QUARTERLY REPORT

March 31, 2025

FARM CREDIT OF WESTERN KANSAS, ACA

1190 SOUTH RANGE
PO BOX 667
COLBY KANSAS 67701
(785) 462-6714

DISCLOSURE OF IMPACT OF BANK OPERATIONS ON SHAREHOLDERS' INVESTMENT IN THE ASSOCIATION

The shareholders' investment in Farm Credit of Western Kansas, 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 web site, www.cobank.com, or may be obtained at no charge by contacting us at:

Farm Credit of Western Kansas, ACA
PO Box 667
1190 S Range Ave
Colby, Kansas 67701
(785) 462-6714 or (800) 657-6048

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 Kansas, ACA (the Association) for the three months ended March 31, 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.

Our financial condition and profitability remain strong following strong earnings in 2024. We will distribute a $5.5 million patronage to borrowers this year. Loan volume has increased during the first quarter of 2025 and average year-to-date accrual loan volume is 12.92% higher than the same period in the prior year.

Grain prices have declined while livestock prices remain strong. Input costs increased over the last several years, and most have remained high. Lower grain prices and high costs could present challenges to some borrowers and create stress in our portfolio. High interest rates continue to be a concern for borrowers. Additional moisture in our lending area is needed for favorable growing conditions.

While the U.S. economy ended on good footing for 2024, economic growth has been slow in the first quarter of 2025. A combination of high interest rates, slower GDP growth, decreased consumer spending, continued global supply chain pressures, and geopolitical risks are all key factors in the weakened economic growth. The labor market has remained steady for the first quarter of 2025; however, uncertainty around the import tariffs and the deep cuts in government spending have affected the labor market and its outlook for 2025. For 2025, farm income is anticipated to increase primarily as a result of direct government relief payments through the American Relief Act that was approved in late 2024, as well as overall strong commodity prices. This estimated increase in farm income is partially offset by continued high farming expenses. Additionally, global conflicts and the impending reciprocal tariffs are expected to affect commodity prices, creating volatility and uncertainty in the markets. At the March FOMC meeting, the Fed announced that interest rates will be kept steady in the near future. However, the recent tariffs and resulting impact on inflation could lead to further interest rate cuts in 2025.

LOAN PORTFOLIO

Loans outstanding at March 31, 2025, totaled $546.3 million, an increase of $15.0 million, or 2.82%, from loans of $531.3 million at December 31, 2024. The increase was primarily due to increases of $7.2 million in agribusiness loans, $7.1 in real estate mortgage loans, and $1.5 million in rural infrastructure loans as a result of participations purchased, partially offset by a decrease of $831 thousand in production and intermediate loans due to seasonal payoffs and paydowns.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2025, was $3.1 million, an increase of $380 thousand, or 13.92%, from the same period ended one year ago. The increase was primarily due to an increase in net interest income and noninterest income partially offset by increases in noninterest expense and provision for credit losses.

For the three months ended March 31, 2025, net interest income was $4.1 million, an increase of $340 thousand, or 9.04%, compared with the three months ended March 31, 2024. Net interest income increased as a result of an average increase in loan volume partially offset by a decrease in net interest margin of 10 basis points.

The provision for credit losses for the three months ended March 31, 2025, was $72 thousand, an increase of $14 thousand, or 24.14%, from the provision for credit losses for the same period ended one year ago. The provision for credit losses increased as a result of an increase in average loan volume.

Noninterest income increased $134 thousand during the first three months of 2025 compared with the first three months of 2024 primarily due to a refund from the Farm Credit System Insurance Corporation (FCSIC) and an increase of $58 thousand in patronage from Farm Credit institutions partially offset by a decrease of $22 thousand in loan fees. We received a refund of $90 thousand during the first quarter of 2025 from the Farm Credit System Insurance Corporation, which represents our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts. No such refunds were received in the same period ended one year ago. Patronage distribution from Farm Credit institutions increased in the first three months ended March 31, 2025, primarily due to increased patronage from CoBank related to our direct note payable with CoBank.

We received mineral income of $54 thousand during the first three months of 2025, which is distributed to us quarterly by CoBank. The decrease for the three months ended March 31, 2025, compared with the first three months of 2024 is due to lower oil and gas commodity prices paid on production.

During the first three months of 2025, noninterest expense increased $80 thousand to $1.8 million, primarily due to increases in purchased services from AgVantis of $64 thousand and other noninterest expense of $55 thousand partially offset by decreases in salaries and employee benefits of $29 thousand and occupancy and equipment of $28 thousand. FCSIC premiums increased $11 thousand for the three months ended March 31, 2025 compared with the same period in 2024 due to an increase in average loan volume. Other noninterest expense primarily increased due to an increase in software and license fees of $94 thousand, partially offset by a decrease in Foundations HR consulting fees of $40 thousand.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2025, was $121.1 million, an increase from $3.1 million at December 31, 2024. This increase is due to net income.

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.

Mark A. Wood
Audit Committee Chairman
May 7, 2025

Jessica A. Vaughn
President/CEO
May 7, 2025

Christopher R. Halbleib
Chief Financial Officer
May 7, 2025

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2025	December 31 2024
	UNAUDITED	AUDITED
ASSETS		
Loans	**$ 546,317**	$ 531,318
Less allowance for loan losses	**1,279**	1,225
Net loans	**545,038**	530,093
Cash	**1,011**	2,840
Accrued interest receivable	**9,734**	10,917
Investment in CoBank, ACB	**11,869**	11,866
Premises and equipment, net	**2,814**	2,851
Prepaid benefit expense	**3,124**	3,142
Other assets	**1,729**	3,163
Total assets	**$ 575,319**	$ 564,872
LIABILITIES		
Note payable to CoBank, ACB	**$ 432,269**	$ 429,060
Advance conditional payments	**13,384**	9,241
Accrued interest payable	**802**	1,020
Patronage distributions payable	**5,333**	5,507
Accrued benefits liability	**76**	77
Reserve for unfunded commitments	**275**	257
Other liabilities	**2,041**	1,679
Total liabilities	**$ 454,180**	$ 446,841
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**718**	719
Unallocated retained earnings	**120,421**	117,312
Total shareholders' equity	**121,139**	118,031
Total liabilities and shareholders' equity	**$ 575,319**	$ 564,872

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 **2025**	2024
INTEREST INCOME		
Loans	**$ 7,957**	$ 7,071
Total interest income	**7,957**	7,071
INTEREST EXPENSE		
Note payable to CoBank, ACB	**3,807**	3,260
Other	**48**	49
Total interest expense	**3,855**	3,309
Net interest income	**4,102**	3,762
Provision for credit losses	**72**	58
Net interest income after provision for credit losses	**4,030**	3,704
NONINTEREST INCOME		
Financially related services income	**159**	149
Loan fees	**53**	75
Patronage distribution from Farm Credit institutions	**483**	425
Farm Credit Insurance Fund distribution	**90**	-
Mineral income	**54**	63
Other noninterest income	**14**	7
Total noninterest income	**853**	719
NONINTEREST EXPENSE		
Salaries and employee benefits	**706**	735
Occupancy and equipment	**58**	86
Purchased services from AgVantis, Inc.	**426**	362
Farm Credit Insurance Fund premium	**101**	90
Supervisory and examination costs	**55**	48
Other noninterest expense	**428**	373
Total noninterest expense	**1,774**	1,694
Net income/Comprehensive income	**3,109**	2,729

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	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2023	$ 725	$ 111,181	$ 111,906
Comprehensive income		2,729	2,729
Stock issued	13		13
Stock retired	(14)		(14)
Balance at March 31, 2024	$ 724	$ 113,910	$ 114,634
Balance at December 31, 2024	$ 719	$ 117,312	$ 118,031
Comprehensive income		3,109	3,109
Stock issued	6		6
Stock retired	(7)		(7)
Balance at March 31, 2025	**$ 718**	**$ 120,421**	**$ 121,139**

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 Kansas, 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 first 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 Adopted or Issued Accounting Pronouncements

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:

(dollars in thousands)	**March 31, 2025**	December 31, 2024
Real estate mortgage	**$ 340,459**	$ 333,362
Production and intermediate-term	**134,334**	135,165
Agribusiness	**46,452**	39,228
Rural infrastructure	**20,936**	19,428
Agricultural export finance	**4,136**	4,135
Total loans	**$ 546,317**	$ 531,318

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 March 31, 2025:

	Other Farm Credit Institutions	
(dollars in thousands)	Purchased	Sold
Real estate mortgage	$ 29,553	$ 24,629
Production and intermediate-term	36,377	16,033
Agribusiness	45,664	790
Rural infrastructure	20,936	-
Agricultural export finance	4,136	-
Total	$ 136,666	$ 41,452

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 life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. 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:

	March 31, 2025	December 31, 2024
Real estate mortgage		
Acceptable	**98.85%**	98.76%
OAEM	**1.15%**	1.24%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**94.57%**	94.29%
OAEM	**1.80%**	5.71%
Substandard	**3.63%**	-
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**87.22%**	86.24%
OAEM	**12.78%**	13.76%
Total	**100.00%**	100.00%
Agricultural export finance		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**98.33%**	98.30%
OAEM	**1.36%**	1.70%
Substandard	**0.31%**	-
Total	**100.00%**	100.00%

Accrued interest receivable on loans of $9.7 million at March 31, 2025 and $10.9 million at December 31, 2024 has been excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association did not write off any accrued interest receivable during the first three months of 2025 or 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:

(dollars in thousands)	**March 31, 2025**	December 31, 2024
Nonaccrual loans		
Real estate mortgage	**$ 2**	$ 2
Total nonperforming assets	**$ 2**	$ 2
Nonperforming assets to total loans and other property owned	**<0.01%**	<0.01%
Nonperforming assets to total shareholders' equity	**<0.01%**	<0.01%

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:

(dollars in thousands)	**March 31, 2025**	December 31, 2024
Nonaccrual loan volume without related allowance for loan losses	**$ 2**	$ 2
Total nonaccrual loans	**$ 2**	$ 2

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

	March 31, 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	$ 135	$ -	$ 135	$ 340,324	$ 340,459	$ -
Production and intermediate-term	193	-	193	134,141	134,334	-
Agribusiness	-	-	-	46,452	46,452	-
Rural infrastructure	-	-	-	20,936	20,936	-
Agricultural export finance	-	-	-	4,136	4,136	-
Total	$ 328	$ -	$ 328	$ 545,989	$ 546,317	$ -

	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	$ 2,103	$ -	$ 2,103	$ 331,259	$ 333,362	$ -
Production and intermediate-term	745	-	745	134,420	135,165	-
Agribusiness	1,247	-	1,247	37,981	39,228	-
Rural infrastructure	-	-	-	19,428	19,428	-
Agricultural export finance	-	-	-	4,135	4,135	-
Total	$ 4,095	$ -	$ 4,095	$ 527,223	$ 531,318	$ -

Loan Modifications to Borrowers Experiencing Financial Difficulty

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

The Association granted no loan modifications to borrowers experiencing financial difficulty during the three-month period ended March 31, 2025.

	Term Extension	
	For the Three Months Ended	
(dollars in thousands)	March 31, 2024	% of Portfolio Segment
Agribusiness	$ 831	2.94%
Total	$ 831	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $6 thousand as of the three months ended March 31, 2024.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025, and March 31, 2024:

	Weighted-Average Term Extension (in months)	
	For the Three Months Ended March 31	
	2025	2024
Agribusiness	-	9.6

There were no loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2025 or March 31, 2024 which were modified during the twelve months prior to those periods.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2025:

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2025		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Agribusiness	$ 835	$ -	$ -
Total	$ 835	$ -	$ -

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2024:

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2024		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$ 1,931	$ -	$ -
Agribusiness	831	-	-
Total	$ 2,762	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the year ended December 31, 2024 were $966 thousand.

The Association had no loans held for sale at March 31, 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:

(dollars in thousands)	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2025
Real estate mortgage	$ 820	$ -	$ -	$ (4)	$ 816
Production and intermediate-term	293	-	-	27	320
Agribusiness	12	-	-	50	62
Rural infrastructure	99	-	-	(19)	80
Agricultural export finance	1	-	-	-	1
Total	$ 1,225	$ -	$ -	$ 54	$ 1,279

(dollars in thousands)	Balance at December 31, 2023	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2024
Real estate mortgage	$ 809	$ -	$ -	$ 7	$ 816
Production and intermediate-term	182	-	-	44	226
Agribusiness	2	-	2	12	16
Rural infrastructure	172	-	-	(44)	128
Agricultural export finance	-	-	-	1	1
Total	$ 1,165	$ -	$ 2	$ 20	$ 1,187

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:

(dollars in thousands)	For the Three Months Ended March 31, 2025
Balance at beginning of period	$ 257
Provision for reserve for unfunded commitments	18
Total	$ 275

(dollars in thousands)	For the Three Months Ended March 31, 2024
Balance at beginning of period	$ 217
Provision for reserve for unfunded commitments	38
Total	$ 255

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, 2025	As of December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	18.44%	19.23%	4.5%	2.5%	7.0%
Tier 1 capital ratio	18.44%	19.23%	6.0%	2.5%	8.5%
Total capital ratio	18.70%	19.49%	8.0%	2.5%	10.5%
Permanent capital ratio	18.48%	19.27%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	19.15%	20.05%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	19.02%	19.91%	1.5%	-	1.5%

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

NOTE 4 - SUBSEQUENT EVENTS

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