Farm Credit Services of America

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 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 condition and results of operations. Refer to 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 stockholders' 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 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

The United States (U.S.) economy has remained resilient throughout 2025. Real gross domestic product for the second quarter was revised upward to 3.8% on an annualized basis, a strong improvement from a slight decline in the first quarter.

Consumer spending remained stable in July and August, as total retail sales in the first two months of the quarter were up 4.3% from the previous year. Year-to-date retail sales are up 4.2%. Wage growth has slowed to about 4.1% year-over-year, while inflation hovered just under 3%, meaning the average worker realized a very small real wage increase.

In September, the Federal Reserve (Fed) lowered its benchmark interest rate by 25 basis points. Fed Chairman Jay Powell framed the cut as a "risk management" cut, as the recent labor market weakness offset persistent inflation. Long term rates saw a slight dip following the cut in short term interest rates.

Generally favorable weather through the end of July led to improved corn yield prospects in August. However, drier conditions in August and September tempered the yield projection from 188.8 to 186.7 bushels per acre. This lower yield was offset by an upward revision in corn planted acres. Export and domestic demand remain solid. Given the larger grain supply, the United States Department of Agriculture (USDA) projects the season-average farm price to be $3.90 per bushel, down from a projected $4.20 in July and $4.30 last year.

U.S. soybeans have a favorable domestic supply story, as farmers planted more corn acres instead this year. Total soybean acres planted for 2025/26 are forecast at 81.1 million, a decline of nearly 7% from 2024/25. However, record yields are forecast at 53.5 bushels per acre, putting total production down only 1.5% year-over-year at 4.3 billion bushels. At the same time, global supplies, primarily led by Brazil, remain burdensome, pressuring prices. Additionally, with uncertain domestic biofuel policy and the lack of export sales to China (the U.S.'s largest buyer), soybean demand will likely continue to struggle, placing further pressure on prices.

The U.S. beef market in mid-2025 was characterized by record-high prices, driven by tightening cattle supplies and sustained, robust consumer demand. The closure of the U.S.-Mexico border to feeder and calf imports from Mexico has further restricted cattle supply, with year-to-date imports down 76%, or 743,000 head. Beef prices reached record levels and consumer spending on beef outpaced that for competing meats during the first seven months of 2025. Feeder cattle prices were also fueled by this momentum.

As of September 1, hog inventory in the U.S. totaled 74.5 million head, down 1% from the same date in 2024 but up 1% from June 1, 2025. Lean hog futures in the third quarter this year averaged approximately $101 per hundredweight, ranging from $88 to $110. The quarter was marked by profitability, supported by tight pork supplies, easing input costs, and firm domestic demand. According to Iowa State University, farrow-to-finish margins ended August with a $52.58 per head profit, marking 17 consecutive months of profitability.

Refer to www.fcsamerica.com/resources/terrain for valuable insights on economic factors, trends and agricultural markets.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $44.8 billion at September 30, 2025, an increase of $1.5 billion, or 3.5% from December 31, 2024. The increase was primarily due to solid growth in the real estate mortgage, production and intermediate term, rural infrastructure, and USDA portfolios.

Portfolio Credit Quality

The credit quality of our portfolio declined 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 nine months of 2025, ending the quarter at 2.8%, compared to 2.4% 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 September 30, 2025, $1.2 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):

As of:	**September 30, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$ 253,697**	$ 240,476
Accruing loans 90 days or more past due	**82,271**	50,735
Total nonperforming loans	**335,968**	291,211
Other property owned, net	**4,042**	5,983
Total nonperforming assets	**$ 340,010**	$ 297,194
Nonperforming loans as a percentage of total loans	**0.75%**	0.67%
Nonaccrual loans as a percentage of total loans	**0.57%**	0.56%
Current nonaccrual loans as a percentage of total nonaccrual loans	**53.4%**	46.2%
Total delinquencies as a percentage of total loans*	**0.82%**	0.83%

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

Total nonperforming assets have increased since December 31, 2024; however, they have remained at acceptable levels. The increase was primarily due to an increase in both accruing loans 90 days or more past due and 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 primarily related to an increase in the rural infrastructure and real estate mortgage portfolios, partially offset by a decrease in the agribusiness portfolio. Nonaccrual loans remained at an acceptable level at September 30, 2025, and December 31, 2024.

The increase in accruing loans 90 days or more past due was primarily due to increases in the government guaranteed USDA, and production and intermediate term portfolios. 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 decrease in total delinquencies as a percentage of total loans was primarily due to a decrease in the government guaranteed USDA (30-89 days past due) and rural residential real estate portfolios. The decrease was partially offset by an increase in the real estate mortgage, agribusiness, and production and intermediate term portfolios.

The decrease in other property owned since December 31, 2024 was due to payments received on acquired property during the first quarter of 2025.

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.

The following table shows allowance for credit losses on loans and coverage ratios (dollars in thousands):

As of:	**September 30, 2025**	December 31, 2024
Allowance for credit losses on loans	**$ 100,000**	$ 82,000
Allowance for credit losses on loans as a percentage of:		
Total loans	**0.22 %**	0.19 %
Nonaccrual loans	**39.42 %**	34.10 %
Total nonperforming loans	**29.76 %**	28.16 %

The increase in the allowance for credit losses on loans from December 31, 2024 was primarily related to new loan originations and downgrades to non-performing status. This resulted in a net increase in both general reserves and several specific reserves for the period.

RESULTS OF OPERATIONS

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

	For the nine months ended September 30,	
	2025	2024
Net income	**$641,453**	$637,610
Return on average assets	**1.77%**	1.96%
Return on average members' equity	**10.38%**	10.93%

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.

The following table outlines major components of the changes in net income (dollars in thousands):

For the nine months ended September 30,	2025	2024	Increase (decrease) in net income
Net interest income	$ 839,344	$ 786,545	$ 52,799
Provision for credit losses	47,684	(880)	(48,564)
Noninterest income	245,994	250,306	(4,312)
Noninterest expense	387,098	391,378	4,280
Provision for income taxes, net	9,103	8,743	(360)
Net income	$ 641,453	$ 637,610	$ 3,843

Net Interest Income

The following table quantifies the effects on net interest income (dollars in thousands):

For the nine months ended September 30,	2025 vs. 2024
Change in volume	$ 73,398
Change in interest rates	(24,284)
Change in nonaccrual income	3,685
Net change	$ 52,799

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 $47.7 million provision for credit losses on loans and no provision for credit losses on unfunded commitments for the first nine months of 2025. In comparison, we recorded a $120 thousand provision for credit losses on loans and $(1.0) million provision for credit losses on unfunded commitments during the first nine months of 2024. The increase in provision was primarily due to an increase in specific reserves, driven by new specific reserves, additions to existing specific reserves, and net charge offs; and an increase in general reserves resulting from growth in loan volume, partially offset by improvements in the portfolio composition. Net charge-offs for the first nine months of 2025 were $29.7 million compared with net charge-offs of $17.1 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 decrease in noninterest income was due to reductions in patronage from AgriBank, AgDirect program fees, and other noninterest income specifically our share of the Allocated Insurance Reserve Accounts (AIRA) distribution from the Farm Credit System Insurance Corporation (FCSIC). The AIRA was established by FCSIC when premiums collected increased the level of Farm Credit Insurance Fund beyond the required 2.0% of insured debt. Refer to our 2024 Annual Report for additional information about the AIRA and FCSIC. The decreases were partially offset by increases in insurance income and loan fees.

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.

The following table shows the breakdown of patronage income received (dollars in thousands):

	For the nine months ended September 30,	
	2025	2024
Patronage from AgriBank	$ 102,697	$ 120,323
AgDirect, LLP patronage distribution	14,084	14,840
Other patronage	641	313
Total patronage income	$ 117,422	$ 135,476

Noninterest Expense

The decrease in noninterest expense was primarily driven by the sharing of net income and losses under our collaboration agreement with AgCountry 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 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 we are 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 September 30, 2025 or December 31, 2024.

Our members' equity increased to $8.6 billion at September 30, 2025 compared to $8.0 billion at December 31, 2024. The increase was primarily due to the net income recorded for the first nine 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.

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 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, could result in higher funding costs or disruptions in our access to the capital markets. However, to date we have noticed no significant impact as a result of this rating change.

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.

The following table shows the regulatory capital requirements and ratios:

As of:	**September 30, 2025**	December 31, 2024	Regulatory Minimums	Minimum With Buffers
Risk-adjusted:				
Common equity tier 1 ratio	**13.51%**	13.84%	4.5%	7.0%
Tier 1 capital ratio	**13.51%**	13.84%	6.0%	8.5%
Total capital ratio	**13.70%**	14.00%	8.0%	10.5%
Permanent capital ratio	**13.53%**	13.86%	7.0%	7.0%
Non-risk-adjusted:				
Tier 1 leverage ratio	**14.47%**	14.97%	4.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**14.47%**	14.97%	1.5%	1.5%

CERTIFICATION

The undersigned have reviewed the September 30, 2025, Quarterly Report of Farm Credit Services of 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 their knowledge and belief.

Mark Jensen
President and CEO
November 5, 2025

Dana Morgan
Chairperson, Board of Directors
November 5, 2025

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

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Services of America, ACA

(dollars in thousands)

As of:	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Loans	**$ 44,827,659**	$ 43,322,226
Allowance for credit losses on loans	**100,000**	82,000
Net loans	**44,727,659**	43,240,226
Cash	**63,085**	51,244
Accrued interest receivable	**914,993**	681,736
Investment securities	**1,606,202**	1,486,533
Investment in RBIC	**106,728**	98,582
Investment in AgriBank, FCB	**1,587,667**	1,545,866
Investment in AgDirect, LLP	**148,027**	146,703
Premises and equipment, net	**222,377**	231,233
Other property owned	**4,042**	5,983
Deferred tax asset, net	**6,131**	6,459
Other assets	**128,468**	170,676
Total assets	**$ 49,515,379**	$ 47,665,241
LIABILITIES		
Notes payable to AgriBank, FCB	**$ 40,342,387**	$ 38,721,449
Accrued interest payable	**388,410**	362,890
Patronage payable	**—**	392,600
Allowance for credit losses on unfunded commitments	**14,000**	14,000
Other liabilities	**158,384**	203,704
Total liabilities	**40,903,181**	39,694,643
Commitments and contingencies (Note 6)		
MEMBERS' EQUITY		
At-risk capital:		
Class D common stock	**99,395**	98,058
Class E common stock	**4,245**	4,047
Less capital stock receivable	**(103,640)**	(102,105)
Retained earnings	**8,612,198**	7,970,598
Total members' equity	**8,612,198**	7,970,598
Total liabilities and members' equity	**$ 49,515,379**	$ 47,665,241

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

CONSOLIDATED STATEMENTS OF INCOME

Farm Credit Services of America, ACA

(dollars in thousands)

(Unaudited)

	Three Months Ended		*Nine Months Ended*	
For the period ended September 30,	**2025**	2024	**2025**	2024
NET INTEREST INCOME				
Interest income	**$ 674,109**	$ 636,724	**$ 1,969,014**	$ 1,830,792
Interest expense	**388,546**	387,351	**1,129,670**	1,044,247
Net interest income	**285,563**	249,373	**839,344**	786,545
Provision for credit losses	**22,573**	1,160	**47,684**	(880)
Net interest income after provision for credit losses	**262,990**	248,213	**791,660**	787,425
NONINTEREST INCOME				
Patronage income	**39,883**	42,182	**117,422**	135,476
Insurance services	**34,369**	23,889	**45,508**	31,727
AgDirect, LLP program fees	**13,872**	13,430	**41,422**	42,895
Loan fees	**9,033**	6,616	**26,701**	20,987
Rural 1st program fees	**1,224**	1,155	**3,401**	3,157
Loss on RBIC	**(552)**	(1,609)	**(5,863)**	(7,729)
Other noninterest income	**3,948**	3,766	**17,403**	23,793
Total noninterest income	**101,777**	89,429	**245,994**	250,306
NONINTEREST EXPENSE				
Salaries and employee benefits	**86,607**	85,887	**257,669**	259,045
Occupancy and equipment expense	**14,902**	14,914	**47,232**	40,818
Other operating expenses	**24,604**	34,884	**54,352**	66,409
Insurance fund premiums	**9,394**	8,549	**27,845**	25,106
Total noninterest expense	**135,507**	144,234	**387,098**	391,378
Income before income taxes	**229,260**	193,408	**650,556**	646,353
Provision for income taxes	**2,661**	2,409	**9,103**	8,743
Net income	**$ 226,599**	$ 190,999	**$ 641,453**	$ 637,610

The accompanying notes are an integral part of these Consolidated 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		637,610	637,610
Patronage accrual adjustment		251	251
Capital stock:			
Capital stock issued	7,422		7,422
Capital stock retired	(5,480)		(5,480)
Capital stock receivable, net	(1,942)		(1,942)
Balance at September 30, 2024	$ —	$ 8,134,845	$ 8,134,845
Balance at December 31, 2024	$ —	$ 7,970,598	$ 7,970,598
Net income		**641,453**	**641,453**
Patronage accrual adjustment		**147**	**147**
Capital stock:			
Capital stock issued	**7,868**		**7,868**
Capital stock retired	**(6,333)**		**(6,333)**
Capital stock receivable, net	**(1,535)**		**(1,535)**
Balance at September 30, 2025	**$ —**	**$ 8,612,198**	**$ 8,612,198**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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 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 2024 Annual Report.

Certain amounts in prior period's Consolidated Financial Statements have been reclassified to conform to the current period's presentation.

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 (FASB) 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 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 ending 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 (Topic 326): 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 (Revenue from Contracts with Customers). The practical expedient allows entities to assume that current conditions as of the date of the statement of conditions 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 31, 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

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

	September 30, 2025		December 31, 2024	
	Amount	**%**	Amount	%
Real estate mortgage	**$ 23,197,704**	**51.7 %**	$ 22,342,999	51.6 %
Production and intermediate term	**10,006,824**	**22.3**	9,402,140	21.7
Agribusiness	**6,185,699**	**13.8**	6,340,463	14.6
Rural infrastructure	**3,594,134**	**8.0**	3,380,273	7.8
Rural residential real estate	**512,195**	**1.1**	567,604	1.3
Agricultural export finance	**136,828**	**0.4**	165,788	0.4
Other	**1,194,275**	**2.7**	1,122,959	2.6
Total loans	**$ 44,827,659**	**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 (FCA) Uniform Loan Classification System which categorizes loans into five categories:

- 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 September 30, 2025 or December 31, 2024.

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

	As of September 30, 2025						
	Acceptable		**OAEM**		**Substandard/Doubtful**		**Total**
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
Real estate mortgage	**$ 22,075,966**	**95.16 %**	**$ 603,282**	**2.60 %**	**$ 518,456**	**2.24 %**	**$23,197,704**
Production and intermediate term	**9,072,175**	**90.66 %**	**535,214**	**5.35 %**	**399,435**	**3.99 %**	**10,006,824**
Agribusiness	**5,618,102**	**90.82 %**	**283,616**	**4.59 %**	**283,981**	**4.59 %**	**6,185,699**
Rural infrastructure	**3,549,362**	**98.75 %**	**25,022**	**0.70 %**	**19,750**	**0.55 %**	**3,594,134**
Rural residential real estate	**492,817**	**96.22 %**	**8,141**	**1.59 %**	**11,237**	**2.19 %**	**512,195**
Agricultural export finance	**136,828**	**100.00 %**	**—**	**—**	**—**	**—**	**136,828**
Other	**1,194,275**	**100.00 %**	**—**	**—**	**—**	**—**	**1,194,275**
Total	**$ 42,139,525**	**94.00 %**	**$1,455,275**	**3.25 %**	**$ 1,232,859**	**2.75 %**	**$44,827,659**

	As of December 31, 2024						
	Acceptable		OAEM		Substandard/Doubtful		Total
	Amount	%	Amount	%	Amount	%	Amount
Real estate 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 September 30, 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	**$ 14,546**	**$ 49,575**	**$ 64,121**	**$ 23,133,583**	**$ 23,197,704**	**$ 336**
Production and intermediate term	**46,604**	**72,096**	**118,700**	**9,888,124**	**10,006,824**	**7,751**
Agribusiness	**4,152**	**728**	**4,880**	**6,180,819**	**6,185,699**	**116**
Rural infrastructure	**—**	**—**	**—**	**3,594,134**	**3,594,134**	**—**
Rural residential real estate	**1,773**	**287**	**2,060**	**510,135**	**512,195**	**—**
Agricultural export finance	**—**	**—**	**—**	**136,828**	**136,828**	**—**
Other	**103,426**	**74,068**	**177,494**	**1,016,781**	**1,194,275**	**74,068**
Total	**$ 170,501**	**$ 196,754**	**$ 367,255**	**$ 44,460,404**	**$ 44,827,659**	**$ 82,271**

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	$ 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 all nonperforming loans, the amortized cost for the nonperforming loans that do not have a specific allowance, and interest income recognized on nonperforming loans during the period (dollars in thousands):

	As of September 30, 2025		**For the nine months ended September 30, 2025**
	Amount	**Amount without Specific Allowance**	**Interest Income Recognized (Reversed)**
Nonaccrual loans:			
Real estate mortgage	**$ 104,660**	**$ 104,240**	**$ (418)**
Production and intermediate term	**115,101**	**96,740**	**12**
Agribusiness	**16,588**	**2,881**	**2,275**
Rural infrastructure	**15,598**	**3,851**	**(136)**
Rural residential real estate	**1,750**	**1,750**	**(7)**
Total nonaccrual loans	**$ 253,697**	**$ 209,462**	**$ 1,726**
Accruing loans 90 days or more past due:			
Real estate mortgage	**$ 336**	**$ 336**	**$ 151**
Production and intermediate term	**7,751**	**7,617**	**350**
Agribusiness	**116**	**116**	**13**
Rural residential real estate	**—**	**—**	**3**
Other	**74,068**	**74,068**	**1,154**
Total accruing loans 90 days or more past due	**$ 82,271**	**$ 82,137**	**$ 1,671**

	As of December 31, 2024		For the nine months ended September 30, 2024
	Amount	Amount without Specific Allowance	Interest Income Recognized (Reversed)
Nonaccrual loans:			
Real estate mortgage	$ 99,046	$ 99,046	$ (916)
Production and intermediate term	114,614	65,258	(1,136)
Agribusiness	25,091	25,091	(30)
Rural residential real estate	1,725	1,725	123
Total nonaccrual loans	$ 240,476	$ 191,120	$ (1,959)
Accruing loans 90 days or more past due:			
Real estate mortgage	$ —	$ —	$ 35
Production and intermediate term	950	950	152
Agribusiness	—	—	2
Rural residential real estate	17	17	2
Other	49,768	49,768	(929)
Total accruing loans 90 days or more past due	$ 50,735	$ 50,735	$ (738)

Reversals of interest income on loans that moved to nonaccrual status 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 were both modified and 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.

The following table provides the amortized cost for loan modifications during the period (dollars in thousands):

	For the nine months ended September 30, 2025							
	Interest Rate Reduction	Term Extension	Payment Extension	Combination – Interest Rate Reduction & Term Extension	Combination - Interest Rate Reduction & Payment Extension	Combination - Term & Payment Extension	Total	Percentage of Total Loans
Real estate mortgage	**$ 1,990**	**$ 111**	**$ 1,524**	**$ —**	**$ 6,841**	**$ —**	**$10,466**	**0.02 %**
Production and intermediate term	**—**	**58,470**	**7,357**	**46**	**—**	**3,132**	**69,005**	**0.15 %**
Agribusiness	**—**	**128**	**—**	**—**	**—**	**415**	**543**	**0.01 %**
Rural residential real estate	**—**	**—**	**—**	**—**	**267**	**—**	**267**	**—**
Total	**$ 1,990**	**$ 58,709**	**$ 8,881**	**$ 46**	**$ 7,108**	**$ 3,547**	**$80,281**	**0.18 %**
Loan modifications granted as a percentage of total loans	**—**	**0.13 %**	**0.02 %**	**—**	**0.02 %**	**0.01 %**	**0.18 %**	

The following table provides the financial effect of loan modifications during the period (dollars in thousands):

	For the nine months ended September 30, 2025		
	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Extension (months)
Real estate mortgage			
Interest rate reduction	**3.95 %**		
Term extension		**144**	
Payment extension			**72**
Combination - interest rate reduction & payment extension	**4.86 %**		**7**
Production and intermediate term			
Term extension		**11**	
Payment extension			**26**
Combination - interest rate reduction & term extension	**4.00 %**	**12**	
Combination - term & payment extension		**10**	**10**
Agribusiness			
Term extension		**10**	
Combination - term & payment extension		**8**	**8**
Rural residential real estate			
Combination - interest rate reduction & payment extension	**6.00 %**		**7**

We had loans to borrowers experiencing financial difficulty with term extensions in the real estate mortgage loan category of $9.8 million that defaulted during the nine months ended September 30, 2025, 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 (dollars in thousands):

	As of September 30, 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	**$ 7,508**	**$ 3,498**	**$ —**	**$ 11,006**
Production and intermediate term	**67,670**	**1,372**	**169**	**69,211**
Agribusiness	**543**	**—**	**—**	**543**
Rural residential real estate	**—**	**267**	**—**	**267**
Total	**$ 75,721**	**$ 5,137**	**$ 169**	**$ 81,027**

Our loans classified as modified loans at September 30, 2024, and activity on those loans during the nine months ended September 30, 2024, were not material. We did not have any material commitments at December 31, 2024, to lend to borrowers whose loans were modified during the year ended December 31, 2024.

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

Additional unused commitments to lend to borrowers experiencing financial difficulty, whose loans were modified during the nine months ended September 30, 2025 were $9.7 million.

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.

The following table provides an analysis of changes in the allowance for credit losses (dollars in thousands):

	For the nine months ended September 30,	
Allowance for credit losses on loans	**2025**	2024
Balance at beginning of year	**$ 82,000**	$ 82,000
Provision for credit losses on loans	**47,684**	120
Recoveries	**841**	7,412
Charge-offs	**(30,525)**	(24,532)
Balance at end of period	**$ 100,000**	$ 65,000
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)
Balance at end of period	**$ 14,000**	$ 13,000
Total allowance for credit losses	**$ 114,000**	$ 78,000

The change in the allowance for credit losses on loans since December 31, 2024, was mainly attributed to new loan originations and downgrades to non-performing status, which led to a net increase in both general reserves and several specific reserves during the period.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $1.6 billion at September 30, 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). All of our investment securities were fully guaranteed by the SBA at September 30, 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 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 as these are longer-term investments. To conform to industry practice, as of June 30, 2025, we have changed the classification of these SBA pool investments to asset-backed securities.

The following table shows a summary of the amortized cost of securities held-to-maturity (dollars in thousands):

As of:	**September 30, 2025**	December 31, 2024
Mortgage-backed securities	**$ —**	$ 1,326,516
Asset-backed securities	**1,606,202**	160,017
Total	**$ 1,606,202**	$ 1,486,533

Accrued interest receivable on investment securities is presented in “Accrued interest receivable” in the Consolidated Statements of Condition and was $17.6 million at September 30, 2025 and $17.3 million at December 31, 2024.

Investment income is recorded in “Interest income” in the Consolidated Statements of Income and totaled $62.4 million and $56.9 million for the nine months ended September 30, 2025 and 2024, respectively.

The following table provides a summary of the amortized cost of contractual maturities of investment securities (dollars in thousands):

As of September 30, 2025	**Amount**
Five to ten years	**$ 156,913**
More than ten years	**1,449,289**
Total	**$ 1,606,202**

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

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 September 30, 2025, our total commitment was $233.0 million of which $102.2 million was unfunded with varying commitment end dates through April 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 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.

The following table provides information on assets measured at fair value on a non-recurring basis (dollars in thousands):

	Fair Value Measurement Using			
As of September 30, 2025	Level 1	Level 2	Level 3	Total Fair Value
Loans	**—**	**—**	**$ 70,164**	**$ 70,164**
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

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 our 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 requires significant input based on our 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 commitments outstanding and contingent liabilities, 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 commitments or contingencies.

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 commitments and contingencies.

NOTE 7: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 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.