

A Message about Collaboration from the Board of Directors

Hello AgCountry Patrons,

AgCountry Farm Credit Services is committed to delivering top-quality financial solutions for agriculture and rural America. That is why we are pleased to have signed a non-binding Letter of Intent to explore a strategic collaboration with two other Farm Credit associations, Farm Credit Services of America and Frontier Farm Credit, as previously shared in a customer letter. While this strategic undertaking is still in process, we wanted to provide an update via the following question and answer format:

What do you mean by a strategic collaboration?

This collaboration will be a contractual agreement designed to further leverage the three associations' collective strengths and capabilities to create greater value for our member-owners.

What are some of the things that will be shared by the associations in this collaboration?

This collaboration will integrate shared business operations, technology systems, and management teams across the three associations. We expect this integration to allow the three associations to streamline operations and improve the experience for both members and employees.

How will the collaboration be governed?

Each association will continue to have its own Board of Directors, and all participating Boards will work together to facilitate the governance of the collaboration.

What impact will this collaboration have on AgCountry's strategy?

We expect the collaboration will position AgCountry to adapt quickly to the increasing speed and complexity of technological advancements and member expectations. By combining our efforts, we expect to accelerate our current strategic vision beyond what we could achieve on our own.

What does this mean for the AgCountry brand?

The AgCountry brand will continue. We believe our brand and related reputation are of critical importance and value, and we expect this collaboration will allow us to continue to retain, grow, and leverage AgCountry's brand. We will also continue our community involvement and other initiatives that are important to our members.

What does this mean for AgCountry's patronage program?

A key component of our cooperative is our patronage dividend. As a key Board responsibility and decision, each association will retain its ability to declare patronage and determine the amount. We expect the financial benefits of the collaboration will strengthen our ability to provide sustainable patronage dividends.

How is this different than a merger?

It is important to note that this strategic collaboration is a contractual agreement, not a merger. Any party can leave the collaboration. However, by working together, we believe we will be positioned to achieve greater efficiencies and provide more value to our members.

We are excited about the potential of this strategic collaboration with Farm Credit Services of America and Frontier Farm Credit. By working together, we expect to deliver greater service to our members and adapt more quickly to changes in the industry.

While this strategic undertaking is still in process, we are committed to keeping our members informed. Please stay tuned for further updates.



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