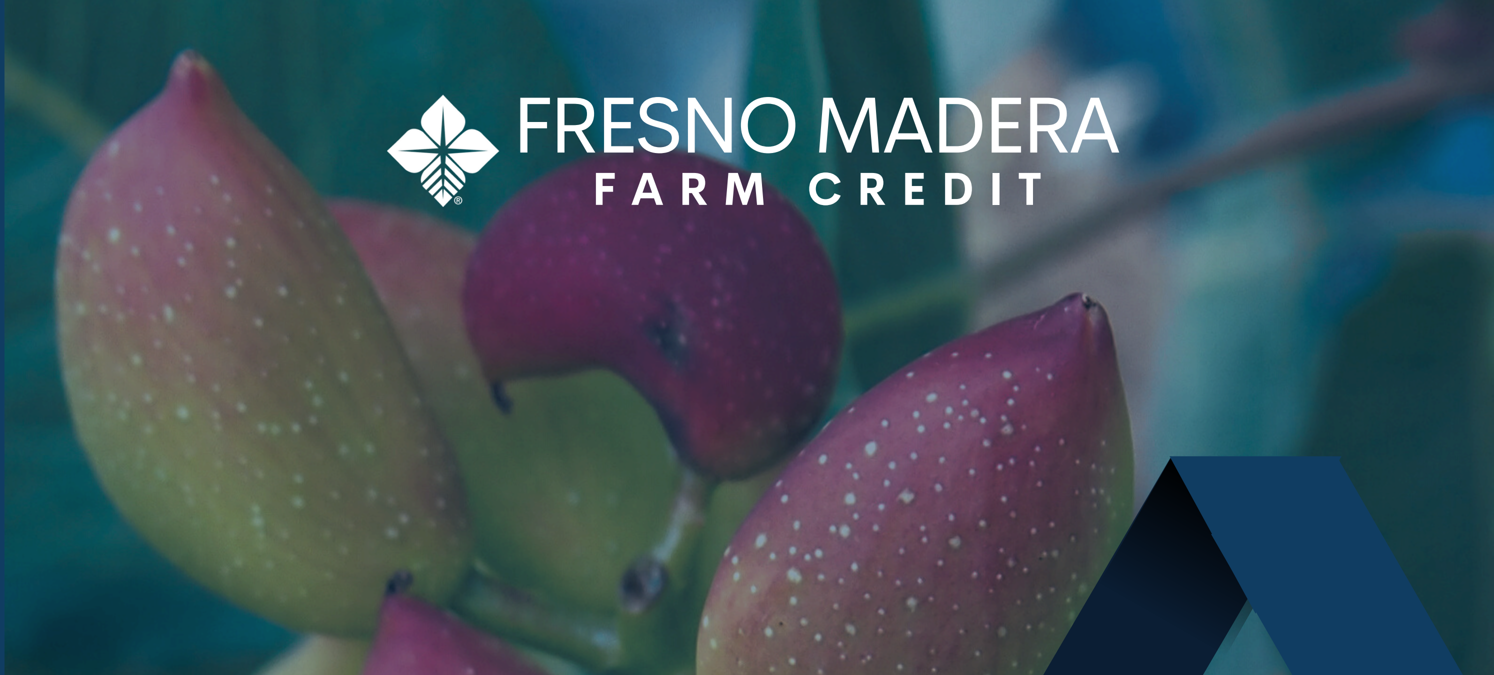
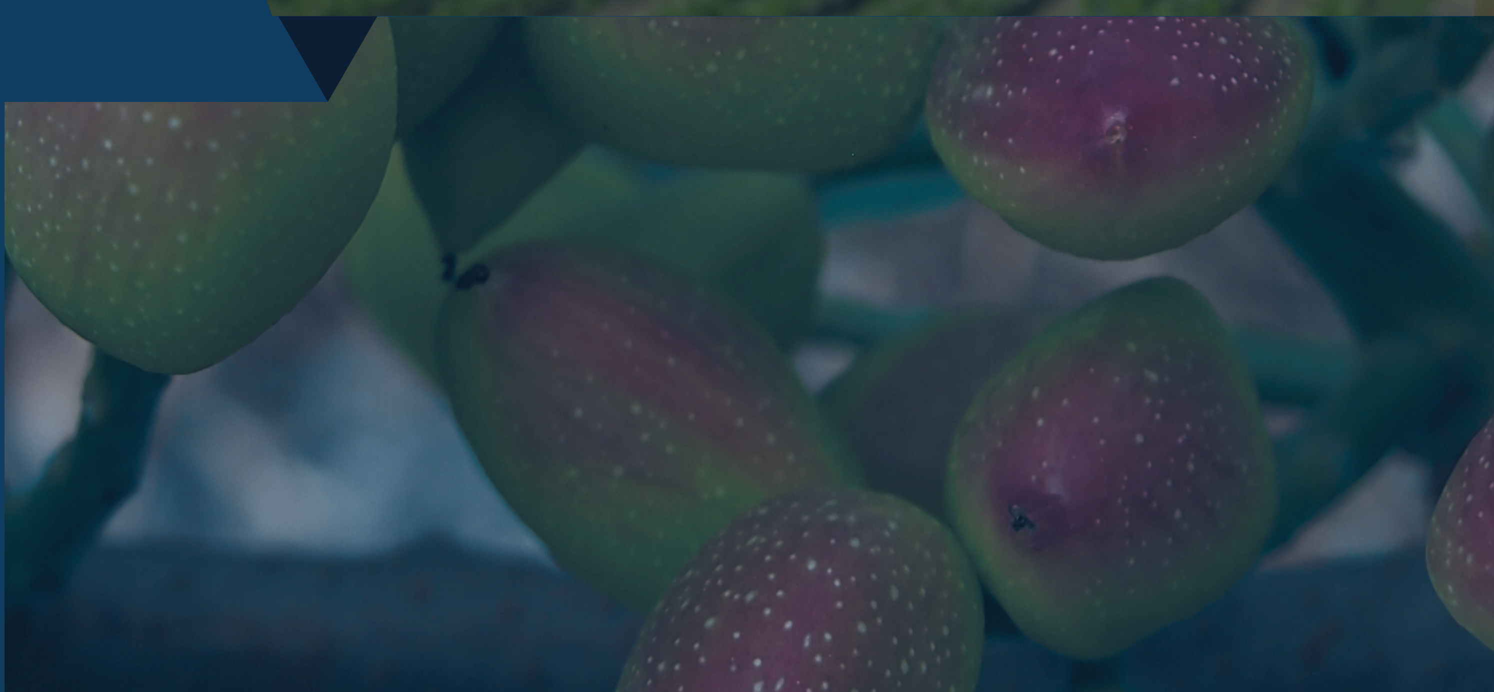
FRESNO MADERA
FARM CREDIT



2024

QUARTERLY REPORT

JUNE 30, 2024



This page is intentionally left blank.

Table of Contents

Fresno Madera Farm Credit, ACA
2024 Quarterly Report
June 30, 2024

Fresno Madera Farm Credit, ACA
2024 Quarterly Report
June 30, 2024

Message to Shareholders

August 8, 2024

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 2024. 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

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

Keith H

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

Marta Decker

Marta Decker
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, 2024 was $14.8 million compared to $13.7 million from the comparative period in 2023. Our net income increased 8.32% from prior year reflecting an increase in net interest income and noninterest income. This was partially offset by an increase in noninterest expense.

Net Interest Income

Net interest income increased $1.6 million to $21.7 million for the six months ended June 30, 2024 from the comparative period in 2023 primarily due to an increase in average loan volume and an increase in earnings from our invested capital resulting from the higher interest rate environment. Average loan volume during the first six months of 2024 was $1.54 billion, an increase of $74.3 million or 5.09% from $1.46 billion for the comparative period in 2023. Net interest margin increased to 2.82% for the first six months of 2024 compared to 2.75% for the comparative period in 2023. The higher net interest margin in the current period was due to an increase in earnings from our invested capital.

Noninterest Income

Noninterest income for the six months ended June 30, 2024 was $7.6 million, an increase of $941 or 14.10% from the comparative period in 2023. The increase in noninterest income was driven by an increase in patronage distributions from both CoBank and other Farm Credit institutions. In addition, the Association received a non-recurring rebate of $444 from the Farm Credit System Insurance Corporation ("FCSIC").

Provision for Credit Losses

We monitor our loan portfolio on a regular basis to determine if any increase through provision for credit losses or decrease through a credit loss reversal in our allowance for credit losses is warranted based on our estimate of credit losses over the remaining expected life of loans. The Association recorded a provision for credit losses for the six months ended June 30, 2024 of $244 compared to $158 for the comparative period in 2023. Our provision is the result of increased loan volume coupled with a slight deterioration of our credit quality.

Noninterest Expense

Noninterest expenses for the six months ended June 30, 2024 increased $1.3 million or 10.25%, to $14.2 million compared to the same period in the prior year primarily due to increases in salaries and employee benefits of $901, and an increase in information technology expense of $451. The increase in salaries and employee benefits expenses was driven by staff additions and higher salaries due to annual merit increases. The increase in information technology was due to higher service charges from our technology provider coupled with increased software licensing fees. This was partially offset by a decrease in Farm Credit System Insurance Corporation premiums attributable to a rate decrease from 18 bps in 2023 to 10 bps in 2024.

LOAN PORTFOLIO

Loan volume outstanding at June 30, 2024 was $1.57 billion, an increase of $5.0 million from total loan volume at December 31, 2023 of $1.56 billion. The increase was due to new loan commitments along with increased utilization on revolving lines of credit across our Processing and Marketing and Communication segments. This was partially offset by increased seasonal repayment activity on our Farm Related Business and Lease participation loans.

Allowance for Credit Losses

As of June 30, 2024, the Association's allowance for credit losses (ACL) was $3.2 million, an increase of $188 from December 31, 2023. Allowance as a percentage of loans was 0.21% and 0.19% as of June 30, 2024 and December 31, 2023, respectively. The provision in our allowance for credit losses is primarily due to increased loan volume coupled with a slight deterioration of our credit quality.

CAPITAL RESOURCES

The Association continues to have a sound capital position and exceed all regulatory and board minimums. Members' equity at June 30, 2024 was $332.8 million representing an increase of $14.8 million or 4.66% from December 31, 2023. 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 2023 Annual Report to Shareholders.

Consolidated Statements of Condition

Dollars in thousands

	June 30, 2024	December 31, 2023
	Unaudited	Audited
Assets		
Loans	$ 1,567,824	$ 1,562,832
Less: allowance for credit losses	3,226	3,038
Net loans	1,564,598	1,559,794
Cash	882	3,028
Accrued interest receivable	30,416	39,096
Investment in CoBank, ACB	40,352	39,788
Premises and equipment, net	9,386	9,584
Other assets	16,327	20,934
Total assets	$ 1,661,961	$ 1,672,224
Liabilities		
Note payable to CoBank, ACB	$ 1,260,244	$ 1,281,119
Funds held	59,864	43,168
Accrued interest payable	5,116	5,336
Patronage distributions payable	-	19,355
Reserve for unfunded commitments	278	251
Other liabilities	3,692	5,048
Total liabilities	1,329,194	1,354,277
Members' equity		
Capital stock and participation certificates	710	720
Unallocated retained earnings	332,057	317,227
Total members' equity	332,767	317,947
Total liabilities and members' equity	$ 1,661,961	$ 1,672,224

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	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
Interest income				
Loans	$ 28,337	$ 25,591	$ 56,734	$ 49,526
Interest expense				
Note payable to CoBank, ACB	16,789	14,949	33,488	28,443
Funds held	781	626	1,574	1,016
Total interest expense	17,570	15,575	35,062	29,459
Net interest income	10,767	10,016	21,672	20,067
Provision for credit losses (credit loss reversal)	199	(142)	244	158
Net interest income after provision for credit losses (credit loss reversal)	10,568	10,158	21,428	19,909
Noninterest income				
Patronage distribution from Farm Credit institutions	1,886	1,898	6,529	6,126
Farm Credit Insurance Fund rebate	444	-	444	-
Loan fees	209	180	433	340
Financially related services income	26	28	82	102
Other noninterest income	26	78	127	106
Total noninterest income	2,591	2,184	7,615	6,674
Noninterest expense				
Salaries and employee benefits	3,877	3,365	8,202	7,301
Information technology	1,528	1,289	2,969	2,518
Farm Credit Insurance Fund premium	284	499	580	1,005
Occupancy and equipment	193	149	437	365
Supervisory and examination costs	141	126	283	252
Other noninterest expense	986	825	1,740	1,449
Total noninterest expense	7,009	6,253	14,211	12,890
Income before income taxes	6,150	6,089	14,832	13,693
Provision for income taxes	-	-	2	2
Net income	$ 6,150	$ 6,089	$ 14,830	$ 13,691

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, 2022	$ 753	$ 308,322	$ 309,075
Net income		13,691	13,691
Capital stock and participation certificates issued	26		26
Capital stock and participation certificates retired	(43)		(43)
Cumulative effects from adoption of the CECL standard		1,621	1,621
Balance at June 30, 2023	$ 736	$ 323,634	$ 324,370
Balance at December 31, 2023	$ 720	$ 317,227	$ 317,947
Net income		14,830	14,830
Capital stock and participation certificates issued	17		17
Capital stock and participation certificates retired	(27)		(27)
Balance at June 30, 2024	$ 710	$ 332,057	$ 332,767

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

Notes to Consolidated Financial Statements

Dollars in thousands, except as noted (Unaudited)

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, 2023 are contained in the 2023 Annual Report to Shareholders. These unaudited second quarter 2024 consolidated financial statements should be read in conjunction with the 2023 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, 2023 as contained in the 2023 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, 2024. Descriptions of the significant accounting policies are included in the 2023 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.

Recently Adopted or Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The enhanced rate reconciliation will require tabular reporting by amount and percentage for specifically defined reconciling items as well as additional information for reconciling items that meet a quantitative threshold of greater than five percent of the amount computed by multiplying pre-tax income by the applicable statutory income tax rate. Income taxes paid will require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid. The guidance will also eliminate the requirement to disclose an estimate of the range of the reasonably possible change in the unrecognized tax benefits balances in the next 12 months. The amendments in this guidance are effective for public business entities for annual periods beginning after December 15, 2024 and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations or cash flows.

Dollars in thousands, except as noted (Unaudited)

2. Loans and Allowance for Credit Losses

A summary of loans follows:

	June 30, 2024	December 31, 2023
Real estate mortgage	$ 964,895	$ 967,491
Production and intermediate-term	268,645	269,728
Agribusiness		
Processing and marketing	170,175	155,981
Cooperatives	80,023	76,646
Farm related business	18,920	25,568
Energy	35,277	37,240
Lease receivables	15,475	17,229
Communications	14,414	12,949
Total loans	$ 1,567,824	$ 1,562,832

Unamortized deferred loan fees and costs totaled $3.1 million and $3.0 million as of June 30, 2024 and December 31, 2023, 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, 2024:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 175,533	$ 242,633	$ -	$ -	$ 175,533	$ 242,633
Production and intermediate-term	12,612	151,231	-	-	12,612	151,231
Agribusiness	235,453	50,715	3,203	-	238,656	50,715
Communications	14,414	-	-	-	14,414	-
Energy	35,277	-	-	-	35,277	-
Lease receivables	15,475	-	-	-	15,475	-
Total	$ 488,764	$ 444,579	$ 3,203	$ -	$ 491,967	$ 444,579

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with the retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each association that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews, at least on an annual basis, or when a credit action is taken the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level.

A substandard (non-viable) rating indicates that the probability of default is almost certain. These 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 (Unaudited)

The following table presents credit quality indicators by loan type and the related principal balance as of June 30, 2024:

	Term loans Amortized cost by origination year							
	2024	2023	2022	2021	2020	Prior	Revolving loans amortized cost basis	Total
Real estate mortgage								
Acceptable	$ 22,786	$ 80,567	$ 113,335	$ 166,110	$ 98,440	$ 257,250	$ 160,293	$ 898,781
OAEM	-	423	7,266	1,117	10,785	11,865	2,962	34,418
Substandard	2	4	9,908	-	-	20,413	1,369	31,696
Total	22,788	80,994	130,509	167,227	109,225	289,528	164,624	964,895
Current period gross charge-offs	-	-	55	-	-	-	-	55
Production and intermediate-term								
Acceptable	20,901	7,355	3,862	5,077	2,121	9,913	178,743	227,972
OAEM	7,370	853	-	-	-	1,033	16,110	25,366
Substandard	14,769	445	11	-	82	-	-	15,307
Total	43,040	8,653	3,873	5,077	2,203	10,946	194,853	268,645
Agribusiness								
Acceptable	14,926	31,124	36,255	23,060	5,728	58,470	91,297	260,860
Substandard	-	1,015	3,188	783	-	2,401	871	8,258
Total	14,926	32,139	39,443	23,843	5,728	60,871	92,168	269,118
Communications								
Acceptable	2,132	7,352	-	4,928	-	-	2	14,414
Total	2,132	7,352	-	4,928	-	-	2	14,414
Energy								
Acceptable	-	15,359	12,449	-	-	-	7,469	35,277
Total	-	15,359	12,449	-	-	-	7,469	35,277
Lease receivables								
Acceptable	-	1,135	5,837	896	14	6,836	-	14,718
OAEM	-	-	-	-	-	662	-	662
Substandard	-	-	-	-	45	50	-	95
Total	-	1,135	5,837	896	59	7,548	-	15,475
Total loans	$ 82,886	$ 145,632	$ 192,111	$ 201,971	$ 117,215	$ 368,893	$ 459,116	$ 1,567,824
Total current period gross charge-offs	-	-	$ 55	-	-	-	-	$ 55

Dollars in thousands, except as noted (Unaudited)

The following table presents credit quality indicators by loan type and the related principal balance as of December 31, 2023:

	Term loans Amortized cost by origination year							
	2023	2022	2021	2020	2019	Prior	Revolving loans amortized cost basis	Total
Real estate mortgage								
Acceptable	$ 78,921	$ 121,937	$ 171,712	$ 98,755	$ 68,423	$ 197,756	$ 179,764	$ 917,268
OAEM	-	2,841	-	6,540	2,076	12,266	2,022	25,745
Substandard	2	7,675	-	-	1,685	13,873	1,243	24,478
Total	78,923	132,453	171,712	105,295	72,184	223,895	183,029	967,491
Production and intermediate-term								
Acceptable	19,357	5,744	8,933	2,369	10,528	1,173	197,399	245,503
OAEM	2,681	-	-	93	1,319	-	8,089	12,182
Substandard	9,622	2,398	-	-	-	23	-	12,043
Total	31,660	8,142	8,933	2,462	11,847	1,196	205,488	269,728
Current period gross charge-offs	-	-	-	116	-	-	-	116
Agribusiness								
Acceptable	32,569	35,495	24,727	6,192	7,397	51,895	86,980	245,255
Substandard	20	3,374	824	-	378	3,251	5,093	12,940
Total	32,589	38,869	25,551	6,192	7,775	55,146	92,073	258,195
Communications								
Acceptable	6,744	-	4,953	-	-	-	1,252	12,949
Total	6,744	-	4,953	-	-	-	1,252	12,949
Energy								
Acceptable	15,542	12,514	-	-	-	-	9,184	37,240
Total	15,542	12,514	-	-	-	-	9,184	37,240
Lease receivables								
Acceptable	1,167	5,948	1,047	14	817	8,015	-	17,008
OAEM	-	-	-	-	-	61	-	61
Substandard	-	-	-	160	-	-	-	160
Total	1,167	5,948	1,047	174	817	8,076	-	17,229
Total loans	$ 166,625	$ 197,926	$ 212,196	$ 114,123	$ 92,623	$ 288,313	$ 491,026	$ 1,562,832
Total current period gross charge-offs	-	-	-	$ 116	-	-	-	$ 116

Dollars in thousands, except as noted (Unaudited)

The following table shows loans under the Farm Credit Administration Uniform Classification System as a percentage of total loans by loan type as of June 30, 2024 and December 31, 2023:

June 30, 2024	Acceptable	OAEM	Substandard	Total
Real estate mortgage	93.15%	3.57%	3.28%	100.00%
Production and intermediate-term	84.86%	9.44%	5.70%	100.00%
Agribusiness	96.93%	0.00%	3.07%	100.00%
Communications	100.00%	0.00%	0.00%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Lease receivables	95.11%	4.28%	0.61%	100.00%
Total loans	92.61%	3.86%	3.53%	100.00%

December 31, 2023	Acceptable	OAEM	Substandard	Total
Real estate mortgage	94.81%	2.66%	2.53%	100.00%
Production and intermediate-term	91.02%	4.52%	4.46%	100.00%
Agribusiness	94.99%	0.00%	5.01%	100.00%
Communications	100.00%	0.00%	0.00%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Lease receivables	98.72%	0.35%	0.93%	100.00%
Total loans	94.40%	2.43%	3.17%	100.00%

Accrued interest receivable on loans of $30.4 million and $39.1 million at June 30, 2024 and December 31, 2023, respectively, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association wrote off accrued interest receivable of $143 and $15 for the six months ended June 30, 2024 and 2023.

Dollars in thousands, except as noted (Unaudited)

The following table reflects nonperforming assets, which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned and related credit quality statistics:

	June 30, 2024	December 31, 2023
Nonaccrual loans		
Real estate mortgage	3,001	1,156
Production and intermediate-term	16	36
Agribusiness	1,015	1,104
Lease receivables	45	69
Total nonaccrual loans	4,077	2,365
Accruing loans 90 days or more past due	7,805	2,635
Total nonperforming loans	11,882	5,000
Other property owned	-	-
Total nonperforming assets	$ 11,882	$ 5,000
Nonaccrual loans to total loans	0.26%	0.15%
Nonperforming assets to total loans	0.76%	0.32%
Nonperforming assets to total members' equity	3.57%	1.57%

The following table provides the amortized cost for nonaccrual loans with and without a related allowance for credit losses, as well as interest income recognized on nonaccrual during the period:

	June 30, 2024			Interest income recognized	
	Amortized cost with related allowance	Amortized cost without related allowance	Total	For the three months ended June 30, 2024	For the six months ended June 30, 2024
Nonaccrual loans					
Real estate mortgage	$ -	$ 3,001	$ 3,001	$ -	$ 125
Production and intermediate-term	11	5	16	-	-
Agribusiness					
Processing and marketing	-	1,015	1,015	-	-
Lease receivables	-	45	45	-	-
Total nonaccrual loans	$ 11	$ 4,066	$ 4,077	$ -	$ 125

Dollars in thousands, except as noted (Unaudited)

	December 31, 2023			Interest income recognized	
	Amortized cost with related allowance	Amortized cost without related allowance	Total	For the three months ended June 30, 2023	For the six months ended June 30, 2023
Nonaccrual loans					
Real estate mortgage	$ -	$ 1,156	$ 1,156	$ -	$ -
Production and intermediate-term	12	24	36	-	-
Agribusiness					
Processing and marketing	-	1,104	1,104	-	-
Lease receivables	-	69	69	-	-
Total nonaccrual loans	$ 12	$ 2,353	$ 2,365	$ -	$ -

The following tables provide an aging analysis of past due loans at amortized cost by portfolio segment as of:

June 30, 2024	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	$ 952,173	$ 3,042	$ 9,679	$ 964,894	$ 6,679
Production and intermediate-term	262,620	4,889	1,137	268,646	1,126
Agribusiness	266,997	2,121	-	269,118	-
Communications	14,414	-	-	14,414	-
Energy	35,277	-	-	35,277	-
Lease receivables	15,430	45	-	15,475	-
Total	$ 1,546,911	$ 10,097	$ 10,816	$ 1,567,824	$ 7,805

December 31, 2023	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	$ 963,425	$ 1,294	$ 2,772	$ 967,491	$ 2,168
Production and intermediate-term	266,943	2,282	503	269,728	467
Agribusiness	258,195	-	-	258,195	-
Communications	12,949	-	-	12,949	-
Energy	37,240	-	-	37,240	-
Lease receivables	17,099	130	-	17,229	-
Total	$ 1,555,851	$ 3,706	$ 3,275	$ 1,562,832	$ 2,635

Dollars in thousands, except as noted (Unaudited)

Loan Modifications to Borrowers Experiencing Financial Difficulties

The following table shows the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted.

	For the three months ended June 30, 2024				For the six months ended June 30, 2024			
	Term extension	Payment extension	Total	Modification as a percentage of loan type	Term extension	Payment extension	Total	Modification as a percentage of loan type
Real estate mortgage	$ -	$ 14,364	$ 14,364	1.49%	$ -	$ 14,364	$ 14,364	1.49%
Agribusiness	871	-	871	0.32%	871	-	871	0.32%
Total	$ 871	$ 14,364	$ 15,235	0.97%	$ 871	$ 14,364	$ 15,235	0.97%

The Association had no loan modifications to disclose for the three and six months ended June 30, 2023.

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended June 30, 2024 and 2023 were $136 and $0, respectively. Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the six months ended June 30, 2024 and 2023 were $136 and $0, respectively.

The following table describes the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2024 and June 30, 2023:

	For the three months ended June 30, 2024		For the three months ended June 30, 2023	
	Weighted average term extension (months)	Weighted average payment extension (months)	Weighted average term extension (months)	Weighted average payment extension (months)
Real estate mortgage	-	12	-	-
Agribusiness	12	-	-	-

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2024 and June 30, 2023:

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
	Weighted average term extension (months)	Weighted average payment extension (months)	Weighted average term extension (months)	Weighted average payment extension (months)
Real estate mortgage	-	12	-	-
Agribusiness	12	-	-	-

Dollars in thousands, except as noted (Unaudited)

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to June 30, 2024:

	Payment status of loans modified in the past 12 months		
	Current	30-89 days past due	90 days or more past due
Real estate mortgage	$ 14,364	$ -	$ -
Agribusiness	871	-	-
Total	$ 15,235	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the six months ended June 30, 2024 were $1.1 million and during the year ended December 31, 2023 were $0.

Allowance for Credit Losses

The credit risk rating methodology is a key component of the Association's allowance for credit losses evaluation and is generally incorporated into the Association's loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the Association to manage credit exposure. By regulation, loan commitments to one borrower cannot be more than 15% of our regulatory capital. To further mitigate loan concentration risks, we have established internal lending limits that are below the regulatory requirements that are based on the risk associated with individual borrowers.

A summary of changes in the allowance for credit losses by portfolio segment are as follows:

	Real estate mortgage	Production & intermediate-term	Agribusiness	Communications	Energy	Lease receivables	Total
Allowance for credit losses							
Balance at March 31, 2024	$ 784	$ 333	$ 1,763	$ 31	$ 67	$ 105	$ 3,083
Charge-offs	(56)	-	-	-	-	-	(56)
Provision for credit losses (credit loss reversal)	86	175	(55)	(1)	-	(6)	199
Balance at June 30, 2024	814	508	1,708	30	67	99	3,226
Reserve for unfunded commitments							
Balance at March 31, 2024	26	65	97	17	-	29	234
Provision for credit losses (credit loss reversal)	3	23	18	-	-	-	44
Balance at June 30, 2024	29	88	115	17	-	29	278
Total allowance for credit losses	$ 843	$ 596	$ 1,823	$ 47	$ 67	$ 128	$ 3,504
Allowance for credit losses							
Balance at December 31, 2023	$ 773	$ 353	$ 1,712	$ 27	$ 68	$ 105	$ 3,038
Charge-offs	(56)	-	-	-	-	-	(56)
Provision for credit losses (credit loss reversal)	97	155	(4)	3	(1)	(6)	244
Balance at June 30, 2024	814	508	1,708	30	67	99	3,226
Reserve for unfunded commitments							
Balance at December 31, 2023	31	54	129	11	-	26	251
Provision for credit losses (credit loss reversal)	(2)	34	(14)	6	-	3	27
Balance at June 30, 2024	29	88	115	17	-	29	278
Total allowance for credit losses	$ 843	$ 596	$ 1,823	$ 47	$ 67	$ 128	$ 3,504

Dollars in thousands, except as noted (Unaudited)

	Real estate mortgage	Production & intermediate-term	Agribusiness	Communications	Energy	Lease receivables	Total
Allowance for credit losses							
Balance at March 31, 2023	$ 2,610	$ 583	$ 970	$ 8	$ 3	$ 220	$ 4,394
(Credit loss reversal) provision for credit losses	(161)	9	(15)	11	34	(20)	(142)
Balance at June 30, 2023	2,449	592	955	19	37	200	4,252
Reserve for unfunded commitments							
Balance at March 31, 2023	82	37	87	3	2	41	252
Provision for credit losses (credit loss reversal)	(28)	35	9	1	(2)	(8)	7
Balance at June 30, 2023	54	72	96	4	-	33	259
Total allowance for credit losses	$ 2,503	$ 664	$ 1,051	$ 23	$ 37	$ 233	$ 4,511
Allowance for credit losses							
Balance at December 31, 2022	$ 423	$ 3,854	$ 1,472	$ -	$ -	$ 186	$ 5,935
Cumulative effect of a change in accounting principle	1,859	(3,103)	(530)	-	-	(67)	(1,841)
Balance at January 1, 2023	2,282	751	942	-	-	119	4,094
Provision for credit losses (credit loss reversal)	167	(159)	13	19	37	81	158
Balance at June 30, 2023	2,449	592	955	19	37	200	4,252
Reserve for unfunded commitments							
Balance at December 31, 2022	11	150	74	-	2	4	241
Cumulative effect of a change in accounting principle	143	57	(28)	-	-	48	220
Balance at January 1, 2023	154	207	46	-	2	52	461
(Credit loss reversal) provision for credit losses	(100)	(135)	50	4	(2)	(19)	(202)
Balance at June 30, 2023	54	72	96	4	-	33	259
Total allowance for credit losses	$ 2,503	$ 664	$ 1,051	$ 23	$ 37	$ 233	$ 4,511

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, 2024	December 31, 2023	Regulatory minimums	Capital conservation buffer	Total
Risk adjusted					
Common equity tier 1 ratio	15.88%	16.21%	4.50%	2.50%	7.00%
Tier 1 capital ratio	15.88%	16.21%	6.00%	2.50%	8.50%
Total capital ratio	16.06%	16.40%	8.00%	2.50%	10.50%
Permanent capital ratio	15.91%	16.24%	7.00%	-	7.00%
Non-risk-adjusted					
Tier 1 leverage ratio	18.27%	18.73%	4.00%	1.00%	5.00%
Unallocated retained earnings and equivalents leverage ratio	18.22%	18.68%	1.50%	-	1.50%

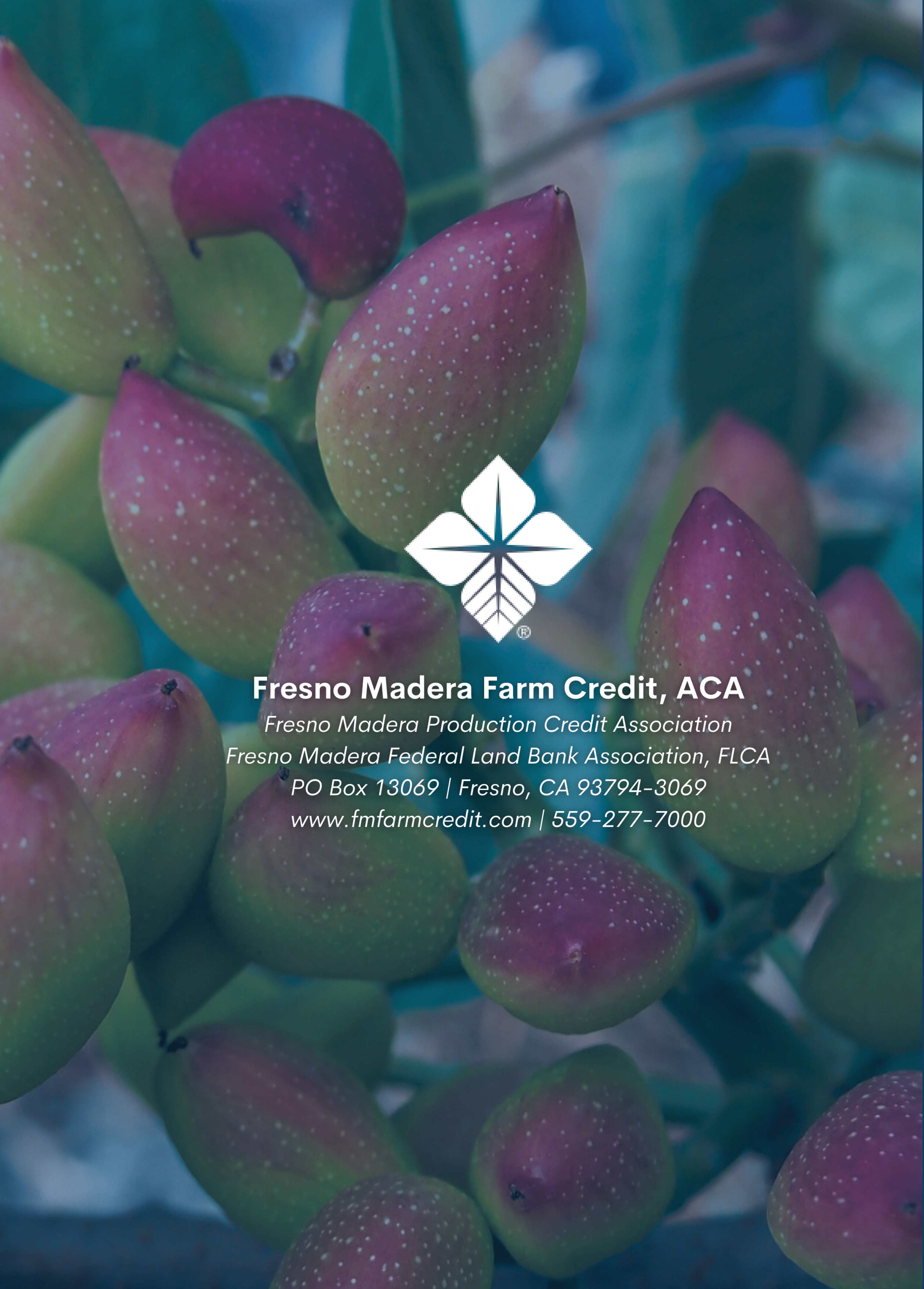
4. Fair Value Measurements

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 2023 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, 2024 or December 31, 2023.

5. Subsequent Events

The Association has evaluated subsequent events through August 8, 2024, 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