FRESNO MADERA
FARM CREDIT
AGRICULTURE IS OUR ONLY BUSINESS

2025
QUARTERLY REPORT

MARCH 31, 2025

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MESSAGE TO SHAREHOLDERS

May 9, 2025

Dear Member:

These consolidated financial statements reflect the status of the Fresno Madera Farm Credit, ACA and its subsidiaries at the end of the First Quarter of 2025. 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 Hesterberg
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 three months ended March 31, 2025 was $8.9 million compared to $8.7 million from the comparative period in 2024. Our net income increased 2.27% from prior year reflecting an increase in net interest income. This was partially offset by a decrease in noninterest income and an increase in noninterest expense.

Net Interest Income

Net interest income increased $1.2 million to $12.1 million for the three months ended March 31, 2025 from the comparative period in 2024 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 three months of 2025 was $1.65 billion, an increase of $117.4 million or 7.66% from $1.53 billion for the comparative period in 2024. Net interest margin increased to 2.93% for the first three months of 2025 compared to 2.85% for the comparative period in 2024. 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 three months ended March 31, 2025 was $4.8 million, a decrease of $188 or 3.74% from the comparative period in 2024. The decrease in noninterest income was primarily due to lower patronage distributions from other Farm Credit institutions. This was partially offset by a one-time $294 rebate 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 credit loss reversal for the three months ended March 31, 2025 of $49 compared to a provision for credit loss of $45 during the comparative period in 2024. Our reversal is the result of an improvement in credit quality.

Noninterest Expense

Noninterest expenses for the three months ended March 31, 2025 increased $880 or 12.22%, to $8.1 million compared to the same period in the prior year primarily due to increases in salaries and employee benefits expense of $516, and an increase in information technology expense of $151. The increase in salaries and employee benefits reflects the filling of budgeted positions and annual merit increases. The increase in information technology was due to higher service charges from our technology provider coupled with increased software licensing fees.

LOAN PORTFOLIO

Loan volume outstanding at March 31, 2025 was $1.66 billion, a decrease of $19.6 million from total loan volume at December 31, 2024 of $1.68 billion. The decrease was due to seasonal reductions of term loans in our Production and Intermediate segment followed by increased repayment activity in our Real Estate Mortgage loan portfolio. This was partially offset by new loan commitments in our Agribusiness and Energy segments.

Allowance for Credit Losses

As of March 31, 2025, the Association's allowance for credit losses was $3.3 million, a decrease of $105 from December 31, 2024. Allowance as a percentage of loans was 0.20% as of March 31, 2025 and December 31, 2024. Our allowance for credit losses decreased mainly due to an improvement in our credit quality.

CAPITAL RESOURCES

The Association continues to have a sound capital position and exceed all regulatory and board minimums. Members' equity at March 31, 2025 was $340.2 million representing an increase of $8.9 million or 2.68% from December 31, 2024. 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 2024 Annual Report to Shareholders.

CONSOLIDATED STATEMENTS OF CONDITION

Dollars in thousands

	March 31, 2025 Unaudited	December 31, 2024 Audited
Assets		
Loans	$ 1,658,158	$ 1,677,783
Less: allowance for credit losses	3,296	3,401
Net loans	1,654,862	1,674,382
Cash	362	8,172
Accrued interest receivable	24,378	39,713
Investment in CoBank, ACB	43,482	42,976
Premises and equipment, net	9,173	9,269
Other assets	14,334	21,073
Total assets	$ 1,746,591	$ 1,795,585
Liabilities		
Note payable to CoBank, ACB	$ 1,334,476	$ 1,366,117
Funds held	62,118	73,533
Accrued interest payable	4,591	5,065
Patronage distributions payable	1,818	14,600
Reserve for unfunded commitments	253	159
Other liabilities	3,174	4,824
Total liabilities	1,406,430	1,464,298
Members' equity		
Capital stock and participation certificates	700	703
Unallocated retained earnings	339,461	330,584
Total members' equity	340,161	331,287
Total liabilities and members' equity	$ 1,746,591	$ 1,795,585

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

CONSOLIDATED STATEMENTS OF INCOME

Dollars in thousands

	For the three months ended March 31	
	2025	2024
	Unaudited	Unaudited
Interest income		
Loans	$ 27,857	$ 28,397
Interest expense		
Note payable to CoBank, ACB	14,891	16,699
Funds held	892	793
Total interest expense	15,783	17,492
Net interest income	12,074	10,905
(Credit loss reversal) provision for credit losses	(49)	45
Net interest income after (credit loss reversal) provision for credit losses	12,123	10,860
Noninterest income		
Patronage distribution from Farm Credit institutions	4,227	4,643
Farm Credit Insurance Fund rebate	294	-
Loan fees	218	224
Financially related services income	48	56
Other noninterest income	49	101
Total noninterest income	4,836	5,024
Noninterest expense		
Salaries and employee benefits	4,841	4,325
Information technology	1,592	1,441
Farm Credit Insurance Fund premium	316	296
Occupancy and equipment	245	244
Supervisory and examination costs	152	142
Other noninterest expense	936	754
Total noninterest expense	8,082	7,202
Income before income taxes	8,877	8,682
Provision for income taxes	-	2
Net income	$ 8,877	$ 8,680

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, 2023	$ 720	$ 317,227	$ 317,947
Net income		8,680	8,680
Capital stock and participation certificates issued	9		9
Capital stock and participation certificates retired	(13)		(13)
Balance at March 31, 2024	$ 716	$ 325,907	$ 326,623
Balance at December 31, 2024	$ 703	$ 330,584	$ 331,287
Net income		8,877	8,877
Capital stock and participation certificates issued	11		11
Capital stock and participation certificates retired	(14)		(14)
Balance at March 31, 2025	$ 700	$ 339,461	$ 340,161

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, 2024 are contained in the 2024 Annual Report to Shareholders. These unaudited first quarter 2025 consolidated financial statements should be read in conjunction with the 2024 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, 2024 as contained in the 2024 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, 2025. Descriptions of the significant accounting policies are included in the 2024 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 November 2024, the FASB issued ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
- Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association is currently assessing the potential impact of this standard on its disclosures.

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:

	March 31, 2025	December 31, 2024
Real estate mortgage	$ 988,352	$ 1,042,878
Agribusiness	330,093	292,212
Production and intermediate-term	256,510	262,864
Energy	38,925	34,869
Communications	28,534	28,227
Lease receivables	15,744	16,733
Total	$ 1,658,158	$ 1,677,783

Unamortized deferred loan fees and costs totaled $2.9 million and $2.8 million as of March 31, 2025, and December 31, 2024, 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 March 31, 2025:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 187,535	$ 248,488	$ -	$ -	$ 187,535	$ 248,488
Agribusiness	285,937	65,168	6,611	-	292,548	65,168
Production and intermediate-term	13,458	84,196	-	-	13,458	84,196
Energy	38,925	-	-	-	38,925	-
Communications	28,534	-	-	-	28,534	-
Lease receivables	15,744	-	-	-	15,744	-
Total	$ 570,133	$ 397,852	$ 6,611	$ -	$ 576,744	$ 397,852

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 March 31, 2025:

	Term Loans Amortized Cost by Origination Year							
	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 12,816	$ 70,159	$ 76,773	$ 98,114	$ 145,216	$ 324,067	$ 188,605	$ 915,750
OAEM	-	-	-	10,028	3,379	13,744	726	27,877
Substandard	4	3,318	-	12,557	-	26,268	2,578	44,725
Total	12,820	73,477	76,773	120,699	148,595	364,079	191,909	988,352
Current period gross charge-offs	-	-	-	62	-	-	-	62
Agribusiness								
Acceptable	6,926	36,164	30,781	34,445	24,295	62,986	121,054	316,651
OAEM	-	1,937	-	2,909	721	2,213	2,262	10,042
Substandard	-	-	920	-	-	-	2,480	3,400
Total	6,926	38,101	31,701	37,354	25,016	65,199	125,796	330,093
Production and intermediate-term								
Acceptable	2,286	13,769	4,074	1,294	2,354	8,764	180,475	213,016
OAEM	1,387	232	-	-	255	-	7,795	9,669
Substandard	111	31,461	446	-	-	-	1,807	33,825
Total	3,784	45,462	4,520	1,294	2,609	8,764	190,077	256,510
Energy								
Acceptable	6,303	-	13,455	12,353	-	-	6,814	38,925
Total	6,303	-	13,455	12,353	-	-	6,814	38,925
Communications								
Acceptable	-	14,711	8,932	-	4,890	-	1	28,534
Total	-	14,711	8,932	-	4,890	-	1	28,534
Lease receivables								
Acceptable	-	298	1,081	5,235	611	4,895	-	12,120
OAEM	-	2,989	-	-	-	42	-	3,031
Substandard	-	-	-	-	-	593	-	593
Total	-	3,287	1,081	5,235	611	5,530	-	15,744
Total loans	$ 29,833	$ 175,038	$ 136,462	$ 176,935	$ 181,721	$ 443,572	$ 514,597	$ 1,658,158
Total current period gross charge-offs	$ -	$ -	$ -	$ 62	$ -	$ -	$ -	$ 62

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, 2024:

	Term Loans Amortized Cost by Origination Year							
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 66,698	$ 77,132	$ 108,245	$ 150,213	$ 94,426	$ 246,242	$ 226,881	$ 969,837
OAEM	786	423	5,257	4,495	3,994	10,538	806	26,299
Substandard	3,318	8	14,322	-	6,336	20,354	2,404	46,742
Total	70,802	77,563	127,824	154,708	104,756	277,134	230,091	1,042,878
Current period gross charge-offs	-	-	55	-	-	-	-	55
Agribusiness								
Acceptable	34,014	30,905	33,671	24,550	5,302	54,258	99,144	281,844
OAEM	-	-	-	-	-	-	3,429	3,429
Substandard	-	919	3,002	742	-	2,276	-	6,939
Total	34,014	31,824	36,673	25,292	5,302	56,534	102,573	292,212
Production and intermediate-term								
Acceptable	16,269	6,328	1,459	3,171	1,589	6,701	179,121	214,638
OAEM	3,632	660	-	255	499	1,032	10,288	16,366
Substandard	29,724	446	11	-	-	-	1,679	31,860
Total	49,625	7,434	1,470	3,426	2,088	7,733	191,088	262,864
Current period gross charge-offs	-	35	-	-	-	-	-	35
Energy								
Acceptable	-	13,546	12,394	-	-	-	8,929	34,869
Total	-	13,546	12,394	-	-	-	8,929	34,869
Communications								
Acceptable	14,392	8,931	-	4,902	-	-	2	28,227
Total	14,392	8,931	-	4,902	-	-	2	28,227
Lease receivables								
Acceptable	307	1,100	4,332	709	95	5,171	-	11,714
OAEM	-	-	-	-	-	46	-	46
Substandard	3,082	-	1,105	65	60	661	-	4,973
Total	3,389	1,100	5,437	774	155	5,878	-	16,733
Current period gross charge-offs	-	-	-	1	-	5	-	6
Total loans	$ 172,222	$ 140,398	$ 183,798	$ 189,102	$ 112,301	$ 347,279	$ 532,683	$ 1,677,783
Total current period gross charge-offs	$ -	$ 35	$ 55	$ 1	$ -	$ 5	$ -	$ 96

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 March 31, 2025, and December 31, 2024:

March 31, 2025	Acceptable	OAEM	Substandard	Total
Real estate mortgage	92.65%	2.82%	4.53%	100.00%
Agribusiness	95.93%	3.04%	1.03%	100.00%
Production and intermediate-term	83.04%	3.77%	13.19%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Communications	100.00%	0.00%	0.00%	100.00%
Lease receivables	76.98%	19.25%	3.77%	100.00%
Total loans	91.97%	3.05%	4.98%	100.00%

December 31, 2024	Acceptable	OAEM	Substandard	Total
Real estate mortgage	93.00%	2.52%	4.48%	100.00%
Agribusiness	96.46%	1.17%	2.37%	100.00%
Production and intermediate-term	81.65%	6.23%	12.12%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Communications	100.00%	0.00%	0.00%	100.00%
Lease receivables	70.01%	0.27%	29.72%	100.00%
Total loans	91.86%	2.75%	5.39%	100.00%

Accrued interest receivable on loans of $24.4 million and $39.7 million at March 31, 2025 and December 31, 2024, respectively, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The entity wrote off accrued interest receivable of $18 and $0 for the three months ended March 31, 2025, and 2024, respectively.

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:

	March 31, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	$ 2,868	$ 3,525
Production and intermediate-term	754	962
Lease receivables	8	1,279
Total nonaccrual loans	3,630	5,766
Accruing loans 90 days or more past due	6,080	2,236
Total nonperforming loans	9,710	8,002
Other property owned	-	-
Total nonperforming assets	$ 9,710	$ 8,002
Nonaccrual loans as a percentage of total loans	0.22%	0.34%
Nonperforming assets as a percentage of total loans	0.59%	0.48%
Nonperforming assets as a percentage of total members' equity	2.85%	2.42%

Dollars in thousands, except as noted (unaudited)

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:

	March 31, 2025			Interest Income Recognized
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended March 31, 2025
Nonaccrual loans:				
Real estate mortgage	$ 2,106	$ 762	$ 2,868	$ 120
Agribusiness	-	-	-	8
Production and intermediate-term	-	754	754	4
Lease receivables	-	8	8	31
Total nonaccrual loans	$ 2,106	$ 1,524	$ 3,630	$ 163

	December 31, 2024			Interest Income Recognized
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended March 31, 2024
Nonaccrual loans:				
Real estate mortgage	$ -	$ 3,525	$ 3,525	$ 125
Production and intermediate-term	11	951	962	-
Lease receivables	-	1,279	1,279	-
Total nonaccrual loans	$ 11	$ 5,755	$ 5,766	$ 125

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

March 31, 2025	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	$ 970,124	$ 10,601	$ 7,627	$ 988,352	$ 4,752
Agribusiness	326,635	3,458	-	330,093	-
Production and intermediate-term	252,263	2,167	2,080	256,510	1,328
Energy	38,925	-	-	38,925	-
Communications	28,534	-	-	28,534	-
Lease receivables	15,526	218	-	15,744	-
Total	$ 1,632,007	$ 16,444	$ 9,707	$ 1,658,158	$ 6,080

Dollars in thousands, except as noted (unaudited)

December 31, 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	$ 1,037,744	$ 8	$ 5,126	$ 1,042,878	$ 1,806
Agribusiness	292,212	-	-	292,212	-
Production and intermediate-term	257,695	4,059	1,110	262,864	430
Energy	34,869	-	-	34,869	-
Communications	28,227	-	-	28,227	-
Lease receivables	16,372	361	-	16,733	-
Total	$ 1,667,119	$ 4,428	$ 6,236	$ 1,677,783	$ 2,236

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 March 31, 2025			For the Three Months Ended March 31, 2024		
	Payment Extension	Total	Modification as a Percentage of Loan Type	Payment Extension	Total	Modification as a Percentage of Loan Type
Real estate mortgage	$ 645	$ 645	0.07%	$ -	$ -	0.00%
Total	$ 645	$ 645	0.04%	$ -	$ -	0.00%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2025, and 2024 were $75 and $0, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025, and 2024:

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
	Weighted Average Payment Extension (in months)	Weighted Average Payment Extension (in months)
Real estate mortgage	12	-

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2025:

	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	$ 14,728	$ -	$ -
Agribusiness	2,079	-	-
Total	$ 16,807	$ -	$ -

The Association had no loan modifications to disclose as of March 31, 2024.

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2025 were $1.9 million and during the year ended December 31, 2024 were $2.4 million.

Dollars in thousands, except as noted (unaudited)

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	Agribusiness	Production & Intermediate-term	Energy	Communications	Lease Receivables	Total
Allowance for credit losses:							
Balance at December 31, 2024	$ 682	$ 1,582	$ 588	$ 46	$ 49	$ 454	$ 3,401
Charge-offs	(62)	-	-	-	-	-	(62)
Recoveries	-	-	-	-	-	6	6
(Credit loss reversal) provision for credit losses	93	(200)	166	92	6	(206)	(49)
Balance at March 31, 2025	713	1,382	754	138	55	254	3,296
Reserve for unfunded commitments:							
Balance at December 31, 2024	23	84	41	-	11	-	159
Provision for credit losses (credit loss reversal)	(10)	43	54	8	(1)	-	94
Balance at March 31, 2025	13	127	95	8	10	-	253
Total allowance for credit losses	$ 726	$ 1,509	$ 849	$ 146	$ 65	$ 254	$ 3,549
Allowance for credit losses:							
Balance at December 31, 2023	$ 773	$ 1,712	$ 353	$ 68	$ 27	$ 105	$ 3,038
Provision for credit losses (credit loss reversal)	11	51	(20)	(1)	4	-	45
Balance at March 31, 2024	784	1,763	333	67	31	105	3,083
Reserve for unfunded commitments:							
Balance at December 31, 2023	31	129	54	-	11	26	251
(Credit loss reversal) provision for credit losses	(5)	(32)	11	-	6	3	(17)
Balance at March 31, 2024	26	97	65	-	17	29	234
Total allowance for credit losses	$ 810	$ 1,860	$ 398	$ 67	$ 48	$ 134	$ 3,317

3. CAPITAL

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

	March 31, 2025	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk adjusted:					
Common equity tier 1 (CET1) capital ratio	15.14%	15.25%	4.50%	2.50%	7.00%
Tier 1 capital ratio	15.14%	15.25%	6.00%	2.50%	8.50%
Total capital ratio	15.32%	15.44%	8.00%	2.50%	10.50%
Permanent capital ratio	15.17%	15.28%	7.00%	-	7.00%
Non-risk-adjusted:					
Tier 1 leverage ratio	17.33%	17.42%	4.00%	1.00%	5.00%
Unallocated retained earnings (URE) and URE equivalents (UREE) leverage ratio	17.29%	17.38%	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 2024 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 March 31, 2025 or December 31, 2024.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 9, 2025, which is the date the consolidated financial statements were issued, and no material subsequent events were identified.

FRESNO MADERA
FARM CREDIT

AGRICULTURE IS OUR ONLY BUSINESS