

Farm Credit of Western Oklahoma, ACA



**Quarterly Report
September 30, 2025**

The shareholders' investment in Farm Credit of Western Oklahoma, ACA is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank). The 2024 CoBank Annual Report to Shareholders and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, **www.cobank.com**, or may be obtained at no charge by contacting us at Farm Credit of Western Oklahoma, ACA, 3302 Williams Avenue, Woodward, Oklahoma 73801, or by calling 580-256-3465 or toll free 1-800-299-3465.

**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 of Western Oklahoma, ACA (the Association) for the nine months ended September 30, 2025, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2024 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

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

Loan demand in our lending territory has been strong throughout 2025. There remain economic concerns across the agricultural industry, however, most operations we serve are diversified to insulate themselves from individual commodity losses. Our borrowers continue to take advantage of commodity price protection, and they invest in insurance options to hedge their operations against commodity price fluctuations and undue risk related to adverse weather conditions.

Considering a moderately low U.S. unemployment rate, off-farm income continues to provide healthy diversification to the operations we serve. In addition, the Fed is expected to continue to cut interest rates over the foreseeable future, leading to lower costs of borrowed capital and economic relief for many operations.

Based on the Oklahoma Drought Monitor, the state of Oklahoma is being impacted by areas of moderate drought, which is adversely affecting agricultural producers in our chartered territory. However, no other severe drought indicators are present currently throughout the state.

Real estate values in Oklahoma continue to strengthen with a year-over-year increase of 5.8% noted in Oklahoma from 2024 to 2025. Potential weaknesses in commodity markets, volatility in oil/gas prices and production, and/or economic challenges enhanced by global unrest could lead to a softening or decline in the real estate market which is a risk to our portfolio as well as our customer base.

Our Association continues to analyze the material effects of transition risks related to climate change that may affect our business, financial condition, and results of operations. These risks include policy and regulatory changes that could impose operational and compliance burdens, market trends that may alter business opportunities, credit risks, litigation risks, and technological changes. Agricultural producers continue to adjust to changing climate conditions and have implemented additional practices of no-till planting, minimal till practices, cover crops, and other water conservation techniques to manage reduced amounts of rainfall and to keep their farmland in a state of sustainable production. Currently, we are not aware of any specific material impacts on our business, results of operations, or financial conditions from the effects of climate change transition risks.

LOAN PORTFOLIO

Loans outstanding at September 30, 2025, totaled \$2.03 billion, an increase of \$106.4 million, or 5.55%, from loans of \$1.92 billion at December 31, 2024. The increase was primarily due to loan growth in the real estate mortgage and production and intermediate-term sectors, partially offset by paydowns and payoffs in the portfolio during the first nine months of 2025.

RESULTS OF OPERATIONS

Net income for the nine months ended September 30, 2025, was \$30.3 million, an increase of \$8.4 million, or 38.04%, from the same period ended one year ago. The increase was primarily due to increases in net interest income and noninterest income, and a decrease in noninterest expense. Additionally, a credit loss reversal was recorded for the nine months ended September 30, 2025, compared with a provision for credit losses recorded for the nine months ended September 30, 2024.

For the nine months ended September 30, 2025, net interest income was \$43.7 million, an increase of \$3.4 million, or 8.44%, compared with the nine months ended September 30, 2024. Net interest income increased primarily as a result of loan volume growth and increased interest rate spreads between the periods compared.

The credit loss reversal for the nine months ended September 30, 2025, was \$317 thousand, compared with a provision for credit losses of \$2.8 million for the same period ended one year ago. The credit loss reversal was recorded due to improvements in the Association's risk portfolio, partially offset by increased loan volume between the periods compared.

Noninterest income increased \$642 thousand during the first nine months of 2025 compared with the first nine months of 2024, primarily due to an increase of \$468 thousand in patronage distribution from Farm Credit institutions. This increase was primarily due to additional patronage distribution from CoBank, resulting from an increase in our direct note payable due to CoBank between the periods compared. Patronage income from other Farm Credit institutions also increased for the period ended September 30, 2025 compared to the period ended September 30, 2024 due to additional patronage eligible loan participations purchased from other Farm Credit institutions. Loan fees also increased \$208 thousand during the first nine months of 2025 compared with the first nine months of 2024 primarily due to additional appraisal, prepayment, and miscellaneous fee income received. We received a refund of \$348 thousand during the first nine months of 2025 from the Farm Credit System Insurance Corporation (FCSIC), compared with a refund of \$500 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.

Mineral income totaling \$689 thousand was recognized during the first nine months of 2025, of which \$585 thousand was received from CoBank and \$104 thousand was received from Association-owned minerals. The increase for the nine months ended September 30, 2025, compared with the same period ended one year ago, was primarily due to additional bonuses received from Association-owned minerals.

During the first nine months of 2025, noninterest expense decreased \$1.2 million to \$21.4 million compared to the first nine months of 2024. The decrease in noninterest expense was primarily due to decreases in salaries and employee benefit expense and purchased services. This decrease was partially offset by increases in expenses related to the Association's loan origination system upgrade and purchased services from our service provider, AgVantis.

CAPITAL RESOURCES

Our shareholders' equity at September 30, 2025, was \$380.2 million, an increase from \$349.5 million at December 31, 2024. This increase is due to net income, the amortization of pension costs included in the net periodic benefit cost, and net stock issuances.

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.



Greg Livingston
President/CEO
November 5, 2025



Jamey B. Mitchell
CFO
November 5, 2025



Roger Fischer
Chairman of the Board
November 5, 2025

Consolidated Statement of Condition

(Dollars in Thousands)

	September 30 2025	December 31 2024
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 2,025,482	\$ 1,919,049
Less allowance for loan losses	3,881	4,359
Net loans	2,021,601	1,914,690
Cash	5,406	6,123
Accrued interest receivable	47,786	39,650
Investment in CoBank, ACB	47,744	47,744
Premises and equipment, net	10,072	10,581
Prepaid benefit expense	9,483	9,763
Other assets	11,576	13,580
Total assets	\$ 2,153,668	\$ 2,042,131
LIABILITIES		
Note payable to CoBank, ACB	\$ 1,739,941	\$ 1,649,113
Advance conditional payments	16,398	13,524
Accrued interest payable	5,566	5,322
Patronage distributions payable	-	10,800
Accrued benefits liability	3,079	3,486
Reserve for unfunded commitments	1,122	1,024
Other liabilities	7,328	9,368
Total liabilities	\$ 1,773,434	\$ 1,692,637
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	2,930	2,916
Additional paid-in capital	146,592	146,592
Unallocated retained earnings	232,332	202,022
Accumulated other comprehensive income/(loss)	(1,620)	(2,036)
Total shareholders' equity	380,234	349,494
Total liabilities and shareholders' equity	\$ 2,153,668	\$ 2,042,131

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

	For the three months ended September 30		For the nine months ended September 30	
UNAUDITED	2025	2024	2025	2024
INTEREST INCOME				
Loans	\$ 31,308	\$ 29,736	\$ 92,500	\$ 86,698
Other	2	5	19	8
Total interest income	31,310	29,741	92,519	86,706
INTEREST EXPENSE				
Note payable to CoBank, ACB	16,642	16,163	48,633	46,169
Other	84	91	234	281
Total interest expense	16,726	16,254	48,867	46,450
Net interest income	14,584	13,487	43,652	40,256
Provision for credit losses/(Credit loss reversal)	466	2,637	(317)	2,783
Net interest income after provision for credit losses/ credit loss reversal	14,118	10,850	43,969	37,473
NONINTEREST INCOME				
Financially related services income	4	4	29	18
Loan fees	243	175	720	512
Patronage distribution from Farm Credit institutions	1,931	1,817	5,832	5,364
Farm Credit Insurance Fund distribution	-	-	348	500
Mineral income	165	191	689	601
Other noninterest income	9	28	163	144
Total noninterest income	2,352	2,215	7,781	7,139
NONINTEREST EXPENSE				
Salaries and employee benefits	3,639	3,629	10,708	12,220
Occupancy and equipment	358	375	1,246	1,055
Purchased services from AgVantis, Inc.	1,369	1,243	4,107	3,728
Farm Credit Insurance Fund premium	383	366	1,144	1,072
Supervisory and examination costs	113	131	407	394
Other noninterest expense	1,224	1,337	3,828	4,186
Total noninterest expense	7,086	7,081	21,440	22,655
Net income	9,384	5,984	30,310	21,957
COMPREHENSIVE INCOME				
Amortization of retirement costs	138	120	416	362
Total comprehensive income	\$ 9,522	\$ 6,104	\$ 30,726	\$ 22,319

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

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Capital Stock	Additional Paid-In Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Shareholders' Equity
Balance at December 31, 2023	\$ 2,884	\$ 146,592	\$ 180,939	\$ (1,916)	\$ 328,499
Comprehensive income			21,957	362	22,319
Stock issued	156				156
Stock retired	(135)				(135)
Balance at September 30, 2024	\$ 2,905	\$ 146,592	\$ 202,896	\$ (1,554)	\$ 350,839
Balance at December 31, 2024	\$ 2,916	\$ 146,592	\$ 202,022	\$ (2,036)	\$ 349,494
Comprehensive income			30,310	416	30,726
Stock issued	171				171
Stock retired	(157)				(157)
Balance at September 30, 2025	\$ 2,930	\$ 146,592	\$ 232,332	\$ (1,620)	\$ 380,234

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

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Farm Credit of Western Oklahoma, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2024, are contained in the 2024 Annual Report to Shareholders. These unaudited third quarter 2025 financial statements should be read in conjunction with the 2024 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2024, as contained in the 2024 Annual Report to Shareholders.

In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair statement of results for the interim periods, have been made. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2025. Descriptions of the significant accounting policies are included in the 2024 Annual Report to Shareholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Recently Issued or Adopted Accounting Pronouncements

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

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

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

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The practical expedient would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations, or cash flows.

Disaggregation of Income Statement Expenses (ASC 220)

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities and require disclosure of specified information about certain costs and expenses in the notes to financial statements. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)-(e).
- Include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association is currently assessing the potential impact of this standard on its disclosures.

Improvements to Income Tax Disclosures (ASC 740)

In December 2023, FASB issued ASU 2023-09 – Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Income taxes paid will require disaggregated disclosure by federal, state, and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations, or cash flows, but will impact the income tax disclosures.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

<i>(dollars in thousands)</i>	September 30, 2025	December 31, 2024
Real Estate Mortgage	\$ 1,254,759	\$ 1,193,808
Production and Intermediate-Term	571,986	522,824
Agribusiness	132,673	128,891
Rural Infrastructure	53,997	64,239
Agricultural Export Finance	10,458	7,469
Rural Residential Real Estate	1,609	1,818
Total loans	\$ 2,025,482	\$ 1,919,049

The Association purchases and sells participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at September 30, 2025:

<i>(dollars in thousands)</i>	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real Estate Mortgage	\$ 55,381	\$ 6,317	\$ 154,804	\$ -	\$ 210,185	\$ 6,317
Production and Intermediate-Term	75,848	22,103	-	-	75,848	22,103
Agribusiness	93,717	520	-	-	93,717	520
Rural Infrastructure	53,997	-	-	-	53,997	-
Agricultural Export Finance	10,458	-	-	-	10,458	-
Total	\$ 289,401	\$ 28,940	\$ 154,804	\$ -	\$ 444,205	\$ 28,940

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with the retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the next twelve months. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the 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 institution 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:

	September 30, 2025	December 31, 2024
Real Estate Mortgage		
Acceptable	96.95%	98.07%
OAEM	2.52%	1.14%
Substandard	0.53%	0.79%
Total	100.00%	100.00%
Production and Intermediate-Term		
Acceptable	98.06%	96.92%
OAEM	1.73%	2.65%
Substandard	0.20%	0.43%
Doubtful	0.01%	-
Total	100.00%	100.00%
Agribusiness		
Acceptable	86.50%	89.78%
OAEM	10.48%	7.01%
Substandard	3.02%	3.21%
Total	100.00%	100.00%
Rural Infrastructure		
Acceptable	97.12%	96.83%
OAEM	2.88%	3.17%
Total	100.00%	100.00%
Agricultural Export Finance		
Acceptable	100.00%	100.00%
Total	100.00%	100.00%
Rural Residential Real Estate		
Acceptable	100.00%	100.00%
Total	100.00%	100.00%
Total Loans		
Acceptable	96.61%	97.17%
OAEM	2.81%	2.01%
Substandard	0.58%	0.82%
Total	100.00%	100.00%

Accrued interest receivable of \$47.8 million on loans at September 30, 2025 and \$39.7 million at December 31, 2024, is excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association wrote off accrued interest receivable of \$71 thousand during the first nine months of 2025 and \$118 thousand during the first nine months of 2024.

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 follows:

<i>(dollars in thousands)</i>	September 30, 2025	December 31, 2024
Nonaccrual loans		
Real Estate Mortgage	\$ 3,524	\$ 4,262
Production and Intermediate-Term	393	1,288
Total nonaccrual loans	\$ 3,917	\$ 5,550
Accruing loans 90 days past due		
Real Estate Mortgage	\$ -	\$ 168
Total accruing loans 90 days past due	\$ -	\$ 168
Total nonperforming assets	\$ 3,917	\$ 5,718
Nonaccrual loans to total loans	0.19%	0.29%
Nonperforming assets to total loans	0.19%	0.30%
Nonperforming assets to total shareholders' equity	1.03%	1.64%

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 period:

September 30, 2025			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ 1,161	\$ 2,363	\$ 3,524
Production and Intermediate-Term	365	28	393
Total	\$ 1,526	\$ 2,391	\$ 3,917

December 31, 2024			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ -	\$ 4,262	\$ 4,262
Production and Intermediate-Term	63	1,225	1,288
Total	\$ 63	\$ 5,487	\$ 5,550

Interest Income Recognized				
<i>(dollars in thousands)</i>	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Nonaccrual loans				
Real Estate Mortgage	\$ -	\$ -	\$ 137	\$ 509
Production and Intermediate-Term	2	-	281	247
Total	\$ 2	\$ -	\$ 418	\$ 756

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

September 30, 2025						
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ 2,716	\$ 1,358	\$ 4,074	\$1,250,685	\$1,254,759	\$ -
Production and Intermediate-Term	356	95	451	571,535	571,986	-
Agribusiness	-	-	-	132,673	132,673	-
Rural Infrastructure	-	-	-	53,997	53,997	-
Agricultural Export Finance	-	-	-	10,458	10,458	-
Rural Residential Real Estate	-	-	-	1,609	1,609	-
Total	\$ 3,072	\$ 1,453	\$ 4,525	\$2,020,957	\$2,025,482	\$ -

December 31, 2024						
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ 3,108	\$ 2,064	\$ 5,172	\$1,188,636	\$1,193,808	\$ 168
Production and Intermediate-Term	1,645	615	2,260	520,564	522,824	-
Agribusiness	-	-	-	128,891	128,891	-
Rural Infrastructure	-	-	-	64,239	64,239	-
Agricultural Export Finance	-	-	-	7,469	7,469	-
Rural Residential Real Estate	-	-	-	1,818	1,818	-
Total	\$ 4,753	\$ 2,679	\$ 7,432	\$1,911,617	\$1,919,049	\$ 168

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.

Term Extension				
(dollars in thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	% of Portfolio Segment	September 30, 2025	% of Portfolio Segment
Production and Intermediate-Term	\$ 61	0.01%	\$ 229	0.04%
Agribusiness	1,763	1.33%	1,763	1.33%
Total	\$ 1,824		\$ 1,992	

Payment Deferral				
(dollars in thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	% of Portfolio Segment	September 30, 2025	% of Portfolio Segment
Real Estate Mortgage	\$ -	-	\$ 570	0.05%
Total	\$ -		\$ 570	

	Combination - Interest Rate Reduction and Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	% of Portfolio Segment	September 30, 2025	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term	\$ -	-	\$ 680	0.12%
Total	\$ -		\$ 680	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was \$23 thousand as of the three months ended September 30, 2025 and \$42 thousand as of the nine months ended September 30, 2025.

	Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term	\$ 46	0.01%	\$ 1,337	0.28%
Agribusiness	779	0.61%	779	0.61%
Total	\$ 825		\$ 2,116	

	Payment Deferral			
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
<i>(dollars in thousands)</i>				
Production and Intermediate-Term	\$ 10	<0.01%	\$ 10	<0.01%
Total	\$ 10		\$ 10	

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

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

	Weighted-Average Term Extension (in months)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Production and Intermediate-Term	12.0	12.0	56.5	66.6
Agribusiness	11.0	13.5	11.0	13.5

	Weighted-Average Payment Deferral (in months)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Real Estate Mortgage	-	-	12.0	-
Production and Intermediate-Term	-	8.0	-	8.0

	Combination – Interest Rate Reduction and Term Extension
	For the Nine Months Ended September 30, 2025
Production and Intermediate-Term	Reduced weighted average interest rates from 9.75% to 7.80% and added a weighted average of 96.1 months to the life of loans

There were no loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025 or September 30, 2024 which were modified during the twelve months prior to those periods.

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

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2025		
<i>(dollars in thousands)</i>	Current	30-89 Days Past Due	90 Days or More Past Due
Real Estate Mortgage	\$ 570	\$ -	\$ -
Production and Intermediate-Term	910	-	-
Agribusiness	2,056	-	-
Total	\$ 3,536	\$ -	\$ -

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2024		
<i>(dollars in thousands)</i>	Current	30-89 Days Past Due	90 Days or More Past Due
Production and Intermediate-Term	\$ 1,358	\$ -	\$ -
Agribusiness	779	-	-
Total	\$ 2,137	\$ -	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the nine months ended September 30, 2025 were \$1.5 million and during the year ended December 31, 2024 were \$1.0 million.

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

Allowance for Credit Losses

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

The credit risk rating methodology is a key component of the Association's allowance for credit losses evaluation and is generally incorporated into the Association's loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the Association to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the Association's board of directors has 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:

<i>(dollars in thousands)</i>	Balance at June 30, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2025
Real Estate Mortgage	\$ 715	\$ -	\$ -	\$ 202	\$ 917
Production and Intermediate-Term	1,433	-	6	114	1,553
Agribusiness	896	-	-	164	1,060
Rural Infrastructure	268	-	-	81	349
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	2	-	-	(1)	1
Total	\$ 3,315	\$ -	\$ 6	\$ 560	\$ 3,881

<i>(dollars in thousands)</i>	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2025
Real Estate Mortgage	\$ 235	\$ -	\$ -	\$ 682	\$ 917
Production and Intermediate-Term	1,081	-	6	466	1,553
Agribusiness	2,723	69	-	(1,594)	1,060
Rural Infrastructure	318	-	-	31	349
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	1	-	-	-	1
Total	\$ 4,359	\$ 69	\$ 6	\$ (415)	\$ 3,881

<i>(dollars in thousands)</i>	Balance at June 30, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2024
Real Estate Mortgage	\$ 230	\$ -	\$ -	\$ 11	\$ 241
Production and Intermediate-Term	953	-	11	351	1,315
Agribusiness	656	-	-	2,243	2,899
Rural Infrastructure	717	-	-	(96)	621
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	2	-	-	-	2
Total	\$ 2,559	\$ -	\$ 11	\$ 2,509	\$ 5,079

<i>(dollars in thousands)</i>	Balance at December 31, 2023	Charge-offs	Recoveries	Provision for Loan Losses	Balance at September 30, 2024
Real Estate Mortgage	\$ 231	\$ -	\$ -	\$ 10	\$ 241
Production and Intermediate-Term	1,042	-	48	225	1,315
Agribusiness	651	-	-	2,248	2,899
Rural Infrastructure	551	-	-	70	621
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	1	-	-	1	2
Total	2,477	-	48	2,554	5,079

The Association maintains a separate reserve for unfunded commitments, which is included in Liabilities on the Association's Consolidated Statement of Condition. The related provision for the reserve for unfunded commitments

is included as part of the provision for credit losses on the Consolidated Statement of Comprehensive Income, along with the provision for loan losses. A summary of changes in the reserve for unfunded commitments follows:

	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
<i>(dollars in thousands)</i>		
Balance at beginning of period	\$ 1,216	\$ 1,024
(Reversal of)/Provision for reserve for unfunded commitments	(94)	98
Total	\$ 1,122	\$ 1,122

	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
<i>(dollars in thousands)</i>		
Balance at beginning of period	\$ 1,032	\$ 931
Provision for reserve for unfunded commitments	128	229
Total	\$ 1,160	\$ 1,160

NOTE 3 – CAPITAL

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

	As of September 30, 2025	As of December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	16.41%	16.40%	4.5%	2.5%	7.0%
Tier 1 capital ratio	16.41%	16.40%	6.0%	2.5%	8.5%
Total capital ratio	16.64%	16.74%	8.0%	2.5%	10.5%
Permanent capital ratio	16.44%	16.45%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	15.70%	15.70%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	15.55%	15.55%	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.

The following table presents the activity in the accumulated other comprehensive income/loss, net of tax by component:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
<i>(dollars in thousands)</i>	2025	2024	2025	2024
Pension and other benefit plans:				
Beginning balance	\$ (1,758)	\$ (1,674)	\$ (2,036)	\$ (1,916)
Amounts reclassified from accumulated other comprehensive income/loss	138	120	416	362
Net current period other comprehensive income	138	120	416	362
Ending balance	\$ (1,620)	\$ (1,554)	\$ (1,620)	\$ (1,554)

The following tables represent reclassifications out of accumulated other comprehensive income/loss.

(dollars in thousands)	Amount Reclassified from Accumulated Other Comprehensive Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended September 30		
	2025	2024	
Pension and other benefit plans: Net actuarial loss	\$ 138	\$ 120	Salaries and employee benefits
Total reclassifications	\$ 138	\$ 120	

(dollars in thousands)	Amount Reclassified from Accumulated Other Comprehensive Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Nine Months Ended September 30		
	2025	2024	
Pension and other benefit plans: Net actuarial loss	\$ 416	\$ 362	Salaries and employee benefits
Total reclassifications	\$ 416	\$ 362	

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 of the 2024 Annual Report to Shareholders for a more complete description.

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

(dollars in thousands)	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Assets held in nonqualified benefits trusts				
September 30, 2025	\$ 2,356	\$ -	\$ -	\$ 2,356
December 31, 2024	\$ 2,649	\$ -	\$ -	\$ 2,649

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

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

(dollars in thousands)	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans				
September 30, 2025	\$ -	\$ -	\$ 1,141	\$ 1,141
December 31, 2024	\$ -	\$ -	\$ 1,025	\$ 1,025

With regard to impaired loans and other property owned, 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 other property owned and takes into account unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

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

Valuation Techniques

As more fully discussed in Note 2 of the 2024 Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an Association to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Assets Held in Non-Qualified Benefits Trusts

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

Loans Evaluated for Impairment

For impaired loans measured on a non-recurring basis, the fair value is based upon the underlying collateral since the loans are collateral dependent loans. The fair value measurement process uses independent appraisals and other market-based information, but in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral, and other matters. As a result, these fair value measurements fall within Level 3 of the hierarchy. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 5, 2025, which is the date the financial statements were issued, and no material subsequent events were identified.