COLUSA-GLENN

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FARM CREDIT

SECOND QUARTER
2026 SHAREHOLDERS' REPORT

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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 six months ended June 30, 2026, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2025 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 2025 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 showed signs of moderating growth during the second quarter of 2026. Tariffs, a cooling labor market, and geopolitical pressures have contributed to a complicated economic environment. Real GDP is projected to grow at a rate of 2.1% for 2026 supported by continued consumer expenditures, business investments, and modest government spending. The labor market remained relatively steady with unemployment rates at 4.2% and is expected to remain at this level throughout the remainder of the year. The Federal Reserve maintained the federal funds target range at 3.50% - 3.75% in June 2026, and Fed officials no longer anticipate a rate cut this year. In 2026, net farm income is forecasted to decline slightly in comparison to 2025. Direct government relief payments are projected to increase significantly to offset a weak commodity price environment that has carried over from late 2025. Farm production expenses are expected to increase by 1.0% in comparison to 2025. Livestock and poultry purchases, feed, and labor are expected to be the three largest farm production expense categories in 2026. Compared with 2025 expenses, projections show livestock and poultry purchases increasing 9.7% in 2026, labor expenses increasing 2.2%, and feed expenses declining 6.8%.

We continue to strengthen and diversify our loan portfolio, effectively manage operating costs, and remain well capitalized through the six months ended June 30, 2026. 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 June 30, 2026, totaled $737.3 million, a decrease of $26.2 million, or 3.4%, from loans of $763.5 million at December 31, 2025. The decrease in the loan portfolio was primarily due to seasonal commercial loan repayments and scheduled annual mortgage payments during the first quarter of 2026. Loan volume increased modestly during the second quarter due to advances on commercial loans, partially offsetting the first-quarter decline.

RESULTS OF OPERATIONS

Net income for the six months ended June 30, 2026, was $7.7 million, a decrease of $3.0 million from $10.7 million for the six months ended June 30, 2025. This decrease was primarily due to provision for credit losses and a decrease in net interest income.

For the six months ended June 30, 2026, net interest income was $10.8 million, a decrease of $404 thousand, or 3.6%, from $11.2 million for the six months ended June 30, 2025. Net interest income decreased due to lower interest rates year-over-year.

The provision for credit losses for the six months ended June 30, 2026, was $485 thousand, compared to the $1.8 million credit loss reversal for the same period ended one year ago. The provision for credit losses was primarily due to increased historical losses, portfolio growth, and ongoing credit deterioration, partially offset by decreased reserves driven by improvements in qualitative factors. The credit loss reversal for the six months ended June 30, 2025, was primarily due to the reversal of specific reserves for one purchased credit, partially offset by higher provisions for increased historical losses and continued credit deterioration.

Noninterest income increased $106 thousand for the six months ended June 30, 2026, compared with the first six months of 2025 primarily due to a refund of $361 thousand received during the first six months of 2026 from the Farm Credit System Insurance Corporation (FCSIC), compared with a refund of $139 thousand received in the same period ended one year ago. These refunds represent our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts.

Noninterest expense for the six months ended June 30, 2026, increased $391 thousand to $4.7 million from the six months ended June 30, 2025. The increase was primarily due to increased salaries and employee benefits and purchased services, partially offset by decreased data processing services. Salaries and employee benefits increased due to annual cost of living and merit adjustments. Purchased services increased and data processing services decreased following a change in AgVantis' billing methodology, which resulted in certain costs being reclassified from data processing services to purchased services. Overall, total fees paid to AgVantis increased by $179 thousand year over year.

CAPITAL RESOURCES

Our shareholders' equity at June 30, 2026, was $178.9 million, an increase of $5.0 million, or 2.9%, from shareholders' equity of $173.9 million at December 31, 2025. 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.

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
August 7, 2026

//Signature on File//

Tim Elrod
President & Chief Executive Officer
August 7, 2026

//Signature on file//

Amy Ceballos
Chief Financial Officer
August 7, 2026

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in Thousands)

		June 30 2026		December 31 2025
		UNAUDITED		AUDITED
ASSETS				
Loans	**$**	**737,345**	$	763,548
Less allowance for loan losses		**2,895**		2,553
Net loans		**734,450**		760,995
Cash		**2,690**		3,204
Accrued interest receivable		**11,805**		13,089
Investment in CoBank, ACB		**17,588**		18,317
Premises and equipment, net		**5,971**		6,086
Other assets		**4,883**		6,818
Total assets	**$**	**777,387**	$	808,509
LIABILITIES				
Note payable to CoBank, ACB	**$**	**556,155**	$	604,599
Advance conditional payments		**32,307**		13,533
Accrued interest payable		**1,723**		1,998
Patronage distributions payable		**2,652**		6,500
Deferred tax liability		**432**		432
Unfunded disbursements		**1,315**		4,719
Reserve for unfunded commitments		**780**		637
Other liabilities		**3,088**		2,178
Total liabilities		**598,452**		634,596
Commitments and Contingencies				
SHAREHOLDERS' EQUITY				
Capital stock and participation certificates		**557**		550
Unallocated retained earnings		**178,378**		173,363
Total shareholders' equity		**178,935**		173,913
Total liabilities and shareholders' equity	**$**	**777,387**	$	808,509

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 June 30		For the six months ended June 30	
UNAUDITED	**2026**	2025	**2026**	2025
INTEREST INCOME				
Loans	**$ 10,762**	$ 11,740	**$ 21,473**	$ 23,276
Total interest income	**10,762**	11,740	**21,473**	23,276
INTEREST EXPENSE				
Note payable to CoBank, ACB	**5,061**	5,859	**10,046**	11,607
Other	**288**	224	**609**	447
Total interest expense	**5,349**	6,083	**10,655**	12,054
Net interest income	**5,413**	5,657	**10,818**	11,222
Provision for credit losses/(Credit loss reversal)	**68**	(1,657)	**485**	(1,827)
Net interest income after provision for credit losses/ credit loss reversal	**5,345**	7,314	**10,333**	13,049
NONINTEREST INCOME				
Patronage distribution from Farm Credit institutions	**672**	696	**1,468**	1,579
Farm Credit Insurance Fund distribution	**-**	-	**361**	139
Other noninterest income	**95**	94	**190**	195
Total noninterest income	**767**	790	**2,019**	1,913
NONINTEREST EXPENSE				
Salaries and employee benefits	**1,325**	1,187	**2,644**	2,395
Occupancy and equipment	**176**	163	**346**	332
Purchased services	**273**	26	**555**	350
Farm Credit Insurance Fund premium	**127**	130	**257**	263
Data processing services	**393**	418	**786**	835
Other noninterest expense, net	**67**	48	**95**	117
Total noninterest expense	**2,361**	1,972	**4,683**	4,292
Income before income taxes	**3,751**	6,132	**7,669**	10,670
Provision for income taxes	**1**	2	**2**	4
Net income/Comprehensive income	**$ 3,750**	$ 6,130	**$ 7,667**	$ 10,666

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, 2024	$ 545	$ 161,383	$ 161,928
Net income/Comprehensive income		10,666	10,666
Capital stock and participation certificates issued	29		29
Capital stock and participation certificates retired	(21)		(21)
Patronage Distributions: Cash		(2,645)	(2,645)
Balance at June 30, 2025	$ 553	$ 169,404	$ 169,957
Balance at December 31, 2025	$ 550	$ 173,363	$ 173,913
Net income/Comprehensive income		7,667	7,667
Capital stock and participation certificates issued	21		21
Capital stock and participation certificates retired	(14)		(14)
Patronage Distributions: Cash		(2,652)	(2,652)
Balance at June 30, 2026	**$ 557**	**$ 178,378**	**$ 178,935**

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, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited second quarter 2026 financial statements should be read in conjunction with the 2025 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, 2025, as contained in the 2025 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, 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 Issued or Adopted Accounting Pronouncements

Financial Instruments – Credit Losses (Topic 326): Purchased Loans

In November 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 reporting 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.

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

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 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 Association 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 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 receivable and current contract assets arising from transactions accounted for under Topic 606. The practical expedient allows 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 were effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The adoption of this guidance did not have a material impact on the Association's financial condition, results of operations, or cash flows.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loan Portfolio

A summary of the Association's loan portfolio by type as of June 30, 2026, and December 31, 2025, is as follows:

(dollars in thousands)	**June 30, 2026**	December 31, 2025
Real Estate Mortgage	**$ 327,521**	$ 339,448
Production and Intermediate-Term	**167,568**	190,310
Agribusiness	**161,991**	158,367
Rural Infrastructure	**70,267**	65,426
Agricultural Export Finance	**9,998**	9,997
Total loans	**$ 737,345**	$ 763,548

Participations Purchased and Sold

The Association purchases and sells participation interests with other parties 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 June 30, 2026:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
(dollars in thousands)	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real Estate Mortgage	$ 62,498	$ 56,396	$ -	$ -	$ 62,498	$ 56,396
Production and Intermediate-Term	38,747	13,928	1,003	-	39,750	13,928
Agribusiness	101,155	24,033	7,591	-	108,746	24,033
Rural Infrastructure	70,267	-	-	-	70,267	-
Agricultural Export Finance	9,998	-	-	-	9,998	-
Total	$ 282,665	$ 94,357	$ 8,594	$ -	$ 291,259	$ 94,357

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 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 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.
- Loss – assets are considered uncollectible.

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 June 30, 2026, and December 31, 2025:

	June 30, 2026	December 31, 2025
Real Estate Mortgage		
Acceptable	**90.57%**	88.86%
OAEM	**4.63%**	4.13%
Substandard	**4.80%**	7.01%
Total	**100.00%**	100.00%
Production and Intermediate-Term		
Acceptable	**86.50%**	89.33%
OAEM	**7.75%**	6.60%
Substandard	**5.75%**	4.07%
Total	**100.00%**	100.00%

(Continued)	**June 30, 2026**	December 31, 2025
Agribusiness		
Acceptable	**89.78%**	91.57%
OAEM	**5.59%**	5.89%
Substandard	**4.63%**	2.54%
Total	**100.00%**	100.00%
Rural Infrastructure		
Acceptable	**100.00%**	99.52%
OAEM	**-**	0.48%
Total	**100.00%**	100.00%
Agricultural Export Finance		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**90.50%**	90.59%
OAEM	**5.04%**	4.75%
Substandard	**4.46%**	4.66%
Total	**100.00%**	100.00%

Accrued interest receivable of $11.8 million on loans at June 30, 2026, and $13.1 million at December 31, 2025, is excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association did not write off any accrued interest during the first six months of 2026 or 2025.

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 June 30, 2026 and December 31, 2025.

(dollars in thousands)	**June 30, 2026**	**December 31, 2025**
Nonaccrual loans		
Real Estate Mortgage	**$ 6,356**	$ 7,479
Production and Intermediate-Term	**848**	849
Agribusiness	**-**	256
Total nonaccrual loans	**$ 7,204**	$ 8,584
Total nonperforming assets	**$ 7,204**	$ 8,584
Nonperforming assets to total loans	**0.98%**	1.12%
Nonperforming assets to total shareholders' equity	**4.03%**	4.94%

The Association had no accruing loans 90 days or more past due, or 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 periods presented:

	June 30, 2026		
(dollars in thousands)	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real Estate Mortgage	$ -	$ 6,356	$ 6,356
Production and Intermediate-Term	523	325	848
Total	$ 523	$ 6,681	$ 7,204

	December 31, 2025		
(dollars in thousands)	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real Estate Mortgage	$ -	$ 7,479	$ 7,479
Production and Intermediate-Term	523	326	849
Agribusiness	-	256	256
Total	$ 523	$ 8,061	$ 8,584

	Interest Income Recognized			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
(dollars in thousands)	**2026**	2025	**2026**	2025
Agribusiness	**$ -**	$ 32	**$ 2**	$ 32
Total	**$ -**	$ 32	**$ 2**	$ 32

Past Due Loans

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

	June 30, 2026					
(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	$ 4,407	$ 79	$ 4,486	$ 323,035	$ 327,521	$ -
Production and Intermediate-Term	64	848	912	166,656	167,568	-
Agribusiness	585	-	585	161,406	161,991	-
Rural Infrastructure	-	-	-	70,267	70,267	-
Agricultural Export Finance	-	-	-	9,998	9,998	-
Total	$ 5,056	$ 927	$ 5,983	$ 731,362	$ 737,345	$ -

(dollars in thousands)	December 31, 2025 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	$ -	$ 7,347	$ 7,347	$ 332,101	$ 339,448	$ -
Production and Intermediate-Term	-	523	523	189,787	190,310	-
Agribusiness	-	-	-	158,367	158,367	-
Rural Infrastructure	-	-	-	65,426	65,426	-
Agricultural Export Finance	-	-	-	9,997	9,997	-
Total	$ -	$ 7,870	$ 7,870	$ 755,678	$ 763,548	$ -

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 and production and intermediate-term.

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. These balances exclude loans that were modified during the period but were paid off or sold prior to period end.

	Term Extension			
	For the Three Months Ended		For the Six Months Ended	
(dollars in thousands)	**June 30, 2026**	% of Portfolio Segment	**June 30, 2026**	% of Portfolio Segment
Production and Intermediate-Term	**$ 4,011**	2.39%	**$ 8,471**	5.06%
Total	**$ 4,011**		**$ 8,471**	

	Combination - Term Extension and Payment Deferral			
	For the Three Months Ended		For the Six Months Ended	
(dollars in thousands)	**June 30, 2026**	% of Portfolio Segment	**June 30, 2026**	% of Portfolio Segment
Production and Intermediate-Term	**$ 552**	0.33%	**$ 552**	0.33%
Total	**$ 552**		**$ 552**	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $9 thousand as of the three months ended June 30, 2026 and $13 thousand as of the six months ended June 30, 2026.

	Term Extension			
	For the Three Months Ended		For the Six Months Ended	
(dollars in thousands)	June 30, 2025	% of Portfolio Segment	June 30, 2025	% of Portfolio Segment
Production and Intermediate-Term	$ 4,889	3.18%	$ 4,889	3.18%
Total	$ 4,889		$ 4,889	

	Combination - Term Extension and Payment Deferral			
	For the Three Months Ended		For the Six Months Ended	
(dollars in thousands)	June 30, 2025	% of Portfolio Segment	June 30, 2025	% of Portfolio Segment
Production and Intermediate-Term	$ 4,947	3.22%	$ 4,947	3.22%
Agribusiness	283	0.17%	283	0.17%
Total	$ 5,230		$ 5,230	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $113 thousand as of the three and six months ended June 30, 2025.

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 June 30		For the Six Months Ended June 30	
	2026	2025	**2026**	2025
Production and Intermediate-Term	**14.0**	12.0	**12.0**	12.0

	Combination – Term Extension and Payment Deferral
	For the Three Months Ended June 30, 2026
Production and Intermediate-Term	Added a weighted average of 9.0 months to the life of loans and deferred payments by a weighted average of 9.0 months

	Combination – Term Extension and Payment Deferral
	For the Six Months Ended June 30, 2026
Production and Intermediate-Term	Added a weighted average of 9.0 months to the life of loans and deferred payments by a weighted average of 9.0 months

	Combination – Term Extension and Payment Deferral
	For the Three Months Ended June 30, 2025
Production and Intermediate-Term	Added a weighted average of 36.0 months to the life of loans and deferred payments by a weighted average of 36.0 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 – Term Extension and Payment Deferral
	For the Six Months Ended June 30, 2025
Production and Intermediate-Term	Added a weighted average of 36.0 months to the life of loans and deferred payments by a weighted average of 36.0 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

None of the loans to borrowers experiencing financial difficulty that received a payment modification during the six months ended June 30, 2026 or June 30, 2025, experienced a subsequent default.

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 June 30, 2026		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Production and Intermediate-Term	$ 9,978	$ -	$ -
Total	$ 9,978	$ -	$ -

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended June 30, 2025		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Production and Intermediate-Term	$ 11,842	$ -	$ -
Agribusiness	817	-	-
Total	$ 12,659	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the six months ended June 30, 2026 were $2.5 million and during the year ended December 31, 2025 were $2.6 million.

The Association had no loans held for sale at June 30, 2026 and December 31, 2025.

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. After 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, real consumer spending, agricultural 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.

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

(dollars in thousands)	Balance at March 31, 2026	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2026
Real Estate Mortgage	$ 1,038	$ -	$ -	$ (78)	$ 960
Production and Intermediate-Term	866	-	-	101	967
Agribusiness	711	-	-	(11)	700
Rural Infrastructure	265	-	-	3	268
Total	$ 2,880	$ -	$ -	$ 15	$ 2,895

(dollars in thousands)	Balance at December 31, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2026
Real Estate Mortgage	$ 720	$ -	$ -	$ 240	$ 960
Production and Intermediate-Term	827	-	-	140	967
Agribusiness	690	-	-	10	700
Rural Infrastructure	316	-	-	(48)	268
Total	$ 2,553	$ -	$ -	$ 342	$ 2,895

(dollars in thousands)	Balance at March 31, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2025
Real Estate Mortgage	$ 745	$ -	$ -	$ (4)	$ 741
Production and Intermediate-Term	368	-	-	149	517
Agribusiness	2,453	69	-	(1,815)	569
Rural Infrastructure	116	-	-	(5)	111
Total	$ 3,682	$ 69	$ -	$ (1,675)	$ 1,938

(dollars in thousands)	Balance at December 31, 2024	Charge-offs	Recoveries	Loan Loss Reversals	Balance at June 30, 2025
Real Estate Mortgage	$ 788	$ -	$ -	$ (47)	$ 741
Production and Intermediate-Term	566	-	-	(49)	517
Agribusiness	2,442	69	-	(1,804)	569
Rural Infrastructure	138	-	-	(27)	111
Total	$ 3,934	$ 69	$ -	$ (1,927)	$ 1,938

Reserve for Unfunded Commitments

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

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

(dollars in thousands)	**For the Three Months Ended June 30, 2026**	**For the Six Months Ended June 30, 2026**
Balance at beginning of period	$ 727	$ 637
Provision for reserve for unfunded commitments	53	143
Total	$ 780	$ 780

(dollars in thousands)	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Balance at beginning of period	$ 549	$ 467
Provision for reserve for unfunded commitments	18	100
Total	$ 567	$ 567

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 June 30, 2026	As of December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	**18.23%**	17.51%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**18.23%**	17.51%	6.0%	2.5%	8.5%
Total capital ratio	**18.64%**	17.82%	8.0%	2.5%	10.5%
Permanent capital ratio	**18.29%**	17.56%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**21.92%**	20.25%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**21.84%**	20.18%	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 2025 Annual Report to Shareholders for a more complete description.

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

	Fair Value Measurement Using			**Total Fair Value**
(dollars in thousands)	**Level 1**	**Level 2**	**Level 3**	
Assets held in nonqualified benefits trusts				
June 30, 2026	**$ 15**	**$ -**	**$ -**	**$ 15**
December 31, 2025	$ 15	$ -	$ -	$ 15

The Association had no liabilities measured at fair value on a recurring basis at June 30, 2026, or December 31, 2025.

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

	Fair Value Measurement Using			Total Fair Value
(dollars in thousands)	Level 1	Level 2	Level 3	
Loans				
June 30, 2026	**$ -**	**$ -**	**$ 6,791**	**$ 6,791**
December 31, 2025	$ -	$ -	$ 8,170	$ 8,170

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 considers 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 June 30, 2026, or December 31, 2025.

Valuation Techniques

As more fully discussed in Note 2 to the 2025 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 August 7, 2026, which is the date the financial statements were issued, and no material subsequent events were identified.

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