Quarterly Report
September 30, 2025

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, 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:

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 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

Corn and soybean prices have continued to trend lower leading into harvest. According to the United States Department of Agriculture (USDA), the 2025 corn crop is projected to be the largest ever, while the soybean crop is expected to be the second largest on record. In September 2025, the USDA revised its farm income forecast, projecting a $52 billion (40%) increase from 2024, which follows a 13% decline from 2023 to 2024. The 2025 projection includes $40.5 billion in federal support, a significant rise from $10.1 billion in 2024. The forecast also highlights record cash receipts for livestock at $299 billion. However, crop receipts are expected to decrease by $6.1 billion, from $242.7 billion in 2024 to $236.6 billion in 2025—the lowest level since 2007. Input costs are projected to remain elevated, with total costs reaching $467 billion in 2025, a $12 billion increase over the prior year. The largest contributors to input costs are replacement livestock and poultry animals, labor, and interest expense. For 2025, the USDA estimates the cost of production at $897 per acre for corn and $639 per acre for soybeans. These costs translate to $4.81 per bushel for corn and $11.95 per bushel for soybeans, both well above the projected season average prices of $3.90 for corn and $10.00 for soybeans.

Cattle markets continued to strengthen during the third quarter of 2025, with both calf and fed cattle prices maintaining their upward trend. This growth has been supported by strong supply fundamentals, and minimal herd expansion is expected for the remainder of 2025.

Missouri experienced above-average precipitation through late July 2025. However, rainfall declined sharply after July, resulting in more than 93.5% of the state being classified as abnormally dry by the end of the quarter. Additionally, 64% of Missouri was in drought, according to the National Oceanic and Atmospheric Association U.S. Drought Monitor System.

According to the Bureau of Economic Analysis, the Personal Consumption Expenditures index, a key measure of inflation, rose 2.7% in August 2025 compared to the same month last year, remaining above the Federal Reserve's 2% target. Additionally, core inflation, which excludes volatile food and energy prices, increased by 2.9% over the same period. The Federal Reserve lowered the federal funds rate by 25 basis points in September 2025, largely in response to softening labor markets, and signaled two more rate cuts for 2025.

Farmland values in the Association's territory reflected a stabilizing market during the third quarter of 2025, with some areas experiencing modest price increases and others maintaining steady values compared to the prior quarter. The stable values are supported by a lack of supply compared to stronger demand.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $7.2 billion at September 30, 2025, an increase of $188.8 million from December 31, 2024.

Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2024. Adversely classified loans increased to 2.9% of the portfolio at September 30, 2025, from 2.2% of the portfolio at December 31, 2024. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At September 30, 2025, $443.0 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	**September 30, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$ 60,020**	$ 39,639
Accruing loans 90 days or more past due	**2,463**	--
Total nonperforming loans	**62,483**	39,639
Other property owned	**829**	1,166
Total nonperforming assets	**$ 63,312**	$ 40,805
Total nonperforming loans as a percentage of total loans	**0.9%**	0.6%
Nonaccrual loans as a percentage of total loans	**0.8%**	0.6%
Current nonaccrual loans as a percentage of total nonaccrual loans	**56.9%**	60.3%
Total delinquencies as a percentage of total loans[1]	**0.5%**	0.3%

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

Our nonperforming assets have increased from December 31, 2024, 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 agribusiness portfolio to nonaccrual during the first half of 2025. Nonaccrual loans remained at an acceptable level at September 30, 2025, and December 31, 2024.

The increase in accruing loans 90 days or more past due was primarily due to one borrower in the rural infrastructure related portfolio transferring to 90 days or more past due during the second quarter of 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, 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	**$ 25,374**	$ 15,870
Allowance for credit losses on loans as a percentage of:		
Loans	**0.4%**	0.2%
Nonaccrual loans	**42.3%**	40.0%
Total nonperforming loans	**40.6%**	40.0%

The change in allowance for credit losses on loans from December 31, 2024, was primarily driven by specific reserves established on loans within our agribusiness portfolio.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the nine months ended September 30,	**2025**	2024
Net income	**$ 90,622**	$ 97,691
Return on average assets	**1.6%**	1.9%
Return on average members' equity	**9.2%**	10.6%

Changes presented in the profitability information table relate directly to:

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

Changes in Significant Components of Net Income

(in thousands) For the nine months ended September 30,	**2025**	2024	**Increase (decrease) in net income**
Net interest income	**$ 134,767**	$ 126,995	**$ 7,772**
Provision for credit losses	**17,816**	8,144	**(9,672)**
Non-interest income	**34,825**	36,194	**(1,369)**
Non-interest expense	**61,221**	57,110	**(4,111)**
(Benefit from) provision for income taxes	**(67)**	244	**311**
Net income	**$ 90,622**	$ 97,691	**$ (7,069)**

Provision for Credit Losses

The “Provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The increase in the provision for credit losses on loans was primarily due to specific reserves established on loans within our agribusiness portfolio.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable was scheduled to mature on December 31, 2025. However, it was renewed early for $8.0 billion with an origination date of May 1, 2025, and a maturity date of 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 United States (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 $54.6 million from December 31, 2024, 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 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	**13.8%**	14.3%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**13.8%**	14.3%	6.0%	2.5%	8.5%
Total capital ratio	**14.1%**	14.5%	8.0%	2.5%	10.5%
Permanent capital ratio	**13.8%**	14.3%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**14.3%**	15.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**14.1%**	14.8%	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 2024 Annual Report.

CERTIFICATION

The undersigned have reviewed the September 30, 2025, 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

November 6, 2025

CONSOLIDATED STATEMENTS OF CONDITION

FCS Financial, ACA
(in thousands)

As of:	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Loans	**$ 7,207,149**	$ 7,018,365
Allowance for credit losses on loans	**25,374**	15,870
Net loans	**7,181,775**	7,002,495
Investment in AgriBank, FCB	**302,431**	259,290
Investment securities	**139,671**	69,845
Accrued interest receivable	**108,014**	90,862
Other assets	**114,261**	113,365
Total assets	**$ 7,846,152**	$ 7,535,857
LIABILITIES		
Note payable to AgriBank, FCB	**$ 6,340,406**	$ 6,091,777
Accrued interest payable	**61,797**	58,143
Patronage distribution payable	**35,615**	40,592
Other liabilities	**74,707**	66,314
Total liabilities	**6,512,525**	6,256,826
Contingencies and commitments (Note 4)		
MEMBERS' EQUITY		
Capital stock and participation certificates	**12,923**	12,601
Unallocated retained earnings	**1,321,521**	1,267,357
Accumulated other comprehensive loss	**(817)**	(927)
Total members' equity	**1,333,627**	1,279,031
Total liabilities and members' equity	**$ 7,846,152**	$ 7,535,857

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FCS Financial, ACA
(in thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
For the period ended September 30,	**2025**	2024	**2025**	2024
Interest income	**$ 106,406**	$ 99,745	**$ 315,436**	$ 284,176
Interest expense	**61,796**	56,858	**180,669**	157,181
Net interest income	**44,610**	42,887	**134,767**	126,995
Provision for credit losses	**11,561**	3,955	**17,816**	8,144
Net interest income after provision for credit losses	**33,049**	38,932	**116,951**	118,851
Non-interest income				
Patronage income	**7,900**	7,782	**21,698**	23,507
Financially related services income	**2,039**	1,833	**2,656**	2,354
Fee income	**3,703**	2,797	**9,325**	8,476
Other non-interest income	**12**	41	**1,146**	1,857
Total non-interest income	**13,654**	12,453	**34,825**	36,194
Non-interest expense				
Salaries and employee benefits	**10,374**	9,602	**30,974**	28,968
Other operating expense	**9,094**	9,654	**27,744**	27,585
Other non-interest expense	**--**	173	**2,503**	557
Total non-interest expense	**19,468**	19,429	**61,221**	57,110
Income before income taxes	**27,235**	31,956	**90,555**	97,935
(Benefit from) provision for income taxes	**(399)**	6	**(67)**	244
Net income	**$ 27,634**	$ 31,950	**$ 90,622**	$ 97,691
Other comprehensive income				
Employee benefit plans activity	**$ 37**	$ 34	**$ 110**	$ 101
Total other comprehensive income	**37**	34	**110**	101
Comprehensive income	**$ 27,671**	$ 31,984	**$ 90,732**	$ 97,792

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)

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2023	$ 1	$ 12,280	$ 1,180,107	$ (797)	$ 1,191,591
Net income	--	--	97,691	--	97,691
Other comprehensive income	--	--	--	101	101
Unallocated retained earnings designated for patronage distributions	--	--	(32,287)	--	(32,287)
Capital stock and participation certificates issued	--	737	--	--	737
Capital stock and participation certificates retired	--	(568)	--	--	(568)
Balance at September 30, 2024	$ 1	$ 12,449	$ 1,245,511	$ (696)	$ 1,257,265
Balance at December 31, 2024	$ --	$ 12,601	$ 1,267,357	$ (927)	$ 1,279,031
Net income	**--**	**--**	**90,622**	**--**	**90,622**
Other comprehensive income	**--**	**--**	**--**	**110**	**110**
Unallocated retained earnings designated for patronage distributions	**--**	**--**	**(36,458)**	**--**	**(36,458)**
Capital stock and participation certificates issued	**--**	**927**	**--**	**--**	**927**
Capital stock and participation certificates retired	**--**	**(605)**	**--**	**--**	**(605)**
Balance at September 30, 2025	**$ --**	**$ 12,923**	**$ 1,321,521**	**$ (817)**	**$ 1,333,627**

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 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 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	%	Amortized Cost	%
Real estate mortgage	**$ 4,130,001**	**57.4%**	$ 3,955,122	56.4%
Production and intermediate-term	**969,342**	**13.4%**	1,005,681	14.3%
Agribusiness	**1,442,501**	**20.0%**	1,454,267	20.7%
Other	**665,305**	**9.2%**	603,295	8.6%
Total	**$ 7,207,149**	**100.0%**	$ 7,018,365	100.0%

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

Throughout Note 2 accrued interest receivable on loans of $107.2 million at September 30, 2025, and $90.0 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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$ 4,087**	**$ 192**	**$ 4,279**	**$ 4,125,722**	**$ 4,130,001**	**$ --**
Production and intermediate-term	**1,073**	**9,505**	**10,578**	**958,764**	**969,342**	**--**
Agribusiness	**5,780**	**10,095**	**15,875**	**1,426,626**	**1,442,501**	**--**
Other	**47**	**2,463**	**2,510**	**662,795**	**665,305**	**2,463**
Total	**$ 10,987**	**$ 22,255**	**$ 33,242**	**$ 7,173,907**	**$ 7,207,149**	**$ 2,463**

As of December 31, 2024	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 2,530	$ --	$ 2,530	$ 3,952,592	$ 3,955,122	$ --
Production and intermediate-term	13,790	507	14,297	991,384	1,005,681	--
Agribusiness	431	1,197	1,628	1,452,639	1,454,267	--
Other	--	32	32	603,263	603,295	--
Total	$ 16,751	$ 1,736	$ 18,487	$ 6,999,878	$ 7,018,365	$ --

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	**$ 5,486**	**$ 5,464**	**$ 1,062**
Production and intermediate-term	**15,600**	**5,403**	**2**
Agribusiness	**35,621**	**14,719**	**38**
Other	**3,313**	**208**	**6**
Total	**$ 60,020**	**$ 25,794**	**$ 1,108**

	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	$ 3,011	$ 2,744	$ 506
Production and intermediate-term	14,788	963	84
Agribusiness	20,539	9,526	2
Other	1,301	222	8
Total	$ 39,639	$ 13,455	$ 600

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. 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) **For the nine months ended September 30, 2025**	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	**$ 2,548**	**$ --**	**$ 22,382**	**$ 3,000**	**$ --**	**$ 27,930**	**0.39%**
Production and intermediate-term	**69**	**14,458**	**--**	**2,771**	**10**	**17,308**	**0.24%**
Agribusiness	**367**	**9,855**	**--**	**3,718**	**--**	**13,940**	**0.19%**
Other	**--**	**--**	**31**	**--**	**--**	**31**	**0.00%**
Total	**$ 2,984**	**$ 24,313**	**$ 22,413**	**$ 9,489**	**$ 10**	**$ 59,209**	**0.82%**
Loan modifications granted as a percentage of total loans	**0.04%**	**0.34%**	**0.31%**	**0.13%**	**0.00%**	**0.82%**	

For the nine months ended September 30, 2024	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	$ --	$ --	$ --	$ 626	$ --	$ 626	0.01%
Production and intermediate-term	--	4,025	--	710	--	4,735	0.07%
Agribusiness	--	16,729	--	--	--	16,729	0.25%
Total	$ --	$ 20,754	$ --	$ 1,336	$ --	$ 22,090	0.33%
Loan modifications granted as a percentage of total loans	--	0.31%	--	0.02%	--	0.33%	

Financial Effect of Loan Modifications

For the nine months ended September 30, 2025	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness ($ in thousands)
Real estate mortgage				
Interest rate reduction	**0.3%**			
Payment deferral			**11**	
Combination - interest rate reduction and term extension	**0.6%**	**252**		
Production and intermediate-term				
Interest rate reduction	**0.5%**			
Term extension		**11**		
Combination - interest rate reduction and term extension	**0.8%**	**33**		
Combination - term extension and payment deferral		**17**	**16**	
Agribusiness				
Interest rate reduction	**1.0%**			
Term extension		**7**		
Combination - interest rate reduction and term extension	**0.7%**	**37**		
Other				
Payment deferral			**6**	

For the nine months ended September 30, 2024	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness ($ in thousands)
Real estate mortgage				
Combination - interest rate reduction and term extension	0.9%	316		
Production and intermediate-term				
Term extension		14		
Combination - interest rate reduction and term extension	0.1%	13		
Agribusiness				
Term extension		25		
Principal forgiveness				6,870

The following table presents the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025, or 2024, in which the modifications were within twelve months preceding the default.

Loan Modifications that Subsequently Defaulted

(in thousands) **For the nine months ended September 30, 2025**	Term Extension	Payment Deferral
Agribusiness	**$ 4,364**	**$ --**
Total	**$ 4,364**	**$ --**

For the nine months ended September 30, 2024	Term Extension	Payment Deferral
Real estate mortgage	$ --	$ 111
Total	$ --	$ 111

The following table presents the payment status at amortized cost of loans that have been modified for borrowers experiencing financial difficulty within twelve months of the respective reporting period.

Payment Status of Loan Modifications

(in thousands) **As of September 30, 2025**		Not Past Due or Less Than 30 Days Past Due		90 Days or More Past Due		Total
Real estate mortgage	**$**	**28,036**	**$**	**--**	**$**	**28,036**
Production and intermediate-term		**17,590**		**--**		**17,590**
Agribusiness		**10,670**		**4,356**		**15,026**
Other		**31**		**--**		**31**
Total	**$**	**56,327**	**$**	**4,356**	**$**	**60,683**

As of September 30, 2024		Not Past Due or Less Than 30 Days Past Due		90 Days or More Past Due		Total
Real estate mortgage	$	886	$	--	$	886
Production and intermediate-term		10,473		--		10,473
Agribusiness		16,729		--		16,729
Total	$	28,088	$	--	$	28,088

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at September 30, 2025, or 2024.

Additional commitments were $5.9 million at September 30, 2025, and $7.8 million at December 31, 2024, to lend to borrowers experiencing financial difficulty whose loans were modified during the nine months ended September 30, 2025, and 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 United States (U.S.) net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

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

Changes in Allowance for Credit Losses

(in thousands) Nine months ended September 30,		**2025**		2024
Allowance for Credit Losses on Loans				
Balance at beginning of period	**$**	**15,870**	$	11,158
Provision for credit losses on loans		**17,166**		8,226
Loan recoveries		**314**		3
Loan charge-offs		**(7,976)**		(3,847)
Balance at end of period	**$**	**25,374**	$	15,540
Allowance for Credit Losses on Unfunded Commitments				
Balance at beginning of period	**$**	**990**	$	1,260
Provision for credit losses on unfunded commitments		**650**		(82)
Balance at end of period	**$**	**1,640**	$	1,178
Total allowance for credit losses	**$**	**27,014**	$	16,718

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by specific reserves established on loans within our agribusiness portfolio.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $139.7 million at September 30, 2025, and $69.8 million at December 31, 2024. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA). All of our investment securities were fully guaranteed by the SBA at September 30, 2025, and December 31, 2024. Premiums paid to purchase 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. There was no allowance for credit losses on investment securities at September 30, 2025, or December 31, 2024.

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $4.2 million and $104 thousand for the nine months ended September 30, 2025, and 2024, respectively.

Contractual Maturities of Investment Securities

(in thousands)

As of September 30, 2025		Amortized Cost
One to five years	**$**	**1,024**
Five to ten years		**75,306**
More than ten years		**63,341**
Total	**$**	**139,671**

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 2024 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 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	**$**	**--**	**$**	**--**	**$**	**18,264**	**$ 18,264**
Other property owned		**--**		**--**		**862**	**862**

As of December 31, 2024	Fair Value Measurement Using						Total Fair
		Level 1		Level 2		Level 3	Value
Loans	$	--	$	--	$	17,891	$ 17,891
Other property owned		--		--		1,213	1,213

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 November 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.