# *Quarterly Report*

***June 30, 2011***

***Farm Credit Services of Mid-America, ACA***

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## Management's Discussion and Analysis

The following commentary reviews the consolidated financial position and consolidated results of operations of Farm Credit Services of Mid-America, ACA and its subsidiaries. The accompanying consolidated financial statements and notes also contain important information about our financial position and results of operations. Our 2010 annual report should also be read for a description of our organization, operations and significant accounting policies.

AgriBank, FCB's (AgriBank) financial condition and results of operations materially affect shareholders' investment in Farm Credit Services of Mid-America, ACA. To request free copies of the AgriBank and combined AgriBank and Affiliated Associations' financial reports or additional copies of our report contact:

| | |
|---|---|
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## Loan, Investment Securities and Lease Portfolios

Loans, investment securities and lease assets totaled $15.7 billion as of June 30, 2011, a 0.6% increase in volume from year end 2010. The gains can be attributed to a strong agricultural economy; farm real estate sales were the primary source of new loan growth in the commercial farmer market which were offset by continued paydowns. Small, part-time farmer and rural resident lending also showed increased activity in the spring months, but general economic challenges continue to exist.

Total volume by customer segments follows (in billions):

| Market Segment | Gross Farm Income (in thousands) | June 30, 2011 | December 31, 2010 |
|---|---|---|---|
| Commercial Farmers | Over $250 | **$4.1** | $4.0 |
| Full-time Farmers | $100 - $250 | **$1.0** | $1.0 |
| Part-time Farmers | Less than $100 | **$5.7** | $5.7 |
| Rural Home | $0 | **$1.0** | $1.0 |
| Agribusiness | n/a | **$3.9** | $3.9 |
| | | **$15.7** | $15.6 |

**Loan Risk Assets**

The following table summarizes risk assets (accruing volume includes accrued interest receivable) and delinquency information (in thousands):

| As of: | June 30 2011 | December 31 2010 |
|---|---|---|
| Loans: | | |
| Accruing restructured | **$9,789** | $10,150 |
| Past due 90 days or more still accruing | **3,582** | 1,318 |
| Nonaccrual | **303,463** | 275,891 |
| Total risk loans | **316,834** | 287,359 |
| Other property owned | **26,178** | 23,907 |
| Total risk assets | **$343,012** | $311,266 |
| Nonaccrual loans as a % of total loans | **2.1%** | 1.9% |
| Risk loans as a % of total loans | **2.2%** | 2.0% |
| Total delinquencies as a % of total loans | **1.6%** | 1.6% |

Total risk assets increased from December 31, 2010 primarily due to the increase in nonaccrual loans, a result of deterioration of some livestock loans, timber and nursery loans, and part-time farmer loans whose income has been reduced by the general economic slowdown.

While still at a manageable level, total risk assets are higher than management desires.

Based on our analysis, loans past due 90 days or more and still accruing interest were adequately secured and in the process of collection and, as such, were eligible to remain in accruing status.

**Loan Portfolio Credit Quality**

The credit quality of our portfolio has remained stable from December 31, 2010. Adversely classified assets were 4.2% of the portfolio both at June 30, 2011 and at December 31, 2010. Adversely classified assets are those we have identified as showing some credit weakness. We have considered portfolio credit quality in assessing the adequacy of our allowance for loan losses.

**Agricultural and Economic Conditions**

Economic conditions in our territory continue to slowly improve. While unemployment is higher than the national average it is improving. Rising oil prices may affect consumer confidence and the consumer's willingness to spend which could slow economic growth. We expect the portfolio to exhibit continued stress until the general economy and unemployment materially improve.

While residential and commercial agricultural land values have increased over the last decade, agricultural land values escaped the valuation declines that other assets suffered during the recession. This is largely because the agricultural sector, particularly crop production, remained profitable throughout the economic crisis period, and major agricultural lenders such as the Farm Credit System retained the capacity to continue lending for land purchases, unlike lenders to other industrial or consumer sectors. In order to retain the capacity to lend in poor economic environments as well as good ones, our credit risk policies emphasize loan repayment capacity in addition to conservative assessments of collateral values that secure loans. As a result our loan underwriting standards cause us to be conservative when evaluating collateral where land values are rapidly increasing.

**Allowance for Loan Losses**

The allowance for loan losses is an estimate of losses on loans in our portfolio as of the financial statement date. We determine the appropriate level of allowance for loan losses based on periodic evaluation of factors such as loan loss history, portfolio quality and current economic and environmental conditions.

Comparative allowance coverage of various loan categories follows:

| Allowance as a percentage of: | June 30 2011 | December 31 2010 |
|---|---|---|
| Loans | **0.9%** | 0.9% |
| Nonaccrual loans | **42.2%** | 45.6% |
| Total risk loans | **40.4%** | 43.8% |

Our chargeoffs, nonaccrual loans, and adverse loans have been higher than historical averages leading to an increased allowance for loan losses. In our opinion, the allowance for loan losses was adequate in relation to the risk in our loan portfolio at June 30, 2011.

## RESULTS OF OPERATIONS

Net income for the six months ended June 30, 2011, totaled $101.5 million compared to $99.0 million for the same period of 2010. The following table illustrates profitability information:

| As of June 30 | 2011 | 2010 |
|---|---|---|
| Return on average assets | **1.2%** | 1.3% |
| Return on average members' equity | **8.2%** | 8.8% |

The following table summarizes the changes in components of net income for the six months ended June 30, 2011, compared to the same period of 2010 (in thousands):

| Increase (decrease) in net income | 2011 vs 2010 |
|---|---|
| Net interest income[(a)] | **$8,274** |
| Provision for loan losses[(b)] | **20,920** |
| Patronage income | **(750)** |
| Other income, net[(c)] | **(19,657)** |
| Operating expenses[(d)] | **(6,192)** |
| Provision for income taxes | **(80)** |
| Total change in net income | **$2,515** |

[(a)]Net interest income was $153.8 million for the six months ended June 30, 2011. The following table quantifies changes in net interest income for the six months ended June 30, 2011, compared to the same period of 2010 (in thousands):

| Change in net interest income | 2011 vs 2010 |
|---|---|
| Changes in volume | **$11,492** |
| Changes in rates[(e)] | **(3,295)** |
| Changes in nonaccrual income and other | **77** |
| Net change | **$8,274** |

[(b)]The variance in the provision for loan losses reflects our assessment of risk in the portfolio.

[(c)]The decrease in other income is primarily due to our share of distributions received in the first quarter of 2010 from Allocated Insurance Reserve Accounts (AIRA). These reserve accounts were established in previous years by the Farm Credit System Insurance Corporation when premiums collected increased the level of the Insurance Fund beyond the required 2% of insured debt. Increased expenses related to other property owned and decreased fee income also resulted in less other income.

[(d)]The operating expense increases were primarily related to increases in salaries and employee benefits in combination with increased Farm Credit Insurance premiums.

[(e)] Effective February 1, 2011 the interest rate on all direct loans was reduced by 35 basis points, offsetting the effect of the spread increase from 2010 to 2011.

Changes in our return on average assets and return on average members' equity are directly related to the changes in income discussed above, changes in assets discussed in the Loan Portfolio section above and changes in capital discussed in the Funding, Liquidity and Capital section below.

## FUNDING, LIQUIDITY AND CAPITAL

The Farm Credit System is a government-sponsored enterprise that has benefited from broad access to domestic and global capital markets. This access has provided us with a dependable source of competitively priced debt which is critical for supporting our mission of providing credit to agriculture and rural America. On August 5, 2011 Standard and Poor's Rating Services lowered the U.S. government rating to AA+, followed by a similar rating change for the Farm Credit System on August 8, 2011. The impact of these downgrades and any potential future downgrade by other rating agencies on the System's credit ratings, if they were to occur in the future, may increase our borrowing costs and may limit Farm Credit System access to the capital markets, reducing our flexibility to issue debt across the full spectrum of the yield curve.

We maintain a line of credit with AgriBank. Our promissory note matured on April 30, 2011, and was renewed for $16.1 billion with a maturity date of April 30, 2012. The note will be renegotiated at that time. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio which significantly reduces our market interest rate risk.

Total members' equity increased $102.4 million from December 31, 2010, due to net income for the period and an increase in capital stock and participation certificates.

Farm Credit Administration regulations require us to maintain a permanent capital ratio of at least 7%, a total surplus ratio of at least 7% and a core surplus ratio of at least 3.5%. Refer to Note 8 in our 2010 annual report for a more complete description of these ratios. As of June 30, 2011, the ratios were as follows:

- The permanent capital ratio was 14.3%.
- The total surplus ratio was 13.8%.
- The core surplus ratio was 13.8%.

The capital adequacy ratios are directly impacted by the changes in capital as more fully explained above and the changes in assets as further discussed in the Loan Portfolio section above.

# CERTIFICATION

The undersigned certify they have reviewed Farm Credit Services of Mid-America, ACA's June 30, 2011, quarterly report. It has been prepared under the oversight of the audit committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

J. Edward Yanos
Chairperson of the Board
Farm Credit Services of Mid-America, ACA

William L. Johnson
Chief Executive Officer
Farm Credit Services of Mid-America, ACA

Paul Bruce
Chief Financial Officer
Farm Credit Services of Mid-America, ACA

August 9, 2011

## CONSOLIDATED STATEMENTS OF CONDITION

*Farm Credit Services of Mid-America, ACA*

*(Dollars in thousands)*

*(Unaudited)*

| | June 30 2011 | December 31 2010 |
|---|---|---|
| **ASSETS** | | |
| Loans | **$14,108,120** | $14,053,942 |
| Allowance for loan losses | **128,013** | 125,787 |
| Net loans | **13,980,107** | 13,928,155 |
| Investment in AgriBank, FCB | **414,002** | 416,714 |
| Investment securities | **1,346,837** | 1,298,905 |
| Accrued interest receivable | **120,307** | 130,802 |
| Premises and equipment, net | **32,805** | 34,010 |
| Other earning assets | **205,270** | 271,957 |
| Other property owned | **26,178** | 23,907 |
| Assets held for lease, net | **250,398** | 258,375 |
| Other assets | **43,468** | 79,945 |
| Total assets | **$16,419,372** | $16,442,770 |
| **LIABILITIES** | | |
| Note payable to AgriBank, FCB | **$13,695,027** | $13,800,593 |
| Accrued interest payable | **96,091** | 98,291 |
| Net deferred income tax liability | **72,020** | 68,224 |
| Other liabilities | **21,741** | 43,523 |
| Total liabilities | **13,884,879** | 14,010,631 |
| Contingencies and commitments | **--** | -- |
| **MEMBERS' EQUITY** | | |
| Protected members' equity | **--** | 8 |
| Capital stock and participation certificates | **80,787** | 79,957 |
| Unallocated surplus | **2,453,706** | 2,352,174 |
| Total members' equity | **2,534,493** | 2,432,139 |
| Total liabilities and members' equity | **$16,419,372** | $16,442,770 |

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

## CONSOLIDATED STATEMENTS OF INCOME

*Farm Credit Services of Mid-America, ACA*

*(Dollars in thousands)*

*(Unaudited)*

| | *Three Months* | | *Six Months* | |
|---|---|---|---|---|
| *Period ended June 30* | **2011** | 2010 | **2011** | 2010 |
| **Interest income** | **$171,721** | $182,596 | **$345,490** | $364,275 |
| **Interest expense** | **96,100** | 108,660 | **191,680** | 218,739 |
| Net interest income | **75,621** | 73,936 | **153,810** | 145,536 |
| **Provision for (reversal of) loan losses** | **6,963** | (12) | **22,955** | 43,875 |
| Net interest income after provision for loan losses | **68,658** | 73,948 | **130,855** | 101,661 |
| **Other income** | | | | |
| Patronage income | **12,090** | 11,640 | **24,508** | 25,258 |
| Financially related services income | **693** | 1,096 | **951** | 1,766 |
| Fee income | **1,932** | 3,805 | **4,063** | 5,561 |
| Allocated insurance reserve account distribution | **--** | -- | **--** | 14,922 |
| Operating lease income | **2,927** | 2,723 | **6,035** | 5,826 |
| Other property owned income, net | **(2,191)** | (129) | **(2,558)** | (561) |
| Miscellaneous income, net | **(2)** | 653 | **442** | 1,076 |
| Total other income | **15,449** | 19,788 | **33,441** | 53,848 |
| **Operating expense** | | | | |
| Salaries and employees benefits | **16,783** | 15,731 | **34,741** | 31,068 |
| Other operating | **12,105** | 8,702 | **22,659** | 20,140 |
| Total operating expenses | **28,888** | 24,433 | **57,400** | 51,208 |
| Income before income taxes | **55,219** | 69,303 | **106,896** | 104,301 |
| **Provision for income taxes** | **2,380** | 2,118 | **5,364** | 5,284 |
| Net income | **$52,839** | $67,185 | **$101,532** | $99,017 |

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

**CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY**
*Farm Credit Services of Mid-America, ACA*
*(Dollars in thousands)*
*(Unaudited)*

| | Protected Members' Equity | Capital Stock and Participation Certificates | Unallocated Surplus | Total Members' Equity |
|---|---|---|---|---|
| **Balance at December 31, 2009** | $9 | $77,917 | $2,138,222 | $2,216,148 |
| Net income | -- | -- | 99,017 | 99,017 |
| Capital stock/participation certificates issued | -- | 3,199 | -- | 3,199 |
| Capital stock/participation certificates retired | -- | (2,415) | -- | (2,415) |
| **Balance at June 30, 2010** | $9 | $78,701 | $2,237,239 | $2,315,949 |
| **Balance at December 31, 2010** | **$8** | **$79,957** | **$2,352,174** | **$2,432,139** |
| Net income | **--** | **--** | **101,532** | **101,532** |
| Capital stock/participation certificates issued | **--** | **3,298** | **--** | **3,298** |
| Capital stock/participation certificates retired | **(8)** | **(2,468)** | **--** | **(2,476)** |
| **Balance at June 30, 2011** | **$ --** | **$80,787** | **$2,453,706** | **$2,534,493** |

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

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1: Organization and Significant Accounting Policies

Our 2010 annual report contains a description of our organization and operations, significant accounting policies followed, and financial condition and results of operations as of and for the year ended December 31, 2010. These unaudited second quarter 2011 consolidated financial statements should be read in conjunction with the 2010 annual report.

The accompanying consolidated financial statements contain all adjustments necessary for a fair presentation of the interim consolidated financial condition and consolidated results of operations. Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America and the prevailing practices within the financial services industry. The results of the six months ended June 30, 2011, are not necessarily indicative of the results to be expected for the year ended December 31, 2011.

The consolidated financial statements present the consolidated financial results of Farm Credit Services of Mid-America, ACA (the parent) and Farm Credit Services of Mid-America, FLCA and Farm Credit Services of Mid-America, PCA (the subsidiaries). All material intercompany transactions and balances have been eliminated in consolidation.

**Recent Accounting Developments**
In May 2011, the Financial Accounting Standards Board (FASB) issued guidance entitled, “Fair Value Measurement – Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS.” The new guidance results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. The amendments include the following:

- Application of the highest and best use and valuation premise is only relevant when measuring the fair value of nonfinancial assets.
- An exception to the requirement for measuring fair value when a reporting entity manages its financial instruments on the basis of its net exposure, rather than its gross exposure, to market risks such as interest rate risk and credit risk of counterparties.
- Expansion of the disclosures about fair value measurements. New disclosures are required about the use of a nonfinancial asset measured or disclosed at fair value if its use differs from its highest and best use. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed.

The amendments are to be applied prospectively. The amendments are effective during interim and annual periods beginning after December 15, 2011. Early application is not permitted. The adoption of this guidance is not expected to have a significant impact on our financial condition or results of operations, but will result in additional disclosures.

In April 2011, the FASB issued guidance entitled “A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring”. This guidance provides additional clarification to creditors for evaluating whether a modification or restructuring of a receivable is a troubled debt restructuring. The guidance is effective for non-public entities for annual periods ending on or after December 15, 2012, including interim periods within those annual periods. The adoption of this guidance is not expected to have a significant impact on our financial condition or results of operations, but will result in additional disclosures.

In July 2010, the FASB issued guidance on “Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses.” This guidance is intended to provide additional information to assist financial statement users in assessing an entity’s credit risk exposures and evaluating the adequacy of its allowance for credit losses. Existing disclosures are amended to include additional disclosures of financing receivables on a disaggregated basis and also calls for new disclosures. For non-public entities, the disclosures are effective for interim and annual reporting periods ending on or after December 15, 2011. The adoption of this guidance will have no impact on our financial condition or results of operations, but it will result in additional disclosures.

## NOTE 2: Investment Securities

We held investment securities of $1.3 billion at June 30, 2011, and $1.3 billion at December 31, 2010, consisting of loans guaranteed by the Small Business Administration (SBA), Farm Services Administration (FSA), and U.S. Department of Agriculture (USDA). Additionally, we held investments made up of Agricultural and Rural Community bonds (ARC bonds). The investments have been classified as held-to-maturity. The investment portfolio is evaluated for other-than-temporary impairment. To date, we have not recognized any impairment on our investment portfolio.

The following table presents the amortized cost, unrealized gains and losses, and fair value of the investment securities (in thousands):

| | Weighted Average Yield | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value |
|---|---|---|---|---|---|
| **As of June 30, 2011** | | | | | |
| SBA | **2.2%** | **$427,347** | **$7,848** | **$3,169** | **$432,026** |
| FSA | **5.0%** | **89,787** | **2,667** | **166** | **92,288** |
| ARC bonds | **5.7%** | **35,133** | **1,814** | **--** | **36,947** |
| USDA | **2.5%** | **794,570** | **799** | **27,191** | **768,178** |
| Total | **2.7%** | **$1,346,837** | **$13,128** | **$30,526** | **$1,329,439** |
| As of December 31, 2010 | | | | | |
| SBA | 2.3% | $407,234 | $6,939 | $3,052 | $411,121 |
| FSA | 5.2% | 103,555 | 2,942 | 225 | 106,272 |
| ARC bonds | 5.9% | 34,920 | 1,221 | 61 | 36,080 |
| USDA | 2.6% | 753,196 | 715 | 26,921 | 726,990 |
| Total | 2.7% | $1,298,905 | $11,817 | $30,259 | $1,280,463 |

Investment income is recorded in “Interest income” on the Consolidated Statements of Income and totaled $17.7 million for the six month period ended June 30, 2011, and $15.4 million for the six month period ended June 30, 2010.

The following table presents contractual maturities of our investment securities (in thousands):

| **As of June 30, 2011** | **Amortized Cost** |
|---|---|
| Less than one year | **$156** |
| One to five years | **33,212** |
| More than five to ten years | **256,466** |
| More than ten years | **1,057,003** |

A summary of investments in an unrealized loss position presented by the length of time that the investments have been in a continuous unrealized loss position follows (in thousands):

| | **Less than 12 months** | | **More than 12 months** | |
|---|---|---|---|---|
| **As of June 30, 2011** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** |
| SBA | **$57,312** | **$1,088** | **$79,177** | **$2,081** |
| FSA | **2,222** | **34** | **5,133** | **132** |
| USDA | **190,737** | **10,896** | **458,813** | **16,295** |
| Total | **$250,271** | **$12,018** | **$543,123** | **$18,508** |

Unrealized losses associated with investment securities are not considered to be other-than-temporary due to the 100% guarantee of the principal by the U.S government. However, premium paid to purchase the investment is not guaranteed and is amortized over the weighted average maturity of each loan as a reduction to interest income. Repayment of principal is assessed at least quarterly, and any remaining unamortized premium is taken as a reduction to interest income if principal repayment is unlikely, or when a demand for payment is made for the guarantee. At June 30, 2011, most of the $30.5 million unrealized loss represents unamortized premium.

## NOTE 3: Allowance for Loan Losses

A summary of changes in the allowance for loan losses follows (in thousands):

| Six months ended June 30 | **2011** | 2010 |
|---|---|---|
| Balance at beginning of year | **$125,787** | $64,453 |
| Provision for loan losses | **22,955** | 43,875 |
| Loan recoveries | **1,126** | 1,777 |
| Loan chargeoffs | **(21,855)** | (19,373) |
| Balance at end of period | **$128,013** | $90,732 |

Our chargeoffs, nonaccrual loans, and adverse loans have been higher than historical averages leading to an increased allowance for loan losses. The assessment of risk in the portfolio resulted in provision for loan losses of $23.0 million during the first six months of 2011.

The following table presents information concerning risk loans (in thousands):

| As of: | **June 30 2011** | December 31 2010 |
|---|---|---|
| Volume with specific reserves | **$64,623** | $72,801 |
| Volume without specific reserves | **252,211** | 214,558 |
| Total risk loans | **$316,834** | $287,359 |
| Total specific reserves | **$16,237** | $20,418 |
| Six months ended June 30 | **2011** | 2010 |
| Income on accrual risk loans | **$392** | $275 |
| Income on nonaccrual loans | **3,392** | 3,315 |
| Total income on risk loans | **$3,784** | $3,590 |
| Average recorded investment | **$301,990** | $236,194 |

## NOTE 4: Contingencies and Commitments

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the accompanying consolidated financial statements. We do not anticipate any material losses because of these contingencies or commitments.

From time to time, we may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these consolidated financial statements, we were not aware of any such actions that would have a material impact on our financial condition. However, such actions could arise in the future.

## NOTE 5: Fair Value Measurements

The FASB guidance on “Fair Value Measurements and Disclosures” 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. The guidance also establishes a fair value hierarchy, with three levels of inputs that may be used to measure fair value. Refer to Notes 2 and 13 in our 2010 annual report for a more complete description.

We do not have any assets or liabilities measured at fair value on a recurring basis at June 30, 2011, or December 31, 2010. We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis. Information on assets measured at fair value on a non-recurring basis is as follows (in thousands):

| | Fair Value Measurement Using | | | Total Fair Value | Total Gains (Losses) |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | | |
| **June 30, 2011** | | | | | |
| Individually impaired loans | **$ --** | **$50,805** | **$ --** | **$50,805** | **$4,181** |
| Other property owned | **--** | **--** | **27,225** | **27,225** | **(2,168)** |
| December 31, 2010 | | | | | |
| Individually impaired loans | $ -- | $56,111 | $ -- | $56,111 | $4,054 |
| Other property owned | -- | -- | 24,863 | 24,863 | (401) |

**Loans:** Represents the carrying amount and related write-downs of loans which were evaluated for individual impairment based on the appraised value of the underlying collateral. The fair value measurement would fall under level 2 of the hierarchy if the process uses independent appraisals and other market-based information. The fair value measurement would fall under level 3 of the hierarchy if the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral, and other matters. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

**Other Property Owned:** Represents the fair value and related losses of foreclosed assets that were measured at fair value based on the collateral value, which is generally determined using appraisals or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

## NOTE 6: Subsequent Events

We have evaluated subsequent events through August 9, 2011, which is the date the financial statements were available to be issued. There have been no material subsequent events that would require recognition in our quarterly report or disclosure in the Notes to those financial statements.