

**QUARTERLY  
REPORT**

**March 31, 2026**

**FARM CREDIT OF  
WESTERN KANSAS, ACA**

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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 2025 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](http://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, 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.

Economic conditions during the first quarter of 2026 remained mixed. Lower grain prices combined with elevated input costs continued to pressure margins for grain producers, resulting in reduced liquidity and increased utilization of operating loans. The 2026 renewal season revealed stress among certain borrowers. In contrast, strong cattle prices continued to support profitability within the livestock sector. Weather conditions were generally dry over the winter and entering the spring.

Loan volume increased during the first quarter, driven primarily by mortgage demand and higher operating needs. Despite pressure in the farm economy, the Association's financial condition and profitability remain strong, and credit quality remains sound. Capital levels continue to exceed regulatory minimums. However, continued loan growth has placed downward pressure on capital ratios.

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 2.6% 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 increases in spending in 2026.

#### **LOAN PORTFOLIO**

Loans outstanding at March 31, 2026, totaled \$609.8 million, an increase of \$13.4 million, or 2.24%, from loans of \$596.4 million at December 31, 2025. The increase was primarily due to increases of \$7.7 million in real estate mortgage loans, \$5.9 million in agribusiness loans, \$871 thousand in rural infrastructure loans, partially offset by a decrease of \$1.1 million in production and intermediate-term loans.

#### **RESULTS OF OPERATIONS**

Net income for the three months ended March 31, 2026, was \$3.3 million, an increase of \$162 thousand, or 5.21%, 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, 2026, net interest income was \$4.6 million, an increase of \$481 thousand compared with the three months ended March 31, 2025. Net interest income increased as a result of an average increase in loan volume.

The provision for credit losses for the three months ended March 31, 2026, was \$548 thousand, an increase of \$476 thousand, from the provision for credit losses for the same period ended one year ago. The provision for credit losses increased primarily as a result of an increase in average loan volume as well as less favorable loss factors derived from pooled data used to calculate our allowance for credit losses.

Noninterest income increased \$390 thousand during the first three months of 2026 compared with the first three months of 2025 primarily due to an increase in refunds from the Farm Credit System Insurance Corporation (FCSIC) and patronage from Farm Credit Institutions. Patronage distribution from Farm Credit institutions increased in the first three months ended March 31, 2026, primarily due to increased patronage from CoBank related to our direct note payable with CoBank. We received a refund of \$286 thousand during the first three months of 2026 from the FCSIC compared with a refund of \$90 thousand received in the same period ended one year ago. These represent our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts.

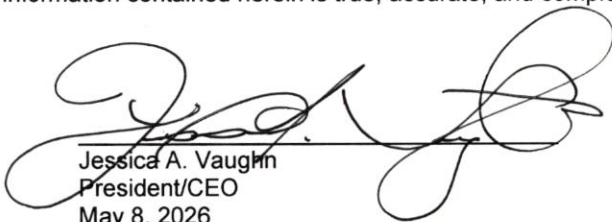
During the first three months of 2026, noninterest expense increased \$233 thousand to \$2.0 million, primarily due to increases of \$102 thousand in salaries and employee benefits and \$97 thousand in other noninterest expense. For the three months ended March 31, 2025, \$426 thousand was reclassified from purchased services to data processing services to conform to the current period's presentation as a result of changes in our service provider's pricing model. Other noninterest expense primarily increased due to a classification change in AgVantis purchased services.


#### CAPITAL RESOURCES

Our shareholders' equity at March 31, 2026, was \$128.4 million, an increase from \$125.2 million at December 31, 2025. This increase is primarily 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 8, 2026

  
\_\_\_\_\_  
Jessica A. Vaughn  
President/CEO  
May 8, 2026

  
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Christopher R. Halbleib  
Chief Financial Officer  
May 8, 2026

## Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2026	December 31 2025
	UNAUDITED	AUDITED
<b>ASSETS</b>		
Loans	\$ 609,787	\$ 596,431
Less allowance for loan losses	1,918	1,449
Net loans	607,869	594,982
Cash	1,489	5,286
Accrued interest receivable	11,120	12,455
Investment in CoBank, ACB	13,853	13,840
Premises and equipment, net	2,734	2,770
Prepaid benefit expense	3,071	3,072
Other assets	2,087	3,665
<b>Total assets</b>	<b>\$ 642,223</b>	<b>\$ 636,070</b>
<b>LIABILITIES</b>		
Note payable to CoBank, ACB	\$ 488,431	\$ 493,800
Advance conditional payments	17,476	8,186
Accrued interest payable	799	1,129
Patronage distributions payable	5,610	6,011
Reserve for unfunded commitments	384	305
Other liabilities	1,100	1,486
<b>Total liabilities</b>	<b>\$ 513,800</b>	<b>\$ 510,917</b>
<b>Commitments and Contingencies</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	719	720
Unallocated retained earnings	127,704	124,433
<b>Total shareholders' equity</b>	<b>128,423</b>	<b>125,153</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 642,223</b>	<b>\$ 636,070</b>

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
<b>INTEREST INCOME</b>		
Loans	\$ 8,948	\$ 7,957
<b>Total interest income</b>	<b>8,948</b>	<b>7,957</b>
<b>INTEREST EXPENSE</b>		
Note payable to CoBank, ACB	4,323	3,807
Other	42	48
<b>Total interest expense</b>	<b>4,365</b>	<b>3,855</b>
Net interest income	4,583	4,102
Provision for credit losses	548	72
Net interest income after provision for credit losses	<b>4,035</b>	<b>4,030</b>
<b>NONINTEREST INCOME</b>		
Financially related services income	195	159
Patronage distribution from Farm Credit institutions	603	483
Farm Credit Insurance Fund distribution	286	90
Other noninterest income	159	121
<b>Total noninterest income</b>	<b>1,243</b>	<b>853</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	808	706
Data Processing Services	541	524
Farm Credit Insurance Fund premium	118	101
Other noninterest expense	540	443
<b>Total noninterest expense</b>	<b>2,007</b>	<b>1,774</b>
<b>Net income/Comprehensive income</b>	<b>3,271</b>	<b>3,109</b>

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
<b>Balance at December 31, 2024</b>	\$ 719	\$ 117,312	\$ 118,031
Comprehensive income		3,109	3,109
Stock issued	6		6
Stock retired	(7)		(7)
<b>Balance at March 31, 2025</b>	<b>\$ 718</b>	<b>\$ 120,421</b>	<b>\$ 121,139</b>
<b>Balance at December 31, 2025</b>	<b>\$ 720</b>	<b>\$ 124,433</b>	<b>\$ 125,153</b>
Comprehensive income		3,271	3,271
Stock issued	13		13
Stock retired	(14)		(14)
<b>Balance at March 31, 2026</b>	<b>\$ 719</b>	<b>\$ 127,704</b>	<b>\$ 128,423</b>

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, 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	\$ 383,833	\$ 376,138
Production and Intermediate-Term	151,266	152,407
Agribusiness	48,413	42,482
Rural Infrastructure	22,143	21,272
Agricultural Export Finance	4,132	4,132
Total loans	\$ 609,787	\$ 596,431

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	
	Purchased	Sold
Real Estate Mortgage	\$ 37,370	\$ 30,011
Production and Intermediate-Term	48,174	26,264
Agribusiness	47,788	627
Rural Infrastructure	22,143	-
Agricultural Export Finance	4,132	-
Total	\$ 159,607	\$ 56,902

### 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:

	<b>March 31, 2026</b>	December 31, 2025
Real Estate Mortgage		
Acceptable	<b>98.73%</b>	98.74%
OAEM	<b>1.27%</b>	1.26%
Total	<b>100.00%</b>	100.00%
Production and Intermediate-Term		
Acceptable	<b>99.01%</b>	99.98%
OAEM	<b>0.99%</b>	0.02%
Total	<b>100.00%</b>	100.00%
Agribusiness		
Acceptable	<b>86.35%</b>	92.48%
OAEM	<b>7.24%</b>	4.10%
Substandard	<b>6.41%</b>	3.42%
Total	<b>100.00%</b>	100.00%
Rural Infrastructure		
Acceptable	<b>92.25%</b>	91.94%
OAEM	<b>7.75%</b>	8.06%
Total	<b>100.00%</b>	100.00%
Agricultural Export Finance		
Acceptable	<b>100.00%</b>	100.00%
Total	<b>100.00%</b>	100.00%
Total Loans		
Acceptable	<b>97.59%</b>	98.38%
OAEM	<b>1.90%</b>	1.38%
Substandard	<b>0.51%</b>	0.24%
Total	<b>100.00%</b>	100.00%

Accrued interest receivable of \$11.1 million on loans at March 31, 2026, and \$12.5 million at December 31, 2025, 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 during the first three months of 2026 or 2025.

Nonperforming assets consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned. Our nonaccrual loan volume was \$2 thousand at December 31, 2025. We had no loans classified as nonaccrual, accruing loans 90 days or more past due, or other property owned at March 31, 2026.

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

<b>March 31, 2026</b>						
<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	\$ -	\$ -	\$ -	\$ 383,833	\$ 383,833	\$ -
Production and Intermediate-Term	-	-	-	151,266	151,266	-
Agribusiness	-	-	-	48,413	48,413	-
Rural Infrastructure	-	-	-	22,143	22,143	-
Agricultural Export Finance	-	-	-	4,132	4,132	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 609,787</b>	<b>\$ 609,787</b>	<b>\$ -</b>

<b>December 31, 2025</b>						
<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	\$ -	\$ -	\$ -	\$ 376,138	\$ 376,138	\$ -
Production and Intermediate-Term	11	-	11	152,396	152,407	-
Agribusiness	-	-	-	42,482	42,482	-
Rural Infrastructure	-	-	-	21,272	21,272	-
Agricultural Export Finance	-	-	-	4,132	4,132	-
<b>Total</b>	<b>\$ 11</b>	<b>\$ -</b>	<b>\$ 11</b>	<b>\$ 596,420</b>	<b>\$ 596,431</b>	<b>\$ -</b>

#### **Loan Modifications to Borrowers Experiencing Financial Difficulty**

The following table shows 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. The Association did not have any loan modifications to borrowers experiencing financial difficulty during the three months ended March 31, 2026 or March 31, 2025.

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		
	<b>During the Past Twelve Months Ended March 31, 2026</b>		
	Current	30-89 Days Past Due	90 Days or More Past Due
Agribusiness	\$ 2,111	\$ -	\$ -
<b>Total</b>	<b>\$ 2,111</b>	<b>\$ -</b>	<b>\$ -</b>

<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
Agribusiness	\$ 835	\$ -	\$ -
Total	\$ 835	\$ -	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the year ended December 31, 2025 were \$2.1 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	\$ 932	\$ -	\$ -	\$ 293	\$ 1,225
Production and Intermediate-Term	330	-	-	110	440
Agribusiness	63	-	-	105	168
Rural Infrastructure	122	-	-	(40)	82
Agricultural Export Finance	2	-	-	1	3
Total	\$ 1,449	\$ -	\$ -	\$ 469	\$ 1,918

<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	\$ 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

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>	<b>For the Three Months Ended March 31, 2026</b>
Balance at beginning of period	\$ 305
Provision for reserve for unfunded commitments	79
<b>Total</b>	<b>\$ 384</b>

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

### NOTE 3 – CAPITAL

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

	<b>As of March 31, 2026</b>	As of December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	<b>17.25%</b>	17.96%	4.5%	2.5%	7.0%
Tier 1 capital ratio	<b>17.25%</b>	17.96%	6.0%	2.5%	8.5%
Total capital ratio	<b>17.53%</b>	18.23%	8.0%	2.5%	10.5%
Permanent capital ratio	<b>17.29%</b>	18.00%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	<b>17.82%</b>	18.69%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	<b>17.71%</b>	18.58%	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 8, 2026, which is the date the financial statements were issued, and no material subsequent events were identified.