DREAM. GROW. THRIVE.

Second Quarter Financial Report 2024-25

As at and for the three and six months ended September 30, 2024

FARM CREDIT CANADA

Table of Contents

Management's Discussion and Analysis

Basis of preparation of financial information 3
Caution regarding forward-looking statements 3
Overview 3
Economic and agriculture industry overview 4
Enterprise risk management 6
Financial performance 6
Financial position 8
Performance against plan 9

Financial Statements

Statement of management responsibility 10
Condensed Consolidated Quarterly Financial Statements 11
Notes to the Condensed Consolidated Quarterly Financial Statements 15

Contact Corporate Communication at communications@fcc-fac.ca for more information

Management's Discussion and Analysis

Basis of preparation of financial information

The following management's discussion and analysis (MD&A) is a summary of the financial position and results of operations of Farm Credit Canada (FCC) and was prepared by management. Pursuant to the authority delegated by FCC's Board of Directors, the MD&A was reviewed and approved for issue by the Audit Committee of the Board on November 21, 2024. The MD&A was prepared in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports.

The MD&A is based on FCC's unaudited condensed consolidated quarterly financial statements (quarterly financial statements) as at and for the three and six months ended September 30, 2024, and may be read in conjunction with the most recent Annual Report and Corporate Plan Summary.[1]

Caution regarding forward-looking statements

The MD&A includes forward-looking financial information based on certain assumptions that reflect management's planned course of action with the most probable set of economic conditions. By nature, assumptions are subject to inherent risks and uncertainties: actual results may vary and the differences may be material. Some factors that could cause differences include changes in general economic and market conditions. Examples of such changes include, but are not limited to, extreme weather conditions, inflationary pressure, interest rates and supply chain challenges.

Overview

FCC is a federal Crown corporation reporting to Canadians and Parliament through the Minister of Agriculture and Agri-Food. FCC provides financing and other services to more than 103,000 customers. We have more than 2,500 employees operating from 103 offices located primarily in rural Canada and the corporate office in Regina, Saskatchewan.

[1] These documents are available at www.fcc-fac.ca/en/about-fcc/governance/reports.html.

Economic and agriculture industry overview[1]

The Canadian agriculture and agri-food sectors are facing challenges in 2024. Elevated interest rates have slowed global economic growth, which combined with large supplies of ag commodities led to downward pressure on most agricultural commodity prices. After reaching a new record and increasing 4.4% in 2023, farm cash receipts are expected to decline 1.9% in 2024.

High demand and low availability of farmland strengthened farmland values as we saw growth of 9.4% in 2023. However, land value appreciation is projected to slow to 5.7% in 2024, due to elevated interest rates and lower farm cash receipts.

Geopolitical risks are significant in global markets. Russia's war against Ukraine and the ongoing conflict in the Middle East could lead to price volatility for agricultural commodities. Grain continues to be exported from the Black Sea despite Russia's exit from the UN Black Sea grain export agreement. However, global shipping companies are avoiding the Red Sea, sailing instead around Africa. The detour adds additional weeks in transit reducing global shipping capacity which increases ocean freight rates.

China announced in September 2024, it was conducting an anti-dumping probe on Canadian canola imports in retaliation to Canada's tax on Chinese electric vehicles. Canola prices are expected to be volatile until China concludes its investigation.

India has made several reversals regarding import restrictions on lentils and peas due to high food inflation and tight domestic supplies. As a result, India has removed all import duties on lentils until March 2025. India also suspended all import restrictions on yellow peas until December 31, 2024. However, rising tensions and a recent sharp drop in food inflation means it's possible the Indian government will reintroduce import restrictions in the near future.

Canada is set to experience a second consecutive year of weak economic expansion, with 2024 gross domestic product (GDP) growth of just 1.2% expected by the Bank of Canada. High interest rates, a softening labour market and loss of household purchasing power are contributing to moderate consumer spending, which accounts for approximately 60% of GDP. Additionally, business investment is being restrained by low sentiment and rising bankruptcies. The Bank of Canada is accordingly loosening monetary policy to provide support to the Canadian economy and is expected to lower interest rates further over the coming quarters.

The transition to a low-carbon economy presents numerous risks and opportunities for Canadian agriculture. New regulations and requirements for large producers to participate in sustainability reporting will encourage innovation and the adoption of sustainability practices. As large suppliers declare net zero commitments, the demand for low carbon products will create new market opportunities for producers who embrace and report on their sustainability efforts. Additionally, anti-greenwashing legislation will ensure that genuine sustainability claims are recognized and valued.

North American port strikes represent a risk to Canadian supply chains. Although work has resumed at these ports, labour disruptions could resume if agreements over wage increases can't be reached. Ultimately, Canadian exporters must deal with concerns of being a reliable supplier to the world market.

Primary production

Total Canadian oilseed and grain production in 2024 is estimated to increase largely due to recoveries in production from the 2023 drought. Although total farm cash receipts for field crops were up 3.9% in 2023, tight grain, oilseed, and pulse production along with lower commodity prices could weigh on crop receipts for 2024, which are projected to decrease 13.1%. Western Canada crop margins in 2024 are projected to remain tight as commodity prices fall. Margins in eastern Canada are also projected to decrease in 2024 and profitability at the farm level will be determined by efficiency and capital costs of each operation.

The 2024 profitability trend is positive for the dairy industry as a growing population has increased demand for dairy products. To meet this demand, the supply of milk increased through additional quotas and incentive days. Lower feed costs and strong cull cow and calf prices are contributing to profitability.

The beef sector was largely profitable in 2023, but drought-stricken areas did face challenges due to feed availability and cost. Despite a profitable environment, the size of the Canadian beef herd reached a three-decade low, while the number of replacement heifers is near an all-time low. It will take multiple years of good weather and high prices to see any rebuilding of the herd. Margins for cow-calf are projected to remain robust in 2024, surpassing the five-year average, supported by strong feeder cattle futures. While feedlot margins have benefited from reduced feed costs, fed cattle prices have not increased as much as steer prices due to already high retail prices and the inability to pass on further increases to consumers. As a result, feedlot profitability remains tight.

[1] References within Economic and agriculture industry overview refer to calendar year.

Considering the challenges experienced because of avian influenza, poultry production in 2023 was strong but is projected to slow in 2024 to the lowest rate of growth in ten years. Tighter household budgets have limited consumer purchases although margins remain positive. Egg production is also on the rebound from lower levels in 2023.

Despite a challenging growing season across Canada, potato farmers produced a record crop in 2023. Potato supplies across North America remain plentiful which has resulted in softer contract prices and contracted volume for the 2024 growing season, resulting in an expected slight decline in profit margins.

Greenhouse vegetable and fresh fruit cash receipts are forecast to increase 6.6% and 3.3%, respectively in 2024, but profitability is expected to continue to be tight as input and labour costs remain high. In addition, the fruit sector has had several challenging growing years that could weigh on farm revenue. Cold stretches during the winter months of 2024 resulted in a large portion of British Columbia's fruit and wine sectors being impacted, resulting in the loss of much of the fruit crops. The closure of a B.C. fruit co-operative this past summer meant lost market opportunities for fruit growers.

In the hog sector, farrow-to-finish margins were under pressure in 2023, particularly in the east due to slaughter capacity issues. Canadian hog margins in 2024 are anticipated to be below breakeven due to soft global demand and a global oversupply of hogs. However, barley and corn prices have declined, partially mitigating profitability pressures.

Agribusiness and agri-food

In the agribusiness sector, inflationary pressures on new equipment along with higher borrowing costs are expected to slow farm equipment sales in 2024. Manufacturers have started to adjust production levels in response to reduced demand. Grain handling volumes and profitability are expected to be strong as current projections indicate 2024 production levels will be above average. Fertilizer prices have declined from their 2022 highs and are projected to ease into the autumn fertilizer season.

Canadian food and beverage manufacturers had a lean year in 2023 as input costs pressured margins, but the overall outlook for 2024 is more positive. Stabilizing, and in some cases falling, input costs are providing optimism for margin improvement.

There are indications the labour market is beginning to ease. Declining job vacancy rates should help relieve wage pressures, although uncertainty remains how changes to the Temporary Foreign Worker Program will impact the availability of workers.

Enterprise risk management

As a financial institution, we take potential risks into account when lending to customers, delivering services, identifying priorities, and developing business strategies and initiatives. Our four major categories of risk are strategic, financial, operational and reputation. Each category has distinct risks that are assessed for likelihood and impact using various tools.

Our Enterprise Risk Management framework provides the governance structure for management of these risks as well as the process to identify, assess and measure, control and mitigate, and monitor and report on risk. We continually improve our enterprise risk management practices and we measure our activities against a formal risk appetite and tolerance statement that defines and measures acceptable risk.

We continue following our Enterprise Risk Management framework as outlined in the annual audited consolidated financial statements for the year ended March 31, 2024.

As a low-carbon economy evolves, there is opportunity for us to support customers in understanding sustainability reporting requirements so that they have access to the right data and information to tell their story. It is essential for us to continue developing new capital and advisory offerings to help customers on their transition journeys, enabling them to not just participate, but thrive in this evolving landscape.

Financial performance

The discussion of net income is a comparison of the results for the three and six months ended September 30, 2024, to the results for the three and six months ended September 30, 2023.

Net income

	Three months ended September 30			Six months ended September 30		
($ millions)	**2024**	2023	Variance	**2024**	2023	Variance
Net interest income	**364**	342	22	**713**	674	39
Provision for credit losses	**(20)**	(27)	7	**(45)**	(27)	(18)
Non-interest income (expense)	**2**	–	2	**12**	(2)	14
Administration expenses	**(147)**	(145)	(2)	**(305)**	(292)	(13)
Net income	**199**	170	29	**375**	353	22

Three months ended September 30

Net income increased by $29 million, a 17% increase compared to the same period in 2023. Higher lending volumes primarily contributed to an increase in net interest income. The lower provision for credit losses was mainly influenced by a smaller quarter-over-quarter increase in the credit risk of existing customers. Non-interest income increased slightly from net unrealized gains on investments through FCC Capital for the three months ended September 2024. Higher administration expenses were led by higher salaries and benefits from additional positions to support business growth and the implementation of strategic initiatives.

Six months ended September 30

Net income increased by $22 million, a 6% increase compared to the same period in 2023. The higher net interest income was due to an increase in volume, offset by a decrease in margin. This was offset by an increased provision for credit losses primarily due to more customers moving into impairment, leading to a higher allowance for credit losses and provision compared to September 2023. Our increased non-interest income was from changes in performance of investments through FCC Capital, largely driven by unrealized gains for the six months ended September 2024. Another source of reduction was higher administration expenses from additional personnel and outsourced workforce costs to support the growth of our business and support for strategic initiatives.

Net interest income, loans receivable and borrowings

Net interest income

($ millions)	Three months ended September 30, 2024	Six months ended September 30, 2024
Year-over-year increase in net interest income due to:		
Increase in volume	**21**	**46**
Increase (decrease) in net interest margin	**1**	**(7)**
Total increase in net interest income	**22**	**39**

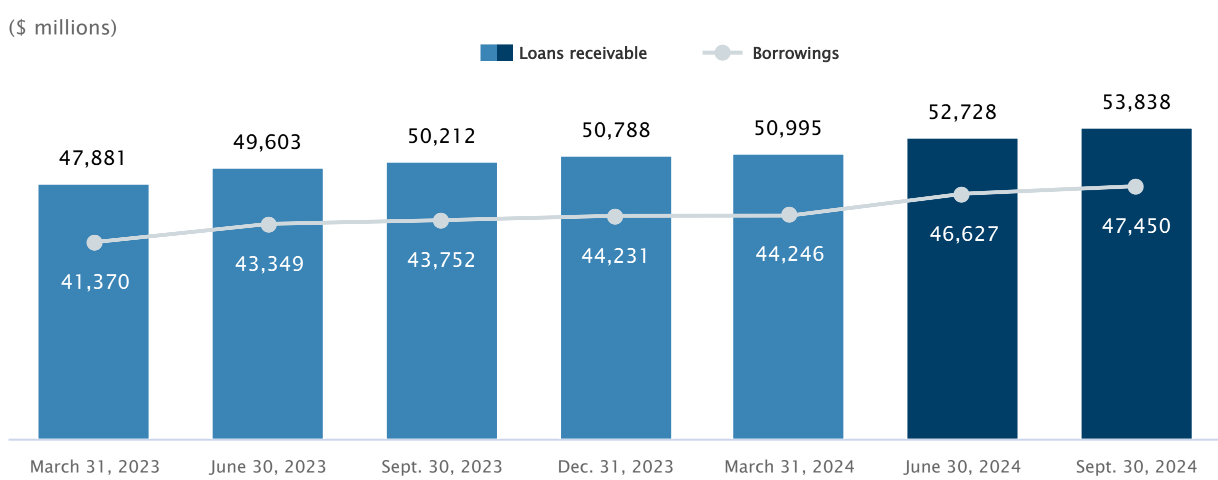
Three months ended September 30

Interest-earning assets grew resulting in a $21 million increase in net interest income. The increased volume was driven by customers securing additional financing for their businesses to invest in equipment and farmland, reacting to farmland values which continue to increase in price aided by the reduction in interest rates. This increase was complemented by a $1 million increase in net interest margin resulting from a favorable shift in portfolio composition and funding.

Six months ended September 30

Interest-earning assets grew resulting in a $46 million increase in net interest income. The increase in volume was evenly distributed between fixed rate lending and variable rate products, with strong gains in the oilseed and grain, agribusiness and agrifood sectors specifically in Ontario and Saskatchewan. This increase was partially offset by a $7 million decrease in net interest margin due to pricing pressure and shifts in portfolio composition driven by the higher interest rate environment.

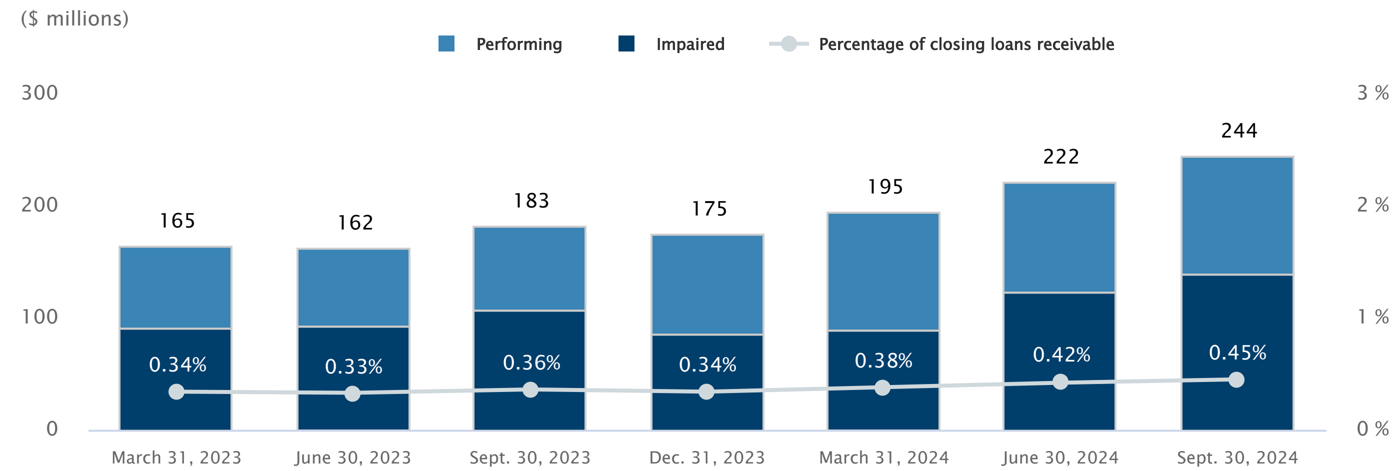
Loans receivable and borrowings



Loans receivable increased 5.6% since March 31, 2024. The largest dollar increase was seen in oilseed and grain lending, driven by capital investments being made by customers largely in land and equipment purchases. Seasonal lending in alliances accounts for most of the growth in this sector, driven by crop input purchases for the 2024 planting season that were higher due to elevated input prices. All industry sectors and geographic regions saw increases except for the hog sector, which decreased compared to March 31, 2024. The hog industry has been challenged by profitability issues, including slaughter capacity constraints and tight margins, leading to delayed investment.

Borrowings increased 7.2% since March 31, 2024. Long-term borrowings provided most of the increase.

Allowance for credit losses and credit quality



Our allowance for credit losses has risen by $49 million since March 31, 2024. The majority of this increase is attributed to impaired loans, which grew by $51 million as customers, from various sectors and geographical locations, sought loan amendments due to financial difficulties and had past-due loan balances. While most sectors have experienced increases in impaired loans, the most significant dollar increases were in the hog and agri-food sectors. The allowance for credit losses on performing loans decreased by $2 million due to annual updates to inputs in our calculation reflecting recent loss experience and forward-looking views, as well as favorable credit risk migration. These decreases were partially offset by net new lending.

Financial position

($ millions)	September 30, 2024	March 31, 2024	Variance
Cash and cash equivalents	**1,695**	1,559	136
Loans receivable – net	**53,594**	50,800	2,794
Other	**1,089**	1,162	(73)
Total assets	**56,378**	53,521	2,857
Borrowings	**47,450**	44,246	3,204
Other	**507**	539	(32)
Total liabilities	**47,957**	44,785	3,172
Equity	**8,421**	8,736	(315)

The loans receivable balance increased and borrowings have increased to fund the growth in loans receivable. For additional details, refer to the loans receivable and borrowings section above. The $73 million decrease in other assets was caused by a decrease in short-term investments. The decrease in equity was primarily related to a $690 million dividend payment made to the Government of Canada on June 25, 2024.

Performance against plan

Key financial measures	2024–25 Plan[1]	2024–25 Actual[2]
Net income	$735M	$375M
Loans receivable growth rate (%)	5.1%	7.2%
Return on equity[3]	8.4%	8.7%
Efficiency ratio[3]	47.5%	42.4%
Total capital ratio[3]	16.6%	15.9%
Administration expenses	$705M	$305M

[1] Plan values are based on the 2025-29 Corporate Plan projected for the year ended March 31, 2025.

[2] Actual values are based on performance for the six months ended September 30, 2024.

[3] These measures may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed in industry. For further details, refer to the non-GAAP measures section of the annual audited financial statements for the year ended March 31, 2024.

Higher-than-plan portfolio growth and additional cost reductions through responsible spending are anticipated to partially offset lower revenues and increased risk. Increased risk, reflected in impairments in the portfolio, is expected to contribute to higher provision for credit losses, which will lower net income and return on equity. Despite higher lending volumes, the impact of the higher-than-plan interest rate environment on customer product selection will contribute to lower margins and revenue. In addition to lowering net income and return on equity, the reduced income will also impact the efficiency ratio.

Although projected to be favourable to plan, our pace of spending on administration expenses is projected to increase over the remainder of the year as we continue to invest in our strategic transformation and support operational growth. This will impact our year-to-date ratios and increase the efficiency ratio closer to our plan and reduce our return on equity to a lower level than plan.

With the recent decline in interest rates, the lower cost of borrowing will alleviate some of the cost pressures customers are currently facing and will allow them to start to find balance between investing in their business and managing cashflows. Our year-to-date loans receivable growth reflects this, and it is expected to continue throughout the remainder of the year.

The total capital ratio will increase throughout the year as we regenerate capital following the June dividend payment. However, with the increase in risk and higher portfolio growth, the capital ratio is projected to end the year just below plan.

Statement of management responsibility

Management is responsible for the preparation and fair presentation of these condensed consolidated quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines are necessary to enable the preparation of condensed consolidated quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the condensed consolidated quarterly financial statements.

Based on our knowledge, these unaudited condensed consolidated quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the condensed consolidated quarterly financial statements.

Justine Hendricks, MBA
President and Chief Executive Officer

Corinna Mitchell-Beaudin, CPA, CA, CFA
Executive Vice-President, Finance

Regina, Canada
November 21, 2024

Consolidated Balance Sheet

(Unaudited) (millions of Canadian dollars)	**As at September 30, 2024**	As at March 31, 2024
Assets		
Cash and cash equivalents	**1,695**	1,559
Short-term investments	**353**	446
Accounts receivable and prepaid expenses	**36**	34
Loans receivable		
Loans receivable – total (Note 2)	**53,838**	50,995
Allowance for credit losses (Note 3)	**(244)**	(195)
Loans receivable – net	**53,594**	50,800
Other loans receivable – net	**9**	21
Investments	**258**	225
Right-of-use assets	**149**	154
Property and equipment	**23**	24
Intangible assets	**7**	9
Post-employment benefit assets	**248**	245
Other assets	**6**	4
Total assets	**56,378**	53,521
Liabilities		
Accounts payable and accrued liabilities	**73**	105
Borrowings		
Short-term debt (Note 4)	**9,404**	8,314
Long-term debt (Note 4)	**38,046**	35,932
Total borrowings	**47,450**	44,246
Transition loan liabilities	**178**	177
Lease liabilities	**153**	158
Post-employment benefit liabilities	**95**	91
Other liabilities	**8**	8
Total liabilities	**47,957**	44,785
Equity		
Retained earnings	**8,421**	8,736
Total equity	**8,421**	8,736
Total liabilities and equity	**56,378**	53,521

The accompanying notes are an integral part of the condensed consolidated quarterly financial statements.

Consolidated Statement of Income

(Unaudited) (millions of Canadian dollars)	For the three months ended **September 30, 2024**	 September 30, 2023	For the six months ended **September 30, 2024**	 September 30, 2023
Interest income	**766**	704	**1,512**	1,356
Interest expense	**(402)**	(362)	**(799)**	(682)
Net interest income	**364**	342	**713**	674
Insurance distribution income	**4**	4	**9**	9
Net (loss) gain from financial instruments carried at fair value[1]	**–**	(3)	**5**	(8)
Other expenses	**(2)**	(1)	**(2)**	(3)
Non-interest income (expense)	**2**	–	**12**	(2)
Total revenue	**366**	342	**725**	672
Provision for credit losses	**(20)**	(27)	**(45)**	(27)
Administration expenses	**(147)**	(145)	**(305)**	(292)
Net income	**199**	170	**375**	353

[1] Comparative figures have been reclassified. See Note 4 in the March 31, 2024 annual report.

The accompanying notes are an integral part of the condensed consolidated quarterly financial statements.

Consolidated Statement of Changes in Equity

For the three months ended September 30

(Unaudited) (millions of Canadian dollars)	**Balance June 30, 2024**	**Net income**	**Dividend paid**	**Balance September 30, 2024**
Contributed capital	–	–	–	–
Retained earnings	**8,222**	**199**	–	**8,421**
Total equity	**8,222**	**199**	–	**8,421**

(Unaudited) (millions of Canadian dollars)	Balance June 30, 2023	Net income	Dividend paid	Balance September 30, 2023
Contributed capital	–	–	–	–
Retained earnings	8,300	170	–	8,470
Total equity	8,300	170	–	8,470

For the six months ended September 30

(Unaudited) (millions of Canadian dollars)	**Balance March 31, 2024**	**Net income**	**Dividend paid**	**Balance September 30, 2024**
Contributed capital	–	–	–	–
Retained earnings	**8,736**	**375**	**(690)**	**8,421**
Total equity	**8,736**	**375**	**(690)**	**8,421**

(Unaudited) (millions of Canadian dollars)	Balance March 31, 2023	Net income	Dividend paid	Balance September 30, 2023
Contributed capital	250	–	(250)	–
Retained earnings	8,327	353	(210)	8,470
Total equity	8,577	353	(460)	8,470

The accompanying notes are an integral part of the condensed consolidated quarterly financial statements.

Consolidated Statement of Cash Flows

(Unaudited) (millions of Canadian dollars)	For the three months ended September 30, 2024	September 30, 2023	For the six months ended September 30, 2024	September 30, 2023
Operating activities				
Net income	**199**	170	**375**	353
Adjustments to determine net cash (used in) provided by operating activities:				
Interest income	**(766)**	(704)	**(1,512)**	(1,356)
Interest expense	**402**	362	**799**	682
Provision for credit losses	**20**	27	**45**	27
Net unrealized loss (gain) from financial instruments carried at fair value[1]	**–**	2	**(5)**	11
Depreciation of right-of-use assets[1]	**4**	5	**8**	8
Depreciation of property and equipment[1]	**2**	1	**4**	5
Amortization of intangible assets[1]	**1**	1	**2**	2
Miscellaneous expenses (income)	**23**	(21)	**8**	(3)
Net cash outflow from loans receivable	**(967)**	(447)	**(2,723)**	(2,202)
Net change in other operating assets and liabilities	**12**	(28)	**(34)**	(25)
Interest received	**615**	557	**1,395**	1,217
Interest paid	**(351)**	(313)	**(758)**	(635)
Cash used in operating activities	**(806)**	(388)	**(2,396)**	(1,916)
Investing activities				
Purchase of short-term investments	**(63)**	(268)	**(321)**	(850)
Proceeds from maturity of short-term investments	**224**	167	**411**	499
Repayments from other loans receivable	**–**	–	**13**	–
Acquisition of investments[1]	**(18)**	(19)	**(27)**	(29)
Proceeds from sale and repayment of investments[1]	**–**	1	**1**	4
Purchase of property and equipment	**(2)**	(1)	**(3)**	(3)
Purchase of intangible assets	**–**	(1)	**–**	(1)
Cash provided by (used in) investing activities	**141**	(121)	**74**	(380)
Financing activities				
Long-term debt issued	**2,585**	1,811	**6,317**	5,537
Long-term debt repaid	**(1,763)**	(1,141)	**(3,248)**	(2,744)
Short-term debt issued	**3,190**	3,463	**6,427**	6,885
Short-term debt repaid	**(3,242)**	(3,783)	**(6,333)**	(7,344)
Principal repayment of lease liabilities	**(3)**	(4)	**(7)**	(8)
Dividend paid	**–**	–	**(690)**	(460)
Cash provided by financing activities	**767**	346	**2,466**	1,866
Change in cash and cash equivalents	**102**	(163)	**144**	(430)
Cash and cash equivalents, beginning of period	**1,604**	1,514	**1,559**	1,782
Effects of exchange rate changes on the balances of cash held and due in foreign currencies	**(11)**	3	**(8)**	2
Cash and cash equivalents, end of period	**1,695**	1,354	**1,695**	1,354
Cash and cash equivalents consists of:				
Cash	**1,400**	1,295	**1,400**	1,295
Short-term investments	**295**	59	**295**	59

[1] Comparative figures have been reclassified. See Note 4 in the March 31, 2024 annual report.

The accompanying notes are an integral part of the condensed consolidated quarterly financial statements.

Notes to the Condensed Consolidated Quarterly Financial Statements

(Unaudited)

1. Significant accounting policies

Basis of presentation

These unaudited condensed consolidated quarterly financial statements (quarterly financial statements) comply with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports.

These quarterly financial statements do not include all the information required for complete annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended March 31, 2024.

Unless otherwise stated, the financial statements are presented in millions of Canadian dollars, which is the functional currency of Farm Credit Canada (FCC).

These quarterly financial statements are as at and for the six months ended September 30, 2024, and were approved and authorized for issue by the Audit Committee of the Board of Directors on November 21, 2024.

Accounting policies

The accounting policies adopted in the preparation of these quarterly financial statements are consistent with those followed in the annual audited financial statements for the year ended March 31, 2024.

Material management judgments and estimates

The preparation of the quarterly financial statements requires that management makes judgments, estimates and assumptions concerning the future that affect the reported amounts in the quarterly financial statements and accompanying notes. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these judgments, estimates and assumptions.

For information about the judgments, estimates and assumptions that have the most material effect on the amounts reported in the quarterly financial statements, refer to the respective notes of the annual audited financial statements for the year ended March 31, 2024.

2. Loans receivable – net

	Term to maturity			
	Within 1 year	**1 – 5 years**	**Over 5 years**	**As at September 30, 2024**
Floating	**4,978**	**10,536**	**377**	**15,891**
Fixed	**6,221**	**23,801**	**7,961**	**37,983**
Loans receivable – gross	**11,199**	**34,337**	**8,338**	**53,874**
Deferred loan fees				**(36)**
Loans receivable – total				**53,838**
Allowance for credit losses (Note 3)				**(244)**
Loans receivable – net				**53,594**

	Term to maturity			
	Within 1 year	1 – 5 years	Over 5 years	As at March 31, 2024
Floating	4,099	9,910	284	14,293
Fixed	5,066	22,960	8,709	36,735
Loans receivable – gross	9,165	32,870	8,993	51,028
Deferred loan fees				(33)
Loans receivable – total				50,995
Allowance for credit losses (Note 3)				(195)
Loans receivable – net				50,800

Concentrations of credit risk

Sector distribution

	As at September 30, 2024		As at March 31, 2024	
	Gross	**Impaired**	Gross	Impaired
Oilseed and grain	**17,229**	**182**	16,371	151
Dairy	**7,574**	**89**	7,368	50
Agribusiness	**6,612**	**190**	6,311	153
Beef	**4,551**	**111**	4,318	103
Poultry	**3,585**	**43**	3,341	45
Other	**3,470**	**104**	3,396	68
Agri-food	**2,828**	**238**	2,628	168
Alliances	**2,433**	**32**	1,764	14
Greenhouse	**2,423**	**96**	2,373	89
Hogs	**1,627**	**131**	1,659	27
Fruit	**1,542**	**96**	1,499	89
Total	**53,874**	**1,312**	51,028	957

Geographic distribution

	As at September 30, 2024		As at March 31, 2024	
	Gross	**Impaired**	Gross	Impaired
Ontario	**16,351**	**271**	15,601	149
Saskatchewan	**10,025**	**160**	9,179	127
Alberta	**9,644**	**169**	9,176	156
Quebec	**7,489**	**263**	7,262	217
British Columbia	**4,692**	**280**	4,433	194
Manitoba	**4,002**	**77**	3,781	55
Atlantic	**1,671**	**92**	1,596	59
Total	**53,874**	**1,312**	51,028	957

3. Allowance for credit losses – loans receivable

As at September 30, 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Allowance for credit losses, beginning of year	**34**	**72**	**89**	**195**
Transfer to stage 1	**7**	**(6)**	**(1)**	**–**
Transfer to stage 2	**(4)**	**28**	**(24)**	**–**
Transfer to stage 3	**(1)**	**(12)**	**13**	**–**
Changes due to new loans originated	**18**	**3**	**2**	**23**
Loans receivable derecognized during the period	**(4)**	**(3)**	**(9)**	**(16)**
Net remeasurement of loss allowance	**(15)**	**(12)**	**75**	**48**
Write-offs	**–**	**(1)**	**(5)**	**(6)**
Recoveries of amounts previously written off	**–**	**–**	**–**	**–**
Total allowance	**35**	**69**	**140**	**244**

As at March 31, 2024	Stage 1	Stage 2	Stage 3	Total
Allowance for credit losses, beginning of year	45	29	91	165
Transfer to stage 1	15	(10)	(5)	–
Transfer to stage 2	(25)	101	(76)	–
Transfer to stage 3	(2)	(13)	15	–
Changes due to new loans originated	30	5	15	50
Loans receivable derecognized during the period	(16)	(2)	(13)	(31)
Net remeasurement of loss allowance	(13)	(35)	115	67
Write-offs	–	(3)	(55)	(58)
Recoveries of amounts previously written off	–	–	2	2
Total allowance	34	72	89	195

4. Borrowings

Short-term debt

	As at September 30, 2024	As at March 31, 2024
Government of Canada debt		
Floating-rate borrowings	**559**	413
Fixed-rate borrowings	**7,951**	6,974
	8,510	7,387
Capital markets debt		
USD fixed-rate promissory notes	**894**	927
Total	**9,404**	8,314

Long-term debt

	As at September 30, 2024	As at March 31, 2024
Government of Canada debt		
Floating-rate borrowings	**14,719**	14,055
Fixed-rate borrowings	**23,327**	21,877
Total	**38,046**	35,932