multiemployer since the assets, liabilities and cost of the plan are not segregated or separately accounted for by participating employers (Bank and associations). The Association recognizes its amortized annual contributions to the plan as an expense. The Association contributed $698,293 to the District's defined benefit pension plan in 2021 and expects to contribute $580,358 during 2022. As of September 30, 2022, $435,268 of contributions have been made. The Association presently anticipates contributing an additional $145,090 to fund the defined benefit pension plan in.

NOTE 7 — COMMITMENTS AND CONTINGENT LIABILITIES:

The Association is involved in various legal proceedings in the normal course of business. In the opinion of legal counsel and management, there are no legal proceedings at this time that are likely to materially affect the Association. At September 30, 2022, $94,488,604 of commitments and $2,301,014 of commercial letters of credit were outstanding.

NOTE 8 — SUBSEQUENT EVENTS:

The Association has evaluated subsequent events through November 9, 2022, which is the date the financial statements were issued. There are no other significant events requiring disclosure as of November 9, 2022.