*AgCarolina Farm Credit, ACA*

# THIRD QUARTER 2026

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**CERTIFICATION**

The undersigned certify that we have reviewed the September 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

November 6, 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 September 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 September 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 September 30, 2026.

/s/ Evan J. Kleinhans
Chief Executive Officer

/s/ Matthew J. McFarlin
Chief Financial Officer

November 6, 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 September 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 September 30, 2026, was $3,085,199, an increase of $103,684 or 3.48% 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, the production and intermediate term portfolio, the rural residential real estate portfolio, and the rural infrastructure 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, stress from higher interest rates, persistently high input costs that have been further exacerbated by the geopolitical conflicts in Russia, Ukraine, and Iran, as well as volatility in demand resulting from tariff impacts and global competition. Nonaccrual loans increased to $41,352 at September 30, 2026, from $22,880 at December 31, 2025. As a percent of total loans, nonaccrual loans were 1.34% and 0.77% at September 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 September 30, 2026, was $15,448 or 0.50% 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 provision for loan losses within the Results of Operations below.

## RESULTS OF OPERATIONS

***For the three months ended September 30, 2026***

Net income for the three months ended September 30, 2026, was $15,363, a decrease of $1,270 or 7.64% as compared to net income of $16,633 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the three months ended September 30, 2026, net interest income was $24,471, reflecting an increase of $125 or 0.51%, and the net interest margin was 3.22%, reflecting a decrease of 7 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 $794 increase in interest income on loans, partially offset by a $667 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 September 30, 2026, was $23,375, representing an increase of $194, or 0.83%, compared to the same period ended in 2025.

The reversal of loan losses for the three months ended September 30, 2026, was $737, a decrease of $796 from the reversal of loan losses of $1,533 for the same period ended during the prior year.

Noninterest income decreased $396 or 6.63% to $5,573 during the three months ended September 30, 2026, compared to the same period ended during the prior year primarily due to a $249 decrease in patronage refunds from other Farm Credit institutions and a $160 decrease in gains on sales of premises and equipment.

For the three months ended September 30, 2026, noninterest expense increased $220 or 1.45% to $15,417 compared to the same period ended in 2025 primarily due to a $760 increase in purchased services, partially offset by a $304 decrease in salaries and employee benefits and a $266 decrease in other operating expenses.

***For the nine months ended September 30, 2026***

Net income for the nine months ended September 30, 2026, was $46,281, an increase of $143 or 0.31% as compared to net income of $46,138 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the nine months ended September 30, 2026, net interest income was $72,569, reflecting an increase of $138 or 0.19%, 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 a $3,185 increase in interest income on loans, partially offset by a $3,042 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 nine months ended September 30, 2026, was $68,595, representing an increase of $551, or 0.81%, compared to the same period ended in 2025.

The provision for loan losses for the nine months ended September 30, 2026, was $573, a decrease of $2,331 from the provision for loan losses of $2,904 for the same period ended during the prior year.

Noninterest income decreased $5 or 0.02% to $21,186 during the nine months ended September 30, 2026, compared to the same period ended during the prior year primarily due to a $1,329 decrease in patronage refunds from other Farm Credit institutions, partially offset by an $891 increase in insurance fund refunds, a $290 increase in gains on sales of premises and equipment, and a $160 increase in loan fees.

For the nine months ended September 30, 2026, noninterest expense increased $2,373 or 5.33% to $46,897 compared to the same period ended in 2025 primarily due to a $2,507 increase in purchased services, a $97 increase in insurance fund premiums, and a $96 increase in data processing expenses, partially offset by a $351 decrease 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 September 30, 2026, was $2,610,795 as compared to $2,506,075 at December 31, 2025.

**CAPITAL RESOURCES**

Total members' equity at September 30, 2026, was $577,872, an increase of $46,059 or 8.66% from a total of $531,813 at December 31, 2025. The increase was attributed to total comprehensive income of $46,291, offset by net member capital stock and participation certificates retired of $203 as well as a $29 adjustment to the 2025 patronage distribution accrual. Total capital stock and participation certificates were $22,213 on September 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* | September 30, 2026 | December 31, 2025 | September 30, 2025 |
|---|---|---|---|---|
| Permanent Capital Ratio | 7.00 % | 16.02 % | 16.56 % | 16.32 % |
| Common Equity Tier 1 (CET1) Capital Ratio | 7.00 % | 15.46 % | 15.97 % | 15.73 % |
| Tier 1 Capital Ratio | 8.50 % | 15.46 % | 15.97 % | 15.73 % |
| Total Regulatory Capital Ratio | 10.50 % | 15.97 % | 16.52 % | 16.32 % |
| Tier 1 Leverage Ratio** | 5.00 % | 15.84 % | 16.27 % | 16.06 % |
| Unallocated Retained Earnings (URE) and URE Equivalents | 1.50 % | 15.60 % | 16.03 % | 15.82 % |

**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 became effective on August 24, 2026.

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)* | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | *(unaudited)* | *(audited)* |
| **Assets** | | |
| Cash | **$ 1** | $ 11 |
| Investments in debt securities: | | |
| Held to maturity | **2,132** | 2,212 |
| Loans | **3,085,199** | 2,981,515 |
| Allowance for loan losses | **(15,448)** | (16,395) |
| Net loans | **3,069,751** | 2,965,120 |
| Accrued interest receivable | **49,194** | 41,851 |
| Equity investments in other Farm Credit institutions | **57,977** | 55,274 |
| Premises and equipment, net | **20,315** | 20,482 |
| Other property owned | **64** | 183 |
| Accounts receivable | **12,812** | 18,037 |
| Other assets - fair value | **3,592** | 3,141 |
| Other assets | **751** | 616 |
| Total assets | **$ 3,216,589** | $ 3,106,927 |
| **Liabilities** | | |
| Notes payable to AgFirst Farm Credit Bank | **$ 2,610,795** | $ 2,506,075 |
| Accrued interest payable | **9,391** | 8,783 |
| Patronage refunds payable | **274** | 42,099 |
| Accounts payable | **2,549** | 2,684 |
| Advanced conditional payments | **518** | 941 |
| Other liabilities | **15,190** | 14,532 |
| Total liabilities | **2,638,717** | 2,575,114 |
| Commitments and contingencies (Note 6) | | |
| **Members' Equity** | | |
| Capital stock and participation certificates | **22,213** | 22,028 |
| Additional paid-in-capital | **65,531** | 65,531 |
| Retained earnings | | |
| Allocated | **364,900** | 363,302 |
| Unallocated | **125,376** | 81,110 |
| Accumulated other comprehensive income (loss) | **(148)** | (158) |
| Total members' equity | **577,872** | 531,813 |
| Total liabilities and members' equity | **$ 3,216,589** | $ 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 September 30, 2026 | 2025 | For the Nine Months Ended September 30, 2026 | 2025 |
|---|---|---|---|---|
| **Interest Income** | | | | |
| Loans | **$ 53,529** | $ 52,735 | **$ 155,648** | $ 152,463 |
| Investments | **31** | 33 | **96** | 101 |
| Total interest income | **53,560** | 52,768 | **155,744** | 152,564 |
| **Interest Expense** | **29,089** | 28,422 | **83,175** | 80,133 |
| Net interest income | **24,471** | 24,346 | **72,569** | 72,431 |
| Provision for (reversal of) allowance for loan losses | **(737)** | (1,533) | **573** | 2,904 |
| Net interest income after provision for (reversal of) allowance for loan losses | **25,208** | 25,879 | **71,996** | 69,527 |
| **Noninterest Income** | | | | |
| Loan fees | **1,312** | 1,297 | **5,125** | 4,965 |
| Fees for financially related services | **9** | 1 | **614** | 702 |
| Patronage refunds from other Farm Credit institutions | **4,238** | 4,487 | **13,352** | 14,681 |
| Gains (losses) on sales of premises and equipment, net | **11** | 171 | **665** | 375 |
| Gains (losses) on other transactions | **3** | 12 | **84** | 14 |
| Insurance Fund refunds | **—** | — | **1,343** | 452 |
| Other noninterest income (loss) | **—** | 1 | **3** | 2 |
| Total noninterest income | **5,573** | 5,969 | **21,186** | 21,191 |
| **Noninterest Expense** | | | | |
| Salaries and employee benefits | **7,890** | 8,194 | **24,699** | 24,628 |
| Occupancy and equipment | **543** | 556 | **1,496** | 1,534 |
| Insurance Fund premiums | **652** | 624 | **1,895** | 1,798 |
| Purchased services | **4,138** | 3,378 | **12,215** | 9,708 |
| Data processing | **303** | 282 | **882** | 786 |
| Other operating expenses | **1,891** | 2,157 | **5,710** | 6,061 |
| (Gains) losses on other property owned, net | **—** | 6 | **—** | 9 |
| Total noninterest expense | **15,417** | 15,197 | **46,897** | 44,524 |
| Income before income taxes | **15,364** | 16,651 | **46,285** | 46,194 |
| Provision for income taxes | **1** | 18 | **4** | 56 |
| **Net income** | **$ 15,363** | $ 16,633 | **$ 46,281** | $ 46,138 |
| **Other comprehensive income net of tax** | | | | |
| Employee benefit plans adjustments | **3** | 4 | **10** | 10 |
| **Comprehensive income** | **$ 15,366** | $ 16,637 | **$ 46,291** | $ 46,148 |

*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 | | 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 | | | | 46,138 | 10 | 46,148 |
| Capital stock/participation certificates issued/(retired), net | 884 | | | | | 884 |
| Dividends declared/paid | 373 | | | (373) | | — |
| Patronage distribution adjustment | | | 815 | (817) | | (2) |
| Balance at September 30, 2025 | $ 22,315 | $ 65,531 | $ 348,062 | $ 123,014 | $ (154) | $ 558,768 |
| **Balance at December 31, 2025** | **$ 22,028** | **$ 65,531** | **$ 363,302** | **$ 81,110** | **$ (158)** | **$ 531,813** |
| **Comprehensive income** | | | | **46,281** | **10** | **46,291** |
| **Capital stock/participation certificates issued/(retired), net** | **(203)** | | | | | **(203)** |
| **Dividends declared/paid** | **388** | | | **(388)** | | **—** |
| **Patronage distribution adjustment** | | | **1,598** | **(1,627)** | | **(29)** |
| **Balance at September 30, 2026** | **$ 22,213** | **$ 65,531** | **$ 364,900** | **$ 125,376** | **$ (148)** | **$ 577,872** |

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

# 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 nine months ended September 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:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Real estate mortgage | $ 1,674,169 | $ 1,620,045 |
| Production and intermediate-term | 906,379 | 882,214 |
| Agribusiness: | | |
| Loans to cooperatives | 30,842 | 31,435 |
| Processing and marketing | 238,216 | 241,283 |
| Farm-related business | 79,202 | 71,888 |
| Rural infrastructure: | | |
| Communication | 29,637 | 29,380 |
| Power and water/waste disposal | 20,491 | 13,821 |
| Rural residential real estate | 88,708 | 76,014 |
| Other: | | |
| International | 12,388 | 12,385 |
| Lease receivables | 5,131 | 3,011 |
| Other (including mission related) | 36 | 39 |
| Total loans | $ 3,085,199 | $ 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:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **Real estate mortgage:** | | |
| Acceptable | 94.27% | 93.07% |
| OAEM | 2.50 | 3.39 |
| Substandard/doubtful/loss | 3.23 | 3.54 |
| | 100.00% | 100.00% |
| **Production and intermediate-term:** | | |
| Acceptable | 91.39% | 87.76% |
| OAEM | 2.80 | 5.02 |
| Substandard/doubtful/loss | 5.81 | 7.22 |
| | 100.00% | 100.00% |
| **Agribusiness:** | | |
| Acceptable | 88.88% | 87.71% |
| OAEM | 1.43 | 6.82 |
| Substandard/doubtful/loss | 9.69 | 5.47 |
| | 100.00% | 100.00% |
| **Rural infrastructure:** | | |
| Acceptable | 88.53% | 99.32% |
| OAEM | 11.47 | 0.68 |
| Substandard/doubtful/loss | — | — |
| | 100.00% | 100.00% |
| **Rural residential real estate:** | | |
| Acceptable | 98.97% | 99.13% |
| OAEM | 0.41 | 0.37 |
| Substandard/doubtful/loss | 0.62 | 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 | 92.89% | 91.16% |
| OAEM | 2.54 | 4.13 |
| Substandard/doubtful/loss | 4.57 | 4.71 |
| | 100.00% | 100.00% |

Accrued interest receivable on loans of $49,184 and $41,840 at September 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:

| | September 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 | $ 8,289 | $ 11,312 | $ 19,601 | $ 1,654,568 | $ 1,674,169 |
| Production and intermediate-term | 4,777 | 21,631 | 26,408 | 879,971 | 906,379 |
| Agribusiness | 12,002 | 881 | 12,883 | 335,377 | 348,260 |
| Rural infrastructure | — | — | — | 50,128 | 50,128 |
| Rural residential real estate | 305 | 199 | 504 | 88,204 | 88,708 |
| Other | — | — | — | 17,555 | 17,555 |
| Total | $ 25,373 | $ 34,023 | $ 59,396 | $ 3,025,803 | $ 3,085,199 |

| | 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 September 30, 2026 and December 31, 2025 were $615 and $70, respectively.

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

| | September 30, 2026 | | |
|---|---|---|---|
| Nonaccrual loans: | Amortized Cost with Allowance | Amortized Cost without Allowance | Total |
| Real estate mortgage | $ 10,005 | $ 6,903 | $ 16,908 |
| Production and intermediate-term | 10,722 | 12,455 | 23,177 |
| Agribusiness | 457 | 555 | 1,012 |
| Rural residential real estate | — | 255 | 255 |
| Total | $ 21,184 | $ 20,168 | $ 41,352 |

| | 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 $380 and $1,146 of interest income on nonaccrual loans during the three and nine months ended September 30, 2026, respectively. The Association recognized $132 and $1,334 of interest income on nonaccrual loans during the three and nine months ended September 30, 2025, respectively.

Reversals of interest income on loans that moved to nonaccrual status were $40 and $469 for the three and nine months ended September 30, 2026 but not material for the same periods in 2025.

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

| | Three Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| **Allowance for Loan Losses:** | | |
| Balance at beginning of period | $ 16,240 | $ 18,149 |
| Charge-offs | (113) | (128) |
| Recoveries | 58 | 15 |
| Provision for (reversal of) loan losses | (737) | (1,533) |
| Balance at end of period | $ 15,448 | $ 16,503 |

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| **Allowance for Loan Losses:** | | |
| Balance at beginning of period | $ 16,395 | $ 13,915 |
| Charge-offs | (1,637) | (458) |
| Recoveries | 117 | 142 |
| Provision for (reversal of) loan losses | 573 | 2,904 |
| Balance at end of period | $ 15,448 | $ 16,503 |

The decrease in the allowance for loan losses was primarily attributed to reduced specific reserve requirements and improvements in the overall credit quality of the loan portfolio.

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 nine months ended September 30, 2026, disaggregated by loan type and type of modification granted:

| | For the Three Months Ended September 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Interest Rate Reduction | Maturity Extension | Payment Deferral | Total | Percentage of Total by Loan Type |
| Real estate mortgage | $ — | $ 817 | $ 252 | $ 1,069 | 0.06 % |
| Production and intermediate-term | — | 1,659 | — | 1,659 | 0.18 % |
| Agribusiness | — | 7,002 | — | 7,002 | 2.01 % |
| Total | $ — | $ 9,478 | $ 252 | $ 9,730 | 0.32 % |

| | For the Nine Months Ended September 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Interest Rate Reduction | Maturity Extension | Payment Deferral | Total | Percentage of Total by Loan Type |
| Real estate mortgage | $ — | $ 1,735 | $ 403 | $ 2,138 | 0.13 % |
| Production and intermediate-term | 5,918 | 3,719 | 119 | 9,756 | 1.08 % |
| Agribusiness | — | 7,002 | — | 7,002 | 2.01 % |
| Total | $ 5,918 | $ 12,456 | $ 522 | $ 18,896 | 0.61 % |

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 nine months ended September 30, 2025, disaggregated by loan type and type of modification granted:

| | For the Three Months Ended September 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Interest Rate Reduction | Maturity Extension | Payment Deferral | Combination - Maturity Extension and Payment Deferral | Total | Percentage of Total by Loan Type |
| Real estate mortgage | $ — | $ — | $ 357 | $ — | $ 357 | 0.02 % |
| Production and intermediate-term | — | 2,113 | 4,095 | — | 6,208 | 0.69 % |
| Total | $ — | $ 2,113 | $ 4,452 | $ — | $ 6,565 | 0.22 % |

| | For the Nine Months Ended September 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Interest Rate Reduction | Maturity Extension | Payment Deferral | Combination - Maturity Extension and Payment Deferral | Total | Percentage of Total by Loan Type |
| Real estate mortgage | $ — | $ 2,024 | $ 3,287 | $ 356 | $ 5,667 | 0.36 % |
| Production and intermediate-term | 97 | 17,548 | 249 | 3,847 | 21,741 | 2.43 % |
| Agribusiness | — | 1,633 | — | — | 1,633 | 0.50 % |
| Total | $ 97 | $ 21,205 | $ 3,536 | $ 4,203 | $ 29,041 | 0.99 % |

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

| | Maturity Extension |
|---|---|
| | Financial Effect |
| Real estate mortgage | Added a weighted average 7.0 months to the life of loans |
| Production and intermediate-term | Added a weighted average 4.0 months to the life of loans |
| Agribusiness | Added a weighted average 3.0 months to the life of loans |

| | Payment Deferral |
|---|---|
| | Financial Effect |
| Real estate mortgage | Provided a weighted average 4.0 months of payment deferrals |

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 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 9.7 months to the life of loans |
| Production and intermediate-term | Added a weighted average 7.4 months to the life of loans |
| Agribusiness | Added a weighted average 3.0 months to the life of loans |

| | Payment Deferral |
|---|---|
| | Financial Effect |
| Real estate mortgage | Provided a weighted average 6.3 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 September 30, 2025:

| | Maturity Extension |
|---|---|
| | Financial Effect |
| Production and intermediate-term | Added a weighted average 3.7 months to the life of loans |

| | Payment Deferral |
|---|---|
| | Financial Effect |
| Real estate mortgage | Provided a weighted average 2.0 months of payment deferrals |
| Production and intermediate-term | Provided a weighted average 2.1 months of payment deferrals |

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 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 14.7 years to the life of loans |
| Production and intermediate-term | Added a weighted average 9.2 months to the life of loans |
| Agribusiness | Added a weighted average 1.0 year to the life of loans |

| | Payment Deferral |
|---|---|
| | Financial Effect |
| Real estate mortgage | Provided a weighted average 1.1 months of payment deferrals |
| Production and intermediate-term | Provided a weighted average 3.0 months of payment deferrals |

| | Combination – Maturity Extension and Payment Deferral |
|---|---|
| | Financial Effect |
| Real estate mortgage | Added a weighted average 2.0 months to the life of loans and provided a weighted average 2.0 months of payment deferrals |
| 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 |

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 nine months ended September 30, 2026.

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

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025 and received a modification in the twelve months before default:

| | For the Nine Months Ended September 30, 2025 | |
|---|---|---|
| | Maturity Extension | |
| Production and intermediate-term | $ | 1,661 |
| Total | $ | 1,661 |

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

| | September 30, 2026 | | | |
|---|---|---|---|---|
| | Current | 30-89 Days Past Due | 90 Days or More Past Due | Total |
| Real estate mortgage | $ 2,138 | $ — | $ — | $ 2,138 |
| Production and intermediate-term | 9,756 | — | 547 | 10,303 |
| Agribusiness | 7,002 | — | — | 7,002 |
| Total | $ 18,896 | $ — | $ 547 | $ 19,443 |

| | September 30, 2025 | | | |
|---|---|---|---|---|
| | Current | 30-89 Days Past Due | 90 Days or More Past Due | Total |
| Real estate mortgage | $ 6,897 | $ — | $ — | $ 6,897 |
| Production and intermediate-term | 20,080 | — | 1,661 | 21,741 |
| Agribusiness | 4,905 | — | — | 4,905 |
| Total | $ 31,882 | $ — | $ 1,661 | $ 33,543 |

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2026 were $192 and $705, 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 nine months ended September 30, 2025 were $227 and $606, respectively. There were no additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at September 30, 2026. Such commitments were $3,664 at December 31, 2025.

The Association had no loans held for sale at September 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 September 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 | |
|---|---|---|
| | September 30, 2026 | December 31, 2025 |
| RABs | $ 2,132 | $ 2,212 |

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

| | Amortized Cost |
|---|---|
| | September 30, 2026 |
| In one year or less | $ — |
| After one year through five years | — |
| After five years through ten years | — |
| After ten years | 2,132 |
| Total | $ 2,132 |

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 September 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 September 30, 2026, the Association's investment in the Bank was $56,443, representing 7.55% ownership interest of issued stock and allocated retained earnings, net of any reciprocal investment. As of that date, the Bank's assets totaled $52.0 billion and shareholders' equity totaled $2.3 billion. The Bank's earnings were $328 million for the nine months ended September 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 September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Employee Benefit Plans:** | | | | |
| Balance at beginning of period | $ (151) | $ (158) | $ (158) | $ (164) |
| Other comprehensive income before reclassification | — | — | — | — |
| Amounts reclassified from AOCI | 3 | 4 | 10 | 10 |
| Net current period other comprehensive income | 3 | 4 | 10 | 10 |
| Balance at end of period | $ (148) | $ (154) | $ (148) | $ (154) |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | Income Statement Line Item |
| **Defined Benefit Pension Plans:** | | | | | |
| Periodic pension costs | $ (3) | $ (4) | $ (10) | $ (10) | Salaries and employee benefits |
| Net amounts reclassified | $ (3) | $ (4) | $ (10) | $ (10) | |

*(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.

| | September 30, 2026 | | | |
|---|---|---|---|---|
| | Fair Value Measurement Using | | | Total Fair |
| | Level 1 | Level 2 | Level 3 | Value |
| **Recurring assets** | | | | |
| Assets held in trust funds | $ 3,592 | $ — | $ — | $ 3,592 |
| **Nonrecurring assets** | | | | |
| Nonaccrual loans* | $ — | $ — | $ 27,446 | $ 27,446 |
| Other property owned | $ — | $ — | $ 64 | $ 64 |

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair Value Measurement Using | | | Total Fair |
| | Level 1 | Level 2 | Level 3 | Value |
| **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 ($21,184) less related specific reserves ($4,007) associated with nonaccrual loans plus nonaccrual loans with no specific reserve with an associated charge-off ($10,269).*

***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, other than described below, no subsequent events have occurred requiring disclosure through November 6, 2026, which was the date the financial statements were issued.

In October 2026, the Association transferred a communications borrower with net loan exposure totaling $5.8 million to nonaccrual status due to the current circumstances affecting this borrower. At this time and based on current information, the financial impact of this transfer is not expected to be material to the Association's financial condition or results of operations. However, given the uncertainty regarding the borrower's current circumstances and the ultimate resolution of the loans, the financial impact remains uncertain.