MISSISSIPPI LAND BANK, ACA

2025
Quarterly Report
Third Quarter



For the Quarter Ended September 30, 2025

REPORT OF MANAGEMENT

The consolidated financial statements of Mississippi Land Bank, ACA (Association) are prepared by management, who is responsible for the statements' integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Other financial information included in the annual report is consistent with that in the consolidated financial statements.

To meet its responsibility for reliable financial information, management depends on the Farm Credit Bank of Texas' and the Association's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost of controls must be related to the benefits derived. The board of directors has overall responsibility for the Association's systems of internal control and financial reporting. The board consults regularly with management and reviews the results of the audits and examinations referred to previously.

The undersigned certify that we have reviewed this report, that it has been prepared in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate and complete to the best of our knowledge and belief.

/s/ Mac Alan Blaine
Mac Alan Blaine, Chairman, Board of Directors
November 7, 2025

/s/ Rebecca A. Beard
Rebecca A. Beard, Chairman, Audit Committee
November 7, 2025

/s/ Chad E. Crow
Chad E Crow, Chief Executive Officer
November 7, 2025

/s/ Claire B. Pegram
Claire B. Pegram, Chief Financial Officer
November 7, 2025

Third Quarter 2025 Financial Report

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MISSISSIPPI LAND BANK, ACA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the financial performance of the Mississippi Land Bank, ACA, referred to as the Association, for the quarter ended September 30, 2025. These comments should be read in conjunction with the accompanying financial statements and the December 31, 2024 Annual Report to Stockholders.

The Association is a member of the Farm Credit System (System), a nationwide network of cooperatively owned financial institutions established by and subject to the provisions of the Farm Credit Act of 1971, as amended, and the regulations of the Farm Credit Administration (FCA) promulgated thereunder.

The consolidated financial statements comprise the operations of the ACA and its wholly-owned subsidiaries. The consolidated financial statements were prepared under the oversight of the Association's audit committee.

Significant Events

On a monthly basis the Association accrues estimated patronage income to be paid by the Farm Credit Bank of Texas (Bank) for the corresponding year. This patronage is paid at the discretion of the Bank's board of directors based on financial performance of the Bank. In September 2025, the Association was made aware of revisions to the Bank's patronage payment expectations and, as a result, reversed $281,383 of accrued patronage income from the Bank. Additionally, the decision was made to stop any further accrual in 2025.

The Association is required to maintain an investment in the Bank in the form of Class A voting capital stock and allocated retained earnings. Beginning in 2025, the investment requirement of the Association increased to 2.50% of the average borrowings from the Bank, determined semi-annually. The first semi-annual equalization resulted in an increased investment in the Bank of $5,525,995 in March 2025.

In March 2025, the Association received a refund of $169,174 from the Farm Credit Services Insurance Corporation (FCSIC or the Insurance Fund) for its share of excess fund balances in the allocated insurance reserve accounts.

In February 2025 and 2024, the Association paid its stockholders a cash patronage of $6,000,000 and $7,500,000, respectively, which were declared by the board of directors in December 2024 and 2023, respectively.

Changes in Senior Officers

On January 11, 2024, the board of directors announced that Chad E. Crow had been named as the Association's new chief executive officer. He came to the Association with over 21 years of farm credit experience and began his tenure on April 8, 2024.

Economic Conditions

The Association continues to fulfill its mission to support agriculture and rural communities by providing access to reliable and consistent credit amid financial and macroeconomic volatility. Despite the challenging operating environment, credit quality at the Association remains strong at 99.8%. Risk factors such as increased production costs, persistently high inflation, elevated cost of debt and uncertainty from an unprecedented trade policy are negatively impacting performance across many sectors.

The U.S. tariff landscape continues to be dynamic. On September 25, 2025, Reuters reported that the U.S. implemented a trade agreement with the European Union (EU), reducing tariffs on EU autos and auto parts from 25% to 15%, retroactive to August 1. Canada and Mexico trade remains largely governed by the United States-Mexico-Canada (USMCA) agreement, mostly tariff-free, but different tariffs apply to products outside the USMCA agreement. A suspension of reciprocal tariffs on China is in effect until November 10, 2025, as negotiations continue. Tariffs are exerting pressure on U.S. row crops by increasing production costs and dampening export demand. Through September 30, 2025, these effects have largely been offset through government support payments.

On October 1, 2025, the federal government of the United States began a shutdown. A government shutdown occurs when Congress fails to pass appropriations legislation (bills) for the upcoming fiscal year (e.g., 2026), which begins on October 1. The resulting impacts of the prolonged shutdown on the agricultural sector remain unclear at this time.

The percentage change in the Consumer Price Index (inflation) for All Urban Consumers increased month-over-month (MoM) for a second consecutive month in September to 3.0% from 2.9% in August 2025 and 2.7% percent in the prior quarter (June 2025). Year-over-year (YoY), inflation increased from 2.4% to 3.0% and remains above the Federal Reserve's long-term target of approximately 2.0%. The Federal Open Market Committee reduced the target federal funds range by another 25 basis points to 3.75-4.00% during the October 29, 2025 meeting, favoring the maximum employment goal of the dual mandate and judging that the downside risks to employment rose in recent months.

The Bureau of Labor Statistics indicates that the U.S. unemployment rate was 4.3% in August 2025, slightly up from 4.2% reached in the previous month and during the same month last year. Overall, the unemployment rate in Mississippi remains relatively stable at 3.9%.

The quarterly average West Texas Intermediate (WTI) crude oil spot price increased quarter-over-quarter (QoQ) by nearly 2.0% but decreased YoY by about 14.0% as of the third quarter of 2025. The Energy Information Administration's October 2025 Short Term Energy Outlook indicates that the WTI crude oil spot price will average slightly above $65 per barrel in 2025 and about $48 per barrel in 2026.

The October 2025 edition of S&P Global Agricultural Commodity Price Watch estimated that U.S. average farm prices of key crops (e.g., cotton, corn, soybeans and wheat) decreased QoQ in the third quarter of 2025. Additionally, average soybeans, cotton and wheat farm prices also decreased YoY as of the third quarter of 2025, except for corn farm prices that increased YoY by about 1%. Quarterly average cattle and hog prices increased QoQ and YoY during the third quarter of 2025 as demand remains strong and supply is tight. Conversely, average broilers and dairy prices declined QoQ and YoY. In terms of lumber, the physical cash price, as compiled by Barchart, decreased QoQ in September 2025 but increased YoY by around 16%.

On September 3, 2025, the U.S. Department of Agriculture (USDA) released its latest 2025 Farm Income Forecast. Net farm income (nominal), a broad measure of profits, is forecasted at $179.8 billion in 2025 after increasing $52 billion or 40.7% relative to 2024. Total crop receipts are forecasted to decrease YoY by 2.5% to $236.6 billion in 2025, due to lower receipts for soybeans, corn and wheat. However, total animal and animal product receipts are projected to increase YoY by 11.2% to $298.6 billion in 2025, as receipts for cattle, eggs, hogs, broilers and turkeys are forecasted to rise. Total production expenses are forecasted to increase YoY by 2.6% to $467.4 billion in 2025. Farm sector assets and equity are both forecasted to increase by 4.7%. Farm sector debt is expected to increase by 5.0% in 2025.

The Association's loan portfolio is well-supported by industry diversification and conservative advance rates. Additionally, a high percentage of the Association's borrowers primarily rely on non-farm sources of income to repay their loans.

Farm Bill

Approximately every five years, Congress considers legislation, commonly referred to as the "Farm Bill," that sets national agriculture, nutrition, conservation and forestry policy. The last Farm Bill enacted was the Agricultural Improvement Act of 2018 that was extended twice to September 30, 2025. On July 4, 2025, the President signed H.R.1, known as the One Big Beautiful Bill Act into law, which enacted many of the provisions typically authorized and funded in a Farm Bill. This Act continues crucial commodities programs and increases spending for many agricultural programs over 10 years. Because the bill was passed using the budget reconciliation process, it could only include measures that directly affect federal spending or revenue. There is the potential for a separate, smaller Farm Bill being introduced before the end of 2025 to address outstanding issues.

Loan Portfolio

The Association makes and services loans to farmers, ranchers, rural homeowners and certain farm-related businesses. The Association's loan volume consists of long-term farm mortgage loans, production and intermediate-term loans and farm-related business loans with maturities ranging from one to 30 years. These loan products are available to eligible borrowers with competitive variable and fixed interest rates. Loans serviced by the Association offer several installment payment cycles, the timing of which usually coincides with the seasonal cash-flow capabilities of the borrower.

In addition, the Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. To mitigate the risk of loan losses, the Association has obtained loan guarantees in the form of standby commitments to purchase qualifying loans from the Federal Agricultural Mortgage Corporation (Farmer Mac). The agreements, which will remain in place until the loans are paid in full, give the Association the right to sell the loans identified in the agreements to Farmer Mac in the event of defaults (typically four months past due), subject to certain conditions. At September 30, 2025, loans totaling $36,423,676 were guaranteed by these commitments. Fees paid for these guarantees totaled $89,120 and are included in "Other noninterest expense." Additionally, the Association also utilizes guarantees from the Farm Service Agency and the Mississippi Development Authority Small Business Loan Guarantee Program on certain loans to help reduce the risk of loss.

In June 2024, the Association entered into the Agri-Access program offered by Compeer, which required a capital investment in AgriBank of $757,110. In May 2025, the Association entered into an additional capital investment in AgriBank in the amount of $594,025 for a total of $1,351,135, as shown on the consolidated balance sheets.

Total loans outstanding at September 30, 2025, including nonaccrual loans and sales contracts, were $1,147,751,907 compared to $1,080,449,943 at December 31, 2024, reflecting an increase of 6.2%. Nonaccrual loans as a percentage of total loans outstanding were 0.1% at September 30, 2025, compared to 0.0% at December 31, 2024.

The Association recorded $0 in recoveries and $12,540 in charge-offs for the three months ended September 30, 2025, and $0 in recoveries and $30,660 in charge-offs for the three months ended September 30, 2024. The Association recorded $1,110 in recoveries and $41,844 in charge-offs for the nine months ended September 30, 2025, and $0 in recoveries and $30,660 in charge-offs for the

nine months ended September 30, 2024. The Association's allowance for loan losses was 0.2% and 0.1% of total loans outstanding as of September 30, 2025, and December 31, 2024, respectively.

Agribusiness Loan Program

The Association utilizes the Mississippi Development Authority's Agribusiness Enterprise Loan Program (ABE) to lower the cost of financing for its borrowers. The ABE loan program is designed to provide a percentage of low-cost state financing that is combined with private financial lending institutions' loan proceeds to encourage loans to the agribusiness industry in the state.

The Association guarantees payment of the borrowers' ABE loan to the Mississippi Development Authority (MDA) and, therefore, the amount of ABE loans outstanding and due to MDA is included in "Loans" on the consolidated balance sheets with an offsetting liability at "Guaranteed obligations to government entities." ABE loans totaled $11,928,938 and $12,814,426 as of September 30, 2025 and December 31, 2024, respectively.

Risk Exposure

High-risk assets include nonaccrual loans, loans that are past due 90 days or more and still accruing interest and other property owned. The following table illustrates the Association's components and trends of high-risk assets.

	September 30, 2025		December 31, 2024	
	Amount	**%**	Amount	%
Nonaccrual	**$ 606,769**	**100.0%**	$ 148,144	100.0%
Total	**$ 606,769**	**100.0%**	$ 148,144	100.0%

Investments

In 2024, the Association began purchasing Small Business Administration (SBA) pool securities that are 100% guaranteed by the United States Government for which the Association has the intent and ability to hold to maturity and which are consequently classified as held to maturity and reported at amortized cost. Purchased premiums are amortized into interest income over the term of the respective issues. As of September 30, 2025, the Association had $12,365,122 of SBA pool securities compared to $4,225,491 at December 31, 2024.

Results of Operations

The Association had net income of $4,432,280 and $12,932,689 for the three and nine months ended September 30, 2025, as compared to net income of $4,734,227 and $12,974,413 for the same period in 2024, reflecting a decrease of 6.4% and 0.3%, respectively. Net interest income was $6,788,460 and $19,883,559 for the three and nine months ended September 30, 2025, compared to $6,340,155 and $18,546,218 for the same period in 2024.

	Nine Months Ended			
	September 30, 2025		September 30, 2024	
	Average Balance	**Interest**	Average Balance	Interest
Loans	**$ 1,098,941,664**	**$ 46,746,201**	$ 1,019,190,735	$ 40,962,369
Investments	**9,443,939**	**346,515**	-	-
Total interest-earning assets	**1,108,385,603**	**47,092,716**	1,019,190,735	40,962,369
Interest-bearing liabilities	**965,129,601**	**27,209,157**	877,861,071	22,416,151
Impact of capital	**$ 143,256,002**		$ 141,329,664	
Net interest income		**$ 19,883,559**		$ 18,546,218

	2025 Average Yield	2024 Average Yield
Yield on loans	**5.69%**	5.37%
Yield on investments	**4.91%**	-
Total yield on interest-earning assets	**5.68%**	5.37%
Cost of interest-bearing liabilities	**3.77%**	3.41%
Interest rate spread	**1.91%**	1.96%
Net interest income as a percentage of average earning assets	**2.40%**	2.43%

	Nine Months Ended September 30, 2025 vs. September 30, 2024		
	Increase (decrease) due to		
	Volume	Rate	Total
Interest income - loans	**$ 3,202,334**	**$ 2,581,498**	**$ 5,783,832**
Interest income - investments	**346,515**	**-**	**346,515**
Total interest income	**3,548,849**	**2,581,498**	**6,130,347**
Interest expense	**2,226,365**	**2,566,641**	**4,793,006**
Net interest income	**$ 1,322,483**	**$ 14,858**	**$ 1,337,341**

Interest income for the three and nine months ended September 30, 2025, increased by $2,013,758 and $6,130,347, or 14.0% and 15.0%, respectively, from the same periods of 2024, primarily due to increases in yields on earning assets and an increase in average loan volume. Interest expense for the three and nine months ended September 30, 2025, increased by $1,565,453 and $4,793,006, or 19.4% and 21.4%, from the same periods of 2024 due to an increase in the cost of interest-bearing liabilities along with an increase in average debt volume. Average loan volume for the third quarter of 2025 was $1,128,014,288 compared to $1,048,382,318 in the third quarter of 2024. The average net interest rate spread on the loan portfolio for the third quarter of 2025 was 1.88%, compared to 1.93% in third quarter of 2024.

Noninterest income for the nine months ended September 30, 2025, decreased by $145,657, or 4.8%, compared with 2024, due primarily to decreased patronage income of $131,413. In September 2025, the Bank communicated to the Association that patronage income paid in 2025 would be reduced from its planned amount. As a result, the Association had to reverse a portion of accrued patronage income to better align with new expectations. Additionally, there was a decrease in FCSIC refund of $100,605, offset by increased fee income of $35,922.

Noninterest expenses for the nine months ended September 30, 2025, increased by $1,121,218, or 13.3%, compared with 2024. The primary driver of the change was increased salaries and benefits of $1,067,572, primarily due to additional staff and related costs. Also, there was an increase in fees related to Farmer Mac guarantees of $80,065 due to participation in the program not starting until the third quarter of 2024. These increases are offset by slight decreases in directors' expense of $30,405, purchased services of $171,159, communications of $26,509, and public and member relations of $21,955.

The Association's return on average assets for the nine months ended September 30, 2025, was 1.48% compared to 1.62% for the same period in 2024. The Association's return on average equity for the nine months ended September 30, 2025, was 9.46%, compared to 10.06% for the same period in 2024.

Liquidity and Funding Sources

The Association secures the majority of its lendable funds from the Bank, which obtains its funds through the issuance of System-wide obligations and with lendable equity. The following schedule summarizes the Association's borrowings.

	September 30, 2025	December 31, 2024
Note payable to the Bank	**$ 1,004,265,759**	$ 928,973,948
Accrued interest on note payable	**3,182,654**	2,795,728
Total	**$ 1,007,448,413**	$ 931,769,676

The Association operates under a general financing agreement (GFA) with the Bank. The current GFA is effective through September 30, 2026. The primary source of liquidity and funding for the Association is a direct loan from the Bank. The outstanding balance of $1,004,265,759 as of September 30, 2025, is recorded as a liability on the Association's balance sheet. The note carried a weighted average interest rate of 3.90% at September 30, 2025. The indebtedness is collateralized by a pledge of substantially all of the Association's assets to the Bank and is governed by the GFA. The increase in note payable to the Bank and related accrued interest payable since December 31, 2024, is due to increases in the Association's outstanding loan volume during the first three quarters coupled with increased cost of funding. The Association's own funds, which represent the amount of the Association's loan portfolio funded by the Association's equity, were $137,613,577 at September 30, 2025. The maximum amount the Association may borrow from the Bank as of September 30, 2025, was $1,167,878,313 as defined by the GFA. The indebtedness continues in effect until the expiration date of the GFA, which is September 30, 2026, unless sooner terminated by the Bank upon the occurrence of an event of default, or by the Association, in the event of a breach of this agreement by the Bank, upon giving the Bank 30 calendar days' prior written notice, or in all other circumstances, upon giving the Bank 120 days' prior written notice.

The Association is required to maintain an investment in the Bank in the form of Class A voting capital stock and allocated retained earnings. For 2024, the investment required of the Association was 2.00% of its average borrowing from the Bank, which was equalized annually. Beginning in 2025, the investment requirement of the Association increased to 2.50% of the average borrowings from the Bank, determined semi-annually. The first semi-annual equalization resulted in an increase investment in the Bank of $5,525,995 and was recorded in March 2025.

The liquidity policy of the Association is to manage cash balances to maximize debt reduction and to increase accrual loan volume. This policy will continue to be pursued during 2025. As borrower payments are received, they are applied to the Association's note payable to the Bank.

The Association will continue to fund its operations through direct borrowings from the Bank, capital surplus from prior years and borrower stock. It is management's opinion that funds available to the Association are sufficient to fund its operations for the coming year.

Capital Resources

The Association's capital position increased by $13,034,324 at September 30, 2025, compared to December 31, 2024. The Association's debt as a ratio of members' equity was 5.41:1 as of September 30, 2025, compared to 5.43:1 as of December 31, 2024.

Farm Credit Administration regulations require the Association to maintain minimums for various regulatory capital ratios. New regulations became effective January 1, 2017, which replaced the previously required core surplus and total surplus ratios with common equity tier 1, tier 1 capital, and total capital risk-based capital ratios. The new regulations also added tier 1 leverage and unallocated retained earnings and equivalents (UREE) ratios. The permanent capital ratio continues to remain in effect, with some modifications to align with the new regulations. As of September 30, 2025, the Association exceeded all regulatory capital requirements.

Significant Recent Accounting Pronouncements

Refer to Note 1 – "Organization and Significant Accounting Policies" in this quarterly report for disclosures of recent accounting pronouncements which may impact the Association's consolidated financial position and results of operations and for critical accounting policies.

Relationship with the Farm Credit Bank of Texas

The Association's financial condition may be impacted by factors that affect the Bank. The financial condition and results of operations of the Bank may materially affect the stockholder's investment in the Association. The Management's Discussion and Analysis and Notes to Financial Statements contained in the 2024 Annual Report of Association more fully describe the Association's relationship with the Bank.

The annual and quarterly stockholder reports of the Bank are available free of charge, upon request. These reports can be obtained by writing to Farm Credit Bank of Texas, Corporate Communications, P.O. Box 202590, Austin, Texas 78720, or by calling (512) 483-9204. The annual and quarterly stockholder reports of the Bank are also available on its website at *www.farmcreditbank.com.*

The Association's quarterly stockholder reports are also available free of charge, upon request. These reports can be obtained by writing to Mississippi Land Bank, ACA, P.O. Box 667, Senatobia, Mississippi 38668-0667, or calling (662) 562-9671. The annual and quarterly stockholder reports for the Association are also available on its website at *www.mslandbank.com.* Copies of the Association's quarterly stockholder reports can also be requested by e-mailing *Jessica.Stanford@mslandbank.com.*

MISSISSIPPI LAND BANK, ACA

CONSOLIDATED BALANCE SHEETS

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Cash	**$ 15,869**	$ 6,639
Investments	**12,365,122**	4,255,491
Loans	**1,147,751,907**	1,080,449,943
Less: allowance for credit losses on loans	**1,799,555**	1,587,296
Net loans	**1,145,952,352**	1,078,862,647
Accrued interest receivable	**22,918,968**	21,292,403
Investment in and receivable from the Farm Credit Bank of Texas:		
Capital stock	**23,918,502**	18,392,507
Other	**296,876**	4,767,513
Investment in other Farm Credit Institution	**1,351,135**	757,110
Premises and equipment, net	**4,105,943**	4,313,234
Other assets	**3,081,803**	502,223
Total assets	**$ 1,214,006,570**	$ 1,133,149,767
LIABILITIES		
Note payable to the Farm Credit Bank of Texas	**$ 1,004,265,759**	$ 928,973,948
Guaranteed obiligations to government entities	**11,928,938**	12,814,426
Accrued interest payable	**3,182,654**	2,795,728
Drafts outstanding	**262,773**	909,853
Patronage distributions payable	**230**	6,000,587
Other liabilities	**4,996,580**	5,319,913
Total liabilities	**1,024,636,934**	956,814,455
MEMBERS' EQUITY		
Capital stock and participation certificates	**4,486,730**	4,379,405
Unallocated retained earnings	**184,709,009**	171,776,320
Accumulated other comprehensive income (loss)	**173,897**	179,587
Total members' equity	**189,369,636**	176,335,312
Total liabilities and members' equity	**$ 1,214,006,570**	$ 1,133,149,767

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

MISSISSIPPI LAND BANK, ACA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	**2025**	2024
INTEREST INCOME				
Loans	**$ 16,289,297**	$ 14,427,260	**$ 46,746,201**	$ 40,962,369
Investments	**151,721**	-	**346,515**	-
Total interest income	**16,441,018**	14,427,260	**47,092,716**	40,962,369
INTEREST EXPENSE				
Note payable to the Farm Credit Bank of Texas	**9,652,558**	8,087,105	**27,209,157**	22,416,098
Advance conditional payments	**-**	-	**-**	53
Total interest expense	**9,652,558**	8,087,105	**27,209,157**	22,416,151
Net interest income	**6,788,460**	6,340,155	**19,883,559**	18,546,218
PROVISION FOR LOAN LOSSES	**(74,149)**	(72,073)	**264,814**	120,656
Net interest income after provision for credit losses on loans	**6,862,609**	6,412,228	**19,618,745**	18,425,562
NONINTEREST INCOME				
Income from the Farm Credit Bank of Texas:				
Patronage income	**562,766**	794,126	**2,251,063**	2,382,476
Loan fees	**100,425**	119,434	**291,943**	256,021
Refunds from Farm Credit System Insurance Corporation	**-**	-	**169,174**	269,779
Gain (loss) on sale of premises and equipment, net	**-**	33,565	**-**	83,503
Other noninterest income	**59,833**	175	**156,548**	22,606
Total noninterest income	**723,024**	947,300	**2,868,728**	3,014,385
NONINTEREST EXPENSES				
Salaries and employee benefits	**2,062,944**	1,651,895	**6,149,660**	5,082,088
Insurance fund premiums	**231,669**	211,384	**670,280**	614,719
Occupancy and equipment	**151,155**	119,591	**549,216**	476,709
Travel	**121,810**	111,184	**340,391**	347,589
Supervisory and exam expense	**77,651**	96,281	**280,447**	288,845
Advertising	**96,981**	51,378	**270,561**	254,658
Purchased services	**92,742**	134,945	**239,927**	411,086
Public and member relations	**68,879**	68,563	**225,698**	247,653
Directors' expense	**63,257**	51,221	**196,744**	227,149
Other insurance expense	**100**	100	**140,810**	139,242
Communications	**27,225**	39,820	**92,362**	118,871
Other components of net periodic postretirement benefit cost	**17,370**	17,327	**52,110**	51,980
Training	**20,228**	1,056	**39,011**	32,538
Other noninterest expense	**143,617**	53,631	**306,527**	139,399
Total noninterest expenses	**3,175,628**	2,608,376	**9,553,744**	8,432,526
Income before income taxes	**4,410,005**	4,751,152	**12,933,729**	13,007,421
Provision for (benefit from) income taxes	**(22,275)**	16,925	**1,040**	33,008
NET INCOME	**4,432,280**	4,734,227	**12,932,689**	12,974,413
Other comprehensive income:				
Change in postretirement benefit plans	**(1,897)**	(2,239)	**(5,690)**	(6,717)
Other comprehensive income, net of tax	**(1,897)**	(2,239)	**(5,690)**	(6,717)
COMPREHENSIVE INCOME	**$ 4,430,383**	$ 4,731,988	**$ 12,926,999**	$ 12,967,696

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

MISSISSIPPI LAND BANK, ACA

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

(unaudited)

	Capital Stock/ Participation Certificates	Retained Earnings Unallocated	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2023	$ 4,168,360	$ 161,422,072	$ 171,907	$ 165,762,339
Comprehensive income	-	12,974,413	(6,717)	12,967,696
Capital stock/participation certificates issued	514,215	-	-	514,215
Capital stock/participation certificates retired	(352,835)	-	-	(352,835)
Balance at September 30, 2024	$ 4,329,740	$ 174,396,485	$ 165,190	$ 178,891,415
Balance at December 31, 2024	$ 4,379,405	$ 171,776,320	$ 179,587	$ 176,335,312
Comprehensive income	-	12,932,689	(5,690)	12,926,999
Capital stock/participation certificates issued	589,435	-	-	589,435
Capital stock/participation certificates retired	(482,110)	-	-	(482,110)
Balance at September 30, 2025	**$ 4,486,730**	**$ 184,709,009**	**$ 173,897**	**$ 189,369,636**

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

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

The Mississippi Land Bank, ACA (Agricultural Credit Association), referred to as the Association, is a member-owned cooperative that provides credit and credit-related services to or for the benefit of eligible borrowers/stockholders for qualified agricultural purposes. The Association serves the counties of Alcorn, Attala, Benton, Bolivar, Calhoun, Chickasaw, Choctaw, Clay, Coahoma, DeSoto, Itawamba, Lafayette, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Webster, Winston and Yalobusha in the state of Mississippi. The Association is a lending institution of the Farm Credit System (System), which was established by Acts of Congress to meet the needs of American agriculture.

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 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 Stockholders.

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

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2025. Descriptions of the significant accounting policies are included in the 2024 Annual Report to Stockholders. 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 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 Association is currently assessing the potential impact of this amendment on its disclosures.

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05 – Financial Instruments - Credit Losses - Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update provides (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 Association is currently assessing the potential impact of this standard on its disclosures.

In December 2023, the Financial Accounting Standards Board (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 in this standard 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, 2025. 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.

NOTE 2 — INVESTMENTS:

Held-to-Maturity Investments

In November 2024, the Association began purchasing investments in certain SBA investment pools. A summary of the amortized cost and fair value of mission-related and other investment securities held-to-maturity is as follows:

September 30, 2025	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Weighted Average Yield**
SBA investments	**$ 12,365,122**	**$ 11,539**	**$ (41,186)**	**$ 12,335,475**	**5.6%**

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
SBA investments	$ 4,255,491	$ 2,237	$ (28,397)	$ 4,229,331	5.9%

The following table is a summary of the contractual maturity, fair value, amortized cost and weighted average yield of mission-related and other investments held-to-maturity at September 30, 2025:

	Due in 1 Year or Less Amount	**Due After 1 Year Through 5 Years Amount**	**Due After 5 Years Through 10 Years Amount**	**Due After 10 Years Amount**	**Total Amount**
Fair value	$ -	$ -	$ 3,921,588	$ 8,413,887	$ 12,335,475
Amortized cost	-	-	3,911,170	8,453,952	12,365,122
Weighted Average Yield	- %	- %	5.4 %	5.6 %	5.6 %

Accrued interest of $66,758 and $48,700 as of September 30, 2025 and December 31, 2024, has been excluded from the amortized cost basis of the total investment securities.

Associations are required to evaluate investment securities with unrealized losses for impairment on a quarterly basis. The investments held by the Association are 100% guaranteed by the United States government under the Small Business Administration (SBA) and are anticipated to be held to maturity. Accounting guidance does not require any entity to measure expected credit losses on a financial asset or group of financial assets if historical information, adjusted for current conditions and reasonable and supportable forecasts, results in an expectation that nonpayment of the amortized cost basis is zero. With the SBA pools having a 100% government-backed guarantee, the Association considers these investments to have zero expected loss. As part of its third quarter 2025 assessment, it was determined that the Association does not intend to sell the securities, nor is it more likely than not that the Association would be required to sell the security, prior to recovery of the amortized cost bases.

NOTE 3 — LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS:

A summary of loans by type follows:

Loan Type	**September 30, 2025 Amount**	December 31, 2024 Amount
Real estate mortgage	**$ 915,620,228**	$ 858,994,486
Production and intermediate-term	**154,718,805**	151,050,578
Agribusiness:		
Processing and marketing	**39,252,261**	37,663,769
Farm-related business	**3,237,139**	3,650,006
Loans to cooperatives	**677,324**	104,598
Rural residential real estate	**20,418,288**	15,335,000
Communication	**4,804,363**	4,494,876
Agricultural export finance	**3,498,891**	2,500,000
Energy	**2,997,917**	2,997,244
Water and waste-water	**2,526,691**	3,659,386
Total	**$ 1,147,751,907**	$ 1,080,449,943

The Association purchases or 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 at September 30, 2025:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Agribusiness	$ 32,256,708	$ 2,586,867	$ -	$ -	$ 32,256,708	$ 2,586,867
Real estate mortgage	-	3,961,638	20,325,204	-	20,325,204	3,961,638
Production and intermediate-term	5,456,613	982,974	-	-	5,456,613	982,974
Communication	4,804,363	-	-	-	4,804,363	-
Agricultural export finance	3,498,891	-	-	-	3,498,891	-
Energy	2,997,917	-	-	-	2,997,917	-
Water and waste-water	2,526,691	-	-	-	2,526,691	-
Rural residential real estate	-	-	-	-	-	-
Lease receivables	-	-	-	-	-	-
Mission-related investments	-	-	-	-	-	-
Total	$ 51,541,183	$ 7,531,479	$ 20,325,204	$ -	$ 71,866,387	$ 7,531,479

The Association is authorized under the Farm Credit Act to accept "advance conditional payments" (ACPs) from borrowers. To the extent the borrower's access to such ACPs is restricted and the legal right of setoff exists, the ACPs are netted against the borrower's related loan balance. Unrestricted advance conditional payments are included in other liabilities. ACPs are not insured, and interest is generally paid by the Association on such balances. Balances of ACPs were $21,659,663 and $10,367,110 at September 30, 2025, and December 31, 2024, respectively. The large increase in ACPs is related to funds held for the purpose of constructing collateral securing the loan.

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, institutions that make 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 borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These categories are defined as follows:

- acceptable — assets are expected to be fully collectible and represent the highest quality,
- other assets especially mentioned (OAEM) — assets are currently collectible but exhibit some potential weakness,
- substandard — assets exhibit some serious weakness in repayment capacity, equity, or collateral pledged on the loan,
- doubtful — assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing facts, 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 amortized cost loan balance as of September 30, 2025:

	Term Loans Amortized Cost by Origination Year							
September 30, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Real estate mortgage								
Acceptable	$ 131,874,639	$ 116,555,871	$ 77,684,375	$ 82,250,858	$ 120,353,290	$ 372,157,119	$ 1,141,142	$ 902,017,294
OAEM	2,448,060	3,181,389	343,828	1,129,605	1,208,189	3,845,452	-	12,156,523
Substandard/Doubtful	-	-	-	-	95,432	1,350,979	-	1,446,411
	$ 134,322,699	$ 119,737,260	$ 78,028,203	$ 83,380,463	$ 121,656,911	$ 377,353,550	$ 1,141,142	$ 915,620,228
Gross charge-offs for the nine months ended September 30, 2025	$ -	$ -	$ 1,110	$ -	$ -	$ 8,369	$ -	$ 9,479
Production and intermediate-term								
Acceptable	$ 25,829,135	$ 21,767,775	$ 17,077,663	$ 10,156,157	$ 8,984,966	$ 4,350,691	$ 62,664,880	$ 150,831,267
OAEM	361,208	113,675	485,854	239,315	27,151	907,948	1,481,158	3,616,309
Substandard/Doubtful	-	-	-	-	-	-	271,229	271,229
	$ 26,190,343	$ 21,881,450	$ 17,563,517	$ 10,395,472	$ 9,012,117	$ 5,258,639	$ 64,417,267	$ 154,718,805
Gross charge-offs for the nine months ended September 30, 2025	$ -	$ -	$ 28,195	$ -	$ -	$ -	$ 4,171	$ 32,366
Agribusiness								
Acceptable	$ 3,675,506	$ 7,196,691	$ 3,215,775	$ 7,274,032	$ 675,840	$ 3,278,047	$ 8,119,286	$ 33,435,177
OAEM	-	-	-	-	3,939,197	5,792,350	-	9,731,547
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ 3,675,506	$ 7,196,691	$ 3,215,775	$ 7,274,032	$ 4,615,037	$ 9,070,397	$ 8,119,286	$ 43,166,724
Communications								
Acceptable	$ -	$ 636,667	$ 787,257	$ -	$ -	$ 3,320,712	$ 59,727	$ 4,804,363
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ -	$ 636,667	$ 787,257	$ -	$ -	$ 3,320,712	$ 59,727	$ 4,804,363
Energy and Water/waste disposal								
Acceptable	$ -	$ -	$ 4,666,237	$ 359,096	$ -	$ -	$ 499,275	$ 5,524,608
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ -	$ -	$ 4,666,237	$ 359,096	$ -	$ -	$ 499,275	$ 5,524,608
Rural residential real estate								
Acceptable	$ 6,414,651	$ 1,594,921	$ 1,525,409	$ 779,204	$ 3,739,243	$ 6,353,491	$ -	$ 20,406,919
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	11,369	-	11,369
	$ 6,414,651	$ 1,594,921	$ 1,525,409	$ 779,204	$ 3,739,243	$ 6,364,860	$ -	$ 20,418,288
International								
Acceptable	$ -	$ -	$ 3,498,891	$ -	$ -	$ -	$ -	$ 3,498,891
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ -	$ -	$ 3,498,891	$ -	$ -	$ -	$ -	$ 3,498,891
Total Loans								
Acceptable	$ 167,793,931	$ 147,751,925	$ 108,455,607	$ 100,819,347	$ 133,753,339	$ 389,460,060	$ 72,484,310	$ 1,120,518,519
OAEM	2,809,268	3,295,064	829,682	1,368,920	5,174,537	10,545,750	1,481,158	25,504,379
Substandard/Doubtful	-	-	-	-	95,432	1,362,348	271,229	1,729,009
	$ 170,603,199	$ 151,046,989	$ 109,285,289	$ 102,188,267	$ 139,023,308	$ 401,368,158	$ 74,236,697	$ 1,147,751,907
Gross charge-offs for the nine months ended September 30, 2025	$ -	$ -	$ 29,305	$ -	$ -	$ 8,369	$ 4,171	$ 41,845

The following table presents credit quality indicators by loan type and the related amortized cost loan balance as of December 31, 2024:

	Term Loans Amortized Cost by Origination Year							
December 31, 2024	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 128,785,299	$ 91,508,064	$ 91,152,711	$ 128,816,326	$ 169,387,586	$ 241,329,464	$ 536,066	$ 851,515,516
OAEM	-	84,128	1,144,889	1,243,523	599,696	3,350,371	-	6,422,607
Substandard/Doubtful	-	-	12,261	97,447	607,478	339,177	-	1,056,363
	$ 128,785,299	$ 91,592,192	$ 92,309,861	$ 130,157,296	$ 170,594,760	$ 245,019,012	$ 536,066	$ 858,994,486
Production and intermediate-term								
Acceptable	$ 30,801,038	$ 25,413,974	$ 14,043,355	$ 12,886,031	$ 4,891,533	$ 3,148,406	$ 54,377,427	$ 145,561,764
OAEM	1,237,117	837,585	-	37,033	-	1,063,452	2,313,627	5,488,814
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ 32,038,155	$ 26,251,559	$ 14,043,355	$ 12,923,064	$ 4,891,533	$ 4,211,858	$ 56,691,054	$ 151,050,578
Gross charge-offs for the year ended December 31, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,660	30,660
Agribusiness								
Acceptable	$ 6,527,101	$ 3,529,716	$ 8,181,100	$ 2,604,571	$ 2,155,696	$ 1,565,027	$ 6,790,911	$ 31,354,122
OAEM	-	-	-	2,502,721	-	7,561,530	-	10,064,251
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ 6,527,101	$ 3,529,716	$ 8,181,100	$ 5,107,292	$ 2,155,696	$ 9,126,557	$ 6,790,911	$ 41,418,373
Communications								
Acceptable	$ 355,555	$ 793,184	$ -	$ -	$ 3,346,137	$ -	$ -	$ 4,494,876
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ 355,555	$ 793,184	$ -	$ -	$ 3,346,137	$ -	$ -	$ 4,494,876
Energy and Water/waste disposal								
Acceptable	$ -	$ 5,175,998	$ 785,087	$ 658,666	$ -	$ -	$ 36,879	$ 6,656,630
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ -	$ 5,175,998	$ 785,087	$ 658,666	$ -	$ -	$ 36,879	$ 6,656,630
Rural residential real estate								
Acceptable	$ 2,117,851	$ 1,597,373	$ 817,734	$ 3,967,570	$ 3,452,297	$ 3,367,041	$ -	$ 15,319,866
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	15,134	-	15,134
	$ 2,117,851	$ 1,597,373	$ 817,734	$ 3,967,570	$ 3,452,297	$ 3,382,175	$ -	$ 15,335,000
International								
Acceptable	$ -	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ 2,500,000
OAEM	-	-	-	-	-	-	-	-
Substandard/Doubtful	-	-	-	-	-	-	-	-
	$ -	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ 2,500,000
Total Loans								
Acceptable	$ 168,586,844	$ 130,518,309	$ 114,979,987	$ 148,933,164	$ 183,233,249	$ 249,409,938	$ 61,741,283	$ 1,057,402,774
OAEM	1,237,117	921,713	1,144,889	3,783,277	599,696	11,975,353	2,313,627	21,975,672
Substandard/Doubtful	-	-	12,261	97,447	607,478	354,311	-	1,071,497
	$ 169,823,961	$ 131,440,022	$ 116,137,137	$ 152,813,888	$ 184,440,423	$ 261,739,602	$ 64,054,910	$ 1,080,449,943
Gross charge-offs for the year ended December 31, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,660	$ 30,660

The following table shows the amortized cost of 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	**98.5** %	99.1 %
OAEM	**1.3**	0.7
Substandard/doubtful	**0.2**	0.1
	100.0	100.0
Production and intermediate-term		
Acceptable	**97.5**	96.4
OAEM	**2.3**	3.6
Substandard/doubtful	**0.2**	-
	100.0	100.0
Agribusiness		
Acceptable	**77.5**	75.7
OAEM	**22.5**	24.3
Substandard/doubtful	**-**	-
	100.0	100.0
Energy and water/waste-water		
Acceptable	**100.0**	100.0
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0	100.0
Communication		
Acceptable	**100.0**	100.0
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0	100.0
Rural residential real estate		
Acceptable	**99.9**	99.9
OAEM	**-**	-
Substandard/doubtful	**0.1**	0.1
	100.0	100.0
Agricultural export finance		
Acceptable	**100.0**	100.0
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0	100.0
Total loans		
Acceptable	**97.6**	97.9
OAEM	**2.2**	2.0
Substandard/doubtful	**0.2**	0.1
	100.0 %	100.0 %

Accrued interest receivable on loans of $22,852,210 and $21,243,703 at September 30, 2025 and December 31, 2024 has been excluded from the amortized cost of loans and reported separately in the Balance Sheet. The Association wrote off accrued interest receivable against interest income of $12,540 and $17,370 during the three and nine months ended September 30, 2025, respectively. During the three and nine months ended September 30, 2024, the Association wrote off accrued interest receivable against interest income of $0 and $0, 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, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	**$ 335,540**	$ 148,144
Production and intermediate-term	**271,229**	-
Total nonaccrual loans	**$ 606,769**	$ 148,144
Total nonperforming assets	**$ 606,769**	$ 148,144
Nonaccrual loans as a percentage of total loans	**0.05%**	0.01%
Nonperforming assets as a percentage of total loans and other property owned	**0.05%**	0.01%
Nonperforming assets as a percentage of capital	**0.32%**	0.08%

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 during the period:

	September 30, 2025			**Interest Income Recognized**	
	Amortized Cost with Allowance	**Amortized Cost without Allowance**	**Total**	**For the Three Months Ended September 30, 2025**	**For the Nine Months Ended September 30, 2025**
Nonaccrual loans:					
Real estate mortgage	**$ -**	**$ 335,540**	**$ 335,540**	**$ 3,712**	**$ 5,307**
Production and intermediate-term	**-**	**271,229**	**271,229**	**-**	**-**
Total nonaccrual loans	**$ -**	**$ 606,769**	**$ 606,769**	**$ 3,712**	**$ 5,307**

	December 31, 2024			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
Nonaccrual loans:					
Real estate mortgage	$ -	$ 148,440	$ 148,440	$ -	$ -
Total nonaccrual loans	$ -	$ 148,440	$ 148,440	$ -	$ -

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

September 30, 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**	**Recorded Investment >90 Days Past Due and Accruing**
Real estate mortgage	**$ 1,488,435**	**$ -**	**$ 1,488,435**	**$ 914,131,793**	**$ 915,620,228**	**$ -**
Production and intermediate term	**859,134**	**-**	**859,134**	**153,859,671**	**154,718,805**	**-**
Processing and marketing	**-**	**-**	**-**	**39,252,261**	**39,252,261**	**-**
Rural residential real estate	**127,361**	**-**	**127,361**	**20,290,927**	**20,418,288**	**-**
Communication	**-**	**-**	**-**	**4,804,363**	**4,804,363**	**-**
Agricultural export finance	**-**	**-**	**-**	**3,498,891**	**3,498,891**	**-**
Farm-related business	**-**	**-**	**-**	**3,237,139**	**3,237,139**	**-**
Energy	**-**	**-**	**-**	**2,997,917**	**2,997,917**	**-**
Water and waste-water	**-**	**-**	**-**	**2,526,691**	**2,526,691**	**-**
Loans to cooperatives	**-**	**-**	**-**	**677,324**	**677,324**	**-**
Total	**$ 2,474,930**	**$ -**	**$ 2,474,930**	**$ 1,145,276,977**	**$ 1,147,751,907**	**$ -**

December 31, 2024	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	Recorded Investment >90 Days Past Due and Accruing
Real estate mortgage	$ 1,340,926	$ -	$ 1,340,926	$ 857,653,560	$ 858,994,486	$ -
Production and intermediate term	205,322	-	205,322	150,845,256	151,050,578	-
Processing and marketing	-	-	-	37,663,769	37,663,769	-
Rural residential real estate	-	-	-	15,335,000	15,335,000	-
Communication	-	-	-	4,494,876	4,494,876	-
Water and waste-water	-	-	-	3,659,386	3,659,386	-
Farm-related business	-	-	-	3,650,006	3,650,006	-
Energy	-	-	-	2,997,244	2,997,244	-
Agricultural export finance	-	-	-	2,500,000	2,500,000	-
Loans to cooperatives	-	-	-	104,598	104,598	-
Total	$ 1,546,248	$ -	$ 1,546,248	$ 1,078,903,695	$ 1,080,449,943	$ -

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 collateral dependent loans are primarily real estate mortgage and rural residential real estate loans.

Loan Modifications to Borrowers Experiencing Financial Difficulties

The Association did not grant any loan modifications to borrowers experiencing financial difficulty during the three or nine months ended September 30, 2025.

The Association did not grant any loan modifications to borrowers experiencing financial difficulty during the three months ended September 30, 2024. However, during the nine months ended September 30, 2024, the Association granted one loan modification, a payment deferral extending the term 45 days, to a borrower experiencing financial difficulty. At the time of modification, the loan had a recorded investment of $189,199 and was classified as production and intermediate-term. The loan subsequently defaulted shortly after the modification, and in July of 2024, the property securing the loan sold to a third-party at foreclosure. The loan was liquidated, and the Association recorded a charge-off of $30,660. At September 30, 2024, the Association had no other loans required to be reported as a loan modification to a borrower experiencing financial difficulty.

The Association had no accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three and nine months ended September 30, 2025 and 2024.

There were no additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three and six months ended September 30, 2025, nor were there any at December 31, 2024.

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

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. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the Association's boards of directors have generally established more restrictive lending limits.

A summary of changes in the allowance for credit losses by portfolio segment for the three and nine months ended September 30, 2025 are as follows:

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Total
Allowance for credit losses on loans:								
Balance at June 30, 2025	$ 1,656,085	$ 150,468	$ 36,883	$ 7,724	$ 3,707	$ 35,478	$ 672	$ 1,891,017
Charge-offs	(8,369)	(4,170)	-	-	-	-	-	(12,539)
Recoveries	-	-	-	-	-	-	-	-
Provision for credit losses (credit loss reversal)	(78,778)	1,323	5,746	(296)	(676)	(6,566)	324	(78,923)
Balance at September 30, 2025	$ 1,568,938	$ 147,621	$ 42,629	$ 7,428	$ 3,031	$ 28,912	$ 996	$ 1,799,555
Allowance for credit losses on unfunded commitments:								
Balance at June 30, 2025	$ 213	$ 15,589	$ 11,032	$ 144	$ 300	$ 346	$ 335	$ 27,959
Provision for unfunded commitments	26	4,187	1,052	(33)	(62)	(183)	(213)	4,774
Balance at September 30, 2025	$ 239	$ 19,776	$ 12,084	$ 111	$ 238	$ 163	$ 122	$ 32,733

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Total
Allowance for credit losses on loans:								
Balance at December 31, 2024	**$ 1,394,696**	**$ 118,734**	**$ 31,102**	**$ 7,880**	**$ 3,607**	**$ 30,464**	**$ 813**	**$ 1,587,296**
Charge-offs	**(9,479)**	**(32,365)**	**-**	**-**	**-**	**-**	**-**	**(41,844)**
Recoveries	**1,110**	**-**	**-**	**-**	**-**	**-**	**-**	**1,110**
Provision for credit losses/(credit loss reversal)	**182,611**	**61,252**	**11,527**	**(452)**	**(576)**	**(1,552)**	**183**	**252,993**
Balance at September 30, 2025	**$ 1,568,938**	**$ 147,621**	**$ 42,629**	**$ 7,428**	**$ 3,031**	**$ 28,912**	**$ 996**	**$ 1,799,555**
Allowance for credit losses on unfunded commitments:								
Balance at December 31, 2024	**$ 24**	**$ 9,973**	**$ 9,183**	**$ 470**	**$ 755**	**$ 83**	**$ 423**	**$ 20,911**
Provision for unfunded commitments	**215**	**9,803**	**2,901**	**(359)**	**(517)**	**80**	**(301)**	**11,822**
Balance at September 30, 2025	**$ 239**	**$ 19,776**	**$ 12,084**	**$ 111**	**$ 238**	**$ 163**	**$ 122**	**$ 32,733**

A summary of changes in the allowance for credit losses by portfolio segment for the three and nine months ended September 30, 2024 are as follows:

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Total
Allowance for credit losses on loans:								
Balance at June 30, 2024	$ 1,168,354	$ 229,409	$ 28,835	$ 5,022	$ 3,959	$ 27,550	$ 829	$ 1,463,958
Charge-offs	-	(30,660)	-	-	-	-	-	(30,660)
Provision for loan losses (credit loss reversal)	27,857	(104,937)	2,143	2,183	(324)	822	(39)	(72,295)
Balance at September 30, 2024	$ 1,196,211	$ 93,812	$ 30,978	$ 7,205	$ 3,635	$ 28,372	$ 790	$ 1,361,003
Allowance for credit losses on unfunded commitments:								
Balance at June 30, 2024	$ 95	$ 8,154	$ 9,957	$ 781	$ 733	$ -	$ 453	$ 20,173
Provision for unfunded commitments	(54)	518	(217)	(111)	41	77	(31)	223
Balance at September 30, 2024	$ 41	$ 8,672	$ 9,740	$ 670	$ 774	$ 77	$ 422	$ 20,396

	Real Estate Mortgage	Production and Intermediate-Term	Agri-business	Communi-cations	Energy and Water/Waste Disposal	Rural Residential Real Estate	Inter-national	Total
Allowance for credit losses on loans:								
Balance at December 31, 2023	$ 990,240	$ 204,890	$ 30,769	$ 10,803	$ 5,039	$ 29,938	$ 923	$ 1,272,602
Charge-offs	-	(30,660)	-	-	-	-	-	(30,660)
Provision for loan losses (credit loss reversal)	205,971	(80,418)	209	(3,598)	(1,404)	(1,566)	(133)	119,061
Balance at September 30, 2024	$ 1,196,211	$ 93,812	$ 30,978	$ 7,205	$ 3,635	$ 28,372	$ 790	$ 1,361,003
Allowance for credit losses on unfunded commitments:								
Balance at December 31, 2023	$ 45	$ 6,944	$ 10,445	$ 177	$ 637	$ 32	$ 520	$ 18,800
Provision for unfunded commitments	(4)	1,728	(705)	493	137	45	(98)	1,596
Balance at September 30, 2024	$ 41	$ 8,672	$ 9,740	$ 670	$ 774	$ 77	$ 422	$ 20,396

Discussion of Changes in Allowance for Credit Losses

The ACL increased $212,259 to $1,799,555 at September 30, 2025, as compared to $1,587,296 at December 31, 2024. This is largely due to increased loan volume, credit deterioration and changes in economic outlook throughout the first three quarters.

The Association's macroeconomic forecasts includes a weighted average selection of a third-party vendor's economic scenarios over a reasonable and supportable forecast period of two years. The economic scenarios utilized in the September 30, 2025, estimate for the allowance for credit losses were based on the following: a baseline scenario, which represents a relatively stable economic environment; a downside scenario reflecting an economic recession during the forecast period; and an upside scenario that considers the potential for economic improvement relative to the baseline scenario. The economic forecast incorporates macroeconomic variables, including the U.S. unemployment rate, Dow Jones Total Stock Market Index and U.S. corporate bond spreads.

NOTE 4 — CAPITAL:

The Association's board of directors has established a Capital Adequacy Plan (Plan) that includes the capital targets that are necessary to achieve the Association's capital adequacy goals as well as the minimum permanent capital standards. The Plan monitors projected dividends, equity retirements and other actions that may decrease the Association's permanent capital. In addition to factors that must be considered in meeting the minimum standards, the board of directors also monitors the following factors: capability of management; quality of operating policies, procedures and internal controls; quality and quantity of earnings; asset quality and the adequacy of the allowance for losses to absorb potential loss within the loan and lease portfolios; sufficiency of liquid funds; needs of an Association's customer base; and any other risk-oriented activities, such as funding and interest rate risk, potential obligations under joint and several

liability, contingent and off-balance-sheet liabilities or other conditions warranting additional capital. At least quarterly, management reviews the Association's goals and objectives with the board.

The following table presents the components of capital:

	September 30, 2025	December 31, 2024
Capital stock and participation certificates	**$ 4,486,730**	$ 4,379,405
Accumulated other comprehensive loss	**173,897**	179,587
Retained earnings[1]	**184,709,009**	171,776,320
Total Capital	**$ 189,369,636**	$ 176,335,312

Regulatory Capitalization Requirements

Risk-adjusted:	Regulatory Minimums wih Buffer	**As of September 30, 2025**	As of December 31, 2024
Common equity tier 1 ratio	7.00%	**13.85%**	14.55%
Tier 1 capital ratio	8.50%	**13.85%**	14.55%
Total capital ratio	10.50%	**14.01%**	14.67%
Permanent capital ratio	7.00%	**13.87%**	14.57%
Non-risk-adjusted:			
Tier 1 leverage ratio	5.00%	**13.57%**	14.45%
UREE leverage ratio	1.50%	**13.19%**	14.06%

The components of the Association’s risk-adjusted capital, based on 90-day average balances, were as follows:

	at September 30, 2025			
	Common equity tier 1 ratio	**Tier 1 capital ratio**	**Total capital ratio**	**Permanent capital ratio**
Numerator:				
Unallocated retained earnings	**$ 180,386,580**	**$ 180,386,580**	**$ 180,386,580**	**$ 180,386,580**
Common Cooperative Equities:				
Statutory minimum purchased borrower stock	**4,472,765**	**4,472,765**	**4,472,765**	**4,472,765**
Allowance for loan losses and reserve for credit losses subject to certain limitations	**-**	**-**	**1,915,881**	**-**
Regulatory Adjustments and Deductions:				
Amount of allocated investments in other System institutions	**(25,269,637)**	**(25,269,637)**	**(25,269,637)**	**(25,269,637)**
	$ 159,589,708	**$ 159,589,708**	**$ 161,505,589**	**$ 159,589,708**
Denominator:				
Risk-adjusted assets excluding allowance	**$ 1,177,756,396**	**$ 1,177,756,396**	**$ 1,177,756,396**	**$ 1,177,756,396**
Regulatory Adjustments and Deductions:				
Regulatory deductions included in total capital	**(25,269,637)**	**(25,269,637)**	**(25,269,637)**	**(25,269,637)**
Allowance for loan losses	**-**	**-**	**-**	**(1,887,869)**
	$ 1,152,486,759	**$ 1,152,486,759**	**$ 1,152,486,759**	**$ 1,150,598,890**

	at December 31, 2024			
	Common equity tier 1 ratio	Tier 1 capital ratio	Total capital ratio	Permanent capital ratio
Numerator:				
Unallocated retained earnings	$ 173,849,863	$ 173,849,863	$ 173,849,863	$ 173,849,863
Common Cooperative Equities:				
Statutory minimum purchased borrower stock	4,372,963	4,372,963	4,372,963	4,372,963
Allowance for loan losses and reserve for credit losses subject to certain limitations	-	-	1,383,919	-
Regulatory Adjustments and Deductions:				
Amount of allocated investments in other System institutions	(17,819,257)	(17,819,257)	(17,819,257)	(17,819,257)
	$ 160,403,569	$ 160,403,569	$ 161,787,488	$ 160,403,569
Denominator:				
Risk-adjusted assets excluding allowance	$ 1,120,457,459	$ 1,120,457,459	$ 1,120,457,459	$ 1,120,457,459
Regulatory Adjustments and Deductions:				
Regulatory deductions included in total capital	(17,819,257)	(17,819,257)	(17,819,257)	(17,819,257)
Allowance for loan losses	-	-	-	(1,363,517)
	$ 1,102,638,202	$ 1,102,638,202	$ 1,102,638,202	$ 1,101,274,685

The components of the Association's non-risk-adjusted capital, based on 90-day average balances, were as follows:

	at September 30, 2025	
	Tier 1 leverage ratio	**UREE leverage ratio**
Numerator:		
Unallocated retained earnings	**$ 180,386,580**	**$ 180,386,580**
Common Cooperative Equities:		
Statutory minimum purchased borrower stock	**4,472,765**	**-**
Regulatory Adjustments and Deductions:		
Amount of allocated investments in other System institutions	**(25,269,637)**	**(25,269,637)**
	$ 159,589,708	**$ 155,116,943**
Denominator:		
Total Assets	**$ 1,203,255,742**	**$ 1,203,255,742**
Regulatory Adjustments and Deductions:		
Regulatory deductions included in tier 1 capital	**(27,570,728)**	**(27,570,728)**
	$ 1,175,685,014	**$ 1,175,685,014**

	at December 31, 2024	
	Tier 1 leverage ratio	UREE leverage ratio
Numerator:		
Unallocated retained earnings	$ 173,849,863	$ 173,849,863
Common Cooperative Equities:		
Statutory minimum purchased borrower stock	4,372,963	-
Regulatory Adjustments and Deductions:		
Amount of allocated investments in other System institutions	(17,819,257)	(17,819,257)
	$ 160,403,569	$ 156,030,606
Denominator:		
Total Assets	$ 1,130,441,590	$ 1,130,441,590
Regulatory Adjustments and Deductions:		
Regulatory deductions included in tier 1 capital	(20,486,931)	(20,486,931)
	$ 1,109,954,659	$ 1,109,954,659

The Association's accumulated other comprehensive income (loss) relates entirely to its non-pension other postretirement benefits. Amortization of prior service (credits) cost and of actuarial (gain) loss are reflected in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income. The following table summarizes the change in accumulated other comprehensive income (loss) for the nine months ended September 30:

	2025	2024
Accumulated other comprehensive income (loss) at January 1	**$ 179,587**	$ 171,907
Amortization of prior service (credit) costs included in salaries and employee benefits	**-**	(2,396)
Amortization of actuarial (gain) loss included in salaries and employee benefits	**(5,690)**	(4,321)
Other comprehensive income (loss), net of tax	**(5,690)**	(6,717)
Accumulated other comprehensive income (loss) at September 30	**$ 173,897**	$ 165,190

NOTE 5 — INCOME TAXES:

Mississippi Land Bank, ACA and its subsidiary, Mississippi, PCA, are subject to federal and certain other income taxes. The Association operates as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code which, under specified conditions, allows the Association to exclude from taxable income amounts distributed as qualified patronage dividends in the form of cash, stock or allocated retained earnings. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage dividends.

Deferred taxes are recorded at the tax effect of all temporary differences based on the assumption that such temporary differences are retained by the institution and will, therefore, impact future tax payments. A valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (more than 50% probability), based on management's estimate, that they will not be realized. For the three months ended September 30, 2025 and 2024, the Association carried a deferred tax asset of $261,982 and $254,874, respectively, with a full valuation allowance recorded against the net asset.

NOTE 6 — 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 14 in the 2024 Annual Report to Stockholders for a more complete description.

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

September 30, 2025	**Fair Value Measurement Using**			**Total Fair**
	Level 1	**Level 2**	**Level 3**	**Value**
Assets:				
Assets held in non-qualified benefits trusts	**$ 7,253**	**$ -**	**$ -**	**$ 7,253**
Total assets	**$ 7,253**	**$ -**	**$ -**	**$ 7,253**

December 31, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Assets:				
Assets held in non-qualified benefits trusts	$ 5,388	$ -	$ -	$ 5,388
Total assets	$ 5,388	$ -	$ -	$ 5,388

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

September 30, 2025	**Fair Value Measurement Using**			**Total Fair**
	Level 1	**Level 2**	**Level 3**	**Value**
Assets:				
Loans	**$ -**	**$ -**	**$ -**	**$ -**

December 31, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Assets:				
Loans	$ -	$ -	$ -	$ -

The Association also participates in letters of credit to satisfy the financing needs of its borrowers. These letters of credit are irrevocable agreements to guarantee payments of specified financing obligations. At September 30, 2025, the Association had $157,740 in outstanding standby letters of credit and $277,036 in outstanding commercial letters of credit, all issued primarily in conjunction with participation loans.

Uncertainty of Fair Value Measurements

With regard to nonrecurring measurements for impaired loans and other property owned, it is not practicable to provide specific information on inputs, as each collateral property is unique. The Associations utilize appraisals to value these loans and other property owned 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 to the 2024 Annual Report to Stockholders, authoritative 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 for the Association's assets and liabilities. For a more complete description, see the 2024 Annual Report to Stockholders.

Assets Held in Nonqualified 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.

Investments

Where quoted prices are available in an active market, available-for-sale securities would be classified as Level 1. If quoted prices are not available in an active market, the fair value of securities is estimated using quoted prices for similar securities received from pricing services or discounted cash flows. Generally, these securities would be classified as Level 2. This would include, but not be limited to, U.S. Treasury, U.S. agency and the substantial majority of mortgage-backed and asset-backed securities. Where there is limited activity or less transparency around inputs to the valuation, the securities are classified as Level 3. Securities classified within Level 3 include a small portion of asset-backed securities and certain mortgage-backed securities, including private label-FHA/VA securities and those issued by Farmer Mac.

SBA investments held to maturity are pool securities and valued using a third-party pricing vendor who utilizes major pricing services, including Reuters and Interactive Data. The market values are based on inputs other than quoted prices, including:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- inputs other than quoted prices, such as interest rates and yield curves, prepayment speeds, credit risks and default rates; and
- inputs derived principally from observable market data.

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.

NOTE 7 — EMPLOYEE BENEFIT PLANS:

The following table summarizes the components of net periodic benefit costs for other postretirement benefit costs for the nine months ended September 30:

	Pension Benefits	
	2025	2024
Service cost	**$ 4,684**	$ 5,013
Interest cost	**57,800**	58,696
Amortization of prior service (credits) costs	**-**	(2,396)
Amortization of net actuarial (gain) loss	**(5,690)**	(4,321)
Net periodic benefit cost	**$ 56,794**	$ 56,992

The Association's liability for the unfunded accumulated obligation for these benefits at September 30, 2025, was $1,494,621 and is included in other liabilities on the balance sheet.

The components of net periodic benefit cost other than the service cost component are included in the line item "other components of net periodic postretirement benefit cost" in the income statement.

The structure of the District's defined benefit pension plan (DB Plan) is characterized as multiemployer since the assets, liabilities and cost of the plan are not segregated or separately accounted for by participating employers (Bank and associations). The Association recognizes its amortized annual contributions to the plan as an expense. The annual contribution is paid in January with the expense amortized monthly to the "Salaries and employee benefits" line item on the consolidated statement of comprehensive income. The remaining unamortized amount is included in "Other assets" on the consolidated balance sheets.

The following table represents DB Plan contributions made, amounts amortized into expense and the remaining unamortized contribution amounts as of September 30:

	2025	2024
DB Plan contribution	**$ 178,689**	$ 135,502
Year-to-date amortization	**(134,017)**	(101,626)
Remaining contribution	**$ 44,672**	$ 33,876

NOTE 8 — COMMITMENTS AND CONTINGENT LIABILITIES:

The Association is involved in various legal proceedings in the normal course of business. In the opinion of legal counsel and management, there are no legal proceedings at this time that are likely to materially affect the Association.

NOTE 9 — SUBSEQUENT EVENTS:

The Association has evaluated subsequent events through November 7, 2025, which is the date the financial statements were issued. On October 17, 2025, the Association received updated information regarding the anticipated patronage payout for 2025 and, consequently, reversed an additional $501,065 from patronage income receivable from the Bank.

In addition, on November 6, 2025, the Association downgraded one large relationship with a recorded investment of $12,087,693 from the classification of other assets especially mentioned to substandard. This action had no effect on the Association's income statement but does affect credit quality metrics.

There are no other significant events requiring disclosure as of November 7, 2025.