# Farm Credit Illinois, ACA

**Quarterly Report**
**September 30, 2026**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Illinois, ACA and its subsidiaries, Farm Credit Illinois, FLCA and Farm Credit Illinois, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2025 (2025 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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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 2025 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

### AGRICULTURAL AND ECONOMIC CONDITIONS

The September 2026 United States Department of Agriculture (USDA) World Agricultural Supply and Demand Estimates reduced its forecast for 2026 corn yields to 178.5 bushels per acre after weather concerns emerged during the latter part of the growing season. Despite the reduction, projected production remains large at 15.8 billion bushels. Corn ending stocks are forecast at 1.6 billion bushels, lower than earlier projections but still indicative of adequate supplies. Strengthening demand and reduced production expectations have supported prices, with the USDA increasing its projected season-average corn price to $4.80 per bushel for the 2026/2027 marketing year. Soybean production is currently forecast at 4.5 billion bushels with an average yield of 52.8 bushels per acre. Ending stocks are projected at 310.0 million bushels, and the USDA raised its season-average soybean price forecast to $12.00 per bushel as global demand remains supportive. These projections represent a more favorable pricing environment for grain producers than was anticipated entering the 2026 growing season.

Harvest activities have begun across Illinois, with progress running modestly ahead of historical averages in most areas of the state. As of late September 2026, approximately 26.0% of Illinois corn acres and 21.0% of soybean acres had been harvested, both ahead of five-year average levels. Crop condition ratings have generally remained favorable throughout much of the state, although yield expectations continue to vary considerably by region due to localized weather patterns. Early harvest reports suggest that many producers are achieving solid yields, particularly where adequate moisture was received during key reproductive stages. While crop outcomes vary across our territory, the overall production environment appears more favorable than the challenging margin conditions experienced by many producers during the previous several years.

As producers evaluate 2026 crop results and make plans for the 2027 production year, attention is increasingly focused on input costs and profitability. Although crop prices have strengthened relative to expectations earlier in the year, production expenses remain elevated. The USDA forecasts total farm production expenses to increase 4.5% in 2026, led by higher fertilizer, fuel, and livestock-related costs. As a result, producer margins remain sensitive to commodity price movements despite improved revenue prospects. University of Illinois farm management specialists continue to emphasize the importance of cost control, disciplined capital expenditures, and careful marketing decisions as profitability remains highly dependent upon localized yields and individual cost structures.

Financial conditions in agriculture remain mixed. The USDA forecasts 2026 net farm income at $158.4 billion, a decline of 2.6% from 2025. However, farm sector earnings are being materially supported by direct government payments, which the USDA forecasts at $47.4 billion, nearly 70.0% above 2025, along with stronger crop receipts. This support indicates that the net farm income outlook is not being driven solely by underlying market conditions. According to the Federal Reserve Bank of Kansas City, farm financial conditions continued to deteriorate through much of 2026 but showed signs of stabilization during the second half of the year as crop prices improved. Farm loan repayment rates remain weaker than a year ago, though the pace of deterioration has slowed. Lenders continue to report financial stress among some crop producers following several years of compressed margins, while many livestock operations remain in stronger financial condition.

Farmland values have remained resilient despite ongoing pressure on farm profitability. Higher interest rates and weaker crop margins have moderated demand in some markets, yet limited land supply and generally healthy farm balance sheets have continued to support values. Cash rental rates and long-term income expectations will remain important determinants of farmland values moving forward. While uncertainty surrounding producer profitability persists, farmland continues to be viewed as a desirable long-term asset.

Livestock producers continue to benefit from historically favorable cattle prices. The national cattle inventory remains relatively tight, supporting feeder cattle values well above long-term averages. Feeder cattle futures during October 2026 have traded above $340 per hundredweight, remaining near historically elevated levels despite some moderation from record highs established earlier in the cycle. Strong consumer demand for beef and constrained supplies have contributed to continued profitability throughout much of the beef sector. Meanwhile, conditions in the hog and dairy industries have generally remained positive relative to recent years, although profitability has become increasingly dependent on feed costs and operational efficiency. Overall, livestock sectors continue to provide important support to the broader agricultural economy.

## LOAN PORTFOLIO

### Loan Portfolio

Total loans were $7.0 billion at September 30, 2026, an increase of $364.8 million from December 31, 2025. The increase was primarily due to growth in the real estate mortgage loan portfolio driven by loan originations for new and existing customers.

### Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2025. Adversely classified loans increased to 3.4% of the portfolio at September 30, 2026, from 2.9% of the portfolio at December 31, 2025. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At September 30, 2026, $589.5 million 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: | **2026** | 2025 |
| Nonaccrual loans | **$29,693** | $25,241 |
| Accruing loans 90 days or more past due | **18,624** | 2,479 |
| Total nonperforming loans | **48,317** | 27,720 |
| Other property owned | **—** | 226 |
| Total nonperforming assets | **$48,317** | $27,946 |
| Total nonperforming loans as a percentage of total loans | **0.7 %** | 0.4 % |
| Nonaccrual loans as a percentage of total loans | **0.4 %** | 0.4 % |
| Current nonaccrual loans as a percentage of total nonaccrual loans | **78.8 %** | 94.1 % |
| Total delinquencies as a percentage of total loans[1] | **0.6 %** | 0.6 % |

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

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

The increase in nonaccrual loans was primarily due to certain real estate mortgage, production and intermediate-term and agribusiness loans that transferred to nonaccrual status during 2026. The increase was partially offset by several agribusiness loan charge-offs in the capital markets portfolio during the year. The decline in the current nonaccrual loans as a percentage of total nonaccrual loans primarily reflected the addition of past-due loans to nonaccrual status during 2026. Nonaccrual loans remained at an acceptable level at September 30, 2026, and December 31, 2025.

The increase in accruing loans 90 days or more past due was primarily due to a number of loans with government guarantees becoming more than 90 days past due during 2026. The remaining real estate mortgage and production and intermediate-term loans without a government guarantee in accrual status and more than 90 days past due were deemed to be adequately secured and in the process of collection. 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.

All other property owned was sold during the second quarter of 2026, with no remaining other property owned as of September 30, 2026.

### 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 includes both an asset-specific component for individually evaluated loans that do not share risk characteristics and a pooled component for loans with similar risk characteristics. The asset-specific component is based on the present value of expected future cash flows or, for collateral-dependent loans, the fair value of the underlying collateral. The pooled component incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasted economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. Refer to Note 2 in our 2025 Annual Report for a complete description of our allowance for credit losses on loans policy.

**Allowance for Credit Losses on Loans and Coverage Ratios**

| (dollars in thousands) | **September 30,** | December 31, |
|---|---|---|
| As of: | **2026** | 2025 |
| Allowance for credit losses on loans | **$22,903** | $22,442 |
| Allowance for credit losses on loans as a percentage of: | | |
| Loans | **0.3 %** | 0.3 % |
| Nonaccrual loans | **77.1 %** | 88.9 % |
| Total nonperforming loans | **47.4 %** | 81.0 % |

The allowance for credit losses on loans did not change significantly from December 31, 2025.

## RESULTS OF OPERATIONS

**Profitability Information**

| (dollars in thousands) | | |
|---|---|---|
| For the nine months ended September 30, | **2026** | 2025 |
| Net income | **$98,077** | $78,539 |
| Return on average assets | **1.7 %** | 1.5 % |
| Return on average members' equity | **9.2 %** | 7.9 % |

Changes presented in the profitability information table relate directly to:

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

**Changes in Significant Components of Net Income**

| (in thousands) | | | **Increase (decrease) in** |
|---|---|---|---|
| For the nine months ended September 30, | **2026** | 2025 | **net income** |
| Net interest income | **$128,748** | $120,333 | **$8,415** |
| Provision for credit losses | **10,091** | 13,099 | **3,008** |
| Non-interest income | **53,253** | 41,148 | **12,105** |
| Non-interest expense | **73,833** | 69,843 | **(3,990)** |
| Net income | **$98,077** | $78,539 | **$19,538** |

### Provision for Credit Losses

The “Provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The current period provision for credit losses reflects changes in the allowance for credit losses on loans, including changes in required specific reserves on loans in nonaccrual status. The decrease in provision for credit losses on loans is primarily due to a more stable economic outlook in 2026 compared to 2025, which reduced the need for additional reserves on pooled loans and commitments. To a lesser extent, a lower year-to-date change in asset-specific reserves also contributed to the year-over-year decrease.

## Non-Interest Income

The change in non-interest income was primarily due to patronage income and financially related services income.

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

**Patronage Income**

| (in thousands) | | |
|---|---|---|
| For the nine months ended September 30, | **2026** | 2025 |
| Patronage from AgriBank | **$29,848** | $22,532 |
| AgDirect, LLP partnership distribution | **2,238** | 2,218 |
| Other patronage | **178** | 117 |
| Total patronage income | **$32,264** | $24,867 |

Patronage from AgriBank primarily includes wholesale patronage and asset pool program patronage. The increase in patronage income in the first nine months of 2026, compared to the same period in 2025, was primarily due to increased wholesale and pool program patronage income received from AgriBank.

**Financially Related Services Income:** The increase in financially related services income was primarily due to increased crop insurance revenue resulting from enhanced coverage adoption, greater insured liability, and higher commissions driven by the reinstatement of an inflation adjustment to the statutory cap.

## 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 July 31, 2028. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. However, we maintain some exposure to interest rates, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. We also fund our portfolio from equity.

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

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

We were not subject to a risk premium at September 30, 2026, or December 31, 2025.

Total members' equity increased $98.8 million from December 31, 2025, primarily due to net income for the period.

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-adjusted capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 7 in our 2025 Annual Report for a more complete description of these ratios.

**Regulatory Capital Requirements and Ratios**

| As of: | **September 30, 2026** | December 31, 2025 | Regulatory Minimums | Capital Conservation Buffer | Total |
|---|---|---|---|---|---|
| Risk-adjusted: | | | | | |
| Common equity tier 1 ratio | **15.4 %** | 15.4 % | 4.5 % | 2.5 % | 7.0 % |
| Tier 1 capital ratio | **15.4 %** | 15.4 % | 6.0 % | 2.5 % | 8.5 % |
| Total capital ratio | **15.6 %** | 15.8 % | 8.0 % | 2.5 % | 10.5 % |
| Permanent capital ratio | **15.4 %** | 15.5 % | 7.0 % | N/A | 7.0 % |
| Non-risk-adjusted: | | | | | |
| Tier 1 leverage ratio | **15.1 %** | 15.2 % | 4.0 % | 1.0 % | 5.0 % |
| Unallocated retained earnings and equivalents leverage ratio | **15.0 %** | 15.1 % | 1.5 % | N/A | 1.5 % |

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

**CERTIFICATION**

The undersigned have reviewed the September 30, 2026, Quarterly Report of Farm Credit Illinois, 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.



Adam Brown
Chairperson of the Board
Farm Credit Illinois, ACA



Kelly D. Hunt
President and Chief Executive Officer
Farm Credit Illinois, ACA



Abby Wegner
Senior Vice President and Chief Financial Officer
Farm Credit Illinois, ACA

November 5, 2026

# CONSOLIDATED STATEMENTS OF CONDITION

*Farm Credit Illinois, ACA*

*(in thousands)*

| As of: | **September 30, 2026** | December 31, 2025 |
|---|---|---|
| | *(Unaudited)* | |
| **ASSETS** | | |
| Loans | **$7,008,047** | $6,643,252 |
| Allowance for credit losses on loans | **22,903** | 22,442 |
| Net loans | **6,985,144** | 6,620,810 |
| Investment in AgriBank, FCB | **312,554** | 302,308 |
| Investment securities | **429,366** | 384,898 |
| Accrued interest receivable | **126,781** | 114,315 |
| Other assets | **148,517** | 147,389 |
| Total assets | **$8,002,362** | $7,569,720 |
| **LIABILITIES** | | |
| Note payable to AgriBank, FCB | **$6,457,094** | $6,090,512 |
| Accrued interest payable | **59,064** | 56,085 |
| Patronage distribution payable | **—** | 34,675 |
| Other liabilities | **19,873** | 20,876 |
| Total liabilities | **6,536,031** | 6,202,148 |
| Contingencies and commitments (Note 4) | | |
| **MEMBERS' EQUITY** | | |
| Capital stock and participation certificates | **8,739** | 8,605 |
| Unallocated retained earnings | **1,458,633** | 1,360,173 |
| Accumulated other comprehensive loss | **(1,041)** | (1,206) |
| Total members' equity | **1,466,331** | 1,367,572 |
| Total liabilities and members' equity | **$8,002,362** | $7,569,720 |

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

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

*Farm Credit Illinois, ACA*

*(in thousands)*

*(Unaudited)*

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| *For the periods ended September 30,* | **2026** | 2025 | **2026** | 2025 |
| **Interest income** | **$103,895** | $96,952 | **$298,926** | $281,795 |
| **Interest expense** | **59,064** | 55,682 | **170,178** | 161,462 |
| Net interest income | **44,831** | 41,270 | **128,748** | 120,333 |
| **Provision for credit losses** | **7,664** | 3,312 | **10,091** | 13,099 |
| Net interest income after provision for credit losses | **37,167** | 37,958 | **118,657** | 107,234 |
| | | | | |
| **Non-interest income** | | | | |
| Patronage income | **12,522** | 9,498 | **32,264** | 24,867 |
| Financially related services income | **4,815** | 2,166 | **10,878** | 6,486 |
| Fee income | **2,064** | 2,162 | **6,493** | 5,714 |
| Other non-interest income | **312** | 2,475 | **3,618** | 4,081 |
| Total non-interest income | **19,713** | 16,301 | **53,253** | 41,148 |
| | | | | |
| **Non-interest expense** | | | | |
| Salaries and employee benefits | **13,274** | 11,903 | **39,193** | 36,675 |
| Other operating expense | **11,098** | 11,684 | **34,510** | 32,982 |
| Other non-interest expense | **221** | — | **130** | 186 |
| Total non-interest expense | **24,593** | 23,587 | **73,833** | 69,843 |
| Income before income taxes | **32,287** | 30,672 | **98,077** | 78,539 |
| **Provision for (benefit from) income taxes** | **—** | — | **—** | — |
| Net income | **$32,287** | $30,672 | **$98,077** | $78,539 |
| | | | | |
| **Other comprehensive income** | | | | |
| Employee benefit plans activity | **$59** | $52 | **$165** | $152 |
| Total other comprehensive income | **59** | 52 | **165** | 152 |
| Comprehensive income | **$32,346** | $30,724 | **$98,242** | $78,691 |

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

# CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

*Farm Credit Illinois, ACA*

*(in thousands)*

*(Unaudited)*

| | Capital Stock and Participation Certificates | Unallocated Retained Earnings | Accumulated Other Comprehensive Loss | Total Members' Equity |
|---|---|---|---|---|
| Balance at December 31, 2024 | $8,364 | $1,280,245 | $(1,301) | $1,287,308 |
| Net income | — | 78,539 | — | 78,539 |
| Other comprehensive income | — | — | 152 | 152 |
| Unallocated retained earnings designated for patronage distributions | — | 71 | — | 71 |
| Capital stock and participation certificates issued | 509 | — | — | 509 |
| Capital stock and participation certificates retired | (357) | — | — | (357) |
| Balance at September 30, 2025 | $8,516 | $1,358,855 | $(1,149) | $1,366,222 |
| | | | | |
| Balance at December 31, 2025 | $8,605 | $1,360,173 | $(1,206) | $1,367,572 |
| Net income | **—** | **98,077** | **—** | **98,077** |
| Other comprehensive income | **—** | **—** | **165** | **165** |
| Unallocated retained earnings designated for patronage distributions | **—** | **383** | **—** | **383** |
| Capital stock and participation certificates issued | **576** | **—** | **—** | **576** |
| Capital stock and participation certificates retired | **(442)** | **—** | **—** | **(442)** |
| **Balance at September 30, 2026** | **$8,739** | **$1,458,633** | **$(1,041)** | **$1,466,331** |

*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, 2026, are not necessarily indicative of the results to be expected for the year ending December 31, 2026. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2025 (2025 Annual Report).

**Principles of Consolidation**

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Illinois, ACA and its subsidiaries Farm Credit Illinois, FLCA and Farm Credit Illinois, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

**Recently Issued or Adopted Accounting Pronouncements**

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System (System). Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

| Standard and effective date | Description | Adoption status and financial statement impact |
|---|---|---|
| In September 2025, the FASB issued Accounting Standards Update (ASU) 2025-06 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This guidance is effective for all entities for annual and interim periods beginning after December 15, 2027. Early adoption is permitted. | The standard includes several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website development costs, and (4) modifies the disclosure requirements for capitalized software costs. | We expect to adopt the standard as of January 1, 2028. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures. |
| In November 2025, the FASB issued ASU 2025-08, “Financial Instruments – Credit Losses (Topic 326) – Purchased Loans”. This guidance is effective for annual and interim periods beginning after December 15, 2026. Early adoption is permitted. | The standard simplifies accounting for purchased loans by expanding the “gross-up” method to “purchased seasoned loans”. This eliminates Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility. | We expect to adopt the standard as of January 1, 2027. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures. |
| In December 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements”. This guidance is effective for annual and interim periods beginning after December 15, 2028. Early adoption is permitted. | The standard provides narrow-scope improvements to interim reporting guidance (Topic 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements. | We expect to adopt the standard as of January 1, 2029. We are currently assessing the impact of this standard on our financial statements and disclosures. |

### NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

**Loans by Type**

(dollars in thousands)

| As of: | **September 30, 2026** | | December 31, 2025 | |
|---|---|---|---|---|
| | Amortized Cost | % | Amortized Cost | % |
| Real estate mortgage | **$3,804,712** | **54.3 %** | $3,516,846 | 52.9 % |
| Production and intermediate-term | **1,003,870** | **14.3 %** | 1,015,910 | 15.3 % |
| Agribusiness | **1,415,551** | **20.2 %** | 1,374,256 | 20.7 % |
| Other | **783,914** | **11.2 %** | 736,240 | 11.1 % |
| Total | **$7,008,047** | **100.0 %** | $6,643,252 | 100.0 % |

The other category is composed of rural infrastructure, agricultural export finance, and rural residential real estate related loans and certain assets characterized as mission related investments.

Accrued interest receivable on loans is excluded from the amortized cost of loans. At September 30, 2026, and December 31, 2025, accrued interest receivable on loans totaled $124.6 million and $112.2 million, respectively, and is presented in “Accrued interest receivable” in the Consolidated Statements of Condition.

## Delinquency

**Aging Analysis of Loans at Amortized Cost**

| (in thousands) **As of September 30, 2026** | 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 | **$3,089** | **$2,911** | **$6,000** | **$3,798,712** | **$3,804,712** | **$1,759** |
| Production and intermediate-term | **2,840** | **5,835** | **8,675** | **995,195** | **1,003,870** | **1,884** |
| Agribusiness | **4,270** | **5** | **4,275** | **1,411,276** | **1,415,551** | **—** |
| Other | **6,978** | **14,981** | **21,959** | **761,955** | **783,914** | **14,981** |
| Total | **$17,177** | **$23,732** | **$40,909** | **$6,967,138** | **$7,008,047** | **$18,624** |

| As of December 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 | $12,812 | $— | $12,812 | $3,504,034 | $3,516,846 | $— |
| Production and intermediate-term | 8,159 | 383 | 8,542 | 1,007,368 | 1,015,910 | — |
| Agribusiness | 100 | 7 | 107 | 1,374,149 | 1,374,256 | — |
| Other | 14,725 | 2,479 | 17,204 | 719,036 | 736,240 | 2,479 |
| Total | $35,796 | $2,869 | $38,665 | $6,604,587 | $6,643,252 | $2,479 |

## Nonaccrual Loans

**Nonaccrual Loans Information**

| (in thousands) | **As of September 30, 2026** Amortized Cost | Amortized Cost Without Allowance |
|---|---|---|
| Nonaccrual loans: | | |
| Real estate mortgage | **$5,371** | **$4,100** |
| Production and intermediate-term | **4,374** | **3,763** |
| Agribusiness | **16,745** | **1,889** |
| Other | **3,203** | **657** |
| Total | **$29,693** | **$10,409** |

| | As of December 31, 2025 Amortized Cost | Amortized Cost Without Allowance |
|---|---|---|
| Nonaccrual loans: | | |
| Real estate mortgage | $2,077 | $742 |
| Production and intermediate-term | 1,662 | 462 |
| Agribusiness | 18,705 | 2,308 |
| Other | 2,797 | 376 |
| Total | $25,241 | $3,888 |

Interest income recognized (reversed) on nonaccrual loans was not material for the nine months ended September 30, 2026, or 2025. At the time loans transfer to nonaccrual status, we write-off accrued interest receivable as a reversal of interest income. Write-offs of accrued interest were not material for the nine months ended September 30, 2026, or 2025.

## Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

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

**Loan Modifications at Amortized Cost**

| (dollars in thousands) **For the nine months ended September 30, 2026** | Interest Rate Reduction | Term Extension | Payment Deferral | Combination - Interest Rate Reduction and Term Extension | Combination - Term Extension and Payment Deferral | Total | Percentage of Total Loans |
|---|---|---|---|---|---|---|---|
| Real estate mortgage | **$216** | **$—** | **$—** | **$—** | **$—** | **$216** | **— %** |
| Production and intermediate-term | **242** | **—** | **—** | **—** | **20,595** | **20,837** | **0.3 %** |
| Agribusiness | **—** | **14,062** | **7,416** | **847** | **20,739** | **43,064** | **0.6 %** |
| Total | **$458** | **$14,062** | **$7,416** | **$847** | **$41,334** | **$64,117** | **0.9 %** |
| Loan modifications granted as a percentage of total loans | **— %** | **0.2 %** | **0.1 %** | **— %** | **0.6 %** | **0.9 %** | |

| For the nine months ended September 30, 2025 | Interest Rate Reduction | Term Extension | Payment Deferral | Combination - Interest Rate Reduction and Term Extension | Combination - Term Extension and Payment Deferral | Total | Percentage of Total Loans |
|---|---|---|---|---|---|---|---|
| Real estate mortgage | $4,212 | $— | $— | $— | $— | $4,212 | 0.1 % |
| Production and intermediate-term | 357 | — | — | — | 11,901 | 12,258 | 0.2 % |
| Agribusiness | — | — | — | — | 14,851 | 14,851 | 0.2 % |
| Total | $4,569 | $— | $— | $— | $26,752 | $31,321 | 0.5 % |
| Loan modifications granted as a percentage of total loans | 0.1 % | — % | — % | — % | 0.4 % | 0.5 % | |

**Financial Effect of Loan Modifications**

| **For the nine months ended September 30, 2026** | Weighted Average Interest Rate Reduction (%) | Weighted Average Term Extension (months) | Weighted Average Payment Deferral (months) |
|---|---|---|---|
| Real estate mortgage | | | |
| Interest rate reduction | **0.3 %** | | |
| Production and intermediate-term | | | |
| Interest rate reduction | **0.9 %** | | |
| Combination - term extension and payment deferral | | **12** | **12** |
| Agribusiness | | | |
| Term extension | | **13** | |
| Payment deferral | | | **13** |
| Combination - interest rate reduction and term extension | **3.3 %** | **51** | |
| Combination - term extension and payment deferral | | **15** | **15** |

| For the nine months ended September 30, 2025 | Weighted Average Interest Rate Reduction (%) | Weighted Average Term Extension (months) | Weighted Average Payment Deferral (months) |
|---|---|---|---|
| Real estate mortgage | | | |
| Interest rate reduction | 0.5 % | | |
| Production and intermediate-term | | | |
| Interest rate reduction | 0.4 % | | |
| Combination - term extension and payment deferral | | 11 | 11 |
| Agribusiness | | | |
| Combination - term extension and payment deferral | | 12 | 12 |

We had loans to borrowers experiencing financial difficulty with combination term extension and payment deferral in the production and intermediate-term loan category of $229 thousand that defaulted during the nine months ended September 30, 2026, in which the modifications were within twelve months preceding the default. There were no loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025, in which the modifications were within twelve months preceding the default.

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

**Payment Status of Loan Modifications**

| (in thousands) **As of September 30, 2026** | Not Past Due or Less Than 30 Days Past Due |
|---|---|
| Real estate mortgage | **$730** |
| Production and intermediate-term | **20,838** |
| Agribusiness | **43,063** |
| Other | **2,827** |
| Total | **$67,458** |

| As of September 30, 2025 | Not Past Due or Less Than 30 Days Past Due |
|---|---|
| Real estate mortgage | $4,212 |
| Production and intermediate-term | 12,258 |
| Agribusiness | 14,851 |
| Total | $31,321 |

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at September 30, 2026, or 2025.

Additional commitments were $18.3 million at September 30, 2026, and $7.6 million at December 31, 2025, to lend to borrowers experiencing financial difficulty whose loans were modified during the nine months ended September 30, 2026, and during the year ended December 31, 2025, respectively.

## Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type, which is used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of United States (U.S.) net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

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

**Changes in Allowance for Credit Losses**

| (in thousands) Nine months ended September 30, | **2026** | 2025 |
|---|---|---|
| **Allowance for Credit Losses on Loans** | | |
| Balance at beginning of period | **$22,442** | $12,554 |
| Provision for credit losses on loans | **9,821** | 11,934 |
| Loan recoveries | **226** | 268 |
| Loan charge-offs | **(9,586)** | (4,000) |
| Balance at end of period | **$22,903** | $20,756 |
| **Allowance for Credit Losses on Unfunded Commitments** | | |
| Balance at beginning of period | **$2,382** | $1,983 |
| Provision for credit losses on unfunded commitments | **270** | 1,165 |
| Balance at end of period | **$2,652** | $3,148 |
| Total allowance for credit losses | **$25,555** | $23,904 |

The allowance for credit losses on loans did not change significantly from December 31, 2025.

## NOTE 3: INVESTMENT SECURITIES

We held investment securities of $429.4 million at September 30, 2026, and $384.9 million at December 31, 2025. Our investment securities consisted of:

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

All of our investment securities were fully guaranteed by Farmer Mac or the SBA at September 30, 2026, and December 31, 2025. Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity and are evaluated for an allowance for credit losses. For securities that are guaranteed by the U.S. government or other governmental agencies, we have not recognized an allowance for credit losses on investment securities at September 30, 2026, or December 31, 2025, as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

**Additional Investment Securities Information at Amortized Cost**

| (in thousands) As of: | **September 30, 2026** | December 31, 2025 |
|---|---|---|
| MBS | **$35,171** | $29,261 |
| ABS | **394,195** | 355,637 |
| Total | **$429,366** | $384,898 |

Accrued interest receivable on investment securities is presented in “Accrued interest receivable” in the Consolidated Statements of Condition and was $2.2 million at September 30, 2026, and $2.1 million at December 31, 2025.

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $12.8 million and $14.4 million for the nine months ended September 30, 2026, and 2025, respectively.

**Contractual Maturities of Investment Securities**

| (in thousands) **As of September 30, 2026** | Amortized Cost |
|---|---|
| One to five years | **$11,788** |
| Five to ten years | **146,395** |
| More than ten years | **271,183** |
| Total | **$429,366** |

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

## NOTE 4: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

Refer to Note 11 in our 2025 Annual Report for additional detail regarding contingencies and commitments.

## NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2025 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at September 30, 2026, or December 31, 2025.

### Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

**Assets Measured at Fair Value on a Non-Recurring Basis**

(in thousands)

| **As of September 30, 2026** | Fair Value Measurement Using | | | Total Fair |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Value |
| Loans | **$—** | **$—** | **$9,018** | **$9,018** |
| Other property owned | **—** | **—** | **—** | **—** |

| As of December 31, 2025 | Fair Value Measurement Using | | | Total Fair |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Value |
| Loans | $— | $— | $8,571 | $8,571 |
| Other property owned | — | — | 235 | 235 |

### Valuation Techniques

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

**Other Property Owned:** Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3. All other property owned was sold during the second quarter of 2026, with no remaining other property owned as of September 30, 2026.

## NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through November 5, 2026, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.