



**Quarterly Report
September 30, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Compeer Financial, ACA (the Association or Compeer) and its subsidiaries, Compeer Financial, FLCA and Compeer 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 stockholders' 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

This agricultural and economic conditions summary for the third quarter of 2025 focuses on overall macroeconomic conditions, as well as agricultural economic conditions with focus on agricultural commodities of significant impact to the Compeer portfolio, including grain, dairy, and swine. Macroeconomically, current inflation, unemployment, and other associated data were considered.

The Compeer portfolio continues to maintain solid overall performance. Individual commodity results have been mixed with row crops under pressure while protein segments benefit from higher prices and lower feed costs. Macroeconomically, although inflation remains somewhat elevated over the Federal Reserve target, weakening signs in the labor market resulted in lowering the Federal Reserve funds target rate 0.25% at the September 2025 meeting, which was the first reduction of 2025. While economic uncertainty remains elevated, trade disruptions that characterized the second quarter of 2025 have been more limited in the third quarter.

Agricultural Conditions

The United States Department of Agriculture (USDA) Economic Research Service updated their 2025 farm income estimates, only slightly lowering their net farm income (NFI) forecast from \$180.1 billion in February 2025 to \$179.8 billion in September 2025. Net cash farm income saw a larger decline from \$193.7 billion in February 2025 to \$180.7 billion in September 2025. Although income forecasts decreased, aggregate farm income remains well above 2024. This is mainly attributed to a \$30.4 billion increase in 2025 government payments—primarily supplemental ad hoc disaster assistance provided to farmers and ranchers through the American Relief Act, 2025. The One Big Beautiful Bill Act (H.R. 1), enacted in July 2025, also includes increases in pricing formulas for traditional Farm Bill Title I Commodity programs that will increase forecast direct government payments for crop year 2025 but will not be paid until 2026.

Revenue protection crop insurance guarantees were set in February 2025 with CME Group-based average discovery prices of \$4.70 per bushel for corn and \$10.54 per bushel for soybeans. These are higher than the third quarter World Agricultural Supply and Demand Estimates (WASDE) and CME Group traded prices, which suggests the potential for claims. Claims will be triggered if actual harvest revenue (CME harvest price x yield) drops below the farmer's individual policy established guarantee at base coverage levels (50-85%) and/or endorsements (up to 95% protection). Projected crop insurance indemnity payments are included in the USDA forecast NFI but are not included in the governmental payment category.

Industry Conditions

The following economic conditions and forecasts focus on commodities with the highest concentrations in Compeer's loan portfolio. These apply to the industry in general, and individual producers might experience varying performance levels relative to the industry.

Grain

In the September 2025 Quarterly Grain Stocks report, old crop corn stocks totaled 1.5 billion bushels, down 13% year-over-year, while old crop soybeans stocks totaled 316 billion bushels, down 8% year-over-year. Although stocks trended down year-over-year nationally, grain corn production for 2024 was revised up 25.0 million bushels and soybean production was revised up 7.7 million bushels from the previous estimate.

In the September 2025 WASDE report, forward looking data for new crop corn showed 2025/26 United States (U.S.) corn outlook with greater supplies, larger exports, and a slight reduction in ending stocks. Corn yield was reduced by 2.1 bushel per acre with a yield forecast of 186.7 bushel per acre nationally on 98.7 million planted corn acres (90 million harvested). Farmgate price forecast remained at \$3.90 per bushel in September 2025, unchanged from August 2025. For U.S. soybeans, the 2025/26 outlook includes a yield forecast of 53.5 bushel per acre nationally on 81.1 million planted soybean acres (80.3 million harvested). Overall forecasts are for higher production, higher crush, lower exports, and higher ending stocks. This dropped farmgate price forecast \$0.10 to \$10.00 per bushel from August 2025.

Dairy

The September 2025 USDA Milk Production report showed a 3.3% increase in milk production in the U.S. from August 2024, for total production of 18.8 billion pounds. Production per cow in the U.S. averaged 2,050 pounds, 27 pounds above August 2024. The number of milk cows on farms in the U.S. continued to increase to 9.5 million head in August 2025, 176,000 head more than August 2024. In keeping with national trends, Wisconsin and Minnesota both saw increases in milk cows, milk per cow, and production. Illinois declined in milk cows and production.

Due to the increases in both cows and production per cow, national production estimates continued to forecast higher milk supply. The September 2025 WASDE lowered forecast prices across the board for cheese, butter, nonfat dry milk, and milk prices—dry whey was the exception with price staying unchanged. WASDE prices for Class III was lowered \$0.30 to \$18.20 per hundredweight (cwt), Class IV was lowered \$0.80 to \$18.15 per cwt, and all milk was lowered \$0.65 to \$21.35 per cwt.

Swine

The September 2025 USDA Quarterly Hogs and Pigs report showed U.S. inventory of all hogs and pigs at 74.5 million head, slightly down year-over-year. Breeding inventory, at 5.9 million head, was down slightly year-over-year and from the previous quarter. Market hog inventory stood at 68.5 million head. Pigs per litter averaged 11.8, up year-over-year. Operations with over 5,000 hogs under contract comprised 52% of the total inventory, down 1% from the prior year. The September 2025 WASDE projected the live equivalent price at \$77.00 per cwt for the third quarter of 2025 and \$69.00 per cwt for the fourth quarter of 2025, an upward trend from the August 2025 WASDE.

Economic Conditions

The national nonfarm unemployment rate remained relatively stable, increasing 0.1% from July 2025 to 4.3% in August 2025. Seasonally adjusted job growth was 79,000 in July 2025 and 22,000 in August 2025 (with further negative jobs growth revisions to prior months' data). The Personal Consumption Expenditures (PCE) price index indicated year-over-year inflation at 2.6% in July 2025 and 2.7% in August 2025. PCE further showed personal income and outlays increased, while savings decreased during the same timeframe.

Although inflation increased, the Federal Reserve cited concerns over lower jobs growth as a signal to cut rates in September 2025, moving the Federal Funds target rate from 4.25-4.5% to 4.0%-4.25%. The Federal Reserve continued to reduce its holdings at their July 2025 and September 2025 meetings. 30-year fixed rate mortgage rates ended the third quarter of 2025 at 6.3%, a 0.4% drop from July 2025. The September 2025 release of the S&P CoreLogic Case-Shiller U.S. National Home Price Index, unadjusted, was 331.1, an increase over earlier in 2025 but at a slowed pace of growth compared to March 2025 through May 2025.

Real gross domestic product (GDP) increased at an annual rate of 3.8% in the second quarter of 2025, according to the third estimate released in September 2025 by the U.S. Bureau of Economic Analysis. GDP growth was driven by increases in consumer spending and decreased imports. GDP estimates for the third quarter of 2025 are not yet available.

* Note due to the federal government shutdown which began on October 1, 2025, all economic data included is from September 30, 2025 and prior. Ordinarily quarter three reporting would include data from the October WASDE and September Job Situation report, but it was unavailable and therefore not included.

LOANS HELD TO MATURITY

Loans Held to Maturity

Loans held to maturity were \$29.8 billion at September 30, 2025, a decrease of \$740.6 million from December 31, 2024.

Compeer participates in asset pool programs to effectively leverage District capital, diversify risk, and ensure compliance with regulatory limitations. On September 1, 2025, we sold AgriBank participations of \$1.7 billion in loans from across most of our loan portfolio. The participation portions were set at either 15% or 30% of the included loans. The sale also included increasing the participation portion on loans previously sold from 10% to 15%. The decrease in loans held to maturity is attributed to the sale. Without this sale, loan growth would have been approximately \$950 million. This growth was spread widely across business units, with Marketplace Development leading the way.

Portfolio Credit Quality

The credit quality of our portfolio declined slightly from December 31, 2024. Adversely classified loans increased to 3.6% of the portfolio at September 30, 2025, from 3.2% 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, the Federal Agricultural Mortgage Corporation (Farmer Mac) and other government agency guarantee programs are used to reduce the risk of loss. At September 30, 2025, \$1.4 billion of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets		
(dollars in thousands)	September 30,	December 31,
As of:	2025	2024
Loans:		
Nonaccrual	\$ 449,450	\$ 341,388
Accruing loans 90 days or more past due	11,677	10,644
Total nonperforming loans	461,127	352,032
Other property owned	4,678	6,675
Total nonperforming assets	\$ 465,805	\$ 358,707
Total nonperforming loans as a percentage of total loans	1.5%	1.2%
Nonaccrual loans as a percentage of total loans	1.5%	1.1%
Current nonaccrual loans as a percentage of total nonaccrual loans	44.6%	46.7%
Total delinquencies as a percentage of total loans ¹	1.6%	1.1%

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

Our nonperforming assets 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 as well as the total delinquencies as a percentage of total loans were well within our established risk management guidelines.

The increase in nonaccrual loans during the first nine months of 2025 continued to be isolated and mostly attributed to a limited number of loans within our Animal Agriculture, Agri-Access, and Capital Markets business units. This is reflected in the increase in nonaccrual loans, as well as in the increase in total nonperforming loans as a percentage of total loans, nonaccrual loans as a percentage of total loans, and total delinquencies as a percentage of total loans. Even with this upward trend, nonaccrual loans remained at an acceptable level at September 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.

The required level of allowance for credit losses on loans is adjusted through the provision for credit losses expense. Provision for credit losses expense and loan recoveries increase the allowance, while reversals of provision for credit losses expense and loan charge-offs decrease the allowance. See the Provision for Credit Losses sub-section (within the Results of Operations section) for a discussion on the impact that the increases in the allowance for credit losses on loans had on the provision for credit losses expense during 2025.

Allowance for Credit Losses on Loans and Coverage Ratios		
(dollars in thousands)	September 30,	December 31,
As of:	2025	2024
Allowance for credit losses on loans	\$ 220,561	\$ 113,022
Allowance for credit losses on loans as a percentage of:		
Loans	0.7%	0.4%
Nonaccrual loans	49.1%	33.1%
Total nonperforming loans	47.8%	32.1%

The increase in allowance for credit losses on loans from December 31, 2024, was primarily related to a limited number of loans within our Animal Agriculture, Agri-Access, and Capital Markets business units and deteriorating credit quality in adversely classified loans within our AgTech Financing business unit. The increase in allowance was partially offset by a reduction in allowance due to the participation sale to AgriBank on September 1, 2025. See the Loans Held to Maturity sub-section for further explanation.

LOANS HELD FOR SALE

We originate loans held for sale under our secondary market program, which is a rural residential mortgage program designed to provide qualified borrowers with options for competitive rate financing of rural homes in small towns or that are part of a hobby farm, pastureland, or tillable acreage. Loans closed under

this rural residential mortgage program will be sold to and securitized by third-party investors, Farmer Mac and Federal Home Loan Mortgage Corporation (Freddie Mac).

We sold loans originated under this program in the secondary market totaling \$47.8 million through September 30, 2025, compared to \$28.4 million for the same period in 2024. As of September 30, 2025, we had loans held for sale of \$10.1 million, compared to \$26.6 million as of December 31, 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)

For the nine months ended September 30,	2025	2024
Net income	\$ 311,928	\$ 379,469
Return on average assets	1.2%	1.6%
Return on average equity	7.9%	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 Loans Held to Maturity and Loans Held for Sale sections
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands)	2025	2024	Increase (decrease) in net income
For the nine months ended September 30,			
Net interest income	\$ 580,254	\$ 566,717	\$ 13,537
Provision for credit losses	127,013	77,114	(49,899)
Non-interest income	197,333	200,604	(3,271)
Non-interest expense	340,526	304,750	(35,776)
(Benefit from) provision for income taxes	(1,880)	5,988	7,868
Net income	\$ 311,928	\$ 379,469	\$ (67,541)

Net Interest Income

Changes in Net Interest Income

(in thousands)

For the nine months ended September 30,	2025 vs 2024
Changes in volume	\$ 24,554
Changes in interest rates	(19,744)
Changes in nonaccrual interest income and other	8,727
Net change	\$ 13,537

Provision for Credit Losses

The "Provision for credit losses" in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans, a provision for credit losses on unfunded commitments, and a provision for credit losses on investment securities. Provision for credit losses on loans for the nine months ended September 30, 2025, is due to a limited number of loans within our Animal Agriculture, Agri-Access, and Capital Markets business units and deteriorating credit quality in adversely classified loans within our AgTech Financing business unit. The increase to provision for credit losses was partially offset by a reduction in provision for credit losses due to the participation sale to AgriBank on September 1, 2025. See the Loans Held to Maturity sub-section (in the Loans Held to Maturity section) for further explanation.

We anticipate the provision for credit losses to increase throughout the remainder of the year, with the majority of this increase stemming from a limited number of loans.

Non-Interest Income

The change in non-interest income was primarily due to a decline in patronage income, which was partially offset with an increase in financially related services income of \$4.8 million compared to the same period in 2024.

We may receive patronage from AgriBank and other Farm Credit institutions. Patronage distributions from AgriBank and other Farm Credit institutions are declared solely at the discretion of each institution's Board of Directors. AgriBank may distribute patronage in the form of cash or stock. All other patronage from other Farm Credit institutions is typically distributed in cash.

Patronage Income

(in thousands)

For the nine months ended September 30,	2025	2024
Patronage from AgriBank	\$ 79,098	\$ 87,804
AgDirect partnership distribution	4,089	4,682
Other patronage	643	357
Total patronage income	\$ 83,830	\$ 92,843

Patronage income from AgriBank primarily includes wholesale patronage and asset pool programs patronage.

Wholesale patronage income decreased in 2025 compared to the same period in 2024. The associations within AgriBank's District have seen tremendous loan growth over the past five years due to strong borrower demand. This strong growth requires greater aggregate capital for AgriBank, including capital retention to maintain their financial position, which results in less earnings available for patronage. Therefore, the patronage rate earned on the average daily balance of our wholesale note payable to AgriBank was 13.0 basis points during the first nine months of 2025, consistent with AgriBank's capital plan, down from 21.7 basis points for the same period of 2024.

In comparison, asset pool programs patronage income increased due to the participation sale that occurred on September 1, 2025 (see the Loans Held to Maturity sub-section, in the Loans Held to Maturity section for further explanation). This increase only partially offset the decrease in the wholesale patronage income as discussed above.

Non-Interest Expense

The change in non-interest expense was primarily due to an increase in other non-interest expense and salaries and benefits expense.

Other Non-Interest Expense: Other non-interest expense increased due to an increase in legal expenses related to isolated fraudulent activities, fair value losses on loans sold to AgriBank through our involvement in pool programs (see the Loans Held to Maturity sub-section, in the Loans Held to Maturity section for further explanation), and losses on a limited number of leases.

Salaries and Employee Benefits Expense: Salaries and employee benefits expense includes salary, benefit, and variable compensation expenses. These expenses increased due to annual merit increases and additional new employees hired in order to support the Association's growth.

(Benefit from) Provision for Income Taxes

The change in (benefit from) provision for income taxes was primarily related to lower taxable entity income resulting from the increased provision for credit losses expense.

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 October 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 and subordinated debt.

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

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

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

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

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

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

Total equity increased \$188.6 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 9 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	12.2%	12.3%	4.5%	2.5%	7.0%
Tier 1 capital ratio	12.5%	12.7%	6.0%	2.5%	8.5%
Total capital ratio	13.6%	13.7%	8.0%	2.5%	10.5%
Permanent capital ratio	13.1%	13.4%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	12.3%	12.5%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	11.6%	11.7%	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 Loans Held to Maturity section, and off-balance sheet commitments, as disclosed in Note 13 in our 2024 Annual Report.

CERTIFICATION

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



Stephanie Wise
Board Chair
Compeer Financial, ACA



Jase L. Wagner
President and Chief Executive Officer
Compeer Financial, ACA



Betsy Horton
Chief Financial Officer
Compeer Financial, ACA

November 7, 2025

CONSOLIDATED STATEMENTS OF CONDITION

Compeer Financial, ACA
(in thousands)

As of:	September 30, 2025	December 31, 2024
	<i>(Unaudited)</i>	
ASSETS		
Loans held to maturity	\$ 29,821,880	\$ 30,562,522
Allowance for credit losses on loans	220,561	113,022
Net loans held to maturity	29,601,319	30,449,500
Loans held for sale	10,135	26,554
Net loans	29,611,454	30,476,054
Cash	2,400	2,400
Investment securities (net of allowance for credit losses)	2,200,828	1,892,514
Assets held for lease, net	157,602	169,045
Accrued interest receivable	402,373	354,250
Investment in AgriBank, FCB	1,346,081	1,214,354
Premises and equipment, net	122,582	120,390
Other assets	492,586	488,422
Total assets	\$ 34,335,906	\$ 34,717,429
LIABILITIES		
Note payable to AgriBank, FCB	\$ 28,224,461	\$ 28,666,750
Subordinated debt	200,000	200,000
Accrued interest payable	283,671	271,470
Patronage distribution payable	118,469	199,898
Other liabilities	185,400	243,976
Total liabilities	29,012,001	29,582,094
Contingencies and commitments (Note 4)		
EQUITY		
Preferred stock	100,000	100,000
Capital stock and participation certificates	56,867	53,103
Capital stock and participation certificates receivable	(48,796)	(43,412)
Additional paid-in capital	1,780,603	1,780,603
Allocated retained earnings	110,118	110,331
Unallocated retained earnings	3,331,086	3,141,264
Accumulated other comprehensive loss	(5,973)	(6,554)
Total equity	5,323,905	5,135,335
Total liabilities and equity	\$ 34,335,906	\$ 34,717,429

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Compeer Financial, ACA

(in thousands)

(Unaudited)

For the period ended September 30,	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Interest income	\$ 478,209	\$ 469,470	\$ 1,411,871	\$ 1,371,386
Interest expense	284,211	282,502	831,617	804,669
Net interest income	193,998	186,968	580,254	566,717
Provision for credit losses	77,149	18,286	127,013	77,114
Net interest income after provision for credit losses	116,849	168,682	453,241	489,603
Non-interest income				
Patronage income	32,564	31,373	83,830	92,843
Net operating lease income	4,262	4,758	11,446	11,310
Financially related services income	12,232	10,689	41,138	36,340
Fee and other non-interest income	21,062	20,127	60,919	60,111
Total non-interest income	70,120	66,947	197,333	200,604
Non-interest expense				
Salaries and employee benefits	66,903	64,057	199,624	191,134
Farm Credit System Insurance	6,672	6,399	20,111	19,043
Other operating expense	32,681	32,714	94,337	90,207
Other non-interest expense	16,614	2,685	26,454	4,366
Total non-interest expense	122,870	105,855	340,526	304,750
Income before income taxes	64,099	129,774	310,048	385,457
(Benefit from) provision for income taxes	(6,087)	4,094	(1,880)	5,988
Net income	\$ 70,186	\$ 125,680	\$ 311,928	\$ 379,469
Other comprehensive income				
Employee benefit plans activity	\$ 194	\$ 153	\$ 581	\$ 460
Total other comprehensive income	194	153	581	460
Comprehensive income	\$ 70,380	\$ 125,833	\$ 312,509	\$ 379,929

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Compeer Financial, ACA

(in thousands)

(Unaudited)

	Preferred Stock	Capital Stock and Participation Certificates and Receivable, Net	Additional Paid-in Capital	Allocated Retained Earnings	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2023	\$ 100,000	\$ 13,202	\$ 1,780,603	\$ 162,937	\$ 2,816,109	\$ (7,275)	\$ 4,865,576
Net income	--	--	--	--	379,469	--	379,469
Other comprehensive income	--	--	--	--	--	460	460
Redemption of prior year allocated patronage	--	--	--	(205)	29	--	(176)
Preferred stock dividends	--	--	--	--	(4,875)	--	(4,875)
Other distributions	--	--	--	--	(9,750)	--	(9,750)
Unallocated retained earnings designated for patronage distributions	--	--	--	--	(115,122)	--	(115,122)
Capital stock and participation certificates issued	--	6,734	--	--	--	--	6,734
Capital stock and participation certificates retired	--	(2,200)	--	--	--	--	(2,200)
Additions to capital stock and participation certificates receivable, net	--	(7,408)	--	--	--	--	(7,408)
Balance at September 30, 2024	\$ 100,000	\$ 10,328	\$ 1,780,603	\$ 162,732	\$ 3,065,860	\$ (6,815)	\$ 5,112,708
Balance at December 31, 2024	\$ 100,000	\$ 9,691	\$ 1,780,603	\$ 110,331	\$ 3,141,264	\$ (6,554)	\$ 5,135,335
Net income	--	--	--	--	311,928	--	311,928
Other comprehensive income	--	--	--	--	--	581	581
Redemption of prior year allocated patronage	--	--	--	(213)	19	--	(194)
Preferred stock dividends	--	--	--	--	(4,875)	--	(4,875)
Other distributions	--	--	--	--	(10,725)	--	(10,725)
Unallocated retained earnings designated for patronage distributions	--	--	--	--	(106,525)	--	(106,525)
Capital stock and participation certificates issued	--	6,227	--	--	--	--	6,227
Capital stock and participation certificates retired	--	(2,462)	--	--	--	--	(2,462)
Additions to capital stock and participation certificates receivable, net	--	(5,385)	--	--	--	--	(5,385)
Balance at September 30, 2025	\$ 100,000	\$ 8,071	\$ 1,780,603	\$ 110,118	\$ 3,331,086	\$ (5,973)	\$ 5,323,905

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). Compeer Financial, ACA operates as a single segment for reporting purposes.

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of Compeer Financial, ACA and its subsidiaries Compeer Financial, FLCA and Compeer 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.

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 public business entities for annual periods beginning after December 15, 2024. 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 percentages and information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.	We 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.
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.	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 November 2024, the FASB issued ASU 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses." This guidance is effective for public business entities for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. This guidance can be applied either prospectively for reporting periods after the effective date or retrospectively for all periods presented. Early adoption is permitted.	The standard requires enhanced disclosures related to the disaggregation of certain costs and expense categories such as employee compensation, depreciation, and selling expenses. The standard also requires qualitative disclosure around certain relevant expense categories that are not disaggregated quantitatively.	We expect to adopt the standard for our fiscal year ending December 31, 2027, and for interim periods beginning in 2028. We are currently assessing the impact of this standard on our financial statement 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 HELD TO MATURITY 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	\$ 15,706,292	52.7%	\$ 15,765,866	51.6%
Production and intermediate-term	4,448,223	14.9%	5,001,507	16.4%
Agribusiness	6,141,780	20.6%	6,215,229	20.3%
Other	3,525,585	11.8%	3,579,920	11.7%
Total	\$ 29,821,880	100.0%	\$ 30,562,522	100.0%

The other category is composed of rural infrastructure, rural residential real estate, and agricultural export finance related loans as well as finance leases and certain assets characterized as mission related investments. Total loans include loans held to maturity and finance leases (hereinafter collectively referred to as loans).

Throughout Note 2 accrued interest receivable on loans of \$386.0 million at September 30, 2025, and \$337.6 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.

Credit Quality

Credit risk arises from the potential inability of a borrower to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. We manage credit risk associated with our lending activities through an analysis of the credit risk profile of an individual borrower based on management established underwriting standards and board approved lending policies. The evaluation of the borrower's credit risk profile may include analysis of several factors including, but not limited to, credit history, repayment capacity, financial position, and collateral. Real estate mortgage loans must be secured by first liens on the real estate. As required by the Farm Credit Administration (FCA) Regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

We use a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate 6-point scale addressing loss given default. Probability of default is our assumption of the probability that a borrower will experience a default during the next twelve months. Each of the 14 probability of default rating categories carries a distinct percentage of default probability and is associated with a FCA Uniform Classification System credit quality category. The loss given default is our assumption as to the anticipated principal loss on a specific loan assuming default occurs. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified as nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. We review the probability of default category on at least an annual basis, or when a credit action is taken.

We utilize the FCA Uniform Classification System, which categorizes loans into five credit quality categories, based on their assigned probability of default rating. The categories are:

- Acceptable – loans are non-criticized loans representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default.
- Other assets especially mentioned (special mention) – loans are currently collectible but exhibit some potential weakness. These loans involve increased credit risk, but not to the point of justifying a substandard classification.
- Substandard – loans exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – loans exhibit similar weaknesses as substandard loans. Doubtful loans have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – loans are considered uncollectible.

We had no loans categorized as loss at September 30, 2025, or December 31, 2024.

The probability of default rate of the acceptable category reflects almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from the acceptable category to special mention and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) or doubtful rating indicates that the probability of default is almost certain.

Credit Quality of Loans as a Percentage of Total Loans

As of September 30, 2025	Acceptable	Special Mention	Substandard/Doubtful	Total
Real estate mortgage	94.9%	2.3%	2.8%	100.0%
Production and intermediate-term	89.1%	5.7%	5.2%	100.0%
Agribusiness	90.1%	4.6%	5.3%	100.0%
Other	96.7%	1.4%	1.9%	100.0%
Total	93.2%	3.2%	3.6%	100.0%

As of December 31, 2024	Acceptable	Special Mention	Substandard/Doubtful	Total
Real estate mortgage	95.6%	1.6%	2.8%	100.0%
Production and intermediate-term	93.2%	3.2%	3.6%	100.0%
Agribusiness	91.4%	3.8%	4.8%	100.0%
Other	97.0%	1.5%	1.5%	100.0%
Total	94.5%	2.3%	3.2%	100.0%

Credit Quality and Origination Year of Loans

(in thousands)	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2025	2024	2023	2022	2021	Prior			
Amortized Cost as of September 30, 2025									
Real estate mortgage									
Acceptable	\$ 2,103,136	\$ 1,994,185	\$ 1,203,463	\$ 1,393,849	\$ 2,142,482	\$ 5,737,061	\$ 298,719	\$ 23,170	\$ 14,896,065
Special mention	28,972	45,592	29,423	79,401	13,059	107,437	61,200	196	365,280
Substandard/doubtful	3,011	25,290	47,009	64,268	99,513	201,201	3,957	698	444,947
Total real estate mortgage	<u>\$ 2,135,119</u>	<u>\$ 2,065,067</u>	<u>\$ 1,279,895</u>	<u>\$ 1,537,518</u>	<u>\$ 2,255,054</u>	<u>\$ 6,045,699</u>	<u>\$ 363,876</u>	<u>\$ 24,064</u>	<u>\$ 15,706,292</u>
Production and intermediate-term									
Acceptable	\$ 593,101	\$ 373,941	\$ 281,727	\$ 227,413	\$ 141,391	\$ 140,100	\$ 2,199,267	\$ 6,793	\$ 3,963,733
Special mention	23,730	14,380	12,275	5,204	3,126	2,684	190,641	868	252,908
Substandard/doubtful	7,410	28,017	18,084	5,651	2,628	11,786	105,520	52,486	231,582
Total production and intermediate-term	<u>\$ 624,241</u>	<u>\$ 416,338</u>	<u>\$ 312,086</u>	<u>\$ 238,268</u>	<u>\$ 147,145</u>	<u>\$ 154,570</u>	<u>\$ 2,495,428</u>	<u>\$ 60,147</u>	<u>\$ 4,448,223</u>
Agribusiness									
Acceptable	\$ 830,200	\$ 903,775	\$ 483,410	\$ 614,062	\$ 264,110	\$ 852,705	\$ 1,581,657	\$ 5,146	\$ 5,535,065
Special mention	22,611	78,065	9,422	59,790	39,299	29,828	42,228	--	281,243
Substandard/doubtful	11,071	34,408	24,748	36,326	65,817	43,213	109,336	553	325,472
Total agribusiness	<u>\$ 863,882</u>	<u>\$ 1,016,248</u>	<u>\$ 517,580</u>	<u>\$ 710,178</u>	<u>\$ 369,226</u>	<u>\$ 925,746</u>	<u>\$ 1,733,221</u>	<u>\$ 5,699</u>	<u>\$ 6,141,780</u>
Other									
Acceptable	\$ 448,123	\$ 705,269	\$ 894,365	\$ 402,891	\$ 209,761	\$ 620,122	\$ 125,531	\$ 1,946	\$ 3,408,008
Special mention	1,813	12,179	9,090	8,545	5,605	11,006	856	--	49,094
Substandard/doubtful	3,474	25,830	16,884	3,826	3,166	13,872	1,431	--	68,483
Total other	<u>\$ 453,410</u>	<u>\$ 743,278</u>	<u>\$ 920,339</u>	<u>\$ 415,262</u>	<u>\$ 218,532</u>	<u>\$ 645,000</u>	<u>\$ 127,818</u>	<u>\$ 1,946</u>	<u>\$ 3,525,585</u>
Total									
Acceptable	\$ 3,974,560	\$ 3,977,170	\$ 2,862,965	\$ 2,638,215	\$ 2,757,744	\$ 7,349,988	\$ 4,205,174	\$ 37,055	\$ 27,802,871
Special mention	77,126	150,216	60,210	152,940	61,089	150,955	294,925	1,064	948,525
Substandard/doubtful	24,966	113,545	106,725	110,071	171,124	270,072	220,244	53,737	1,070,484
Total	<u>\$ 4,076,652</u>	<u>\$ 4,240,931</u>	<u>\$ 3,029,900</u>	<u>\$ 2,901,226</u>	<u>\$ 2,989,957</u>	<u>\$ 7,771,015</u>	<u>\$ 4,720,343</u>	<u>\$ 91,856</u>	<u>\$ 29,821,880</u>
Charge-offs for the Nine Months Ended September 30, 2025									
Real estate mortgage	\$ --	\$ --	\$ --	\$ 14	\$ --	\$ 636	\$ --	\$ --	\$ 650
Production and intermediate-term	--	--	292	1,303	--	719	469	379	3,162
Agribusiness	--	4,976	502	2,213	1,332	5,125	706	69	14,923
Other	496	723	--	1,330	--	--	--	--	2,549
Total	<u>\$ 496</u>	<u>\$ 5,699</u>	<u>\$ 794</u>	<u>\$ 4,860</u>	<u>\$ 1,332</u>	<u>\$ 6,480</u>	<u>\$ 1,175</u>	<u>\$ 448</u>	<u>\$ 21,284</u>

Amortized Cost as of December 31, 2024	Term Loans by Origination Year						Revolving Loans	Converted to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
Real estate mortgage									
Acceptable	\$ 2,618,732	\$ 1,434,388	\$ 1,614,956	\$ 2,382,797	\$ 2,205,558	\$ 4,437,352	\$ 351,274	\$ 20,073	\$ 15,065,130
Special mention	22,279	25,274	56,709	19,708	34,051	68,907	29,461	310	256,699
Substandard/doubtful	6,981	20,133	71,673	93,276	101,062	123,701	25,102	2,109	444,037
Total real estate mortgage	\$ 2,647,992	\$ 1,479,795	\$ 1,743,338	\$ 2,495,781	\$ 2,340,671	\$ 4,629,960	\$ 405,837	\$ 22,492	\$ 15,765,866
Production and intermediate-term									
Acceptable	\$ 764,141	\$ 453,478	\$ 330,506	\$ 212,578	\$ 120,023	\$ 114,805	\$ 2,661,834	\$ 7,594	\$ 4,664,959
Special mention	25,143	9,911	5,614	4,110	3,375	1,332	108,050	627	158,162
Substandard/doubtful	19,084	9,344	4,604	1,670	9,635	5,565	88,819	39,665	178,386
Total production and intermediate-term	\$ 808,368	\$ 472,733	\$ 340,724	\$ 218,358	\$ 133,033	\$ 121,702	\$ 2,858,703	\$ 47,886	\$ 5,001,507
Agribusiness									
Acceptable	\$ 1,102,693	\$ 713,270	\$ 730,489	\$ 397,715	\$ 271,402	\$ 772,464	\$ 1,684,221	\$ 4,041	\$ 5,676,295
Special mention	35,186	657	72,971	30,217	51,016	8,045	39,993	--	238,085
Substandard/doubtful	45,377	2,545	34,827	102,234	13,376	19,449	82,548	493	300,849
Total agribusiness	\$ 1,183,256	\$ 716,472	\$ 838,287	\$ 530,166	\$ 335,794	\$ 799,958	\$ 1,806,762	\$ 4,534	\$ 6,215,229
Other									
Acceptable	\$ 759,997	\$ 1,011,391	\$ 559,049	\$ 311,210	\$ 150,291	\$ 577,267	\$ 99,722	\$ 2,274	\$ 3,471,201
Special mention	14,661	6,355	1,461	17,146	8,574	4,844	875	--	53,916
Substandard/doubtful	25,290	4,095	5,307	1,733	2,950	14,012	1,416	--	54,803
Total other	\$ 799,948	\$ 1,021,841	\$ 565,817	\$ 330,089	\$ 161,815	\$ 596,123	\$ 102,013	\$ 2,274	\$ 3,579,920
Total									
Acceptable	\$ 5,245,563	\$ 3,612,527	\$ 3,235,000	\$ 3,304,300	\$ 2,747,274	\$ 5,901,888	\$ 4,797,051	\$ 33,982	\$ 28,877,585
Special mention	97,269	42,197	136,755	71,181	97,016	83,128	178,379	937	706,862
Substandard/doubtful	96,732	36,117	116,411	198,913	127,023	162,727	197,885	42,267	978,075
Total	\$ 5,439,564	\$ 3,690,841	\$ 3,488,166	\$ 3,574,394	\$ 2,971,313	\$ 6,147,743	\$ 5,173,315	\$ 77,186	\$ 30,562,522
Charge-offs for the Nine Months Ended September 30, 2024									
Real estate mortgage	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,979	\$ 9	\$ --	\$ 2,988
Production and intermediate-term	146	16	924	--	306	2,581	258	419	4,650
Agribusiness	--	83	54	7,079	--	--	6,747	41	14,004
Other	--	1,294	--	39	--	268	1,557	--	3,158
Total	\$ 146	\$ 1,393	\$ 978	\$ 7,118	\$ 306	\$ 5,828	\$ 8,571	\$ 460	\$ 24,800

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	Accruing Loans 90 Days or More Past Due
					Total
Real estate mortgage	\$ 75,021	\$ 110,219	\$ 185,240	\$ 15,521,052	\$ 15,706,292
Production and intermediate-term	65,018	115,843	180,861	4,267,362	4,448,223
Agribusiness	26,247	6,249	32,496	6,109,284	6,141,780
Other	47,712	16,906	64,618	3,460,967	3,525,585
Total	\$ 213,998	\$ 249,217	\$ 463,215	\$ 29,358,665	\$ 29,821,880

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	Accruing Loans 90 Days or More Past Due
					Total
Real estate mortgage	\$ 92,180	\$ 74,750	\$ 166,930	\$ 15,598,936	\$ 15,765,866
Production and intermediate-term	39,382	61,119	100,501	4,901,006	5,001,507
Agribusiness	17,481	21,644	39,125	6,176,104	6,215,229
Other	17,401	17,480	34,881	3,545,039	3,579,920
Total	\$ 166,444	\$ 174,993	\$ 341,437	\$ 30,221,085	\$ 30,562,522

Nonaccrual Loans

Nonaccrual Loans Information

(in thousands)	For the Nine Months Ended		
	As of September 30, 2025		September 30, 2025
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	\$ 204,836	\$ 117,226	\$ 3,545
Production and intermediate-term	138,928	23,033	1,101
Agribusiness	80,974	17,200	--
Other	24,712	8,214	18
Total	\$ 449,450	\$ 165,673	\$ 4,664

(in thousands)	For the Nine Months Ended		
	As of December 31, 2024		September 30, 2024
	Amortized Cost	Amortized Cost Without Allowance	Interest Income (Reversed) Recognized
Nonaccrual loans:			
Real estate mortgage	\$ 135,682	\$ 83,525	\$ (1,035)
Production and intermediate-term	88,485	33,405	(2,797)
Agribusiness	102,120	29,540	1
Other	15,101	8,498	23
Total	\$ 341,388	\$ 154,968	\$ (3,808)

At the time the loans were transferred to nonaccrual status, we wrote-off accrued interest receivable, as a reversal of interest income of \$3.1 million and \$6.1 million for the nine months ended September 30, 2025, and 2024, respectively.

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 - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Deferral	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
	Rate Reduction	Term Extension	Payment Deferral					
For the nine months ended September 30, 2025								
Real estate mortgage	\$ 5,309	\$ 3,065	\$ 34,223	\$ 532	\$ 1,166	\$ 329	\$ 44,624	0.15%
Production and intermediate-term	543	14,533	1,658	13,916	6	288	30,944	0.10%
Agribusiness	--	1,850	--	176	--	--	2,026	0.01%
Total	\$ 5,852	\$ 19,448	\$ 35,881	\$ 14,624	\$ 1,172	\$ 617	\$ 77,594	0.26%
Loan modifications granted as a percentage of total loans	0.02%	0.07%	0.12%	0.05%	0.00%	0.00%	0.26%	

For the nine months ended September 30, 2024	Interest			Combination - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Deferral	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
	Rate Reduction	Term Extension	Payment Deferral					
Real estate mortgage	\$ 568	\$ 4,537	\$ 5,547	\$ --	\$ --	\$ --	\$ 10,652	0.04%
Production and intermediate-term	2,227	44,470	498	8,075	--	4,879	60,149	0.21%
Agribusiness	186	41,693	--	--	--	--	41,879	0.14%
Total	\$ 2,981	\$ 90,700	\$ 6,045	\$ 8,075	\$ --	\$ 4,879	\$ 112,680	0.39%
Loan modifications granted as a percentage of total loans	0.01%	0.31%	0.02%	0.03%	--	0.02%	0.39%	

Financial Effect of Loan Modifications

	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness (\$ in thousands)
For the nine months ended September 30, 2025				
Real estate mortgage				
Interest rate reduction	0.2%			
Term extension		335		
Payment deferral			6	
Combination - interest rate reduction and term extension	0.5%	279		
Combination - interest rate reduction and payment deferral	0.4%		12	
Combination - term extension and payment deferral		189	189	
Production and intermediate-term				
Interest rate reduction	5.5%			
Term extension		22		
Payment deferral			9	
Combination - interest rate reduction and term extension	5.5%	10		
Combination - interest rate reduction and payment deferral	9.0%		24	
Combination - term extension and payment deferral		12	12	
Agribusiness				
Term extension		3		
Combination - interest rate reduction and term extension	1.1%	12		
For the nine months ended September 30, 2024				
Real estate mortgage				
Interest rate reduction	4.2%			
Term extension		103		
Payment deferral			10	
Production and intermediate-term				
Interest rate reduction	2.8%			
Term extension		34		
Payment deferral			8	
Principal forgiveness				6,839
Combination - interest rate reduction and term extension	4.7%	19		
Combination - term extension and payment deferral		10	8	
Agribusiness				
Interest rate reduction	2.0%			
Term extension		43		
Principal forgiveness				43,266
Other				
Principal forgiveness				317

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)	Interest			Combination -	Combination -	Combination -
	Rate	Term	Payment	Interest Rate	Interest Rate	Term Extension
For the nine months ended September 30, 2025	Reduction	Extension	Deferral	Reduction and Term Extension	Reduction and Payment Deferral	and Payment Deferral
Real estate mortgage	\$ --	\$ --	\$ 395	\$ --	\$ --	\$ --
Production and intermediate-term	579	5,834	92	5,054	6	906
Agribusiness	--	403	--	--	--	--
Total	\$ 579	\$ 6,237	\$ 487	\$ 5,054	\$ 6	\$ 906

(in thousands)	Interest			Combination -	Combination -	Combination -
	Rate	Term	Payment	Interest Rate	Interest Rate	Term Extension
For the nine months ended September 30, 2024	Reduction	Extension	Deferral	Reduction and Term Extension	Reduction and Payment Deferral	and Payment Deferral
Real estate mortgage	\$ 7,057	\$ --	\$ --	\$ --	\$ --	\$ --
Production and intermediate-term	--	3,860	445	--	--	878
Agribusiness	--	189	--	--	--	--
Total	\$ 7,057	\$ 4,049	\$ 445	\$ --	\$ --	\$ 878

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		30-89	90 Days	Total
	or Less Than 30	Days Past Due	Days Past Due	or More Past Due	
As of September 30, 2025	Days Past Due	Past Due	Past Due	Past Due	Total
Real estate mortgage	\$ 46,407	\$ --	\$ 395	\$ 46,802	46,802
Production and intermediate-term	32,674	2,021	5,018	39,713	39,713
Agribusiness	3,612	153	313	4,078	4,078
Total	\$ 82,693	\$ 2,174	\$ 5,726	\$ 90,593	90,593

(in thousands)	Not Past Due		30-89	90 Days	Total
	or Less Than 30	Days Past Due	Days Past Due	or More Past Due	
As of September 30, 2024	Days Past Due	Past Due	Past Due	Past Due	Total
Real estate mortgage	\$ 10,844	\$ --	\$ 7,057	\$ 17,901	17,901
Production and intermediate-term	73,622	2,913	2,465	79,000	79,000
Agribusiness	41,598	2,132	110	43,840	43,840
Total	\$ 126,064	\$ 5,045	\$ 9,632	\$ 140,741	140,741

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 \$4.5 million at September 30, 2025, and \$59.4 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 and utilizing a multitude of macroeconomic variables. The key macroeconomic variables that most significantly affect our estimate of the allowance for credit losses on loans and unfunded commitments include the following: cash receipts for corn, soybeans, dairy, and swine; selected input costs for producers (land cash rents and prices of seed, fertilizer, and feed); net farm income; United States real gross domestic product; Dow Jones total stock market index; civilian unemployment rates; consumer price index, housing price index; agricultural land values; and interest rates (prime and conventional mortgage rates).

We consider multiple macroeconomic scenarios in the estimate of the allowance for credit losses on loans and unfunded commitments which include base, adverse, and positive scenarios. The adverse scenario includes macroeconomic factors reflecting downside potential relative to the base scenario. The positive scenario includes potential upside in the macroeconomic factors above the base scenario. As of September 30, 2025, we utilized only the base scenario in determining our estimate of the allowance for credit losses on loans and unfunded commitments. 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	\$ 113,022	\$	75,630
Provision for credit losses on loans	125,170		79,747
Loan recoveries	3,653		745
Loan charge-offs	(21,284)		(24,800)
Balance at end of period	\$ 220,561	\$	131,322
Allowance for Credit Losses on Unfunded Commitments			
Balance at beginning of period	\$ 5,839	\$	8,617
Provision for credit losses on unfunded commitments	954		(2,633)
Balance at end of period	\$ 6,793	\$	5,984
Total allowance for credit losses	\$ 227,354	\$	137,306

The change in the allowance for credit losses on loans from December 31, 2024, was primarily related to a limited number of loans within our Animal Agriculture, Agri-Access, and Capital Markets business units and deteriorating credit quality in adversely classified loans within our AgTech Financing business unit.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of \$2.2 billion at September 30, 2025, and \$1.9 billion at December 31, 2024. Our investment securities consisted of:

- Mortgage-backed securities (MBS) issued by the Federal Agricultural Mortgage Corporation (Farmer Mac) or by the United States Department of Agriculture (USDA)
- Asset-backed securities (ABS) guaranteed by the Small Business Administration (SBA)
- Municipal revenue bonds and corporate debt securities (Bonds)

All of our investment securities, except \$17.0 million at September 30, 2025, and \$66.0 million at December 31, 2024, were fully guaranteed by Farmer Mac, the SBA, or the USDA. 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. We had an allowance for credit losses on investment securities of \$889 thousand at September 30, 2025. There was no allowance for credit losses on investment securities at December 31, 2024.

Additional Investment Securities Information

(dollars in thousands)	Amortized	Unrealized	Unrealized	Fair	Weighted
As of September 30, 2025	Cost	Gains	Losses	Value	Average
MBS and bonds	\$ 632,396	\$ 3,822	\$ (41,589)	\$ 594,629	4.3%
ABS	1,568,432	4,383	(9,157)	1,563,658	5.6%
Total	\$ 2,200,828	\$ 8,205	\$ (50,746)	\$ 2,158,287	5.2%
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As of December 31, 2024	Amortized	Unrealized	Unrealized	Fair	Weighted
	Cost	Gains	Losses	Value	Average
MBS and bonds	\$ 679,384	\$ 2,197	\$ (55,581)	\$ 626,000	4.2%
ABS	1,213,130	2,004	(22,722)	1,192,412	5.2%
Total	\$ 1,892,514	\$ 4,201	\$ (78,303)	\$ 1,818,412	4.9%

Accrued interest receivable on investment securities is presented in "Accrued interest receivable" in the Consolidated Statements of Condition and was \$16.4 million at September 30, 2025, and \$16.6 million at December 31, 2024.

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled \$75.4 million and \$66.6 million 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	\$ 48,930
Five to ten years	893,599
More than ten years	1,258,299
Total	<u>\$ 2,200,828</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. On an ongoing basis, management (after consultation with legal counsel) assesses our liabilities and contingencies in connection with such proceedings. For those matters where it is probable that we will incur losses and the amounts of the losses can be reasonably estimated, we record an expense and corresponding liability in the Consolidated Financial Statements. We had no such probable losses recognized as of September 30, 2025. We are subject to a certain pending matter for which management has assessed that risk of loss, though not probable, is reasonably possible at September 30, 2025. We do not believe that the estimated loss related to this pending matter is material to our consolidated financial position, based upon currently available information. We cannot rule out the possibility that other such actions or outcomes will be material to our consolidated results of operations in the future.

Refer to Note 13 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.

Recurring Basis

The following represents a summary of the assets, valuation techniques, and inputs used to measure fair value on a recurring basis:

Loans Held For Sale: The loans held for sale portfolio is held at fair value. Fair value is based on prices for other similar mortgage loans with similar characteristics. As necessary, these prices are adjusted for typical securitization activities, including servicing value, portfolio composition, market conditions, and liquidity. We had loans held for sale of \$10.1 million and \$26.6 million as of September 30, 2025, and December 31, 2024, respectively, which were valued using Level 3 inputs. There were no fair value gains or losses related to these loans for the nine months ended September 30, 2025, or 2024.

Non-Recurring Basis

We may also be required, from time to time, to measure certain assets at fair value on a non-recurring basis. The following represents a summary of the assets, valuation techniques, and inputs used to measure fair value on a non-recurring basis:

Loans Held to Maturity: 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.

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of September 30, 2025	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans held to maturity	\$ --	\$ --	\$ 122,497	\$ 122,497
Other property owned	--	--	4,764	4,764

As of December 31, 2024	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans held to maturity	\$ --	\$ --	\$ 118,225	\$ 118,225
Other property owned	--	--	6,990	6,990

NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 7, 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.