FRESNO MADERA FARM CREDIT

AGRICULTURE IS OUR ONLY BUSINESS

2026 QUARTERLY REPORT

SEPTEMBER 30, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

These consolidated financial statements reflect the status of the Fresno Madera Farm Credit, ACA and its subsidiaries at the end of the third quarter of 2026. 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 West Spruce, Fresno, California 93722 or by calling (559) 277-7000.

RESULTS OF OPERATIONS

Total comprehensive income for the nine months ended September 30, 2026 was $22.8 million, compared to $21.0 million for the same period in 2025. The 8.80% increase from the prior-year period was primarily driven by higher net interest income and noninterest income, partially offset by increases in the provision for credit losses and noninterest expense.

Net interest income increased $1.5 million to $37.2 million for the nine months ended September 30, 2026 compared with the same period in 2025. The increase was driven by higher average loan volume. Average loan volume during the first nine months of 2026 was $1.81 billion, an increase of $120.0 million or 7.08% from $1.69 billion for the comparative period in 2025.

Noninterest income for the nine months ended September 30, 2026 was $11.4 million, an increase of $1.6 million or 15.94% from the comparative period in 2025. The increase reflects higher patronage distributions from Farm Credit institutions, which rose $736 thousand on higher CoBank patronage driven by growth in average volume and higher participation sold patronage, and a higher Farm Credit System Insurance Corporation Insurance Fund rebate of $885 thousand, compared with $294 thousand in the prior year. The increase also reflects increased loan fee income, largely attributable to higher unused commitment fees associated with expansion of the capital markets portfolio.

The Association monitors its loan portfolio on a regular basis to determine whether adjustments to the allowance for credit losses are warranted based on estimated credit losses over the remaining expected life of loans. The Association recorded a provision for credit losses for the nine months ended September 30, 2026 of $2.6 million compared to $1.7 million during the comparative period in 2025. The increase in the provision was primarily driven by additional specific reserve provisions on two individually evaluated loan relationships, reflecting declines in collateral net realizable values. The provision was further impacted by loans placed on nonaccrual status and related charge-offs of previously accrued, uncollected prior-year interest income.

Noninterest expenses for the nine months ended September 30, 2026 increased $767 thousand or 3.37%, to $23.5 million compared to the same period in the prior year. The increase was primarily driven by higher benefits expense, largely attributable to activity in the Association's pension restoration plan, for which there was no comparable activity in 2025. Information technology expense also increased, reflecting continued investment in technology systems, including higher service charges from our external technology provider and software licensing costs. In addition, purchased services increased due to the timing of audit-related fees.

LOAN PORTFOLIO

Loan volume outstanding at September 30, 2026 was $1.85 billion, an increase of $54.8 million from total loan volume of $1.80 billion at December 31, 2025. The increase reflects volume growth in our real estate mortgage portfolio, most notably in our pistachio and almond segments.

As of September 30, 2026, the Association's allowance for credit losses was $6.0 million, an increase of $699 thousand from December 31, 2025. Allowance as a percentage of loans was 0.32% and 0.29% as of September 30, 2026 and December 31, 2025, respectively. The increase in our allowance for credit losses was driven almost entirely by specific reserve provisions on two individually evaluated loan relationships, both reflecting declines in collateral net realizable values.

CAPITAL RESOURCES

The Association continues to have a sound capital position and exceed all regulatory and board minimums. Members' equity at September 30, 2026 was $366.6 million representing an increase of $22.8 million or 6.64% from December 31, 2025. 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 2025 Annual Report to Shareholders.

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.

November 9, 2026

Denise Waite

Denise Waite
Audit Committee Chair
Fresno Madera Farm Credit, ACA

Keith Hesterberg

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

Juan Garcia

Juan Garcia
Chief Financial and Assurance Officer
Fresno Madera Farm Credit, ACA

CONSOLIDATED STATEMENTS OF CONDITION

Dollars in thousands

	September 30, 2026	December 31, 2025
	Unaudited	Audited
ASSETS		
Loans	$ 1,854,964	$ 1,800,159
Less: allowance for credit losses	5,978	5,279
Net loans	1,848,986	1,794,880
Cash	19	4,876
Accrued interest receivable	37,728	37,393
Investment in CoBank, ACB	47,851	47,317
Premises and equipment, net	8,560	8,986
Other assets	19,212	21,318
Total assets	$ 1,962,356	$ 1,914,770
LIABILITIES		
Note payable to CoBank, ACB	$ 1,525,953	$ 1,485,084
Funds held	57,391	60,150
Accrued interest payable	4,735	4,947
Patronage distributions payable	-	15,101
Reserve for unfunded commitments	185	266
Other liabilities	7,513	5,467
Total liabilities	1,595,777	1,571,015
MEMBERS' EQUITY		
Capital stock and participation certificates	696	708
Unallocated retained earnings	366,076	343,642
Accumulated other comprehensive loss	(193)	(595)
Total members' equity	366,579	343,755
Total liabilities and members' equity	$ 1,962,356	$ 1,914,770

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

CONSOLIDATED STATEMENTS OF INCOME

Dollars in thousands

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
	Unaudited	Unaudited	Unaudited	Unaudited
INTEREST INCOME				
Loans	$ 28,750	$ 29,123	$ 83,647	$ 85,271
INTEREST EXPENSE				
Note payable to CoBank, ACB	15,715	17,083	45,186	47,907
Funds held	414	350	1,310	1,740
Total interest expense	16,129	17,433	46,496	49,647
Net interest income	12,621	11,690	37,151	35,624
Provision for credit losses	1,715	1,410	2,610	1,728
Net interest income after provision for credit losses	10,906	10,280	34,541	33,896
NONINTEREST INCOME				
Patronage distribution from Farm Credit institutions	2,434	2,159	9,184	8,448
Loan fees	329	330	1,031	848
Farm Credit Insurance Fund rebate	-	-	885	294
Financially related services income	38	24	160	119
Other noninterest income	8	38	138	122
Total noninterest income	2,809	2,551	11,398	9,831
NONINTEREST EXPENSE				
Salaries and employee benefits	4,337	4,333	13,625	13,360
Information technology	1,831	1,621	5,123	4,866
Farm Credit Insurance Fund premium	377	351	1,087	990
Occupancy and equipment	187	218	645	653
Supervisory and examination costs	114	116	439	420
Other noninterest expense	843	772	2,584	2,447
Total noninterest expense	7,689	7,411	23,503	22,736
Income before income taxes	6,026	5,420	22,436	20,991
Provision for income taxes	-	-	2	2
Net income	6,026	5,420	22,434	20,989
OTHER COMPREHENSIVE INCOME				
Amortization of retirement costs	134	-	402	-
Total comprehensive income	$ 6,160	$ 5,420	$ 22,836	$ 20,989

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Dollars in thousands

	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Members' Equity
Balance at December 31, 2024	$ 703	$ 330,584	$ -	$ 331,287
Net income		20,989		20,989
Capital stock and participation certificates issued	42			42
Capital stock and participation certificates retired	(37)			(37)
Balance at September 30, 2025	$ 708	$ 351,573	$ -	$ 352,281
Balance at December 31, 2025	$ 708	$ 343,642	$ (595)	$ 343,755
Comprehensive income:				
Net income		22,434		22,434
Change in retirement obligation			402	402
Capital stock and participation certificates issued	33			33
Capital stock and participation certificates retired	(45)			(45)
Balance at September 30, 2026	$ 696	$ 366,076	$ (193)	$ 366,579

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, 2025 are contained in the 2025 Annual Report to Shareholders. These unaudited third quarter 2026 consolidated financial statements should be read in conjunction with the 2025 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. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025 as contained in the 2025 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, 2026. Descriptions of the significant accounting policies are included in the 2025 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 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements. The update provides narrow-scope improvements to interim reporting guidance (ASC 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements. Key changes include clarifying who is subject to ASC 270, adding comprehensive lists of required disclosures from other Codification topics, and establishing a principle to disclose events that have a material impact on the entity since the end of the last annual reporting period. The standard is effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027, and for other entities after December 15, 2028, with early adoption permitted. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

In November 2025, the FASB issued ASU 2025-08 Financial Instruments - Credit Losses (Topic 326) - Purchased Loans. The amendment simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans" (PSLs). This eliminates the Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility by creating a more consistent accounting approach similar to that used for previously purchased credit-deteriorated (PCD) loans. The standard is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

In September 2025, the FASB issued ASU 2025-06 Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendment introduces several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where (a) capitalization occurs when management has authorized and committed to funding, and (b) it is probable that the project will be completed and the software used as intended, (3) clarifies website development costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient, which would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The adoption had no impact on the Association's financial condition, results of operations, or cash flows.

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 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 adoption is not expected to impact the Association's financial condition, results of operations, or cash flows, but is expected to have a limited impact on the Association's disclosures.

2. LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

	September 30, 2026	December 31, 2025
Real estate mortgage	$ 1,085,946	$ 1,042,216
Agribusiness	386,495	367,828
Production and intermediate-term	281,079	289,247
Energy	46,431	44,932
Communications	44,721	41,516
Lease receivables	10,292	14,420
Total	$ 1,854,964	$ 1,800,159

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 September 30, 2026:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 233,777	$ 238,112	$ -	$ -	$ 233,777	$ 238,112
Agribusiness	327,855	221,712	11,332	-	339,187	221,712
Production and intermediate-term	1,026	177,217	-	-	1,026	177,217
Energy	46,431	-	-	-	46,431	-
Communications	44,721	-	-	-	44,721	-
Lease receivables	10,292	-	-	-	10,292	-
Total	$ 664,102	$ 637,041	$ 11,332	$ -	$ 675,434	$ 637,041

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 loan risk rating model based on 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 over a period of time. Probability of default rating is management's assumption of the probability that a borrower will experience a default within 12 months from the date of the determination of the risk rating. 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 is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. 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.

The following table presents credit quality indicators by loan type and the related principal balance as of September 30, 2026:

	Term Loans Amortized Cost by Origination Year							
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 80,752	$ 79,944	$ 77,436	$ 51,451	$ 91,063	$ 387,273	$ 203,795	$ 971,714
OAEM	-	2,269	-	-	3,184	17,443	2,976	25,872
Substandard	98	4,688	3,216	9,609	15,288	48,476	6,985	88,360
Total	80,850	86,901	80,652	61,060	109,535	453,192	213,756	1,085,946
Gross charge-offs	-	-	-	-	120	446	-	566
Agribusiness								
Acceptable	21,153	62,071	30,657	30,909	38,735	78,599	113,155	375,279
OAEM	-	-	-	-	-	-	1,660	1,660
Substandard	-	245	1,607	920	-	-	6,784	9,556
Total	21,153	62,316	32,264	31,829	38,735	78,599	121,599	386,495
Gross charge-offs	-	4	-	-	-	-	-	4
Production and intermediate-term								
Acceptable	22,490	6,813	2,370	2,113	502	4,088	178,559	216,935
OAEM	5,438	-	-	-	-	-	9,409	14,847
Substandard	5,459	28,788	4,246	-	428	13	10,363	49,297
Total	33,387	35,601	6,616	2,113	930	4,101	198,331	281,079
Gross charge-offs	-	44	-	-	-	-	-	44
Energy								
Acceptable	-	14,875	-	7,078	10,759	-	7,571	40,283
Substandard	-	-	-	6,148	-	-	-	6,148
Total	-	14,875	-	13,226	10,759	-	7,571	46,431
Communications								
Acceptable	2,723	20,082	12,532	4,898	-	-	917	41,152
Doubtful	-	-	-	3,569	-	-	-	3,569
Total	2,723	20,082	12,532	8,467	-	-	917	44,721
Gross charge-offs	-	-	-	1,445	-	-	-	1,445
Lease receivables								
Acceptable	976	2,010	260	764	3,689	1,807	-	9,506
OAEM	-	-	-	-	-	15	-	15
Substandard	-	-	-	-	365	406	-	771
Total	976	2,010	260	764	4,054	2,228	-	10,292
Gross charge-offs	-	-	-	-	41	-	-	41
Total loans	$ 139,089	$ 221,785	$ 132,324	$ 117,459	$ 164,013	$ 538,120	$ 542,174	$ 1,854,964
Total gross charge-offs	$ -	$ 48	$ -	$ 1,445	$ 161	$ 446	$ -	$ 2,100

The following table presents credit quality indicators by loan type and the related principal balance as of December 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	$ 62,996	$ 76,958	$ 53,775	$ 93,500	$ 136,648	$ 294,942	$ 222,212	$ 941,031
OAEM	7,883	-	7,930	11,155	3,286	13,294	1,406	44,954
Substandard	36	3,353	2,144	10,093	2,809	35,315	2,481	56,231
Total	70,915	80,311	63,849	114,748	142,743	343,551	226,099	1,042,216
Gross charge-offs	-	-	-	62	-	106	-	168
Agribusiness								
Acceptable	74,713	28,179	33,318	31,804	21,395	52,224	96,999	338,632
OAEM	-	5,819	-	2,631	657	5,535	7,307	21,949
Substandard	245	-	919	-	2,532	-	3,551	7,247
Total	74,958	33,998	34,237	34,435	24,584	57,759	107,857	367,828
Production and intermediate-term								
Acceptable	22,144	7,499	2,572	3,408	2,275	4,934	177,714	220,546
OAEM	14,519	263	-	621	218	1,080	16,395	33,096
Substandard	24,265	5,608	188	-	-	50	5,494	35,605
Total	60,928	13,370	2,760	4,029	2,493	6,064	199,603	289,247
Gross charge-offs	-	167	-	-	-	-	-	167
Energy								
Acceptable	11,859	-	13,181	10,886	-	-	9,006	44,932
Total	11,859	-	13,181	10,886	-	-	9,006	44,932
Communications								
Acceptable	14,844	17,747	3,922	-	-	-	6	36,519
Substandard	-	-	4,997	-	-	-	-	4,997
Total	14,844	17,747	8,919	-	-	-	6	41,516
Lease receivables								
Acceptable	2,228	280	804	4,644	374	3,369	-	11,699
OAEM	-	2,697	-	-	-	24	-	2,721
Total	2,228	2,977	804	4,644	374	3,393	-	14,420
Total loans	$ 235,732	$ 148,403	$ 123,750	$ 168,742	$ 170,194	$ 410,767	$ 542,571	$ 1,800,159
Total gross charge-offs	$ -	$ 167	$ -	$ 62	$ -	$ 106	$ -	$ 335

The following table shows loans under the Farm Credit Administration Uniform Classification System as a percentage of total loans by loan type as of September 30, 2026, and December 31, 2025:

September 30, 2026	Acceptable	OAEM	Substandard	Doubtful	Total
Real estate mortgage	89.48%	2.38%	8.14%	0.00%	100.00%
Agribusiness	97.10%	0.43%	2.47%	0.00%	100.00%
Production and intermediate-term	77.18%	5.28%	17.54%	0.00%	100.00%
Energy	86.76%	0.00%	13.24%	0.00%	100.00%
Communications	92.02%	0.00%	0.00%	7.98%	100.00%
Lease receivables	92.35%	0.15%	7.50%	0.00%	100.00%
Total loans	89.21%	2.29%	8.31%	0.19%	100.00%

December 31, 2025	Acceptable	OAEM	Substandard	Doubtful	Total
Real estate mortgage	90.29%	4.31%	5.40%	0.00%	100.00%
Agribusiness	92.06%	5.97%	1.97%	0.00%	100.00%
Production and intermediate-term	76.25%	11.44%	12.31%	0.00%	100.00%
Energy	100.00%	0.00%	0.00%	0.00%	100.00%
Communications	87.96%	0.00%	12.04%	0.00%	100.00%
Lease receivables	81.13%	18.87%	0.00%	0.00%	100.00%
Total loans	88.51%	5.71%	5.78%	0.00%	100.00%

Accrued interest receivable on loans of $37.7 million and $37.4 million at September 30, 2026 and December 31, 2025, 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 $236 and $958 for the nine months ended September 30, 2026, and 2025, 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:

	September 30, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	$ 18,506	$ 15,906
Agribusiness	1,769	1,523
Production and intermediate-term	2,710	411
Communications	3,571	5,000
Lease receivables	365	-
Total nonaccrual loans	26,921	22,840
Accruing loans 90 days or more past due	3,460	-
Total nonperforming loans	30,381	22,840
Other property owned	-	-
Total nonperforming assets	$ 30,381	$ 22,840
Nonaccrual loans as a percentage of total loans	1.45%	1.27%
Nonperforming assets as a percentage of total loans	1.64%	1.27%
Nonperforming assets as a percentage of total members' equity	8.29%	6.64%

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:

	September 30, 2026			Interest Income Recognized	
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended September 30, 2026	For the Nine Months Ended September 30, 2026
Nonaccrual loans:					
Real estate mortgage	$ 2,123	$ 16,383	$ 18,506	$ 190	$ 211
Agribusiness	-	1,769	1,769	-	-
Production and intermediate-term	495	2,215	2,710	19	105
Communications	3,571	-	3,571	-	-
Lease receivables	365	-	365	-	-
Total nonaccrual loans	$ 6,554	$ 20,367	$ 26,921	$ 209	$ 316

	December 31, 2025			Interest Income Recognized	
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
Nonaccrual loans:					
Real estate mortgage	$ 2,106	$ 13,800	$ 15,906	$ -	$ 119
Agribusiness	-	1,523	1,523	8	24
Production and intermediate-term	-	411	411	-	7
Communications	5,000	-	5,000	-	-
Lease receivables	-	-	-	5	37
Total nonaccrual loans	$ 7,106	$ 15,734	$ 22,840	$ 13	$ 187

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

September 30, 2026	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	$ 1,056,534	$ 10,438	$ 18,974	$ 1,085,946	$ 1,194
Agribusiness	385,330	-	1,165	386,495	-
Production and intermediate-term	275,371	2,423	3,285	281,079	2,266
Energy	46,431	-	-	46,431	-
Communications	43,647	-	1,074	44,721	-
Lease receivables	6,750	3,177	365	10,292	-
Total	$ 1,814,063	$ 16,038	$ 24,863	$ 1,854,964	$ 3,460

December 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	$ 1,017,851	$ 8,640	$ 15,725	$ 1,042,216	$ -
Agribusiness	365,438	2,391	-	367,829	-
Production and intermediate-term	276,168	12,668	411	289,247	-
Energy	44,932	-	-	44,932	-
Communications	39,006	-	2,510	41,516	-
Lease receivables	14,419	-	-	14,419	-
Total	$ 1,757,814	$ 23,699	$ 18,646	$ 1,800,159	$ -

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 September 30, 2026				For the Three Months Ended September 30, 2025			
	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%	$ 750	$ -	$ 750	0.07%
Production and intermediate-term	-	-	-	0.00%	-	12,093	12,093	4.04%
Total	$ -	$ -	$ -	0.00%	$ 750	$ 12,093	$ 12,843	0.72%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended September 30, 2026, and 2025 were $0 and $246, respectively.

	For the Nine Months Ended September 30, 2026				For the Nine Months Ended September 30, 2025			
	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	$ 2,025	$ -	$ 2,025	0.19%	$ 929	$ -	$ 929	0.09%
Production and intermediate-term	-	318	318	0.11%	-	16,892	16,892	5.64%
Total	$ 2,025	$ 318	$ 2,343	0.13%	$ 929	$ 16,892	$ 17,821	1.00%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the nine months ended September 30, 2026 and 2025 were $100 and $212, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended September 30, 2026, and 2025:

	For the Three Months Ended September 30, 2026		For the Three Months Ended September 30, 2025	
	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)
Real estate mortgage	-	-	-	273
Production and intermediate-term	-	-	365	-

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2026, and 2025:

	For the Nine Months Ended September 30, 2026		For the Nine Months Ended September 30, 2025	
	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)
Real estate mortgage	-	184	-	304
Production and intermediate-term	242	-	294	-

There were no loans modified for borrowers experiencing financial difficulty that subsequently defaulted during the three months ended September 30, 2026 or September 30, 2025.

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2026, and received a modification in the twelve months before default. There were no such defaults during the nine months ended September 30, 2025:

	Modified Loans that Subsequently Defaulted During the Nine Months Ended September 30, 2026	
	Payment Extension	Term Extension
Real estate mortgage	$ 2,802	$ -
Production and intermediate-term	-	472
Total	$ 2,802	$ 472

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 2026:

	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	$ 2,025	$ -	$ 2,802
Production and intermediate-term	-	-	789
Total	$ 2,025	$ -	$ 3,591

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 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	$ 929	$ -	$ -
Production and intermediate-term	16,892	-	-
Total	$ 17,821	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the nine months ended September 30, 2026 were $0 and during the year ended December 31, 2025 were $348.

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 June 30, 2026	$ 1,082	$ 1,652	$ 496	$ 352	$ 954	$ 161	$ 4,697
Charge-offs	-	-	-	-	(554)	-	(554)
Recoveries	120	-	-	-	-	-	120
Provision for credit losses (credit loss reversal)	(46)	(327)	454	332	1,339	(37)	1,715
Balance at September 30, 2026	$ 1,156	$ 1,325	$ 950	$ 684	$ 1,739	$ 124	$ 5,978
Reserve for unfunded commitments:							
Balance at June 30, 2026	$ 16	$ 148	$ 74	$ 5	$ 18	$ 3	$ 264
Credit loss reversal	(2)	(44)	(30)	(1)	(2)	-	(79)
Balance at September 30, 2026	$ 14	$ 104	$ 44	$ 4	$ 16	$ 3	$ 185
Total allowance for credit losses	$ 1,170	$ 1,429	$ 994	$ 688	$ 1,755	$ 127	$ 6,163

Allowance for credit losses:							
Balance at December 31, 2025	$ 822	$ 1,970	$ 377	$ 124	$ 1,850	$ 136	$ 5,279
Charge-offs	(566)	(4)	(44)	-	(1,445)	(41)	(2,100)
Recoveries	120	-	69	-	-	-	189
Provision for credit losses (credit loss reversal)	780	(641)	548	560	1,334	29	2,610
Balance at September 30, 2026	$ 1,156	$ 1,325	$ 950	$ 684	$ 1,739	$ 124	$ 5,978
Reserve for unfunded commitments:							
Balance at December 31, 2025	$ 14	$ 185	$ 35	$ 12	$ 17	$ 3	$ 266
(Credit loss reversal) provision for credit losses	-	(81)	9	(8)	(1)	-	(81)
Balance at September 30, 2026	$ 14	$ 104	$ 44	$ 4	$ 16	$ 3	$ 185
Total allowance for credit losses	$ 1,170	$ 1,429	$ 994	$ 688	$ 1,755	$ 127	$ 6,163

	Real Estate Mortgage	Agribusiness	Production & Intermediate-Term	Energy	Communications	Lease Receivables	Total
Allowance for credit losses:							
Balance at June 30, 2025	$ 791	$ 1,314	$ 586	$ 146	$ 301	$ 254	$ 3,392
Charge-offs	(1)	-	-	-	-	-	(1)
Provision for credit losses (credit loss reversal)	86	273	(167)	(28)	1,252	(6)	1,410
Balance at September 30, 2025	$ 876	$ 1,587	$ 419	$ 118	$ 1,553	$ 248	$ 4,801
Reserve for unfunded commitments:							
Balance at June 30, 2025	$ 15	$ 137	$ 61	$ 8	$ 13	$ 4	$ 238
(Credit loss reversal) provision for credit losses	-	(6)	(20)	(3)	11	-	(18)
Balance at September 30, 2025	$ 15	$ 131	$ 41	$ 5	$ 24	$ 4	$ 220
Total allowance for credit losses	$ 891	$ 1,718	$ 460	$ 123	$ 1,577	$ 252	$ 5,021
Allowance for credit losses:							
Balance at December 31, 2024	$ 682	$ 1,582	$ 588	$ 46	$ 49	$ 454	$ 3,401
Charge-offs	(169)	-	(167)	-	-	-	(336)
Recoveries	-	-	2	-	1	5	8
Provision for credit losses (credit loss reversal)	363	5	(4)	72	1,503	(211)	1,728
Balance at September 30, 2025	$ 876	$ 1,587	$ 419	$ 118	$ 1,553	$ 248	$ 4,801
Reserve for unfunded commitments:							
Balance at December 31, 2024	$ 23	$ 84	$ 41	$ -	$ 11	$ -	$ 159
Provision for credit losses (credit loss reversal)	(8)	47	-	5	13	4	61
Balance at September 30, 2025	$ 15	$ 131	$ 41	$ 5	$ 24	$ 4	$ 220
Total allowance for credit losses	$ 891	$ 1,718	$ 460	$ 123	$ 1,577	$ 252	$ 5,021

3. CAPITAL

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

	September 30, 2026	December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk adjusted:					
Common equity tier 1 (CET1) capital ratio	14.51%	14.64%	4.50%	2.50%	7.00%
Tier 1 capital ratio	14.51%	14.64%	6.00%	2.50%	8.50%
Total capital ratio	14.74%	14.88%	8.00%	2.50%	10.50%
Permanent capital ratio	14.55%	14.67%	7.00%	-	7.00%
Non-risk-adjusted:					
Tier 1 leverage ratio	16.48%	16.70%	4.00%	1.00%	5.00%
Unallocated retained earnings (URE) and URE equivalents (UREE) leverage ratio	16.44%	16.66%	1.50%	-	1.50%

The Association reports accumulated other comprehensive loss as a component of total members' equity. The following table presents the activity in the accumulated other comprehensive loss by component as of September 30, 2026:

	Accumulated Other Comprehensive (Loss) Income
Pension and other benefit plans:	
Balance at June 30, 2026	$ (327)
Amounts reclassified from accumulated other comprehensive income	134
Balance at September 30, 2026	$ (193)

	Accumulated Other Comprehensive (Loss) Income
Pension and other benefit plans:	
Balance at December 31, 2025	$ (595)
Amounts reclassified from accumulated other comprehensive income	402
Balance at September 30, 2026	$ (193)

The Association had no activity to report in accumulated other comprehensive loss as of September 30, 2025.

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 2025 Annual Report to Shareholders for a more complete description. The Association had no assets or liabilities measured at fair value on a recurring basis at September 30, 2026 or December 31, 2025.

Assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Total Fair Value - Level 3	
	September 30, 2026	December 31, 2025
Assets:		
Impaired loans	$ 3,797	$ -

With regard to nonrecurring measurements for impaired loans, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals to value these loans and take into account unobservable inputs such as, income and expense, comparable sales, replacement cost and comparability adjustments.

Valuation Techniques

As more fully discussed in Note 2 of the 2025 Annual Report to Shareholders, the FASB guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a brief summary of the valuation techniques used by the Association for assets and liabilities measured at fair value. For a more complete description, see Notes to the 2025 Annual Report to Shareholders.

Loans Evaluated for Impairment : For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but, in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 9, 2026, which is the date the consolidated financial statements were issued, and no material subsequent events were identified.

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