# Farm Credit Southeast Missouri, 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 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:

Farm Credit Southeast Missouri, ACA
1116 N. Main Street
Sikeston, MO 63801
(573) 471-0342
www.FarmCreditSEMO.com
info@FarmCreditSEMO.com

AgriBank, FCB
2 Meridian Crossings, Suite 800
Richfield, MN 55423
(651) 282-8800
www.AgriBank.com
FinancialReporting@AgriBank.com

### 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 benchmark farmland values in 2026 remained largely stable, declining 0.2%, compared with increases of 0.6% and 4.3% in 2025 and 2024, respectively. The more moderate changes in land values in recent years are indicative of lower commodity prices and higher input costs.

**Commodity Prices**: Commodity prices rallied during the third quarter of 2026 due to supply concerns and increased international demand, rising to the highest levels since 2024. Producers that had not yet contracted this year's crop will likely recognize these stronger prices, but net farm income is expected to remain under pressure from higher input costs, particularly as diesel prices have surged to record levels during harvest due to ongoing international conflict. Government payments through the United States Department of Agriculture's (USDA) Farm Safety Net Program are expected to be distributed beginning in the fourth quarter of 2026 and should help alleviate some of the financial pressure on producers.

**Crop Conditions**: Harvest is underway and producers are making progress in the fields. Timely rains early in the quarter were beneficial to the 2026 growing crop, while the second half of the quarter experienced warmer and drier than average conditions. Overall, the precipitation and heat do not appear to have had a negative impact on the growing season, with the exception of dryland soybeans planted later in the season, which were adversely impacted by several weeks of excessive heat. For the most part, crops still in the field appear to have strong yield potential, and average to above-average yields are being reported for crops harvested to date. Producers are generally optimistic about overall crop yields for the 2026 crop season.

### LOAN PORTFOLIO

#### Loan Portfolio

Total loans were $964.1 million at September 30, 2026, an increase of $46.4 million from December 31, 2025. The increase was primarily due to seasonal disbursements on production and intermediate-term loans and growth in agribusiness and real estate mortgage loans.

## Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2025. Adversely classified loans increased to 7.8% of the portfolio at September 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 September 30, 2026, $27.0 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 | **$16,769** | $12,055 |
| Accruing loans 90 days or more past due | **937** | — |
| Total nonperforming loans | **17,706** | 12,055 |
| Other property owned | **—** | — |
| Total nonperforming assets | **$17,706** | $12,055 |
| Total nonperforming loans as a percentage of total loans | **1.8 %** | 1.3 % |
| Nonaccrual loans as a percentage of total loans | **1.7 %** | 1.3 % |
| Current nonaccrual loans as a percentage of total nonaccrual loans | **37.3 %** | 49.7 % |
| Total delinquencies as a percentage of total loans[1] | **1.3 %** | 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 agribusiness 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 paydowns 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 USDA, 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 nonaccrual production and intermediate-term and agribusiness 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) | **September 30,** | December 31, |
|---|---|---|
| As of: | **2026** | 2025 |
| Allowance for credit losses on loans | **$9,252** | $5,849 |
| Allowance for credit losses on loans as a percentage of: | | |
| Loans | **1.0 %** | 0.6 % |
| Nonaccrual loans | **55.2 %** | 48.5 % |
| Total nonperforming loans | **52.3 %** | 48.5 % |

The increase in allowance for credit losses on loans from December 31, 2025, was primarily related to an increase in specific reserves as a result of the transfer of agribusiness loans to nonaccrual status during 2026, as well as an increase in the general allowance on real estate mortgage and production and intermediate-term loans.

## RESULTS OF OPERATIONS

**Profitability Information**

(dollars in thousands)

| For the nine months ended September 30, | **2026** | 2025 |
|---|---|---|
| Net income | **$9,942** | $9,488 |
| Return on average assets | **1.3 %** | 1.3 % |
| Return on average members' equity | **5.9 %** | 5.8 % |

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 nine months ended September 30, | **2026** | 2025 | **Increase (decrease) in net income** |
|---|---|---|---|
| Net interest income | **$20,502** | $20,144 | **$358** |
| Provision for credit losses | **3,833** | 3,924 | **91** |
| Non-interest income | **4,921** | 3,306 | **1,615** |
| Non-interest expense | **12,248** | 10,790 | **(1,458)** |
| (Benefit from) provision for income taxes | **(600)** | (752) | **(152)** |
| Net income | **$9,942** | $9,488 | **$454** |

### 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 nine months ended September 30, | **2026** | 2025 |
|---|---|---|
| Patronage from AgriBank | **$3,550** | $2,483 |
| Other patronage | **128** | 20 |
| Total patronage income | **$3,678** | $2,503 |

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 pool program and wholesale patronage income received from AgriBank.

**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.

## 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 September 30, 2026, or December 31, 2025.

Total members' equity increased $5.5 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: | **September 30, 2026** | December 31, 2025 | Regulatory Minimums | Capital Conservation Buffer | Total |
|---|---|---|---|---|---|
| Risk-adjusted: | | | | | |
| Common equity tier 1 ratio | **18.1 %** | 18.5 % | 4.5 % | 2.5 % | 7.0 % |
| Tier 1 capital ratio | **18.1 %** | 18.5 % | 6.0 % | 2.5 % | 8.5 % |
| Total capital ratio | **18.7 %** | 19.1 % | 8.0 % | 2.5 % | 10.5 % |
| Permanent capital ratio | **18.2 %** | 18.6 % | 7.0 % | N/A | 7.0 % |
| Non-risk-adjusted: | | | | | |
| Tier 1 leverage ratio | **18.9 %** | 19.2 % | 4.0 % | 1.0 % | 5.0 % |
| Unallocated retained earnings and equivalents leverage ratio | **18.7 %** | 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 September 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

November 5, 2026

# CONSOLIDATED STATEMENTS OF CONDITION

*Farm Credit Southeast Missouri, ACA*

*(in thousands)*

| As of: | **September 30, 2026** | December 31, 2025 |
|---|---|---|
| | *(Unaudited)* | |
| **ASSETS** | | |
| Loans | **$964,066** | $917,696 |
| Allowance for credit losses on loans | **9,252** | 5,849 |
| Net loans | **954,814** | 911,847 |
| Investment in AgriBank, FCB | **38,073** | 38,073 |
| Investment securities | **13,276** | 17,131 |
| Accrued interest receivable | **28,622** | 27,110 |
| Other assets | **18,481** | 16,582 |
| Total assets | **$1,053,266** | $1,010,743 |
| **LIABILITIES** | | |
| Note payable to AgriBank, FCB | **$810,895** | $768,629 |
| Accrued interest payable | **7,476** | 7,324 |
| Patronage distribution payable | **4,500** | 9,100 |
| Other liabilities | **4,985** | 5,731 |
| Total liabilities | **827,856** | 790,784 |
| Contingencies and commitments (Note 4) | | |
| **MEMBERS' EQUITY** | | |
| Capital stock and participation certificates | **1,642** | 1,643 |
| Unallocated retained earnings | **223,746** | 218,293 |
| Accumulated other comprehensive income | **22** | 23 |
| Total members' equity | **225,410** | 219,959 |
| Total liabilities and members' equity | **$1,053,266** | $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 | | Nine Months Ended | |
|---|---|---|---|---|
| *For the periods ended September 30,* | **2026** | 2025 | **2026** | 2025 |
| **Interest income** | **$14,850** | $14,600 | **$41,247** | $40,991 |
| **Interest expense** | **7,476** | 7,588 | **20,745** | 20,847 |
| Net interest income | **7,374** | 7,012 | **20,502** | 20,144 |
| **Provision for credit losses** | **3,216** | (431) | **3,833** | 3,924 |
| Net interest income after provision for credit losses | **4,158** | 7,443 | **16,669** | 16,220 |
| | | | | |
| **Non-interest income** | | | | |
| Patronage income | **1,601** | 1,028 | **3,678** | 2,503 |
| Financially related services income | **283** | 409 | **345** | 469 |
| Fee income | **82** | 68 | **243** | 156 |
| Other non-interest income | **220** | 12 | **655** | 178 |
| Total non-interest income | **2,186** | 1,517 | **4,921** | 3,306 |
| | | | | |
| **Non-interest expense** | | | | |
| Salaries and employee benefits | **2,007** | 1,846 | **6,069** | 5,209 |
| Other operating expense | **2,065** | 1,900 | **6,156** | 5,581 |
| Other non-interest expense | **—** | — | **23** | — |
| Total non-interest expense | **4,072** | 3,746 | **12,248** | 10,790 |
| Income before income taxes | **2,272** | 5,214 | **9,342** | 8,736 |
| **(Benefit from) provision for income taxes** | **(737)** | 75 | **(600)** | (752) |
| Net income | **$3,009** | $5,139 | **$9,942** | $9,488 |
| | | | | |
| **Other comprehensive loss** | | | | |
| Employee benefit plans activity | **$(1)** | $— | **$(1)** | $(1) |
| Total other comprehensive loss | **(1)** | — | **(1)** | (1) |
| Comprehensive income | **$3,008** | $5,139 | **$9,941** | $9,487 |

*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, 2024 | $1,660 | $216,076 | $27 | $217,763 |
| Net income | — | 9,488 | — | 9,488 |
| Other comprehensive loss | — | — | (1) | (1) |
| Unallocated retained earnings designated for patronage distributions | — | (4,486) | — | (4,486) |
| Capital stock and participation certificates issued | 85 | — | — | 85 |
| Capital stock and participation certificates retired | (88) | — | — | (88) |
| Balance at September 30, 2025 | $1,657 | $221,078 | $26 | $222,761 |
| | | | | |
| Balance at December 31, 2025 | $1,643 | $218,293 | $23 | $219,959 |
| Net income | **—** | **9,942** | **—** | **9,942** |
| Other comprehensive loss | **—** | **—** | **(1)** | **(1)** |
| Unallocated retained earnings designated for patronage distributions | **—** | **(4,489)** | **—** | **(4,489)** |
| Capital stock and participation certificates issued | **95** | **—** | **—** | **95** |
| Capital stock and participation certificates retired | **(96)** | **—** | **—** | **(96)** |
| **Balance at September 30, 2026** | **$1,642** | **$223,746** | **$22** | **$225,410** |

*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 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: | **September 30, 2026** | | December 31, 2025 | |
|---|---|---|---|---|
| | Amortized Cost | % | Amortized Cost | % |
| Real estate mortgage | **$598,974** | **62.1 %** | $586,794 | 64.0 % |
| Production and intermediate-term | **301,961** | **31.3 %** | 281,940 | 30.7 % |
| Agribusiness | **50,682** | **5.3 %** | 35,921 | 3.9 % |
| Other | **12,449** | **1.3 %** | 13,041 | 1.4 % |
| Total | **$964,066** | **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 September 30, 2026, and December 31, 2025, accrued interest receivable on loans totaled $28.6 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. Borrowers within each probability of default rating category are expected to experience similar rates of default occurrences across geographic areas and industries. 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 $6.3 million of loans categorized as doubtful at September 30, 2026, while no loans were categorized as doubtful at December 31, 2025. We had no loans categorized as loss at September 30, 2026, or December 31, 2025.

**Credit Quality of Loans at Amortized Cost**

| (dollars in thousands) | Acceptable | | Special Mention | | Substandard/Doubtful | | Total | |
|---|---|---|---|---|---|---|---|---|
| **As of September 30, 2026** | Amount | % | Amount | % | Amount | % | Amount | % |
| Real estate mortgage | **$502,548** | **83.9 %** | **$64,867** | **10.8 %** | **$31,559** | **5.3 %** | **$598,974** | **100.0 %** |
| Production and intermediate-term | **220,514** | **73.1 %** | **46,045** | **15.2 %** | **35,402** | **11.7 %** | **301,961** | **100.0 %** |
| Agribusiness | **42,477** | **83.8 %** | **—** | **— %** | **8,205** | **16.2 %** | **50,682** | **100.0 %** |
| Other | **12,334** | **99.1 %** | **115** | **0.9 %** | **—** | **— %** | **12,449** | **100.0 %** |
| Total | **$777,873** | **80.7 %** | **$111,027** | **11.5 %** | **$75,166** | **7.8 %** | **$964,066** | **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 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 | **$296** | **$250** | **$546** | **$598,428** | **$598,974** | **$65** |
| Production and intermediate-term | **91** | **7,863** | **7,954** | **294,007** | **301,961** | **—** |
| Agribusiness | **—** | **2,473** | **2,473** | **48,209** | **50,682** | **—** |
| Other | **941** | **873** | **1,814** | **10,635** | **12,449** | **872** |
| Total | **$1,328** | **$11,459** | **$12,787** | **$951,279** | **$964,066** | **$937** |

| 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**

| (in thousands) | **As of September 30, 2026** Amortized Cost | Amortized Cost Without Allowance | **For the Nine Months Ended September 30, 2026** Interest Income Recognized (Reversed) |
|---|---|---|---|
| Nonaccrual loans: | | | |
| Real estate mortgage | **$388** | **$388** | **$285** |
| Production and intermediate-term | **9,926** | **5,004** | **220** |
| Agribusiness | **6,455** | **2,435** | **(2)** |
| Other | **—** | **—** | **1** |
| Total | **$16,769** | **$7,827** | **$504** |

| | As of December 31, 2025 Amortized Cost | Amortized Cost Without Allowance | For the Nine Months Ended September 30, 2025 Interest Income (Reversed) Recognized |
|---|---|---|---|
| Nonaccrual loans: | | | |
| Real estate mortgage | $690 | $547 | $(7) |
| Production and intermediate-term | 8,724 | 2,863 | 74 |
| Agribusiness | 2,627 | 2,627 | 6 |
| Other | 14 | 14 | 1 |
| Total | $12,055 | $6,051 | $74 |

At the time loans transfer to nonaccrual status, we write-off accrued interest receivable as a reversal of interest income. We wrote-off accrued interest receivable of $435 thousand and $569 thousand for the nine months ended September 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.

**Loan Modifications at Amortized Cost**

| (dollars in thousands) For the nine months ended September 30, 2026 | Interest Rate Reduction | Term Extension | Payment Deferral | Combination - Term Extension and Payment Deferral | Total | Percentage of Total Loans |
|---|---|---|---|---|---|---|
| Real estate mortgage | **$115** | **$—** | **$—** | **$—** | **$115** | **— %** |
| Production and intermediate-term | **—** | **9,317** | **—** | **3,934** | **13,251** | **1.4 %** |
| Agribusiness | **—** | **683** | **5,049** | **—** | **5,732** | **0.6 %** |
| Total | **$115** | **$10,000** | **$5,049** | **$3,934** | **$19,098** | **2.0 %** |
| Loan modifications granted as a percentage of total loans | **— %** | **1.1 %** | **0.5 %** | **0.4 %** | **2.0 %** | |

| For the nine months ended September 30, 2025 | Interest Rate Reduction | Term Extension | Payment Deferral | Combination - Term Extension and Payment Deferral | Total | Percentage of Total Loans |
|---|---|---|---|---|---|---|
| Production and intermediate-term | $— | $979 | $— | $— | $979 | 0.1 % |
| Agribusiness | — | 2,641 | — | — | 2,641 | 0.3 % |
| Total | $— | $3,620 | $— | $— | $3,620 | 0.4 % |
| Loan modifications granted as a percentage of total loans | — % | 0.4 % | — % | — % | 0.4 % | |

**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 | **1.7 %** | | |
| Production and intermediate-term | | | |
| Term extension | | **15** | |
| Combination - term extension and payment deferral | | **10** | **9** |
| Agribusiness | | | |
| Term extension | | **12** | |
| Payment deferral | | | **12** |

| For the nine months ended September 30, 2025 | Weighted Average Interest Rate Reduction (%) | Weighted Average Term Extension (months) | Weighted Average Payment Deferral (months) |
|---|---|---|---|
| Production and intermediate-term | | | |
| Term extension | | 15 | |
| Agribusiness | | | |
| Term extension | | 10 | |

We had loans to borrowers experiencing financial difficulty with term extension 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 | 30-89 Days Past Due | 90 Days or More Past Due | Total |
|---|---|---|---|---|
| Real estate mortgage | **$115** | **$—** | **$—** | **$115** |
| Production and intermediate-term | **13,022** | **—** | **229** | **13,251** |
| Agribusiness | **5,732** | **—** | **—** | **5,732** |
| Total | **$18,869** | **$—** | **$229** | **$19,098** |

| As of September 30, 2025 | Not Past Due or Less Than 30 Days Past Due | 30-89 Days Past Due | 90 Days or More Past Due | Total |
|---|---|---|---|---|
| Production and intermediate-term | $— | $979 | $— | $979 |
| Agribusiness | — | 2,641 | — | 2,641 |
| Total | $— | $3,620 | $— | $3,620 |

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $395 thousand at September 30, 2026. There was no accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty at September 30, 2025.

Additional commitments were $1.9 million at September 30, 2026, to lend to borrowers experiencing financial difficulty whose loans were modified during the nine months ended September 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) Nine months ended September 30, | **2026** | 2025 |
|---|---|---|
| **Allowance for Credit Losses on Loans** | | |
| Balance at beginning of period | **$5,849** | $2,109 |
| Provision for credit losses on loans | **3,833** | 3,894 |
| Loan recoveries | **30** | 5 |
| Loan charge-offs | **(460)** | (172) |
| Balance at end of period | **$9,252** | $5,836 |
| **Allowance for Credit Losses on Unfunded Commitments** | | |
| Balance at beginning of period | **$80** | $30 |
| Provision for credit losses on unfunded commitments | **—** | 30 |
| Balance at end of period | **$80** | $60 |
| Total allowance for credit losses | **$9,332** | $5,896 |

The change in the allowance for credit losses on loans from December 31, 2025, was primarily driven by an increase in specific reserves as a result of the transfer of agribusiness loans to nonaccrual status during 2026, as well as an increase in the general allowance on real estate mortgage and production and intermediate-term loans.

## NOTE 3: INVESTMENT SECURITIES

We held investment securities of $13.3 million at September 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 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.

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $389 thousand and $714 thousand 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 | **$275** |
| Five to ten years | **4,944** |
| More than ten years | **8,057** |
| Total | **$13,276** |

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 | **$—** | **$—** | **$1,597** | **$1,597** |

| 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 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.