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*Central Kentucky Agricultural Credit Association*

**THIRD QUARTER 2025**

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**CERTIFICATION**

The undersigned certify that we have reviewed the September 30, 2025 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 Noe  
Chief Executive Officer

/s/ Thomas B. Whitaker  
Chief Financial Officer

/s/ Joe Myers  
Chairman of the Board

November 7, 2025

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*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 September 30, 2025, with comparisons to prior periods. These comments should be read in conjunction with the accompanying financial statements, notes to the financial statements and the 2024 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 September 30, 2025, was \$836,734, an increase of \$51,538 as compared to \$785,196 at December 31, 2024. 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 increased to \$1,003 at September 30, 2025 from \$946 at December 31, 2024. As a percent of total loans, nonaccrual loans were 0.12% and 0.12% at September 30, 2025 and December 31, 2024, respectively. Nonaccrual loans had been at historically low levels, and this increase represents a movement towards more normal levels.

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 (ACL). The ACL at September 30, 2025, was \$2,463 or 0.29% of total loans compared to \$2,080 or 0.26% of total loans at December 31, 2024, 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 September 30, 2025*

Net income for the three months ended September 30, 2025, was \$3,516, a decrease of \$104 as compared to net income of \$3,620 for the same period ended in 2024. This decrease is primarily the result of additional operating expenses created by increased investment in new technology along with a decrease in patronage refunds received from other Farm Credit institutions.

For the three months ended September 30, 2025, net interest income was \$5,671, an increase of \$389, and the net interest margin was 2.80%, a decrease of 9 basis points as compared to the same period ended in 2024. The increase in net interest income can be attributed to

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loan volume growth, while the decrease in net interest margin can be attributed to pricing pressures brought about by strong market competition.

The provision for credit losses for the three months ended September 30, 2025, was \$416, an increase of \$409 from the provision for credit losses of \$7 for the same period ended during the prior year. This increase was primarily driven by stress in the row crop portfolio due to poor weather conditions during the year and related movements in credit quality of that portfolio along with strong loan volume growth.

Noninterest income decreased \$164 to \$1,558 during the three months ended September 30, 2025 compared to the same period ended during the prior year primarily due to a reduction in patronage refunds received from other Farm Credit institutions.

For the three months ended September 30, 2025, noninterest expense decreased \$67 to \$3,296 compared to the same period ended in 2024 primarily due to lower pension plan expense.

#### ***For the nine months ended September 30, 2025***

Net income for the nine months ended September 30, 2025, was \$10,913, a decrease of \$449 as compared to net income of \$11,362 for the same period ended in 2024. This decrease is primarily the result of provision expense and additional operating expenses created by increased investment in new technology, although these increased expenses were partially offset by increased net interest income driven by strong loan volume growth.

For the nine months ended September 30, 2025, net interest income was \$16,692, an increase of \$1,033, and the net interest margin was 2.77%, a decrease of 8 basis points as compared to the same period ended in 2024. 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 provision for credit losses for the nine months ended September 30, 2025, was \$438, an increase of \$438 from the provision for credit losses of \$0 for the same period ended during the prior year. This increase was primarily driven by stress in the row crop portfolio due to poor weather conditions during the year and related movements in credit quality of that portfolio along with strong loan volume growth.

Noninterest income decreased \$369 to \$4,591 during the first nine months of 2025 compared with the first nine months of 2024 primarily due to a reduction in patronage refunds received from other Farm Credit institutions.

For the nine months ended September 30, 2025, noninterest expense increased \$714 to \$9,917 compared to the same period ended in 2024 primarily due to additional operating expenses created by increased investment in new technology, the annual increase in salaries, and an increase in insured debt expense.

### **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 September 30, 2025, was \$699,763 as compared to \$653,497 at December 31, 2024.

### **CAPITAL RESOURCES**

Total members' equity at September 30, 2025, was \$164,189, an increase of \$10,829 from a total of \$153,360 at December 31, 2024. This increase is primarily attributable to current year's net earnings. Total capital stock and participation certificates were \$3,973 on September 30, 2025, compared to \$4,106 on December 31, 2024. This decrease is primarily the result of the redemption of the Association's reciprocal investment in the Bank.

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:

|                                                         | <b>Regulatory<br/>Minimum<br/>Including<br/>Buffer*</b> | <b>9/30/25</b> | <b>12/31/24</b> | <b>9/30/24</b> |
|---------------------------------------------------------|---------------------------------------------------------|----------------|-----------------|----------------|
| Permanent Capital Ratio                                 | 7.00%                                                   | 18.45%         | 18.85%          | 19.04%         |
| Common Equity Tier 1 (CET1) Capital Ratio               | 7.00%                                                   | 18.00%         | 18.35%          | 18.53%         |
| Tier 1 Capital Ratio                                    | 8.50%                                                   | 18.00%         | 18.35%          | 18.53%         |
| Total Regulatory Capital Ratio                          | 10.50%                                                  | 18.26%         | 18.69%          | 18.88%         |
| Tier 1 Leverage Ratio**                                 | 5.00%                                                   | 17.09%         | 17.41%          | 17.54%         |
| Unallocated Retained Earnings (URE) and URE Equivalents | 1.50%                                                   | 16.61%         | 16.83%          | 16.95%         |

\*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 November 29, 2024, the Farm Credit Administration (FCA) published a proposed rule on internal control over financial reporting (ICFR) in the Federal Register. The proposed rule would amend the financial reporting regulations to require System Associations that meet certain asset thresholds or conditions, as well as the Banks, to obtain annual attestation reports from their external auditors that express an opinion on the effectiveness of ICFR (also known as integrated audit). Associations would meet the requirement for an integrated audit if it represents 1% or more of total System assets; 15% or more of its District Bank's direct loans to Associations or if the FCA's Office of Examination determines that a material weakness in the Association's ICFR exists. The comment period ended on March 31, 2025.

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 their 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 for less than \$500,000. On October 16, 2024, the FCA extended the implementation date of this rule from January 1, 2025 to January 1, 2026.

On October 5, 2023, the FCA approved a final rule on cyber risk management that requires each System institution to develop and implement a comprehensive, written cyber risk management program. Each institution's cyber risk plan must require the institution to take the necessary actions to assess internal and external risk factors, identify potential system and software vulnerabilities, establish a risk management program for the risks identified, develop a cyber risk training program, set policies for managing third-party relationships, maintain robust internal controls and establish institution board reporting requirements. The final rule became effective on January 1, 2025.

**NOTE:** Shareholder investment in the Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst'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 AgFirst Farm Credit Bank can also be obtained at their website, [www.agfirst.com](http://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.agcredionline.com](http://www.agcredionline.com). The Association prepares an unaudited quarterly report within 40 days after the end of each fiscal quarter, except that no report need 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

| <i>(dollars in thousands)</i>                        | September 30,<br>2025<br><i>(unaudited)</i> | December 31,<br>2024<br><i>(audited)</i> |
|------------------------------------------------------|---------------------------------------------|------------------------------------------|
| <b>Assets</b>                                        |                                             |                                          |
| Cash                                                 | \$ 1,437                                    | \$ 939                                   |
| Loans                                                | 836,734                                     | 785,196                                  |
| Allowance for credit losses on loans                 | <u>(2,463)</u>                              | <u>(2,080)</u>                           |
| Net loans                                            | 834,271                                     | 783,116                                  |
| Accrued interest receivable                          | 10,531                                      | 8,733                                    |
| Equity investments in other Farm Credit institutions | 15,252                                      | 12,414                                   |
| Premises and equipment, net                          | 6,414                                       | 5,602                                    |
| Accounts receivable                                  | 3,578                                       | 5,370                                    |
| Other assets                                         | <u>91</u>                                   | <u>76</u>                                |
| Total assets                                         | <u>\$ 871,574</u>                           | <u>\$ 816,250</u>                        |
| <b>Liabilities</b>                                   |                                             |                                          |
| Notes payable to AgFirst Farm Credit Bank            | \$ 699,763                                  | \$ 653,497                               |
| Accrued interest payable                             | 2,292                                       | 2,031                                    |
| Patronage refunds payable                            | 270                                         | 5,712                                    |
| Accounts payable                                     | 2,694                                       | 585                                      |
| Advanced conditional payments                        | —                                           | 67                                       |
| Other liabilities                                    | <u>2,366</u>                                | <u>998</u>                               |
| Total liabilities                                    | <u>707,385</u>                              | <u>662,890</u>                           |
| Commitments and contingencies (Note 5)               |                                             |                                          |
| <b>Members' Equity</b>                               |                                             |                                          |
| Capital stock and participation certificates         | 3,973                                       | 4,106                                    |
| Retained earnings                                    |                                             |                                          |
| Allocated                                            | 110,244                                     | 110,320                                  |
| Unallocated                                          | <u>49,972</u>                               | <u>38,934</u>                            |
| Total members' equity                                | <u>164,189</u>                              | <u>153,360</u>                           |
| Total liabilities and members' equity                | <u>\$ 871,574</u>                           | <u>\$ 816,250</u>                        |

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

# Central Kentucky Agricultural Credit Association

## Consolidated Statements of Comprehensive Income

(unaudited)

|                                                       | For the Three Months<br>Ended September 30, |           | For the Nine Months<br>Ended September 30, |           |
|-------------------------------------------------------|---------------------------------------------|-----------|--------------------------------------------|-----------|
|                                                       | 2025                                        | 2024      | 2025                                       | 2024      |
| <i>(dollars in thousands)</i>                         |                                             |           |                                            |           |
| <b>Interest Income</b>                                |                                             |           |                                            |           |
| Loans                                                 | \$ 12,661                                   | \$ 11,172 | \$ 36,481                                  | \$ 31,746 |
| <b>Interest Expense</b>                               | 6,990                                       | 5,890     | 19,789                                     | 16,117    |
| Net interest income                                   | 5,671                                       | 5,282     | 16,692                                     | 15,629    |
| Provision for credit losses                           | 416                                         | 7         | 438                                        | —         |
| Net interest income after provision for credit losses | 5,255                                       | 5,275     | 16,254                                     | 15,629    |
| <b>Noninterest Income</b>                             |                                             |           |                                            |           |
| Loan fees                                             | 338                                         | 352       | 912                                        | 827       |
| Patronage refunds from other Farm Credit institutions | 1,208                                       | 1,363     | 3,530                                      | 3,943     |
| Gains (losses) on sales of rural home loans, net      | 12                                          | 6         | 35                                         | 8         |
| Insurance Fund refunds                                | —                                           | —         | 114                                        | 181       |
| Other noninterest income                              | —                                           | 1         | —                                          | 1         |
| Total noninterest income                              | 1,558                                       | 1,722     | 4,591                                      | 4,960     |
| <b>Noninterest Expense</b>                            |                                             |           |                                            |           |
| Salaries and employee benefits                        | 1,675                                       | 1,684     | 5,131                                      | 5,055     |
| Occupancy and equipment                               | 133                                         | 108       | 334                                        | 301       |
| Insurance Fund premiums                               | 158                                         | 143       | 462                                        | 411       |
| Purchased services                                    | 927                                         | 974       | 2,818                                      | 2,301     |
| Data processing                                       | 42                                          | 37        | 128                                        | 108       |
| Other operating expenses                              | 361                                         | 417       | 1,044                                      | 1,027     |
| Total noninterest expense                             | 3,296                                       | 3,363     | 9,917                                      | 9,203     |
| Income before income taxes                            | 3,517                                       | 3,634     | 10,928                                     | 11,386    |
| Provision for income taxes                            | 1                                           | 14        | 15                                         | 24        |
| <b>Net income</b>                                     | \$ 3,516                                    | \$ 3,620  | \$ 10,913                                  | \$ 11,362 |
| Other comprehensive income                            | —                                           | —         | —                                          | —         |
| <b>Comprehensive income</b>                           | \$ 3,516                                    | \$ 3,620  | \$ 10,913                                  | \$ 11,362 |

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)

|                                                                           | Capital<br>Stock and<br>Participation<br>Certificates | Retained Earnings |                  | Total<br>Members'<br>Equity |
|---------------------------------------------------------------------------|-------------------------------------------------------|-------------------|------------------|-----------------------------|
| <i>(dollars in thousands)</i>                                             |                                                       | Allocated         | Unallocated      |                             |
| Balance at December 31, 2023                                              | \$ 4,494                                              | \$ 102,850        | \$ 36,485        | \$ 143,829                  |
| Comprehensive income                                                      |                                                       |                   | 11,362           | 11,362                      |
| Capital stock/participation<br>certificates issued/(retired), net         | 143                                                   |                   |                  | 143                         |
| Patronage distribution adjustment                                         |                                                       | (32)              | 48               | 16                          |
| Balance at September 30, 2024                                             | \$ 4,637                                              | \$ 102,818        | \$ 47,895        | \$ 155,350                  |
| <b>Balance at December 31, 2024</b>                                       | <b>\$ 4,106</b>                                       | <b>\$ 110,320</b> | <b>\$ 38,934</b> | <b>\$ 153,360</b>           |
| <b>Comprehensive income</b>                                               |                                                       |                   | <b>10,913</b>    | <b>10,913</b>               |
| <b>Capital stock/participation<br/>certificates issued/(retired), net</b> | <b>(133)</b>                                          |                   |                  | <b>(133)</b>                |
| <b>Patronage distribution adjustment</b>                                  |                                                       | <b>(76)</b>       | <b>125</b>       | <b>49</b>                   |
| <b>Balance at September 30, 2025</b>                                      | <b>\$ 3,973</b>                                       | <b>\$ 110,244</b> | <b>\$ 49,972</b> | <b>\$ 164,189</b>           |

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

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# *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, 2024, are contained in the 2024 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.

#### ***Recently Issued or Adopted Accounting Pronouncements***

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 (1) all entities with a practical expedient and (2) 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 practical expedient 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 accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. The Association is currently assessing the potential impact of this standard on its disclosures.



In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this standard require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Income taxes paid will require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid. The amendments are effective for annual periods beginning after December 15, 2025. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations or cash flows.

## Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding at period end follows:

|                                  | September 30, 2025 | December 31, 2024 |
|----------------------------------|--------------------|-------------------|
| Real estate mortgage             | \$ 579,756         | \$ 552,133        |
| Production and intermediate-term | 220,826            | 198,852           |
| Agribusiness:                    |                    |                   |
| Processing and marketing         | 11,933             | 12,524            |
| Farm-related business            | 7,327              | 6,178             |
| Rural infrastructure:            |                    |                   |
| Communication                    | 3,571              | 3,223             |
| Power and water/waste disposal   | 1,252              | 979               |
| Rural residential real estate    | 12,069             | 11,307            |
| Total loans                      | <u>\$ 836,734</u>  | <u>\$ 785,196</u> |

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 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:

|                                          | September 30, 2025 | December 31, 2024 |
|------------------------------------------|--------------------|-------------------|
| <b>Real estate mortgage:</b>             |                    |                   |
| Acceptable                               | 96.25%             | 98.20%            |
| OAEM                                     | 2.48               | 1.43              |
| Substandard/doubtful/loss                | 1.27               | 0.37              |
|                                          | 100.00%            | 100.00%           |
| <b>Production and intermediate-term:</b> |                    |                   |
| Acceptable                               | 95.67%             | 97.44%            |
| OAEM                                     | 3.02               | 2.37              |
| Substandard/doubtful/loss                | 1.31               | 0.19              |
|                                          | 100.00%            | 100.00%           |
| <b>Agribusiness:</b>                     |                    |                   |
| Acceptable                               | 100.00%            | 100.00%           |
| OAEM                                     | —                  | —                 |
| Substandard/doubtful/loss                | —                  | —                 |
|                                          | 100.00%            | 100.00%           |
| <b>Rural infrastructure:</b>             |                    |                   |
| Acceptable                               | 100.00%            | 100.00%           |
| OAEM                                     | —                  | —                 |
| Substandard/doubtful/loss                | —                  | —                 |
|                                          | 100.00%            | 100.00%           |
| <b>Rural residential real estate:</b>    |                    |                   |
| Acceptable                               | 99.33%             | 99.38%            |
| OAEM                                     | 0.25               | 0.46              |
| Substandard/doubtful/loss                | 0.42               | 0.16              |
|                                          | 100.00%            | 100.00%           |
| <b>Total loans:</b>                      |                    |                   |
| Acceptable                               | 96.25%             | 98.08%            |
| OAEM                                     | 2.52               | 1.61              |
| Substandard/doubtful/loss                | 1.23               | 0.31              |
|                                          | 100.00%            | 100.00%           |

Accrued interest receivable on loans of \$10,531 and \$8,733 at September 30, 2025 and December 31, 2024, 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:

|                                  | September 30, 2025                |                                |                   |                                                     |             |                                             |
|----------------------------------|-----------------------------------|--------------------------------|-------------------|-----------------------------------------------------|-------------|---------------------------------------------|
|                                  | 30 Through<br>89 Days<br>Past Due | 90 Days or<br>More Past<br>Due | Total Past<br>Due | Not Past Due<br>or Less Than<br>30 Days Past<br>Due | Total Loans | 90 Days or<br>More Past Due<br>and Accruing |
| Real estate mortgage             | \$ 5,632                          | \$ 455                         | \$ 6,087          | \$ 573,669                                          | \$ 579,756  | \$ 168                                      |
| Production and intermediate-term | 289                               | 495                            | 784               | 220,042                                             | 220,826     | 15                                          |
| Agribusiness                     | —                                 | —                              | —                 | 19,260                                              | 19,260      | —                                           |
| Rural infrastructure             | —                                 | —                              | —                 | 4,823                                               | 4,823       | —                                           |
| Rural residential real estate    | 331                               | —                              | 331               | 11,738                                              | 12,069      | —                                           |
| Total                            | \$ 6,252                          | \$ 950                         | \$ 7,202          | \$ 829,532                                          | \$ 836,734  | \$ 183                                      |

|                                  | December 31, 2024                 |                                |                   |                                                     |             |                                             |
|----------------------------------|-----------------------------------|--------------------------------|-------------------|-----------------------------------------------------|-------------|---------------------------------------------|
|                                  | 30 Through<br>89 Days<br>Past Due | 90 Days or<br>More Past<br>Due | Total Past<br>Due | Not Past Due<br>or Less Than<br>30 Days Past<br>Due | Total Loans | 90 Days or<br>More Past Due<br>and Accruing |
| Real estate mortgage             | \$ 2,332                          | \$ 286                         | \$ 2,618          | \$ 549,515                                          | \$ 552,133  | \$ —                                        |
| Production and intermediate-term | 659                               | 173                            | 832               | 198,020                                             | 198,852     | —                                           |
| Agribusiness                     | —                                 | —                              | —                 | 18,702                                              | 18,702      | —                                           |
| Rural infrastructure             | —                                 | —                              | —                 | 4,202                                               | 4,202       | —                                           |
| Rural residential real estate    | 46                                | —                              | 46                | 11,261                                              | 11,307      | —                                           |
| Total                            | \$ 3,037                          | \$ 459                         | \$ 3,496          | \$ 781,700                                          | \$ 785,196  | \$ —                                        |

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

| September 30, 2025               |                                     |                                           |          |
|----------------------------------|-------------------------------------|-------------------------------------------|----------|
|                                  | Amortized<br>Cost with<br>Allowance | Amortized<br>Cost<br>without<br>Allowance | Total    |
| <b>Nonaccrual loans:</b>         |                                     |                                           |          |
| Real estate mortgage             | \$ —                                | \$ 383                                    | \$ 383   |
| Production and intermediate-term | 287                                 | 323                                       | 610      |
| Rural residential real estate    | —                                   | 10                                        | 10       |
| Total                            | \$ 287                              | \$ 716                                    | \$ 1,003 |

| December 31, 2024                |                                     |                                           |        |
|----------------------------------|-------------------------------------|-------------------------------------------|--------|
|                                  | Amortized<br>Cost with<br>Allowance | Amortized<br>Cost<br>without<br>Allowance | Total  |
| <b>Nonaccrual loans:</b>         |                                     |                                           |        |
| Real estate mortgage             | \$ —                                | \$ 666                                    | \$ 666 |
| Production and intermediate-term | 89                                  | 173                                       | 262    |
| Rural residential real estate    | —                                   | 18                                        | 18     |
| Total                            | \$ 89                               | \$ 857                                    | \$ 946 |

The Association recognized \$1 and \$18 of interest income on nonaccrual loans during the three months ended September 30, 2025 and September 30, 2024, respectively. The Association recognized \$185 and \$58 of interest income on nonaccrual loans during the nine months ended September 30, 2025 and September 30, 2024, respectively.

Reversals of interest income on loans that moved to nonaccrual status were not material for the three and nine months ended September 30, 2025 and 2024.

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

| Three Months Ended September 30,                            |                 |                 |  |
|-------------------------------------------------------------|-----------------|-----------------|--|
|                                                             | 2025            | 2024            |  |
| <b>Allowance for Credit Losses on Loans:</b>                |                 |                 |  |
| Balance at beginning of period                              | \$ 2,049        | \$ 2,523        |  |
| Charge-offs                                                 | (18)            | (1)             |  |
| Recoveries                                                  | —               | —               |  |
| Provision for credit losses on loans                        | 432             | —               |  |
| Balance at end of period                                    | \$ 2,463        | \$ 2,522        |  |
| <b>Allowance for Credit Losses on Unfunded Commitments:</b> |                 |                 |  |
| Balance at beginning of period                              | \$ 88           | \$ 56           |  |
| Provision for unfunded commitments                          | (16)            | 7               |  |
| Balance at end of period                                    | \$ 72           | \$ 63           |  |
| <b>Total allowance for credit losses</b>                    | <b>\$ 2,535</b> | <b>\$ 2,585</b> |  |
|                                                             |                 |                 |  |
| Nine Months Ended September 30,                             |                 |                 |  |
|                                                             | 2025            | 2024            |  |
| <b>Allowance for Credit Losses on Loans:</b>                |                 |                 |  |
| Balance at beginning of period                              | \$ 2,080        | \$ 2,522        |  |
| Charge-offs                                                 | (49)            | (1)             |  |
| Recoveries                                                  | —               | 1               |  |
| Provision for credit losses on loans                        | 432             | —               |  |
| Balance at end of period                                    | \$ 2,463        | \$ 2,522        |  |
| <b>Allowance for Credit Losses on Unfunded Commitments:</b> |                 |                 |  |
| Balance at beginning of period                              | \$ 66           | \$ 63           |  |
| Provision for unfunded commitments                          | 6               | —               |  |
| Balance at end of period                                    | \$ 72           | \$ 63           |  |
| <b>Total allowance for credit losses</b>                    | <b>\$ 2,535</b> | <b>\$ 2,585</b> |  |

The increase in the allowance for credit losses was primarily driven by stress in the row crop portfolio due to poor weather conditions during the year and related movements in credit quality of that portfolio along with strong loan volume growth.

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 a term or payment 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 nine months ended September 30, 2025 and 2024. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at September 30, 2025 and 2024. There were no material modifications to distressed borrowers 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 September 30, 2025 and December 31, 2024.

### Note 3 — Investments

#### *Equity Investments in Other Farm Credit System 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 (AgFirst or 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 2.21% of the issued stock and allocated retained earnings of the Bank as of September 30, 2025 net of any reciprocal investment. As of that date, the Bank's assets totaled \$49.2 billion and shareholders' equity totaled \$2.2 billion. The Bank's earnings were \$203 million for the first nine months of 2025. In addition, the Association held investments of \$243 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.

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.

| September 30, 2025         |                              |         |         |                  |  |      |
|----------------------------|------------------------------|---------|---------|------------------|--|------|
|                            | Fair Value Measurement Using |         |         | Total Fair Value |  |      |
|                            | Level 1                      | Level 2 | Level 3 |                  |  |      |
|                            |                              |         |         |                  |  |      |
| <b>Recurring assets</b>    |                              |         |         |                  |  |      |
| Assets held in trust funds | \$ —                         | \$ —    | \$ —    | \$ —             |  | \$ — |
| <b>Nonrecurring assets</b> |                              |         |         |                  |  |      |
| Nonaccrual loans           | \$ —                         | \$ —    | \$ —    | \$ —             |  | \$ — |
| Other property owned       | \$ —                         | \$ —    | \$ —    | \$ —             |  | \$ — |
|                            |                              |         |         |                  |  |      |
| December 31, 2024          |                              |         |         |                  |  |      |
|                            | Fair Value Measurement Using |         |         | Total Fair Value |  |      |
|                            | Level 1                      | Level 2 | Level 3 |                  |  |      |
|                            |                              |         |         |                  |  |      |
| <b>Recurring assets</b>    |                              |         |         |                  |  |      |
| Assets held in trust funds | \$ —                         | \$ —    | \$ —    | \$ —             |  | \$ — |
| <b>Nonrecurring assets</b> |                              |         |         |                  |  |      |
| Nonaccrual loans           | \$ —                         | \$ —    | \$ 3    | \$ 3             |  | \$ 3 |
| Other property owned       | \$ —                         | \$ —    | \$ —    | \$ —             |  | \$ — |

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## Valuation Techniques

As more fully discussed in Note 2, *Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair values of financial instruments represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability in active markets among willing participants at the reporting date. Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain of the estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction. The following represent a brief summary of the valuation techniques used by the System institution for assets and liabilities:

### *Assets held in trust funds*

Assets held in trust funds, related to deferred compensation plans, are classified as Level 1. The trust funds include investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

### *Nonaccrual loans*

For certain loans evaluated for credit loss under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

### *Other property owned*

Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of other property owned involves the use of independent appraisals or other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

## Note 5 — Commitments and Contingent Liabilities

From time to time, legal actions are pending against the Association in which claims for money damages are asserted. On at least a quarterly basis, the Association assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. While the outcome of legal proceedings is inherently uncertain, on the basis of information presently available, management, after consultation with legal counsel, is of the opinion that the ultimate liability, if any, from these actions, would not be material in relation to the financial position of the Association. Because it is remote that the Association will incur a loss or the loss is not estimable, no liability has been recorded for any claims that may be pending.

## Note 6 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through November 7, 2025, which was the date the financial statements were issued.