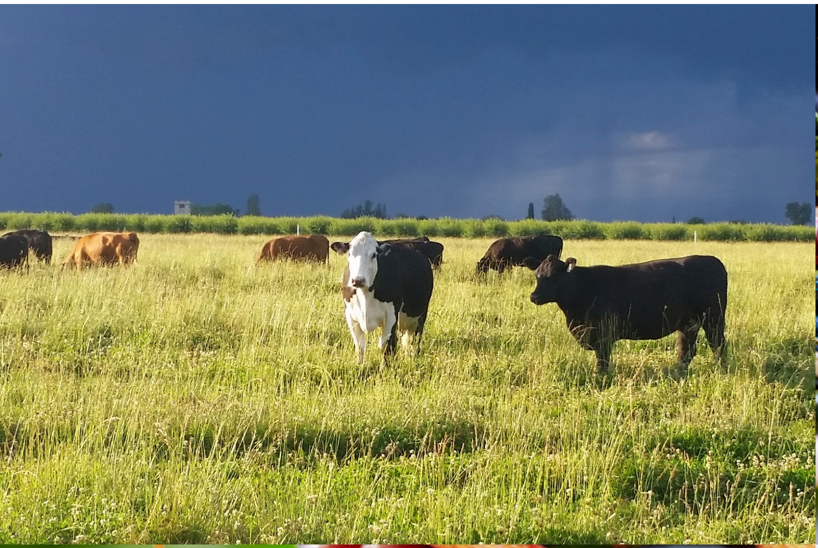
Fresno Madera Farm Credit

Agriculture is our only business

2022 Quarterly Report

June 30, 2022



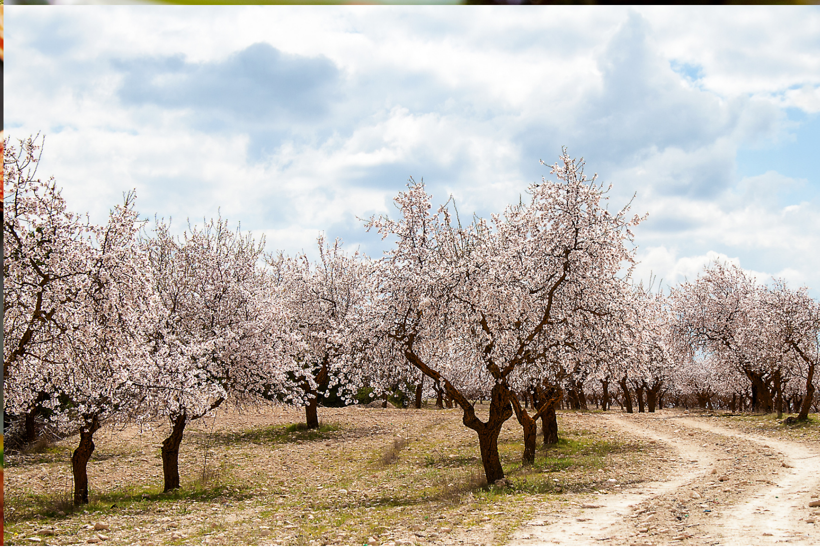


TABLE OF CONTENTS

FRESNO MADERA FARM CREDIT, ACA

2022 QUARTERLY REPORT

JUNE 30, 2022

FRESNO MADERA FARM CREDIT, ACA

2022 QUARTERLY REPORT

JUNE 30, 2022

MESSAGE TO SHAREHOLDERS

August 9, 2022

Dear Member:

These consolidated financial statements reflect the status of the Fresno Madera Farm Credit, ACA and its subsidiaries at the end of the Second Quarter of 2022. Results for interim periods are not necessarily indicative of results to be expected for the year. These financial statements were prepared and reviewed under the oversight of the Association's Audit Committee.

The shareholders' investment in the Association is materially affected by the financial condition and the results of the operation of CoBank. The CoBank, ACB and CoBank District quarterly and annual reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by contacting us at 4635 W. Spruce, P.O. Box 13069, Fresno, California 93794-3069 or by calling (559) 277-7000.

The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.

Sincerely,

Denise Waite
Audit Committee Chair
Fresno Madera Farm Credit, ACA
Fresno Madera PCA, FLCA

Keith Hesterberg
President and Chief Executive Officer
Fresno Madera Farm Credit, ACA
Fresno Madera PCA, FLCA

Joe Soto
Senior Vice President and Chief Financial Officer
Fresno Madera Farm Credit, ACA
Fresno Madera PCA, FLCA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in thousands, except as noted)

RESULTS OF OPERATIONS

Net income for the six months ended June 30, 2022 was $13.3 million compared to $13.2 million from the comparative period in 2021. Our net income is within 1% of prior year reflecting an increase in net interest income and noninterest income, followed by similar increases in noninterest expense and provision for loan losses.

Net Interest Income
Net interest income increased $715 to $18.1 million for the six months ended June 30, 2022 from the comparative period in 2021 primarily due to an increase in average loan volume. Average loan volume during the first six months of 2022 was $1,367 million, an increase of $73 million or 5.7% from $1,294 million for the comparative period in 2021. Net interest margin decreased to 2.65% for the six months of 2022 compared to 2.69% for the comparative period in 2021. The decrease in net interest margin was primarily due to a reduction in interest income recovered on nonaccrual loans, partially offset by higher lending spreads in our loan portfolio.

Noninterest Income
Noninterest income for the six months ended June 30, 2022 was $6.8 million, an increase of $804 or 13% from the comparative period in 2021. The increase in noninterest income is primarily due to a $372 increase in patronage distributions from both CoBank and other Farm Credit associations and a $516 increase in gains recognized from sales of premises and equipment. The increase in noninterest income is also due to a decrease in note payable prepayment fees of $372 resulting from fewer borrower prepayments in 2022 given the increasing rate environment, compared to a lower rate environment during the comparative period in 2021. The increase in noninterest income was partially offset by a decrease of $514 in loan fees, mainly due to no fee income recognized in 2022 associated with the Paycheck Protection Program (PPP), which officially ended on May 31, 2021, compared to $473 recognized in 2021.

Provision for Loan Losses
We monitor the risks within our loan portfolio to determine if any adjustments to our allowance for loan losses are necessary based on our assessment of inherent credit losses at the balance sheet date. We recorded a provision for loan losses for the six months ended June 30, 2022 of $128 compared to a loan loss reversal of $284 for the comparative period in 2021. The increase in our allowance for loan losses is primarily due to an increase in loan volume, which was partially offset by some minor updates to the underlying risk factors utilized for the allowance for loan losses estimate during the first quarter. Comparatively, in 2021 we experienced loan payoffs and loan upgrades, including updating the allowance underlying risk factors.

Noninterest Expense
Noninterest expenses for the six months ended June 30, 2022 increased $1 million or 10%, to $11.5 million compared to the same period in the prior year primarily due to increases in salaries and employee benefits of $202, increase in Farm Credit Insurance Fund premium expense of $278, and an increase in other noninterest expense of $487. These increases represent 94% of the total increase in noninterest expense. Salaries and employee benefits expense increased primarily due to planned increases in staff, in addition to annual merit increases and related increases in accruals of incentive

compensation programs. The increase in the Farm Credit Insurance Fund Premium expense was due to an increase in the premium rate as determined by the Farm Credit Insurance Corporation ("FCSIC"). The increase in other noninterest expense is partially due to an increase of $113 in board honorarium effective June 2021, and an increase in offsite training and travel related expenses of $85 resulting from less COVID-19 restrictions compared to the same period in 2021.

LOAN PORTFOLIO

Loan volume outstanding at June 30, 2022 was $1,375 million, an increase of $24.1 million from total loan volume at December 31, 2021 of $1,351 million. Overall, the increase in loan volume was driven by new loan commitments coupled with increased utilization on revolving lines of credit in the cooperative and real estate segments. This was partially offset by seasonal repayment activity in our production and intermediate term loans.

Allowance for Loan Losses

As of June 30, 2022, the allowance for loan losses was $7.1 million, an increase of $112 from December 31, 2021, while the allowance as a percentage of loans has remained consistent at 0.52% as of June 30, 2022 and December 31, 2021. As noted above, the slight increase in our allowance for loan losses is primarily due to an increase in loan volume partially offset by updating underlying risk factors utilized for the allowance for loan losses estimate during the first quarter.

CAPITAL RESOURCES

The Association continues to have a sound capital position and exceed all regulatory and board minimums. Members' equity at June 30, 2022 was $313.4 million representing an increase of $13.3 million or 4% from December 31, 2021. The increase in Members' equity is attributed to the Association's net operating results.

For additional information, please refer to the "Notes to Consolidated Financial Statements" and the Association's 2021 Annual Report to Shareholders.

COVID-19 PANDEMIC

The Coronavirus Disease 2019 (COVID-19) pandemic is recognized as a global public health crisis that has resulted in unprecedented uncertainty, volatility and disruption in financial markets and in governmental, commercial and consumer activity in the United States and globally, including the markets that the Association serves. While most COVID-19 related restrictions have been lifted, continuation and worsening of COVID-19 could cause reductions in business activity and financial transactions, labor shortages, supply chain interruptions and overall economic and financial market instability.

The U.S. economy continues to be affected by the Federal Reserve's monetary policies initiated during the COVID-19 pandemic. Growth in economic activity and demand for goods and services, alongside labor shortages and supply chain complications, have contributed to rising inflation. In response to increasing inflation rates, the Federal Reserve increased the target federal funds rate by a total of 150 basis points in the first six months of 2022 and recently an additional 75 basis points in July 2022. It is expected that additional rate increases will occur throughout the second half of 2022. Uncertainty remains related to the timing and impact of inflation and rising interest rates, including the effects of any actions taken by governmental authorities to mitigate both the economic and health-related effects of COVID-19.

The long-term impacts of COVID-19 on agriculture and the Association's borrowers are still relatively unknown. The Association will continue to monitor the impact on agricultural commodities and the potential financial impact to our borrowers.

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

	June 30 2022 UNAUDITED	December 31 2021 AUDITED
ASSETS		
Loans	**$ 1,375,467**	$ 1,351,411
Less allowance for loan losses	**7,124**	7,012
Net loans	**1,368,343**	1,344,399
Cash	**6,871**	1,159
Accrued interest receivable	**14,552**	15,078
Investment in CoBank, ACB	**39,833**	40,876
Premises and equipment, net	**7,394**	6,188
Other assets	**14,854**	17,721
Total assets	**$ 1,451,847**	$ 1,425,421
LIABILITIES		
Note payable to CoBank, ACB	**$ 1,077,501**	$ 1,059,017
Funds held	**56,020**	47,066
Accrued interest payable	**886**	309
Patronage distributions payable	**-**	14,121
Other liabilities	**4,064**	4,798
Total liabilities	**1,138,471**	1,125,311
MEMBERS' EQUITY		
Capital stock and participation certificates	**752**	760
Unallocated retained earnings	**312,624**	299,350
Total members' equity	**313,376**	300,110
Total liabilities and members' equity	**$ 1,451,847**	$ 1,425,421

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

CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands)

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	**2022**	2021
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
INTEREST INCOME				
Loans	**$ 12,824**	$ 11,036	**$ 23,645**	$ 21,263
INTEREST EXPENSE				
Note payable to CoBank, ACB	**3,419**	1,926	**5,467**	3,824
Funds held	**53**	11	**54**	30
Total interest expense	**3,472**	1,937	**5,521**	3,854
Net interest income	**9,352**	9,099	**18,124**	17,409
Provision for loan losses (loan loss reversal)	**67**	150	**128**	(284)
Net interest income after provision for loan losses (loan loss reversal)	**9,285**	8,949	**17,996**	17,693
NONINTEREST INCOME				
Patronage distribution from Farm Credit Institutions	**2,011**	1,773	**5,683**	5,311
Financially related services income	**80**	44	**189**	90
Loan fees	**119**	313	**245**	759
Note payable prepayment fees	**-**	(342)	**-**	(372)
Gain on sale of premises and equipment	**-**	14	**562**	46
Other noninterest income	**18**	92	**109**	150
Total noninterest income	**2,228**	1,894	**6,788**	5,984
NONINTEREST EXPENSE				
Salaries and employee benefits	**3,124**	3,020	**6,289**	6,087
Occupancy and equipment	**150**	127	**333**	283
Farm Credit Insurance Fund premium	**616**	370	**1,012**	734
Information technology	**1,147**	1,188	**2,283**	2,274
Supervisory and examination costs	**124**	124	**248**	247
Other noninterest expense	**716**	432	**1,343**	856
Total noninterest expense	**5,877**	5,261	**11,508**	10,481
Income before income taxes	**5,636**	5,582	**13,276**	13,196
Provision for income taxes	**-**	2	**2**	2
Net income	**$ 5,636**	$ 5,580	**$ 13,274**	$ 13,194

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(Dollars in thousands)

UNAUDITED	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Total Members' Equity
Balance at December 31, 2020	$ 757	$ 288,549	$ 289,306
Net income		13,194	13,194
Capital stock and participation certificates issued	40		40
Capital stock and participation certificates retired	(36)		(36)
Balance at June 30, 2021	**$ 761**	**$ 301,743**	**$ 302,504**
Balance at December 31, 2021	$ 760	$ 299,350	$ 300,110
Net income		13,274	13,274
Capital stock and participation certificates issued	27		27
Capital stock and participation certificates retired	(35)		(35)
Balance at June 30, 2022	**$ 752**	**$ 312,624**	**$ 313,376**

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

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Fresno Madera Farm Credit, ACA (ACA) and subsidiaries, Fresno Madera Federal Land Bank Association, FLCA (FLCA) and Fresno Madera Production Credit Association, (PCA) (collectively, the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2021 are contained in the 2021 Annual Report to Shareholders. These unaudited second quarter 2022 consolidated financial statements should be read in conjunction with the 2021 Annual Report to Shareholders.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021 as contained in the 2021 Annual Report to Shareholders.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2022. Descriptions of the significant accounting policies are included in the 2021 Annual Report to Shareholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In March 2022, the Financial Accounting Standards Board (FASB) issued an update entitled "Financial Instruments - Credit Losses: Troubled Debt Restructurings and Vintage Disclosures." The guidance eliminates the accounting guidance for troubled debt restructurings (TDRs) by creditors while enhancing disclosure requirements for certain loan refinancings and restructurings when a borrower is experiencing financial difficulty. The creditor must apply the guidance to determine whether a modification results in a new loan or a continuation of an existing loan. In addition to the TDR guidance, the update requires public business entities to disclose current period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of the credit losses standard. These amendments become effective for the Association at the time of adoption of the measurement of credit losses on financial instruments standard on January 1, 2023.

In June 2016, the FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance was to become effective for interim and annual periods beginning after December 15, 2020, with early application permitted. In November 2019, the FASB issued an update that amends the mandatory effective date for this guidance for certain institutions. The change resulted from a change in the effective date philosophy that extends and simplifies the adoption by staggering the dates between large public entities and other entities. As a result of the change, the new credit loss standard, for those institutions qualifying for the delay, becomes effective for interim and annual reporting periods beginning after December 15, 2022, with early adoption permitted. The Association qualifies for the delay in the adoption date. The Association continues to evaluate the impact of adoption on its financial condition and results of operations.

(Dollars in thousands, except as noted)

2. Loans and Allowance for Loan Losses

A summary of loans follows:

	June 30, 2022	December 31, 2021
Real estate mortgage	**$ 892,979**	$ 881,129
Production and intermediate-term	**254,771**	259,859
Agribusiness:		
Cooperatives	**86,265**	68,930
Processing and marketing	**102,322**	101,080
Farm-related business	**23,358**	22,246
Lease receivables	**15,772**	18,167
Total loans	**$ 1,375,467**	$ 1,351,411

Unamortized deferred loan fees and costs totaled $3.5 million and $3.6 million as of June 30, 2022 and December 31, 2021, respectively.

The Association purchases and sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. The following table presents information regarding participations purchased and sold as of June 30, 2022:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 146,671	$ 211,048	$ -	$ -	$ 146,671	$ 211,048
Production and intermediate-term	17,699	190,794	-	-	17,699	190,794
Agribusiness	169,755	56,350	6,408	-	176,163	56,350
Lease receivables	15,772	-	-	-	15,772	-
Total loans	**$ 349,897**	**$ 458,192**	**$ 6,408**	**$ -**	**$ 356,305**	**$ 458,192**

One credit quality indicator utilized by the Association is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality,
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness,
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan,
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable, and
- Loss – assets are considered uncollectible.

(Dollars in thousands, except as noted)

The following table shows loans and related accrued interest classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	June 30, 2022	December 31, 2021
Real estate mortgage		
Acceptable	**95.88%**	97.04%
OAEM	**2.91%**	1.98%
Substandard	**1.21%**	0.98%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**91.23%**	90.25%
OAEM	**6.16%**	8.38%
Substandard	**2.61%**	1.37%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**96.43%**	90.24%
OAEM	**2.86%**	8.86%
Substandard	**0.71%**	0.90%
Total	**100.00%**	100.00%
Lease receivables		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**95.15%**	94.82%
OAEM	**3.47%**	4.15%
Substandard	**1.38%**	1.03%
Total	**100.00%**	100.00%

(Dollars in thousands, except as noted)

High risk assets consist of impaired loans and other property owned. These nonperforming assets (including related accrued interest) and related credit quality are as follows:

	June 30, 2022	December 31, 2021
Nonaccrual loans:		
Real estate mortgage	**$ 650**	$ 396
Production and intermediate-term	**285**	-
Agribusiness:		
Processing and marketing	**1,445**	1,630
Total nonaccrual loans	**2,380**	2,026
Accruing restructured loans	**-**	-
Accruing loans 90 days past due	**1,906**	-
Other property owned	**-**	-
Total high risk assets	**$ 4,286**	$ 2,026

Additional impaired loan information is as follows:

	June 30, 2022			December 31, 2021		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans with a related allowance for credit losses:						
Production and intermediate-term	$ 209	$ 209	$ 209	$ -	$ -	$ -
Total	209	209	209	-	-	-
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	650	717	-	396	447	-
Production and intermediate-term	76	77	-	-	-	-
Agribusiness:						
Processing and marketing	1,445	1,725	-	1,630	1,863	-
Total	2,171	2,519	-	2,026	2,310	-
Total impaired loans	$ 2,380	$ 2,728	$ 209	$ 2,026	$ 2,310	$ -

(Dollars in thousands, except as noted)

	For the Three Months Ended			
	June 30, 2022		June 30, 2021	
	Average Impaired Loans	**Interest Income Recognized**	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Production and intermediate-term	$ 212	$ -	$ -	$ -
Total	212	-	-	-
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	654	-	1,412	409
Production and intermediate-term	83	-	-	-
Agribusiness:				
Processing and marketing	1,454	-	1,987	131
Total	2,191	-	3,399	540
Total impaired loans	$ 2,403	$ -	$ 3,399	$ 540

	For the Six Months Ended			
	June 30, 2022		June 30, 2021	
	Average Impaired Loans	**Interest Income Recognized**	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Production and intermediate-term	$ 142	$ -	$ -	$ -
Total	142	-	-	-
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	520	-	1,982	411
Production and intermediate-term	49	-	-	-
Agribusiness:				
Processing and marketing	1,490	-	2,189	131
Total	2,059	-	4,171	542
Total impaired loans	$ 2,201	$ -	$ 4,171	$ 542

(Dollars in thousands, except as noted)

The following tables provide an age analysis of past due loans (including accrued interest):

June 30, 2022	**Current Loans**	**30-89 Days Past Due**	**90 Days or More Past Due**	**Total Loans Outstanding**	**Accrual loans 90 days or More Past Due**
Real estate mortgage	$ 902,295	$ 498	$ 2,055	$ 904,848	$ 1,759
Production and intermediate-term	256,100	91	355	256,546	147
Agribusiness	212,490	105	-	212,595	-
Lease receivables	15,894	136	-	16,030	-
Total	$ 1,386,779	$ 830	$ 2,410	$ 1,390,019	$ 1,906

December 31, 2021	Current Loans	30-89 Days Past Due	90 Days or More Past Due	Total Loans Outstanding	Accrual loans 90 days or More Past Due
Real estate mortgage	$ 893,585	$ 271	$ -	$ 893,856	$ -
Production and intermediate-term	261,339	320	-	261,659	-
Agribusiness	192,501	95	-	192,596	-
Lease receivables	18,378	-	-	18,378	-
Total	$ 1,365,803	$ 686	$ -	$ 1,366,489	$ -

(Dollars in thousands, except as noted)

A summary of changes in the allowance for loan losses by loan type is as follows:

For the Three Months Ended June 30, 2022	Real estate mortgage	Production and intermediate-term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Balance at March 31, 2022	$ 584	$ 3,811	$ 2,355	$ 307	$ 7,057
Charge-offs	-	-	-	-	-
Recoveries	-	-	-	-	-
Provision for loan losses (loan loss reversal)	12	534	(413)	(66)	67
Balance at June 30, 2022	$ 596	$ 4,345	$ 1,942	$ 241	$ 7,124

For the Three Months Ended June 30, 2021	Real estate mortgage	Production and intermediate-term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Balance at March 31, 2021	$ 468	$ 3,790	$ 2,153	$ 525	$ 6,936
Charge-offs	-	-	-	-	-
Recoveries	33	-	-	-	33
Provision for loan losses (loan loss reversal)	14	522	(304)	(82)	150
Balance at June 30, 2021	$ 515	$ 4,312	$ 1,849	$ 443	$ 7,119

For the Six Months Ended June 30, 2022	Real estate mortgage	Production and intermediate-term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Balance at December 31, 2021	$ 680	$ 3,943	$ 1,993	$ 396	$ 7,012
Charge-offs	(14)	(2)	-	-	(16)
Recoveries	-	-	-	-	-
Provision for loan losses (loan loss reversal)	(70)	404	(51)	(155)	128
Balance at June 30, 2022	$ 596	$ 4,345	$ 1,942	$ 241	$ 7,124

For the Six Months Ended June 30, 2021	Real estate mortgage	Production and intermediate-term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Balance at December 31, 2020	$ 386	$ 4,874	$ 1,675	$ 435	$ 7,370
Charge-offs	-	-	-	-	-
Recoveries	33	-	-	-	33
Provision for loan losses (loan loss reversal)	96	(562)	174	8	(284)
Balance at June 30, 2021	$ 515	$ 4,312	$ 1,849	$ 443	$ 7,119

(Dollars in thousands, except as noted)

A summary of the allowance for loan losses and period end recorded investment in loans (including accrued interest) is as follows:

	Real estate mortgage	Production and intermediate- term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Ending balance: Allowance individually evaluated for impairment	$ -	$ 209	$ -	$ -	$ 209
Ending balance: Allowance collectively evaluated for impairment	596	4,136	1,942	241	6,915
Balance at June 30, 2022	$ 596	$ 4,345	$ 1,942	$ 241	$ 7,124
Recorded Investments in Loans Outstanding:					
Ending balance: Loans individually evaluated for impairment	$ 650	$ 285	$ 1,445	$ -	$ 2,380
Ending balance: Loans collectively evaluated for impairment	904,198	256,261	211,150	16,030	1,387,639
Balance at June 30, 2022	$ 904,848	$ 256,546	$ 212,595	$ 16,030	$ 1,390,019

	Real estate mortgage	Production and intermediate- term	Agribusiness	Lease receivables	Total
Allowance for Credit Losses:					
Ending balance: Allowance individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -
Ending balance: Allowance collectively evaluated for impairment	680	3,943	1,993	396	7,012
Balance at December 31, 2021	$ 680	$ 3,943	$ 1,993	$ 396	$ 7,012
Recorded Investments in Loans Outstanding:					
Ending balance: Loans individually evaluated for impairment	$ 396	$ -	$ 1,630	$ -	$ 2,026
Ending balance: Loans collectively evaluated for impairment	893,460	261,659	190,966	18,378	1,364,463
Balance at December 31, 2021	$ 893,856	$ 261,659	$ 192,596	$ 18,378	$ 1,366,489

The Association recorded no troubled debt restructurings during the six months ended June 30, 2022.

(Dollars in thousands, except as noted)

3. CAPITAL

A summary of select capital ratios based on a three-month average and minimums set by the Farm Credit Administration follows:

	June 30, 2022	December 31, 2021	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	**16.87%**	**16.74%**	4.50%	2.5%	7.00%
Tier 1 capital ratio	**16.87%**	**16.74%**	6.00%	2.5%	8.50%
Total capital ratio	**17.33%**	**17.21%**	8.00%	2.5%	10.50%
Permanent capital ratio	**16.94%**	**16.81%**	7.00%	-	7.00%
Non-risk-adjusted:					
Tier 1 leverage ratio	**19.22%**	**19.41%**	4.00%	1.00%	5.00%
Unallocated retained earnings and equivalents leverage ratio	**19.16%**	**20.64%**	1.50%	–	1.50%

4. Fair Value Measurements

Accounting guidance 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. Refer to Note 2 in the 2021 Annual Report to Shareholders for a more complete description.

The Association had no assets or liabilities measured at fair value on a recurring or non-recurring basis at June 30, 2022 or December 31, 2021.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through August 9, 2022, which is the date the consolidated financial statements were issued, and no material subsequent events were identified.

Fresno Madera Farm Credit, ACA

Fresno Madera Production Credit Association
Fresno Madera Federal Land Bank Association, FLCA
PO Box 13069 | Fresno, CA 93794-3069
www.fmfarmcredit.com | 559-277-7000