

LONE STAR

AG CREDIT

LoneStarAgCredit.com | 800.530.1252

Thoughts From the CEO



We merged with Texas Land Bank on Jan. 1 this year, and our new association now serves 48 counties in Texas, reaching from west of Sweetwater, eastward to the Louisiana border, and extending from central Texas north to the Oklahoma border. With more than \$1.3 billion in assets and \$300 million in capital, Lone Star Ag Credit is now one of the largest Agricultural Credit Associations (ACAs) in Texas, and is well-positioned to meet the needs of its existing and prospective member-stockholders.

Headquartered in Fort Worth, Lone Star Ag Credit recently opened a new Fort Worth credit office, where you can do business face-to-face with us, and we can work out the best financing options available. If you are too busy to come to us, our loan officers at any of our locations will go to you to customize a financing solution for your credit needs.

As a customer of Lone Star Ag Credit, you benefit when your financing cooperative has a good year. It is a pleasure to report that 2013 was indeed a very good year for Lone Star Ag Credit and for the Farm Credit System as a whole. As a result of the cooperative's solid financial performance in 2013, Lone Star Ag Credit distributed \$11.95 million in patronage in April. Over the past decade, Lone Star Ag Credit and Texas Land Bank have paid out more than \$80 million in patronage dividends to member-borrowers on a combined basis.

In 2016, the Farm Credit System will celebrate its 100th anniversary. A century is a long time for any company to remain in business; but in the banking and finance arena, which is particularly sensitive to shifts in the stock market and the general economy, a century of service is a remarkable accomplishment.

The reason for Lone Star's and the Farm Credit System's longevity is simple: Agriculture and rural America need a reliable source of financing, and our cooperatively owned System has continued to meet that need as the most effective way of delivering credit to farmers and ranchers. You can be proud that you are a part of a rural lending co-op that has provided strong value to its owners for nearly a century and looks forward to doing so for many years to come.

Your board of directors and association staff thank you for contributing to the cooperative's success in 2013, and we wish you the very best in 2014.

A handwritten signature in black ink, appearing to read 'Troy Bussmeir', with a long, sweeping horizontal line extending to the right.

Troy Bussmeir
Chief Executive Officer



Part of the
Farm Credit System

LONE STAR AG CREDIT RETURNS \$11.95 MILLION TO STOCKHOLDERS

As a member of the Lone Star Ag Credit cooperative, you are also an owner-stockholder, and you share in the cooperative's success through our patronage program.

At the end of each fiscal year, the member-elected board of directors decides how the cooperative's net income will be distributed in accordance with our bylaws. In April, Lone Star Ag Credit returned \$11.95 million of 2013 earnings in cash to eligible borrowers. This patronage dividend represents 39 percent of the merged association's \$30.7 million net income in 2013 and effectively lowers the interest rate that borrowers paid on their loans last year by 1 percentage point.

The mission of Lone Star Ag Credit is to "build lifetime relationships through financial solutions." At the root of our success is our cooperative structure, which our congressional fathers chose for this system nearly a century ago. As a cooperative, we operate for the benefit of our owners; this enables us to remain the trusted source of rural financing.

When Lone Star Ag Credit grows, you benefit.

Banking at Your Fingertips

Doing business with Lone Star Ag Credit has never been easier!

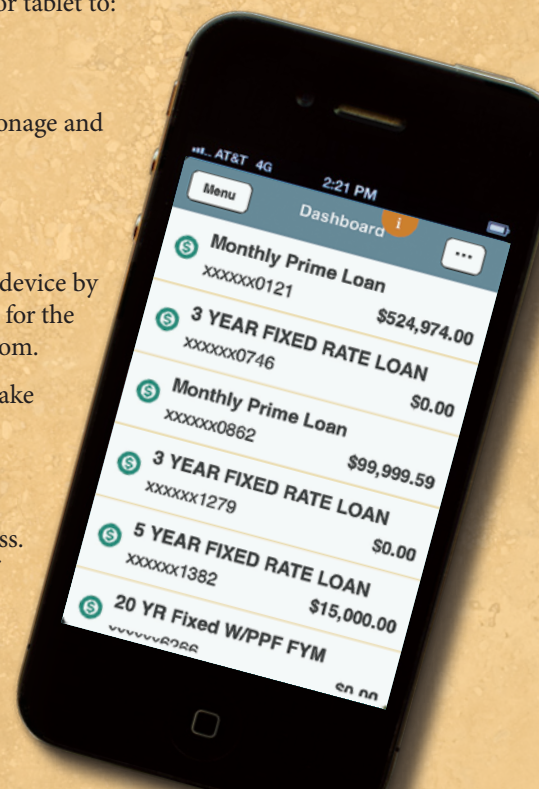
Our **Ag Banking Online** service and new **Ag Banking mobile application** offer two great ways to manage your accounts 24/7, whenever it's most convenient. All it takes is a computer or an Apple or Android smartphone or tablet to:

- **Make loan payments** from your business or personal checking account
- Set up **real-time, future or recurring transactions**
- Track your **account history**, including your loan payments, online transactions, patronage and stock in the association
- Send and receive **secure messages** regarding your accounts
- See **branch locations and hours**

If you already use Ag Banking Online, you can get access to the same features on your mobile device by downloading our free app at the iTunes App Store or the Google Play Store. To use either service for the first time, simply request access through your branch office or online at www.lonestaragcredit.com.

We also offer **Pre-Authorized Installment Drafting (P.A.I.D.)**. Save money on stamps and make your loan payments on time, every time, by setting up this automatic withdrawal service. An electronic draft will draw on your bank account. If the interest rate on your loan changes, you will be notified on a billing notice, and the installment amount will be updated automatically.

Lone Star Ag Credit understands how important your cash flow is to the success of your business. That's why we offer these convenient services to help you manage your financial transactions. If you are not already using one of these products, give us a call to discuss how they might benefit you and your business.



Letha Carmichall Retires With 33 Years of Service

Letha Carmichall, senior loan processor in Lone Star Ag Credit's Cleburne credit office, retired Feb. 28. She joined the FLBA of Cleburne (later part of Lone Star Ag Credit) in 1981 as an office assistant.

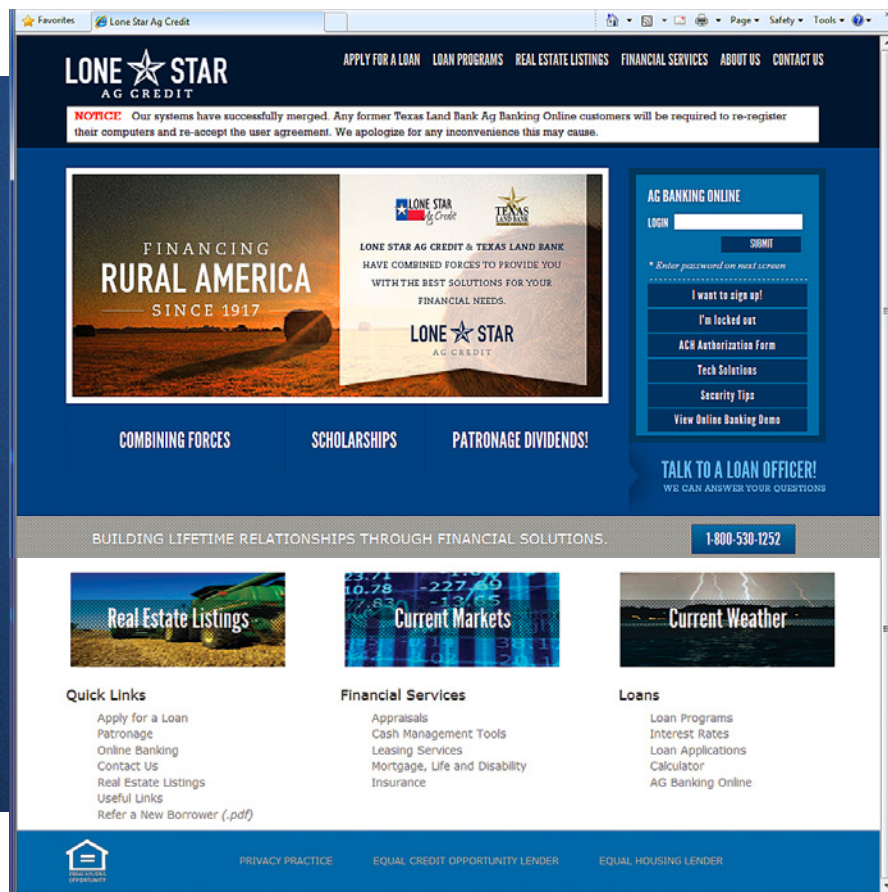
"Letha has been a dedicated employee who has touched the lives of borrowers, employees and friends in the community for more than three decades," said Milton Kasper, Cleburne credit office president.

Letha was honored with a retirement reception in the Cleburne credit office. In her retirement, she looks forward to spending time with her family, friends and especially her granddaughter.

Lone Star Ag Credit thanks Letha for 33 years of service.



Visit us online at LoneStarAgCredit.com.





Lone Star Ag Credit is headquartered in Fort Worth,
with numerous locations in Texas.
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