GreenStone Farm Credit Services, ACA

Quarterly Report
June 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:

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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to 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.) economy grew in the second quarter of 2025 with real gross domestic product (GDP) increasing at an annual rate of 3.0%, according to the U.S. Bureau of Economic Analysis. This followed the first quarter of 2025 contraction of 0.5%, which was a significant slowdown from the fourth quarter of 2024, when GDP increased by 2.4%. The increase in GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partially offset by decreases in investment and exports.

The Bureau of Labor Statistics (BLS) reported that the U.S. economy added 73,000 jobs in July 2025, missing expectations by a wide margin. In addition, job gains for June 2025 were reduced from 147,000 jobs to 14,000 jobs, and from 144,000 jobs to 19,000 jobs for May 2025. The unemployment rate increased slightly to 4.2%, from 4.1% in June 2025. The labor force participation rate slipped to 62.2%, the lowest since 2022.

The BLS's June 2025 Consumer Price Index (CPI) report showed a rise in inflation of 0.3% month-over-month. As a result, over the past 12 months headline inflation increased by 2.7% through June 2025, an acceleration from May 2025 when the annual rate was 2.4%. "Core" inflation (all items less food and energy) rose by 2.9% over the past 12 months, indicating the drivers of price gains were beyond the volatile food and energy sectors. It is widely believed the increased rate of inflation is due, in part, to the impact of U.S. tariff policy on consumer prices. Headline inflation could continue to increase through the remainder of the year as the full impact of U.S. tariffs are realized.

The Federal Reserve (Fed) announced at its July 2025 meeting that the Federal Open Market Committee (FOMC) would keep the federal funds rate unchanged at its current range of 4.25% to 4.50%. This was the FOMC's fifth consecutive meeting in which the policymakers kept rates steady. However, there were two dissenting votes out of the 11 voting officials who preferred to lower the target range of the federal funds rate by 0.25%. This was the first meeting since 1993 in which more than one Fed governor dissented. Additionally, the Fed announced it will continue to reduce its holdings of U.S. Treasury securities and agency mortgage-backed securities, with monthly reduction caps of $5 billion and $35 billion, respectively. The FOMC commented on the unemployment rate remaining low and labor market conditions remaining solid. They also stated that although swings in net exports continue to affect the data, recent indicators suggest that growth in economic activity moderated in the first half of the year. The FOMC remains committed to achieve maximum unemployment and inflation at the rate of 2% over the long run.

According to the National Agricultural Statistics Service's (NASS) acreage report released June 30, 2025, corn planted acres is estimated at 95.3 million acres in 2025, up 5.1% from 2024 (an increase of 4.6 million acres) and represents the third highest planted corn acreage in the U.S. since 1944. The July 2025 World Agricultural Supply and Demand Estimates (WASDE) report projected an average 2025 farm price for corn of $4.20 per bushel, down slightly from the 2024 price of $4.30 per bushel. U.S. corn production in 2025 is forecasted to increase 6.4% from 2024, with an estimated national average yield of 181 bushels per acre.

The June 2025 NASS acreage report estimates soybean planted acres for 2025 at 83.4 million acres, down 4.2% from last year (a decrease of 3.7 million acres). The July 2025 WASDE report is forecasting an average farm price of $10.10 per bushel for soybeans, up slightly from the 2024 price of $10.00 per bushel. The estimated national average soybean yield is 52.5 bushels per acre in 2025.

The United States Department of Agriculture's (USDA) June 2025 Livestock, Dairy, and Poultry Outlook raised the milk production forecast for 2025 to 227.8 billion pounds, which would be a 0.8% increase over 2024. The average 2025 all-milk price is forecast to average $21.95 per hundredweight (cwt), Class III price is $18.65 per cwt, and Class IV is $18.85 per cwt. Given the favorable farm margins and low slaughter rates, the national dairy herd has been expanding in 2025. The increase in the number of dairy cows was unevenly distributed among dairy producing states with Texas, Idaho, Kansas, and South Dakota leading the expansion efforts.

The June 2025 USDA Outlook forecasts pork production of 28.0 billion pounds for 2025, 0.7% higher than 2024. Hog prices for 2025 are projected to average $67.40 per cwt, 6.3% higher than 2024. While domestic demand is expected to remain solid, the forecast for pork exports in 2025 is 6.9 billion pounds, down 2.3% from 2024 due to increased international competition and trade uncertainties, particularly from other major producers like Brazil.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $13.4 billion at June 30, 2025, an increase of $1.6 million from December 31, 2024. Our mortgage portfolio increased $208.2 million, or 1.9% from December 31, 2024, while our short and intermediate-term loan portfolio decreased $206.5 million, or 8.5% from December 31, 2024. When compared to June 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 5.0%. This increase was driven by growth in the capital markets business unit which increased by 10.5% since June 30, 2024. In addition, our country living and traditional farm business units have increased by 7.9% and 2.8%, respectively since June 30, 2024. Our current loan balance reflects an asset growth rate year-over-year that is running slightly below our 2025 Business Plan.

Portfolio Credit Quality

The credit quality of our loan portfolio declined slightly during the first half of 2025. Acceptable loan credit quality, as measured under the Farm Credit Administration (FCA) Uniform Classification System, was 94.0%, which decreased slightly from 94.7% at December 31, 2024. Year-over-year, acceptable credit quality decreased 1.4% from 95.4% at June 30, 2024. Portfolio assets classified as being less than acceptable were comprised of 3.4% other assets especially mentioned (OAEM) and 2.6% adversely classified. OAEM remained unchanged and adversely classified increased 0.7% 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 along with our cash crop portfolio were challenged financially during the first half of 2025. Our adverse assets to regulatory capital ratio was 15.1% at June 30, 2025, which increased 3.2% 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 June 30, 2025, $361.8 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:	**June 30, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$127,159**	$65,906
Accruing loans 90 days or more past due	**908**	--
Total nonperforming loans	**128,067**	65,906
Acquired property	**981**	1,508
Total nonperforming assets	**$129,048**	$67,414
Total nonperforming loans as a percentage of total loans	**1.0%**	0.5%
Nonaccrual loans as a percentage of total loans	**1.0%**	0.5%
Current nonaccrual loans as a percentage of total nonaccrual loans	**81.9%**	83.5%
Total delinquencies as a percentage of total loans[1]	**0.3%**	0.2%

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

Our nonperforming assets have 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 $61.3 million from December 31, 2024. This increase was primarily due to two capital markets purchased participations being downgraded to nonaccrual during the second quarter of 2025 along with one capital markets purchased participation and one agribusiness lending business unit customer that were both downgraded to nonaccrual during the first quarter of 2025. Nonaccrual loans remained at an acceptable level at June 30, 2025, and December 31, 2024.

Our accounting policy 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 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:	**June 30, 2025**	December 31, 2024
Allowance for credit losses on loans	**$63,750**	$38,452
Allowance for credit losses on loans as a percentage of:		
Loans	**0.5%**	0.3%
Nonaccrual loans	**50.1%**	58.3%
Total nonperforming loans	**49.8%**	58.3%

The allowance for credit losses on loans increased $25.3 million from December 31, 2024, to $63.8 million at June 30, 2025. During the first six months of 2025, specific reserves on our individually evaluated loans increased $19.8 million, while general reserves for our collectively evaluated loans increased $5.5 million.

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 $6.6 million at June 30, 2025, which decreased by $1.1 million from December 31, 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the six months ended June 30,	**2025**	2024
Net income	**$129,207**	$152,999
Return on average assets	**1.8%**	2.3%
Return on average members' equity	**9.7%**	12.3%

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 six months ended June 30,	**2025**	2024	**Increase (decrease) in net income**
Net interest income	**$179,943**	$170,411	**$9,532**
Provision for credit losses	**(28,597)**	(9,970)	**(18,627)**
Patronage income	**24,168**	36,873	**(12,705)**
Financially related services income	**9,395**	8,536	**859**
Fee income	**16,758**	14,633	**2,125**
Other non-interest income	**2,750**	4,402	**(1,652)**
Non-interest expense	**(73,485)**	(69,834)	**(3,651)**
Provision for income taxes	**(1,725)**	(2,052)	**327**
Net income	**$129,207**	$152,999	**($23,792)**

Net Interest Income

Changes in Net Interest Income

(in thousands) For the six months ended June 30,	2025 vs 2024
Changes in volume	$8,387
Changes in interest rates	1,881
Changes in nonaccrual interest income and other	(736)
Net change	$9,532

Provision for Credit Losses

During the first half of 2025, provision for credit losses of $28.6 million were recorded. This provision expense was primarily due to a limited number of purchased participations within our capital markets portfolio in the agricultural processing and marketing industries that have experienced financial challenges.

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 six months ended June 30,	2025	2024
Patronage from AgriBank	$21,605	$34,244
AgDirect partnership distribution	2,126	2,300
Other patronage	437	329
Total patronage income	$24,168	$36,873

The decrease in patronage income in the first six months of 2025 compared to the same period in 2024 was primarily due to less pool program and wholesale patronage income received from AgriBank. The pool program patronage decreased $5.4 million due to lower net earnings on loans in the pool. The decrease in wholesale patronage income of $5.1 million was primarily due to a lower patronage rate earned on the average daily balance of our wholesale note payable to AgriBank. The patronage rate was 13.2 basis points in 2025, down from 23.7 basis points in 2024.

Non-Interest Expense

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

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 June 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 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.

Total members' equity increased $69.6 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:	**June 30, 2025**	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**15.1%**	15.5%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**15.1%**	15.5%	6.0%	2.5%	8.5%
Total regulatory capital ratio	**15.4%**	15.8%	8.0%	2.5%	10.5%
Permanent capital ratio	**15.1%**	15.5%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**16.5%**	16.8%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**16.3%**	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 June 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.

Edward L. Reed
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

August 6, 2025

CONSOLIDATED STATEMENTS OF CONDITION

GreenStone Farm Credit Services, ACA
(in thousands)

As of:	**June 30, 2025** *(Unaudited)*	December 31, 2024
ASSETS		
Loans	**$13,362,331**	$13,360,695
Allowance for credit losses on loans	**63,750**	38,452
Net loans	**13,298,581**	13,322,243
Investment in AgriBank, FCB	**483,750**	486,235
Accrued interest receivable	**103,852**	109,525
Premises and equipment, net	**51,751**	51,367
Other assets	**105,407**	127,732
Total assets	**$14,043,341**	$14,097,102
LIABILITIES		
Note payable to AgriBank, FCB	**$11,140,537**	$11,202,663
Accrued interest payable	**107,158**	105,936
Patronage distribution payable	**60,000**	120,000
Other liabilities	**58,162**	60,650
Total liabilities	**11,365,857**	11,489,249
Contingencies and commitments (Note 3)		
MEMBERS' EQUITY		
Capital stock and participation certificates	**27,347**	27,059
Unallocated retained earnings	**2,652,402**	2,583,177
Accumulated other comprehensive loss	**(2,265)**	(2,383)
Total members' equity	**2,677,484**	2,607,853
Total liabilities and members' equity	**$14,043,341**	$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		Six Months Ended	
For the period ended June 30,	**2025**	2024	**2025**	2024
Interest income	**$196,709**	$190,539	**$390,864**	$375,844
Interest expense	**107,158**	104,088	**210,921**	205,433
Net interest income	**89,551**	86,451	**179,943**	170,411
Provision for credit losses	**16,895**	6,279	**28,597**	9,970
Net interest income after provision for credit losses	**72,656**	80,172	**151,346**	160,441
Non-interest income				
Patronage income	**10,295**	17,703	**24,168**	36,873
Financially related services income	**3,110**	3,335	**9,395**	8,536
Fee income	**9,350**	8,091	**16,758**	14,633
Other non-interest income	**328**	3,962	**2,750**	4,402
Total non-interest income	**23,083**	33,091	**53,071**	64,444
Non-interest expense				
Salaries and employee benefits	**26,431**	24,747	**52,170**	49,084
Other operating expense	**10,659**	10,538	**21,078**	20,750
Other non-interest expense	**237**	--	**237**	--
Total non-interest expense	**37,327**	35,285	**73,485**	69,834
Income before income taxes	**58,412**	77,978	**130,932**	155,051
Provision for income taxes	**366**	590	**1,725**	2,052
Net income	**$58,046**	$77,388	**$129,207**	$152,999
Other comprehensive income				
Employee benefit plans activity	**$59**	$56	**$118**	$113
Total other comprehensive income	**59**	56	**118**	113
Comprehensive income	**$58,105**	$77,444	**$129,325**	$153,112

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	--	--	152,999	--	152,999
Other comprehensive income	--	--	--	113	113
Unallocated retained earnings designated for patronage distributions	--	--	(59,916)	--	(59,916)
Capital stock and participation certificates issued	--	1,006	--	--	1,006
Capital stock and participation certificates retired	(1)	(691)	--	--	(692)
Balance at June 30, 2024	$ --	$26,790	$2,499,535	($2,238)	$2,524,087
Balance at December 31, 2024	$ --	$27,059	$2,583,177	($2,383)	$2,607,853
Net income	**--**	**--**	**129,207**	**--**	**129,207**
Other comprehensive income	**--**	**--**	**--**	**118**	**118**
Unallocated retained earnings designated for patronage distributions	**--**	**--**	**(59,982)**	**--**	**(59,982)**
Capital stock and participation certificates issued	**--**	**1,123**	**--**	**--**	**1,123**
Capital stock and participation certificates retired	**--**	**(835)**	**--**	**--**	**(835)**
Balance at June 30, 2025	**$ --**	**$27,347**	**$2,652,402**	**($2,265)**	**$2,677,484**

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 six months ended June 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 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 (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. 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 early adopted 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.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	**June 30, 2025**		December 31, 2024	
	Amortized Cost	**Percentage**	Amortized Cost	Percentage
Real estate mortgage	**$6,500,674**	**48.7%**	$6,696,152	50.1%
Production and intermediate-term	**2,214,556**	**16.6**	2,426,478	18.2
Agribusiness	**3,426,204**	**25.6**	3,109,896	23.3
Other	**1,220,897**	**9.1**	1,128,169	8.4
Total	**$13,362,331**	**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 $103.9 million at June 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 June 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	**$5,488**	**$12,737**	**$18,225**	**$6,482,449**	**$6,500,674**	**$ --**
Production and intermediate-term	**6,510**	**2,844**	**9,354**	**2,205,202**	**2,214,556**	**--**
Agribusiness	**550**	**5,526**	**6,076**	**3,420,128**	**3,426,204**	**--**
Other	**1,066**	**1,565**	**2,631**	**1,218,266**	**1,220,897**	**908**
Total	**$13,614**	**$22,672**	**$36,286**	**$13,326,045**	**$13,362,331**	**$908**
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	$ --

Nonaccrual Loans

Nonaccrual Loans Information

(in thousands)	**As of June 30, 2025** Amortized Cost	**As of June 30, 2025** Amortized Cost Without Allowance	**For the Six Months Ended June 30, 2025** Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	**$31,749**	**$13,021**	**$300**
Production and intermediate-term	**5,467**	**2,908**	**884**
Agribusiness	**87,195**	**21,735**	**3**
Other	**2,748**	**2,499**	**13**
Total	**$127,159**	**$40,163**	**$1,200**

	As of December 31, 2024 Amortized Cost	As of December 31, 2024 Amortized Cost Without Allowance	For the Six Months Ended June 30, 2024 Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	$11,962	$11,041	$679
Production and intermediate-term	3,483	1,180	508
Agribusiness	48,231	20,898	5
Other	2,230	409	15
Total	$65,906	$33,528	$1,207

Write-offs of accrued interest receivable, as a reversal of interest income, at the time the loans were transferred to nonaccrual status were not material for the six months ended June 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 June 30, 2025, or 2024, and activity on these loans during the six months ended June 30, 2025, or 2024, were not material. We did not have any material commitments at June 30, 2025, or December 31, 2024, to lend to borrowers whose loans were modified during the six months ended June 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) Six months ended June 30,	**2025**	2024
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$38,452**	$35,874
Provision for credit losses on loans	**29,741**	8,022
Loan recoveries	**849**	197
Loan charge-offs	**(5,292)**	(5,283)
Balance at end of period	**$63,750**	$38,810
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$7,774**	$8,120
(Reversal of) provision for credit losses on unfunded commitments	**(1,144)**	1,948
Balance at end of period	**$6,630**	$10,068
Total allowance for credit losses	**$70,380**	$48,878

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by increases in specific reserves related to three 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 June 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 June 30, 2025	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	**$ --**	**$ --**	**$53,400**	**$53,400**
Acquired property	**--**	**--**	**2,801**	**2,801**

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 August 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.