



Quarterly Report
September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Mid-America, ACA (the Association) and its subsidiaries, Farm Credit Mid-America, FLCA and Farm Credit Mid-America, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2024 (2024 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to several risks and uncertainties. More information about these risks and uncertainties is contained in our 2024 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

AGRICULTURAL AND ECONOMIC CONDITIONS

The overall Association loan portfolio continues to perform well with the third quarter of 2025 yielding stable adverse credit quality compared to the prior quarter. This is principally due to collection and correction efforts that have yielded positive results during the quarter. However, we're continuing to experience credit quality pressure in our other crops agricultural industry concentration and Arkansas territory. The stress in the other crops concentration is isolated in the tree nuts, wine, and spirits industries. These industries continue to work through excess inventories built up from shifting consumer demand. In our Arkansas territory, cotton and rice producers are continuing to show signs of credit quality stress. The One Big Beautiful Bill Act increased reference prices for many commodities financed; however, reconciling the bill to actual producer results will take time to develop. Many producers are enjoying a strong harvest with yields anticipated to be on trendline or higher. Credit quality with our grain producers is trending down but continues to remain significant due to high levels of working capital that accumulated through strong earnings in prior years.

Net farm income is forecasted at \$179.8 billion in 2025, an increase of \$52.0 billion relative to 2024 in nominal dollars. With this expected increase, 2025 net farm income would remain above its 20-year average in inflation-adjusted dollars according to the United States Department of Agriculture (USDA) - Economic Research Service. The tale of two farm economies continues to develop with cash receipts from livestock exceeding crops by \$62.0 billion – the largest gap in history. This has supported strong profits in the livestock and protein production sectors while grain producers are challenged with profitability. The prospects of continued interest rate reductions from The Federal Reserve are encouraging to support improved profitability for many farm and ranch operations. There are opportunities to see reduced operating costs for next year's crop. Protecting operating margins through a mature risk management program may yield positive results for some producers.

Generally, crop conditions are favorable through September 30, 2025, across the Association loan service area. The late summer drought was mild and could impact late planted crops. Overall, conditions on early planted crops are very good while later planted crops have mixed results. According to the National Agricultural Statistics Services, soybean acres have decreased by 4% from 2024 to 83.4 million acres. The decrease in soybean acres have likely transitioned to corn acres as there have been 95.2 million acres planted this year – a 5% increase from 2024. This is the third highest corn acreage planted in the United States (U.S.) since 1944. Marketplace challenges continue with trade and tariff policy implications. Combining these challenges with a favorable and productive crop has resulted in prices for corn and soybeans that are at levels where many producers may not generate operational profits. Soybean prices have remained relatively stable during this growing season; however, there is growing divergence in localized basis compared to prior years. A similar story is true for corn; however, prices have generally softened throughout the growing season with localized basis also resulting in significant divergence from futures process in certain areas.

There are abnormal and moderate drought indicators beginning to surface within portions of the loan service area with some counties showing extreme drought. Despite this recent trend, there are many counties in the Association's loan service area that would support having the highest amount of precipitation over the last 12 months over any other time in the past 130 years of records. Generally, the vast majority of the loan service area has enjoyed favorable precipitation in the past 12 months.

The Association monitors land values through various programs including semi-annual benchmark appraisals within 18 zones across our lending territory. The most recent benchmark appraisal analysis for the period of July 1, 2024 to July 1, 2025 indicates an overall average increase of 5.3% in farmland values for the annual period. Although appreciation rates may be cooling, we are not experiencing valuation diminution at this time.

The Purdue University – CME Group Ag Economy Barometer Index has shown a year-over-year increase in the Ag Economy Barometer ending Q3 2025 at an index of 126 compared to the prior year Q3 index at 88. Although elevated compared to historical trends, the prior two months readings showed reasonable reductions compared to post-2024 election highs observed in early 2025.

Our Rural 1st® business segment continues to experience exceptional levels of credit quality while growing at a good pace supported by growth in wages, low unemployment, and demand for housing. Although some market indicators are starting to show the housing industry with increased headwinds, we are not experiencing any significant changes in our Rural 1st® housing portfolio. This portfolio focuses on high quality originations and fixed rates that, absent a spike in unemployment, should continue to perform well.

LOAN PORTFOLIO

Loan Portfolio

Total loans were \$35.3 billion at September 30, 2025, an increase of \$161.8 million from December 31, 2024.

Portfolio Credit Quality

The credit quality of our portfolio declined slightly from December 31, 2024. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. Adversely classified loans increased to 2.3% of the portfolio at September 30, 2025, from 2.1% of the portfolio at December 31, 2024. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands)

As of:	September 30, 2025	December 31, 2024
Loans:		
Non-accrual	\$ 407,352	\$ 359,811
Accruing loans 90 days or more past due	17,687	73,519
Total nonperforming loans	425,039	433,330
Other property owned	4,769	6,667
Total nonperforming assets	\$ 429,808	\$ 439,997
Total nonperforming loans as a percentage of total loans	1.2%	1.2%
Non-accrual loans as a percentage of total loans	1.2%	1.0%
Current non-accrual loans as a percentage of total non-accrual loans	33.9%	37.6%
Total delinquencies as a percentage of total loans ¹	1.1%	1.0%

¹Total delinquencies include accrual and non-accrual loans 30 days or more past due.

Our nonperforming assets have decreased from December 31, 2024, and remained at acceptable levels. Total nonperforming loans as a percentage of total loans were well within our established risk management parameters.

The increase in non-accrual loans was primarily due to certain real estate mortgage, production and intermediate-term, rural infrastructure, and agribusiness loans that transferred to non-accrual status during the nine months ended September 30, 2025. The increase was offset by one agribusiness customer relationship transferring out of non-accrual to paid status during the third quarter of 2025. Non-accrual loans remained at an acceptable level at September 30, 2025, and December 31, 2024.

The decrease in accruing loans 90 days or more past due was primarily due to collections on delinquent USDA guaranteed loans during the nine months ended September 30, 2025. The remaining USDA guaranteed assets are well secured and full payment is expected. The decrease was also due to one real estate mortgage loan transferring to non-accrual status during the first quarter of 2025. Our accounting policy requires loans past due 90 days or more to be transferred into non-accrual status unless adequately secured and a plan is in place to collect past due amounts.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions.

Allowance for Credit Losses on Loans and Coverage Ratios			
(dollars in thousands)			
As of:	September 30,		December 31,
	2025		2024
Allowance for credit losses on loans	\$	101,451	\$ 59,897
Allowance for credit losses on loans as a percentage of:			
Loans		0.29%	0.17%
Non-accrual loans		24.9%	16.6%
Total nonperforming loans		23.9%	13.8%

The increase in allowance for credit losses on loans from December 31, 2024, was primarily related to increased specific reserves established on certain production and intermediate-term, agribusiness, and real estate mortgage loans.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)			
For the nine months ended September 30,	2025		2024
Net income	\$	430,077	\$ 433,176
Return on average assets		1.45%	1.56%
Return on average members' equity		8.74%	9.22%

Changes presented in the profitability information table relate directly to:

- Changes in net income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands)				
For the nine months ended September 30,	2025		2024	Increase (decrease) in net income
Net interest income	\$	650,429	\$ 639,461	\$ 10,968
Provision for credit losses		46,246	23,114	(23,132)
Non-interest income		137,766	151,348	(13,582)
Non-interest expense		306,620	323,042	16,422
Provision for income taxes		5,252	11,477	6,225
Net income	\$	430,077	\$ 433,176	\$ (3,099)

Provision for Credit Losses

The "Provision for credit losses" in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The provision for credit losses on loans increase was due to specific reserves established on certain production and intermediate-term, agribusiness, and real estate mortgage loans.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable was scheduled to mature on March 31, 2027. However, it was renewed early for \$45.0 billion with an origination date of April 1, 2025, and a maturity date of March 31, 2028. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. However, we maintain some exposure to interest rates, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. We also fund our portfolio from equity.

The components of cost of funds associated with our note payable include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit
- A risk premium component, if applicable

We were not subject to a risk premium at September 30, 2025, or December 31, 2024.

On May 16, 2025, Moody's Ratings lowered the U.S. sovereign's long-term issuer rating to Aa1 from Aaa. The outlook on the long-term debt rating of the U.S. was revised to stable from negative. On May 19, 2025, Moody's Ratings lowered the long-term senior unsecured debt rating for the Farm Credit System to Aa1 from Aaa; the Prime-1 short-term rating was affirmed. The outlook on the long-term debt rating was revised to stable from negative. As a government-sponsored entity, the Farm Credit System benefits from the implicit government support and, therefore, the ratings are directly linked to the U.S. sovereign rating.

Moody's Ratings also affirmed AgriBank's long-term issuer rating of Aa3, and affirmed the stable long-term issuer rating outlook.

The reduction in the credit rating by Moody's Ratings for the Farm Credit System, including AgriBank, could result in higher funding costs which could impact our costs and, ultimately, retail rates. However, to date we have noticed no significant impact as a result of this rating change.

Total members' equity increased \$234.0 million from December 31, 2024, primarily due to net income for the period offset by patronage distribution accruals.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 7 in our 2024 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	September 30, 2025	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	14.6%	14.6%	4.5%	2.5%	7.0%
Tier 1 capital ratio	14.6%	14.6%	6.0%	2.5%	8.5%
Total capital ratio	14.8%	14.8%	8.0%	2.5%	10.5%
Permanent capital ratio	14.6%	14.6%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	13.9%	14.2%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	13.6%	13.9%	1.5%	N/A	1.5%


Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 11 in our 2024 Annual Report.

CERTIFICATION

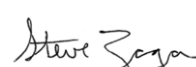
The undersigned have reviewed the September 30, 2025, Quarterly Report of Farm Credit Mid-America, ACA, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Todd A. Clark
Chair of the Board
Farm Credit Mid-America, ACA



Daniel Wagner
President and Chief Executive Officer
Farm Credit Mid-America, ACA



Steve Zagar
Chief Financial Officer
Farm Credit Mid-America, ACA

November 7, 2025

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Mid-America, ACA
(in thousands)

As of:	September 30, 2025	December 31, 2024
	<i>(Unaudited)</i>	
ASSETS		
Loans	\$ 35,303,517	\$ 35,141,762
Allowance for credit losses on loans	101,451	59,897
Net loans	35,202,066	35,081,865
Investment in AgriBank, FCB	1,485,842	1,351,483
Investment securities	2,521,284	2,165,680
Accrued interest receivable	426,632	420,376
Other assets	640,563	539,978
Total assets	\$ 40,276,387	\$ 39,559,382
LIABILITIES		
Note payable to AgriBank, FCB	\$ 33,022,156	\$ 32,414,310
Accrued interest payable	291,345	302,859
Patronage distribution payable	200,810	260,000
Other liabilities	105,330	159,453
Total liabilities	33,619,641	33,136,622
Contingencies and commitments (Note 4)		
MEMBERS' EQUITY		
Capital stock and participation certificates	93,026	90,477
Additional paid-in capital	219,777	219,777
Unallocated retained earnings	6,345,004	6,113,677
Accumulated other comprehensive loss	(1,061)	(1,171)
Total members' equity	6,656,746	6,422,760
Total liabilities and members' equity	\$ 40,276,387	\$ 39,559,382

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Farm Credit Mid-America, ACA

(in thousands)

(Unaudited)

For the period ended September 30,	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Interest income	\$ 510,581	\$ 523,432	\$ 1,554,601	\$ 1,506,997
Interest expense	295,782	310,244	904,172	867,536
Net interest income	214,799	213,188	650,429	639,461
Provision for credit losses	20,989	8,090	46,246	23,114
Net interest income after provision for credit losses	193,810	205,098	604,183	616,347
Non-interest income				
Patronage income	39,047	29,521	95,338	98,229
Financially related services income	6,058	4,819	7,271	5,991
Fee income	11,206	14,625	34,122	47,780
Other non-interest income, net	(1,669)	(2,192)	1,035	(652)
Total non-interest income	54,642	46,773	137,766	151,348
Non-interest expense				
Salaries and employee benefits	58,628	65,280	177,044	197,392
Other operating expense	41,518	45,900	126,801	124,419
Other non-interest expense	176	53	2,775	1,231
Total non-interest expense	100,322	111,233	306,620	323,042
Income before income taxes	148,130	140,638	435,329	444,653
(Benefit from) provision for income taxes	(382)	1,952	5,252	11,477
Net income	\$ 148,512	\$ 138,686	\$ 430,077	\$ 433,176
Other comprehensive income				
Employee benefit plans activity	\$ 37	\$ 38	\$ 110	\$ 114
Total other comprehensive income	37	38	110	114
Comprehensive income	\$ 148,549	\$ 138,724	\$ 430,187	\$ 433,290

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Mid-America, ACA

(in thousands)

(Unaudited)

	Capital Stock and Participation Certificates	Additional Paid-in Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2023	\$ 85,544	\$ 219,777	\$ 5,819,519	\$ (1,289)	\$ 6,123,551
Net income	--	--	433,176	--	433,176
Other comprehensive income	--	--	--	114	114
Unallocated retained earnings designated for patronage distributions	--	--	(202,500)	--	(202,500)
Capital stock and participation certificates issued	6,521	--	--	--	6,521
Capital stock and participation certificates retired	(2,845)	--	--	--	(2,845)
Balance at September 30, 2024	\$ 89,220	\$ 219,777	\$ 6,050,195	\$ (1,175)	\$ 6,358,017
Balance at December 31, 2024	\$ 90,477	\$ 219,777	\$ 6,113,677	\$ (1,171)	\$ 6,422,760
Net income	--	--	430,077	--	430,077
Other comprehensive income	--	--	--	110	110
Unallocated retained earnings designated for patronage distributions	--	--	(198,750)	--	(198,750)
Capital stock and participation certificates issued	8,335	--	--	--	8,335
Capital stock and participation certificates retired	(5,786)	--	--	--	(5,786)
Balance at September 30, 2025	\$ 93,026	\$ 219,777	\$ 6,345,004	\$ (1,061)	\$ 6,656,746

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the nine months ended September 30, 2025, are not necessarily indicative of the results to be expected for the year ending December 31, 2025. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2024 (2024 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Mid-America, ACA and its subsidiaries Farm Credit Mid-America, FLCA and Farm Credit Mid-America, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System (System). Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted.	This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association will require adding information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.	We are early adopting this standard for the year ended December 31, 2025. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain disclosures.
In July 2025, the FASB issued ASU 2025-05 "Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets." This guidance is effective for all entities for annual and interim periods beginning after December 15, 2025. Early adoption is permitted.	The standard provides all entities with a practical expedient and entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and contract assets arising from transactions accounted for under Topic 606. The practical expedient allows entities to assume that current conditions as of the date of the statement of condition do not change for the remaining life of the asset. The accounting policy election allows entities to consider collection activity after the date of the statement of condition when estimating expected credit losses.	We expect to adopt the standard as of January 1, 2026. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.
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." This guidance is effective for all entities for annual periods beginning after December 15, 2027. Early adoption is permitted.	The standard requires several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs, and (4) modifies the disclosure requirements for capitalized software costs.	We expect to adopt the standard as of January 1, 2028. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	September 30, 2025		December 31, 2024	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	\$ 20,482,698	58.0%	\$ 20,711,894	58.9%
Production and intermediate-term	7,883,605	22.3%	7,684,297	21.9%
Agribusiness	4,267,417	12.1%	4,280,929	12.2%
Rural residential real estate	1,306,656	3.7%	1,112,247	3.2%
Finance leases and other	1,363,141	3.9%	1,352,395	3.8%
Total	\$ 35,303,517	100.0%	\$ 35,141,762	100.0%

The finance leases and other category is primarily composed of rural infrastructure related loans and certain assets characterized as mission related investments, as well as lease receivables.

Throughout Note 2 accrued interest receivable on loans of \$412.0 million at September 30, 2025, and \$392.8 million at December 31, 2024, has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands)	30-89 Days		90 Days or More	Total	Not Past Due or Less Than 30 Days		Accruing Loans 90 Days or More Past Due
	Past Due	Past Due			Total	Total	
As of September 30, 2025							
Real estate mortgage	\$ 74,744	\$ 75,583	\$ 150,327	\$ 20,332,371	\$ 20,482,698	\$ 2,552	
Production and intermediate-term	27,019	133,550	160,569	7,723,036	7,883,605	4,472	
Agribusiness	11,499	43,405	54,904	4,212,513	4,267,417	--	
Rural residential real estate	8,145	3,495	11,640	1,295,016	1,306,656	1,711	
Finance leases and other	18,608	8,950	27,558	1,335,583	1,363,141	8,952	
Total	\$ 140,015	\$ 264,983	\$ 404,998	\$ 34,898,519	\$ 35,303,517	\$ 17,687	
As of December 31, 2024							
Real estate mortgage	\$ 44,976	\$ 78,869	\$ 123,845	\$ 20,588,049	\$ 20,711,894	\$ 19,793	
Production and intermediate-term	9,928	109,470	119,398	7,564,899	7,684,297	1,533	
Agribusiness	1,533	38,919	40,452	4,240,477	4,280,929	--	
Rural residential real estate	7,048	1,943	8,991	1,103,256	1,112,247	898	
Finance leases and other	20,623	51,538	72,161	1,280,234	1,352,395	51,295	
Total	\$ 84,108	\$ 280,739	\$ 364,847	\$ 34,776,915	\$ 35,141,762	\$ 73,519	

Non-Accrual Loans

Non-Accrual Loans Information

(in thousands)	As of September 30, 2025		For the Nine Months Ended September 30, 2025	
	Amortized Cost	Without Allowance	Interest Income Recognized	
			Amortized Cost	Without Allowance
Non-accrual loans:				
Real estate mortgage	\$ 168,135	\$ 128,517	\$	\$ 7,299
Production and intermediate-term	159,461	40,576		2,156
Agribusiness	62,663	39,178		231
Rural residential real estate	7,719	7,104		41
Finance leases and other	9,374	115		--
Total	\$ 407,352	\$ 215,490	\$	\$ 9,727

	As of December 31, 2024		For the Nine Months Ended September 30, 2024	
	Amortized Cost	Amortized Cost Without Allowance	Interest Income	
			Recognized	
Non-accrual loans:				
Real estate mortgage	\$ 121,785	\$ 115,383	\$	4,484
Production and intermediate-term	147,269	20,207		1,880
Agribusiness	84,837	71,092		1,060
Rural residential real estate	5,683	5,532		66
Finance leases and other	237	237		--
Total	\$ 359,811	\$ 212,451	\$	7,490

At the time the loans were transferred to non-accrual status, write-offs of accrued interest receivable, as a reversal of interest income were not material for the nine months ended September 30, 2025, or 2024.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. Loans that both modify and are paid off or charged-off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the modification disclosures.

Loan Modifications at Amortized Cost

(dollars in thousands)	Interest		Payment	Combination -		Combination -		Combination -		Percentage of Total Loans
	Rate	Term		Interest Rate	Interest Rate	Term Extension	Interest Rate	Term Extension	Term Extension	
For the nine months ended September 30, 2025	Reduction	Extension	Deferral	Reduction and Term Extension	Reduction and Payment Deferral	Reduction and Payment Deferral	Reduction and Payment Deferral	Deferral	Total	
Real estate mortgage	\$ --	\$ 19	\$ 1,437	\$ --	\$ --	\$ --	\$ 184	\$ 1,640	\$ 1,640	0.00%
Production and intermediate-term	292	3,483	1,196	1,324	79	79	1,870	8,244	8,244	0.02%
Agribusiness	--	--	1,518	--	--	--	151	1,669	1,669	0.01%
Total	\$ 292	\$ 3,502	\$ 4,151	\$ 1,324	\$ 79	\$ 79	\$ 2,205	\$ 11,553	\$ 11,553	0.03%
Loan modifications granted as a percentage of total loans	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.01%	0.03%		
For the nine months ended September 30, 2024	Reduction	Extension	Deferral	Reduction and Term Extension	Reduction and Payment Deferral	Reduction and Payment Deferral	Reduction and Payment Deferral	Deferral	Total	
Real estate mortgage	\$ --	\$ 120	\$ 30,995	\$ --	\$ --	\$ --	\$ 751	\$ 31,866	\$ 31,866	0.09%
Production and intermediate-term	--	8,942	8,356	--	--	--	31,363	48,661	48,661	0.14%
Agribusiness	--	4,672	--	--	--	--	9,665	14,337	14,337	0.04%
Total	\$ --	\$ 13,734	\$ 39,351	\$ --	\$ --	\$ --	\$ 41,779	\$ 94,864	\$ 94,864	0.27%
Loan modifications granted as a percentage of total loans	--	0.04%	0.11%	--	--	--	0.12%	0.27%		

Financial Effect of Loan Modifications

	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)
For the nine months ended September 30, 2025			
Real estate mortgage			
Term extension		27	
Payment deferral			4
Combination - term extension and payment deferral		59	14
Production and intermediate-term			
Interest rate reduction	0.20%		
Term extension		6	
Payment deferral			10
Combination - interest rate reduction and term extension	2.27%	38	
Combination - interest rate reduction and payment deferral	0.05%		10
Combination - term extension and payment deferral		46	7
Agribusiness			
Payment deferral			9
Combination - term extension and payment deferral		3	3
For the nine months ended September 30, 2024			
Real estate mortgage			
Term extension		85	
Payment deferral			16
Combination - term extension and payment deferral		55	12
Production and intermediate-term			
Term extension		20	
Payment deferral			17
Combination - term extension and payment deferral		13	9
Agribusiness			
Term extension		12	
Combination - term extension and payment deferral		16	16

The following table presents the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025, or 2024, in which the modifications were within twelve months preceding the default.

Loan Modifications that Subsequently Defaulted

(in thousands)	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Combination - Payment Deferral and Principal Forgiveness
For the nine months ended September 30, 2025						
Real estate mortgage	\$ --	\$ 1,845	\$ 2,500	\$ --	\$ 184	\$ --
Production and intermediate-term	--	7,001	2,110	245	230	14
Agribusiness	--	--	3,740	--	78	--
Total	\$ --	\$ 8,846	\$ 8,350	\$ 245	\$ 492	\$ 14
For the nine months ended September 30, 2024						
Real estate mortgage	\$ --	\$ --	\$ 1,917	\$ --	\$ 176	\$ --
Production and intermediate-term	--	211	532	216	795	--
Total	\$ --	\$ 211	\$ 2,449	\$ 216	\$ 971	\$ --

The following table presents the payment status at amortized cost of loans that have been modified for borrowers experiencing financial difficulty within twelve months of the respective reporting period.

Payment Status of Loan Modifications

(in thousands)	Not Past Due		30-89		90 Days		Total
	or Less Than 30		Days		or More		
As of September 30, 2025	Days Past Due		Past Due		Past Due		
Real estate mortgage	\$	1,577	\$	307	\$	2,703	\$ 4,587
Production and intermediate-term		5,205		3,327		490	9,022
Agribusiness		1,669		--		78	1,747
Total	\$	8,451	\$	3,634	\$	3,271	\$ 15,356

As of September 30, 2024	Not Past Due		30-89		90 Days		Total
	or Less Than 30		Days		or More		
	Days Past Due		Past Due		Past Due		
Real estate mortgage	\$	29,302	\$	855	\$	2,094	\$ 32,251
Production and intermediate-term		48,154		795		966	49,915
Agribusiness		14,337		--		--	14,337
Total	\$	91,793	\$	1,650	\$	3,060	\$ 96,503

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at September 30, 2025, or 2024.

There were no material commitments at September 30, 2025, or December 31, 2024, to lend to borrowers experiencing financial difficulty whose loans were modified during the nine months ended September 30, 2025, or during the year ended December 31, 2024, respectively.

Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type which are the segments used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Unemployment rates are an additional risk characteristic attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of United States unemployment rate, Federal Housing Finance Agency house price index, United States Department of Agriculture (USDA) corn returns over total expenses (dollars per acre), the USDA change in total livestock cash receipts, USDA farm debt to equity ratio, and the USDA change in farmland value represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments. The reasonable and supportable forecast period is two years, followed by a two-year linear reversion to long-term average of all macroeconomic inputs.

We utilize the weighted results of three macroeconomic scenarios in the estimate of the allowance for credit losses on loans and unfunded commitments which include base, adverse, and positive scenarios. The adverse scenario includes macroeconomic factors reflecting downside potential relative to the base scenario. The positive scenario includes potential upside in the macroeconomic factors above the base scenario. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

Changes in Allowance for Credit Losses

(in thousands)	2025		2024	
Nine months ended September 30,				
Allowance for Credit Losses on Loans				
Balance at beginning of period	\$	59,897	\$	38,599
Provision for credit losses on loans		45,803		22,436
Loan recoveries		1,196		2,849
Loan charge-offs		(5,445)		(10,768)
Balance at end of period	\$	101,451	\$	53,116
Allowance for Credit Losses on Unfunded Commitments				
Balance at beginning of period	\$	10,319	\$	8,468
Provision for credit losses on unfunded commitments		443		678
Balance at end of period	\$	10,762	\$	9,146
Total allowance for credit losses	\$	112,213	\$	62,262

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by increased specific reserves established on certain production and intermediate-term, agribusiness, and real estate mortgage loans.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of \$2.5 billion at September 30, 2025, and \$2.2 billion at December 31, 2024. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA), except for \$4.8 million at September 30, 2025, and \$5.0 million at December 31, 2024, which were municipal securities that are not guaranteed. Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity and are evaluated for an allowance for credit losses. There was no allowance for credit losses on investment securities at September 30, 2025, or December 31, 2024.

Prior to June 30, 2025, we classified a portion of our SBA pool investments as mortgage-backed securities (MBS) as these are longer-term investments. To conform with industry practice, as of June 30, 2025, we changed the classification of these SBA pool investments to asset-backed securities (ABS).

Additional Investment Securities Information at Amortized Cost

(in thousands)	September 30,	December 31,
As of:	2025	2024
MBS	\$ 4,750	\$ 1,659,659
ABS	2,516,534	506,021
Total	<u>\$ 2,521,284</u>	<u>\$ 2,165,680</u>

Accrued interest receivable on investment securities is presented in "Accrued interest receivable" in the Consolidated Statements of Condition and was \$14.7 million at September 30, 2025, and \$27.6 million at December 31, 2024.

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled \$83.8 million and \$80.4 million for the nine months ended September 30, 2025, and 2024, respectively.

Contractual Maturities of Investment Securities

(in thousands)	As of September 30, 2025	Amortized Cost
Less than one year	\$ 4	4
One to five years		23,257
Five to ten years		668,682
More than ten years		1,829,341
Total		<u>\$ 2,521,284</u>

Actual maturity of the investment securities may be less than contractual maturity due to prepayments.

NOTE 4: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

Refer to Note 11 in our 2024 Annual Report for additional detail regarding contingencies and commitments.

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2024 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at September 30, 2025, or December 31, 2024.

Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

Assets Measured at Fair Value on a Non-Recurring Basis				
(in thousands)				
As of September 30, 2025	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 138,860	\$ 138,860
Other property owned	--	--	5,055	5,055
As of December 31, 2024				
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 134,735	\$ 134,735
Other property owned	--	--	7,067	7,067

Valuation Techniques

Loans: Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

Other Property Owned: Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3.

NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 7, 2025, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.