AgCarolina Farm Credit, ACA

SECOND QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 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

August 7, 2026

AgCarolina Farm Credit, ACA

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 June 30, 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 June 30, 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 June 30, 2026.

/s/ Evan J. Kleinhans
Chief Executive Officer

/s/ Matthew J. McFarlin
Chief Financial Officer

August 7, 2026

AgCarolina Farm Credit, 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 AgCarolina Farm Credit, ACA (Association) for the period ended June 30, 2026, with comparisons to prior periods. These comments should be read in conjunction with the accompanying financial statements, notes to the financial statements and the 2025 Annual Report of the Association. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio encompasses a well-diversified range of agricultural commodities, including poultry, field crops, forestry, swine, and grains. 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 June 30, 2026, was $3,006,478, an increase of $24,963 or 0.84% as compared to $2,981,515 at December 31, 2025. The change in loan volume was primarily driven by growth in the real estate mortgage portfolio and rural residential real estate portfolio, partially offset by declines in the agribusiness portfolio and production and intermediate term 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 adverse weather conditions, 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 $42,824 at June 30, 2026 from $22,880 at December 31, 2025. As a percent of total loans, nonaccrual loans were 1.42% and 0.77% at June 30, 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 June 30, 2026, was $16,240 or 0.54% 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 conditions noted above 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 June 30, 2026

Net income for the three months ended June 30, 2026, was $16,281, an increase of $680 or 4.36% as compared to net income of $15,601 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the three months ended June 30, 2026, net interest income was $24,028, reflecting an increase of $34 or 0.14%, and the net interest margin was 3.29%, reflecting a decrease of 10 basis points as compared to the same period ended in 2025. The increase in net interest income from the prior year was primarily due to an $886 increase in interest income on loans, partially offset by an $850 increase in interest expense. 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 June 30, 2026 was $22,598, representing an increase of $176, or 0.79%, compared to the same period ended in 2025.

The reversal of loan losses for the three months ended June 30, 2026, was $1,406, a decrease of $2,488 from the provision for loan losses of $1,082 for the same period ended during the prior year.

Noninterest income decreased $1,202 or 16.19% to $6,224 during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily due to a $1,223 decrease in patronage refunds from other Farm Credit institutions.

For the three months ended June 30, 2026, noninterest expense increased $657 or 4.46% to $15,375 compared to the same period ended in 2025 primarily due to a $909 increase in purchased services, partially offset by a $160 decrease in other operating expenses and a $108 decrease in salaries and employee benefits.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $30,918, an increase of $1,413 or 4.79% as compared to net income of $29,505 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the six months ended June 30, 2026, net interest income was $48,098, reflecting an increase of $13 or 0.03%, and the net interest margin was 3.32%, reflecting a decrease of 12 basis points as compared to the same period ended in 2025. The increase in net interest income from the prior year was primarily due to a $2,391 increase in interest income on loans, partially offset by a $2,375 increase in interest expense. 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 six months ended June 30, 2026 was $45,220, representing an increase of $357, or 0.80%, compared to the same period ended in 2025.

The provision for loan losses for the six months ended June 30, 2026, was $1,310, a decrease of $3,127 from the provision for loan losses of $4,437 for the same period ended during the prior year.

Noninterest income increased $391 or 2.57% to $15,613 during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily due to an $891 increase in insurance fund refunds, a $450 increase in gains on sales of premises and equipment, and a $145 increase in loan fees, partially offset by a $1,080 decrease in patronage refunds from other Farm Credit institutions.

For the six months ended June 30, 2026, noninterest expense increased $2,153 or 7.34% to $31,480 compared to the same period ended in 2025 primarily due to a $1,747 increase in purchased services and a $375 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 June 30, 2026, was $2,528,794 as compared to $2,506,075 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at June 30, 2026, was $562,962, an increase of $31,149 or 5.86% from a total of $531,813 at December 31, 2025. The increase was attributed to total comprehensive income of $30,925, as well as net member capital stock and participation certificates issued of $252, offset by a $28 adjustment to the 2025 patronage distribution accrual. Total capital stock and participation certificates were $22,539 on June 30, 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:

	Regulatory Minimum Including Buffer*	June 30, 2026	December 31, 2025	June 30, 2025
Permanent Capital Ratio	7.00%	16.18%	16.56%	16.54%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	15.59%	15.97%	15.93%
Tier 1 Capital Ratio	8.50%	15.59%	15.97%	15.93%
Total Regulatory Capital Ratio	10.50%	16.16%	16.52%	16.50%
Tier 1 Leverage Ratio**	5.00%	15.95%	16.27%	16.29%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	15.70%	16.03%	16.04%

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

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

REGULATORY MATTERS

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

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

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

SHAREHOLDER INVESTMENT

Shareholder investment in the Association may be materially affected by the financial condition and results of operations of the Bank. Copies of the Bank's annual and 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 the Bank can also be obtained at the Bank's website, *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*. The Association prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no report needs to be prepared for the fiscal quarter that coincides with the end of the fiscal year of the Association.

AgCarolina Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)		June 30, 2026		December 31, 2025
		(unaudited)		*(audited)*
Assets				
Cash	**$**	**84**	$	11
Investments in debt securities:				
Held to maturity		**2,159**		2,212
Loans		**3,006,478**		2,981,515
Allowance for loan losses		**(16,240)**		(16,395)
Net loans		**2,990,238**		2,965,120
Accrued interest receivable		**39,048**		41,851
Equity investments in other Farm Credit institutions		**56,928**		55,274
Premises and equipment, net		**20,746**		20,482
Other property owned		**64**		183
Accounts receivable		**8,525**		18,037
Other assets - fair value		**3,537**		3,141
Other assets		**951**		616
Total assets	**$**	**3,122,280**	$	3,106,927
Liabilities				
Notes payable to AgFirst Farm Credit Bank	**$**	**2,528,794**	$	2,506,075
Accrued interest payable		**8,882**		8,783
Patronage refunds payable		**7**		42,099
Accounts payable		**1,808**		2,684
Advanced conditional payments		**1,092**		941
Other liabilities		**18,735**		14,532
Total liabilities		**2,559,318**		2,575,114
Commitments and contingencies (Note 6)				
Members' Equity				
Capital stock and participation certificates		**22,539**		22,028
Additional paid-in-capital		**65,531**		65,531
Retained earnings				
Allocated		**364,900**		363,302
Unallocated		**110,143**		81,110
Accumulated other comprehensive income (loss)		**(151)**		(158)
Total members' equity		**562,962**		531,813
Total liabilities and members' equity	**$**	**3,122,280**	$	3,106,927

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

AgCarolina Farm Credit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest Income				
Loans	**$ 51,471**	$ 50,585	**$ 102,119**	$ 99,728
Investments	**32**	34	**65**	68
Total interest income	**51,503**	50,619	**102,184**	99,796
Interest Expense	**27,475**	26,625	**54,086**	51,711
Net interest income	**24,028**	23,994	**48,098**	48,085
Provision for (reversal of) allowance for loan losses	**(1,406)**	1,082	**1,310**	4,437
Net interest income after provision for (reversal of) allowance for loan losses	**25,434**	22,912	**46,788**	43,648
Noninterest Income				
Loan fees	**1,717**	1,876	**3,813**	3,668
Fees for financially related services	**—**	3	**605**	701
Patronage refunds from other Farm Credit institutions	**4,232**	5,455	**9,114**	10,194
Gains (losses) on sales of premises and equipment, net	**199**	90	**654**	204
Gains (losses) on other transactions	**75**	3	**81**	2
Insurance Fund refunds	**—**	—	**1,343**	452
Other noninterest income (loss)	**1**	(1)	**3**	1
Total noninterest income	**6,224**	7,426	**15,613**	15,222
Noninterest Expense				
Salaries and employee benefits	**8,127**	8,235	**16,809**	16,434
Occupancy and equipment	**460**	496	**953**	978
Insurance Fund premiums	**629**	598	**1,243**	1,174
Purchased services	**4,023**	3,114	**8,077**	6,330
Data processing	**302**	281	**579**	504
Other operating expenses	**1,834**	1,994	**3,819**	3,904
(Gains) losses on other property owned, net	**—**	—	**—**	3
Total noninterest expense	**15,375**	14,718	**31,480**	29,327
Income before income taxes	**16,283**	15,620	**30,921**	29,543
Provision for income taxes	**2**	19	**3**	38
Net income	**$ 16,281**	$ 15,601	**$ 30,918**	$ 29,505
Other comprehensive income net of tax				
Employee benefit plans adjustments	**4**	3	**7**	6
Comprehensive income	**$ 16,285**	$ 15,604	**$ 30,925**	$ 29,511

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

AgCarolina Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Additional Paid-in-Capital	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2024	$ 21,058	$ 65,531	$ 347,247	$ 78,066	$ (164)	$ 511,738
Comprehensive income				29,505	6	29,511
Capital stock/participation certificates issued/(retired), net	2,354					2,354
Dividends declared/paid	240			(240)		—
Patronage distribution adjustment			815	(817)		(2)
Balance at June 30, 2025	$ 23,652	$ 65,531	$ 348,062	$ 106,514	$ (158)	$ 543,601
Balance at December 31, 2025	**$ 22,028**	**$ 65,531**	**$ 363,302**	**$ 81,110**	**$ (158)**	**$ 531,813**
Comprehensive income				**30,918**	**7**	**30,925**
Capital stock/participation certificates issued/(retired), net	**252**					**252**
Dividends declared/paid	**259**			**(259)**		**—**
Patronage distribution adjustment			**1,598**	**(1,626)**		**(28)**
Balance at June 30, 2026	**$ 22,539**	**$ 65,531**	**$ 364,900**	**$ 110,143**	**$ (151)**	**$ 562,962**

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

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.

Accounting Standards Updates (ASUs) Issued but Not Yet Adopted

The Financial Accounting Standards Board (FASB) has issued certain accounting standards that will become effective for the Association in future periods. There were no ASUs issued, nor were there material updates to previously disclosed accounting standards, during the six months ended June 30, 2026 that are expected to have a material impact on the Association's financial statements. For a detailed description of ASUs previously issued, see the latest Annual Report.

ASUs Effective During the Period

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

Note 2 — Loans and Allowance for Loan Losses

A summary of loans outstanding at period end follows:

	June 30, 2026	December 31, 2025
Real estate mortgage	$ 1,655,287	$ 1,620,045
Production and intermediate-term	873,265	882,214
Agribusiness:		
Loans to cooperatives	32,034	31,435
Processing and marketing	227,374	241,283
Farm-related business	76,184	71,888
Rural infrastructure:		
Communication	29,705	29,380
Power and water/waste disposal	13,565	13,821
Rural residential real estate	83,819	76,014
Other:		
International	12,388	12,385
Lease receivables	2,820	3,011
Other (including mission related)	37	39
Total loans	$ 3,006,478	$ 2,981,515

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

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

	June 30, 2026	December 31, 2025
Real estate mortgage:		
Acceptable	94.66%	93.07%
OAEM	2.20	3.39
Substandard/doubtful/loss	3.14	3.54
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	91.57%	87.76%
OAEM	2.53	5.02
Substandard/doubtful/loss	5.90	7.22
	100.00%	100.00%
Agribusiness:		
Acceptable	87.71%	87.71%
OAEM	7.65	6.82
Substandard/doubtful/loss	4.64	5.47
	100.00%	100.00%
Rural infrastructure:		
Acceptable	86.68%	99.32%
OAEM	13.32	0.68
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	99.25%	99.13%
OAEM	0.15	0.37
Substandard/doubtful/loss	0.60	0.50
	100.00%	100.00%
Other:		
Acceptable	100.00%	99.81%
OAEM	–	–
Substandard/doubtful/loss	–	0.19
	100.00%	100.00%
Total loans:		
Acceptable	93.02%	91.16%
OAEM	3.00	4.13
Substandard/doubtful/loss	3.98	4.71
	100.00%	100.00%

Accrued interest receivable on loans of $39,038 and $41,840 at June 30, 2026 and December 31, 2025, respectively, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets.

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

	June 30, 2026				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 9,924	$ 9,687	$ 19,611	$ 1,635,676	$ 1,655,287
Production and intermediate-term	3,113	22,437	25,550	847,715	873,265
Agribusiness	885	938	1,823	333,769	335,592
Rural infrastructure	–	–	–	43,270	43,270
Rural residential real estate	216	114	330	83,489	83,819
Other	164	–	164	15,081	15,245
Total	$ 14,302	$ 33,176	$ 47,478	$ 2,959,000	$ 3,006,478

	December 31, 2025				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 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
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

Accruing loans greater than 90 days past due as of June 30, 2026 and December 31, 2025 were $35 and $70, respectively.

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

	June 30, 2026		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ 10,961	$ 6,544	$ 17,505
Production and intermediate-term	11,266	12,726	23,992
Agribusiness	507	567	1,074
Rural residential real estate	–	253	253
Total	$ 22,734	$ 20,090	$ 42,824

	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 $420 and $765 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $425 and $1,202 of interest income on nonaccrual loans during the three and six months ended June 30, 2025, respectively.

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

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

	Three Months Ended June 30,	
	2026	2025
Allowance for Loan Losses:		
Balance at beginning of period	$ 17,673	$ 17,014
Charge-offs	(61)	(13)
Recoveries	34	66
Provision for (reversal of) loan losses	(1,406)	1,082
Balance at end of period	$ 16,240	$ 18,149

	Six Months Ended June 30,	
	2026	2025
Allowance for Loan Losses:		
Balance at beginning of period	$ 16,395	$ 13,915
Charge-offs	(1,524)	(330)
Recoveries	59	127
Provision for (reversal of) loan losses	1,310	4,437
Balance at end of period	$ 16,240	$ 18,149

The decrease in allowance was primarily attributed to a decrease in the specific reserve as well as overall improved macroeconomic conditions.

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 the three and six months ended June 30, 2026, disaggregated by loan type and type of modification granted:

	For the Three Months Ended June 30, 2026				
	Interest Rate Reduction	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$ –	$ 918	$ –	$ 918	0.06%
Production and intermediate-term	–	3,188	188	3,376	0.39%
Total	$ –	$ 4,106	$ 188	$ 4,294	0.14%

	For the Six Months Ended June 30, 2026				
	Interest Rate Reduction	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$ –	$ 918	$ 151	$ 1,069	0.06%
Production and intermediate-term	5,918	3,188	188	9,294	1.06%
Total	$ 5,918	$ 4,106	$ 339	$ 10,363	0.34%

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				
	Interest Rate Reduction	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$ –	$ 2,522	$ –	$ 2,522	0.16%
Production and intermediate-term	120	19,427	–	19,547	2.14%
Agribusiness	–	758	–	758	0.23%
Total	$ 120	$ 22,707	$ –	$ 22,827	0.78%

	For the Six Months Ended June 30, 2025				
	Interest Rate Reduction	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$ –	$ 2,522	$ 3,668	$ 6,190	0.40%
Production and intermediate-term	120	20,536	–	20,656	2.27%
Agribusiness	–	758	–	758	0.23%
Total	$ 120	$ 23,816	$ 3,668	$ 27,604	0.94%

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2026:

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 1.0 year to the life of the loans
Production and intermediate-term	Added a weighted average 7.2 months to the life of the loans

	Payment Deferral
	Financial Effect
Production and intermediate-term	Provided a weighted average 3.0 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, 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 1.0 year to the life of the loans
Production and intermediate-term	Added a weighted average 7.2 months to the life of the loans

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 10.0 months of payment deferrals
Production and intermediate-term	Provided a weighted average 3.0 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 June 30, 2025:

	Interest Rate Reduction
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate from 8.48% to 8.07%

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 12.6 years to the life of the loans
Production and intermediate-term	Added a weighted average 6.8 months to the life of the loans
Agribusiness	Added a weighted average 1.0 year to the life of the loans

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

	Interest Rate Reduction
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate from 8.48% to 8.07%

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 12.6 years to the life of the loans
Production and intermediate-term	Added a weighted average 7.8 months to the life of the loans
Agribusiness	Added a weighted average 1.0 year to the life of the loans

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 1.1 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 or six months ended June 30, 2026.

The following tables set forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three and six months ended June 30, 2025, and received a modification in the twelve months before default:

	For the Three Months Ended June 30, 2025
	Maturity Extension
Production and intermediate-term	$ 1,945
Total	$ 1,945

	For the Six Months Ended June 30, 2025
	Maturity Extension
Production and intermediate-term	$ 1,945
Total	$ 1,945

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to June 30, 2026 and 2025:

	June 30, 2026			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 1,069	$ –	$ –	$ 1,069
Production and intermediate-term	9,294	–	796	10,090
Total	$ 10,363	$ –	$ 796	$ 11,159

	June 30, 2025			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 9,255	$ –	$ –	$ 9,255
Production and intermediate-term	21,280	1,697	–	22,977
Agribusiness	4,040	–	–	4,040
Total	$ 34,575	$ 1,697	$ –	$ 36,272

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, 2026 was $42 and $370, respectively. 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 was $354 and $443, respectively. There were no additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at June 30, 2026. Such commitments were $3,664 at December 31, 2025.

The Association had no loans held for sale at June 30, 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 June 30, 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:

	Amortized Cost	
	June 30, 2026	December 31, 2025
RABs	$ 2,159	$ 2,212

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

	Amortized Cost
	June 30, 2026
In one year or less	$ –
After one year through five years	–
After five years through ten years	–
After ten years	2,159
Total	$ 2,159

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 June 30, 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 Farm Credit Bank (the Bank) in the form of Class B or Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. As of June 30, 2026, the Association's investment in the Bank was $55,394, representing 7.73% ownership interest of issued stock and allocated retained earnings, net of any reciprocal investment. As of that date, the Bank's assets totaled $51.2 billion and shareholders' equity totaled $2.4 billion. The Bank's earnings were $218 million for the six months ended June 30, 2026. In addition, the Association held investments of $1,534 related to other Farm Credit institutions.

Note 4 — Members' Equity

Accumulated Other Comprehensive Income (AOCI)

Changes in Accumulated Other Comprehensive Income by Component *(a)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Employee Benefit Plans:				
Balance at beginning of period	$ (155)	$ (161)	$ (158)	$ (164)
Other comprehensive income before reclassification	–	–	–	–
Amounts reclassified from AOCI	4	3	7	6
Net current period other comprehensive income	4	3	7	6
Balance at end of period	$ (151)	$ (158)	$ (151)	$ (158)

Reclassifications Out of Accumulated Other Comprehensive Income *(b)*

	Three Months Ended June 30,		Six Months Ended June 30,		
	2026	**2025**	**2026**	**2025**	**Income Statement Line Item**
Defined Benefit Pension Plans:					
Periodic pension costs	$ (4)	$ (3)	$ (7)	$ (6)	Salaries and employee benefits
Net amounts reclassified	$ (4)	$ (3)	$ (7)	$ (6)	

(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.

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

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

June 30, 2026

	Fair Value Measurement Using			Total Fair
	Level 1	**Level 2**	**Level 3**	**Value**
Recurring assets				
Assets held in trust funds	$ 3,537	$ –	$ –	$ 3,537
Nonrecurring assets				
Nonaccrual loans*	$ –	$ –	$ 27,610	$ 27,610
Other property owned	$ –	$ –	$ 64	$ 64

	December 31, 2025							
	Fair Value Measurement Using						Total Fair Value	
	Level 1		Level 2		Level 3			
Recurring assets								
Assets held in trust funds	$	3,141	$	–	$	–	$	3,141
Nonrecurring assets								
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 ($22,734) less related specific reserves ($4,620) associated with nonaccrual loans plus nonaccrual loans with no specific reserve with an associated charge-off ($9,496).*

***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).*

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 August 7, 2026, which was the date the financial statements were issued.