Farm Credit Southeast Missouri, ACA

Quarterly Report
June 30, 2026

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, 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

Land Values: Average 2025 benchmark farmland value increased 0.6% compared to an increase of 4.3% and 15.4% in 2024 and 2023, respectively.

Commodity Prices: International conflict and global trade issues continue to drive volatility in the market for commodity prices as well as for energy and fertilizer prices. Commodity prices remain stronger than at year end, however, higher projected gross farm income for 2026 is expected to partially offset higher input costs. Strong federal support in the form of United States Department of Agriculture direct payments has provided some relief to producers, but uncertainty remains around additional future payments.

Crop Conditions: The 2026 crop season is off to a strong start. Spring planting was completed on or ahead of schedule across the territory. Weather has been favorable and timely rains have been beneficial to the growing crops. Overall, crops in the area look good in their current growing stage and appear to have great yield potential, but it is too early to project at this time. Actual results will be seen during harvest in the third and fourth quarters of 2026. Winter wheat was harvested on schedule during the second quarter of 2026 and average to above average yields were recognized.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $946.9 million at June 30, 2026, an increase of $29.3 million from December 31, 2025.

Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2025. Adversely classified loans increased to 7.3% of the portfolio at June 30, 2026, from 4.7% 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. The increase in adversely classified loans was related to the impact of the continued adverse economic conditions within the crop sector on producers within the territory.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At June 30, 2026, $27.1 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	June 30, 2026	December 31, 2025
Nonaccrual loans	$ 20,938	$ 12,055
Accruing loans 90 days or more past due	957	--
Total nonperforming loans	21,895	12,055
Other property owned	--	--
Total nonperforming assets	$ 21,895	$ 12,055
Total nonperforming loans as a percentage of total loans	2.3%	1.3%
Nonaccrual loans as a percentage of total loans	2.2%	1.3%
Current nonaccrual loans as a percentage of total nonaccrual loans	56.9%	49.7%
Total delinquencies as a percentage of total loans[1]	2.3%	0.9%

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

Total nonperforming assets have increased from December 31, 2025.

The increase in nonaccrual loans was primarily due to certain real estate mortgage and production and intermediate-term loans that transferred to nonaccrual status during 2026. This increase is primarily due to multiple years of ongoing stress in the farm economy. As the year continues, we expect to receive additional payoffs for some existing nonaccrual loans.

The increase in accruing loans 90 days or more past due was attributable to two loans, fully guaranteed by the United States Department of Agriculture, that aged past 90 days during the first half of 2026. 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 an increase in past due accrual real estate mortgage and production and intermediate-term 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 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) As of:	June 30, 2026	December 31, 2025
Allowance for credit losses on loans	$ 6,031	$ 5,849
Allowance for credit losses on loans as a percentage of:		
Loans	0.6%	0.6%
Nonaccrual loans	28.8%	48.5%
Total nonperforming loans	27.5%	48.5%

The increase in allowance for credit losses on loans from December 31, 2025, was primarily due to an increase in the general allowance on real estate mortgage and production and intermediate-term loans and was partially offset by a decrease in specific reserves on production and intermediate-term loans and loan charge-offs during 2026. Specific reserves on production and intermediate-term loans in nonaccrual status declined during the period because of payments received offset slightly by an increase in required specific reserves on loans transferred to nonaccrual status. The decrease in the allowance for credit losses on loans as a percentage of nonaccrual loans was due to certain real estate mortgage and production and intermediate-term loans that transferred to nonaccrual status during 2026 and did not require a specific reserve as they were adequately secured.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the six months ended June 30,	2026	2025
Net income	$ 6,933	$ 4,349
Return on average assets	1.4%	0.9%
Return on average members' equity	6.2%	4.0%

Changes presented in the profitability information table relate directly to:

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

Changes in Significant Components of Net Income

(in thousands) For the six months ended June 30,	2026	2025	(Decrease) increase in net income
Net interest income	$ 13,128	$ 13,132	$ (4)
Provision for credit losses	617	4,355	3,738
Non-interest income	2,735	1,789	946
Non-interest expense	8,176	7,044	(1,132)
Provision for (benefit from) income taxes	137	(827)	(964)
Net income	$ 6,933	$ 4,349	$ 2,584

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 is primarily due to less required specific reserves on loans that transferred to nonaccrual status during 2026 and the reversal of specific reserves on production and intermediate-term loans, partially offset by an increase to the general allowance. The reversal in specific reserves was the result of payments on production and intermediate-term loans in nonaccrual status reducing specific reserve requirements on these loans offset slightly by an increase in specific reserves on loans transferred to nonaccrual status during 2026.

Non-Interest Income

The change in non-interest income was primarily due to patronage income and other non-interest 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,	2026	2025
Patronage from AgriBank	$ 2,042	$ 1,455
Other patronage	35	20
Total patronage income	$ 2,077	$ 1,475

Patronage from AgriBank primarily includes wholesale patronage and asset pool program patronage.

Other Non-Interest Income: The increase in 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 $403 thousand in 2026, compared to $146 thousand in 2025. The AIRA was established by FCSIC when premiums collected increased the level of the Farm Credit Insurance Fund beyond the required 2% of Systemwide insured debt. Refer to the 2025 Annual Report for additional information about the FCSIC.

Non-Interest Expense

The change in non-interest expense was primarily related to increases in salaries and incentives and purchased services.

Provision for (Benefit from) Income Taxes

The change in provision for (benefit from) income taxes was primarily related to our estimate of taxes based on taxable entity income as of June 30, 2026, as compared to June 30, 2025. Additionally, there was a smaller patronage deduction in 2026 which resulted in a higher tax 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, 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 June 30, 2026, or December 31, 2025.

Total members' equity increased $3.9 million from December 31, 2025, 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-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:	**June 30, 2026**	December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**18.7%**	18.5%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**18.7%**	18.5%	6.0%	2.5%	8.5%
Total capital ratio	**19.2%**	19.1%	8.0%	2.5%	10.5%
Permanent capital ratio	**18.8%**	18.6%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**19.8%**	19.2%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**19.6%**	19.0%	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 June 30, 2026, 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 and Operations Officer
Farm Credit Southeast Missouri, ACA

August 6, 2026

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Southeast Missouri, ACA

(in thousands)

As of:		June 30, 2026		December 31, 2025
		(Unaudited)		
ASSETS				
Loans	**$**	**946,947**	$	917,696
Allowance for credit losses on loans		**6,031**		5,849
Net loans		**940,916**		911,847
Investment in AgriBank, FCB		**38,073**		38,073
Investment securities		**14,073**		17,131
Accrued interest receivable		**17,974**		27,110
Other assets		**16,454**		16,582
Total assets	**$**	**1,027,490**	$	1,010,743
LIABILITIES				
Note payable to AgriBank, FCB	**$**	**787,948**	$	768,629
Accrued interest payable		**6,753**		7,324
Patronage distribution payable		**3,000**		9,100
Other liabilities		**5,881**		5,731
Total liabilities		**803,582**		790,784
Contingencies and commitments (Note 4)				
MEMBERS' EQUITY				
Capital stock and participation certificates		**1,649**		1,643
Unallocated retained earnings		**222,236**		218,293
Accumulated other comprehensive income		**23**		23
Total members' equity		**223,908**		219,959
Total liabilities and members' equity	**$**	**1,027,490**	$	1,010,743

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)

	Three Months Ended		Six Months Ended	
For the periods ended June 30,	**2026**	2025	**2026**	2025
Interest income	**$ 13,141**	$ 13,038	**$ 26,397**	$ 26,391
Interest expense	**6,753**	6,730	**13,269**	13,259
Net interest income	**6,388**	6,308	**13,128**	13,132
Provision for credit losses	**990**	895	**617**	4,355
Net interest income after provision for credit losses	**5,398**	5,413	**12,511**	8,777
Non-interest income				
Patronage income	**927**	782	**2,077**	1,475
Financially related services income	**12**	13	**62**	60
Fee income	**93**	5	**161**	88
Other non-interest income	**14**	9	**435**	166
Total non-interest income	**1,046**	809	**2,735**	1,789
Non-interest expense				
Salaries and employee benefits	**1,664**	1,615	**4,062**	3,363
Other operating expense	**2,010**	1,749	**4,091**	3,681
Other non-interest expense	**--**	--	**23**	--
Total non-interest expense	**3,674**	3,364	**8,176**	7,044
Income before income taxes	**2,770**	2,858	**7,070**	3,522
(Benefit from) provision for income taxes	**(41)**	(230)	**137**	(827)
Net income	**$ 2,811**	$ 3,088	**$ 6,933**	$ 4,349
Other comprehensive loss				
Employee benefit plans activity	**$ --**	$ (1)	**$ --**	$ (1)
Total other comprehensive loss	**--**	(1)	**--**	(1)
Comprehensive income	**$ 2,811**	$ 3,087	**$ 6,933**	$ 4,348

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	Unallocated Retained Earnings	Accumulated Other Comprehensive Income	Total Members' Equity
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
Balance at December 31, 2025	$ 1,643	$ 218,293	$ 23	$ 219,959
Net income	**--**	**6,933**	**--**	**6,933**
Unallocated retained earnings designated for patronage distributions	**--**	**(2,990)**	**--**	**(2,990)**
Capital stock and participation certificates issued	**71**	**--**	**--**	**71**
Capital stock and participation certificates retired	**(65)**	**--**	**--**	**(65)**
Balance at June 30, 2026	**$ 1,649**	**$ 222,236**	**$ 23**	**$ 223,908**

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, 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 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 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:	**June 30, 2026**			December 31, 2025		
		Amortized Cost	%		Amortized Cost	%
Real estate mortgage	**$**	**601,331**	**63.5%**	$	586,794	64.0%
Production and intermediate-term		**291,254**	**30.8%**		281,940	30.7%
Agribusiness		**41,755**	**4.4%**		35,921	3.9%
Other		**12,607**	**1.3%**		13,041	1.4%
Total	**$**	**946,947**	**100.0%**	$	917,696	100.0%

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

Accrued interest receivable on loans is excluded from the amortized cost of loans. At June 30, 2026, and December 31, 2025, accrued interest receivable on loans totaled $17.9 million and $27.0 million, respectively, and is presented in “Accrued interest receivable” in the Consolidated Statements of Condition.

Credit Quality

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

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

We utilize the FCA Uniform Classification System, which categorizes loans into five credit quality categories:

- 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.

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 acceptable 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.

We had $2.3 million of loans categorized as doubtful at June 30, 2026, while no loans were categorized as doubtful at December 31, 2025. We had no loans categorized as loss at June 30, 2026, or December 31, 2025.

Credit Quality of Loans at Amortized Cost

(dollars in thousands)	Acceptable		Special Mention		Substandard/ Doubtful		Total	
As of June 30, 2026	Amount	%	Amount	%	Amount	%	Amount	%
Real estate mortgage	**$ 509,610**	**84.7%**	**$ 60,518**	**10.1%**	**$ 31,203**	**5.2%**	**$ 601,331**	**100.0%**
Production and intermediate-term	**213,898**	**73.5%**	**47,308**	**16.2%**	**30,048**	**10.3%**	**291,254**	**100.0%**
Agribusiness	**33,564**	**80.4%**	**--**	**--**	**8,191**	**19.6%**	**41,755**	**100.0%**
Other	**12,492**	**99.1%**	**115**	**0.9%**	**--**	**--**	**12,607**	**100.0%**
Total	**$ 769,564**	**81.3%**	**$ 107,941**	**11.4%**	**$ 69,442**	**7.3%**	**$ 946,947**	**100.0%**

	Acceptable		Special Mention		Substandard/ Doubtful		Total	
As of December 31, 2025	Amount	%	Amount	%	Amount	%	Amount	%
Real estate mortgage	$ 531,224	90.5%	$ 36,329	6.2%	$ 19,241	3.3%	$ 586,794	100.0%
Production and intermediate-term	239,370	84.9%	22,974	8.1%	19,596	7.0%	281,940	100.0%
Agribusiness	27,562	76.7%	3,982	11.1%	4,377	12.2%	35,921	100.0%
Other	12,904	99.0%	123	0.9%	14	0.1%	13,041	100.0%
Total	$ 811,060	88.4%	$ 63,408	6.9%	$ 43,228	4.7%	$ 917,696	100.0%

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands) **As of June 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	**$ 8,515**	**$ 209**	**$ 8,724**	**$ 592,607**	**$ 601,331**	**$ 65**
Production and intermediate-term	**3,646**	**6,361**	**10,007**	**281,247**	**291,254**	**--**
Agribusiness	**2,435**	**38**	**2,473**	**39,282**	**41,755**	**--**
Other	**4**	**892**	**896**	**11,711**	**12,607**	**892**
Total	**$ 14,600**	**$ 7,500**	**$ 22,100**	**$ 924,847**	**$ 946,947**	**$ 957**

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	$ 802	$ 606	$ 1,408	$ 585,386	$ 586,794	$ --
Production and intermediate-term	269	5,226	5,495	276,445	281,940	--
Agribusiness	--	--	--	35,921	35,921	--
Other	983	--	983	12,058	13,041	--
Total	$ 2,054	$ 5,832	$ 7,886	$ 909,810	$ 917,696	$ --

Nonaccrual Loans

Nonaccrual Loans Information

	As of June 30, 2026		**For the Six Months Ended June 30, 2026**
(in thousands)	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized (Reversed)
Nonaccrual loans:			
Real estate mortgage	**$ 5,988**	**$ 5,988**	**$ 214**
Production and intermediate-term	**12,477**	**7,577**	**(5)**
Agribusiness	**2,473**	**2,435**	**1**
Other	**--**	**--**	**1**
Total	**$ 20,938**	**$ 16,000**	**$ 211**

	As of December 31, 2025		For the Six Months Ended June 30, 2025
	Amortized Cost	Amortized Cost Without Allowance	Interest Income (Reversed) Recognized
Nonaccrual loans:			
Real estate mortgage	$ 690	$ 547	$ (5)
Production and intermediate-term	8,724	2,863	34
Agribusiness	2,627	2,627	--
Other	14	14	--
Total	$ 12,055	$ 6,051	$ 29

At the time the loans were transferred to nonaccrual status, we wrote-off accrued interest receivable, as a reversal of interest income of $410 thousand and $536 thousand for the six months ended June 30, 2026, and 2025, respectively.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. Loans that both modify and are paid off or charged-off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the modification disclosures. We had no loans classified as modified loans at June 30, 2025.

Loan Modifications at Amortized Cost

(dollars in thousands) **For the six months ended June 30, 2026**	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	$ **118**	$ **--**	$ **--**	$ **--**	$ **118**	**0.0%**
Production and intermediate-term	**--**	**10,238**	**--**	**4,577**	**14,815**	**1.6%**
Agribusiness	**--**	**662**	**5,056**	**--**	**5,718**	**0.6%**
Total	$ **118**	$ **10,900**	$ **5,056**	$ **4,577**	$ **20,651**	**2.2%**
Loan modifications granted as a percentage of total loans	**0.0%**	**1.2%**	**0.5%**	**0.5%**	**2.2%**	

Financial Effect of Loan Modifications

For the six months ended June 30, 2026	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)
Real estate mortgage			
Interest rate reduction	**1.7%**		
Production and intermediate-term			
Term extension		**15**	
Combination - term extension and payment deferral		**9**	**9**
Agribusiness			
Term extension		**12**	
Payment deferral			**12**

There were no loans to borrowers experiencing financial difficulty that defaulted during the six months ended June 30, 2026, or 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 June 30, 2026**	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	$ **118**	$ **--**	$ **--**	$ **118**
Production and intermediate-term	**15,505**	**--**	**229**	**15,734**
Agribusiness	**5,718**	**2,435**	**--**	**8,153**
Total	$ **21,341**	$ **2,435**	$ **229**	$ **24,005**

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $234 thousand at June 30, 2026.

Additional commitments were $2.7 million at June 30, 2026, to lend to borrowers experiencing financial difficulty whose loans were modified during the six months ended June 30, 2026. There were no material commitments at December 31, 2025, to lend to borrowers experiencing financial difficulty whose loans were modified during the year ended December 31, 2025.

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) Six months ended June 30,	**2026**	2025
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$ 5,849**	$ 2,109
Provision for credit losses on loans	**597**	4,295
Loan recoveries	**11**	4
Loan charge-offs	**(426)**	(84)
Balance at end of period	**$ 6,031**	$ 6,324
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$ 80**	$ 30
Provision for credit losses on unfunded commitments	**20**	60
Balance at end of period	**$ 100**	$ 90
Total allowance for credit losses	**$ 6,131**	$ 6,414

The change in the allowance for credit losses on loans from December 31, 2025, was primarily driven by an increase in the general allowance on real estate mortgage and production and intermediate-term loans and was partially offset by a decrease in specific reserves on production and intermediate-term loans and loan charge-offs during 2026. Specific reserves on production and intermediate-term loans in nonaccrual status declined during the period because of payments received offset slightly by an increase in required specific reserves on loans transferred to nonaccrual status.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $14.1 million at June 30, 2026, and $17.1 million at December 31, 2025. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA). All of our investment securities were fully guaranteed by the SBA at June 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 June 30, 2026, or December 31, 2025, as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $233 thousand and $507 thousand for the six months ended June 30, 2026, and 2025, respectively.

Contractual Maturities of Investment Securities

(in thousands) **As of June 30, 2026**	Amortized Cost
One to five years	**$ 313**
Five to ten years	**5,369**
More than ten years	**8,391**
Total	**$ 14,073**

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 June 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 June 30, 2026	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	**$ --**	**$ --**	**$ 972**	**$ 972**

As of December 31, 2025	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ --	$ --	$ 1,529	$ 1,529

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 6, 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.