Central Kentucky Agricultural Credit Association

SECOND QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026 quarterly report of Central Kentucky Agricultural Credit Association, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ Jonathan T. Noe
Chief Executive Officer

/s/ Thomas B. Whitaker
Chief Financial Officer

/s/ Joe Myers
Chairman of the Board

August 7, 2026

Central Kentucky Agricultural Credit Association

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of Central Kentucky Agricultural Credit Association (Association) for the period ended June 30, 2026, with comparisons to prior periods. These comments should be read in conjunction with the accompanying financial statements, notes to the financial statements and the 2025 Annual Report of the Association. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio contains a concentration of beef cattle, horse producers, row crops, and hay producers. While a large percentage of the loan portfolio is concentrated in these commodities, many of these operations are diversified within their enterprise, which reduces overall risk exposure. Additionally, risk associated with commodity concentration is reduced by the diversity of enterprises in the Association's territory and the borrowers' ability to supplement borrowings with non-farm income.

The total loan volume of the Association as of June 30, 2026, was $888,627, an increase of $34,156 as compared to $854,471 at December 31, 2025. This increase is primarily the result of new loan originations along with draws on lines of credit.

ASSET QUALITY AND LOAN LOSS RESERVES

There is an inherent risk in the extension of any type of credit. Portfolio credit quality continues to be maintained at an acceptable level and credit administration remains satisfactory. Nonaccrual loans decreased to $629 at June 30, 2026 from $1,033 at December 31, 2025. As a percent of total loans, nonaccrual loans were 0.07% and 0.12% at June 30, 2026 and December 31, 2025, respectively. Nonaccrual loans have been at historically low levels, and this decrease is a continuation of that trend.

Association management maintains an allowance for credit losses (ACL) in an amount considered sufficient to absorb estimated current and expected credit losses over the financial assets expected life. The most significant component of the Association's ACL is the allowance for credit losses on loans (ACLL). The ACLL at June 30, 2026, was $1,931 or 0.22% of total loans compared to $2,207 or 0.26% of total loans at December 31, 2025, and is considered by management to be adequate to cover estimated current and expected losses within the loan portfolio. See further detail on the Association's ACL within the Association's Annual Report and discussion of significant provision for credit loss within the *Results of Operations* below.

RESULTS OF OPERATIONS

For the three months ended June 30, 2026

Net income for the three months ended June 30, 2026, was $3,737, a decrease of $133 as compared to net income of $3,870 for the same period ended in 2025. This decrease is primarily the result of higher salaries and employee benefits as open positions have been filled as compared to the prior year along with an increase in purchased services expense year over year.

For the three months ended June 30, 2026, net interest income was $5,856, an increase of $179, and the net interest margin was 2.74%, a decrease of 13 basis points as compared to the same period ended in 2025. The increase in net interest income can be attributed to loan volume growth, while the decrease in net interest margin can be attributed to pricing pressures brought about by strong market competition.

The reversal of the provision for credit losses for the three months ended June 30, 2026, was $2, a decrease of $10 from the provision for credit losses of $8 for the same period ended during the prior year. This decrease was primarily the result of movement within the distribution of credit ratings in the portfolio.

Noninterest income increased $172 to $1,677 during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily due to strong fee income and increased patronage received from other Farm Credit institutions.

For the three months ended June 30, 2026, noninterest expense increased $489 to $3,786 compared to the same period ended in 2025 primarily due to an increase in salaries and benefits along with an increase in purchased services.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $7,815, an increase of $418 as compared to net income of $7,397 for the same period ended in 2025. This increase is primarily the result of a refund received from the Farm Credit System Insurance Corporation along with a reversal of the ACL taken in the first quarter.

For the six months ended June 30, 2026, net interest income was $11,521, an increase of $500, and the net interest margin was 2.69%, a decrease of 3 basis points as compared to the same period ended in 2025. The increase in net interest income can be attributed to loan volume growth, while the decrease in net interest margin can be attributed to pricing pressures brought about by strong market competition.

The reversal of the provision for credit losses for the six months ended June 30, 2026, was $281, a decrease of $303 from the provision for credit losses of $22 for the same period ended during the prior year. This decrease was primarily the result of movement within the distribution of credit ratings in the portfolio.

Noninterest income increased $488 to $3,521 during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily due to the receipt of an insurance fund refund.

For the six months ended June 30, 2026, noninterest expense increased $862 to $7,483 compared to the same period ended in 2025 primarily due to an increase in salaries and benefits along with an increase in purchased services.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association’s credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at June 30, 2026, was $747,612 as compared to $717,357 at December 31, 2025.

CAPITAL RESOURCES

Total members’ equity at June 30, 2026, was $170,422, an increase of $7,853 from a total of $162,569 at December 31, 2025. This increase is primarily the result of current year earnings. Total capital stock and participation certificates were $4,064 on June 30, 2026, compared to $4,023 on December 31, 2025. This increase is primarily the result of issuances of equities in the normal course of business.

The Farm Credit Administration (FCA) sets minimum regulatory capital requirements with a capital conservation buffer for System banks and associations. Capital adequacy is evaluated using a number of regulatory ratios.

The following sets forth the regulatory capital ratios:

	Regulatory Minimum Including Buffer*	June 30, 2026	December 31, 2025	June 30, 2025
Permanent Capital Ratio	7.00%	17.81%	18.00%	18.56%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	17.39%	17.54%	18.10%
Tier 1 Capital Ratio	8.50%	17.39%	17.54%	18.10%
Total Regulatory Capital Ratio	10.50%	17.63%	17.85%	18.37%
Tier 1 Leverage Ratio**	5.00%	16.52%	16.70%	17.19%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	16.08%	16.24%	16.70%

**Include full capital conservation buffers.*
***The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE equivalents.*

If the capital ratios fall below the minimum regulatory requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval. For all periods presented, the Association exceeded minimum regulatory requirements for all of the ratios.

REGULATORY MATTERS

On July 24, 2026, the FCA published a final rule on loan performance categories and financial reporting in the Federal Register. The rule amends the high-risk loan performance categories by removing formally restructured loans (TDRs) to ensure the regulations remain consistent with U.S. generally accepted accounting principles (GAAP). The amendment reflects changes in GAAP that eliminated the measurement guidance for TDRs and replaced it with enhanced disclosure requirements for certain loan modifications to borrowers experiencing financial difficulty. The regulation will be effective 30 days after publication during which either or both Houses of Congress are in session.

On February 27, 2026, the FCA published a proposed rule on Permanent Capital Revisions in the Federal Register. The proposed rule would reduce the role of permanent capital as a measure of capital adequacy, simplify the permanent capital ratio calculation, eliminate permanent capital disclosure requirements from shareholder and investor reporting, and make other clarifications, corrections, and updates to capital-related regulations. The comment period ended on April 28, 2026.

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk weightings for High Volatility Commercial Real Estate (HVCRE) exposures by assigning a 150% risk-weighting to such exposures, instead of the current 100%, to reflect increased risk characteristics. The rule further ensures comparability between the FCA's risk-weightings and the federal banking regulators, with deviations as appropriate to accommodate the different regulatory, operational, and credit considerations of the System. The final rule excludes certain acquisition, development and construction loans that do not present as much risk and therefore do not warrant the risk weight for HVCRE. In addition, the final rule adds an exclusion for loans originated with a balance for less than $500,000. The rule became effective on January 1, 2026 and did not have a material impact on the Association’s capital ratios.

SHAREHOLDER INVESTMENT

Shareholder investment in the Association may be materially affected by the financial condition and results of operations of the Bank. Copies of the Bank’s annual and unaudited quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2764, or by writing Matthew Miller, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Information concerning the Bank can also be obtained at their website, *www.agfirst.com.* Copies of the Association’s annual and unaudited quarterly reports are also available upon request free of charge by calling 1-859-253-3249, or writing Thomas Whitaker, Chief Financial Officer, Central Kentucky Agricultural Credit Association, P.O. Box 4100, Lexington, KY 40544-4100, or accessing the website *www.agcreditonline.com.* The Association prepares an unaudited quarterly report within 40 days after the end of each fiscal quarter, except that no report needs to be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Central Kentucky Agricultural Credit Association

Consolidated Balance Sheets

(dollars in thousands)		June 30, 2026		December 31, 2025
		(unaudited)		*(audited)*
Assets				
Cash	**$**	**1,431**	$	1,500
Loans		**888,627**		854,471
Allowance for credit losses on loans		**(1,931)**		(2,207)
Net loans		**886,696**		852,264
Accrued interest receivable		**9,893**		10,148
Equity investments in other Farm Credit institutions		**15,949**		15,252
Premises and equipment, net		**6,377**		6,399
Accounts receivable		**2,476**		4,813
Other assets		**179**		51
Total assets	**$**	**923,001**	$	890,427
Liabilities				
Notes payable to AgFirst Farm Credit Bank	**$**	**747,612**	$	717,357
Accrued interest payable		**2,471**		2,379
Patronage refunds payable		**265**		5,707
Accounts payable		**394**		673
Other liabilities		**1,837**		1,742
Total liabilities		**752,579**		727,858
Commitments and contingencies (Note 5)				
Members' Equity				
Capital stock and participation certificates		**4,064**		4,023
Retained earnings				
Allocated		**117,751**		117,754
Unallocated		**48,607**		40,792
Total members' equity		**170,422**		162,569
Total liabilities and members' equity	**$**	**923,001**	$	890,427

The accompanying notes are an integral part of these consolidated financial statements.

Central Kentucky Agricultural Credit Association

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest Income				
Loans	**$ 13,259**	$ 12,296	**$ 25,892**	$ 23,820
Interest Expense	**7,403**	6,619	**14,371**	12,799
Net interest income	**5,856**	5,677	**11,521**	11,021
Provision for (reversal of) allowance for credit losses	**(2)**	8	**(281)**	22
Net interest income after provision for (reversal of) allowance for credit losses	**5,858**	5,669	**11,802**	10,999
Noninterest Income				
Loan fees	**450**	319	**748**	574
Patronage refunds from other Farm Credit institutions	**1,223**	1,170	**2,417**	2,322
Gains (losses) on sales of rural home loans, net	**4**	16	**9**	23
Insurance Fund refunds	**—**	—	**347**	114
Total noninterest income	**1,677**	1,505	**3,521**	3,033
Noninterest Expense				
Salaries and employee benefits	**1,880**	1,727	**3,716**	3,456
Occupancy and equipment	**140**	103	**273**	201
Insurance Fund premiums	**168**	155	**330**	304
Purchased services	**1,213**	944	**2,387**	1,891
Data processing	**27**	47	**66**	86
Other operating expenses	**358**	321	**711**	683
Total noninterest expense	**3,786**	3,297	**7,483**	6,621
Income before income taxes	**3,749**	3,877	**7,840**	7,411
Provision for income taxes	**12**	7	**25**	14
Net income	**$ 3,737**	$ 3,870	**$ 7,815**	$ 7,397
Other comprehensive income	**—**	—	**—**	—
Comprehensive income	**$ 3,737**	$ 3,870	**$ 7,815**	$ 7,397

The accompanying notes are an integral part of these consolidated financial statements.

Central Kentucky Agricultural Credit Association

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Retained Earnings Allocated	Retained Earnings Unallocated	Total Members' Equity
Balance at December 31, 2024	$ 4,106	$ 110,320	$ 38,934	$ 153,360
Comprehensive income			7,397	7,397
Capital stock/participation certificates issued/(retired), net	75			75
Patronage distribution adjustment		(76)	125	49
Balance at June 30, 2025	$ 4,181	$ 110,244	$ 46,456	$ 160,881
Balance at December 31, 2025	**$ 4,023**	**$ 117,754**	**$ 40,792**	**$ 162,569**
Comprehensive income			**7,815**	**7,815**
Capital stock/participation certificates issued/(retired), net	**41**			**41**
Patronage distribution adjustment		**(3)**		**(3)**
Balance at June 30, 2026	**$ 4,064**	**$ 117,751**	**$ 48,607**	**$ 170,422**

The accompanying notes are an integral part of these consolidated financial statements.

Central Kentucky Agricultural Credit Association

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)
(unaudited)

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization
The accompanying financial statements include the accounts of Central Kentucky Agricultural Credit Association and its Production Credit Association (PCA) and Federal Land Credit Association (FLCA) subsidiaries (collectively, the Association). Descriptions of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations for the Association as of and for the year ended December 31, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited interim consolidated financial statements should be read in conjunction with the latest Annual Report to Shareholders.

Basis of Presentation
In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

Certain amounts in the prior period's consolidated financial statements have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies
The Association's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for credit losses (Note 2, *Loans and Allowance for Credit Losses*) and financial instruments (Note 4, *Fair Value Measurement*). Actual results could differ from those estimates.

For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

Accounting Standards Updates (ASUs) Issued but Not Yet Adopted
The Financial Accounting Standards Board (FASB) has issued certain accounting standards that will become effective for the Association in future periods. There were no ASUs issued, nor were there material updates to previously disclosed accounting standards, during the six months ended June 30, 2026 that are expected to have a material impact on the Association's financial statements. For a detailed description of ASUs previously issued, see the latest Annual Report.

ASUs Effective During the Period
In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient which would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The amendments were effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The impact of adoption did not have a significant impact on the Association's financial condition, results of operations, and cash flows.

Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding at period end follows:

	June 30, 2026	December 31, 2025
Real estate mortgage	$ 594,710	$ 587,416
Production and intermediate-term	256,490	231,929
Agribusiness:		
Processing and marketing	9,300	11,769
Farm-related business	9,225	5,489
Rural infrastructure:		
Communication	4,695	4,271
Power and water/waste disposal	689	689
Rural residential real estate	13,518	12,908
Total loans	$ 888,627	$ 854,471

A substantial portion of the Association's lending activities is collateralized, and exposure to credit loss associated with lending activities is reduced accordingly. The Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration (FCA) regulations.

The following table shows loans, classified under the FCA Uniform Loan Classification System, as a percentage of total loans by loan type as of:

	June 30, 2026	December 31, 2025
Real estate mortgage:		
Acceptable	96.53%	96.68%
OAEM	2.54	2.07
Substandard/doubtful/loss	0.93	1.25
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	98.38%	95.77%
OAEM	0.73	2.92
Substandard/doubtful/loss	0.89	1.31
	100.00%	100.00%
Agribusiness:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	99.38%	99.17%
OAEM	0.19	0.29
Substandard/doubtful/loss	0.43	0.54
	100.00%	100.00%
Total loans:		
Acceptable	97.20%	96.55%
OAEM	1.91	2.22
Substandard/doubtful/loss	0.89	1.23
	100.00%	100.00%

Accrued interest receivable on loans of $9,893 and $10,148 at June 30, 2026 and December 31, 2025, respectively, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets.

The following tables provide an aging analysis of past due loans as of:

	June 30, 2026				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 1,520	$ 327	$ 1,847	$ 592,863	$ 594,710
Production and intermediate-term	1,861	275	2,136	254,354	256,490
Agribusiness	–	–	–	18,525	18,525
Rural infrastructure	–	–	–	5,384	5,384
Rural residential real estate	326	–	326	13,192	13,518
Total	$ 3,707	$ 602	$ 4,309	$ 884,318	$ 888,627

	December 31, 2025				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 1,545	$ 359	$ 1,904	$ 585,512	$ 587,416
Production and intermediate-term	1,106	1,266	2,372	229,557	231,929
Agribusiness	–	–	–	17,258	17,258
Rural infrastructure	–	–	–	4,960	4,960
Rural residential real estate	259	–	259	12,649	12,908
Total	$ 2,910	$ 1,625	$ 4,535	$ 849,936	$ 854,471

There were no accruing loans greater than 90 days past due as of June 30, 2026. Accruing loans greater than 90 days past due as of December 31, 2025 were $823.

The following tables provide the amortized cost for nonaccrual loans with and without a related allowance for credit losses on loans as of:

	June 30, 2026		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ –	$ 327	$ 327
Production and intermediate-term	128	172	300
Rural residential real estate	–	2	2
Total	$ 128	$ 501	$ 629

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ –	$ 377	$ 377
Production and intermediate-term	346	302	648
Rural residential real estate	–	8	8
Total	$ 346	$ 687	$ 1,033

The Association recognized $20 and $50 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $184 of interest income on nonaccrual loans during both the three and six month periods ended June 30, 2025.

Reversals of interest income on loans that moved to nonaccrual status were not material for the three and six months ended June 30, 2026 and 2025.

A summary of changes in the allowance for credit losses is as follows:

	Three Months Ended June 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 1,931	$ 2,080
Charge-offs	–	(31)
Recoveries	–	–
Provision for credit losses on loans	–	–
Balance at end of period	$ 1,931	$ 2,049
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 64	$ 80
Provision for unfunded commitments	(2)	8
Balance at end of period	$ 62	$ 88
Total allowance for credit losses	$ 1,993	$ 2,137

	Six Months Ended June 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 2,207	$ 2,080
Charge-offs	(1)	(31)
Recoveries	–	–
Provision for credit losses on loans	(275)	–
Balance at end of period	$ 1,931	$ 2,049
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 68	$ 66
Provision for unfunded commitments	(6)	22
Balance at end of period	$ 62	$ 88
Total allowance for credit losses	$ 1,993	$ 2,137

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one, or a combination of, principal forgiveness, interest rate reduction, or an other-than-insignificant payment delay or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

Modified loans to borrowers experiencing financial difficulty and activity on these loans were not material during the three and six months ended June 30, 2026 and 2025. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at June 30, 2026 and 2025. There were no material modifications to borrowers experiencing financial difficulty that occurred during the previous twelve months and for which there was a subsequent payment default during the period.

The Association had no loans held for sale at June 30, 2026 and December 31, 2025.

Note 3 — Investments

Equity Investments in Other Farm Credit Institutions

Equity investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA. These investments are carried at cost and evaluated for impairment based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

Associations are required to maintain ownership in AgFirst Farm Credit Bank (the Bank) in the form of Class B or Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association owned 2.19% of the issued stock and allocated retained earnings of the Bank as of June 30, 2026, net of any reciprocal investment. As of that date, the Bank's assets totaled $51.2 billion and shareholders' equity totaled $2.4 billion. The Bank's earnings were $218 million for the six months ended June 30, 2026. In addition, the Association held investments of $275 related to other Farm Credit institutions.

Note 4 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 2, *Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders for additional information.

There were no changes to valuation methodologies or fair value hierarchy classifications during the periods presented. See Note 8, *Fair Value Measurement* of the most recent Annual Report to Shareholders for descriptions of the valuation methodologies used for assets and liabilities measured at fair value.

Fair values are estimated at each period end date for assets and liabilities measured at fair value on a recurring basis. The following tables summarize assets measured at fair value at period end.

	June 30, 2026			
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ –	$ –	$ –	$ –
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 54	$ 54
Other property owned	$ –	$ –	$ –	$ –

	December 31, 2025			
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ –	$ –	$ –	$ –
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 54	$ 54
Other property owned	$ –	$ –	$ –	$ –

Note 5 — Commitments and Contingent Liabilities

From time to time, legal actions may be pending against the Association in which claims for damages are asserted. At the date of these financial statements, the Association is not aware of any material actions. However, the Association cannot ensure that such actions or other contingencies will not arise in the future.

Note 6 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through August 7, 2026, which was the date the financial statements were issued.