GreenStone Farm Credit Services, ACA

Quarterly Report
September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of GreenStone Farm Credit Services, ACA and its subsidiaries, GreenStone Farm Credit Services, FLCA and GreenStone 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:

GreenStone Farm Credit Services, ACA
3515 West Road
East Lansing, MI 48823
(800) 968-0061
www.greenstonefcs.com
Kim.Brunner@greenstonefcs.com

AgriBank, FCB
30 East 7th Street, Suite 1600
St. Paul, MN 55101
(651) 282-8800
www.AgriBank.com
FinancialReporting@AgriBank.com

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.

AGRICULTURAL AND ECONOMIC CONDITIONS

The United States (U.S.) federal government shutdown began October 1, 2025, after Congress failed to pass funding legislation for the 2026 fiscal year. The shutdown caused some reporting agencies to suspend operations, which impacted the availability of economic information in this agricultural and economic conditions section.

The U.S. economy grew in the second quarter of 2025 as real Gross Domestic Product (GDP) increased at an annualized rate of 3.8%, according to the Bureau of Economic Analysis. The U.S. economy experienced a rebound in the second quarter following the GDP contraction of 0.6% in the first quarter. The growth experienced in the second quarter was primarily due to increased consumer spending of 2.5% and a decrease in imports, which are subtracted in the calculation of GDP.

The Bureau of Labor Statistics' (BLS) reported that the U.S. economy added just 22,000 jobs for the month of August 2025 and the unemployment rate increased to 4.3%. The BLS report demonstrated there has been a slowdown in the number of new jobs added when compared to the 79,000 jobs added in July and the market expectation for 75,000 additional jobs in August. Additionally, wage growth accelerated by 0.3% month-over-month and 3.7% year-over-year.

The September 2025 Consumer Price Index (CPI) rose by 0.3% month-over-month. When viewed on a year-over-year basis, CPI increased by 3.0%. The index for energy rose 1.5% over the month, with gasoline being the largest factor at 4.1%. The food index increased 0.2% over the month. Headline inflation readings continue to come in above the Federal Reserve's stated 2% target and the future path of price increases remains uncertain as the ultimate impact of tariffs remains to be determined.

On October 29, 2025, the Federal Open Market Committee (FOMC) announced its decision to lower the target range for the federal funds rate by 0.25%, to a range of 3.75% to 4.00%. The decision represented a second consecutive 0.25% rate cut, including the September meeting, reflecting a continued shift toward a more accommodative monetary stance. Chair Jerome Powell stated that it will continue to assess incoming economic data as it sets monetary policy and remains focused on its dual mandate of supporting maximum employment and returning inflation to its 2% objective. The FOMC also agreed to stop the three-and-a-half-year campaign to shrink the Federal Reserve (Fed) $6.6 trillion balance sheet on December 1, 2025. The Fed will continue to shrink its holdings in mortgage-backed securities, but it will replace maturing bonds with short-term Treasury bills starting in December. The decision to discontinue the runoff was prompted by indications within the overnight lending markets that financial institutions were no longer operating with an abundance of surplus liquidity.

The United States Department of Agriculture's (USDA) September 2025 Crop Production report forecasted U.S. corn production at 16.8 billion bushels, which would be an increase of 13.1% from 2024. If realized, this would be the highest corn production on record for the United States. Total area harvested for corn is forecasted at 90.0 million acres (up 8.6% from 2024), and corn yields are anticipated to average a record high 186.7 bushels per acre (up 7.4 bushels from 2024). Demand for corn remains strong both domestically and in export markets. Despite the strong demand, large supplies are weighing on farm-level prices. The USDA forecasted the season-average corn price for 2025/26 to be $3.90 per bushel.

The USDA forecasted U.S. soybean production in 2025 at 4.3 billion bushels, which would represent a 1.5% decline from 2024. The U.S. average soybean yield is projected at a record 53.5 bushels per acre on total harvested area of 80.3 million acres (down from 86.1 million acres in 2024). Forecasted domestic soybean crush continues to increase, driven primarily by growth in demand for soybean meal. However, export demand is projected to decrease due to increased international competition, especially from Brazil and Argentina shipping more soybeans during the U.S. peak window of October through December. The 2025 average soybean price is forecasted at $10.00 per bushel, which is essentially unchanged from the prior year.

The USDA's September 2025 report forecasts the 2025 milk herd at 9.5 million head and total milk production is projected at 230.0 billion pounds. This level of production would represent a 1.8% increase from 2024. Price movements have been to the downside for dairy products, specifically for cheddar cheese, butter, and nonfat dry milk. As a result of lower product prices, the Class III milk price is forecasted to average $18.20 per hundredweight (cwt) in 2025, which is $0.69 per cwt, or 3.7% lower than the 2024 Class III price.

The USDA forecasted 2025 pork production at 27.6 billion pounds, which represents a slight decrease of 0.8% compared to 2024 production. The 2025 full year average price is forecasted to equal $69.82 per cwt, a 10.1% increase from 2024. Production in the third quarter of 2025 is projected to total 6.6 billion pounds. This represents a 2.3% reduction from the same period in 2024 due to persistent, lower-than-expected availability of slaughter-ready hogs and a fractional decline in average dressed weights. Third quarter prices are forecasted at $77.00 per cwt, which would be 17.3% higher than the same quarter last year, if realized. Fourth quarter pork production is forecasted at about 7.3 billion pounds, which would be up 1.1% from the fourth quarter of 2024. Hog prices for the fourth quarter are projected at $69.00 per cwt, representing a 9.7% increase from the same period in the prior year.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $13.5 billion at September 30, 2025, an increase of $114.7 million from December 31, 2024. Our mortgage portfolio increased $351.3 million, or 3.2% from December 31, 2024, while our short and intermediate-term loan portfolio decreased $236.6 million, or 9.8% from December 31, 2024. When compared to September 30, 2024, principal on owned and managed loans (which includes loans in our Consolidated Statements of Condition as well as loan participation interests sold as part of AgriBank pool programs) increased 3.5%. This increase was driven by growth in the country living business unit which increased by 9.0% since September 30, 2024. In addition, our capital markets and traditional farm business units have increased by 5.1% and 2.8%, respectively since September 30, 2024. Our agribusiness lending business unit has decreased 2.8% due to significant payoffs from customers in that business unit, primarily in the dairy industry. Our current loan balance reflects an asset growth rate year-over-year that is running below our 2025 Business Plan.

Portfolio Credit Quality

The credit quality of our loan portfolio declined slightly during the first nine months of 2025. Acceptable loan credit quality, as measured under the Farm Credit Administration (FCA) Uniform Classification System, was 94.2%, which decreased slightly from 94.7% at December 31, 2024. Year-over-year, acceptable credit quality decreased 1.0% from 95.2% at September 30, 2024. Portfolio assets classified as being less than acceptable were comprised of 3.5% other assets especially mentioned (OAEM) and 2.3% adversely classified. OAEM increased 0.1% and adversely classified increased 0.4% since December 31, 2024.

Adversely classified loans are identified as having material credit weaknesses which, if left uncorrected, result in a greater than normal risk. Portfolio credit quality is considered when assessing the reasonableness of our allowance for credit losses on loans. More leveraged borrowers in our processing and marketing portfolio, as well as cash crop portfolio, experienced financial challenges during the first nine months of 2025. Our adverse assets to regulatory capital ratio was 13.2% at September 30, 2025, which increased 1.3% from December 31, 2024, but remained well within our established risk management guidelines.

In certain circumstances, the Federal Agricultural Mortgage Corporation and other government agency guarantee programs are used to reduce the risk of loss. At September 30, 2025, $358.6 million of our loans were substantially guaranteed under these programs. The guaranteed loans decreased from $370.4 million at December 31, 2024.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	**September 30, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$96,533**	$65,906
Accruing loans 90 days or more past due	**--**	--
Total nonperforming loans	**96,533**	65,906
Acquired property	**5,724**	1,508
Total nonperforming assets	**$102,257**	$67,414
Total nonperforming loans as a percentage of total loans	**0.7%**	0.5%
Nonaccrual loans as a percentage of total loans	**0.7%**	0.5%
Current nonaccrual loans as a percentage of total nonaccrual loans	**85.3%**	83.5%
Total delinquencies as a percentage of total loans[1]	**0.2%**	0.2%

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

Our nonperforming assets increased from December 31, 2024, but have remained at acceptable levels. Total nonperforming loans as a percentage of total loans remained well within our established risk management guidelines.

Nonaccrual loans increased $30.6 million from December 31, 2024. This increase was primarily driven by unfavorable market conditions in certain industries, where softer demand and inventory imbalances posed significant challenges. Nonaccrual loans remained at an acceptable level at September 30, 2025, and December 31, 2024.

Acquired property increased $4.2 million from December 31, 2024, primarily driven by the acquisition of agricultural real estate during the third quarter of 2025.

Allowance for Credit Losses on Loans

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

Allowance for Credit Losses on Loans and Coverage Ratios

(dollars in thousands) As of:	**September 30, 2025**	December 31, 2024
Allowance for credit losses on loans	**$54,321**	$38,452
Allowance for credit losses on loans as a percentage of:		
Loans	**0.4%**	0.3%
Nonaccrual loans	**56.3%**	58.3%
Total nonperforming loans	**56.3%**	58.3%

The allowance for credit losses on loans increased $15.9 million from December 31, 2024, to $54.3 million at September 30, 2025. During the first nine months of 2025, specific reserves on our individually evaluated loans increased $9.1 million primarily due to a few nonaccrual customers, while general reserves for our collectively evaluated loans increased $6.8 million primarily due to increased reserves on our capital markets participations portfolio.

Under certain circumstances, credit losses may be recorded to establish an allowance for credit losses on unfunded commitments. The allowance for credit losses on unfunded commitments are recorded in “other liabilities” in the Consolidated Statements of Condition. The allowance for credit losses on unfunded commitments were $10.2 million at September 30, 2025, which increased by $2.5 million from December 31, 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the nine months ended September 30,	**2025**	2024
Net income	**$192,668**	$223,382
Return on average assets	**1.8%**	2.2%
Return on average members' equity	**9.6%**	11.9%

Changes presented in the profitability information table relate directly to:

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

Changes in Significant Components of Net Income

(in thousands) For the nine months ended September 30,	2025	2024	Increase (decrease) in net income
Net interest income	**$272,530**	$254,305	**$18,225**
Provision for credit losses	**(50,704)**	(17,315)	**(33,389)**
Patronage income	**36,908**	54,222	**(17,314)**
Financially related services income	**14,005**	12,850	**1,155**
Fee income	**26,441**	22,739	**3,702**
Other non-interest income	**3,057**	4,646	**(1,589)**
Non-interest expense	**(109,656)**	(105,234)	**(4,422)**
Benefit from (provision for) income taxes	**87**	(2,831)	**2,918**
Net income	**$192,668**	$223,382	**($30,714)**

Net Interest Income

Changes in Net Interest Income

(in thousands) For the nine months ended September 30,	2025 vs 2024
Changes in volume	**$11,969**
Changes in interest rates	**4,075**
Changes in nonaccrual interest income and other	**2,181**
Net change	**$18,225**

Provision for Credit Losses

During the first nine months of 2025, provision for credit losses of $50.7 million were recorded. The provision expense was primarily attributable to a limited number of purchased participations within our capital markets portfolio, concentrated in the agricultural processing and marketing industries, which have recently faced financial distress.

Patronage Income

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. All other patronage from other Farm Credit institutions is typically distributed in cash.

Patronage Income

(in thousands) For the nine months ended September 30,	2025	2024
Patronage from AgriBank	**$33,124**	$50,140
AgDirect partnership distribution	**3,347**	3,753
Other patronage	**437**	329
Total patronage income	**$36,908**	$54,222

The decline in patronage income in the first nine months of 2025, compared to the same period in 2024, was primarily attributable to reduced pool program and wholesale patronage distributions from AgriBank. Pool program patronage decreased by $8.8 million due to lower net earnings on loans within the pools. Wholesale patronage income declined by $6.3 million, primarily as a result of a reduced patronage rate earned on the average daily balance of our wholesale note payable to AgriBank. The patronage rate was 13.0 basis points in 2025, down from 21.7 basis points in 2024.

Fee Income

The increase in fee income during the first nine months of 2025 compared to the same period in 2024 was primarily due to increased origination fees across all business units.

Non-Interest Expense

The increase in non-interest expense during the nine months of 2025 was primarily due to higher salaries and employee benefits, which was primarily due to employee raises, promotions, and new positions.

(Benefit from) Provision for Income Taxes

The change in (benefit from) provision for income taxes was primarily due to lower income as a result of increased credit losses being recorded on the ACA taxable entity.

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 December 31, 2027. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. However, we maintain some exposure to interest rates, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. We also fund our portfolio from equity.

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

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

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

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

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

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

Total members' equity increased $103.3 million from December 31, 2024, primarily due to net income for the period partially offset by patronage distribution accruals.

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

Regulatory Capital Requirements and Ratios

As of:	**September 30, 2025**	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**15.2%**	15.5%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**15.2%**	15.5%	6.0%	2.5%	8.5%
Total regulatory capital ratio	**15.7%**	15.8%	8.0%	2.5%	10.5%
Permanent capital ratio	**15.3%**	15.5%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**16.8%**	16.8%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**16.6%**	16.6%	1.5%	N/A	1.5%

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

CERTIFICATION

The undersigned have reviewed the September 30, 2025, Quarterly Report of GreenStone 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.

Peter C. Maxwell
Chair of the Board
GreenStone Farm Credit Services, ACA

Travis D. Jones
Chief Executive Officer
GreenStone Farm Credit Services, ACA

Kimberly S. Brunner
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

November 4, 2025

CONSOLIDATED STATEMENTS OF CONDITION

GreenStone Farm Credit Services, ACA
(in thousands)

As of:	**September 30, 2025**	December 31, 2024
	(Unaudited)	
ASSETS		
Loans	**$13,475,393**	$13,360,695
Allowance for credit losses on loans	**54,321**	38,452
Net loans	**13,421,072**	13,322,243
Investment in AgriBank, FCB	**483,750**	486,235
Accrued interest receivable	**120,523**	109,525
Premises and equipment, net	**53,625**	51,367
Other assets	**120,896**	127,732
Total assets	**$14,199,866**	$14,097,102
LIABILITIES		
Note payable to AgriBank, FCB	**$11,223,863**	$11,202,663
Accrued interest payable	**111,224**	105,936
Patronage distribution payable	**90,000**	120,000
Other liabilities	**63,645**	60,650
Total liabilities	**11,488,732**	11,489,249
Contingencies and commitments (Note 3)		
MEMBERS' EQUITY		
Capital stock and participation certificates	**27,478**	27,059
Unallocated retained earnings	**2,685,863**	2,583,177
Accumulated other comprehensive loss	**(2,207)**	(2,383)
Total members' equity	**2,711,134**	2,607,853
Total liabilities and members' equity	**$14,199,866**	$14,097,102

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Three Months Ended		Nine Months Ended	
For the period ended September 30,	**2025**	2024	**2025**	2024
Interest income	**$203,811**	$193,638	**$594,675**	$569,482
Interest expense	**111,224**	109,744	**322,145**	315,177
Net interest income	**92,587**	83,894	**272,530**	254,305
Provision for credit losses	**22,107**	7,345	**50,704**	17,315
Net interest income after provision for credit losses	**70,480**	76,549	**221,826**	236,990
Non-interest income				
Patronage income	**12,740**	17,349	**36,908**	54,222
Financially related services income	**4,610**	4,314	**14,005**	12,850
Fee income	**9,683**	8,106	**26,441**	22,739
Other non-interest income	**307**	244	**3,057**	4,646
Total non-interest income	**27,340**	30,013	**80,411**	94,457
Non-interest expense				
Salaries and employee benefits	**26,545**	24,701	**78,715**	73,785
Other operating expense	**9,626**	10,699	**30,704**	31,449
Other non-interest expense	**--**	--	**237**	--
Total non-interest expense	**36,171**	35,400	**109,656**	105,234
Income before income taxes	**61,649**	71,162	**192,581**	226,213
(Benefit from) provision for income taxes	**(1,812)**	779	**(87)**	2,831
Net income	**$63,461**	$70,383	**$192,668**	$223,382
Other comprehensive income				
Employee benefit plans activity	**$58**	$57	**$176**	$170
Total other comprehensive income	**58**	57	**176**	170
Comprehensive income	**$63,519**	$70,440	**$192,844**	$223,552

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

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

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2023	$1	$26,475	$2,406,452	($2,351)	$2,430,577
Net income	--	--	223,382	--	223,382
Other comprehensive income	--	--	--	170	170
Unallocated retained earnings designated for patronage distributions	--	--	(89,916)	--	(89,916)
Capital stock and participation certificates issued	--	1,514	--	--	1,514
Capital stock and participation certificates retired	(1)	(1,064)	--	--	(1,065)
Balance at September 30, 2024	$ --	$26,925	$2,539,918	($2,181)	$2,564,662
Balance at December 31, 2024	$ --	$27,059	$2,583,177	($2,383)	$2,607,853
Net income	**--**	**--**	**192,668**	**--**	**192,668**
Other comprehensive income	**--**	**--**	**--**	**176**	**176**
Unallocated retained earnings designated for patronage distributions	**--**	**--**	**(89,982)**	**--**	**(89,982)**
Capital stock and participation certificates issued	**--**	**1,728**	**--**	**--**	**1,728**
Capital stock and participation certificates retired	**--**	**(1,309)**	**--**	**--**	**(1,309)**
Balance at September 30, 2025	**$ --**	**$27,478**	**$2,685,863**	**($2,207)**	**$2,711,134**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of GreenStone Farm Credit Services, ACA and its subsidiaries GreenStone Farm Credit Services, FLCA and GreenStone 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 standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System (System). Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted.	This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association will require adding information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.	We are early adopting this standard for the year ended December 31, 2025. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain disclosures.
In July 2025, the FASB issued ASU 2025-05 “Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets.” This guidance is effective for all entities for annual and interim periods beginning after December 15, 2025. Early adoption is permitted.	The standard provides all entities with a practical expedient and entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and contract assets arising from transactions accounted for under Topic 606. The practical expedient allows entities to assume that current conditions as of the date of the statement of condition do not change for the remaining life of the asset. The accounting policy election allows entities to consider collection activity after the date of the statement of condition when estimating expected credit losses.	We expect to adopt the standard as of January 1, 2026. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.
In September 2025, the FASB issued ASU 2025-06 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This guidance is effective for all entities for annual periods beginning after December 15, 2027. Early adoption is permitted.	The standard requires several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs, and (4) modifies the disclosure requirements for capitalized software costs.	We expect to adopt the standard as of January 1, 2028. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	September 30, 2025		December 31, 2024	
	Amortized Cost	**Percentage**	Amortized Cost	Percentage
Real estate mortgage	**$6,733,136**	**50.0%**	$6,696,152	50.1%
Production and intermediate-term	**2,279,361**	**16.9**	2,426,478	18.2
Agribusiness	**3,262,189**	**24.2**	3,109,896	23.3
Other	**1,200,707**	**8.9**	1,128,169	8.4
Total	**$13,475,393**	**100.0%**	$13,360,695	100.0%

The other category is primarily composed of rural infrastructure and rural residential real estate related loans.

Throughout Note 2 accrued interest receivable on loans of $120.5 million at September 30, 2025, and $109.5 million at December 31, 2024, has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands) **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
Real estate mortgage	**$8,061**	**$1,122**	**$9,183**	**$6,723,953**	**$6,733,136**
Production and intermediate-term	**6,523**	**4,215**	**10,738**	**2,268,623**	**2,279,361**
Agribusiness	**97**	**5,880**	**5,977**	**3,256,212**	**3,262,189**
Other	**1,030**	**1,243**	**2,273**	**1,198,434**	**1,200,707**
Total	**$15,711**	**$12,460**	**$28,171**	**$13,447,222**	**$13,475,393**
As of December 31, 2024					
Real estate mortgage	$15,111	$1,561	$16,672	$6,679,480	$6,696,152
Production and intermediate-term	3,696	2,019	5,715	2,420,763	2,426,478
Agribusiness	180	4,999	5,179	3,104,717	3,109,896
Other	1,355	16	1,371	1,126,798	1,128,169
Total	$20,342	$8,595	$28,937	$13,331,758	$13,360,695

There were no loans 90 days or more past due and still accruing interest at September 30, 2025, or December 31, 2024.

Nonaccrual Loans

Nonaccrual Loans Information

	As of September 30, 2025		For the Nine Months Ended September 30, 2025
(in thousands)	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	**$26,554**	**$18,849**	**$2,822**
Production and intermediate-term	**13,179**	**10,695**	**933**
Agribusiness	**53,064**	**24,759**	**1**
Other	**3,736**	**3,492**	**19**
Total	**$96,533**	**$57,795**	**$3,775**

	As of December 31, 2024		For the Nine Months Ended September 30, 2024
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	$11,962	$11,041	$679
Production and intermediate-term	3,483	1,180	884
Agribusiness	48,231	20,898	8
Other	2,230	409	23
Total	$65,906	$33,528	$1,594

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

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications, some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. Our loans classified as modified loans at September 30, 2025, or 2024, and activity on these loans during the nine months ended September 30, 2025, or 2024, were not material. We did not have any material commitments at September 30, 2025, or December 31, 2024, to lend to borrowers whose loans were modified during the nine months ended September 30, 2025, or during the year ended December 31, 2024, respectively.

Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type which are the segments used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. 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 agricultural commodity prices (milk and corn), United States (U.S.) real gross domestic product, and the U.S. unemployment rate represent key macroeconomic variables that 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) Nine months ended September 30,	**2025**	2024
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$38,452**	$35,874
Provision for credit losses on loans	**48,240**	18,901
Loan recoveries	**924**	233
Loan charge-offs	**(33,295)**	(8,582)
Balance at end of period	**$54,321**	$46,426
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$7,774**	$8,120
Provision for (reversal of) credit losses on unfunded commitments	**2,464**	(1,586)
Balance at end of period	**$10,238**	$6,534
Total allowance for credit losses	**$64,559**	$52,960

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by increases in specific reserves related to a few nonaccrual customers and increases in general reserves on our collectively evaluated loans primarily due to increased reserves on our capital markets purchased participation portfolio.

NOTE 3: CONTINGENCIES AND COMMITMENTS

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

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

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

NOTE 4: FAIR VALUE MEASUREMENTS

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

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

Non-Recurring Basis

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

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of September 30, 2025	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	**$ --**	**$ --**	**$13,922**	**$13,922**
Acquired property	**--**	**--**	**9,835**	**9,835**

As of December 31, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ --	$ --	$16,828	$16,828
Acquired property	--	--	2,723	2,723

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.

Acquired Property: 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 5: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 4, 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.