Quarterly Report
March 31, 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 focuses on overall macroeconomic conditions, as well as agricultural economic conditions with particular 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. Also covered is an overview of newly imposed import tariffs, counter-tariffs, and the temporary tariff suspensions effective at the time of writing.

The Compeer portfolio continues to maintain low delinquencies and strong credit quality. While grain prices remain challenging, dairy and hog industries benefit from favorable prices and lower feed costs, resulting in solid financial positions. Economic uncertainty rose in early 2025 due to federal policy changes, especially in trade, causing market volatility. Macroeconomically, the labor market is stable, inflation is somewhat elevated, and the Federal Reserve funds target rate stayed constant. Despite this macroeconomic uncertainty, historical data shows stability in Compeer's core markets.

Agricultural Conditions

The United States Department of Agriculture (USDA) Economic Research Service released their first 2025 income forecast in February. The USDA estimated a $180.1 billion net farm income forecast for 2025, an inflation-adjusted increase of $37.7 billion (26.4%) over 2024, which if achieved would be above the 20-year inflation-adjusted average. A significant portion of the expected net farm income growth stems from the forecasted $33.1 billion increase in government subsidies to farms. This is due to the supplemental ad hoc disaster assistance provided to farmers and ranchers through the American Relief Act (ARA) enacted in December 2024. The first payments from ARA were released at the end of March via an acreage-based formula for crop producers under the $10 billion Emergency Commodity Assistance Program (ECAP). ECAP payments were $42.91 per acre for corn and $29.76 per acre for soybeans.

Total farm cash receipts are forecast to decrease slightly from 2024 by 0.3%. This overall cash receipt decrease represents a reduction in crop receipts, offset by an increase in livestock receipts. Production expenses are also forecast to decline slightly (by 0.6%), with the largest decline in the feed expense category, driven by lower grain prices.

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. The 2025 price discovery values increased over the comparatively lower 2024 harvest prices ($4.16 per bushel corn and $10.03 per bushel soybeans). This increase is due to a post-January 2025 World Agricultural Supply and Demand Estimate (WASDE) futures market price increase for both corn and soybeans, driven by a positive market reaction to a partial pause in additional tariffs during early February 2025.

Industry Conditions

Our analysis focused on the forecast for commodities with the highest concentrations in Compeer's loan portfolio. These forecasts applied to the industry in general, and individual producers might experience varying performance levels relative to the industry.

Grain
The March 2025 USDA Prospective Planting report estimated corn planted in 2025 at 95.3 million acres, up 5.0% or 4.7 million acres from last year. This makes it the largest corn acreage intention since 2020 and showing farmers' intended aggregate preference for corn over soybeans in 2025. The USDA estimates soybeans planted for 2025 at 83.5 million acres, down 4.0% from last year. The Illinois expectation is for 22.9 million planted acres across all commodities in 2025, similar to 2024 acreage. Minnesota is expected to increase planted commodity acres by 54,000 to 19.3 million acres. Wisconsin expects an increase of 37,000 planted acres to a total of 8.0 million acres. The March 2025 USDA Seasonal Grain Stocks report indicated that corn stocks totaled 8.2 billion bushels, down 2.0% from March 2024. Soybeans stored in March 2025 totaled 1.9 billion bushels, up 4.0% from March 2024.

The April 2025 WASDE reported greater exports, reduced feed and residual use, and smaller ending stocks for United States (U.S.) corn. Feed and residual use decreased by 25 million bushels to 5.8 billion bushels, while exports rose by 100 million bushels due to strong sales and competitive prices, resulting in ending stocks falling to 1.5 billion bushels. The season-average corn price remains steady at $4.35 per bushel. Global coarse grain production is forecasted to be slightly lower at 1.5 billion tons.

For U.S. soybeans, higher imports and crush, along with lower ending stocks, are expected. The soybean crush increased by 10 million bushels to 2.4 billion due to higher domestic use and oil exports. Soybean oil exports are up, while biofuel oil use decreased. However, stronger use is anticipated later in the year due to tariffs on other biofuel feedstocks. Soybean ending stocks are down 5 million bushels to 375 million bushels, with the average price holding at $9.95 per bushel. Soybean meal price decreased by $10 to $300 per ton, while the soybean oil price increased by $0.02 to $0.45 per pound.

Dairy
The March 2025 USDA Milk Production report estimated milk production during February 2025 totaled 17.7 billion pounds nationally, down 2.5% year-over-year. Production per cow in the U.S. averaged 1,885 pounds for February 2025, 61 pounds below the year prior. The U.S. had 9.4 million milk cows in February 2025, up 62,000 from February 2024, and up 15,000 from January 2025. This shows a moderate national rebound from the historically small herd size in 2024. Despite this, Illinois, Minnesota, and Wisconsin saw declines in cow numbers and milk production. The national drop was mainly due to California's 7.1% production decrease caused by the H5N1 strain of High Pathogen Avian Influenza in dairy herds. By the end of March 2025, production estimates had shifted back towards increased production resulting in more supply, while usage remained flat. As a result, wholesale price forecasts are not expected to increase. For the main dairy products, the USDA April 2025 milk price forecasts for Class III (cheese) and Class IV (whey) have been revised downward $0.35 to $17.60 per hundredweight (cwt) and $0.60 to $18.20 per cwt, respectively. The all-milk price forecast for 2025 was lowered again to $21.10 per cwt, a decline of $1.95 from the start of 2025.

Swine
The March 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. The breeding inventory was 6.0 million head, down 1% from last year. Market hog inventory stood at 68.5 million head, slightly down from last year. Pigs per litter averaged 11.7, marking an all-time historical high. Operations with over 5,000 hogs under contract comprised 52% of the total inventory, unchanged from last year. Pork production in the first quarter of 2025 decreased to 7 billion pounds due to fewer slaughter-ready hogs in February 2025. Live equivalent lean hog prices remained at $62 per cwt from the previous quarter, while the April 2025 WASDE projected 2025 price was slightly lowered to $61 per cwt.

Economic Conditions
During the first quarter of 2025, the national non-farm unemployment rate showed little change, ranging from 4.0% in January 2025 to 4.2% in March 2025. Seasonally adjusted job growth varied from 111,000 in January 2025 to 228,000 in March 2025. The Personal Consumption Expenditures Index indicated inflation at 2.5% year-over-year for January 2025 and February 2025. February 2025 saw increases in disposable personal income, outlays, and savings rates.

In response to inflation and unemployment data, the Federal Reserve paused rate changes at both their January 2025 and March 2025 meetings, leaving it at a target rate of 4.3-4.5%. In March 2025, the Federal Reserve announced a slower pace of quantitative tightening to begin in April 2025. Over the past three months, 30-year mortgage rates fell slightly to 6.7%. The S&P CoreLogic Case-Shiller Index hit a record 329.4 points in March 2025, reflecting strong home prices and demand despite economic uncertainty.

Trade policy impacts on economic conditions were evident, particularly in the significant trade of corn, milk, hogs, ethanol, and construction supplies across the borders in North America. Markets fluctuated due to the February 1, 2025 implementation of 25% tariffs on Canada and Mexico. This was paused on February 3, 2025, until March 4, 2025, and then adjusted on March 6, 2025, with a carve-out exemption for the United States-Mexico-Canada-Agreement (USMCA) and reduced tariff rates for certain inputs. Concurrently, tariffs on China began at 10% on February 1, 2025, and increased to 20% on March 4, 2025. This prompted Chinese retaliatory tariffs including, but not limited to, U.S. soy, pork, beef, and affecting steel and aluminum in March 2025. *

*Note this report covers economic conditions from January 1 to March 31, 2025, incorporating some April 2025 data but not analyzing the impact of major trade policies announced and modified in early April 2025. These policies led to market volatility from April 2-10, 2025. Grain and oilseed markets rebounded in April, while equities and bond markets remained more volatile. The USDA's April 2025 WASDE released a semi-similar disclaimer, reporting their estimates only factor in "trade policies that are in effect at the time of publication." As of April 10, 2025, USMCA exemptions for agricultural goods remained, and a 90-day pause on reciprocal tariffs was in effect, though a 10% baseline tariff announced on April 2, 2025, had proceeded. Tariffs on China had increased to 145% and were matched with 125% counter-tariffs by China on U.S. exports.

LOANS HELD TO MATURITY

Loans Held to Maturity

Loans held to maturity were $30.6 billion at March 31, 2025, an increase of $77.8 million from December 31, 2024. The increase was broad-based across many of our business units, led by our Marketplace Development and Capital Markets business units.

Portfolio Credit Quality

The credit quality of our portfolio declined slightly from December 31, 2024. Adversely classified loans increased to 3.4% of the portfolio at March 31, 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 March 31, 2025, $1.3 billion of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	**March 31, 2025**	December 31, 2024
Loans:		
Nonaccrual	**$ 361,029**	$ 341,388
Accruing loans 90 days or more past due	**50,401**	10,644
Total nonperforming loans	**411,430**	352,032
Other property owned	**4,678**	6,675
Total nonperforming assets	**$ 416,108**	$ 358,707
Total nonperforming loans as a percentage of total loans	**1.3%**	1.2%
Nonaccrual loans as a percentage of total loans	**1.2%**	1.1%
Current nonaccrual loans as a percentage of total nonaccrual loans	**41.7%**	46.7%
Total delinquencies as a percentage of total loans[1]	**1.6%**	1.1%

[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 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 quarter of 2025 continued to be isolated and mostly attributed to a limited number of Capital Markets and Animal Agriculture loans. 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 March 31, 2025, and December 31, 2024.

The increase in accruing loans 90 days or more past due was primarily due to one real estate mortgage participation loan purchased within our Agri-Access business unit. 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) As of:	**March 31, 2025**	December 31, 2024
Allowance for credit losses on loans	**$ 133,167**	$ 113,022
Allowance for credit losses on loans as a percentage of:		
Loans	**0.4%**	0.4%
Nonaccrual loans	**36.9%**	33.1%
Total nonperforming loans	**32.4%**	32.1%

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

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 $27.8 million through March 31, 2025, compared to $17.1 million for the same period in 2024. As of March 31, 2025, we had loans held for sale of $11.9 million, compared to $26.6 million as of December 31, 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the three months ended March 31,	**2025**	2024
Net income	**$ 138,529**	$ 149,456
Return on average assets	**1.6%**	1.9%
Return on average equity	**10.7%**	12.1%

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) For the three months ended March 31,	**2025**	2024	**Increase (decrease) in net income**
Net interest income	**$ 191,664**	$ 189,040	**$ 2,624**
Provision for credit losses	**19,975**	3,295	**(16,680)**
Non-interest income	**68,601**	66,927	**1,674**
Non-interest expense	**105,626**	98,148	**(7,478)**
(Benefit from) provision for income taxes	**(3,865)**	5,068	**8,933**
Net income	**$ 138,529**	$ 149,456	**$ (10,927)**

Net Interest Income

Changes in Net Interest Income

(in thousands) For the three months ended March 31,	**2025 vs 2024**
Changes in volume	**$ 10,716**
Changes in interest rates	**(10,174)**
Changes in nonaccrual interest income and other	**2,082**
Net change	**$ 2,624**

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. Provision for credit losses on loans for the three months ended March 31, 2025, is due to deteriorating credit quality in adversely classified loans within our AgTech Financing business unit and a limited number of loans within our Capital Markets and Animal Agriculture business units.

Non-Interest Income

The change in non-interest income was due to an increase in fee and other non-interest income and financially related services, along with a less significant increase in net operating lease income. These increases were partially offset by a decrease in patronage income.

Fee and Other Non-Interest Income: The increase in fee and other non-interest income was primarily due to our share of the Allocated Insurance Reserve Accounts (AIRA) distribution received from the Farm Credit System Insurance Corporation (FCSIC) of $5.2 million during the three months ended March 31, 2025. There was no distribution in the same period of 2024 due to a timing issue, as the payment was received in May 2024. The AIRA was established by FCSIC when premiums collected increased the level of the Farm Credit Insurance Fund beyond the required secured base amount of 2% of insured debt. Refer to the 2024 Annual Report for additional information about the FCSIC.

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

Patronage Income

(in thousands) For the three months ended March 31,	**2025**	2024
Patronage from AgriBank	**$ 26,834**	$ 32,523
AgDirect partnership distribution	**1,441**	1,436
Other patronage	**643**	546
Total patronage income	**$ 28,918**	$ 34,505

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, patronage income decreased in 2025 compared to the same period in 2024. The patronage rate earned on the average daily balance of our wholesale note payable to AgriBank was 13.2 basis points during the first quarter of 2025, consistent with AgriBank's capital plan, down from 21.7 basis points for the same period of 2024.

Non-Interest Expense

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

Salaries and Employee Benefits: Salaries and employee benefits includes salary, benefit, and variable compensation expenses. These expenses increased due to annual merit increases and additional new employees hired as the Association has grown.

Other Operating Expense: Other operating expense increased primarily due to an increase in legal expenses.

(Benefit from) Provision for Income Taxes

The change in (benefit from) provision for income taxes was primarily related to decreased taxable entity income caused by the increased provision for credit losses expenses.

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 March 31, 2025, or December 31, 2024.

Total equity increased $97.7 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:	**March 31, 2025**	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**11.8%**	12.3%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**12.1%**	12.7%	6.0%	2.5%	8.5%
Total capital ratio	**13.1%**	13.7%	8.0%	2.5%	10.5%
Permanent capital ratio	**12.8%**	13.4%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**11.9%**	12.5%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**11.3%**	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 March 31, 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

May 7, 2025

CONSOLIDATED STATEMENTS OF CONDITION

Compeer Financial, ACA
(in thousands)

As of:		March 31, 2025		December 31, 2024
		(Unaudited)		
ASSETS				
Loans held to maturity	**$**	**30,640,293**	$	30,562,522
Allowance for credit losses on loans		**133,167**		113,022
Net loans held to maturity		**30,507,126**		30,449,500
Loans held for sale		**11,908**		26,554
Net loans		**30,519,034**		30,476,054
Cash		**2,400**		2,400
Investment securities		**2,014,578**		1,892,514
Assets held for lease, net		**164,828**		169,045
Accrued interest receivable		**335,014**		354,250
Investment in AgriBank, FCB		**1,221,760**		1,214,354
Premises and equipment, net		**121,005**		120,390
Other assets		**470,841**		488,422
Total assets	**$**	**34,849,460**	$	34,717,429
LIABILITIES				
Note payable to AgriBank, FCB	**$**	**28,759,688**	$	28,666,750
Subordinated debt		**200,000**		200,000
Accrued interest payable		**268,120**		271,470
Patronage distribution payable		**175,814**		199,898
Other liabilities		**212,844**		243,976
Total liabilities		**29,616,466**		29,582,094
Contingencies and commitments (Note 4)				
EQUITY				
Preferred stock		**100,000**		100,000
Capital stock and participation certificates		**54,386**		53,103
Capital stock and participation certificates receivable		**(45,386)**		(43,412)
Additional paid-in capital		**1,780,603**		1,780,603
Allocated retained earnings		**110,251**		110,331
Unallocated retained earnings		**3,239,500**		3,141,264
Accumulated other comprehensive loss		**(6,360)**		(6,554)
Total equity		**5,232,994**		5,135,335
Total liabilities and equity	**$**	**34,849,460**	$	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)

	Three Months Ended	
For the period ended March 31,	**2025**	2024
Interest income	**$ 460,495**	$ 443,567
Interest expense	**268,831**	254,527
Net interest income	**191,664**	189,040
Provision for credit losses	**19,975**	3,295
Net interest income after provision for credit losses	**171,689**	185,745
Non-interest income		
Patronage income	**28,918**	34,505
Net operating lease income	**3,669**	3,030
Financially related services income	**15,201**	14,549
Fee and other non-interest income	**20,813**	14,843
Total non-interest income	**68,601**	66,927
Non-interest expense		
Salaries and employee benefits	**67,952**	63,696
Farm Credit System insurance	**6,703**	6,243
Other operating expense	**29,808**	27,686
Other non-interest expense	**1,163**	523
Total non-interest expense	**105,626**	98,148
Income before income taxes	**134,664**	154,524
(Benefit from) provision for income taxes	**(3,865)**	5,068
Net income	**$ 138,529**	$ 149,456
Other comprehensive income		
Employee benefit plans activity	**$ 194**	$ 153
Total other comprehensive income	**194**	153
Comprehensive income	**$ 138,723**	$ 149,609

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	--	--	--	--	149,456	--	149,456
Other comprehensive income	--	--	--	--	--	153	153
Redemption of prior year allocated patronage	--	--	--	(94)	14	--	(80)
Preferred stock dividends	--	--	--	--	(1,219)	--	(1,219)
Other distributions	--	--	--	--	(3,250)	--	(3,250)
Unallocated retained earnings designated for patronage distributions	--	--	--	--	(39,169)	--	(39,169)
Capital stock and participation certificates issued	--	2,526	--	--	--	--	2,526
Capital stock and participation certificates retired	--	(692)	--	--	--	--	(692)
Additions to capital stock and participation certificates receivable, net	--	(3,157)	--	--	--	--	(3,157)
Balance at March 31, 2024	$ 100,000	$ 11,879	$ 1,780,603	$ 162,843	$ 2,921,941	$ (7,122)	$ 4,970,144
Balance at December 31, 2024	$ 100,000	$ 9,691	$ 1,780,603	$ 110,331	$ 3,141,264	$ (6,554)	$ 5,135,335
Net income	**--**	**--**	**--**	**--**	**138,529**	**--**	**138,529**
Other comprehensive income	**--**	**--**	**--**	**--**	**--**	**194**	**194**
Redemption of prior year allocated patronage	**--**	**--**	**--**	**(80)**	**9**	**--**	**(71)**
Preferred stock dividends	**--**	**--**	**--**	**--**	**(1,219)**	**--**	**(1,219)**
Other distributions	**--**	**--**	**--**	**--**	**(3,575)**	**--**	**(3,575)**
Unallocated retained earnings designated for patronage distributions	**--**	**--**	**--**	**--**	**(35,508)**	**--**	**(35,508)**
Capital stock and participation certificates issued	**--**	**2,046**	**--**	**--**	**--**	**--**	**2,046**
Capital stock and participation certificates retired	**--**	**(763)**	**--**	**--**	**--**	**--**	**(763)**
Additions to capital stock and participation certificates receivable, net	**--**	**(1,974)**	**--**	**--**	**--**	**--**	**(1,974)**
Balance at March 31, 2025	**$ 100,000**	**$ 9,000**	**$ 1,780,603**	**$ 110,251**	**$ 3,239,500**	**$ (6,360)**	**$ 5,232,994**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the three months ended March 31, 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.	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 expect to adopt the standard as of January 1, 2025. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain 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 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.

NOTE 2: LOANS HELD TO MATURITY AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Throughout Note 2 accrued interest receivable on loans of $320.1 million at March 31, 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.

Loans by Type

(dollars in thousands)

As of:	**March 31, 2025**		December 31, 2024	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	**$ 15,910,712**	**51.9%**	$ 15,765,866	51.6%
Production and intermediate-term	**4,493,128**	**14.7%**	5,001,507	16.4%
Agribusiness	**6,572,707**	**21.4%**	6,215,229	20.3%
Other	**3,663,746**	**12.0%**	3,579,920	11.7%
Total	**$ 30,640,293**	**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).

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 life of the loan. 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 during the remaining life of the loan. 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 March 31, 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 March 31, 2025	Acceptable	Special Mention	Substandard/ Doubtful	Total
Real estate mortgage	**95.2%**	**1.9%**	**2.9%**	**100.0%**
Production and intermediate-term	**90.7%**	**4.3%**	**5.0%**	**100.0%**
Agribusiness	**91.7%**	**3.8%**	**4.5%**	**100.0%**
Other	**96.6%**	**1.8%**	**1.6%**	**100.0%**
Total	**94.0%**	**2.6%**	**3.4%**	**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) Amortized Cost as of March 31, 2025	Term Loans by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Real estate mortgage									
Acceptable	$ 675,151	$ 2,545,762	$ 1,366,210	$ 1,557,988	$ 2,322,826	$ 6,375,435	$ 282,581	$ 21,797	$ 15,147,750
Special mention	6,171	29,242	30,889	67,465	26,624	106,092	35,765	310	302,558
Substandard/doubtful	2,734	14,156	31,843	66,777	99,360	220,061	23,364	2,109	460,404
Total real estate mortgage	$ 684,056	$ 2,589,160	$ 1,428,942	$ 1,692,230	$ 2,448,810	$ 6,701,588	$ 341,710	$ 24,216	$ 15,910,712
Production and intermediate-term									
Acceptable	$ 235,752	$ 632,510	$ 405,907	$ 287,335	$ 173,460	$ 197,200	$ 2,142,296	$ 4,467	$ 4,078,927
Special mention	9,954	28,506	10,647	5,023	3,552	3,546	128,559	1,175	190,962
Substandard/doubtful	1,630	21,855	13,282	8,756	2,837	14,932	120,629	39,318	223,239
Total production and intermediate-term	$ 247,336	$ 682,871	$ 429,836	$ 301,114	$ 179,849	$ 215,678	$ 2,391,484	$ 44,960	$ 4,493,128
Agribusiness									
Acceptable	$ 280,597	$ 1,101,981	$ 728,781	$ 669,486	$ 361,405	$ 947,646	$ 1,929,809	$ 3,429	$ 6,023,134
Special mention	--	39,459	629	69,835	26,593	52,181	63,162	--	251,859
Substandard/doubtful	--	41,576	3,557	25,982	93,187	35,855	96,865	692	297,714
Total agribusiness	$ 280,597	$ 1,183,016	$ 732,967	$ 765,303	$ 481,185	$ 1,035,682	$ 2,089,836	$ 4,121	$ 6,572,707
Other									
Acceptable	$ 187,337	$ 713,385	$ 1,009,159	$ 540,367	$ 288,302	$ 708,014	$ 92,822	$ 2,274	$ 3,541,660
Special mention	1,380	13,063	8,541	8,339	18,252	13,725	1,046	--	64,346
Substandard/doubtful	--	27,251	4,896	5,457	2,019	16,697	1,420	--	57,740
Total other	$ 188,717	$ 753,699	$ 1,022,596	$ 554,163	$ 308,573	$ 738,436	$ 95,288	$ 2,274	$ 3,663,746
Total									
Acceptable	$ 1,378,837	$ 4,993,638	$ 3,510,057	$ 3,055,176	$ 3,145,993	$ 8,228,295	$ 4,447,508	$ 31,967	$ 28,791,471
Special mention	17,505	110,270	50,706	150,662	75,021	175,544	228,532	1,485	809,725
Substandard/doubtful	4,364	104,838	53,578	106,972	197,403	287,545	242,278	42,119	1,039,097
Total	$ 1,400,706	$ 5,208,746	$ 3,614,341	$ 3,312,810	$ 3,418,417	$ 8,691,384	$ 4,918,318	$ 75,571	$ 30,640,293
Charge-offs for the Three Months Ended March 31, 2025									
Production and intermediate-term	$ --	$ --	$ 47	$ 191	$ --	$ 2	$ 154	$ 208	$ 602
Agribusiness	--	455	75	1,044	--	--	--	--	1,574
Total	$ --	$ 455	$ 122	$ 1,235	$ --	$ 2	$ 154	$ 208	$ 2,176

Amortized Cost as of December 31, 2024	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
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 Three Months Ended March 31, 2024									
Production and intermediate-term	$ --	$ 12	$ --	$ --	$ --	$ --	$ 26	$ 1	$ 39
Agribusiness	--	--	--	--	--	--	3	2	5
Other	--	--	--	34	--	41	--	--	75
Total	$ --	$ 12	$ --	$ 34	$ --	$ 41	$ 29	$ 3	$ 119

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands) **As of March 31, 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	**$ 95,325**	**$ 139,646**	**$ 234,971**	**$ 15,675,741**	**$ 15,910,712**	**$ 36,155**
Production and intermediate-term	**71,349**	**64,526**	**135,875**	**4,357,253**	**4,493,128**	**406**
Agribusiness	**33,587**	**10,096**	**43,683**	**6,529,024**	**6,572,707**	**--**
Other	**69,808**	**19,391**	**89,199**	**3,574,547**	**3,663,746**	**13,840**
Total	**$ 270,069**	**$ 233,659**	**$ 503,728**	**$ 30,136,565**	**$ 30,640,293**	**$ 50,401**

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	$ 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	10,644
Total	$ 166,444	$ 174,993	$ 341,437	$ 30,221,085	$ 30,562,522	$ 10,644

Nonaccrual Loans

Nonaccrual Loans Information

(in thousands)	**As of March 31, 2025** Amortized Cost	 Amortized Cost Without Allowance	**For the Three Months Ended March 31, 2025** Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	**$ 144,509**	**$ 94,368**	**$ 1,322**
Production and intermediate-term	**118,015**	**25,886**	**1,911**
Agribusiness	**81,957**	**30,345**	**2**
Other	**16,548**	**9,869**	**5**
Total	**$ 361,029**	**$ 160,468**	**$ 3,240**

	As of December 31, 2024 Amortized Cost	 Amortized Cost Without Allowance	For the Three Months Ended March 31, 2024 Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	$ 135,682	$ 83,525	$ 369
Production and intermediate-term	88,485	33,405	694
Agribusiness	102,120	29,540	--
Other	15,101	8,498	8
Total	$ 341,388	$ 154,968	$ 1,071

Reversals of interest income on loans that transferred to nonaccrual status were not material for the three months ended March 31, 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 three months ended March 31, 2025**	Interest Rate Reduction	Term Extension	Payment Deferral	Principal Forgiveness	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	**$ 2,194**	**$ 3,300**	**$ 1,470**	**$ --**	**$ --**	**$ 348**	**$ 7,312**	**0.0%**
Production and intermediate-term	**--**	**4,740**	**364**	**--**	**1,184**	**398**	**6,686**	**0.0%**
Agribusiness	**--**	**867**	**--**	**1**	**29**	**--**	**897**	**0.0%**
Total	**$ 2,194**	**$ 8,907**	**$ 1,834**	**$ 1**	**$ 1,213**	**$ 746**	**$ 14,895**	**0.0%**
Loan modifications granted as a percentage of total loans	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	

For the three months ended March 31, 2024	Interest Rate Reduction	Term Extension	Payment Deferral	Principal Forgiveness	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	$ --	$ 1,264	$ 1,384	$ --	$ --	$ --	$ 2,648	0.0%
Production and intermediate-term	--	28,032	31	--	--	136	28,199	0.1%
Agribusiness	--	715	--	--	--	--	715	0.0%
Total	$ --	$ 30,011	$ 1,415	$ --	$ --	$ 136	$ 31,562	0.1%
Loan modifications granted as a percentage of total loans	--	0.1%	0.0%	--	--	0.0%	0.1%	

Financial Effect of Loan Modifications

For the three months ended March 31, 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	**0.1%**			
Term extension		**301**		
Payment deferral			**20**	
Combination - term extension and payment deferral		**189**	**189**	
Production and intermediate-term				
Term extension		**48**		
Payment deferral			**12**	
Combination - interest rate reduction and term extension	**6.1%**	**27**		
Combination - term extension and payment deferral		**10**	**10**	
Agribusiness				
Term extension		**8**		
Principal forgiveness				**1,845**
Combination - interest rate reduction and term extension	**8.5%**	**20**		

For the three months ended March 31, 2024	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness ($ in thousands)
Real estate mortgage				
Term extension		63		
Payment deferral			11	
Production and intermediate-term				
Term extension		5		
Payment deferral			3	
Principal forgiveness				64
Combination - term extension and payment deferral		5	3	
Agribusiness				
Term extension		125		
Principal forgiveness				35,340
Other				
Principal forgiveness				53

The following table presents the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2025, or 2024, in which the modifications were within the twelve months preceding the default.

Loan Modifications that Subsequently Defaulted

(in thousands) **For the three months ended March 31, 2025**	Interest Rate Reduction	Term Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral
Production and intermediate-term	**$ 611**	**$ 6,072**	**$ 6,029**	**$ 1,191**
Agribusiness	**--**	**107**	**--**	**--**
Total	**$ 611**	**$ 6,179**	**$ 6,029**	**$ 1,191**

For the three months ended March 31, 2024	Interest Rate Reduction	Term Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral
Production and intermediate-term	$ --	$ 3,724	$ --	$ --
Agribusiness	--	10,035	--	--
Total	$ --	$ 13,759	$ --	$ --

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 March 31, 2025**	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	**$ 15,258**	**$ --**	**$ 1,834**	**$ 17,092**
Production and intermediate-term	**42,569**	**7,966**	**12,374**	**62,909**
Agribusiness	**42,621**	**168**	**681**	**43,470**
Total	**$ 100,448**	**$ 8,134**	**$ 14,889**	**$ 123,471**

As of March 31, 2024	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 11,479	$ 871	$ --	$ 12,350
Production and intermediate-term	48,190	1,412	1,853	51,455
Agribusiness	2,768	179	10,034	12,981
Total	$ 62,437	$ 2,462	$ 11,887	$ 76,786

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at March 31, 2025, or 2024.

Additional commitments were $2.1 million at March 31, 2025, and $59.4 million at December 31, 2024, to lend to borrowers experiencing financial difficulty whose loans were modified during the three months ended March 31, 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 March 31, 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) Three months ended March 31,	**2025**	2024
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$ 113,022**	$ 75,630
Provision for credit losses on loans	**20,327**	3,863
Loan recoveries	**1,994**	1,287
Loan charge-offs	**(2,176)**	(119)
Balance at end of period	**$ 133,167**	$ 80,661
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$ 5,839**	$ 8,617
Provision for credit losses on unfunded commitments	**(352)**	(568)
Balance at end of period	**$ 5,487**	$ 8,049
Total allowance for credit losses	**$ 138,654**	$ 88,710

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

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $2.0 billion at March 31, 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 guaranteed by the Small Business Administration (SBA) or by the United States Department of Agriculture (USDA)
- Asset-backed securities (ABS) guaranteed by SBA or USDA
- Municipal revenue bonds and corporate debt securities (Bonds)

The investment securities have been classified as held-to-maturity. MBS are generally longer-term investments and ABS are generally shorter-term investments. Farmer Mac guaranteed investments are typically MBS while SBA and USDA guaranteed investments may be comprised of either MBS or ABS. All of our investment securities, except $73.4 million at March 31, 2025, compared to $66.0 million at December 31, 2024, were fully guaranteed by Farmer Mac, SBA, or USDA. Premiums paid to purchase the investments are not guaranteed and are amortized as a reduction of interest income.

There was no allowance for credit losses on investment securities at March 31, 2025, or December 31, 2024.

Additional Investment Securities Information

(dollars in thousands) **As of March 31, 2025**	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
MBS and bonds	**$ 700,442**	**$ 3,492**	**$ (48,485)**	**$ 655,449**	**4.2%**
ABS	**1,314,136**	**1,272**	**(42,296)**	**1,273,112**	**5.2%**
Total	**$ 2,014,578**	**$ 4,764**	**$ (90,781)**	**$ 1,928,561**	**4.9%**

As of December 31, 2024	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
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 $15.0 million at March 31, 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 $22.9 million and $21.1 million for the three months ended March 31, 2025, and 2024, respectively.

Contractual Maturities of Investment Securities

(in thousands) **As of March 31, 2025**		Amortized Cost
Less than one year	$	**53,986**
One to five years		**47,144**
Five to ten years		**755,421**
More than ten years		**1,158,027**
Total	$	**2,014,578**

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 March 31, 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 March 31, 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 $11.9 million and $26.6 million as of March 31, 2025, and December 31, 2024, respectively, which were valued using Level 3 inputs. There were no gains or losses related to these loans for the three months ended March 31, 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 March 31, 2025	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans held to maturity	**$ --**	**$ --**	**$ 112,111**	**$ 112,111**
Other property owned	**--**	**--**	**4,764**	**4,764**

As of December 31, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
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 May 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.