



AGRICULTURE

COLUSA - GLENN

FARM CREDIT

SHAREHOLDERS' REPORT

20

THIRD QUARTER

25

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Unaudited)

The following discussion summarizes the financial position and results of operations of Farm Credit Services of Colusa-Glenn, ACA (the "Association") and subsidiaries for the nine months ended September 30, 2025, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2024 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

The shareholders' investment in Farm Credit Services of Colusa-Glenn, ACA is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank). The 2024 CoBank Annual Report to Shareholders and the CoBank quarterly shareholders' 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 Farm Credit Services of Colusa-Glenn, ACA, 2970 Davison Court, Colusa, California 95932, or calling (530) 458-2163.

GENERAL

The U.S. economy is seeing improvement in the third quarter of 2025 due to strong growth in real GDP carried over from the second quarter. Real GDP is projected to reach an annualized growth rate of 3.9% in the third quarter of 2025 largely due to positive trends in personal consumption expenditures, imports, and business investments. Additionally, a combination of stability in pricing for goods, government spending held under control, and tariffs not generating a significant increase in the cost of living contributed to the improved economic growth. The labor market remained relatively steady for the third quarter of 2025 at 4.3%; however, the uncertainty around the tariff policy and the deep cuts in government spending have affected the labor market and its outlook for 2025. In September, the Federal Reserve cut interest rates by 25 basis points, bringing the funds target range to 4.00% - 4.25%. Fed officials continue to project two more rate cuts through the end of the year as they try to mitigate the persistent inflationary pressures and labor market challenges. In 2025, farm income is anticipated to increase primarily because of direct government relief payments through the American Relief Act of 2025, as well as strong animal/animal product commodity prices. Farm production expenses are also expected to increase by 2.6% in comparison to 2024. Spending on feed, livestock and poultry, and labor are expected to represent the three largest categories of spending in 2025.

We continue to strengthen and diversify our loan portfolio, effectively manage operating costs, and remain well capitalized through the nine months ended September 30, 2025. Our success is due, in part, to our conservative lending approach, the financial stability and support of our member-base, proactive portfolio risk management, and our commitment to providing excellent customer service.

The Association and its members continue to face economic challenges primarily related to commodity price volatility and a continued high-interest rate environment. Market prices for the primary commodities we finance have been and continue to be sensitive to national and global economic market conditions and supply volatility. As mentioned above, various factors continue to influence the U.S. economy, including but not limited to supply chain disruptions, labor issues, high farm input costs, weather related events, global conflicts, recession pressures, and high interest rates. These factors have had an impact, and to the extent they persist, are expected to continue impacting our members' working capital, overall financial condition, and the collateral values supporting our loans. We continue to monitor changes in market conditions that impact the agricultural products we finance to ensure that we continue to provide the best customer service to our members while operating in a safe and sound manner.

LOAN PORTFOLIO

Loans outstanding at September 30, 2025, totaled \$741.1 million, a decrease of \$14.8 million, or 2.0%, from loans of \$755.9 million at December 31, 2024. The decrease was primarily due to scheduled annual mortgage payments and loan payoffs.

RESULTS OF OPERATIONS

Net income for the nine months ended September 30, 2025, was \$14.7 million, an increase of \$3.0 million, or 26.0%, from \$11.7 million for the nine months ended September 30, 2024. This increase was primarily due to a credit loss reversal, partially offset by a decrease in net interest income.

For the nine months ended September 30, 2025, net interest income was \$16.9 million, a decrease of \$976 thousand, or 5.5%, from \$17.8 million for the nine months ended September 30, 2024. Net interest income decreased due to reduced loan volume coupled with a decline in earnings on equity, attributable to the decrease in interest rates year-over-year.

The credit loss reversal for the nine months ended September 30, 2025, was \$1.6 million, compared to the \$2.7 million provision for credit losses for the same period ended one year ago. The credit loss reversal was primarily due to the reversal of specific reserves for one purchased credit. This was partially offset by higher collective reserves for continued credit deterioration and increased expected losses resulting from a less favorable economic outlook in the Communications and Energy pools within our Rural Infrastructure portfolio. The provision for credit losses for the nine months ended September 30, 2024, was due to specific reserves totaling \$2.4 million, with the remaining provision driven by deteriorated credit quality and increased historical losses.

Noninterest income increased \$115 thousand for the nine months ended September 30, 2025, compared with the first nine months of 2024 primarily due to an increase of \$141 thousand in other noninterest income as a result of higher net loan fee income. The increase was partially offset by a \$49 thousand decrease in refunds received from the Farm Credit System Insurance Corporation (FCSIC). These refunds represent our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts.

Noninterest expense for the nine months ended September 30, 2025, was \$6.5 million, an increase of \$470 thousand, or 7.8%, from the nine months ended September 30, 2024. The increase was primarily attributed to increased salaries and employee benefits and data processing services. Salaries and employee benefits increased due to annual cost of living and merit adjustments, combined with increased staffing. Data processing fees increased due to an increase in costs allocated to us by our technology service provider, AgVantis, Inc.

CAPITAL RESOURCES

Our shareholders' equity at September 30, 2025, was \$172.6 million, an increase of \$10.7 million, or 6.6%, from shareholders' equity of \$161.9 million at December 31, 2024. This increase was due to net income and net stock issuances, partially offset by accrued patronage distributions.

FORWARD LOOKING INFORMATION

This discussion contains forward-looking statements. These statements are not guarantees of future performance; future operations involve certain risks, uncertainties, and assumptions that are difficult to predict. Words such as "anticipates," "believes," "could," "estimates," "may," "should," or "will" or other variations of these terms are intended to identify forward-looking statements. These statements are based on management's assumptions and analyses considering experience and other historical trends, current conditions, and expected future developments. However, actual results and developments may differ materially from our expectations and predictions due to several risks and uncertainties, many of which are beyond our control. Readers are cautioned not to place undue reliance on these forward-looking statements. We will not update any forward-looking statements to reflect events or circumstances arising after they are made.

***Management's Discussion and Analysis of Financial
Condition and Results of Operations***

CERTIFICATION

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.

//Signature on file//

Susan LaGrande
Chairperson of the Board
November 7, 2025

//Signature on File//

Tim Elrod
President & Chief Executive Officer
November 7, 2025

//Signature on file//

Amy Ceballos
Chief Financial Officer
November 7, 2025

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in Thousands)

	September 30 2025	December 31 2024
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 741,135	\$ 755,896
Less allowance for loan losses	2,178	3,934
Net loans	738,957	751,962
Cash	3,105	2,938
Accrued interest receivable	16,447	15,503
Investment in CoBank, ACB	18,316	18,257
Premises and equipment, net	6,155	6,522
Other assets	5,072	7,223
Total assets	\$ 788,052	\$ 802,405
LIABILITIES		
Note payable to CoBank, ACB	\$ 583,484	\$ 617,995
Advance conditional payments	21,659	8,348
Accrued interest payable	1,964	2,186
Patronage distributions payable	4,023	6,500
Deferred tax liability	481	481
Unfunded disbursements	1,766	2,368
Reserve for unfunded commitments	587	467
Other liabilities	1,485	2,132
Total liabilities	\$ 615,449	\$ 640,477
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock and participation certificates	551	545
Unallocated retained earnings	172,052	161,383
Total shareholders' equity	172,603	161,928
Total liabilities and shareholders' equity	\$ 788,052	\$ 802,405

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in Thousands)

	For the three months ended September 30		For the nine months ended September 30	
UNAUDITED	2025	2024	2025	2024
INTEREST INCOME				
Loans	\$ 12,185	\$ 14,203	\$ 35,461	\$ 40,529
Total interest income	12,185	14,203	35,461	40,529
INTEREST EXPENSE				
Note payable to CoBank, ACB	6,377	7,836	17,984	21,972
Other	175	160	622	726
Total interest expense	6,552	7,996	18,606	22,698
Net interest income	5,633	6,207	16,855	17,831
Provision for credit losses/(Credit loss reversal)	198	1,664	(1,629)	2,738
Net interest income after provision for credit losses/credit loss reversal	5,435	4,543	18,484	15,093
NONINTEREST INCOME				
Patronage distribution from Farm Credit institutions	769	767	2,348	2,325
Farm Credit Insurance Fund distribution	-	-	139	188
Other noninterest income	93	74	251	110
Total noninterest income	862	841	2,738	2,623
NONINTEREST EXPENSE				
Salaries and employee benefits	1,182	1,020	3,577	3,273
Occupancy and equipment	174	150	506	458
Purchased services	168	155	481	525
Farm Credit Insurance Fund premium	144	153	407	429
Supervisory and examination costs	67	79	242	238
Data processing services	418	355	1,253	1,064
Other noninterest expense, net	115	80	57	66
Total noninterest expense	2,268	1,992	6,523	6,053
Income before income taxes	4,029	3,392	14,699	11,663
Provision for income taxes	3	2	7	7
Net income/Comprehensive income	\$ 4,026	\$ 3,390	\$ 14,692	\$ 11,656

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Dollars in Thousands)

UNAUDITED	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2023	\$ 542	\$ 150,778	\$ 151,320
Net income/Comprehensive income		11,656	11,656
Capital stock and participation certificates issued	26		26
Capital stock and participation certificates retired	(23)		(23)
Patronage Distributions: Cash		(4,097)	(4,097)
Balance at September 30, 2024	\$ 545	\$ 158,337	\$ 158,882
 Balance at December 31, 2024	 \$ 545	 \$ 161,383	 \$ 161,928
Net income/Comprehensive income		14,692	14,692
Capital stock and participation certificates issued	32		32
Capital stock and participation certificates retired	(26)		(26)
Patronage Distributions: Cash		(4,023)	(4,023)
Balance at September 30, 2025	\$ 551	\$ 172,052	\$ 172,603

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited and in Thousands, Except Where Noted)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Farm Credit Services of Colusa-Glenn, ACA (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 third quarter 2025 financial statements should be read in conjunction with the 2024 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles (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, 2024, as contained in the 2024 Annual Report to Shareholders.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods, have been made. 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.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation.

Recently Issued or Adopted Accounting Pronouncements

Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments 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 Institution is currently assessing the potential impact of this amendment on its disclosures.

Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) 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 practical expedient 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 accounting policy election allows an entity to consider

collection activity after the balance sheet date when estimating expected credit losses. 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. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. 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.

Disaggregation of Income Statement Expenses (ASC 220)

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 of specified information about certain costs and expenses in the notes to financial statements. 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 Association is currently assessing the potential impact of this standard on its disclosures.

Improvements to Income Tax Disclosures (ASC 740)

In December 2023, the FASB issued 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 amendments require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective 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 amendments are effective for annual periods beginning after December 15, 2024. 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, but will impact the income tax disclosures.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loan Portfolio

A summary of the Association's loan portfolio by type as of September 30, 2025, and December 31, 2024, is as follows:

<i>(dollars in thousands)</i>	September 30, 2025	December 31, 2024
Real Estate Mortgage	\$ 341,387	\$ 346,281
Production and Intermediate-Term	169,751	164,954
Agribusiness	155,304	170,544
Rural Infrastructure	64,696	68,726
Agricultural Export Finance	9,997	5,391
Total loans	\$ 741,135	\$ 755,896

Participations Purchased and Sold

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 the balances of participations purchased and sold as of September 30, 2025:

<i>(dollars in thousands)</i>	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real Estate Mortgage	\$ 69,015	\$ 58,194	\$ -	\$ -	\$ 69,015	\$ 58,194
Production and Intermediate-Term	31,894	17,519	-	-	31,894	17,519
Agribusiness	98,796	11,182	7,138	-	105,934	11,182
Rural Infrastructure	64,696	-	-	-	64,696	-
Agricultural Export Finance	9,997	-	-	-	9,997	-
Total	\$ 274,398	\$ 86,895	\$ 7,138	\$ -	\$ 281,536	\$ 86,895

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 institution 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 next twelve months. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs. 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 loan is 90 days or more past due. 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 three 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.
- Loss – assets are considered uncollectible.

Notes to Consolidated Financial Statements

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of September 30, 2025, and December 31, 2024:

	September 30, 2025	December 31, 2024
Real Estate Mortgage		
Acceptable	88.90%	90.65%
OAEM	3.03%	0.51%
Substandard	8.07%	8.84%
Total	100.00%	100.00%
Production and Intermediate-Term		
Acceptable	85.97%	91.82%
OAEM	5.50%	3.28%
Substandard	8.53%	4.90%
Total	100.00%	100.00%
Agribusiness		
Acceptable	94.81%	96.64%
OAEM	2.59%	0.50%
Substandard	2.60%	2.86%
Total	100.00%	100.00%
Rural Infrastructure		
Acceptable	99.51%	99.52%
OAEM	0.49%	0.48%
Total	100.00%	100.00%
Agricultural Export Finance		
Acceptable	100.00%	100.00%
Total	100.00%	100.00%
Total Loans		
Acceptable	90.54%	93.13%
OAEM	3.25%	1.10%
Substandard	6.21%	5.77%
Total	100.00%	100.00%

Accrued interest receivable of \$16.4 million on loans at September 30, 2025, and \$15.5 million at December 31, 2024, is excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association wrote off accrued interest of \$192 thousand during the first nine months of 2025 and \$6 thousand during the first nine months of 2024.

Nonperforming Assets

Nonperforming assets consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned. The following table shows these nonperforming assets and related credit quality statistics as of September 30, 2025 and December 31, 2024.

<i>(dollars in thousands)</i>	September 30, 2025	December 31, 2024
Nonaccrual loans		
Real Estate Mortgage	\$ 7,337	\$ 2,856
Production and Intermediate-Term	523	-
Agribusiness	271	2,009
Total nonaccrual loans	\$ 8,131	\$ 4,865
Accruing loans 90 days past due		
Production and Intermediate-Term	\$ -	\$ 496
Total accruing loans 90 days past due	\$ -	\$ 496
Total nonperforming assets	\$ 8,131	\$ 5,361
Nonaccrual loans to total loans	1.10%	0.64%
Nonperforming assets to total loans and other property owned	1.10%	0.71%
Nonperforming assets to total shareholders' equity	4.71%	3.31%

The Association had no other property owned for the periods presented.

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

September 30, 2025			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ -	\$ 7,337	\$ 7,337
Production and Intermediate-Term	-	523	523
Agribusiness	-	271	271
Total	\$ -	\$ 8,131	\$ 8,131

December 31, 2024			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ -	\$ 2,856	\$ 2,856
Agribusiness	-	2,009	2,009
Total	\$ -	\$ 4,865	\$ 4,865

Interest Income Recognized				
<i>(dollars in thousands)</i>	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Nonaccrual loans				
Agribusiness	\$ 82	\$ -	\$ 114	\$ -
Total	\$ 82	\$ -	\$ 114	\$ -

Notes to Consolidated Financial Statements

Past Due Loans

The following tables provide an age analysis of past due loans at amortized cost:

September 30, 2025						
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ 1,614	\$ 7,336	\$ 8,950	\$ 332,437	\$ 341,387	\$ -
Production and Intermediate-Term	1,411	523	1,934	167,817	169,751	-
Agribusiness	-	-	-	155,304	155,304	-
Rural Infrastructure	-	-	-	64,696	64,696	-
Agricultural Export Finance	-	-	-	9,997	9,997	-
Total	\$ 3,025	\$ 7,859	\$ 10,884	\$ 730,251	\$ 741,135	\$ -

December 31, 2024						
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ -	\$ -	\$ -	\$ 346,281	\$ 346,281	\$ -
Production and Intermediate-Term	152	496	648	164,306	164,954	496
Agribusiness	-	1,749	1,749	168,795	170,544	-
Rural Infrastructure	-	-	-	68,726	68,726	-
Agricultural Export Finance	-	-	-	5,391	5,391	-
Total	\$ 152	\$ 2,245	\$ 2,397	\$ 753,499	\$ 755,896	\$ 496

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The Association's collateral dependent loans are primarily real estate mortgage, production and intermediate-term and agribusiness loans.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following tables show the amortized cost basis at the end of the respective reporting periods for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted:

(dollars in thousands)	Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	% of Portfolio Segment	September 30, 2025	% of Portfolio Segment
Production and Intermediate-Term	\$ 1,322	0.78%	\$ 5,500	3.24%
Total	\$ 1,322		\$ 5,500	

Notes to Consolidated Financial Statements

	Combination - Term Extension and Payment Deferral			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	% of Portfolio Segment	September 30, 2025	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term Agribusiness	\$ -	-	\$ 4,983	2.94%
	-	-	269	0.17%
Total	\$ -		\$ 5,252	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was \$26 thousand as of the three months ended September 30, 2025 and \$189 thousand as of the nine months ended September 30, 2025.

	Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term Agribusiness	\$ -	-	\$ 6,360	3.96%
	1,038	0.59%	1,038	0.59%
Total	\$ 1,038		\$ 7,398	

	Payment Deferral			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Real Estate Mortgage	\$ -	-	\$ 3,754	1.06%
Total	\$ -		\$ 3,754	

	Combination - Interest Rate Reduction and Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term	\$ -	-	\$ 3,220	2.00%
Total	\$ -		\$ 3,220	

Accrued interest related to loan modifications granted to borrowers experiencing financial difficulty was \$6 thousand as of the three months ended September 30, 2024 and \$150 thousand as of the nine months ended September 30, 2024.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during the periods presented:

	Weighted-Average Term Extension (in months)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Production and Intermediate-Term Agribusiness	12.0	-	12.0	13.6
	-	13.5	-	13.5

Notes to Consolidated Financial Statements

	Weighted-Average Payment Deferral (in months)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Real Estate Mortgage	-	-	-	12.0

	Combination – Term Extension and Payment Deferral
	For the Nine Months Ended September 30, 2025
Production and Intermediate-Term	Added a weighted average of 35.9 months to the life of loans and deferred payments by a weighted average of 35.9 months
Agribusiness	Added a weighted average of 47.0 months to the life of loans and deferred payments by a weighted average of 47.0 months

	Combination – Interest Rate Reduction and Term Extension
	For the Nine Months Ended September 30, 2024
Production and Intermediate-Term	Reduced weighted average interest rates from 9.75% to 9.25% and added a weighted average of 14.0 months to the life of loans

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the periods presented and received a modification in the twelve months before default:

(dollars in thousands)	Modified Loans that Subsequently Defaulted
	For the Three Months Ended September 30, 2025
	Combination - Term Extension & Payment Deferral
Production and Intermediate-Term	\$ 523
Total	\$ 523

(dollars in thousands)	Modified Loans that Subsequently Defaulted
	For the Nine Months Ended September 30, 2025
	Combination - Term Extension & Payment Deferral
Production and Intermediate-Term	\$ 523
Total	\$ 523

(dollars in thousands)	Modified Loans that Subsequently Defaulted
	For the Nine Months Ended September 30, 2024
	Payment Deferral
Real Estate Mortgage	\$ 4,422
Total	\$ 4,422

There were no loans to borrowers experiencing financial difficulty that defaulted during the three months ended September 30, 2024, which were modified during the twelve months prior to those periods.

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the periods presented:

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2025		
	Current	30-89 Days Past Due	90 Days or More Past Due
<i>(dollars in thousands)</i>			
Production and Intermediate-Term Agribusiness	\$ 10,591	\$ 1,322	\$ 523
	661	-	-
Total	\$ 11,252	\$ 1,322	\$ 523

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2024		
	Current	30-89 Days Past Due	90 Days or More Past Due
<i>(dollars in thousands)</i>			
Real Estate Mortgage	\$ 3,754	\$ -	\$ -
Production and Intermediate-Term Agribusiness	9,580	-	-
	1,038	-	-
Total	\$ 14,372	\$ -	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the nine months ended September 30, 2025 were \$1.8 million and during the year ended December 31, 2024 were \$1.5 million.

The Association had no loans held for sale at September 30, 2025 and December 31, 2024.

Allowance for Loan Losses

The allowance for credit losses (ACL) represents the estimated current expected credit losses over the remaining contractual life of the loans measured at amortized cost and certain off-balance sheet credit exposures. The ACL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications. The Association uses a single economic scenario over a reasonable and supportable forecast period of 12 months. Subsequent to the forecast period, the Association explicitly reverts to long run historical loss experience beyond the 12 months to inform the estimate of losses for the remaining contractual life of the loan portfolio. The economic forecasts are updated on a quarterly basis and incorporate macroeconomic variables such as agricultural commodity prices, unemployment rates, Gross Domestic Product (GDP) annual growth rates, government spending to GDP, real consumer spending, United States exports, inflation, and Fed Funds rates.

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. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the Association's board of directors have generally established more restrictive lending limits. This limit applies to Associations with long-term and short- and intermediate-term lending authorities.

Notes to Consolidated Financial Statements

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

<i>(dollars in thousands)</i>	Balance at June 30, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2025
Real Estate Mortgage	\$ 741	\$ -	\$ -	\$ (32)	\$ 709
Production and Intermediate-Term	517	1	-	11	527
Agribusiness	569	-	63	66	698
Rural Infrastructure	111	-	-	133	244
Total	\$ 1,938	\$ 1	\$ 63	\$ 178	\$ 2,178

<i>(dollars in thousands)</i>	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2025
Real Estate Mortgage	\$ 788	\$ -	\$ -	\$ (79)	\$ 709
Production and Intermediate-Term	566	1	-	(38)	527
Agribusiness	2,442	69	63	(1,738)	698
Rural Infrastructure	138	-	-	106	244
Total	\$ 3,934	\$ 70	\$ 63	\$ (1,749)	\$ 2,178

<i>(dollars in thousands)</i>	Balance at June 30, 2024	Charge-offs	Recoveries	Provision for Loan Losses	Balance at September 30, 2024
Real Estate Mortgage	\$ 784	\$ -	\$ -	\$ 349	\$ 1,133
Production and Intermediate-Term	549	1	-	104	652
Agribusiness	1,214	-	-	1,320	2,534
Rural Infrastructure	160	-	-	2	162
Total	\$ 2,707	\$ 1	\$ -	\$ 1,775	\$ 4,481

<i>(dollars in thousands)</i>	Balance at December 31, 2023	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2024
Real Estate Mortgage	\$ 583	\$ -	\$ -	\$ 550	\$ 1,133
Production and Intermediate-Term	550	1	-	103	652
Agribusiness	357	-	-	2,177	2,534
Rural Infrastructure	318	-	-	(156)	162
Total	\$ 1,808	\$ 1	\$ -	\$ 2,674	\$ 4,481

Reserve for Unfunded Commitments

The Association maintains a separate reserve for unfunded commitments, which is included in Liabilities on the Association's Consolidated Statement of Condition. The related provision for the reserve for unfunded commitments is included as part of the provision for credit losses on the Consolidated Statement of Comprehensive Income, along with the provision for loan losses.

A summary of changes in the reserve for unfunded commitments follows:

	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
<i>(dollars in thousands)</i>		
Balance at beginning of period	\$ 567	\$ 467
Provision for reserve for unfunded commitments	20	120
Total	\$ 587	\$ 587

	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
<i>(dollars in thousands)</i>		
Balance at beginning of period	\$ 628	\$ 453
(Reversal of)/Provision for reserve for unfunded commitments	(111)	64
Total	\$ 517	\$ 517

NOTE 3 - CAPITAL

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

	As of September 30, 2025	As of December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	17.40%	15.94%	4.5%	2.5%	7.0%
Tier 1 capital ratio	17.40%	15.94%	6.0%	2.5%	8.5%
Total capital ratio	17.68%	16.48%	8.0%	2.5%	10.5%
Permanent capital ratio	17.43%	16.02%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	20.24%	18.37%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	20.17%	18.30%	1.5%	-	1.5%

If capital ratios fall below the regulatory minimum plus buffer amounts, capital distributions (equity redemptions, cash dividend payments, and cash patronage payments) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

NOTE 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. See Note 2 of the 2024 Annual Report to Shareholders for a more complete description.

Notes to Consolidated Financial Statements

Assets measured at fair value on a recurring basis are summarized below:

(dollars in thousands)	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Assets held in nonqualified benefits trusts				
September 30, 2025	\$ 10	\$ -	\$ -	\$ 10
December 31, 2024	\$ 10	\$ -	\$ -	\$ 10

The Association had no liabilities measured at fair value on a recurring basis at September 30, 2025, or December 31, 2024.

Assets measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized below:

(dollars in thousands)	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans				
September 30, 2025	\$ -	\$ -	\$ 8,131	\$ 8,131
December 31, 2024	\$ -	\$ -	\$ 5,797	\$ 5,797

With regard to impaired loans, it is not practicable to provide specific information on inputs as each collateral property is unique. System institutions utilize appraisals to value these loans and takes into account unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

The Association had no liabilities measured at fair value on a non-recurring basis at September 30, 2025, or December 31, 2024.

Valuation Techniques

As more fully discussed in Note 2 to the 2024 Annual Report to Shareholders, accounting 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 presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Assets Held in Non-Qualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Loans Evaluated for Impairment

For impaired loans measured on a non-recurring basis, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans. 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, these fair value measurements fall within Level 3 of the hierarchy. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 7, 2025, which is the date the financial statements were issued, and no material subsequent events were identified.



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