



Farm Credit Southeast Missouri, ACA

Quarterly Report
June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Southeast Missouri, ACA and its subsidiaries, Farm Credit Southeast Missouri, FLCA and Farm Credit Southeast Missouri, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2024 (2024 Annual Report).

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

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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

Land Values: Average 2024 benchmark farmland value increased 4.3% compared to an increase of 15.4% and 14.1% in 2023 and 2022, respectively.

Commodity Prices: Commodity prices remain suppressed and are at the lowest levels seen since 2020. Government payments are expected to help provide some relief to producers who have been impacted by higher input costs and lower commodity prices. The impact of potential tariffs remains uncertain.

Crop Conditions: Weather conditions provided challenges for producers throughout the second quarter of 2025 with greater than average rainfall experienced throughout the territory. The wet spring caused planting delays or required replanting, which caused some producers to shift a portion of their intended corn, rice, and cotton acres to soybeans. Despite the unfavorable weather, the planted crops look good, but it is too early to project yields at this time. Winter wheat harvest timing was also impacted by the wet weather and was completed later than normal, but overall, yields were reported to be average.

LOAN PORTFOLIO

Loan Portfolio

Total loans were \$917.2 million at June 30, 2025, a decrease of \$1.4 million from December 31, 2024.

Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2024. Adversely classified loans increased to 2.0% of the portfolio at June 30, 2025, from 1.0% of the portfolio at December 31, 2024. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At June 30, 2025, \$34.4 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands)	June 30,	December 31,
As of:	2025	2024
Loans:		
Nonaccrual	\$ 10,090	\$ 1,192
Accruing loans 90 days or more past due	336	336
Total nonperforming loans	10,426	1,528
Other property owned	--	--
Total nonperforming assets	\$ 10,426	\$ 1,528
Total nonperforming loans as a percentage of total loans	1.1%	0.2%
Nonaccrual loans as a percentage of total loans	1.1%	0.1%
Current nonaccrual loans as a percentage of total nonaccrual loans	6.3%	49.9%
Total delinquencies as a percentage of total loans ¹	1.4%	0.3%

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

Our nonperforming assets have increased from December 31, 2024, but remained at acceptable levels. Despite the increase in nonperforming assets, total nonperforming loans as a percentage of total loans were well within our established risk management guidelines.

The increase in nonaccrual loans was primarily due to certain production and intermediate-term and real estate mortgage loans that transferred to nonaccrual status during 2025. Nonaccrual loans remained at an acceptable level at June 30, 2025, and December 31, 2024.

Our accounting policy requires loans past due 90 days or more to be transferred into nonaccrual status unless adequately secured and in the process of collection.

The increase in total delinquencies as a percentage of total loans was primarily due to the increase in past due nonaccrual loans.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions.

Allowance for Credit Losses on Loans and Coverage Ratios

(dollars in thousands)	June 30,	December 31,
As of:	2025	2024
Allowance for credit losses on loans	\$ 6,324	\$ 2,109
Allowance for credit losses on loans as a percentage of:		
Loans	0.7%	0.2%
Nonaccrual loans	62.7%	176.9%
Total nonperforming loans	60.7%	138.0%

The increase in allowance for credit losses on loans from December 31, 2024, was primarily related to an increase in specific reserves as a result of the transfer of production and intermediate-term loans to nonaccrual status during 2025 and required specific reserves.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)		2025	2024
For the six months ended June 30,			
Net income	\$	4,349	\$ 9,712
Return on average assets		0.9%	2.1%
Return on average members' equity		4.0%	9.2%

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)				(Decrease) increase in net income
For the six months ended June 30,	2025	2024		
Net interest income	\$ 13,132	\$ 13,603	\$	(471)
Provision for credit losses	4,355	36		(4,319)
Non-interest income	1,789	2,881		(1,092)
Non-interest expense	7,044	6,693		(351)
(Benefit from) provision for income taxes	(827)	43		870
Net income	\$ 4,349	\$ 9,712	\$	(5,363)

Provision for Credit Losses

The "Provision for credit losses" in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The increase was primarily related to the specific reserves recorded on certain undercollateralized production and intermediate-term loans which were transferred to nonaccrual status during 2025.

Non-Interest Income

The change in non-interest income was primarily due to a decrease in patronage 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 six months ended June 30,	2025	2024	
Patronage from AgriBank	\$ 1,455	\$ 2,352	
Other patronage	20	11	
Total patronage income	\$ 1,475	\$ 2,363	

Patronage from AgriBank primarily includes wholesale patronage and asset pool program patronage. The pool program patronage decreased due to lower net earnings on loans in the pool and a lower patronage rate earned on the average daily balance of outstanding loans in the pool programs. The decrease in wholesale patronage income was primarily due to a lower patronage rate earned on the average daily balance of our wholesale note payable to AgriBank.

(Benefit from) Provision for Income Taxes

The change in (benefit from) provision for income taxes was primarily related to our estimate of taxes based on taxable income. The increase is due to a net loss at June 30, 2025, in our taxable entity as a result of increased provision for credit losses expense.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on December 31, 2026. 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 June 30, 2025, or December 31, 2024.

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

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

The reduction in the credit rating by Moody's Ratings for the Farm Credit System, could result in higher funding costs or disruptions in our access to the capital markets. However, to date we have noticed no significant impact as a result of this rating change.

Total members' equity increased \$1.4 million from December 31, 2024, primarily due to net income for the period, partially offset by patronage distribution accruals.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 7 in our 2024 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	June 30, 2025	December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	18.7%	18.4%	4.5%	2.5%	7.0%
Tier 1 capital ratio	18.7%	18.4%	6.0%	2.5%	8.5%
Total capital ratio	19.3%	18.5%	8.0%	2.5%	10.5%
Permanent capital ratio	18.8%	18.5%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	19.7%	18.7%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	19.5%	18.5%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 11 in our 2024 Annual Report.

CERTIFICATION

The undersigned have reviewed the June 30, 2025, Quarterly Report of Farm Credit Southeast Missouri, 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.

/s/ Ed C. Marshall III
Chairperson of the Board
Farm Credit Southeast Missouri, ACA

/s/ Gregory M. Cunningham
President / Chief Executive Officer
Farm Credit Southeast Missouri, ACA

/s/ Michelle M. Beacham
Executive Vice President / Chief Financial & Operations Officer
Farm Credit Southeast Missouri, ACA

August 7, 2025

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Southeast Missouri, ACA
(in thousands)

As of:	June 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Loans	\$ 917,229	\$ 918,661
Allowance for credit losses on loans	6,324	2,109
Net loans	910,905	916,552
Investment in AgriBank, FCB	38,073	38,073
Investment securities	20,381	24,854
Accrued interest receivable	17,224	27,603
Other assets	14,041	14,305
Total assets	\$ 1,000,624	\$ 1,021,387
LIABILITIES		
Note payable to AgriBank, FCB	\$ 769,952	\$ 783,712
Accrued interest payable	6,730	7,458
Patronage distribution payable	3,000	9,000
Other liabilities	1,828	3,454
Total liabilities	781,510	803,624
Contingencies and commitments (Note 4)		
MEMBERS' EQUITY		
Capital stock and participation certificates	1,648	1,660
Unallocated retained earnings	217,440	216,076
Accumulated other comprehensive income	26	27
Total members' equity	219,114	217,763
Total liabilities and members' equity	\$ 1,000,624	\$ 1,021,387

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Farm Credit Southeast Missouri, ACA

(in thousands)

(Unaudited)

<i>For the period ended June 30,</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	2025	2024	2025	2024
Interest income	\$ 13,038	\$ 13,667	\$ 26,391	\$ 26,415
Interest expense	6,730	6,742	13,259	12,812
Net interest income	6,308	6,925	13,132	13,603
Provision for credit losses	895	87	4,355	36
Net interest income after provision for credit losses	5,413	6,838	8,777	13,567
Non-interest income				
Patronage income	782	1,251	1,475	2,363
Financially related services income	13	19	60	104
Fee income	5	53	88	163
Other non-interest income	9	248	166	251
Total non-interest income	809	1,571	1,789	2,881
Non-interest expense				
Salaries and employee benefits	1,615	1,816	3,363	3,454
Other operating expense	1,749	1,548	3,681	3,208
Other non-interest expense	--	31	--	31
Total non-interest expense	3,364	3,395	7,044	6,693
Income before income taxes	2,858	5,014	3,522	9,755
(Benefit from) provision for income taxes	(230)	(62)	(827)	43
Net income	\$ 3,088	\$ 5,076	\$ 4,349	\$ 9,712
Other comprehensive loss				
Employee benefit plans activity	\$ (1)	\$ --	\$ (1)	\$ (1)
Total other comprehensive loss	(1)	--	(1)	(1)
Comprehensive income	\$ 3,087	\$ 5,076	\$ 4,348	\$ 9,711

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Southeast Missouri, ACA

(in thousands)

(Unaudited)

	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Income	Total Members' Equity
Balance at December 31, 2023	\$ 1,651	\$ 206,027	\$ 30	\$ 207,708
Net income	--	9,712	--	9,712
Other comprehensive loss	--	--	(1)	(1)
Unallocated retained earnings designated for patronage distributions	--	(3,003)	--	(3,003)
Capital stock and participation certificates issued	54	--	--	54
Capital stock and participation certificates retired	(48)	--	--	(48)
Balance at June 30, 2024	\$ 1,657	\$ 212,736	\$ 29	\$ 214,422
Balance at December 31, 2024	\$ 1,660	\$ 216,076	\$ 27	\$ 217,763
Net income	--	4,349	--	4,349
Other comprehensive loss	--	--	(1)	(1)
Unallocated retained earnings designated for patronage distributions	--	(2,985)	--	(2,985)
Capital stock and participation certificates issued	60	--	--	60
Capital stock and participation certificates retired	(72)	--	--	(72)
Balance at June 30, 2025	\$ 1,648	\$ 217,440	\$ 26	\$ 219,114

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 six months ended June 30, 2025, are not necessarily indicative of the results to be expected for the year ending December 31, 2025. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2024 (2024 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Southeast Missouri, ACA and its subsidiaries Farm Credit Southeast Missouri, FLCA and Farm Credit Southeast Missouri, 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 standard to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System (System). Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In December 2023, the FASB issued Accounting Standards Update 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted.	This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association will require adding information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.	We early adopted this standard for the year ended December 31, 2025. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	June 30, 2025		December 31, 2024	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	\$ 570,912	62.2%	\$ 566,348	61.6%
Production and intermediate-term	289,087	31.5%	297,672	32.4%
Agribusiness	39,846	4.3%	34,715	3.8%
Other	17,384	2.0%	19,926	2.2%
Total	\$ 917,229	100.0%	\$ 918,661	100.0%

The other category is composed of certain assets characterized as mission related investments, as well as rural residential real estate related loans.

Throughout Note 2 accrued interest receivable on loans of \$17.1 million at June 30, 2025, and \$27.3 million at December 31, 2024, has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
As of June 30, 2025						
Real estate mortgage	\$ 1,071	\$ 1,546	\$ 2,617	\$ 568,295	\$ 570,912	\$ --
Production and intermediate-term	205	7,418	7,623	281,464	289,087	--
Agribusiness	650	--	650	39,196	39,846	--
Other	1,857	336	2,193	15,191	17,384	336
Total	\$ 3,783	\$ 9,300	\$ 13,083	\$ 904,146	\$ 917,229	\$ 336

(in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
As of December 31, 2024						
Real estate mortgage	\$ 114	\$ --	\$ 114	\$ 566,234	\$ 566,348	\$ --
Production and intermediate-term	784	169	953	296,719	297,672	--
Agribusiness	720	--	720	33,995	34,715	--
Other	568	336	904	19,022	19,926	336
Total	\$ 2,186	\$ 505	\$ 2,691	\$ 915,970	\$ 918,661	\$ 336

Nonaccrual Loans

Nonaccrual Loans Information

(in thousands)	For the Six Months Ended		
	As of June 30, 2025		June 30, 2025
	Amortized Cost	Amortized Cost Without Allowance	Interest Income (Reversed) Recognized
Nonaccrual loans:			
Real estate mortgage	\$ 2,175	\$ 2,175	\$ (5)
Production and intermediate-term	7,902	1,852	34
Other	13	13	--
Total	\$ 10,090	\$ 4,040	\$ 29

(in thousands)	For the Six Months Ended		
	As of December 31, 2024		June 30, 2024
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	\$ 1	\$ 1	\$ 108
Production and intermediate-term	1,191	--	162
Total	\$ 1,192	\$ 1	\$ 270

We wrote-off accrued interest receivable, as a reversal of interest income, at the time loans were transferred to nonaccrual status of \$536 thousand for the six months ended June 30, 2025. Write-offs of accrued interest receivable, as a reversal of interest income, at the time loans were transferred to nonaccrual status were not material for the six months ended June 30, 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. Our loans classified as modified loans at June 30, 2025, or 2024, and activity on these loans during the six months ended June 30, 2025, or 2024, were not material. We did not have any material commitments at June 30, 2025, or December 31, 2024, to lend to borrowers whose loans were modified during the six months ended June 30, 2025, or during the year ended December 31, 2024, respectively.

Allowance for Credit Losses

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

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

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

Changes in Allowance for Credit Losses

(in thousands)		
Six months ended June 30,	2025	2024
Allowance for Credit Losses on Loans		
Balance at beginning of period	\$ 2,109	\$ 748
Provision for credit losses on loans	4,295	36
Loan recoveries	4	93
Loan charge-offs	(84)	(19)
Balance at end of period	\$ 6,324	\$ 858
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	\$ 30	\$ 20
Provision for credit losses on unfunded commitments	60	--
Balance at end of period	\$ 90	\$ 20
Total allowance for credit losses	\$ 6,414	\$ 878

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by increases to the specific reserves.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of \$20.4 million at June 30, 2025, and \$24.9 million at December 31, 2024. Our investment securities consisted of pools of loans fully guaranteed by the Small Business Administration. Premiums paid to purchase the investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity. There was no allowance for credit losses on investment securities at June 30, 2025, or December 31, 2024.

Accrued interest receivable on investment securities is presented in "Accrued interest receivable" in the Consolidated Statements of Condition and was \$123 thousand at June 30, 2025, and \$345 thousand at December 31, 2024.

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled \$507 thousand and \$901 thousand for the six months ended June 30, 2025, and 2024, respectively.

Contractual Maturities of Investment Securities

(in thousands)	
As of June 30, 2025	Amortized Cost
One to five years	\$ 582
Five to ten years	7,827
More than ten years	11,972
Total	\$ 20,381

NOTE 4: CONTINGENCIES AND COMMITMENTS

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

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

Refer to Note 11 in our 2024 Annual Report for additional detail regarding contingencies and commitments.

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2024 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at June 30, 2025, or December 31, 2024.

Non-Recurring Basis

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

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of June 30, 2025	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 804	\$ 804

As of December 31, 2024	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 64	\$ 64

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.

NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through August 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.