



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of FCS Financial, ACA and its subsidiaries, FCS Financial, FLCA and FCS Financial, 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, 2025 (2025 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:

FCS Financial, ACA
1934 East Miller Street
Jefferson City, MO 65101
(573) 635-7956
www.myfcsfinancial.com
jeffersoncitymo@myfcsfinancial.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 2025 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 Department of Agriculture (USDA) 2026 farm income forecast projects net farm income at \$153.4 billion, slightly below a sharply revised \$154.5 billion estimate for 2025. The USDA reduced its 2025 net farm income estimate by \$25.3 billion compared to its September 2025 forecast. For 2026, cash receipts are expected to continue weakening, particularly in the livestock sector due to lower prices for eggs and milk. Production expenses remain elevated, driven largely by a 10% increase in livestock and poultry purchases. Net farm income is partially supported by a significant increase in government payments, projected at \$44.3 billion in 2026, compared to \$30.5 billion in 2025. The USDA also projects working capital to decline 10% from 2025, signaling that producers are continuing to draw down cash reserves.

Early indicators for the 2026 growing season point to ongoing pressure on crop profitability and cautious production decisions for corn and soybeans. The USDA's March 2026 Prospective Plantings report estimates U.S. corn planted acreage at 95.3 million acres, down 3% from 2025, while soybean planted acreage is projected at 84.7 million acres, up 4%. In Missouri, producers intend to plant 3.65 million acres of corn, down 4% from 2025, and 5.5 million acres of soybeans, 2% lower than a year ago. These intentions reflect large corn carryover stocks, confirmed by the March 2026 Grain Stocks report showing corn inventories at a record 9.02 billion bushels, up 11% from March 2025. Input costs remain elevated relative to historical levels, and projected commodity prices continue to imply tight margins for both corn and soybeans.

Cattle markets remained strong through the first quarter of 2026, supported by historically tight supply conditions, though price volatility increased during the period. The USDA's January 2026 Cattle Inventory Report showed beef cow numbers down slightly from a year ago, indicating continued herd contraction. The March 2026 Cattle on Feed Report reinforced the tight supply environment, with cattle on feed down modestly from a year ago and February 2026 marketings down 7%. While tight inventories are expected to continue supporting elevated cattle prices, the market has become increasingly sensitive to demand shifts, processing capacity constraints, labor availability, and broader economic conditions.

Farmland values in the Association's territory reflected a stabilizing market during the first quarter of 2026, with some areas experiencing modest price increases and others maintaining steady values compared to the fourth quarter of 2025. Stable values continue to be supported by limited land availability relative to demand.

LOAN PORTFOLIO

Loan Portfolio

Total loans were \$7.8 billion at March 31, 2026, an increase of \$142.8 million from December 31, 2025.

Portfolio Credit Quality

The credit quality of our portfolio remained stable from December 31, 2025. Adversely classified loans were 2.8% of the portfolio at March 31, 2026, and December 31, 2025. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At March 31, 2026, \$517.6 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands)	March 31, 2026	December 31, 2025
As of:		
Nonaccrual loans	\$ 72,083	\$ 59,371
Accruing loans 90 days or more past due	1,914	--
Total nonperforming loans	73,997	59,371
Other property owned	163	163
Total nonperforming assets	\$ 74,160	\$ 59,534
Total nonperforming loans as a percentage of total loans	1.0%	0.8%
Nonaccrual loans as a percentage of total loans	0.9%	0.8%
Current nonaccrual loans as a percentage of total nonaccrual loans	65.7%	59.5%
Total delinquencies as a percentage of total loans ¹	0.4%	0.4%

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

Total nonperforming assets have increased from December 31, 2025, but remained at acceptable levels. Despite the increase in nonperforming assets, total nonperforming loans as a percentage of total loans were well within our established risk management guidelines.

The increase in nonaccrual loans was primarily due to transfers within our production and intermediate-term and agribusiness portfolios to nonaccrual. Nonaccrual loans remained at an acceptable level at March 31, 2026, and December 31, 2025.

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, forecasted 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)	March 31, 2026	December 31, 2025
As of:		
Allowance for credit losses on loans	\$ 29,304	\$ 24,921
Allowance for credit losses on loans as a percentage of:		
Loans	0.4%	0.3%
Nonaccrual loans	40.7%	42.0%
Total nonperforming loans	39.6%	42.0%

The increase in allowance for credit losses on loans from December 31, 2025, was primarily related to specific reserves established within our production and intermediate-term and agribusiness portfolios.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)

For the three months ended March 31,	2026	2025
Net income	\$ 39,019	\$ 32,625
Return on average assets	1.9%	1.7%
Return on average members' equity	11.3%	10.1%

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)	2026	2025	Increase (decrease) in net income
For the three months ended March 31,			
Net interest income	\$ 47,838	\$ 45,568	\$ 2,270
Provision for credit losses	4,193	3,512	(681)
Non-interest income	16,859	11,386	5,473
Non-interest expense	21,735	20,534	(1,201)
(Benefit from) provision for income taxes	(250)	283	533
Net income	\$ 39,019	\$ 32,625	\$ 6,394

Non-Interest Income

The change in non-interest income was primarily due to patronage income and other non-interest income.

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 three months ended March 31,	2026	2025
Patronage from AgriBank	\$ 9,181	\$ 6,637
AgDirect partnership distribution	830	775
Other patronage	177	108
Total patronage income	\$ 10,188	\$ 7,520

Patronage from AgriBank primarily includes wholesale patronage and asset pool program patronage.

Other Non-Interest Income: The increase in other non-interest income was primarily due to our share of the Allocated Insurance Reserve Accounts (AIRA) distribution received from the Farm Credit System Insurance Corporation (FCSIC) of \$3.2 million in 2026, compared to \$1.1 million in 2025. The AIRA was established by FCSIC when premiums collected increased the level of the Farm Credit Insurance Fund beyond the required 2% of Systemwide insured debt. Refer to the 2025 Annual Report for additional information about the FCSIC.

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 March 31, 2026, or December 31, 2025.

Total members' equity increased \$28.5 million from December 31, 2025, primarily due to net income for the period partially offset by patronage distribution accruals.

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 7 in our 2025 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	March 31, 2026	December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	13.1%	13.6%	4.5%	2.5%	7.0%
Tier 1 capital ratio	13.1%	13.6%	6.0%	2.5%	8.5%
Total capital ratio	13.4%	14.0%	8.0%	2.5%	10.5%
Permanent capital ratio	13.1%	13.7%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	13.4%	14.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	13.2%	13.8%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 11 in our 2025 Annual Report.

CERTIFICATION

The undersigned have reviewed the March 31, 2026, Quarterly Report of FCS Financial, 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.



Beth Schnitker
Chairperson of the Board
FCS Financial, ACA



Robert Guinn
Chief Executive Officer
FCS Financial, ACA



Rick Krueger
Chief Financial Officer
FCS Financial, ACA

May 7, 2026

CONSOLIDATED STATEMENTS OF CONDITION

FCS Financial, ACA
(in thousands)

As of:	March 31, 2026	December 31, 2025
	<i>(Unaudited)</i>	
ASSETS		
Loans	\$ 7,779,280	\$ 7,636,432
Allowance for credit losses on loans	29,304	24,921
Net loans	7,749,976	7,611,511
Investment in AgriBank, FCB	308,167	304,549
Investment securities	197,792	169,989
Accrued interest receivable	106,465	106,226
Other assets	106,559	134,649
Total assets	\$ 8,468,959	\$ 8,326,924
LIABILITIES		
Note payable to AgriBank, FCB	\$ 6,937,861	\$ 6,791,661
Accrued interest payable	63,748	64,007
Patronage distribution payable	12,018	40,070
Other liabilities	62,618	66,965
Total liabilities	7,076,245	6,962,703
Contingencies and commitments (Note 4)		
MEMBERS' EQUITY		
Capital stock and participation certificates	13,131	13,029
Unallocated retained earnings	1,380,213	1,351,856
Accumulated other comprehensive loss	(630)	(664)
Total members' equity	1,392,714	1,364,221
Total liabilities and members' equity	\$ 8,468,959	\$ 8,326,924

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FCS Financial, ACA

(in thousands)

(Unaudited)

For the periods ended March 31,	Three Months Ended	
	2026	2025
Interest income	\$ 111,585	\$ 104,560
Interest expense	63,747	58,992
Net interest income	47,838	45,568
Provision for credit losses	4,193	3,512
Net interest income after provision for credit losses	43,645	42,056
Non-interest income		
Patronage income	10,188	7,520
Financially related services income	396	298
Fee income	3,035	2,453
Other non-interest income	3,240	1,115
Total non-interest income	16,859	11,386
Non-interest expense		
Salaries and employee benefits	11,557	10,275
Other operating expense	10,154	10,259
Other non-interest expense	24	--
Total non-interest expense	21,735	20,534
Income before income taxes	38,769	32,908
(Benefit from) provision for income taxes	(250)	283
Net income	\$ 39,019	\$ 32,625
Other comprehensive income		
Employee benefit plans activity	\$ 34	\$ 36
Total other comprehensive income	34	36
Comprehensive income	\$ 39,053	\$ 32,661

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FCS Financial, ACA

(in thousands)

(Unaudited)

	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2024	\$ 12,601	\$ 1,267,357	\$ (927)	\$ 1,279,031
Net income	--	32,625	--	32,625
Other comprehensive income	--	--	36	36
Unallocated retained earnings designated for patronage distributions	--	(12,776)	--	(12,776)
Capital stock and participation certificates issued	278	--	--	278
Capital stock and participation certificates retired	(228)	--	--	(228)
Balance at March 31, 2025	\$ 12,651	\$ 1,287,206	\$ (891)	\$ 1,298,966
Balance at December 31, 2025	\$ 13,029	\$ 1,351,856	\$ (664)	\$ 1,364,221
Net income	--	39,019	--	39,019
Other comprehensive income	--	--	34	34
Unallocated retained earnings designated for patronage distributions	--	(10,662)	--	(10,662)
Capital stock and participation certificates issued	319	--	--	319
Capital stock and participation certificates retired	(217)	--	--	(217)
Balance at March 31, 2026	\$ 13,131	\$ 1,380,213	\$ (630)	\$ 1,392,714

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the three months ended March 31, 2026, are not necessarily indicative of the results to be expected for the year ending December 31, 2026. 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, 2025 (2025 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of FCS Financial, ACA and its subsidiaries FCS Financial, FLCA and FCS Financial, 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 September 2025, the FASB issued Accounting Standards Update (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 and interim periods beginning after December 15, 2027. Early adoption is permitted.	The standard includes 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 development 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.
In November 2025, the FASB issued ASU 2025-08, "Financial Instruments – Credit Losses (Topic 326) – Purchased Loans". This guidance is effective for annual and interim periods beginning after December 15, 2026. Early adoption is permitted.	The standard simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans". This eliminates Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility.	We expect to adopt the standard as of January 1, 2027. We are currently assessing the impact of this standard on our financial statements and disclosures.
In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements". This guidance is effective for annual and interim periods beginning after December 15, 2028. Early adoption is permitted.	The standard provides narrow-scope improvements to interim reporting guidance (Topic 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements.	We expect to adopt the standard as of January 1, 2029. We are currently assessing the impact of this standard on our financial statements and disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:

	March 31, 2026		December 31, 2025	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	\$ 4,427,831	56.9%	\$ 4,307,039	56.5%
Production and intermediate-term	1,040,661	13.4%	1,103,344	14.4%
Agribusiness	1,537,724	19.8%	1,491,006	19.5%
Other	773,064	9.9%	735,043	9.6%
Total	\$ 7,779,280	100.0%	\$ 7,636,432	100.0%

The other category is primarily composed of rural infrastructure related loans and other diversified industries in our Capital Markets portfolio.

Accrued interest receivable on loans is excluded from the amortized cost of loans. At March 31, 2026, and December 31, 2025, accrued interest receivable on loans totaled \$105.5 million and \$105.3 million, respectively, and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands)	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
As of March 31, 2026						
Real estate mortgage	\$ 5,526	\$ 104	\$ 5,630	\$ 4,422,201	\$ 4,427,831	\$ --
Production and intermediate-term	3,660	7,636	11,296	1,029,365	1,040,661	--
Agribusiness	1	13,985	13,986	1,523,738	1,537,724	--
Other	745	1,915	2,660	770,404	773,064	1,914
Total	\$ 9,932	\$ 23,640	\$ 33,572	\$ 7,745,708	\$ 7,779,280	\$ 1,914
As of December 31, 2025						
Real estate mortgage	\$ 2,600	\$ 129	\$ 2,729	\$ 4,304,310	\$ 4,307,039	\$ --
Production and intermediate-term	357	9,559	9,916	1,093,428	1,103,344	--
Agribusiness	3,359	14,228	17,587	1,473,419	1,491,006	--
Other	2,968	--	2,968	732,075	735,043	--
Total	\$ 9,284	\$ 23,916	\$ 33,200	\$ 7,603,232	\$ 7,636,432	\$ --

Nonaccrual Loans

Nonaccrual Loans Information

(in thousands)	For the Three Months Ended		
	As of March 31, 2026		March 31, 2026
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized (Reversed)
Nonaccrual loans:			
Real estate mortgage	\$ 7,460	\$ 6,125	\$ 141
Production and intermediate-term	22,891	12,216	(102)
Agribusiness	39,094	12,876	6
Other	2,638	195	1
Total	\$ 72,083	\$ 31,412	\$ 46
	For the Three Months Ended		
	As of December 31, 2025		March 31, 2025
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	\$ 4,619	\$ 3,284	\$ 358
Production and intermediate-term	16,100	6,535	69
Agribusiness	35,855	12,351	32
Other	2,797	374	3
Total	\$ 59,371	\$ 22,544	\$ 462

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 three months ended March 31, 2026, or 2025.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. Loans that both modify and are paid off or charged-off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the modification disclosures.

Loan Modifications at Amortized Cost

(dollars in thousands)	Interest			Combination -	Combination -	Percentage of Total Loans
	Rate Reduction	Term Extension	Payment Deferral	Interest Rate Reduction and Term Extension	Term Extension and Payment Deferral	
For the three months ended March 31, 2026						
Real estate mortgage	\$ 979	\$ --	\$ --	\$ --	\$ --	979 0.0%
Production and intermediate-term	--	11,387	1,088	--	7	12,482 0.2%
Agribusiness	--	7	--	873	--	880 0.0%
Total	\$ 979	\$ 11,394	\$ 1,088	\$ 873	\$ 7	\$ 14,341 0.2%

Loan modifications granted as a percentage of total loans

0.0% 0.2% 0.0% 0.0% 0.0% 0.2%

For the three months ended March 31, 2025	Interest			Combination -	Combination -	Percentage of Total Loans
	Rate Reduction	Term Extension	Payment Deferral	Interest Rate Reduction and Term Extension	Term Extension and Payment Deferral	
Production and intermediate-term	\$ --	\$ 4,710	\$ --	\$ 831	\$ --	5,541 0.1%
Agribusiness	--	270	--	--	--	270 0.0%
Other	--	--	31	--	--	31 0.0%
Total	\$ --	\$ 4,980	\$ 31	\$ 831	\$ --	\$ 5,842 0.1%

Loan modifications granted as a percentage of total loans

-- 0.1% 0.0% 0.0% -- 0.1%

Financial Effect of Loan Modifications

For the three months ended March 31, 2026	Weighted	Weighted	Weighted
	Average Interest Rate Reduction (%)	Average Term Extension (months)	Average Payment Deferral (months)
Real estate mortgage			
Interest rate reduction	0.5%		
Production and intermediate-term			
Term extension		9	
Payment deferral			13
Combination - term extension and payment deferral		11	15
Agribusiness			
Term extension		14	
Combination - interest rate reduction and term extension	5.3%	51	
For the three months ended March 31, 2025			
Production and intermediate-term			
Term extension		11	
Combination - interest rate reduction and term extension	1.1%	13	
Agribusiness			
Term extension		10	
Other			
Payment deferral			6

There were no loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2026, or 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.

Payment Status of Loan Modifications

(in thousands)	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
As of March 31, 2026				
Real estate mortgage	\$ 28,810	\$ --	\$ --	\$ 28,810
Production and intermediate-term	24,911	5	--	24,916
Agribusiness	11,546	--	4,195	15,741
Other	2,431	--	--	2,431
Total	\$ 67,698	\$ 5	\$ 4,195	\$ 71,898
As of March 31, 2025	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	\$ 738	\$ --	\$ --	\$ 738
Production and intermediate-term	13,815	264	--	14,079
Agribusiness	15,474	--	--	15,474
Other	31	--	--	31
Total	\$ 30,058	\$ 264	\$ --	\$ 30,322

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at March 31, 2026, or 2025.

Additional commitments were \$4.5 million at March 31, 2026, and \$6.7 million at December 31, 2025, to lend to borrowers experiencing financial difficulty whose loans were modified during the three months ended March 31, 2026, and during the year ended December 31, 2025, respectively.

Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type, which is 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 Missouri net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

Changes in Allowance for Credit Losses

(in thousands)	Three months ended March 31,	
	2026	2025
Allowance for Credit Losses on Loans		
Balance at beginning of period	\$ 24,921	\$ 15,870
Provision for credit losses on loans	4,370	3,342
Loan recoveries	44	132
Loan charge-offs	(31)	(763)
Balance at end of period	\$ 29,304	\$ 18,581
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	\$ 1,276	\$ 990
Provision for credit losses on unfunded commitments	(177)	170
Balance at end of period	\$ 1,099	\$ 1,160
Total allowance for credit losses	\$ 30,403	\$ 19,741

The change in the allowance for credit losses on loans from December 31, 2025, was primarily driven by specific reserves established within our production and intermediate-term and agribusiness portfolios.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of \$197.8 million at March 31, 2026, and \$170.0 million at December 31, 2025. Our investment securities consisted of:

- Mortgage-backed securities (MBS) issued by the Federal Agricultural Mortgage Corporation (Farmer Mac)
- Asset-backed securities (ABS) guaranteed by the Small Business Administration (SBA)

All of our investment securities were fully guaranteed by Farmer Mac or the SBA at March 31, 2026, and December 31, 2025. Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity and are evaluated for an allowance for credit losses. For securities that are guaranteed by the U.S. government or other governmental agencies, we have not recognized an allowance for credit losses on investment securities at March 31, 2026, or December 31, 2025, as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

Additional Investment Securities Information at Amortized Cost

(in thousands)	March 31,	December 31,
As of:	2026	2025
MBS	\$ 37,410	\$ 29,261
ABS	160,382	140,728
Total	<u>\$ 197,792</u>	<u>\$ 169,989</u>

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled \$2.2 million and \$1.1 million for the three months ended March 31, 2026, and 2025, respectively.

Contractual Maturities of Investment Securities

(in thousands)	As of March 31, 2026	Amortized Cost
One to five years	\$ 1,593	
Five to ten years		84,071
More than ten years		112,128
Total	<u>\$ 197,792</u>	

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

NOTE 4: 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 2025 Annual Report for additional detail regarding contingencies and commitments.

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 input levels that may be used to measure fair value. Refer to Note 2 in our 2025 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 March 31, 2026, or December 31, 2025.

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 March 31, 2026	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 19,605	\$ 19,605
Other property owned	--	--	170	170

As of December 31, 2025	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 20,756	\$ 20,756
Other property owned	--	--	170	170

Valuation Techniques

Loans: Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

Other Property Owned: Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3.

NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through May 7, 2026, 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.