
River Valley AgCredit, ACA

SECOND QUARTER 2025

TABLE OF CONTENTS

Management's Discussion and Analysis of	
Financial Condition and Results of Operations	2
Consolidated Financial Statements	
Consolidated Balance Sheets.....	5
Consolidated Statements of Comprehensive Income	6
Consolidated Statements of Changes in Members' Equity	7
Notes to the Consolidated Financial Statements	8

CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2025 quarterly report of River Valley AgCredit, ACA, 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/ Kyle M. Yancey
Chief Executive Officer
of River Valley AgCredit, ACA

/s/ David L. Richesin
Chairman of the Board
of River Valley AgCredit, ACA

/s/ Beth Barkley
Chief Financial Officer
of River Valley AgCredit, ACA

/s/ Tiffany Myers
Member of the Board of Directors
Chair of the Audit Committee
of River Valley AgCredit, ACA

August 8, 2025

River Valley AgCredit, ACA

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 River Valley AgCredit, ACA (Association) for the period ended June 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 is diversified over a range of agricultural commodities including poultry, corn, cattle and other field crops. Farm size varies and many of the borrowers in the regions have diversified farming operations. This factor, along with the numerous opportunities for non-farm income in the area, somewhat reduces the level of dependency on any single commodity. .

The total loan volume of the Association as of June 30, 2025, was \$666,992, an increase of \$11,328 as compared to \$655,664 at December 31, 2024. This increase is due to new loan volume as well as additional operating needs of borrowers. .

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 \$4,538 at June 30, 2025 from \$3,309 at December 31, 2024. As a percent of total loans, nonaccrual loans were 0.68% and 0.50% at June 30, 2025 and December 31, 2024, respectively. This increase was largely due to two loan accounts that transferred into nonaccrual during the first quarter.

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 June 30, 2025, was \$2,262 or 0.34% of total loans compared to \$1,981 or 0.30% 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 June 30, 2025

Net income for the three months ended June 30, 2025, was \$2,796, a decrease of \$513 as compared to net income of \$3,309 for the same period ended in 2024. This decrease was primarily the result of a decrease in noninterest income as well as an increase in noninterest expense. However, these items were offset by a favorable increase in net interest income.

For the three months ended June 30, 2025, net interest income was \$5,376, an increase of \$302, and the net interest margin was 3.29%, a decrease of 7 basis points as compared to the same period ended in 2024. An increase in loan volume over the same period in 2024 led to the increase in net interest income as well as the decrease in net interest margin.

The provision for credit losses for the three months ended June 30, 2025, was \$204, a decrease of \$2 from the provision for credit losses of \$206 for the same period ended during the prior year.

Noninterest income decreased \$454 to \$1,226 during the three months ended June 30, 2025 compared to the same period ended during the prior year primarily due to a \$171 decrease in gains on other transactions, a \$146 decrease in insurance fund refunds, a \$92 decrease in patronage refunds from other Farm Credit institutions, and a \$25 decrease in loan fees.

For the three months ended June 30, 2025, noninterest expense increased \$392 to \$3,602 compared to the same period ended in 2024 primarily due to a \$288 increase in purchased services, a \$51 increase in salaries and employee benefits, and a \$46 increase in other operating expenses.

For the six months ended June 30, 2025

Net income for the six months ended June 30, 2025, was \$5,244, a decrease of \$879 as compared to net income of \$6,123 for the same period ended in 2024. The decrease was primarily the result of unfavorable increases to noninterest expense and provision for credit losses as well as a decrease in noninterest income. These items were offset by a favorable increase in net interest income.

For the six months ended June 30, 2025, net interest income was \$10,603, an increase of \$482, and the net interest margin was 3.27%, a decrease of 8 basis points as compared to the same period ended in 2024. An increase in loan volume over the same period in 2024 led to the increase in net interest income, as well as the decrease in net interest margin.

The provision for credit losses for the six months ended June 30, 2025, was \$406, an increase of \$254 from the provision for credit losses of \$152 for the same period ended during the prior year. This increase in provision was largely due to macroeconomic factors incorporated into the allowance calculation.

Noninterest income decreased \$406 to \$2,459 during the first six months of 2025 compared with the first six months of 2024 primarily due to a \$242 decrease in patronage refunds from other Farm Credit institutions as well as a \$171 decrease in gains on other transactions.

For the six months ended June 30, 2025, noninterest expense increased \$726 to \$7,408 compared to the same period ended in 2024 primarily due to a \$573 increase in purchased services, an \$88 increase in salaries and employee benefits, and a \$73 increase in other operating expenses.

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, 2025, was \$542,069 as compared to \$534,751 at December 31, 2024.

CAPITAL RESOURCES

Total members' equity at June 30, 2025, was \$138,970, an increase of \$5,841 from a total of \$133,129 at December 31, 2024. This was primarily due to an increase in retained earnings. Total capital stock and participation certificates were \$4,999 on June 30, 2025, compared to \$4,984 on December 31, 2024.

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*	6/30/25	12/31/24	6/30/24
Permanent Capital Ratio	7.00%	18.65%	18.77%	19.21%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	18.14%	18.25%	18.67%
Tier 1 Capital Ratio	8.50%	18.14%	18.25%	18.67%
Total Regulatory Capital Ratio	10.50%	18.72%	18.84%	19.26%
Tier 1 Leverage Ratio**	5.00%	18.41%	18.52%	18.81%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	18.13%	18.23%	18.51%

**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 quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2764, or 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. Copies of the Association's annual and quarterly reports are also available upon request free of charge by calling (270) 554-2912, ext. 2020, writing Beth Barkley, Chief Financial Officer, River Valley AgCredit, ACA, 2731 Olivet Church Road, Paducah, KY 42001, or accessing the website, www.rivervalleyagcredit.com. The Association prepares a 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.

River Valley AgCredit, ACA

Consolidated Balance Sheets

<i>(dollars in thousands)</i>	June 30, 2025 <i>(unaudited)</i>	December 31, 2024 <i>(audited)</i>
Assets		
Cash	\$ 620	\$ 629
Loans	666,992	655,664
Allowance for credit losses on loans	(2,262)	(1,981)
Net loans	664,730	653,683
Accrued interest receivable	10,181	9,962
Equity investments in other Farm Credit institutions	10,353	10,320
Premises and equipment, net	7,317	7,312
Other property owned	654	886
Accounts receivable	1,642	3,850
Other assets	184	240
Total assets	\$ 695,681	\$ 686,882
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 542,069	\$ 534,751
Accrued interest payable	1,879	1,797
Patronage refunds payable	668	6,128
Accounts payable	527	1,112
Advanced conditional payments	7,782	4,834
Other liabilities	3,786	5,131
Total liabilities	556,711	553,753
Commitments and contingencies (Note 5)		
Members' Equity		
Capital stock and participation certificates	4,999	4,984
Additional paid-in-capital	15,817	15,817
Retained earnings		
Allocated	66,074	65,419
Unallocated	52,080	46,909
Total members' equity	138,970	133,129
Total liabilities and members' equity	\$ 695,681	\$ 686,882

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

River Valley AgCredit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(dollars in thousands)</i>				
Interest Income				
Loans	\$ 11,014	\$ 10,063	\$ 21,678	\$ 19,875
Other	2	3	3	4
Total interest income	11,016	10,066	21,681	19,879
Interest Expense	5,640	4,992	11,078	9,758
Net interest income	5,376	5,074	10,603	10,121
Provision for credit losses	204	206	406	152
Net interest income after provision for credit losses	5,172	4,868	10,197	9,969
Noninterest Income				
Loan fees	395	420	740	645
Fees for financially related services	1	1	13	18
Patronage refunds from other Farm Credit institutions	830	922	1,613	1,855
Gains (losses) on sales of rural home loans, net	—	20	—	30
Gains (losses) on other transactions	—	171	—	171
Insurance Fund refunds	—	146	93	146
Total noninterest income	1,226	1,680	2,459	2,865
Noninterest Expense				
Salaries and employee benefits	2,159	2,108	4,406	4,318
Occupancy and equipment	124	131	265	277
Insurance Fund premiums	123	112	245	222
Purchased services	762	474	1,519	946
Data processing	49	70	102	150
Other operating expenses	386	340	863	790
(Gains) losses on other property owned, net	(1)	(25)	8	(21)
Total noninterest expense	3,602	3,210	7,408	6,682
Income before income taxes	2,796	3,338	5,248	6,152
Provision for income taxes	—	29	4	29
Net income	\$ 2,796	\$ 3,309	\$ 5,244	\$ 6,123
Other comprehensive income	—	—	—	—
Comprehensive income	\$ 2,796	\$ 3,309	\$ 5,244	\$ 6,123

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

River Valley AgCredit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

<i>(dollars in thousands)</i>	Capital Stock and Participation Certificates	Additional Paid-in-Capital	Retained Earnings		Total Members' Equity
			Allocated	Unallocated	
Balance at December 31, 2023	\$ 4,905	\$ 15,817	\$ 60,887	\$ 44,395	\$ 126,004
Comprehensive income				6,123	6,123
Capital stock/participation certificates issued/(retired), net	46				46
Patronage distribution adjustment			530	(5)	525
Balance at June 30, 2024	\$ 4,951	\$ 15,817	\$ 61,417	\$ 50,513	\$ 132,698
Balance at December 31, 2024	\$ 4,984	\$ 15,817	\$ 65,419	\$ 46,909	\$ 133,129
Comprehensive income				5,244	5,244
Capital stock/participation certificates issued/(retired), net	15				15
Patronage distribution adjustment			655	(73)	582
Balance at June 30, 2025	\$ 4,999	\$ 15,817	\$ 66,074	\$ 52,080	\$ 138,970

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

River Valley AgCredit, ACA

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 River Valley AgCredit, ACA 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 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:

	June 30, 2025	December 31, 2024
Real estate mortgage	\$ 332,543	\$ 334,608
Production and intermediate-term	221,567	219,612
Agribusiness:		
Loans to cooperatives	1,275	1,312
Processing and marketing	27,853	26,687
Farm-related business	16,008	10,057
Rural infrastructure:		
Communication	9,806	11,711
Power and water/waste disposal	3,368	2,768
Rural residential real estate	46,236	38,866
Other:		
International	—	185
Other (including Mission Related)	8,336	9,858
Total loans	\$ 666,992	\$ 655,664

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:

	June 30, 2025	December 31, 2024
Real estate mortgage:		
Acceptable	93.93%	94.49%
OAEM	2.53	3.06
Substandard/doubtful/loss	3.54	2.45
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	95.07%	94.20%
OAEM	1.75	2.16
Substandard/doubtful/loss	3.18	3.64
	100.00%	100.00%
Agribusiness:		
Acceptable	84.07%	90.96%
OAEM	10.29	3.98
Substandard/doubtful/loss	5.64	5.06
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	—	—
Substandard/doubtful/loss	—	—
	100.00%	100.00%
Rural residential real estate:		
Acceptable	98.05%	97.99%
OAEM	1.08	0.88
Substandard/doubtful/loss	0.87	1.13
	100.00%	100.00%
Other:		
Acceptable	100.00%	100.00%
OAEM	—	—
Substandard/doubtful/loss	—	—
	100.00%	100.00%
Total loans:		
Acceptable	94.12%	94.60%
OAEM	2.62	2.57
Substandard/doubtful/loss	3.26	2.83
	100.00%	100.00%

Accrued interest receivable on loans of \$10,181 and \$9,962 at June 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:

June 30, 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	90 Days or More Past Due and Accruing
Real estate mortgage	\$ 4,161	\$ 510	\$ 4,671	\$ 327,872	\$ 332,543	\$ —
Production and intermediate-term	4,902	891	5,793	215,774	221,567	—
Agribusiness	—	—	—	45,136	45,136	—
Rural infrastructure	—	—	—	13,174	13,174	—
Rural residential real estate	214	178	392	45,844	46,236	—
Other	—	—	—	8,336	8,336	—
Total	\$ 9,277	\$ 1,579	\$ 10,856	\$ 656,136	\$ 666,992	\$ —

December 31, 2024						
	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	90 Days or More Past Due and Accruing
Real estate mortgage	\$ 1,394	\$ 639	\$ 2,033	\$ 332,575	\$ 334,608	\$ —
Production and intermediate-term	580	389	969	218,643	219,612	—
Agribusiness	851	131	982	37,074	38,056	—
Rural infrastructure	—	—	—	14,479	14,479	—
Rural residential real estate	284	322	606	38,260	38,866	—
Other	—	—	—	10,043	10,043	—
Total	\$ 3,109	\$ 1,481	\$ 4,590	\$ 651,074	\$ 655,664	\$ —

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, 2025			
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans:			
Real estate mortgage	\$ —	\$ 2,037	\$ 2,037
Production and intermediate-term	616	730	1,346
Agribusiness	943	—	943
Rural residential real estate	—	212	212
Total	\$ 1,559	\$ 2,979	\$ 4,538

December 31, 2024			
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans:			
Real estate mortgage	\$ —	\$ 1,512	\$ 1,512
Production and intermediate-term	251	149	400
Agribusiness	1,074	1	1,075
Rural residential real estate	—	322	322
Total	\$ 1,325	\$ 1,984	\$ 3,309

The Association recognized \$297 and \$140 of interest income on nonaccrual loans during the three months ended June 30, 2025 and June 30, 2024, respectively. The Association recognized \$321 and \$227 of interest income on nonaccrual loans during the six months ended June 30, 2025 and June 30, 2024, respectively.

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

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

	Three Months Ended June 30,	
	2025	2024
Allowance for Credit Losses on Loans:		
Balance at beginning of period	\$ 2,083	\$ 1,918
Charge-offs	(30)	(74)
Recoveries	5	53
Provision for credit losses on loans	204	206
Balance at end of period	\$ 2,262	\$ 2,103
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	\$ —	\$ —
Provision for unfunded commitments	—	—
Balance at end of period	\$ —	\$ —
Total allowance for credit losses	\$ 2,262	\$ 2,103

	Six Months Ended June 30,	
	2025	2024
Allowance for Credit Losses on Loans:		
Balance at beginning of period	\$ 1,981	\$ 1,713
Charge-offs	(137)	(79)
Recoveries	12	58
Provision for credit losses on loans	406	411
Balance at end of period	\$ 2,262	\$ 2,103
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	\$ —	\$ 259
Provision for unfunded commitments	—	(259)
Balance at end of period	\$ —	\$ —
Total allowance for credit losses	\$ 2,262	\$ 2,103

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.

The following tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025, disaggregated by loan type and type of modification granted:

	For the Three Months Ended June 30, 2025				
	Maturity Extension	Payment Deferral	Combination – Maturity Extension and Payment Deferral	Total	Percentage of Total by Loan Type
Production and intermediate-term	\$ 1,195	\$ —	\$ 280	\$ 1,475	0.67%
Total	\$ 1,195	\$ —	\$ 280	\$ 1,475	0.22%

	For the Six Months Ended June 30, 2025				
	Combination – Maturity Extension and Payment Deferral				Percentage of Total by Loan Type
	Maturity Extension	Payment Deferral	Deferral	Total	
Production and intermediate-term	\$ 1,195	\$ 57	\$ 364	\$ 1,616	0.73%
Total	\$ 1,195	\$ 57	\$ 364	\$ 1,616	0.24%

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2025:

Maturity Extension	
Financial Effect	
Production and intermediate-term	Added a weighted average 2.0 months to the life of loans
Combination – Maturity Extension and Payment Deferral	
Financial Effect	
Production and intermediate-term	Added a weighted average 2.0 months to the life of loans and provided a weighted average 2.0 months of payment deferrals

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2025:

Maturity Extension	
Financial Effect	
Production and intermediate-term	Added a weighted average 2.0 months to the life of loans
Payment Deferral	
Financial Effect	
Production and intermediate-term	Provided a weighted average 6.0 months of payment deferrals
Combination – Maturity Extension and Payment Deferral	
Financial Effect	
Production and intermediate-term	Added a weighted average 2.9 months to the life of loans and provided a weighted average 2.9 months of payment deferrals

There were no loans to borrowers experiencing financial difficulty that had a modification in the preceding twelve months and subsequently defaulted during the three and six months ended June 30, 2025.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to June 30, 2025:

June 30, 2025			
	Current	30-89 Days Past Due	90 Days or More Past Due
Production and intermediate-term	\$ 1,419	\$ 198	\$ 404
Total	\$ 1,419	\$ 198	\$ 404

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025 were \$146 and \$150, respectively. Additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified were \$3 and \$179 at June 30, 2025 and December 31, 2024, respectively.

Modified loans to borrowers experiencing financial difficulty and activity on these loans were not material during the three and six months ended June 30, 2024. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at June 30, 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 June 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 1.76% of the issued stock and allocated retained earnings of the Bank as of June 30, 2025 net of any reciprocal investment. As of that date, the Bank's assets totaled \$48.4 billion and shareholders' equity totaled \$2.0 billion. The Bank's earnings were \$129 million for the first six months of 2025. In addition, the Association held investments of \$488 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.

June 30, 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	\$ —	\$ —	\$ 1,274	\$ 1,274		1,274
Other property owned	\$ —	\$ —	\$ 1,190	\$ 1,190		1,190

December 31, 2024						
	Fair Value Measurement Using			Total Fair Value		
	Level 1	Level 2	Level 3			
Recurring assets						
Assets held in trust funds	\$ —	\$ —	\$ —	\$ —		—
Nonrecurring assets						
Nonaccrual loans	\$ —	\$ —	\$ 1,005	\$ 1,005		1,005
Other property owned	\$ —	\$ —	\$ 1,422	\$ 1,422		1,422

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 August 8, 2025, which was the date the financial statements were issued.