

Farm Credit of Western Oklahoma, ACA



**Quarterly Report
March 31, 2026**

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 2025 CoBank Annual Report to Shareholders and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, **www.cobank.com**, or may be obtained at no charge by contacting us at Farm Credit 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 three months ended March 31, 2026, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2025 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

The U.S. economy showed a mix of resilience, slowing momentum, and rising uncertainty for the first quarter of 2026. While growth expectations have improved, a combination of increasing tariffs, the cooling labor market, and geopolitical pressures have contributed to a complicated economic environment. Real GDP is projected to grow at a rate of 2.5% for 2026 largely due to continued upward trends in personal consumption expenditures, business investments, and modest government spending. The unemployment rate remained relatively steady at 4.3% in the first quarter of 2026 and is expected to slightly increase through the current year. The Federal Reserve funds target range remains at 3.50% - 3.75% with Fed officials anticipating one rate cut this year as they try to mitigate the effects of the tariffs, global conflicts, and continued inflation that have weakened the economy. In 2026, net farm income is forecasted to decline slightly in comparison to 2025. Direct government relief payments through the American Relief Act of 2025, are projected to increase to offset a weak commodity price environment that has carried over from late 2025. Farm production expenses are expected to increase by 1.0% in comparison to 2025 with spending on feed, livestock and poultry, and labor being the three largest expense categories in 2026.

Loan demand in our lending territory has been moderate during Q1 2026. Economic concerns remain 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. However, there remains uncertainty concerning the Fed and interest rate reductions in the coming year, due to continued inflationary concerns. Based on the Oklahoma Drought Monitor, our lending territory is also experiencing areas of extreme drought at this time, amplifying the need for moisture and growing crop conditions to improve.

Real estate values in Oklahoma were relatively stable with a slight increase noted in the first quarter of 2026. However, potential weaknesses remain in some commodity markets, alongside inflation and global unrest continuing to impact oil/gas prices as well as other input prices for the agricultural producer. Continued economic challenges could lead to a softening or even a decline in the real estate market, which continues to be a risk to our portfolio and our customer base.

LOAN PORTFOLIO

Loans outstanding at March 31, 2026, totaled \$2.13 billion, an increase of \$10.9 million, or 0.52%, from loans of \$2.12 billion at December 31, 2025. The increase was primarily due to loan growth in the real estate mortgage and agribusiness sectors, partially offset by paydowns and payoffs in the portfolio during the first three months of 2026.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2026, was \$10.1 million, an increase of \$360 thousand, or 3.70%, from the same period ended one year ago. The increase was primarily due to increases in net interest income and noninterest income. The increase was partially offset by a provision for credit losses recorded for the three months ended March 31, 2026, compared with a credit loss reversal recorded for the three months ended March 31, 2025. Additionally, noninterest expense increased between the periods compared.

For the three months ended March 31, 2026, net interest income was \$15.9 million, an increase of \$1.2 million, or 8.41%, compared with the three months ended March 31, 2025. Net interest income increased primarily as a result of increased loan volume, interest rate spreads, and earnings on our loanable funds between the periods compared.

The provision for credit losses for the three months ended March 31, 2026, was \$1.7 million, compared with a credit loss reversal of \$62 thousand for the same period ended one year ago. The provision for credit losses was recorded due to increased loan volume between the periods compared and changes in the risk portfolio.

Noninterest income increased \$1.0 million during the first three months of 2026 compared with the first three months of 2025, primarily due to an increase of \$676 thousand in refunds from the Farm Credit System Insurance Corporation (FCSIC). We received a refund of \$1.0 million during the first three months of 2026 from FCSIC, compared with a refund of \$348 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. Additionally, we received an increase of \$294 thousand in patronage distribution from Farm Credit institutions between the periods compared. This increase was primarily due to additional patronage distribution from CoBank, resulting from an increase in our direct note payable due to CoBank. Patronage income from other Farm Credit institutions also increased for the period ended March 31, 2026 compared to the period ended March 31, 2025 due to additional patronage eligible loan participations purchased from other Farm Credit institutions. Loan fees also increased \$108 thousand during the first three months of 2026 compared with the first three months of 2025 primarily due to additional conversion and miscellaneous fee income received.

Mineral income totaling \$243 thousand was recognized during the first three months of 2026, of which \$235 thousand was received from CoBank and \$8 thousand was received from Association-owned minerals. The decrease for the three months ended March 31, 2026, compared with the same period ended one year ago, was primarily due to decrease in the Association-owned minerals due to a lease bonus received in 2025. This decrease was partially offset by increase in mineral income from CoBank, primarily due to the income from 39 new wells that were completed in the past year.

During the first three months of 2026, noninterest expense increased \$171 thousand to \$8.0 million compared to the first three months of 2025. The increase in noninterest expense was primarily due to increases in salaries and employee benefit expense and corporate insurance expense. Data processing service expenses decreased during the first quarter of 2026 primarily due to changes in our service provider's pricing model. For the three months ended March 31, 2025, \$1.4 million was reclassified from purchased services from AgVantis, Inc. to data processing services to conform to the current period's presentation.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2026, was \$387.8 million, an increase from \$377.6 million at December 31, 2025. This increase is due to net income and the amortization of pension costs included in the net periodic benefit cost, partially offset by net stock reductions.

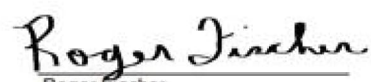
The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements, and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief



Greg Livingston
President/CEO
May 5, 2026



Jamey B. Mitchell
CFO
May 5, 2026



Roger Fischer
Chairman of the Board
May 5, 2026

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2026	December 31 2025
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 2,126,601	\$ 2,115,691
Less allowance for loan losses	5,763	4,049
Net loans	2,120,838	2,111,642
Cash	5,238	10,804
Accrued interest receivable	46,501	41,662
Investment in CoBank, ACB	51,613	51,613
Premises and equipment, net	10,523	10,335
Prepaid benefit expense	9,344	9,390
Other assets	8,696	14,166
Total assets	\$ 2,252,753	\$ 2,249,612
LIABILITIES		
Note payable to CoBank, ACB	\$ 1,832,451	\$ 1,827,881
Advance conditional payments	16,566	12,690
Accrued interest payable	5,827	5,809
Patronage distributions payable	-	12,300
Accrued benefits liability	2,782	3,266
Reserve for unfunded commitments	1,284	1,315
Other liabilities	5,995	8,719
Total liabilities	\$ 1,864,905	\$ 1,871,980
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	2,933	2,937
Additional paid-in capital	146,592	146,592
Unallocated retained earnings	239,829	229,735
Accumulated other comprehensive income/(loss)	(1,506)	(1,632)
Total shareholders' equity	387,848	377,632
Total liabilities and shareholders' equity	\$ 2,252,753	\$ 2,249,612

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

UNAUDITED	For the three months ended March 31	
	2026	2025
INTEREST INCOME		
Loans	\$ 32,923	\$ 30,305
Other	1	3
Total interest income	32,924	30,308
INTEREST EXPENSE		
Note payable to CoBank, ACB	16,982	15,603
Other	78	71
Total interest expense	17,060	15,674
Net interest income	15,864	14,634
Provision for credit losses/(Credit loss reversal)	1,683	(62)
Net interest income after provision for credit losses/credit loss reversal	14,181	14,696
NONINTEREST INCOME		
Loan fees	285	177
Patronage distribution from Farm Credit institutions	2,286	1,992
Farm Credit Insurance Fund distribution	1,024	348
Mineral income	243	262
Other noninterest income	111	124
Total noninterest income	3,949	2,903
NONINTEREST EXPENSE		
Salaries and employee benefits	3,735	3,620
Occupancy and equipment	609	592
Data Processing Services	1,100	1,379
Farm Credit Insurance Fund premium	425	378
Supervisory and examination costs	160	147
Other noninterest expense	2,007	1,749
Total noninterest expense	8,036	7,865
Net income	10,094	9,734
COMPREHENSIVE INCOME		
Amortization of retirement costs	126	139
Total comprehensive income	\$ 10,220	\$ 9,873

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, 2024	\$ 2,916	\$ 146,592	\$ 202,022	\$ (2,036)	\$ 349,494
Comprehensive income			9,734	139	9,873
Stock issued	53				53
Stock retired	(46)				(46)
Balance at March 31, 2025	\$ 2,923	\$ 146,592	\$ 211,756	\$ (1,897)	\$ 359,374
Balance at December 31, 2025	\$ 2,937	\$ 146,592	\$ 229,735	\$ (1,632)	\$ 377,632
Comprehensive income			10,094	126	10,220
Stock issued	52				52
Stock retired	(56)				(56)
Balance at March 31, 2026	\$ 2,933	\$ 146,592	\$ 239,829	\$ (1,506)	\$ 387,848

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, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited first quarter 2026 financial statements should be read in conjunction with the 2025 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025, as contained in the 2025 Annual Report to Shareholders.

In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair statement of results for the interim periods, have been made. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2026. Descriptions of the significant accounting policies are included in the 2025 Annual Report to Shareholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Certain amounts in the prior period's financial statements have been reclassified from purchased services to data processing services to conform to the current period's financial statement presentation as a result of changes in the service provider's pricing model.

Recently Issued or Adopted Accounting Pronouncements

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

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

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

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

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

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The practical expedient allows all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance

sheet date do not change for the remaining life of the asset. The accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments were effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The adoption of this guidance did not have a material impact on the Association's financial condition, results of operations, or cash flows.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

<i>(dollars in thousands)</i>	March 31, 2026	December 31, 2025
Real Estate Mortgage	\$ 1,287,560	\$ 1,281,710
Production and Intermediate-Term	630,789	637,387
Agribusiness	142,030	129,034
Rural Infrastructure	54,207	55,530
Agricultural Export Finance	10,461	10,459
Rural Residential Real Estate	1,554	1,571
Total loans	\$ 2,126,601	\$ 2,115,691

The Association purchases and sells participation interests with other parties to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at March 31, 2026:

<i>(dollars in thousands)</i>	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real Estate Mortgage	\$ 54,257	\$ 6,170	\$ 146,893	\$ -	\$ 201,150	\$ 6,170
Production and Intermediate-Term	83,062	30,605	-	-	83,062	30,605
Agribusiness	103,797	521	-	-	103,797	521
Rural Infrastructure	54,207	-	-	-	54,207	-
Agricultural Export Finance	10,461	-	-	-	10,461	-
Total	\$ 305,784	\$ 37,296	\$ 146,893	\$ -	\$ 452,677	\$ 37,296

Credit Quality

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

The Association uses a two-dimensional loan risk rating model based on internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default over a period of time. Probability of default rating is management's assumption of the probability that a borrower will experience a default within 12 months from the date of the determination of the risk rating. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. This credit risk rating process incorporates objective and subjective criteria to

identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category.

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

- Acceptable – assets are expected to be fully collectible and represent the highest quality.
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness.
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of:

	March 31, 2026	December 31, 2025
Real Estate Mortgage		
Acceptable	97.43%	97.32%
OAEM	1.73%	2.14%
Substandard	0.84%	0.54%
Total	100.00%	100.00%
Production and Intermediate-Term		
Acceptable	98.14%	98.52%
OAEM	0.81%	1.25%
Substandard	1.05%	0.23%
Total	100.00%	100.00%
Agribusiness		
Acceptable	83.99%	86.92%
OAEM	13.51%	9.70%
Substandard	2.50%	3.38%
Total	100.00%	100.00%
Rural Infrastructure		
Acceptable	91.68%	97.53%
OAEM	8.32%	2.47%
Total	100.00%	100.00%
Agricultural Export Finance		
Acceptable	100.00%	100.00%
Total	100.00%	100.00%
Rural Residential Real Estate		
Acceptable	74.91%	75.09%
Substandard	25.09%	24.91%
Total	100.00%	100.00%
Total Loans		
Acceptable	96.60%	97.05%
OAEM	2.40%	2.33%
Substandard	1.00%	0.62%
Total	100.00%	100.00%

Accrued interest receivable of \$46.5 million on loans at March 31, 2026, and \$41.7 million at December 31, 2025, is excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association wrote off accrued interest of \$1 thousand during the first three months of 2026 and \$4 thousand during the first three months of 2025.

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>	March 31, 2026	December 31, 2025
Nonaccrual loans		
Real Estate Mortgage	\$ 3,855	\$ 3,765
Production and Intermediate-Term	498	500
Total nonaccrual loans	\$ 4,353	\$ 4,265
Accruing loans 90 days past due		
Real Estate Mortgage	\$ 1,178	\$ 307
Total accruing loans 90 days past due	\$ 1,178	\$ 307
Total nonperforming assets	\$ 5,531	\$ 4,572
Nonaccrual loans to total loans	0.20%	0.20%
Nonperforming assets to total loans	0.26%	0.22%
Nonperforming assets to total shareholders' equity	1.43%	1.21%

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

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

March 31, 2026			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ 1,161	\$ 2,694	\$ 3,855
Production and Intermediate-Term	472	26	498
Total	\$ 1,633	\$ 2,720	\$ 4,353

December 31, 2025			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ 1,161	\$ 2,604	\$ 3,765
Production and Intermediate-Term	413	87	500
Total	\$ 1,574	\$ 2,691	\$ 4,265

			Interest Income Recognized	
			For the Three Months Ended March 31	
<i>(dollars in thousands)</i>			2026	2025
Nonaccrual loans				
Real Estate Mortgage	\$	-	\$	132
Production and Intermediate-Term		-		268
Total	\$	-	\$	400

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

March 31, 2026

<i>(dollars in thousands)</i>	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	\$ 3,840	\$ 2,861	\$ 6,701	\$1,280,859	\$1,287,560	\$ 1,177
Production and Intermediate-Term	316	139	455	630,334	630,789	-
Agribusiness	-	-	-	142,030	142,030	-
Rural Infrastructure	-	-	-	54,207	54,207	-
Agricultural Export Finance	-	-	-	10,461	10,461	-
Rural Residential Real Estate	-	-	-	1,554	1,554	-
Total	\$ 4,156	\$ 3,000	\$ 7,156	\$2,119,445	\$2,126,601	\$ 1,177

December 31, 2025

<i>(dollars in thousands)</i>	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	\$ 2,308	\$ 1,988	\$ 4,296	\$1,277,414	\$1,281,710	\$ 307
Production and Intermediate-Term	-	138	138	637,249	637,387	-
Agribusiness	-	-	-	129,034	129,034	-
Rural Infrastructure	-	-	-	55,530	55,530	-
Agricultural Export Finance	-	-	-	10,459	10,459	-
Rural Residential Real Estate	-	-	-	1,571	1,571	-
Total	\$ 2,308	\$ 2,126	\$ 4,434	\$2,111,257	\$2,115,691	\$ 307

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following tables show the amortized cost basis at the end of the respective reporting periods for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted. These balances exclude loans that were modified during the period but were paid off or sold prior to period end.

<i>(dollars in thousands)</i>	Term Extension	
	For the Three Months Ended	
	March 31, 2026	% of Portfolio Segment
Agribusiness	\$ 1,494	1.05%
Total	\$ 1,494	

<i>(dollars in thousands)</i>	Combination - Interest Rate Reduction and Term Extension	
	For the Three Months Ended	
	March 31, 2026	% of Portfolio Segment
Real Estate Mortgage	\$ 945	0.07%
Total	\$ 945	

<i>(dollars in thousands)</i>	Term Extension	
	For the Three Months Ended	
	March 31, 2025	% of Portfolio Segment
Production and Intermediate-Term	\$ 174	0.03%
Total	\$ 174	

<i>(dollars in thousands)</i>	Combination - Interest Rate Reduction and Term Extension	
	For the Three Months Ended	
	March 31, 2025	% of Portfolio Segment
Production and Intermediate-Term	\$ 710	0.13%
Total	\$ 710	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was \$17 thousand as of the three months ended March 31, 2026 and \$19 thousand as of the three months ended March 31, 2025.

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

	Weighted-Average Term Extension (in months)	
	For the Three Months Ended March 31	
	2026	2025
Production and Intermediate-Term	-	72.5
Agribusiness	21.4	-

	Combination – Interest Rate Reduction and Term Extension	
	For the Three Months Ended March 31, 2026	
Real Estate Mortgage	Reduced weighted average interest rates from 8.25% to 6.50% and added a weighted average of 336.9 months to the life of loans	

	Combination – Interest Rate Reduction and Term Extension	
	For the Three Months Ended March 31, 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	

None of the loans to borrowers experiencing financial difficulty that received a payment modification during the three months ended March 31, 2026 or March 31, 2025 experienced a subsequent default.

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

<i>(dollars in thousands)</i>	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2026		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real Estate Mortgage	\$ 1,511	\$ -	\$ -
Production and Intermediate-Term	55	-	-
Agribusiness	2,057	-	-
Total	\$ 3,623	\$ -	\$ -

<i>(dollars in thousands)</i>	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2025		
	Current	30-89 Days Past Due	90 Days or More Past Due
Production and Intermediate-Term Agribusiness	\$ 945	\$ -	\$ -
Agribusiness	830	-	-
Total	\$ 1,775	\$ -	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026 were \$1.0 million and during the year ended December 31, 2025 were \$1.7 million.

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

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. After the forecast period, the Association explicitly reverts to long run historical loss experience beyond the 12 months to inform the estimate of losses for the remaining contractual life of the loan portfolio. The economic forecasts are updated on a quarterly basis and incorporate macroeconomic variables such as agricultural commodity prices, unemployment rates, Gross Domestic Product (GDP) annual growth rates, 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 December 31, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2026
Real Estate Mortgage	\$ 951	\$ -	\$ -	\$ 1,124	\$ 2,075
Production and Intermediate-Term Agribusiness	1,636	-	-	513	2,149
Agribusiness	1,069	-	-	147	1,216
Rural Infrastructure	391	-	-	(72)	319
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	1	-	-	2	3
Total	\$ 4,049	\$ -	\$ -	\$ 1,714	\$ 5,763

<i>(dollars in thousands)</i>	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2025
Real Estate Mortgage	\$ 235	\$ -	\$ -	\$ (14)	\$ 221
Production and Intermediate-Term	1,081	-	-	135	1,216
Agribusiness	2,723	-	-	(28)	2,695
Rural Infrastructure	318	-	-	(30)	288
Agricultural Export Finance	1	-	-	-	1
Rural Residential Real Estate	1	-	-	-	1
Total	\$ 4,359	\$ -	\$ -	\$ 63	\$ 4,422

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:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31, 2026
Balance at beginning of period	\$ 1,315
Reversal of reserve for unfunded commitments	(31)
Total	\$ 1,284

<i>(dollars in thousands)</i>	For the Three Months Ended March 31, 2025
Balance at beginning of period	\$ 1,024
Reversal of reserve for unfunded commitments	(125)
Total	\$ 899

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 March 31, 2026	As of December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	15.58%	16.09%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.58%	16.09%	6.0%	2.5%	8.5%
Total capital ratio	15.83%	16.34%	8.0%	2.5%	10.5%
Permanent capital ratio	15.61%	16.12%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	14.89%	15.40%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	14.76%	15.26%	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:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31	
	2026	2025
Pension and other benefit plans:		
Beginning balance	\$ (1,632)	\$ (2,036)
Amounts reclassified from accumulated other comprehensive income/loss	126	139
Net current period other comprehensive income	126	139
Ending balance	\$ (1,506)	\$ (1,897)

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

<i>(dollars in thousands)</i>	Amount Reclassified from Accumulated Other Comprehensive Income/Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended March 31		
	2026	2025	
Pension and other benefit plans:			
Net actuarial loss	\$ 126	\$ 139	Salaries and employee benefits
Total reclassifications	\$ 126	\$ 139	

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 of the 2025 Annual Report to Shareholders for a more complete description.

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

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Assets held in nonqualified benefits trusts				
March 31, 2026	\$ 2,697	\$ -	\$ -	\$ 2,697
December 31, 2025	\$ 2,541	\$ -	\$ -	\$ 2,541

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

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

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans				
March 31, 2026	\$ -	\$ -	\$ 1,026	\$ 1,026
December 31, 2025	\$ -	\$ -	\$ 1,190	\$ 1,190

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 considers unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

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

Valuation Techniques

As more fully discussed in Note 2 of the 2025 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 May 5, 2026, which is the date the financial statements were issued, and no material subsequent events were identified.