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*AgCarolina Farm Credit, ACA*  
**FIRST QUARTER 2026**

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**CERTIFICATION**

The undersigned certify that we have reviewed the March 31, 2026 quarterly report of AgCarolina Farm Credit, 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/ Nash Johnson II  
Chairman of the Board

/s/ Evan J. Kleinhans  
Chief Executive Officer

/s/ Matthew J. McFarlin  
Chief Financial Officer

May 8, 2026

# Report on Internal Control Over Financial Reporting

The Association’s principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association’s Consolidated Financial Statements. For purposes of this report, “internal control over financial reporting” is defined as a process designed by, or under the supervision of the Association’s principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel. This process provides reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association’s assets that could have a material effect on its Consolidated Financial Statements.

The Association’s management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2026. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the “COSO” criteria.

Based on the assessment performed, the Association’s management concluded that as of March 31, 2026, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association’s management determined that there were no material weaknesses in the internal control over financial reporting as of March 31, 2026.

/s/ Evan J. Kleinhans  
Chief Executive Officer

/s/ Matthew J. McFarlin  
Chief Financial Officer

May 8, 2026

# 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 AgCarolina Farm Credit, ACA (Association) for the period ended March 31, 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 encompasses a well-diversified range of agricultural commodities, including poultry, field crops, forestry, swine, and corn. The risk in the portfolio associated with commodity concentration and large loans is reduced by the range of diversity of enterprises in the Association's portfolio. Farm size varies and many of the borrowers in the region have diversified farming operations. This factor, along with the opportunities for non-farm income, lessens the level of dependency on any single given commodity. Concentration risk is further mitigated by a portfolio of participation loans purchased or originated and sold as well as through the Association's use of USDA and Farmer Mac guarantees. Additional risk mitigation strategies include geographic diversification across lending regions, the establishment of internal hold limits to manage exposure to individual borrowers and sectors, and the provision of borrower education programs to strengthen financial literacy and operational resilience. The Association also maintains disciplined underwriting standards to ensure sound credit decisions and conducts regular stress testing to evaluate portfolio performance under adverse economic and environmental conditions.

The total loan volume of the Association as of March 31, 2026, was \$2,937,886, a decrease of \$43,629 or 1.46% as compared to \$2,981,515 at December 31, 2025. The decrease in loan volume was primarily driven by seasonality in the Association's production and intermediate term portfolio, reflecting the timing of operating line renewals, partially offset by growth in the real estate mortgage portfolio.

## **ASSET QUALITY AND LOAN LOSS RESERVES**

There is an inherent risk in the extension of any type of credit. While overall credit quality continues to be maintained at an acceptable level and credit administration remains satisfactory, the portfolio has experienced stress in recent periods due to low commodity prices, persistently high input costs that have been further exacerbated by the geopolitical conflict in Iran, and volatility in demand resulting from tariff impacts and global competition. Nonaccrual loans increased to \$42,712 at March 31, 2026 from \$22,880 at December 31, 2025. As a percent of total loans, nonaccrual loans were 1.45% and 0.77% at March 31, 2026 and December 31, 2025, respectively. The change in nonaccrual loans was attributed to the transfer of accounts from accrual to nonaccrual status.

Association management maintains an allowance for loan losses in an amount considered sufficient to absorb estimated current and expected credit losses over the financial assets expected life. The allowance for loan losses at March 31, 2026, was \$17,673 or 0.60% of total loans compared to \$16,395 or 0.55% 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. The potential impact to credit quality from the macroeconomic and geopolitical conditions discussed above, including geopolitical conflict and changes in trade policy, is reflected in management's evaluation of the allowance for loan losses. See further detail on the Association's allowance for loan losses within the Association's Annual Report and discussion of significant provision for loan losses within the *Results of Operations* below.

## RESULTS OF OPERATIONS

### *For the three months ended March 31, 2026*

Net income for the three months ended March 31, 2026, was \$14,637, an increase of \$733 or 5.27% as compared to net income of \$13,904 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the three months ended March 31, 2026, net interest income was \$24,070, reflecting a decrease of \$21 or 0.09%, and the net interest margin was 3.35%, reflecting a decrease of 15 basis points as compared to the same period ended in 2025. The decrease in net interest income from the prior year was primarily due to a \$1,524 increase in interest expense, partially offset by a \$1,503 increase in interest income on loans. The decline in net interest margin was primarily driven by a decrease in the impact of the fair value merger valuation adjustment. Excluding the impact of fair value merger valuation adjustments, net interest income for the three months ended March 31, 2026 was \$22,623, representing an increase of \$181, or 0.81%, compared to the same period ended in 2025.

The provision for loan losses for the three months ended March 31, 2026, was \$2,716, a decrease of \$639 from the provision for loan losses of \$3,355 for the same period ended during the prior year.

Noninterest income increased \$1,593 or 20.42% to \$9,389 during the first three months of 2026 compared with the first three months of 2025 primarily due to a \$891 increase in insurance fund refunds, a \$348 increase in gains on sales of premises and equipment, and a \$304 increase in loan fees.

For the three months ended March 31, 2026, noninterest expense increased \$1,496 or 10.23% to \$16,105 compared with the first three months of 2025 primarily due to a \$838 increase in purchased services and a \$483 increase in salaries and employee benefits.

## 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 March 31, 2026, was \$2,437,345 as compared to \$2,506,075 at December 31, 2025.

## CAPITAL RESOURCES

Total members' equity at March 31, 2026, was \$547,555, an increase of \$15,742 or 2.96% from a total of \$531,813 at December 31, 2025. The increase was attributed to total comprehensive income of \$14,640, as well as net member capital stock and participation certificates issued of \$1,105, offset by a \$3 adjustment to the 2025 patronage distribution accrual. Total capital stock and participation certificates were \$23,264 on March 31, 2026 compared to \$22,028 on December 31, 2025.

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:

	<b>Regulatory Minimum Including Buffer*</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Permanent Capital Ratio	7.00%	16.21%	16.56%	16.45%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	15.53%	15.97%	15.81%
Tier 1 Capital Ratio	8.50%	15.53%	15.97%	15.81%
Total Regulatory Capital Ratio	10.50%	16.07%	16.52%	16.29%
Tier 1 Leverage Ratio**	5.00%	15.77%	16.27%	16.23%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	15.52%	16.03%	15.98%

\*Include full capital conservation buffers.

\*\*The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE equivalents.

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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 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 December 5, 2025, the FCA published a proposed rule on loan performance categories and financial reporting in the Federal Register. The proposed rule would amend the regulations for high-risk loan performance categories due to changes in GAAP, clarify expectations for vintage disclosures and disclosures of loan modifications to borrowers experiencing financial difficulties. The comment period ended on February 3, 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.

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**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](http://www.agfirst.com). Copies of the Association's annual and quarterly reports are also available upon request free of charge by calling 1-800-951-3276, ext. 7189, or writing Matthew J. McFarlin, AgCarolina Farm Credit, ACA, P. O. Box 14789, Raleigh, NC 27620, or accessing the website, [www.agcarolina.com](http://www.agcarolina.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.

*AgCarolina Farm Credit, ACA*  
**Consolidated Balance Sheets**

<i>(dollars in thousands)</i>	March 31, 2026 <i>(unaudited)</i>	December 31, 2025 <i>(audited)</i>
<b>Assets</b>		
Cash	\$ 1	\$ 11
Investments in debt securities:		
Held to maturity	2,186	2,212
Loans	2,937,886	2,981,515
Allowance for loan losses	(17,673)	(16,395)
Net loans	2,920,213	2,965,120
Accrued interest receivable	35,264	41,851
Equity investments in other Farm Credit institutions	56,928	55,274
Premises and equipment, net	20,714	20,482
Other property owned	183	183
Accounts receivable	4,451	18,037
Other assets - fair value	3,929	3,141
Other assets	1,000	616
Total assets	<b>\$ 3,044,869</b>	<b>\$ 3,106,927</b>
<b>Liabilities</b>		
Notes payable to AgFirst Farm Credit Bank	\$ 2,437,345	\$ 2,506,075
Accrued interest payable	8,674	8,783
Patronage refunds payable	246	42,099
Accounts payable	930	2,684
Advanced conditional payments	865	941
Other liabilities	49,254	14,532
Total liabilities	<b>2,497,314</b>	<b>2,575,114</b>
Commitments and contingencies (Note 6)		
<b>Members' Equity</b>		
Capital stock and participation certificates	23,264	22,028
Additional paid-in-capital	65,531	65,531
Retained earnings		
Allocated	364,925	363,302
Unallocated	93,990	81,110
Accumulated other comprehensive income (loss)	(155)	(158)
Total members' equity	<b>547,555</b>	<b>531,813</b>
Total liabilities and members' equity	<b>\$ 3,044,869</b>	<b>\$ 3,106,927</b>

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

*AgCarolina Farm Credit, ACA*

# Consolidated Statements of Comprehensive Income

(unaudited)

	For the Three Months Ended March 31,	
<i>(dollars in thousands)</i>	2026	2025
<b>Interest Income</b>		
Loans	\$ 50,648	\$ 49,143
Investments	33	34
Total interest income	50,681	49,177
<b>Interest Expense</b>	26,611	25,086
Net interest income	24,070	24,091
Provision for loan losses	2,716	3,355
Net interest income after provision for loan losses	21,354	20,736
<b>Noninterest Income</b>		
Loan fees	2,096	1,792
Fees for financially related services	605	698
Patronage refunds from other Farm Credit institutions	4,882	4,739
Gains (losses) on sales of premises and equipment, net	455	114
Gains (losses) on other transactions	6	(1)
Insurance Fund refunds	1,343	452
Other noninterest income	2	2
Total noninterest income	9,389	7,796
<b>Noninterest Expense</b>		
Salaries and employee benefits	8,682	8,199
Occupancy and equipment	493	482
Insurance Fund premiums	614	576
Purchased services	4,054	3,216
Data processing	277	223
Other operating expenses	1,985	1,910
(Gains) losses on other property owned, net	—	3
Total noninterest expense	16,105	14,609
Income before income taxes	14,638	13,923
Provision for income taxes	1	19
<b>Net income</b>	\$ 14,637	\$ 13,904
<b>Other comprehensive income net of tax</b>		
Employee benefit plans adjustments	3	3
<b>Comprehensive income</b>	\$ 14,640	\$ 13,907

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

*AgCarolina Farm Credit, 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		Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
			Allocated	Unallocated		
Balance at December 31, 2024	\$ 21,058	\$ 65,531	\$ 347,247	\$ 78,066	\$ (164)	\$ 511,738
Comprehensive income				13,904	3	13,907
Capital stock/participation certificates issued/(retired), net	1,131					1,131
Dividends declared/paid	113			(113)		—
Patronage distribution adjustment			815	(817)		(2)
Balance at March 31, 2025	\$ 22,302	\$ 65,531	\$ 348,062	\$ 91,040	\$ (161)	\$ 526,774
<b>Balance at December 31, 2025</b>	<b>\$ 22,028</b>	<b>\$ 65,531</b>	<b>\$ 363,302</b>	<b>\$ 81,110</b>	<b>\$ (158)</b>	<b>\$ 531,813</b>
<b>Comprehensive income</b>				<b>14,637</b>	<b>3</b>	<b>14,640</b>
<b>Capital stock/participation certificates issued/(retired), net</b>	<b>1,105</b>					<b>1,105</b>
<b>Dividends declared/paid</b>	<b>131</b>			<b>(131)</b>		<b>—</b>
<b>Patronage distribution adjustment</b>			<b>1,623</b>	<b>(1,626)</b>		<b>(3)</b>
Balance at March 31, 2026	\$ 23,264	\$ 65,531	\$ 364,925	\$ 93,990	\$ (155)	\$ 547,555

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

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*AgCarolina Farm Credit, 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 AgCarolina Farm Credit, 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, 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 loan losses (Note 2, *Loans and Allowance for Loan Losses*) and financial instruments (Note 5, *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 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements. The update provides narrow-scope improvements to interim reporting guidance (ASC 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements. Key changes include clarifying who is subject to ASC 270, adding comprehensive lists of required disclosures from other Codification topics, and establishing a principle to disclose events since the end of the last annual reporting period that have a material impact on the entity. The standard is effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027, and for other entities after December 15, 2028, with early adoption permitted. The Association is currently evaluating the potential impact of adoption on its financial condition, results of operations, and cash flows.

In November 2025, the FASB issued ASU 2025-08 Financial Instruments - Credit Losses (Topic 326) - Purchased Loans. The amendment simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans" (PSLs). This eliminates the Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility by creating a more consistent accounting approach similar to that used for previously purchased credit-deteriorated (PCD) loans. The standard is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The Association is currently evaluating the potential impact of adoption on its financial condition, results of operations, and cash flows.

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.

In December 2023, the FASB issued 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. 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 but will impact the income tax disclosures.

## Note 2 — Loans and Allowance for Loan Losses

A summary of loans outstanding at period end follows:

	March 31, 2026	December 31, 2025
Real estate mortgage	\$ 1,634,419	\$ 1,620,045
Production and intermediate-term	806,288	882,214
Agribusiness:		
Loans to cooperatives	37,035	31,435
Processing and marketing	240,235	241,283
Farm-related business	77,977	71,888
Rural infrastructure:		
Communication	30,288	29,380
Power and water/waste disposal	13,564	13,821
Rural residential real estate	82,628	76,014
Other:		
International	12,420	12,385
Lease receivables	2,993	3,011
Other (including mission related)	39	39
Total loans	<u>\$ 2,937,886</u>	<u>\$ 2,981,515</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:

	March 31, 2026	December 31, 2025
<b>Real estate mortgage:</b>		
Acceptable	93.98%	93.07%
OAEM	2.94	3.39
Substandard/doubtful/loss	3.08	3.54
	100.00%	100.00%
<b>Production and intermediate-term:</b>		
Acceptable	90.30%	87.76%
OAEM	3.50	5.02
Substandard/doubtful/loss	6.20	7.22
	100.00%	100.00%
<b>Agribusiness:</b>		
Acceptable	85.30%	87.71%
OAEM	9.53	6.82
Substandard/doubtful/loss	5.17	5.47
	100.00%	100.00%
<b>Rural infrastructure:</b>		
Acceptable	100.00%	99.32%
OAEM	-	0.68
Substandard/doubtful/loss	-	-
	100.00%	100.00%
<b>Rural residential real estate:</b>		
Acceptable	99.22%	99.13%
OAEM	0.16	0.37
Substandard/doubtful/loss	0.62	0.50
	100.00%	100.00%
<b>Other:</b>		
Acceptable	100.00%	99.81%
OAEM	-	-
Substandard/doubtful/loss	-	0.19
	100.00%	100.00%
<b>Total loans:</b>		
Acceptable	92.19%	91.16%
OAEM	3.75	4.13
Substandard/doubtful/loss	4.06	4.71
	100.00%	100.00%

Accrued interest receivable on loans of \$35,253 and \$41,840 at March 31, 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:

	March 31, 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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 8,686	\$ 9,411	\$ 18,097	\$ 1,616,322	\$ 1,634,419	\$ -
Production and intermediate-term	10,389	18,068	28,457	777,831	806,288	-
Agribusiness	239	1,099	1,338	353,909	355,247	-
Rural infrastructure	-	-	-	43,852	43,852	-
Rural residential real estate	195	120	315	82,313	82,628	-
Other	-	-	-	15,452	15,452	-
Total	\$ 19,509	\$ 28,698	\$ 48,207	\$ 2,889,679	\$ 2,937,886	\$ -

	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 7,574	\$ 5,617	\$ 13,191	\$ 1,606,854	\$ 1,620,045	\$ –
Production and intermediate-term	5,636	5,110	10,746	871,468	882,214	70
Agribusiness	600	863	1,463	343,143	344,606	–
Rural infrastructure	–	–	–	43,201	43,201	–
Rural residential real estate	417	127	544	75,470	76,014	–
Other	–	–	–	15,435	15,435	–
Total	\$ 14,227	\$ 11,717	\$ 25,944	\$ 2,955,571	\$ 2,981,515	\$ 70

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

	March 31, 2026		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	\$ 11,395	\$ 4,202	\$ 15,597
Production and intermediate-term	15,761	9,955	25,716
Agribusiness	548	591	1,139
Rural residential real estate	–	260	260
Total	\$ 27,704	\$ 15,008	\$ 42,712

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	\$ 5,888	\$ 4,682	\$ 10,570
Production and intermediate-term	8,772	2,483	11,255
Agribusiness	815	113	928
Rural residential real estate	–	127	127
Total	\$ 15,475	\$ 7,405	\$ 22,880

The Association recognized \$345 and \$777 of interest income on nonaccrual loans during the three months ended March 31, 2026 and 2025, respectively.

Reversals of interest income on loans that moved to nonaccrual status were not material for the three months ended March 31, 2026 and 2025.

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

	Three Months Ended March 31,	
	2026	2025
<b>Allowance for Loan Losses:</b>		
Balance at beginning of period	\$ 16,395	\$ 13,915
Charge-offs	(1,463)	(317)
Recoveries	25	61
Provision for loan losses	2,716	3,355
Balance at end of period	\$ 17,673	\$ 17,014

The increase in allowance was primarily attributed to an increase in the specific reserve driven by an increase in nonaccrual loans.

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.

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 both the three months ended March 31, 2026 and 2025, disaggregated by loan type and type of modification granted:

For the Three Months Ended March 31, 2026							
	Interest Rate Reduction	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type		
Real estate mortgage	\$ —	\$ 1,267	\$ 152	\$ 1,419	0.09%		
Production and intermediate-term	5,934	—	—	5,934	0.74%		
Total	\$ 5,934	\$ 1,267	\$ 152	\$ 7,353	0.25%		

For the Three Months Ended March 31, 2025						
	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type		
Real estate mortgage	\$ —	\$ 3,963	\$ 3,963	0.25%		
Production and intermediate-term	12,800	—	12,800	1.61%		
Total	\$ 12,800	\$ 3,963	\$ 16,763	0.60%		

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2026:

Interest Rate Reduction	
Financial Effect	
Production and intermediate-term	Reduced weighted average contractual interest rate from 8.25% to 7.99%

Maturity Extension	
Financial Effect	
Real estate mortgage	Added a weighted average 8.1 months to the life of the loans

Payment Deferral	
Financial Effect	
Real estate mortgage	Provided a weighted average 10.0 months of payment deferrals

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025:

Maturity Extension	
Financial Effect	
Production and intermediate-term	Added a weighted average 3.1 months to the life of the loans

Payment Deferral	
Financial Effect	
Real estate mortgage	Provided a weighted average 1.1 months of payment deferrals

The following tables set forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2026 and 2025, and received a modification in the twelve months before default:

For the Three Months Ended March 31, 2026	
Maturity Extension	
Production and intermediate-term	\$ 9,904
Total	\$ 9,904

	<b>For the Three Months Ended March 31, 2025</b>	
	<b>Maturity Extension</b>	
Production and intermediate-term	\$	1,050
Total	\$	1,050

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2026 and 2025:

	<b>March 31, 2026</b>				
	<b>Current</b>	<b>30-89 Days Past Due</b>	<b>90 Days or More Past Due</b>		<b>Total</b>
Real estate mortgage	\$ 4,875	\$ –	\$ –	\$ –	\$ 4,875
Production and intermediate-term	7,162	–	12,310	–	19,472
Agribusiness	1,260	–	–	–	1,260
Total	\$ 13,297	\$ –	\$ 12,310	\$ –	\$ 25,607

	<b>March 31, 2025</b>				
	<b>Current</b>	<b>30-89 Days Past Due</b>	<b>90 Days or More Past Due</b>		<b>Total</b>
Real estate mortgage	\$ 18,700	\$ –	\$ –	\$ –	\$ 18,700
Production and intermediate-term	18,880	–	–	–	18,880
Agribusiness	4,545	–	–	–	4,545
Total	\$ 42,125	\$ –	\$ –	\$ –	\$ 42,125

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2026 and 2025 were \$212 and \$348, respectively. There were no additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at March 31, 2026. Such commitments were \$3,664 at December 31, 2025.

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

### Note 3 — Investments

#### *Investments in Debt Securities*

The Association's investments consist primarily of Rural America Bonds (RABs), which are private placement securities purchased under the Mission Related Investment (MRI) program approved by the FCA. In its Conditions of Approval for the program, the FCA generally considers a RAB ineligible if its investment rating, based on the internal 14-point risk rating scale used to also grade loans, falls below 9 and requires System institutions to provide notification to FCA when a security becomes ineligible. Any other bonds purchased under the MRI program, approved on a case-by-case basis by FCA, may have different eligibility requirements. At March 31, 2026, the Association held no RABs whose credit quality had deteriorated beyond the program limits.

A summary of the amortized cost of investment securities held-to-maturity follows:

	<b>Amortized Cost</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
RABs	\$ 2,186	\$ 2,212

A summary of the contractual maturity and amortized cost of investment securities follows:

	<b>Amortized Cost</b>	
	<b>March 31, 2026</b>	
In one year or less	\$	–
After one year through five years		–
After five years through ten years		–
After ten years		2,186
Total	\$	2,186

For the securities listed above, expected maturities can differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

The Association evaluates investment securities with unrealized losses for impairment on a quarterly basis. As part of this assessment, it was concluded that the Association does not intend to sell the security, or it is not more likely than not that the Association would be required to sell the security prior to recovery of the amortized cost basis. The Association also evaluates whether credit impairment exists by comparing the present value of expected cash flows to the amortized cost basis of the security. Credit impairment, if any, is recorded as an ACL for debt securities. At March 31, 2026 and December 31, 2025, the Association does not consider any unrealized losses to be credit-related and an allowance for credit losses on investments is not necessary.

#### **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 (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. As of March 31, 2026, the Association's investment in the Bank was \$55,394, representing a 7.76% ownership interest of issued stock and allocated retained earnings, net of any reciprocal investment. As of that date, the Bank's assets totaled \$50.5 billion and shareholders' equity totaled \$2.3 billion. The Bank's earnings were \$117 million for the first three months of 2026. In addition, the Association held investments of \$1,534 related to other Farm Credit institutions.

#### **Note 4 — Members' Equity**

##### **Accumulated Other Comprehensive Income (AOCI)**

	<b>Changes in Accumulated Other Comprehensive Income by Component (a)</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Employee Benefit Plans:</b>		
Balance at beginning of period	\$ (158)	\$ (164)
Other comprehensive income before reclassification	—	—
Amounts reclassified from AOCI	3	3
Net current period other comprehensive income	3	3
Balance at end of period	\$ (155)	\$ (161)

	<b>Reclassifications Out of Accumulated Other Comprehensive Income (b)</b>		
	<b>Three Months Ended March 31,</b>		
	<b>2026</b>	<b>2025</b>	<b>Income Statement Line Item</b>
<b>Defined Benefit Pension Plans:</b>			
Periodic pension costs	\$ (3)	\$ (3)	Salaries and employee benefits
Net amounts reclassified	\$ (3)	\$ (3)	

(a) Amounts in parentheses indicate debits to AOCI.  
(b) Amounts in parentheses indicate debits to profit/loss.

#### **Note 5 — 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.

March 31, 2026						
	Fair Value Measurement Using			Total Fair Value		
	Level 1	Level 2	Level 3			
	<b>Recurring assets</b>					
Assets held in trust funds	\$ 3,929	\$ –	\$ –	\$ 3,929		
<b>Nonrecurring assets</b>						
Nonaccrual loans*	\$ –	\$ –	\$ 29,478	\$ 29,478		
Other property owned	\$ –	\$ –	\$ 183	\$ 183		

December 31, 2025						
	Fair Value Measurement Using			Total Fair Value		
	Level 1	Level 2	Level 3			
	<b>Recurring assets</b>					
Assets held in trust funds	\$ 3,141	\$ –	\$ –	\$ 3,141		
<b>Nonrecurring assets</b>						
Nonaccrual loans**	\$ –	\$ –	\$ 11,253	\$ 11,253		
Other property owned	\$ –	\$ –	\$ 183	\$ 183		

\*Carrying value of nonaccrual loans is the balance of loans with a related specific reserve (\$27,704) less related specific reserves (\$6,808) associated with nonaccrual loans plus nonaccrual loans with no specific reserve with an associated charge-off (\$8,582).

\*\*Carrying value of nonaccrual loans is the balance of loans with a related specific reserve (\$15,475) less related specific reserves (\$5,577) associated with nonaccrual loans plus nonaccrual loans with no specific reserve with an associated charge-off (\$1,355).

## 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.

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**Note 6 — 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 7 — Subsequent Events**

The Association evaluated subsequent events and determined there were none requiring disclosure through May 8, 2026, which was the date the financial statements were issued.