FRESNO MADERA
FARM CREDIT
AGRICULTURE IS OUR ONLY BUSINESS

2025
QUARTERLY REPORT

JUNE 30, 2025

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MESSAGE TO SHAREHOLDERS

August 8, 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 Second 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 and Assurance 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, 2025 was $15.6 million compared to $14.8 million from the comparative period in 2024. Our net income increased 4.98% 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 $2.3 million to $23.9 million for the six months ended June 30, 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 six months of 2025 was $1.67 billion, an increase of $129.8 million or 8.45% from $1.53 billion for the comparative period in 2024. Net interest margin increased to 2.87% for the first six months of 2025 compared to 2.82% for the comparative period in 2024. The higher net interest margin in the current period reflects both increased earnings from our invested capital and an intentional shift in our asset mix.

Noninterest Income

Noninterest income for the six months ended June 30, 2025 was $7.3 million, a decrease of $337 or 4.43% from the comparative period in 2024. The decrease in noninterest income was primarily due to lower patronage distributions from other Farm Credit institutions and a lower 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 provision for credit loss for the six months ended June 30, 2025 of $318 compared to $244 during the comparative period in 2024. The increase in our provision is primarily driven by increased loan volume.

Noninterest Expense

Noninterest expenses for the six months ended June 30, 2025 increased $1.1 million or 7.84%, to $15.3 million compared to the same period in the prior year primarily due to increases in salaries and employee benefits expense of $825, and an increase in information technology expense of $275. 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 June 30, 2025 was $1.70 billion, an increase of $30.2 million from total loan volume at December 31, 2024 of $1.68 billion. The increase was due to new loan commitments across multiple segments. This was partially offset by increased repayment activity in our Real Estate Mortgage loan portfolio, primarily in the almond segment.

Allowance for Credit Losses

As of June 30, 2025, the Association's allowance for credit losses was $3.4 million, a decrease of $9 from December 31, 2024. Allowance as a percentage of loans was 0.20% as of June 30, 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 June 30, 2025 was $346.9 million representing an increase of $15.6 million or 4.7% 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

	June 30, 2025 Unaudited	December 31, 2024 Audited
Assets		
Loans	$ 1,707,945	$ 1,677,783
Less: allowance for credit losses	3,392	3,401
Net loans	1,704,553	1,674,382
Cash	87	8,172
Accrued interest receivable	29,322	39,713
Investment in CoBank, ACB	43,482	42,976
Premises and equipment, net	9,195	9,269
Other assets	16,071	21,073
Total assets	$ 1,802,710	$ 1,795,585
Liabilities		
Note payable to CoBank, ACB	$ 1,405,866	$ 1,366,117
Funds held	40,701	73,533
Accrued interest payable	4,866	5,065
Patronage distributions payable	56	14,600
Reserve for unfunded commitments	238	159
Other liabilities	4,127	4,824
Total liabilities	1,455,854	1,464,298
Members' equity		
Capital stock and participation certificates	704	703
Unallocated retained earnings	346,152	330,584
Total members' equity	346,856	331,287
Total liabilities and members' equity	$ 1,802,710	$ 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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
	Unaudited	Unaudited	Unaudited	Unaudited
Interest income				
Loans	$ 28,291	$ 28,337	$ 56,148	$ 56,734
Interest expense				
Note payable to CoBank, ACB	15,933	16,789	30,824	33,488
Funds held	497	781	1,389	1,574
Total interest expense	16,430	17,570	32,213	35,062
Net interest income	11,861	10,767	23,935	21,672
Provision for credit losses (credit loss reversal)	367	199	318	244
Net interest income after provision for credit losses (credit loss reversal)	11,494	10,568	23,617	21,428
Noninterest income				
Patronage distribution from Farm Credit institutions	2,062	1,886	6,289	6,529
Farm Credit Insurance Fund rebate	-	444	294	444
Loan fees	300	209	517	433
Financially related services income	46	26	94	82
Other noninterest income	35	26	84	127
Total noninterest income	2,443	2,591	7,278	7,615
Noninterest expense				
Salaries and employee benefits	4,186	3,877	9,027	8,202
Information technology	1,652	1,528	3,244	2,969
Farm Credit Insurance Fund premium	323	284	639	580
Occupancy and equipment	190	193	435	437
Supervisory and examination costs	152	141	303	283
Other noninterest expense	741	986	1,677	1,740
Total noninterest expense	7,244	7,009	15,325	14,211
Income before income taxes	6,693	6,150	15,570	14,832
Provision for income taxes	2	-	2	2
Net income	$ 6,691	$ 6,150	$ 15,568	$ 14,830

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		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
Balance at December 31, 2024	$ 703	$ 330,584	$ 331,287
Net income		15,568	15,568
Capital stock and participation certificates issued	26		26
Capital stock and participation certificates retired	(25)		(25)
Balance at June 30, 2025	$ 704	$ 346,152	$ 346,856

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 second 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:

	June 30, 2025	December 31, 2024
Real estate mortgage	$ 1,008,553	$ 1,042,878
Agribusiness	329,947	292,212
Production and intermediate-term	276,600	262,864
Energy	42,254	34,869
Communications	33,901	28,227
Lease receivables	16,690	16,733
Total	$ 1,707,945	$ 1,677,783

Unamortized deferred loan fees and costs totaled $3.0 million and $2.8 million as of June 30, 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 June 30, 2025:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 198,530	$ 259,284	$ -	$ -	$ 198,530	$ 259,284
Agribusiness	300,970	62,744	7,725	-	308,695	62,744
Production and intermediate-term	16,103	101,078	-	-	16,103	101,078
Energy	42,254	-	-	-	42,254	-
Communications	33,901	-	-	-	33,901	-
Lease receivables	16,690	-	-	-	16,690	-
Total	$ 608,448	$ 423,106	$ 7,725	$ -	$ 616,173	$ 423,106

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, 2025:

	Term Loans Amortized Cost by Origination Year							
	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 34,894	$ 71,901	$ 74,802	$ 94,697	$ 139,499	$ 312,888	$ 200,123	$ 928,804
OAEM	3,294	260	-	9,491	7,233	15,079	1,182	36,539
Substandard	2	3,381	-	11,769	-	25,511	2,547	43,210
Total	38,190	75,542	74,802	115,957	146,732	353,478	203,852	1,008,553
Current period gross charge-offs	-	-	-	-	-	106	-	106
Agribusiness								
Acceptable	17,602	36,096	36,590	33,094	23,976	62,185	102,801	312,344
OAEM	-	2,384	-	2,817	700	2,837	6,599	15,337
Substandard	-	-	920	-	-	-	1,346	2,266
Total	17,602	38,480	37,510	35,911	24,676	65,022	110,746	329,947
Production and intermediate-term								
Acceptable	12,916	10,428	2,740	4,263	2,333	5,349	193,199	231,228
OAEM	5,185	-	-	-	219	-	7,771	13,175
Substandard	15,558	15,335	188	-	-	-	1,116	32,197
Total	33,659	25,763	2,928	4,263	2,552	5,349	202,086	276,600
Current period gross charge-offs	-	169	-	-	-	-	-	169
Energy								
Acceptable	6,816	-	13,364	12,314	-	-	9,760	42,254
Total	6,816	-	13,364	12,314	-	-	9,760	42,254
Communications								
Acceptable	5,003	15,113	3,971	-	4,877	-	1	28,965
Substandard	-	-	4,936		-	-	-	4,936
Total	5,003	15,113	8,907	-	4,877	-	1	33,901
Lease receivables								
Acceptable	2,037	292	830	5,064	556	4,411	-	13,190
OAEM	-	2,893	-	-	-	40	-	2,933
Substandard	-	-	-	-	-	567	-	567
Total	2,037	3,185	830	5,064	556	5,018	-	16,690
Total loans	$ 103,307	$ 158,083	$ 138,341	$ 173,509	$ 179,393	$ 428,867	$ 526,445	$ 1,707,945
Total current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ 106	$ -	$ 106

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 June 30, 2025, and December 31, 2024:

June 30, 2025	Acceptable	OAEM	Substandard	Total
Real estate mortgage	92.10%	3.62%	4.28%	100.00%
Agribusiness	94.66%	4.65%	0.69%	100.00%
Production and intermediate-term	83.60%	4.76%	11.64%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Communications	85.44%	0.00%	14.56%	100.00%
Lease receivables	79.02%	17.58%	3.40%	100.00%
Total loans	91.15%	3.98%	4.87%	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 $29.3 million and $39.7 million at June 30, 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 $427 and $143 for the six months ended June 30, 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:

	June 30, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	$ 3,993	$ 3,525
Production and intermediate-term	274	962
Lease receivables	-	1,279
Total nonaccrual loans	4,267	5,766
Accruing loans 90 days or more past due	12,123	2,236
Total nonperforming loans	16,390	8,002
Other property owned	-	-
Total nonperforming assets	$ 16,390	$ 8,002
Nonaccrual loans as a percentage of total loans	0.25%	0.34%
Nonperforming assets as a percentage of total loans	0.96%	0.48%
Nonperforming assets as a percentage of total members' equity	4.73%	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:

	June 30, 2025			Interest Income Recognized	
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Nonaccrual loans:					
Real estate mortgage	$ 2,106	$ 1,887	$ 3,993	$ -	$ 120
Agribusiness	-	-	-	8	16
Production and intermediate-term	-	274	274	3	7
Lease receivables	-	-	-	1	32
Total nonaccrual loans	$ 2,106	$ 2,161	$ 4,267	$ 12	$ 175

	December 31, 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	$ -	$ 3,525	$ 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:

June 30, 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	$ 982,637	$ 11,143	$ 14,773	$ 1,008,553	$ 11,922
Agribusiness	326,928	3,019	-	329,947	-
Production and intermediate-term	272,690	3,475	435	276,600	161
Energy	42,254	-	-	42,254	-
Communications	33,901	-	-	33,901	-
Lease receivables	16,650	-	40	16,690	40
Total	$ 1,675,060	$ 17,637	$ 15,248	$ 1,707,945	$ 12,123

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

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, 2025				For the Three Months Ended June 30, 2024			
	Payment Extension	Term Extension	Total	Modification as a Percentage of Loan Type	Payment Extension	Term Extension	Total	Modification as a Percentage of Loan Type
Real estate mortgage	$ -	$ -	$ -	0.00%	$ 14,364	$ -	$ 14,364	1.49%
Agribusiness	-	-	-	0.00%		871	871	0.32%
Production and intermediate-term	-	4,616	4,616	1.67%	-	-	-	0.00%
Total	$ -	$ 4,616	$ 4,616	0.27%	$ 14,364	$ 871	$ 15,235	0.97%

	For the Six Months Ended June 30, 2025				For the Six Months Ended June 30, 2024			
	Payment Extension	Term Extension	Total	Modification as a Percentage of Loan Type	Payment Extension	Term Extension	Total	Modification as a Percentage of Loan Type
Real estate mortgage	$ 151	$ -	$ 151	0.01%	$ 14,364	$ -	$ 14,364	1.49%
Agribusiness	-	-	-	0.00%	-	871	871	0.32%
Production and intermediate-term	-	4,616	4,616	1.67%	-	-	-	0.00%
Total	$ 151	$ 4,616	$ 4,767	0.28%	$ 14,364	$ 871	$ 15,235	0.97%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the six months ended June 30, 2025, and 2024 were $13 and $136, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2025, and 2024:

	For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024	
	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)
Real estate mortgage	-	-	-	365
Agribusiness	-	-	365	-
Production and intermediate-term	213	-	-	-

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2025, and 2024:

	For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)
Real estate mortgage	-	365	-	365
Agribusiness	-	-	365	-
Production and intermediate-term	213	-	-	-

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, 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	$ 151	$ -	$ -
Production and intermediate-term	4,616	-	-
Total	$ 4,767	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the six months ended June 30, 2025 were $974 and during the year ended December 31, 2024 were $2.4 million.

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 March 31, 2025	$ 713	$ 1,382	$ 754	$ 138	$ 55	$ 254	$ 3,296
Charge-offs	(106)	-	(167)	-	-	-	(273)
Recoveries	-	-	2	-	-	-	2
Provision for credit losses (credit loss reversal)	184	(68)	(3)	8	246	-	367
Balance at June 30, 2025	791	1,314	586	146	301	254	3,392
Reserve for unfunded commitments:							
Balance at March 31, 2025	13	127	95	8	10	-	253
Provision for credit losses (credit loss reversal)	2	10	(34)	-	3	4	(15)
Balance at June 30, 2025	15	137	61	8	13	4	238
Total allowance for credit losses	$ 806	$ 1,451	$ 647	$ 154	$ 314	$ 258	$ 3,630
Allowance for credit losses:							
Balance at December 31, 2024	$ 682	$ 1,582	$ 588	$ 46	$ 49	$ 454	$ 3,401
Charge-offs	(168)	-	(167)	-	-	-	(335)
Recoveries	-	-	2	-	-	5	7
Provision for credit losses (credit loss reversal)	277	(268)	163	100	252	(205)	319
Balance at June 30, 2025	791	1,314	586	146	301	254	3,392
Reserve for unfunded commitments:							
Balance at December 31, 2024	23	84	41	-	11	-	159
(Credit loss reversal) provision for credit losses	(8)	53	20	8	2	4	79
Balance at June 30, 2025	15	137	61	8	13	4	238
Total allowance for credit losses	$ 806	$ 1,451	$ 647	$ 154	$ 314	$ 258	$ 3,630

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, 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

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, 2025	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk adjusted:					
Common equity tier 1 (CET1) capital ratio	15.31%	15.25%	4.50%	2.50%	7.00%
Tier 1 capital ratio	15.31%	15.25%	6.00%	2.50%	8.50%
Total capital ratio	15.49%	15.44%	8.00%	2.50%	10.50%
Permanent capital ratio	15.33%	15.28%	7.00%	-	7.00%
Non-risk-adjusted:					
Tier 1 leverage ratio	17.39%	17.42%	4.00%	1.00%	5.00%
Unallocated retained earnings (URE) and URE equivalents (UREE) leverage ratio	17.35%	17.38%	1.50%	-	1.50%

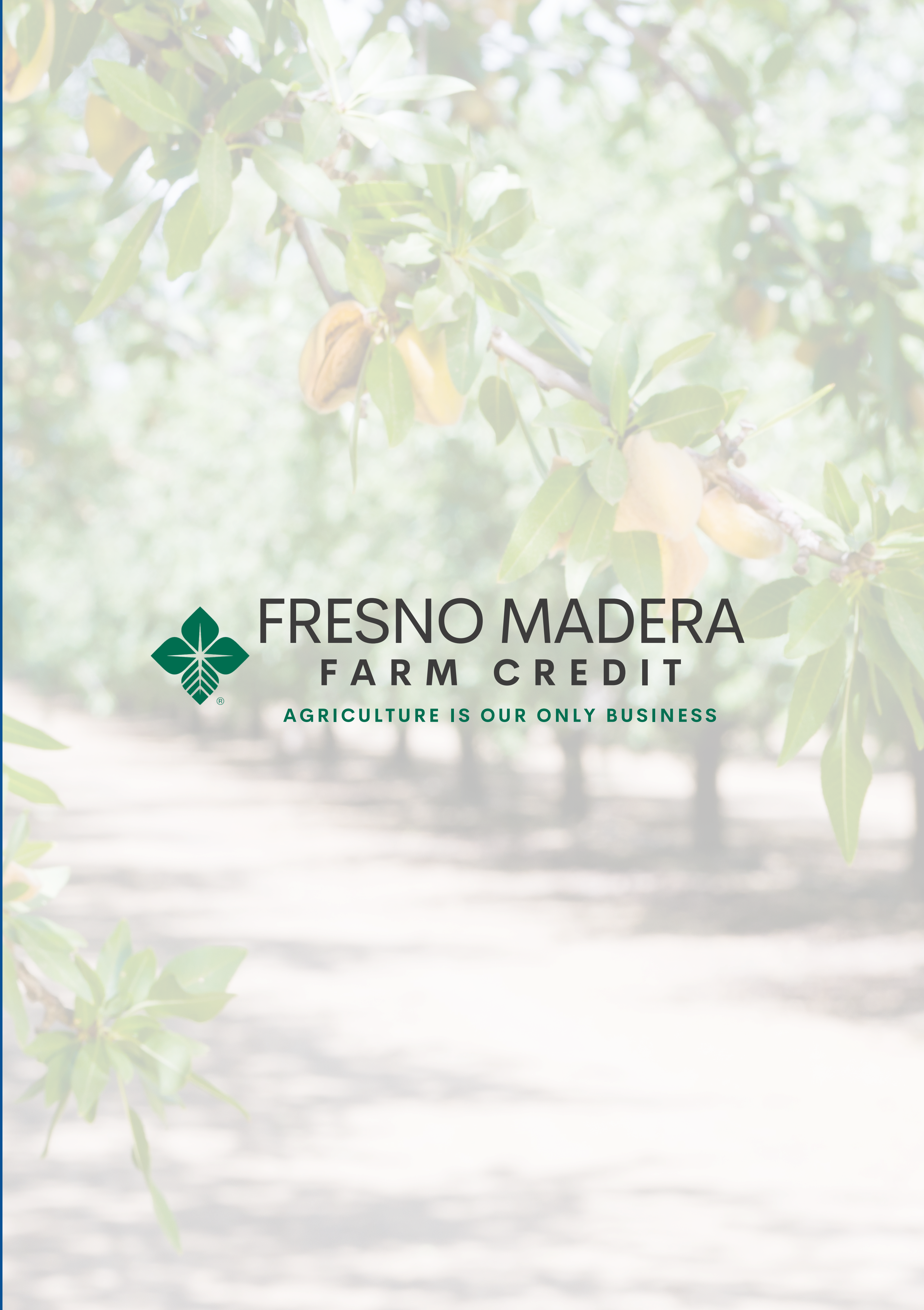
4. FAIR VALUE MEASUREMENTS

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 June 30, 2025 or December 31, 2024.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through August 8, 2025, which is the date the consolidated financial statements were issued, and no material subsequent events were identified.



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FARM CREDIT

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