Quarterly Report
March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of AgCountry Farm Credit Services, ACA and its subsidiaries, AgCountry Farm Credit Services, FLCA and AgCountry Farm Credit Services, 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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NOTICE OF SIGNIFICANT OR MATERIAL EVENTS

In 2024, AgCountry Farm Credit Services, ACA (AgCountry), Farm Credit Services of America, ACA (FCSAmerica), 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 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

In the first quarter of 2025, the United States (U.S.) economy faced mixed signals. Consumer spending remained a significant driver of the economy. Although some indicators pointed to a slowdown, the overall picture remained steady as wages stayed strong and the ability to take on more debt persisted in an economic environment still shaped by inflation.

The February Consumer Price Index for all items was 2.8% higher than in February 2024, and 3.1% higher after excluding volatile energy and food components. Services inflation remained sticky, indicating persistent underlying pressures in certain sectors of the economy. Food and energy indexes also increased by 0.2% in February 2025. Within food, egg prices increased by 58.8% over the past year, while beef prices rose by 2.4% in February 2025.

During the first quarter of 2025, the Federal Reserve opted to hold interest rates steady after a series of rate cuts in late 2024. The prime rate remained at 7.5%, with markets predicting potential rate cuts later in 2025, according to the CME FedWatch Tool. The Federal Reserve's Quarterly Summary of Economic Projections released in March 2025 signaled borrowing costs could be reduced by an additional 50 basis points before the end of 2025.

AgCountry pays close attention to global, national, and local events, and assesses the impact of those events on our customers and our cooperative in order to help us fulfill our mission to serve agriculture and rural America. AgCountry consistently helps customers succeed by providing constructive credit and financial services products.

AgCountry serves a broad range of commodities and agricultural industries across its three-state territory and participates with other Farm Credit associations in credit delivery across the Nation. The summaries below provide a high-level overview of conditions and outlook for the primary commodities in our local service area. See www.agcountry.com/resources for a more comprehensive discussion of current economic conditions and their impact on commodities.

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 corn yield projections, 179.3 bushels per acre would be a record high. Additionally, the U.S. corn prices remained relatively strong due to tight global stocks, strong export demand, and robust ethanol production. However, the potential for trade disputes with Canada and Mexico provided market uncertainty and additional volatility that could impact the U.S. corn exports. As a result, the U.S. corn prices trended lower after mid-February of 2025. At the end of the first quarter of 2025, the USDA reported corn planted for all purposes in 2025 is estimated at 95.3 million acres, up 5% from 2024. When compared to 2024, corn acreage increases of 400,000 acres or more from last year are expected in the Midwest.

Similarly, soybean prices began the first quarter of 2025 trending higher as the USDA lowered final yields for the 2024 crop from 51.7 to 50.7 bushels per acre. However, despite reduced production, ending stocks for U.S. soybeans for the marketing year 2024/2025 remain slightly above the 10-year average. The U.S. 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 first quarter 2025, the USDA reported 2025 soybean planted acreage intentions at 83.5 million acres, down 4% from 2024. Decreases of 300,000 acres or more are anticipated in the Midwest.

During the first quarter of 2025, the U.S. spring wheat prices trended higher through mid-February 2025, then fell to price levels that began the quarter. Weekly futures prices began the quarter at $5.84 per bushel, topped around $6.33 per bushel in mid-February, and ended the quarter around $5.84 per bushel. The USDA estimated all wheat planted area for 2025 at 45.4 million acres, down 2% from 2024. If realized, this would represent the second lowest all-wheat planted area since records began in 1919. Growers intend to plant 10 million acres of other spring wheat, down 6% from 2024. Of this total, about 9.4 million acres are Hard Red Spring wheat. Planted area in North Dakota, the largest spring wheat-producing state, is estimated at over 5 million acres, down 6% from last year.

The U.S. sugar market experienced several notable developments during the first quarter of 2025. The USDA's March World Agricultural Supply and Demand Estimates report indicated a reduction in the U.S. sugar supply by 75.7 thousand short tons, raw value, bringing the total to over 14.3 million short tons, raw value. This decrease was attributed to lower imports from Mexico, despite an increase in domestic sugar production. Additionally, sugar use for human consumption has slowed, leading to a reduction in total sugar usage. The ending stocks-to-use ratio has slightly decreased to 15%. The area expected to be planted with sugar beets for the 2025 crop year is estimated at 1.1 million acres, up 3% from 2024. Compared with last year, intended planted acreage in Minnesota is expected to increase by 5% this season.

The U.S. 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% from 2024 and the lowest since 1965. Heifers for beef cow replacement expected to calve were 2.9 million, down about 2%. Lower numbers for both beef cows that have calved and beef cows expected to calve provide additional evidence of continued herd contraction in the U.S. The U.S. beef exports for January 2025 were approximately 1% behind the pace from 2024 due to low domestic beef production, while the U.S. beef imports were up over 20%. As a result, cattle prices during the first quarter of 2025 remained strong, and the cattle market was characterized by low inventory levels and resilient consumer demand for beef.

The U.S. milk production in February 2025 totaled 17 billion pounds, down 2.6% from February 2024. However, production was 0.9% above last year after adjusting for the leap year. The number of milk cows on farms in the U.S. in February 2025 was 9.4 million head, 62,000 head more than February 2024, and 15,000 head more than January 2025. Milk per cow in the U.S. averaged 1,885 pounds for February 2025, 61 pounds below February 2024. Compared with last year, dairy farmers have seen margins improve due to noticeably lower feed costs and higher milk prices. The all-milk price in February 2025 averaged $23.60 per hundredweight, up $3 per hundredweight from last February. The farm milk margin above feed costs reported by the Dairy Margin Coverage program was estimated at $13.12 per hundredweight, which is above the $9.50 per hundredweight maximum Tier 1 coverage level.

Weekly U.S. ethanol production, at 1.1 million barrels per day, fell 3.5% from the beginning of the first quarter of 2025. However, ethanol production was slightly above levels seen last year. In the first quarter of 2025, weekly ending stocks of fuel-based ethanol increased by 10% and finished the quarter at 26.6 million barrels. This is approximately 2% higher than levels seen last year. According to Iowa State University, operating margins beginning the first quarter of 2025 were in positive territory, but below the breakeven point over all costs.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $14.9 billion at March 31, 2025, an increase of $230.5 million from December 31, 2024.

Portfolio Credit Quality

The credit quality of our portfolio improved slightly from December 31, 2024. Adversely classified loans decreased to 2.3% of the portfolio at March 31, 2025, from 2.4% of the portfolio 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, the Federal Agricultural Mortgage Corporation and other government agency guarantee programs are used to reduce the risk of loss. At March 31, 2025, $334.3 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	**March 31, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$ 54,440**	$ 64,173
Accruing loans 90 days or more past due	**9,875**	5,239
Total nonperforming loans	**64,315**	69,412
Other property owned	**2,395**	3,545
Total nonperforming assets	**$ 66,710**	$ 72,957
Total nonperforming loans as a percentage of total loans	**0.4%**	0.5%
Nonaccrual loans as a percentage of total loans	**0.4%**	0.4%
Current nonaccrual loans as a percentage of total nonaccrual loans	**82.9%**	52.6%
Total delinquencies as a percentage of total loans[1]	**0.4%**	0.4%

[1]Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

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

The decrease in nonaccrual loans was primarily due to paydowns in the agribusiness portfolio. Nonaccrual loans remained at an acceptable level at March 31, 2025, and December 31, 2024.

Our accounting procedure requires loans past due 90 days or more to be transferred into nonaccrual status unless adequately secured and in the process of collection.

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 an estimate of 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:	**March 31, 2025**	December 31, 2024
Allowance for credit losses on loans	**$ 35,000**	$ 31,155
Allowance for credit losses on loans as a percentage of:		
Loans	**0.2%**	0.2%
Nonaccrual loans	**64.3%**	48.5%
Total nonperforming loans	**54.4%**	44.9%

The allowance for credit losses on loans did not change significantly from December 31, 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the three months ended March 31,	**2025**	2024
Net income	**$ 63,068**	$ 70,771
Return on average assets	**1.6%**	2.0%
Return on average members' equity	**8.9%**	10.6%

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 three months ended March 31,		2025		2024		Increase (decrease) in net income
Net interest income	$	**98,296**	$	96,483	$	**1,813**
Provision for credit losses		**3,075**		(3,027)		**(6,102)**
Non-interest income		**24,600**		20,051		**4,549**
Non-interest expense		**56,296**		48,759		**(7,537)**
Provision for income taxes		**457**		31		**(426)**
Net income	$	**63,068**	$	70,771	$	**(7,703)**

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 change in the provision for credit losses was related to our estimate of losses in our portfolio for the applicable years.

Non-Interest Expense

The increase in non-interest expense was primarily driven by the sharing of net income and losses based on our collaboration agreement with FCSAmerica and Frontier Farm Credit. Refer to our Notice of Significant or Material Events earlier in this quarterly report for more information.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on June 30, 2026. 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 March 31, 2025, or December 31, 2024.

Total members' equity increased $64.1 million from December 31, 2024, primarily due to net income for the period.

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 8 in our 2024 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	March 31, 2025	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**13.5%**	13.8%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**13.5%**	13.8%	6.0%	2.5%	8.5%
Total capital ratio	**13.7%**	14.2%	8.0%	2.5%	10.5%
Permanent capital ratio	**13.5%**	13.9%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**15.3%**	15.8%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**15.3%**	15.8%	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 12 in our 2024 Annual Report.

CERTIFICATION

The undersigned have reviewed the March 31, 2025, Quarterly Report of AgCountry Farm Credit Services, 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.

Lynn Pietig
Board Chair
AgCountry Farm Credit Services, ACA

Mark Jensen
President and CEO
AgCountry Farm Credit Services, ACA

Jon C. Peterson
Executive Vice-President and CFO
AgCountry Farm Credit Services, ACA

May 6, 2025

CONSOLIDATED STATEMENTS OF CONDITION

AgCountry Farm Credit Services, ACA
(in thousands)

As of:		March 31, 2025		December 31, 2024
		(Unaudited)		
ASSETS				
Loans	**$**	**14,914,972**	$	14,684,491
Allowance for credit losses on loans		**35,000**		31,155
Net loans		**14,879,972**		14,653,336
Investment in AgriBank, FCB		**493,606**		489,970
Investment securities		**306,774**		313,604
Accrued interest receivable		**188,272**		219,573
Premises and equipment, net		**53,202**		53,127
Other assets		**179,954**		164,115
Total assets	**$**	**16,101,780**	$	15,893,725
LIABILITIES				
Note payable to AgriBank, FCB	**$**	**13,012,148**	$	12,734,981
Accrued interest payable		**133,111**		136,752
Patronage distribution payable		**--**		104,500
Other liabilities		**89,596**		114,634
Total liabilities		**13,234,855**		13,090,867
Contingencies and commitments (Note 5)				
MEMBERS' EQUITY				
Capital stock and participation certificates		**13,545**		13,354
Capital stock and participation certificates receivable		**(13,545)**		(13,354)
Additional paid-in capital		**662,638**		662,638
Unallocated retained earnings		**2,210,333**		2,147,265
Accumulated other comprehensive loss		**(6,046)**		(7,045)
Total members' equity		**2,866,925**		2,802,858
Total liabilities and members' equity	**$**	**16,101,780**	$	15,893,725

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

AgCountry Farm Credit Services, ACA
(in thousands)
(Unaudited)

	Three Months Ended	
For the period ended March 31,	**2025**	2024
Interest income	**$ 231,506**	$ 214,443
Interest expense	**133,210**	117,960
Net interest income	**98,296**	96,483
Provision for credit losses	**3,075**	(3,027)
Net interest income after provision for credit losses	**95,221**	99,510
Non-interest income		
Patronage income	**12,786**	10,954
Financially related services income	**5,829**	4,944
Fee income	**4,484**	3,804
Other non-interest income	**1,501**	349
Total non-interest income	**24,600**	20,051
Non-interest expense		
Salaries and employee benefits	**25,425**	31,245
Other operating expense	**30,681**	17,512
Other non-interest expense	**190**	2
Total non-interest expense	**56,296**	48,759
Income before income taxes	**63,525**	70,802
Provision for income taxes	**457**	31
Net income	**$ 63,068**	$ 70,771
Other comprehensive income		
Employee benefit plans activity	**$ 999**	$ 198
Total other comprehensive income	**999**	198
Comprehensive income	**$ 64,067**	$ 70,969

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

AgCountry Farm Credit Services, ACA
(in thousands)
(Unaudited)

	Capital Stock and Participation Certificates and Receivable, Net	Additional Paid-in Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2023	$ --	$ 662,638	$ 1,987,117	$ (7,476)	$ 2,642,279
Net income	--	--	70,771	--	70,771
Other comprehensive income	--	--	--	198	198
Unallocated retained earnings designated for patronage distributions	--	--	(24,600)	--	(24,600)
Capital stock and participation certificates issued	268	--	--	--	268
Capital stock and participation certificates retired	(155)	--	--	--	(155)
Additions to capital stock and participation certificates receivable, net	(113)	--	--	--	(113)
Balance at March 31, 2024	$ --	$ 662,638	$ 2,033,288	$ (7,278)	$ 2,688,648
Balance at December 31, 2024	$ --	$ 662,638	$ 2,147,265	$ (7,045)	$ 2,802,858
Net income	**--**	**--**	**63,068**	**--**	**63,068**
Other comprehensive income	**--**	**--**	**--**	**999**	**999**
Capital stock and participation certificates issued	**314**	**--**	**--**	**--**	**314**
Capital stock and participation certificates retired	**(123)**	**--**	**--**	**--**	**(123)**
Additions to capital stock and participation certificates receivable, net	**(191)**	**--**	**--**	**--**	**(191)**
Balance at March 31, 2025	**$ --**	**$ 662,638**	**$ 2,210,333**	**$ (6,046)**	**$ 2,866,925**

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 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 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 AgCountry Farm Credit Services, ACA and its subsidiaries AgCountry Farm Credit Services, FLCA and AgCountry Farm Credit Services, 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 standard 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. 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 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

Loans by Type

(dollars in thousands)

As of:	**March 31, 2025**		December 31, 2024	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	**$ 5,623,208**	**37.7%**	$ 5,565,125	37.9%
Production and intermediate-term	**3,438,318**	**23.1%**	3,451,042	23.5%
Agribusiness	**3,869,194**	**25.9%**	3,710,169	25.3%
Other	**1,984,252**	**13.3%**	1,958,155	13.3%
Total	**$ 14,914,972**	**100.0%**	$ 14,684,491	100.0%

The other category is primarily composed of rural infrastructure related loans.

Delinquency

Aging Analysis of Loans at Amortized Cost

(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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$ 10,188**	**$ 11,054**	**$ 21,242**	**$ 5,601,966**	**$ 5,623,208**	**$ 9,768**
Production and intermediate-term	**15,059**	**186**	**15,245**	**3,423,073**	**3,438,318**	**107**
Agribusiness	**22,821**	**522**	**23,343**	**3,845,851**	**3,869,194**	**--**
Other	**--**	**6,511**	**6,511**	**1,977,741**	**1,984,252**	**--**
Total	**$ 48,068**	**$ 18,273**	**$ 66,341**	**$ 14,848,631**	**$ 14,914,972**	**$ 9,875**

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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 7,420	$ 6,398	$ 13,818	$ 5,551,307	$ 5,565,125	$ 5,239
Production and intermediate-term	7,157	903	8,060	3,442,982	3,451,042	--
Agribusiness	26,688	14,882	41,570	3,668,599	3,710,169	--
Other	773	--	773	1,957,382	1,958,155	--
Total	$ 42,038	$ 22,183	$ 64,221	$ 14,620,270	$ 14,684,491	$ 5,239

Nonaccrual Loans

Nonaccrual Loans Information

	As of March 31, 2025		For the Three Months Ended March 31, 2025
(in thousands)	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	**$ 4,537**	**$ 4,537**	**$ --**
Production and intermediate-term	**1,708**	**99**	**397**
Agribusiness	**31,080**	**20,852**	**--**
Other	**17,115**	**--**	**--**
Total	**$ 54,440**	**$ 25,488**	**$ 397**

	As of December 31, 2024		For the Three Months Ended March 31, 2024
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	$ 5,013	$ 5,013	$ 117
Production and intermediate-term	1,053	416	35
Agribusiness	41,098	31,556	1
Other	17,009	--	--
Total	$ 64,173	$ 36,985	$ 153

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

Loan Modifications at Amortized Cost

(dollars in thousands) **For the three months ended March 31, 2025**	Term Extension	Payment Deferral	Principal Forgiveness	Combination - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	**$ --**	**$ 101**	**$ --**	**$ 500**	**$ --**	**$ 601**	**0.00%**
Production and intermediate-term	**9,504**	**--**	**--**	**300**	**--**	**9,804**	**0.07%**
Agribusiness	**--**	**--**	**--**	**--**	**9,580**	**9,580**	**0.06%**
Total	**$ 9,504**	**$ 101**	**$ --**	**$ 800**	**$ 9,580**	**$ 19,985**	**0.13%**
Loan modifications granted as a percentage of total loans	**0.06%**	**0.00%**	**--**	**0.01%**	**0.06%**	**0.13%**	

For the three months ended March 31, 2024	Term Extension	Payment Deferral	Principal Forgiveness	Combination - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	$ --	$ 5,722	$ --	$ --	$ --	$ 5,722	0.04%
Production and intermediate-term	20,790	--	--	--	--	20,790	0.16%
Agribusiness	6,949	--	5	--	--	6,954	0.05%
Total	$ 27,739	$ 5,722	$ 5	$ --	$ --	$ 33,466	0.25%
Loan modifications granted as a percentage of total loans	0.21%	0.04%	0.00%	--	--	0.25%	

Financial Effect of Loan Modifications

For the three months ended March 31, 2025	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness ($ in thousands)
Real estate mortgage				
Payment deferral			**6**	
Combination - interest rate reduction and term extension	**0.4%**	**298**		
Production and intermediate-term				
Term extension		**14**		
Combination - interest rate reduction and term extension	**0.1%**	**70**		
Agribusiness				
Combination - interest rate reduction and payment deferral	**1.0%**		**12**	

For the three months ended March 31, 2024	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness ($ in thousands)
Real estate mortgage				
Payment deferral			11	
Principal forgiveness				1
Production and intermediate-term				
Term extension		11		
Agribusiness				
Term extension		9		
Principal forgiveness				6,208

There were no loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2025, or 2024, in which the modifications were within twelve months preceding the default.

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) **As of March 31, 2025**	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	**$ 2,096**	**$ 620**	**$ --**	**$ 2,716**
Production and intermediate-term	**9,525**	**1,842**	**--**	**11,367**
Agribusiness	**25,863**	**--**	**--**	**25,863**
Total	**$ 37,484**	**$ 2,462**	**$ --**	**$ 39,946**

As of March 31, 2024	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 7,044	$ --	$ --	$ 7,044
Production and intermediate-term	23,771	--	9	23,780
Agribusiness	22,353	27	5	22,385
Total	$ 53,168	$ 27	$ 14	$ 53,209

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at March 31, 2025, or 2024.

There were no material commitments at March 31, 2025, to lend to borrowers experiencing financial difficulty whose loans were modified during the three months ended March 31, 2025. Additional commitments were $11.0 million at December 31, 2024, to lend to borrowers experiencing financial difficulty whose loans were modified during the year ended December 31, 2024.

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. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics 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 (U.S.) net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. 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)

Three months ended March 31,	**2025**	2024
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$ 31,155**	$ 34,987
Provision for credit losses on loans	**2,250**	(6,733)
Loan recoveries	**2,458**	12
Loan charge-offs	**(863)**	--
Balance at end of period	**$ 35,000**	$ 28,266
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$ 4,175**	$ 1,063
Provision for credit losses on unfunded commitments	**825**	3,706
Balance at end of period	**$ 5,000**	$ 4,769
Total allowance for credit losses	**$ 40,000**	$ 33,035

The allowance for credit losses on loans did not change significantly from December 31, 2024.

NOTE 3: LOANS HELD FOR SALE

Loans held for sale totaled $39.6 million at March 31, 2025, and $26.9 million at December 31, 2024. This was related to the sale of our participation interests in certain loans. Loans held for sale are included in “Other assets” on the Consolidated Statements of Condition. As a result of the reclassification to loans held for sale, we recognized a gain of $1.3 million for the three months ended March 31, 2025. There were no loans held for sale at March 31, 2024.

NOTE 4: INVESTMENT SECURITIES

We held investment securities of $306.8 million at March 31, 2025, and $313.6 million at December 31, 2024. Our investment securities consisted of securities containing loans guaranteed by the Small Business Administration (SBA). 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 investment securities at March 31, 2025, or December 31, 2024.

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.

Additional Investment Securities Information at Amortized Cost

(in thousands) As of:		**March 31, 2025**		December 31, 2024
MBS	**$**	**195,424**	$	198,927
ABS		**111,350**		114,677
Total	**$**	**306,774**	$	313,604

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled $4.0 million for the three months ended March 31, 2025. No investment securities were held at March 31, 2024.

Contractual Maturities of Investment Securities

(in thousands) **As of March 31, 2025**		Amortized Cost
Five to ten years	**$**	**111,350**
More than ten years		**195,424**
Total	**$**	**306,774**

NOTE 5: 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 12 in our 2024 Annual Report for additional detail regarding contingencies and commitments.

NOTE 6: 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.

Recurring Basis

The following represents a summary of the assets, valuation techniques, and inputs used to measure fair value on a recurring basis:

Loans Held for Sale: The loans held for sale are held at fair value. We had loans held for sale of $39.6 million and $26.9 million as of March 31, 2025, and December 31, 2024, respectively, which were valued using Level 3 inputs. Gains and losses related to these loans are recognized in "Other non-interest income" in the Consolidated Statements of Comprehensive Income.

Non-Recurring Basis

We may also 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 March 31, 2025**	Fair Value Measurement Using						Total Fair
		Level 1		Level 2		Level 3	Value
Loans	**$**	**--**	**$**	**--**	**$**	**15,585**	**$ 15,585**
Other property owned		**--**		**--**		**2,491**	**2,491**

As of December 31, 2024	Fair Value Measurement Using						Total Fair
		Level 1		Level 2		Level 3	Value
Loans	$	--	$	--	$	14,649	$ 14,649
Other property owned		--		--		3,687	3,687

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 7: SUBSEQUENT EVENTS

We have evaluated subsequent events through May 6, 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.