

Panhandle-Plains LAND BANK, FLCA

panhandle-plainslandbank.com

We Owe Our Success to Our Customers

Dear Stockholder:

On behalf of the entire staff of Panhandle-Plains Land Bank, I want to offer sincere thanks to you, our customer, for the many ways you contribute to this cooperative organization. Without you, Panhandle-Plains Land Bank would not exist or be as successful as it is today.

As a customer and part-owner, you are the reason we're in business. Unlike investor-owned corporations, cooperatives like ours are owned by members. Your ownership in the co-op entitles you to vote in board elections and in other important business matters. If you exercise your right to vote in the association's elections or are willing to serve on our board, we offer an additional thank you. Your involvement is welcome and encouraged. This is your co-op, and we appreciate it when you let your voice be heard.

I also want to thank you for recommending new, high-quality business to us. Although we live in an electronic world, where consumers can find a lender with the click of a mouse, research shows that a personal recommendation by a friend or family member has a big impact when people are making a buying decision. At Panhandle-Plains Land Bank, we take pride in how much of our new business comes from referrals by other customers. You play an important role in our success when you recommend other creditworthy borrowers to us, and through our patronage program, you benefit from that success.

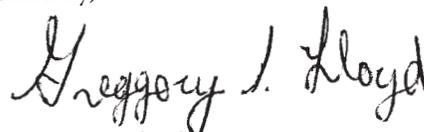
The 2011 patronage was delivered in April; and again this year all \$3.2 million was paid in cash. The association delivered checks at the regional stockholder meetings April 12 and 14; the remaining checks were mailed in mid April.

At Panhandle-Plains Land Bank, we work hard to be the long-term mortgage lender of choice in the Panhandle and South Plains. This single purpose, coupled with excellent retail loan performance by our farmer-rancher members and solid management decisions by the board, have paid off — literally, with our cash patronage — again this year.

All of our achievements translate to more value for our customer-members. The Farm Credit System celebrates its 95th anniversary in 2011, and the nationwide System continues to be the largest provider of credit for agriculture and rural America. I believe our cooperative structure and our extensive expertise in ag lending create a powerful combination that is good for our customers.

Ultimately, however, our success lies with our customer-owners. When you achieve your goals, we celebrate. Together with other agricultural producers and rural landowners, you own this System and you benefit from it. Thanks to you, Farm Credit is still strong after almost a century.

Sincerely,



Greggory S. Lloyd
Chief Executive Officer



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Part of the Farm Credit System

STAYING THE COURSE: 2011 Stockholders' Meetings

Farm Credit institutions like Panhandle-Plains Land Bank stayed true to credit and collateral standards, thus avoiding the same woes as other lenders, Chairman Walter "Rusty" Henson told members at each of the 2011 Stockholders' Meetings.

All of the regional meetings, which were held on April 12 in Perryton and Pampa, and on April 14 in Amarillo and Plainview, were well attended, as stockholders gathered for a meal, conducted association business and collected their cash patronage checks.

Henson provided a report from the board, and gave an overview of 2010 financials and the association's \$3.2 million patronage. He also used the opportunity to explain the association's use of participation loans to diversify the portfolio.

"The board and management's intent is for participation loans, often to agribusiness outside of this area, to generate an income stream sufficient to operate the association," explained Henson. "This will allow us to loan money basically at cost to our local customers."

He went on to say that while several of these loans caused serious problems in 2008 and 2009, overall they have provided a significant part of the association's income. In his closing remarks, Henson elaborated on the benefits of the cooperative system, and introduced the association's new CEO, Gregg Lloyd.

Appointed CEO in June 2010, Lloyd previously had served as chief credit officer since the association's merger in 1997. This year's stockholders' meetings were his first opportunity to address Panhandle-Plains Land Bank customers as CEO.

Lloyd spoke of personal goals for the association and his firm belief in the association's mission statement. He said that Panhandle-Plains Land Bank has a clear commitment to providing superior loan products, patronage and service, and is well established on the course of being the lender of choice for our area. He also provided a review of the association's financials and encouraged stockholders to offer recommendations for the association.

During the meetings, stockholders also re-elected board members Randy Darnell of Amarillo, Danny Krienke of Perryton and Steve Rader of Canadian to three-year terms in their respective regions.



Director Danny Krienke, left, with Wesley Spurlock at the Perryton meeting



Chairman Rusty Henson speaking at the Plainview meeting



Bryan Kirk, left, with Vice President Sandy Judice at the Perryton meeting



Past CEO Robert Williams, center, and his wife, Margaret, catch up with current CEO Gregg Lloyd at the Pampa meeting.



Bryan Bichsel, left, with Director Dennis Babcock at the Amarillo meeting



Tom and Pam Sames register with Panhandle-Plains Land Bank employees Anne Zarbock, Cindy Giebel and Mary Ann Stephens at the Amarillo meeting.



Loan Administrator Loyce Wright, seated, and Doris Eubank at the Pampa meeting



Tony and Jackie Hill with Officer in Charge Blain Eubank, center, at the Pampa meeting

Matt and Tamara Riley Represent Panhandle-Plains Land Bank at Farm Credit Young Leaders Program



Farm Credit Bank of Texas Board Chairman Ralph W. Cortese, right, presents the Farm Credit 2010 Leadership Award to Matt and Tamara Riley.

Last September, Matt and Tamara Riley of Abernathy took a few days out of their busy schedules to learn about Farm Credit. They were among a select group of young agricultural producers chosen to attend the 2010 Farm Credit Young Leaders Program.

During the event, sponsored by the Tenth District Farm Credit Council, participants traveled to Washington, D.C., and New York City for tours, special briefings and meetings with government, Farm Credit System and financial leaders. The group also had a briefing at the Federal Farm Credit Banks Funding Corporation and toured the financial district in New York City.

The program provided the group of Farm Credit borrowers with an up-close view of Farm Credit and gave them an opportunity to interact with decision-makers and Farm Credit System leaders. Matt was impressed with the size and strength of Farm Credit. "I did not realize that Farm Credit provided such a large volume of credit and without direct government funding," said Matt. "The System's ability to withstand economic highs and lows is quite impressive." While in Washington, the Rileys also met with Representative Randy Neugebauer and Senator Kay Bailey Hutchison.

Matt and Tamara have deep roots in the South Plains, and both are graduates of Texas Tech University. Matt farms in the Abernathy area and works in the family's insurance business. Tamara teaches fourth grade reading at Abernathy Elementary School.

The Tenth District Farm Credit Council is the trade association that represents the legislative and regulatory interests of the Farm Credit Bank of Texas and its affiliated institutions throughout Alabama, Louisiana, Mississippi, New Mexico and Texas.

New Staff in Pampa and Amarillo

There have been some changes in Panhandle-Plains' loan officer staff over the past few months. Alan Eubank of the Pampa office accepted a position with a commercial bank in Pampa and departed from the association in February. Alan had been with the association for a number of years and we wish him well.

Blain Eubank, who had been in the Amarillo office since June 2007, accepted the promotion to officer in charge of the Pampa office and officially began February 16. Blain has roots in the Pampa area and is excited about the new responsibility. Blain and Loyce Wright, the loan administrator in Pampa, are ready to take care of existing and new customers.

To fill the loan officer void in Amarillo, the association hired **Trent Tyson**, who began March 1. Trent has nine years of experience with Texas Cattle Feeders Association, where he was the member services manager. He has experience with marketing, administration and field duties, and will no doubt be a good fit in our association. A resident of Canyon, Trent is married to Jandi, a technology integration specialist with the Region 16 Service Center in Amarillo. They have two children, Ben, 7, and Haddie, 4. Trent says that he and Jandi are focused on their kids' activities and spend as much time as possible outside and with their horses.

Trent earned his bachelor's degree in agribusiness/equine industries in 1999 and his master's degree in agribusiness and economics in 2001, both from West Texas A&M University. A native of the New Deal area, he was raised in cotton country and developed a love for livestock. With this background, Trent has hit the ground running in his work with Amarillo staff Steve Donnell, officer in charge, and Kay Lynn McLaughlin, loan officer.

The Amarillo and Pampa offices are ready to serve your long-term credit needs. Stop by and say hi to the new folks.