Farm Credit Services of America

Quarterly Report

March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial position and consolidated results of operations of Farm Credit Services of America, ACA, (FCSAmerica) and its subsidiaries, Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA. The accompanying consolidated financial statements and notes also contain important information about our unaudited financial position and results of operations. You should also read our 2024 Annual Report for a description of our organization, operations and significant accounting policies.

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank may materially affect our shareholders' investment in FCSAmerica. To request a free copy of the AgriBank financial reports or additional copies of our report, contact either:

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NOTICE OF SIGNIFICANT OR MATERIAL EVENTS

In 2024, FCSAmerica, AgCountry Farm Credit Services, ACA (AgCountry), and Frontier Farm Credit, ACA (Frontier Farm Credit) entered into a collaboration agreement. The Associations are operating under common management with separate Boards of Directors. The Associations are deploying a unified business strategy for products and service development and delivery, which accommodates differences in local marketplace conditions, while utilizing common technology platforms. This rollout will continue throughout 2025. Refer to our 2024 Annual Report for additional information regarding this collaboration.

FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Financial Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of 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 as a result of new information, future events, or otherwise.

COMMODITY REVIEW AND OUTLOOK UPDATE

Corn prices began the first quarter of 2025 trending higher as the United States Department of Agriculture (USDA) lowered final yields for the 2024 crop from 183.1 to 179.3 bushels per acre. Despite the decrease in yield projections, 179.3 bushels per acre would be a record high. Additionally, United States corn prices remained relatively strong due to tight global stocks, strong export demand, and robust ethanol production. However, potential trade disputes with Canada and Mexico introduced market uncertainty and additional volatility, causing prices to trend lower after mid-February. At the end of the quarter, the USDA reported corn planted for all purposes in 2025 is estimated at 95.3 million acres, up 5.0 percent from 2024. Compared to 2024, corn acreage increases of 400 thousand acres or more are expected in the Midwest.

Similarly, soybean prices began the first quarter trending higher as the USDA lowered final yields for the 2024 crop from 51.7 to 50.7 bushels per acre. Despite reduced production, ending stocks for United States soybeans for the 2024/25 marketing year remain slightly above the 10-year average. United States soybean prices trended lower to finish the quarter as global market dynamics played a significant role due to large global supplies and competitive prices from South American producers. At the end of the quarter, the USDA reported 2025 soybean planted acreage intentions at 83.5 million acres, down 4.0 percent from 2024. Decreases of 300 thousand acres or more are anticipated in the Midwest.

The United States cattle inventory continued to contract, with the total number of cattle and calves on January 1, 2025, estimated at 86.7 million head, the lowest since 1951. Beef cows totaled 27.9 million, down 1.0 percent from 2024 and the lowest since 1965.

Heifers for beef cow replacement expected to calve were 2.92 million, down about 2 percent. Lower numbers for both beef cows that have calved, and beef cows expected to calve provide additional evidence of continued herd contraction in the United States. United States beef exports for January 2025 were approximately 1 percent behind the pace from 2024 due to low domestic beef production, while United States beef imports were up over 20 percent. As a result, cattle prices during the first quarter remained strong, characterized by low inventory levels and resilient consumer demand for beef.

United States pork producers saw improved profit returns in January and February after experiencing economic losses for over two years. Lean hog futures began the first quarter around $82.50 per hundredweight and finished the quarter at over $87 per hundredweight. According to the USDA, as of March 1, 2025, there were 74.5 million hogs and pigs on farms in the United States, down slightly from March 2024 and down 1.0 percent from December 1, 2024. United States pork exports fell short of the pace from January 2024, down 1.9 percent. Shipments to Mexico accounted for 42.0 percent of total U.S. pork exports in January 2025.

Refer to the Commodity Review and Outlook section of Management's Discussion & Analysis in the 2024 Annual Report for further analysis of farmland prices and industry conditions.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $43.6 billion at March 31, 2025, an increase of $279.0 million, or 0.6 percent from December 31, 2024. The increase was primarily due to an increase in the long-term agricultural mortgage and agribusiness portfolios.

Portfolio Credit Quality

The credit quality of our portfolio declined slightly from December 31, 2024, and remained within FCSAmerica's risk tolerance. Our adversely classified assets as a percentage of our portfolio increased during the first three months of 2025, ending the quarter at 2.71 percent, compared to 2.42 percent at December 31, 2024. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At March 31, 2025, $1.1 billion of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

The following table summarizes nonperforming assets and delinquency information (dollars in thousands):

	March 31, 2025	December 31, 2024
Loans:		
Nonaccrual	**$ 243,156**	$ 240,476
Accruing loans 90 days or more past due	**90,363**	50,735
Total nonperforming loans	**333,519**	291,211
Other property owned, net	**4,042**	5,983
Total nonperforming assets	**$ 337,561**	$ 297,194
Nonperforming loans as a percentage of total loans	**0.76%**	0.67%
Nonaccrual loans as a percentage of total loans	**0.56%**	0.56%
Current nonaccrual loans as a percentage of total nonaccrual loans	**37.1%**	46.2%
Total delinquencies as a percentage of total loans*	**0.96%**	0.83%

*Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

Total nonperforming assets have increased slightly since December 31, 2024; however, they have remained at acceptable levels. The increase was primarily due to an increase in accruing loans 90 days or more past due, with a small rise in nonaccrual loans. Total nonperforming loans as a percentage of total loans was well within our established risk management guidelines.

The increase in nonaccrual loans was related to our fertilizer/chemical, grain, and horticulture/bedding plants portfolios, offset by a reduction in our swine and meats/proteins-processing portfolios. Nonaccrual loans remained at an acceptable level at March 31, 2025, and December 31, 2024.

The increase in accruing loans 90 days or more past due was due to the long-term agricultural mortgage portfolio. It is our practice to transfer accruing loans that are past due 90 days or more into nonaccrual unless they are adequately secured and in the process of collection.

The increase in total delinquencies as a percentage of total loans was primarily due to the long-term agricultural mortgage portfolio.

The decrease in other property owned was due to payments received on acquired property during the first quarter.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses on loans 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 (dollars in thousands):

	March 31, 2025	December 31, 2024
Allowance for credit losses on loans	**$ 86,000**	$ 82,000
Allowance for credit losses on loans as a percentage of:		
Total loans	**0.20 %**	0.19 %
Nonaccrual loans	**35.37 %**	34.10 %
Total nonperforming loans	**25.79 %**	28.16 %

The increase in the allowance for credit losses on loans from December 31, 2024 was primarily related to increased loan volume and an increase in specific reserves for the quarter. This was partially offset by a reduction in general reserves attributed to improved economic forecasts, mainly in the USDA portfolio.

RESULTS OF OPERATIONS

The following table presents profitability information (dollars in thousands):

	For the three months ended March 31, 2025	2024
Net income	**$218,519**	$203,701
Return on average assets	**1.86%**	1.94%
Return on average members' equity	**11.02%**	10.82%

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; and,
- Changes in capital discussed in the Funding, Liquidity and Capital section.

Major components of the changes in net income for the three months ended March 31, 2025 compared to the same period in 2024 are outlined in the following table (dollars in thousands):

For the three months ended March 31,	2025	2024	Increase (decrease) in net income
Net interest income	**$ 274,153**	$ 265,299	**$ 8,854**
Provision for credit losses	**4,742**	4,483	**(259)**
Noninterest income	**76,278**	77,545	**(1,267)**
Noninterest expense	**123,146**	131,269	**8,123**
Provision for income taxes, net	**4,024**	3,391	**(633)**
Net income	**$ 218,519**	$ 203,701	**$ 14,818**

Net Interest Income

The effects on net interest income from changes in average volumes and rates are quantified in the following table for the three months ended March 31, (dollars in thousands):

	2025 vs. 2024
Change in volume	$ 28,797
Change in interest rates	(19,101)
Change in nonaccrual income	(842)
Net change	$ 8,854

The increase in net interest income was due to higher loan volume and an increase in income earned on earning assets funded by our non-interest-bearing source (capital), partially offset by compressed spreads.

Provision for Credit Losses

The "Provision for credit losses" in the Consolidated Statements of Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. We recorded a $5.7 million provision for credit losses on loans as well as a $(1.0) million provision for credit losses on unfunded commitments for the first three months of 2025, as compared with recording a $5.5 million provision for credit losses on loans and $(1.0) million provision for credit losses on unfunded commitments during the first three months of 2024. The increase in provision was due to a need for higher allowance for credit losses and limited charge-offs in the quarter. Net charge-offs for the first three months of 2025 were $1.7 million compared with net charge-offs of $13.5 million in the same period a year ago. The change in the provision for credit losses on loans and unfunded commitments reflects our assessment of risk in the loan portfolio.

Noninterest Income

The small decrease in noninterest income was due to decreases in patronage from AgriBank, AgDirect program fees, insurance services and miscellaneous income. These were partially offset by receiving our share of the Allocated Insurance Reserve Accounts (AIRA) distribution from the Farm Credit System Insurance Corporation (FCSIC) during Q1 2025. The AIRA was established by FCSIC when premiums collected increased the level of Farm Credit Insurance Fund beyond the required 2.0 percent of insured debt. Last year's AIRA distribution was received in the second quarter of 2024. Refer to our 2024 Annual Report for additional information about the AIRA and FCSIC.

We may receive patronage from AgriBank and other Farm Credit institutions. Patronage distributions from AgriBank and other Farm Credit institutions are declared solely at the discretion of each institution's Board of Directors. AgriBank may distribute patronage in the form of cash or stock. Patronage from AgriBank primarily includes wholesale patronage and pool program patronage. All other patronage from other Farm Credit institutions is typically distributed in cash.

	For the three months ended March 31,	
(dollars in thousands)	2025	2024
Patronage from AgriBank	$ 34,792	$ 39,591
AgDirect, LLP patronage distribution	4,858	4,343
Other patronage	641	312
Total patronage income	$ 40,291	$ 44,246

Noninterest Expense

The decrease in noninterest expense was primarily due to the reduction in other expenses, relating to the sharing of net income and losses based on our collaboration agreement with AgCountry Farm Credit and Frontier Farm Credit. Refer to our Notice of Significant or Material Events earlier in this Quarterly Report for more information. This was partially offset by greater losses on our Rural Business Investment Company (RBIC) portfolio, and an increase in the Farm Credit System Insurance expense. Refer to Note 1 in our 2024 Annual Report for additional information on the Farm Credit System Insurance Fund.

Provision for Income Taxes

The increase in provision for income taxes was related to our estimate of taxes based on taxable income.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank under a note payable, in the form of a line of credit. Our note payable was renegotiated as of April 1, 2025 and was renewed for $52 billion with a maturity of June 30, 2028 at which time the note will be renegotiated, if not sooner. 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 FCSAmerica is a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. Our other source of lendable funds is 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; and
- A risk premium component, if applicable.

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

Our members' equity increased to $8.2 billion at March 31, 2025 compared to $8.0 billion at December 31, 2024. The increase was primarily due to the net income recorded for the first three months of 2025.

In the fourth quarter of 2024, the Board adopted our patronage program for 2025. The 2025 patronage program will be based on each customer's average daily balance of eligible loans outstanding during 2025 to be paid in 2026 on eligible originations, participations purchased and participations sold volume.

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 9 in our 2024 Annual Report for a more complete description of these ratios. The capital adequacy ratios are directly impacted by the changes in capital, as more fully discussed in this section, changes in assets as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 13 in our 2024 Annual Report.

	As of March 31, 2025	As of December 31, 2024	Regulatory Minimums	Capital Conservation Buffers
Risk-adjusted:				
Common equity tier 1 ratio	**13.20%**	13.84%	4.5%	7.0%
Tier 1 capital ratio	**13.20%**	13.84%	6.0%	8.5%
Total capital ratio	**13.39%**	14.00%	8.0%	10.5%
Permanent capital ratio	**13.22%**	13.86%	7.0%	7.0%
Non-risk-adjusted:				
Tier 1 leverage ratio	**14.04%**	14.97%	4.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**14.04%**	14.97%	1.5%	1.5%

CERTIFICATION

This report has been prepared under the oversight of the Board's Audit Committee. The undersigned certify that they have reviewed this report and it has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of their knowledge and belief.

Mark Jensen
President and CEO
May 5, 2025

Nick Jorgensen
Chairperson, Board of Directors
May 5, 2025

Jon C. Peterson
Executive Vice-President and CFO
May 5, 2025

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Services of America, ACA

(dollars in thousands)

As of:	March 31, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Loans	**$ 43,601,231**	$ 43,322,226
Allowance for credit losses on loans	**86,000**	82,000
Net loans	**43,515,231**	43,240,226
Cash	**70,923**	51,244
Accrued interest receivable	**603,767**	681,736
Investment in securities	**1,731,485**	1,486,533
Investment in RBIC	**101,159**	98,582
Investment in AgriBank, FCB	**1,546,996**	1,545,866
Investment in AgDirect, LLP	**148,530**	146,703
Premises and equipment, net	**226,975**	231,233
Other property owned	**4,042**	5,983
Deferred tax asset, net	**5,754**	6,459
Other assets	**102,803**	170,676
Total assets	**$ 48,057,665**	$ 47,665,241
LIABILITIES		
Notes payable to AgriBank, FCB	**$ 39,327,609**	$ 38,721,449
Accrued interest payable	**363,130**	362,890
Patronage payable	**—**	392,600
Allowance for credit losses on unfunded commitments	**13,000**	14,000
Other liabilities	**164,662**	203,704
Total liabilities	**39,868,401**	39,694,643
Commitments and contingencies (Note 6)		
MEMBERS' EQUITY		
At-risk capital:		
Class D common stock	**98,314**	98,058
Class E common stock	**4,092**	4,047
Less capital stock receivable	**(102,406)**	(102,105)
Retained earnings	**8,189,264**	7,970,598
Total members' equity	**8,189,264**	7,970,598
Total liabilities and members' equity	**$ 48,057,665**	$ 47,665,241

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

CONSOLIDATED STATEMENTS OF INCOME

Farm Credit Services of America, ACA

(dollars in thousands)

(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
NET INTEREST INCOME		
Interest income	**$ 637,511**	$ 582,903
Interest expense	**363,358**	317,604
Net interest income	**274,153**	265,299
Provision for credit losses	**4,742**	4,483
Net interest income after provision for credit losses	**269,411**	260,816
NONINTEREST INCOME		
Patronage income	**40,291**	44,246
AgDirect, LLP program fees	**13,931**	15,663
Loan fees	**7,257**	6,641
FCSIC insurance refund	**6,926**	—
Insurance services	**4,159**	5,492
Rural 1st program fees	**780**	631
Other noninterest income	**2,934**	4,872
Total noninterest income	**76,278**	77,545
NONINTEREST EXPENSE		
Salaries and employee benefits	**86,520**	89,934
Occupancy and equipment expense	**15,822**	12,758
Other operating expenses	**7,867**	18,311
Insurance fund premiums	**9,155**	8,129
Loss on RBIC	**3,782**	2,137
Total noninterest expense	**123,146**	131,269
Income before income taxes	**222,543**	207,092
Provision for income taxes	**4,024**	3,391
Net income	**$ 218,519**	$ 203,701

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Services of America, ACA

(dollars in thousands)

(Unaudited)

	At-risk Capital		
	Capital Stock	**Retained Earnings**	**Total Members' Equity**
Balance at December 31, 2023	$ —	$ 7,496,984	$ 7,496,984
Net income		203,701	203,701
Patronage accrual adjustment		251	251
Capital stock:			
Capital stock issued	2,748		2,748
Capital stock retired	(2,039)		(2,039)
Capital stock receivable, net	(709)		(709)
Balance at March 31, 2024	$ —	$ 7,700,936	$ 7,700,936
Balance at December 31, 2024	$ —	$ 7,970,598	$ 7,970,598
Net income		**218,519**	**218,519**
Patronage accrual adjustment		**147**	**147**
Capital stock:			
Capital stock issued	**2,799**		**2,799**
Capital stock retired	**(2,498)**		**(2,498)**
Capital stock receivable, net	**(301)**		**(301)**
Balance at March 31, 2025	**$ —**	**$ 8,189,264**	**$ 8,189,264**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1: ORGANIZATION

The accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim consolidated financial condition and consolidated results of operations. While our accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and the prevailing practices within the financial services industry, this interim Quarterly Financial Report is prepared based upon statutory and regulatory requirements and, accordingly, does not include all disclosures required by U.S. GAAP. The results of the three months ended March 31, 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 2024 Annual Report for the year ended December 31, 2024.

Principles of Consolidation

The consolidated financial statements present the consolidated financial results of Farm Credit Services of America, ACA (the parent) and Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA (the subsidiaries). 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 and have determined the following standard to be applicable to our business. While we are a nonpublic entity, our financial results are closely related to the performance of the combined Farm Credit System. Therefore, we typically adopt accounting pronouncements in alignment with other Farm Credit System institutions.

Standard and Effective Date	Description	Financial Statement Impact
In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025.	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 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, but will modify certain disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

The following table shows loans by type at amortized cost (dollars in thousands):

	March 31, 2025		December 31, 2024	
	Amount	**Percentage**	Amount	Percentage
Long-term agricultural mortgage	**$ 22,659,231**	**52.0 %**	$ 22,342,999	51.6 %
Production and intermediate term	**9,016,485**	**20.7**	9,402,140	21.7
Agribusiness	**6,602,974**	**15.1**	6,340,463	14.6
Rural infrastructure	**3,460,979**	**7.9**	3,380,273	7.8
Rural residential real estate	**545,075**	**1.2**	567,604	1.3
Agricultural export finance	**156,668**	**0.4**	165,788	0.4
Other	**1,159,819**	**2.7**	1,122,959	2.6
Total loans	**$ 43,601,231**	**100.0 %**	$ 43,322,226	100.0 %

The Other category is primarily composed of certain assets characterized as mission-related investment loans and U.S. Department of Agriculture guaranteed loans.

Credit Quality

One credit quality indicator we utilize is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

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

We had no loans categorized as loss at March 31, 2025 or December 31, 2024.

The following table shows loans classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type at amortized cost (dollars in thousands):

	As of March 31, 2025						
	Acceptable		**OAEM**		**Substandard/Doubtful**		**Total**
	Amount	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**
Long-term agricultural mortgage	**$ 21,589,164**	**95.28 %**	**$ 522,977**	**2.31 %**	**$ 547,090**	**2.41 %**	**$22,659,231**
Production and intermediate term	**8,235,664**	**91.34 %**	**449,052**	**4.98 %**	**331,769**	**3.68 %**	**9,016,485**
Agribusiness	**6,015,356**	**91.10 %**	**302,099**	**4.58 %**	**285,519**	**4.32 %**	**6,602,974**
Rural infrastructure	**3,420,778**	**98.84 %**	**36,197**	**1.05 %**	**4,004**	**0.11 %**	**3,460,979**
Rural residential real estate	**527,165**	**96.72 %**	**6,992**	**1.28 %**	**10,918**	**2.00 %**	**545,075**
Agricultural export finance	**156,668**	**100.00 %**	**—**	**—**	**—**	**—**	**156,668**
Other	**1,159,819**	**100.00 %**	**—**	**—**	**—**	**—**	**1,159,819**
Total	**$ 41,104,614**	**94.27 %**	**$1,317,317**	**3.02 %**	**$ 1,179,300**	**2.71 %**	**$43,601,231**

	As of December 31, 2024						
	Acceptable		OAEM		Substandard/Doubtful		Total
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Long-term agricultural mortgage	$ 21,430,700	95.91 %	$ 424,094	1.90 %	$ 488,205	2.19 %	$22,342,999
Production and intermediate term	8,805,540	93.65 %	303,269	3.23 %	293,331	3.12 %	9,402,140
Agribusiness	5,775,284	91.09 %	312,077	4.92 %	253,102	3.99 %	6,340,463
Rural infrastructure	3,340,978	98.84 %	35,290	1.04 %	4,005	0.12 %	3,380,273
Rural residential real estate	552,594	97.36 %	6,422	1.13 %	8,588	1.51 %	567,604
Agricultural export finance	165,788	100.00 %	—	—	—	—	165,788
Other	1,122,959	100.00 %	—	—	—	—	1,122,959
Total	$ 41,193,843	95.08 %	$ 1,081,152	2.50 %	$ 1,047,231	2.42 %	$43,322,226

Delinquency

The following table provides an aging analysis of past due loans by loan type at amortized cost (dollars in thousands):

As of March 31, 2025	**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**	**Accruing Loans 90 Days or More Past Due**
Long-term agricultural mortgage	**$ 29,549**	**$ 73,279**	**$ 102,828**	**$ 22,556,403**	**$ 22,659,231**	**$ 35,606**
Production and intermediate term	**60,013**	**94,365**	**154,378**	**8,862,107**	**9,016,485**	**1,461**
Agribusiness	**39,221**	**627**	**39,848**	**6,563,126**	**6,602,974**	**14**
Rural infrastructure	**—**	**—**	**—**	**3,460,979**	**3,460,979**	**—**
Rural residential real estate	**1,752**	**592**	**2,344**	**542,731**	**545,075**	**65**
Agricultural export finance	**—**	**—**	**—**	**156,668**	**156,668**	**—**
Other	**66,802**	**53,217**	**120,019**	**1,039,800**	**1,159,819**	**53,217**
Total	**$ 197,337**	**$ 222,080**	**$ 419,417**	**$ 43,181,814**	**$ 43,601,231**	**$ 90,363**

As of December 31, 2024	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	Accruing Loans 90 Days or More Past Due
Long-term agricultural mortgage	$ 17,776	$ 30,805	$ 48,581	$ 22,294,418	$ 22,342,999	$ —
Production and intermediate term	85,184	29,264	114,448	9,287,692	9,402,140	950
Agribusiness	583	612	1,195	6,339,268	6,340,463	—
Rural infrastructure	—	—	—	3,380,273	3,380,273	—
Rural residential real estate	2,710	538	3,248	564,356	567,604	17
Agricultural export finance	—	—	—	165,788	165,788	—
Other	140,292	49,768	190,060	932,899	1,122,959	49,768
Total	$ 246,545	$ 110,987	$ 357,532	$ 42,964,694	$ 43,322,226	$ 50,735

Nonperforming Loans

The following table provides the amortized cost for nonperforming loans for credit losses on loans, as well as interest income recognized on nonaccrual during the period (dollars in thousands):

	As of March 31, 2025		For the three months ended March 31, 2025
	Amount	**Amount without Specific Allowance**	**Interest Income Recognized (Reversed)**
Nonaccrual loans:			
Long-term agricultural mortgage	**$ 86,176**	**$ 86,176**	**$ (125)**
Production and intermediate term	**121,907**	**65,221**	**(183)**
Agribusiness	**33,220**	**25,308**	**(8)**
Rural residential real estate	**1,853**	**1,853**	**—**
Total nonaccrual loans	**$ 243,156**	**$ 178,558**	**$ (316)**
Accruing loans 90 days or more past due:			
Long-term agricultural mortgage	**$ 35,606**	**$ 35,606**	**$ —**
Production and intermediate term	**1,461**	**1,461**	**—**
Agribusiness	**14**	**14**	**—**
Rural residential real estate	**65**	**65**	**—**
Other	**53,217**	**53,217**	**(1,672)**
Total accruing loans 90 days or more past due	**$ 90,363**	**$ 90,363**	**$ (1,672)**

	As of December 31, 2024		For the three months ended March 31, 2024
	Amount	Amount without Specific Allowance	Interest Income Recognized (Reversed)
Nonaccrual loans:			
Long-term agricultural mortgage	$ 99,046	$ 99,046	$ 35
Production and intermediate term	114,614	65,258	284
Agribusiness	25,091	25,091	91
Rural residential real estate	1,725	1,725	116
Total nonaccrual loans	$ 240,476	$ 191,120	$ 526
Accruing loans 90 days or more past due:			
Long-term agricultural mortgage	$ —	$ —	$ 10
Production and intermediate term	950	950	66
Agribusiness	—	—	—
Rural residential real estate	17	17	1
Other	49,768	49,768	(46)
Total accruing loans 90 days or more past due	$ 50,735	$ 50,735	$ 31

Reversals of interest income on loans that moved to nonaccrual status were not material for the three months ended March 31, 2025.

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.

Our loans classified as modified loans at March 31, 2025, or 2024, and activity on these loans during the three months ended March 31, 2025, or 2024, were not material. We did not have any material commitments at March 31, 2025, or December 31, 2024, to lend to borrowers whose loans were modified during the three months ended March 31, 2025, or during the year ended December 31, 2024, respectively.

Allowance for Credit Losses

We utilize multiple macroeconomic scenarios, including base, adverse and optimistic, in the estimate of allowance for credit losses during a reasonable and supportable forecast period of two years. The adverse scenario includes macroeconomic factors reflecting downside potential relative to the base scenario. The optimistic 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.

An analysis of changes in the allowance for credit losses for the three months ended March 31, 2025 follows (dollars in thousands):

	For the three months ended March 31,	
Allowance for credit losses on loans	**2025**	2024
Balance at beginning of year	**$ 82,000**	$ 82,000
Provision for credit losses on loans	**5,742**	5,483
Recoveries	**313**	3,584
Charge-offs	**(2,055)**	(17,067)
Balance at end of period	**$ 86,000**	$ 74,000
Allowance for credit losses on unfunded commitments		
Balance at beginning of year	**$ 14,000**	$ 14,000
Provision for credit losses on unfunded commitments	**(1,000)**	(1,000)
Balance at end of period	**$ 13,000**	$ 13,000
Total allowance for credit losses	**$ 99,000**	$ 87,000

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by the increase in loan volume for the quarter. There was an increase in specific reserves, partially offset by a reduction in general reserves attributed to improved economic forecasts, mainly in the USDA portfolio. There were fewer recoveries and charge-offs in the first quarter of 2025, compared to the same period in 2024.

NOTE 3: INVESTMENT SECURITIES

Held-to-Maturity

We held investment securities of $1.7 billion at March 31, 2025, and $1.5 billion at December 31, 2024. Our investment securities consisted of pools of loans guaranteed by the U.S. Small Business Administration (SBA). Our investments are either mortgage-backed securities (MBS), which are generally longer-term investments, or asset-backed securities (ABS), which are generally shorter-term investments.

All of our investment securities were fully guaranteed by the SBA at March 31, 2025 and December 31, 2024. Premiums paid to purchase the investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity. There was no allowance for credit losses on investments at March 31, 2025, or December 31, 2024.

A summary of the amortized cost of securities held-to-maturity is as follows (dollars in thousands):

As of:	**March 31, 2025**	December 31, 2024
Mortgage-backed securities	**$ 1,550,227**	$ 1,326,516
Asset-backed securities	**181,258**	160,017
Total	**$ 1,731,485**	$ 1,486,533

Accrued interest receivable on investment securities is presented in "Accrued interest receivable" in the Consolidated Statements of Condition and was $18.9 million at March 31, 2025 and $17.3 million at December 31, 2024.

Investment income is recorded in "Interest income" in the Consolidated Statements of Income and totaled $21.0 million and $14.3 million for the three months ended March 31, 2025 and 2024, respectively.

A summary of the amortized cost of contractual maturities of investment securities is as follows (dollars in thousands):

As of March 31, 2025	**Amount**
Five to ten years	**$ 167,600**
More than ten years	**1,563,885**
Total	**$ 1,731,485**

NOTE 4: INVESTMENT IN RURAL BUSINESS INVESTMENT COMPANY

We and other Farm Credit System institutions are among the limited partners invested in multiple Rural Business Investment Companies (RBIC). The RBICs facilitate equity and debt investments in agriculture-related businesses that create growth and job opportunities in rural America. As of March 31, 2025, our current total commitment is $222.0 million of which $99.9 million is unfunded with varying commitment end dates through January 2035. Certain commitments may have an option to extend under specific circumstances.

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 levels of inputs 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.

Recurring Basis

We did not have any assets or liabilities measured at fair value on a recurring basis at March 31, 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. Information on assets measured at fair value on a non-recurring basis is as follows (dollars in thousands):

	Fair Value Measurement Using			
As of March 31, 2025	Level 1	Level 2	Level 3	Total Fair Value
Loans	**—**	**—**	**$120,381**	**$ 120,381**
Other property owned	**—**	**—**	**$ 4,042**	**$ 4,042**

	Fair Value Measurement Using			
As of December 31, 2024	Level 1	Level 2	Level 3	Total Fair Value
Loans	—	—	$100,868	$ 100,868
Other property owned	—	—	5,983	5,983

Valuation Techniques

Nonperforming Loans: Represents the carrying amount of loans evaluated individually for credit losses and are 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 judgement 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 requires significant input based on management’s knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters, they are classified as Level 3.

NOTE 6: COMMITMENTS AND CONTINGENCIES

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 accompanying 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, we were not aware of any material actions. However, such actions or other contingencies could arise in the future.

Refer to Note 13 in our 2024 Annual Report for additional detail regarding contingencies and commitments.

NOTE 7: SUBSEQUENT EVENTS

We have evaluated subsequent events through May 5, 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.