

A man and a woman are crouching in a lush green field, examining a plant together. The man is wearing a cap and a plaid shirt, and the woman is wearing a red plaid shirt. The background shows rolling hills under a bright sky. The image is framed by a large white graphic element on the right side, consisting of several overlapping curved shapes.

AGFIRST FARM CREDIT BANK & DISTRICT ASSOCIATIONS

2025 ANNUAL FINANCIAL INFORMATION



AgFirst Farm Credit Bank and District Associations ***December 31, 2025 Financial Information***

(unaudited)

INTRODUCTION AND DISTRICT OVERVIEW

The following commentary reviews the Combined Financial Statements of Condition and Results of Operations of AgFirst Farm Credit Bank (AgFirst or the Bank) and the District Agricultural Credit Associations (Associations or District Associations), collectively referred to as the AgFirst District (District), for the years ended December 31, 2025, 2024, and 2023. AgFirst and the District Associations are part of the Farm Credit System (the System), a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations. System institutions are generally organized as cooperatives. Cooperatives are organizations that are owned and controlled by their members who use the cooperatives' products or services. The U.S. Congress authorized the creation of the first System institutions in 1916. The System was created to provide support for the agricultural sector because of its significance to the well-being of the U.S. economy and the U.S. consumer. The mission of the System is to support rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow. The System does this by making appropriately structured loans to qualified individuals and businesses at competitive rates and providing financial services and advice to those persons and businesses. AgFirst and each District Association are individually regulated by the Farm Credit Administration (FCA).

The Associations are structured as cooperatives, and each Association is owned by its borrowers. AgFirst also operates as a cooperative. The District Associations, certain Other Financing Institutions (OFIs), and other System institutions jointly own AgFirst. As such, the benefits of ownership flow to the same farmer/rancher-borrowers that the System was created to serve.

As of December 31, 2025, the District consisted of the Bank and sixteen District Associations. All sixteen were structured as Agricultural Credit Association (ACA) holding companies, with Federal Land Credit Association (FLCA) and Production Credit Association (PCA) subsidiaries. PCAs originate and service short- and intermediate-term loans; FLCAs originate and service long-term real estate mortgage loans; and ACAs originate and service both long-term real estate mortgage loans and short- and intermediate-term loans.

Farm Credit's funds are raised by the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) and insured by the Farm Credit System Insurance Corporation (FCSIC). The Funding Corporation issues a variety of Federal Farm Credit Banks Consolidated Systemwide Debt Securities with broad ranges of maturities and structures on behalf of the System banks. Each System bank has exposure to Systemwide credit risk because each bank is jointly and severally liable for all Systemwide debt issued.

AgFirst provides funding and related services to the District Associations, which, in turn, provide loans and related services to agricultural and rural borrowers. AgFirst has in place with each of the District Associations, a revolving line of credit, referred to as a Direct Note, which eliminates in this combined District report. Each Association primarily funds its lending and general corporate activities by borrowing through its Direct Note. Virtually all assets of the Associations secure the Direct Notes. Lending terms are specified in a separate General Financing Agreement (GFA) between AgFirst and each Association, including the subsidiaries of the Associations.

AgFirst and the Associations are chartered to serve eligible borrowers in Alabama, Delaware, Florida, Georgia, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Virginia, West Virginia, Puerto Rico, and portions of Kentucky, Louisiana, Ohio, and Tennessee. Two other Farm Credit Banks (FCBs) and an Agricultural Credit Bank (ACB), through a number of associations, provide loans and related services to eligible borrowers primarily in the remaining portion of the United States. While owned by its related associations, each FCB manages and controls its own business activities and operations. The ACB is owned by its related associations as well as other agricultural and rural institutions, including agricultural cooperatives. Associations are not commonly owned or controlled and each manages and controls its own business activities and operations.

While combined District statements reflect the financial and operational interdependence of AgFirst and its Associations, AgFirst does not own or control the Associations. AgFirst publishes Bank-only audited financial statements (electronic version of which is available on AgFirst's website at www.agfirst.com) that may be referred to for a more complete analysis of AgFirst's financial condition and results of operations.

Financial Highlights

(dollars in thousands)

As of December 31,	2025	2024	2023
Total loans	\$ 46,963,063	\$ 43,432,432	\$ 40,750,224
Allowance for credit losses on loans	(194,899)	(148,069)	(150,498)
Net loans	\$ 46,768,164	\$ 43,284,363	\$ 40,599,726
Total assets	\$ 57,736,931	\$ 54,298,296	\$ 51,826,565
Total shareholders' equity	7,740,372	7,117,760	6,808,874
Year Ended December 31,	2025	2024	2023
Net interest income	\$ 1,413,005	\$ 1,330,853	\$ 1,333,291
Provision for credit losses	74,927	7,612	53,507
Noninterest expense, net	(676,304)	(632,281)	(680,255)
Net income	\$ 661,774	\$ 690,960	\$ 599,529
Net interest income as a percentage of average earning assets	2.60 %	2.60 %	2.73 %
Net (charge-offs) recoveries to average loans	(0.06)%	(0.03)%	(0.10)%
Return on average assets	1.20 %	1.32 %	1.20 %
Return on average shareholders' equity	8.67 %	9.61 %	8.78 %
Operating expense as a percentage of net interest income and noninterest income	50.39 %	50.95 %	54.08 %
Average loans	\$ 44,988,043	\$ 41,584,721	\$ 39,207,286
Average earning assets	54,369,638	51,270,181	48,916,589
Average assets	55,357,675	52,227,624	49,851,733

Management's Discussion & Analysis of Financial Condition & Results of Operations

RESULTS OF OPERATIONS

Net Income

Net income totaled \$661.8 million for the year ended December 31, 2025, a decrease of \$29.2 million from 2024. Net income of \$691.0 million for the year ended December 31, 2024 was an increase of \$91.4 million from 2023. Major components of the changes in net income for the referenced periods are outlined in the following table and discussion:

<i>Change in Net Income (dollars in thousands)</i>	Year Ended December 31,	
	2025	2024
Net income (for prior year)	\$ 690,960	\$ 599,529
Increase (decrease) in Net income due to:		
Total interest income	156,103	339,524
Total interest expense	(73,951)	(341,962)
Net interest income	82,152	(2,438)
Provision for credit losses	(67,315)	45,895
Noninterest income	(21,245)	7,034
Noninterest expense	(22,971)	41,919
Provision for income taxes	193	(979)
Total (decrease) increase in net income	(29,186)	91,431
Net income	\$ 661,774	\$ 690,960

Net Interest Income

Net interest income was \$1.4 billion, \$1.3 billion, and \$1.3 billion for the years ended December 31, 2025, 2024, and 2023, respectively, which was an increase of \$82.2 million, or 6.17 percent, in 2025 and a decrease of \$2.4 million, or 0.18 percent in 2024. The net interest margin, which is net interest income as a percentage of average earning assets, was 2.60 percent, 2.60 percent, and 2.73 percent for the years ended December 31, 2025, 2024, and 2023, respectively.

Net interest income increased while net interest margin remained flat during 2025 when compared to the prior year. The increase was primarily the result of higher growth within the Association retail lending and Capital Markets portfolios and lower yields on interest-bearing liabilities. These were partially offset by higher interest-bearing liabilities volume and lower yields on interest earning assets, primarily loans.

Net interest income remained relatively flat during 2024 and was positively impacted by increased loan volume and negatively impacted by the declining benefits from previously called debt.

A significant volume of the Bank's assets have long-term, fixed-rate, prepayable payment structures. To mitigate interest rate risk exposure, the Bank funds such assets predominately with fixed-rate, callable Systemwide Debt Securities having maturities similar to the assets funded. When interest rates fall, the Bank calls and replaces Systemwide Debt Securities that result in interest expense savings. This temporarily increases net interest margin, which, absent additional rate decreases, returns to a level that does not reflect the benefits of called debt over time as assets reprice.

The effects of changes in volumes and interest rates on net interest income for the year ended December 31, 2025, as compared with the corresponding periods in 2024 and 2023, are presented in the following tables. The table distinguishes between the changes in interest income and interest expense related to average outstanding balances and to the levels of average interest rates. Accordingly, the benefit derived from funding earning assets with interest-free funds (principally capital) is reflected solely as a volume increase.

<i>(dollars in thousands)</i>	For the Year Ended			For the Year Ended		
	December 31, 2025 vs. December 31, 2024			December 31, 2024 vs. December 31, 2023		
	Increase (decrease) due to changes in:			Increase (decrease) due to changes in:		
	Volume	Rate	Total	Volume	Rate	Total
Interest Income:						
Loans	\$ 217,513	\$ (31,023)	\$ 186,490	\$ 153,721	\$ 154,932	\$ 308,653
Investments & Cash Equivalents	(11,792)	(15,567)	(27,359)	(3,357)	30,445	27,088
Other	714	(3,742)	(3,028)	3,185	598	3,783
Total Interest Income	206,435	(50,332)	156,103	153,549	185,975	339,524
Interest Expense:						
Interest-Bearing Liabilities	104,146	(30,195)	73,951	76,919	265,043	341,962
Changes in Net Interest Income	\$ 102,289	\$ (20,137)	\$ 82,152	\$ 76,630	\$ (79,068)	\$ (2,438)

Provision for Credit Losses

AgFirst and the District Associations measure risks inherent in their individual loan portfolios on an ongoing basis and, as necessary, recognize provision for credit loss expense so that appropriate allowances for credit losses (ACL) are maintained. Provision for credit losses, which includes the provision for credit loss on loans and the provision for unfunded commitments, was a provision expense of \$74.9 million for the year ended December 31, 2025, as compared to a provision expense of \$7.6 million and a provision expense of \$53.5 million for the years ended December 31, 2024 and 2023, respectively.

<i>(dollars in thousands)</i>	For the year ended December 31, 2025				
Provision for (reversal of) allowance for credit losses:	Bank's Capital	Bank's	District	District Total	
	Markets Portfolio	Correspondent Lending Portfolio	Associations Combined		
Asset-specific component	\$ 40,060	\$ (188)	\$ 22,996	\$ 62,868	
Pooled component	3,659	(383)	5,755	9,031	
Unfunded Commitments	2,188	—	840	3,028	
Total	\$ 45,907	\$ (571)	\$ 29,591	\$ 74,927	

<i>(dollars in thousands)</i>	For the year ended December 31, 2024				
Provision for (reversal of) allowance for credit losses:	Bank's Capital	Bank's	District	District Total	
	Markets Portfolio	Correspondent Lending Portfolio	Associations Combined		
Asset-specific component	\$ 704	\$ 572	\$ 6,602	\$ 7,878	
Pooled component	885	(11,684)	11,332	533	
Unfunded Commitments	(64)	—	(735)	(799)	
Total	\$ 1,525	\$ (11,112)	\$ 17,199	\$ 7,612	

<i>(dollars in thousands)</i>	For the year ended December 31, 2023				
Provision for (reversal of) allowance for credit losses:	Bank's Capital	Bank's	District	District Total	
	Markets Portfolio	Correspondent Lending Portfolio	Associations Combined		
Asset-specific component	\$ 16,984	\$ 93	\$ 26,351	\$ 43,428	
Pooled component	387	(561)	6,735	6,561	
Unfunded Commitments	(950)	—	4,468	3,518	
Total	\$ 16,421	\$ (468)	\$ 37,554	\$ 53,507	

The provision for credit loss expense for the year ended December 31, 2025 was primarily driven by an increase in asset-specific provision expense within the Bank's Capital Markets and District Associations Combined portfolios to several isolated borrowers. Additionally, the pooled component of these two portfolios increased due to heightened stress in the unemployment macroeconomic factor used in the allowance model, as well as growth in each portfolio.

Total provision for credit losses on loans for the year ended December 31, 2025 was primarily related to borrowers in the poultry (\$14.5 million expense), nursery/greenhouse (\$12.2 million expense), processing (\$12.0 million expense), tree fruits and nuts (\$10.2 million expense), utilities (\$4.6 million expense), field crops (\$3.7 million expense), grains (\$3.1 million expense), corn (\$3.1 million expense), and forestry (\$2.0 million expense) commodity segments.

Total provision for credit losses on loans for the year ended December 31, 2024 was primarily related to borrowers in the field crops (\$4.8 million expense), grains (\$3.8 million expense), cotton (\$3.7 million expense), nursery/greenhouse (\$3.4 million expense), corn (\$2.9 million expense), and cattle (\$2.2 million expense) commodity segments, partially offset by rural home loan (\$11.2 million reversal) and tree fruits and nuts (\$4.6 million reversal) commodity segments. The reduction in the rural home loan commodity segment was due to an update in the model used to calculate the loss given default (LGD) that incorporated additional historical data which closely aligns with the long-term realized losses experienced within this portfolio.

For the year ended December 31, 2023, total provision for credit losses on loans was primarily related to borrowers in the tree fruits and nuts (\$32.4 million expense), field crops (\$8.6 million expense), forestry (\$6.6 million expense), and utilities (\$2.2 million expense) commodity segments.

See the *Loan Portfolio* section below for further information.

Noninterest Income

The following table illustrates the changes in noninterest income:

Change in Noninterest Income <i>(dollars in thousands)</i>	For the Year Ended December 31,			Increase (Decrease)	
	2025	2024	2023	2025/ 2024	2024/ 2023
	Loan fees	\$ 45,640	\$ 41,715	\$ 39,258	\$ 3,925
Fees for financially related services	25,049	26,742	23,286	(1,693)	3,456
(Losses) gains on sales of investments	(13,231)	105	—	(13,336)	105
Losses on debt extinguishment	(23,088)	(22,774)	(6,515)	(314)	(16,259)
Gains on other transactions	7,082	11,914	2,227	(4,832)	9,687
Insurance premium refund	8,011	13,106	—	(5,095)	13,106
Patronage refunds from other Farm Credit institutions	18,851	19,018	25,024	(167)	(6,006)
Other noninterest income	7,289	7,022	6,534	267	488
Total noninterest income	\$ 75,603	\$ 96,848	\$ 89,814	\$ (21,245)	\$ 7,034

Noninterest income decreased \$21.2 million from 2024 to 2025 and increased \$7.0 million from 2023 to 2024.

Loan fees increased \$3.9 million and \$2.5 million for the year ended December 31, 2025 and 2024, respectively, compared to the prior year primarily as a result increased loan growth within the Capital Markets and Association retail lending portfolios. These increases were partially offset by lower rural residential mortgage fee income due to lower volume at the Bank and Associations.

Fees for financially related services increased \$3.5 million for the year ended December 31, 2024 when compared to the prior year primarily due to higher income from crop/hail insurance of \$3.9 million.

During the year ended December 31, 2025, the Bank sold available-for-sale investments of \$85.7 million recording a loss on sale of \$13.2 million. Simultaneously with the sales of the investment securities, the Bank extinguished \$91.2 million of Systemwide Debt Securities resulting in a gain on extinguishment of \$13.6 million. These economically offsetting transactions for the current year occurred as part of the Bank's strategy to reduce price sensitivity in the investment portfolio along with deleveraging the Bank's Balance Sheet by lowering total investments. Excluding the gains on debt extinguishment during 2025, losses on debt extinguishment were \$36.7 million, \$22.7 million during 2024, and \$6.5 million during 2023. The higher losses in 2025 and 2024 were due to increased called debt activity. When debt securities are called prior to maturity, any unamortized issuance cost is expensed through losses on debt extinguishment. The amount of issuance cost expensed is dependent upon both the size and remaining maturity of the bond when called. Losses on debt extinguishment are more than offset economically by interest expense savings realized over the life of the replacement debt. Call options were

exercised on bonds totaling \$20.4 billion for the year ended December 31, 2025 compared to \$11.7 billion in 2024 and \$3.0 billion for the year ended December 31, 2023. See *Net Interest Income* section above for further discussion.

Gains on other transactions decreased \$4.8 million and increased \$9.7 million for the year ended December 31, 2025 and 2024, respectively. The variance for both years was primarily due to changes in market value of nonqualified benefit plan trust assets.

During the years 2025 and 2024, the District received insurance premium refunds of \$8.0 million and \$13.1 million, respectively, from the Farm Credit System Insurance Corporation (FCSIC), which insures the System's debt obligations. These refunds are not guaranteed and result from FCSIC assets exceeding the secure base amount, as defined by the Farm Credit Act, at the end of the preceding year. No refunds were received in 2023. In February 2026, the FCSIC Board approved a refund of \$23.4 million for the District that was received in the first quarter of 2026.

Patronage refunds from other Farm Credit institutions decreased by \$6.0 million for the year ended December 31, 2024, primarily due to lower expected patronage targets from other Farm Credit institutions.

Noninterest Expenses

The following table illustrates the changes in noninterest expenses:

Change in Noninterest Expenses <i>(dollars in thousands)</i>	For the Year Ended December 31,			Increase (Decrease)	
	2025	2024	2023	2025 /	2024 /
	2025	2024	2023	2024	2023
Salaries and employee benefits	\$ 435,631	\$ 414,481	\$ 393,493	\$ 21,150	\$ 20,988
Occupancy and equipment	30,429	30,114	29,293	315	821
Insurance Fund premiums	41,727	38,755	66,703	2,972	(27,948)
Purchased services	46,798	58,827	79,084	(12,029)	(20,257)
Data processing	60,339	54,483	52,345	5,856	2,138
Other operating expenses	135,482	130,775	148,436	4,707	(17,661)
Total noninterest expenses	\$ 750,406	\$ 727,435	\$ 769,354	\$ 22,971	\$ (41,919)

Noninterest expenses increased \$23.0 million and decreased \$41.9 million for the years ended December 31, 2025 and 2024, respectively, when compared to the prior years.

Salaries and employee benefits expenses increased \$21.2 million and \$21.0 million for the years ended December 31, 2025 and 2024, respectively. The increase in both periods was primarily due to higher salaries from annual merit adjustments and slightly higher average headcount (0.9% increase in 2025 and 0.7% increase in 2024).

Insurance fund premiums increased \$3.0 million for the year ended December 31, 2025 as a result of increased debt to support asset growth at the Bank and Associations. For the year ended December 31, 2024, insurance fund premiums decreased \$27.9 million as a result of a decrease in the premium rate from 18 basis points in 2023 to 10 basis points in 2024. In February 2026, the FCSIC Board approved retaining the premium rate at 10 basis points for at least the first half of 2026.

Purchased services decreased by \$12.0 million and \$20.3 million for the years ended December 31, 2025 and 2024, respectively. The decreases in purchased services resulted from a reduction in contractors and consultants at the Bank subsequent to the implementation of the new loan systems in 2023 for the entire District.

Data processing increased by \$5.9 million and \$2.1 million for the years ended December 31, 2025 and 2024, respectively. In both years, the increases were mainly due to higher software maintenance costs related to the new loan systems implemented in 2023. In 2024, additional increases were driven by higher hardware depreciation and maintenance costs associated with these systems.

Other operating expenses increased \$4.7 million and decreased \$17.7 million for the years ended December 31, 2025 and 2024, respectively. The increase in 2025 was primarily due to increased problem asset maintenance expenses of \$1.0 million and pension settlement accounting expenses of \$939 thousand due to increased lump sum retirement withdrawals. The decrease in expense in 2024 was primarily due to pension settlement accounting expenses of \$21.7 million that were incurred in 2023, and no settlement in 2024.

LOAN PORTFOLIO

The District's aggregate loan portfolio consists primarily of loans made by the Associations to eligible borrowers located within their chartered territories. Diversification of the loan volume by FCA loan type is shown in the following table:

Loan Types

<i>(dollars in thousands)</i>	December 31, 2025		December 31, 2024		December 31, 2023	
Real estate mortgage	\$ 22,253,459	47.39 %	\$ 21,096,106	48.57 %	\$ 20,071,746	49.26 %
Production and intermediate-term	8,993,087	19.15	8,000,020	18.42	7,513,910	18.44
Agribusiness:						
Loans to cooperatives	852,218	1.81	716,650	1.65	794,631	1.95
Processing and marketing	5,166,081	11.00	4,682,130	10.78	3,815,876	9.36
Farm-related business	748,758	1.59	677,104	1.56	632,802	1.55
Rural residential real estate	4,138,540	8.81	4,014,195	9.24	3,866,809	9.49
Rural infrastructure:						
Power	2,321,963	4.94	1,699,694	3.91	1,655,434	4.06
Communication	1,459,300	3.11	1,369,835	3.15	1,281,338	3.14
Water/Waste disposal	326,759	0.70	438,225	1.01	462,915	1.14
Other:						
International	258,264	0.55	267,182	0.62	218,835	0.54
Lease receivables	9,921	0.02	11,848	0.03	13,194	0.03
Loans to other financing institutions (OFIs)	172,548	0.37	175,122	0.40	167,962	0.41
Other (including mission related)	262,165	0.56	284,321	0.66	254,772	0.63
Total	<u>\$ 46,963,063</u>	<u>100.00 %</u>	<u>\$ 43,432,432</u>	<u>100.00 %</u>	<u>\$ 40,750,224</u>	<u>100.00 %</u>

Total loans outstanding were \$47.0 billion at December 31, 2025, an increase of \$3.5 billion, or 8.13 percent, compared to December 31, 2024 and an increase of \$2.7 billion, or 6.58 percent, during 2023.

In 2025, the loan growth for the combined District portfolio was primarily due to an increase in expenses and operating line extensions for farmers and ranchers. Many producers were borrowing to cover costs such as seed, fertilizer, and fuel. Additionally, increased credit was needed to manage tighter margins, refinance existing debt, and cover higher input costs. Growth was primarily in the utilities, forestry, processing, cattle, and poultry commodity segments. In 2024, the loan growth for the combined District portfolio was primarily due to new client acquisition, higher input costs related to higher inflation and interest rates, and borrower liquidity needs due to merger and acquisition activity and was primarily in the forestry, field crops, utilities, and grains commodity segments.

Credit Quality

Each loan in the District's portfolio is classified according to a Uniform Classification System, which is used by all System institutions. Below are the classification definitions:

- Acceptable – Assets are expected to be fully collectible and represent the highest quality. In addition, these assets may include loans with properly executed and structured guarantees that might otherwise be classified less favorably.
- OAEM – Assets are currently collectible but exhibit some potential weakness.
- Substandard – Assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – Assets exhibit similar weaknesses to substandard assets. However, doubtful assets have additional weaknesses in existing facts, conditions and values that make collection in full highly questionable.
- Loss – Assets are considered uncollectible.

The following table shows the amortized cost of loans classified under the Uniform Loan Classification System by origination year:

<i>(dollars in thousands)</i>	Balance as of and for the year ended December 31, 2025							
	2025	2024	2023	2022	2021	Prior	Revolving	Total
Acceptable	\$ 8,419,376	\$ 5,919,859	\$ 4,695,522	\$ 4,619,813	\$ 4,498,011	\$ 9,652,788	\$ 6,857,432	\$44,662,801
OAEM	124,408	105,036	97,864	175,489	81,347	259,201	360,291	1,203,636
Substandard	87,521	103,803	105,286	214,969	99,273	205,877	275,706	1,092,435
Doubtful	2,045	322	152	411	128	544	218	3,820
Loss	—	—	77	37	—	161	96	371
Total	\$ 8,633,350	\$ 6,129,020	\$ 4,898,901	\$ 5,010,719	\$ 4,678,759	\$ 10,118,571	\$ 7,493,743	\$46,963,063
Current Period Gross Writeoffs	\$ 115	\$ 753	\$ 1,554	\$ 1,379	\$ 703	\$ 14,702	\$ 8,646	\$ 27,852

<i>(dollars in thousands)</i>	Balance as of and for the year ended December 31, 2024							
	2024	2023	2022	2021	2020	Prior	Revolving	Total
Acceptable	\$ 6,767,864	\$ 5,682,876	\$ 5,811,566	\$ 5,437,569	\$ 3,408,102	\$ 8,290,703	\$ 6,192,885	\$41,591,565
OAEM	96,809	83,933	260,027	116,511	87,380	175,305	337,749	1,157,714
Substandard	58,827	76,365	86,250	59,788	66,121	159,091	172,973	679,415
Doubtful	392	22	234	201	36	354	2,307	3,546
Loss	—	—	1	2	198	—	(9)	192
Total	\$ 6,923,892	\$ 5,843,196	\$ 6,158,078	\$ 5,614,071	\$ 3,561,837	\$ 8,625,453	\$ 6,705,905	\$43,432,432
Current Period Gross Writeoffs	\$ 747	\$ 3,288	\$ 829	\$ 2,018	\$ 199	\$ 4,016	\$ 3,506	\$ 14,603

<i>(dollars in thousands)</i>	Balance as of and for the year ended December 31, 2023							
	2023	2022	2021	2020	2019	Prior	Revolving	Total
Acceptable	\$ 6,569,096	\$ 6,911,369	\$ 6,242,268	\$ 4,166,886	\$ 2,430,148	\$ 7,519,236	\$ 5,745,737	\$39,584,740
OAEM	83,172	113,135	84,501	79,450	27,197	149,411	126,654	663,520
Substandard	35,884	73,910	44,784	65,801	51,458	116,483	113,144	501,464
Doubtful	—	67	—	36	—	68	84	255
Loss	—	1	2	230	2	9	1	245
Total	\$ 6,688,152	\$ 7,098,482	\$ 6,371,555	\$ 4,312,403	\$ 2,508,805	\$ 7,785,207	\$ 5,985,620	\$40,750,224
Current Period Gross Writeoffs	\$ 343	\$ 8,381	\$ 716	\$ 276	\$ 18,113	\$ 3,649	\$ 11,953	\$ 43,431

	December 31, 2025	December 31, 2024	December 31, 2023
Acceptable	95.10 %	95.76 %	97.14 %
OAEM	2.56	2.67	1.63
Substandard	2.33	1.56	1.23
Doubtful	0.01	0.01	—
Loss	—	—	—
Total	100.00 %	100.00 %	100.00 %

District credit quality remained strong overall but declined slightly in 2025 and 2024 primarily within the District Capital Markets portfolio as a result of several downgrades to isolated borrowers. Credit quality may be impacted in future quarters due to continued inflationary input cost pressures and rising interest rates. Other factors that may impact future quarters are potential changes in government support for agricultural sectors, and unforeseen impacts from geopolitical, trade (including tariffs), supply chain, weather, or animal- or human- related health events.

As mentioned above, the Associations serve primarily all or a portion of fifteen states and Puerto Rico. Additionally, AgFirst and the Associations actively purchase and sell loans and loan participations with non-District institutions. The resulting geographic diversity is a natural credit risk-reducing factor. The geographic distribution of the District's loan volume outstanding by state at December 31 is shown in the following table:

State	District Loan Volume by State*		
	2025	2024	2023
North Carolina	14 %	14 %	14 %
Georgia	11	11	11
Pennsylvania	9	9	9
Florida	8	8	8
Virginia	7	8	7
Ohio	7	7	7
South Carolina	6	6	6
Maryland	4	5	5
Alabama	4	4	4
Kentucky	3	3	3
Texas	3	3	3
Mississippi	3	2	2
New York	2	2	1
Louisiana	2	2	2
California	2	2	2
Other states including Puerto Rico	15	14	16
Total	100 %	100 %	100 %

** The distribution is based on the state in which the borrower is headquartered and may not be representative of their operations and business activities.*

At December 31, 2025, only two states have loan volume representing 10.00 percent or more of the total. Commodity diversification, guarantees, and borrowers with significant reliance on non-farm income further mitigate the geographic concentration risk in these states.

The District's credit portfolios are comprised of a number of commodity segments having varied, and in some cases complementary, characteristics which helps mitigate credit risk. Commodity and industry categories are based on the Standard Industrial Classification system published by the federal government. This system is used to assign commodity or industry categories based on the largest agricultural commodity of the customer. The aggregate credit portfolio of the District by major commodity segments based on borrower eligibility at December 31 is shown in the following table:

Commodity Group - Eligibility	Percent of Portfolio		
	2025	2024	2023
Forestry	15 %	15 %	15 %
Field Crops	9	10	9
Rural Home	9	9	10
Poultry	9	8	9
Processing	8	7	7
Utilities	8	6	6
Cattle	7	6	7
Grains	6	6	6
Corn	4	4	4
Other Real Estate	4	4	4
Dairy	3	4	4
Tree Fruits and Nuts	3	3	3
Nursery/Greenhouse	3	3	3
Other	12	15	13
Total	100 %	100 %	100 %

As reflected in the chart above, forestry was the only loan concentration exceeding 10.00 percent as of December 31, 2025. This concentration is moderated by its broad geographic distribution throughout the AgFirst footprint.

Forestry is divided principally into hardwood and softwood production and value-added processing. The timber from hardwood production is further processed into furniture, flooring, and high-grade paper and is generally located at the more northern latitudes and higher elevations of the District. Softwood timber production is typically located in the coastal plains of

the AgFirst District footprint and is used for building materials for the housing market and pulp to make paper and hygiene products. Timber producers at the Associations range in size from less than fifty acres to thousands of acres, with value-added processing being conducted at sawmills, planer mills, and paper mills.

The diversity of income sources supporting District loan repayments, including a prevalence of non-farm income among the borrowers, further mitigates credit risk to AgFirst as demonstrated by the following table as of December 31:

Commodity Group - Repayment Dependency	Percent of Portfolio		
	2025	2024	2023
Non-Farm Income	33 %	33 %	33 %
Poultry	8	8	9
Processing	8	7	7
Utilities	8	6	6
Forestry	6	7	7
Field Crops	5	5	5
Grains	5	5	5
Dairy	3	4	4
Corn	3	4	4
Cattle	3	3	3
Tree Fruits and Nuts	3	3	3
Nursery/Greenhouse	2	2	2
Other Real Estate	2	2	2
Other	11	11	10
Total	100 %	100 %	100 %

Nonaccrual Loans

As a result of stable credit quality and the District's efforts to resolve problem assets, the District's nonaccrual assets continue to be a relatively small percentage of the total loan volume and total assets. Nonaccrual loans by FCA loan type are as follows:

<i>(dollars in thousands)</i>	December 31,		
	2025	2024	2023
Nonaccrual loans:			
Real estate mortgage	\$ 118,876	\$ 88,214	\$ 67,440
Production and intermediate-term	70,710	57,147	65,427
Agribusiness	111,991	12,171	16,589
Rural residential real estate	38,847	35,619	24,473
Rural infrastructure	9,945	1,717	2,067
Other	—	11	65
Total	\$ 350,369	\$ 194,879	\$ 176,061
Nonaccrual Loans as Percentage of Total Loans	0.75 %	0.45 %	0.43 %

Nonaccrual loans represent all loans for which there is a reasonable doubt as to the collection of principal and/or interest under the contractual terms of the loan. Nonaccrual loans by portfolio are included in the following table:

<i>(dollars in thousands)</i>	Nonaccrual by Portfolio					
	December 31, 2025		December 31, 2024		December 31, 2022	
	Total Amount	% of Total	Total Amount	% of Total	Total Amount	% of Total
Bank's Capital Markets	\$ 74,137	21.16 %	\$ 27,388	14.05 %	\$ 21,340	12.12 %
Bank's Correspondent Lending	35,666	10.18	33,262	17.07	22,741	12.92
District Associations	240,566	68.66	134,229	68.88	131,980	74.96
Total	\$ 350,369	100.00 %	\$ 194,879	100.00 %	\$ 176,061	100.00 %

While nonaccrual loans increased by \$155.5 million, or 79.79 percent, during 2025, the balance remains low overall. The increase in nonaccrual loans was primarily the result of several borrower relationships in the Bank Capital Markets and District Associations portfolios being downgraded across a variety of commodity segments.

Aging Analysis of Loans

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

December 31, 2025						
<i>(dollars in thousands)</i>	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 129,162	\$ 56,979	\$ 186,141	\$ 22,067,318	\$ 22,253,459	\$ 1,703
Production and intermediate-term	70,657	33,525	104,182	8,888,905	8,993,087	1,643
Agribusiness	40,844	3,839	44,683	6,722,374	6,767,057	—
Rural residential real estate	56,825	17,958	74,783	4,063,757	4,138,540	—
Rural infrastructure	134	8,433	8,567	4,099,455	4,108,022	—
Other	19,383	13,125	32,508	670,390	702,898	13,125
Total	\$ 317,005	\$ 133,859	\$ 450,864	\$ 46,512,199	\$ 46,963,063	\$ 16,471

December 31, 2024						
<i>(dollars in thousands)</i>	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 111,178	\$ 48,610	\$ 159,788	\$ 20,936,318	\$ 21,096,106	\$ 679
Production and intermediate-term	55,153	23,858	79,011	7,921,009	8,000,020	850
Agribusiness	8,073	2,347	10,420	6,065,464	6,075,884	—
Rural residential real estate	52,619	19,047	71,666	3,942,529	4,014,195	—
Rural infrastructure	—	—	—	3,507,754	3,507,754	—
Other	17,158	12	17,170	721,303	738,473	—
Total	\$ 244,181	\$ 93,874	\$ 338,055	\$ 43,094,377	\$ 43,432,432	\$ 1,529

December 31, 2023						
<i>(dollars in thousands)</i>	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 147,194	\$ 30,011	\$ 177,205	\$ 19,894,541	\$ 20,071,746	\$ 1,493
Production and intermediate-term	48,814	40,666	89,480	7,424,430	7,513,910	232
Agribusiness	10,601	3,676	14,277	5,229,032	5,243,309	—
Rural residential real estate	67,443	11,419	78,862	3,787,947	3,866,809	—
Rural infrastructure	—	—	—	3,399,687	3,399,687	—
Other	1,744	4,382	6,126	648,637	654,763	4,316
Total	\$ 275,796	\$ 90,154	\$ 365,950	\$ 40,384,274	\$ 40,750,224	\$ 6,041

Allowance for Credit Losses

Each District institution maintains an allowance for credit losses at a level management considers adequate to provide for estimable credit losses within its respective loan and finance lease portfolios as of each reported balance sheet date. Management's evaluations consider factors which include, among other things, loan loss experience, portfolio quality, loan portfolio composition, current agricultural production conditions, and general economic conditions. Although aggregated in the District's combined financial statements, the allowance for credit losses for each District entity is particular to that institution and is not available to absorb losses realized by other District entities.

A summary of changes in the ACL is as follows:

<i>(dollars in thousands)</i>	Production and Intermediate			Rural				
	Real Estate Mortgage	-term	Agribusiness	Residential Real Estate	Infrastructure	Other	Total	
Activity related to allowance for loan losses:								
Balance at December 31, 2024	\$ 64,028	\$ 45,736	\$ 22,555	\$ 9,681	\$ 5,593	\$ 476	\$ 148,069	
Charge-offs	(2,749)	(16,640)	(7,561)	(902)	—	—	(27,852)	
Recoveries	756	1,403	326	296	—	1	2,782	
Provision for (reversal of) credit losses on loans	5,006	17,270	44,770	(420)	5,218	56	71,900	
Balance at December 31, 2025	\$ 67,041	\$ 47,769	\$ 60,090	\$ 8,655	\$ 10,811	\$ 533	\$ 194,899	
Allowance for unfunded commitments:								
Balance at December 31, 2024	\$ 505	\$ 4,698	\$ 6,039	\$ 29	\$ 594	\$ 701	\$ 12,566	
Provision for (reversal of) unfunded commitments	821	373	1,515	592	319	(593)	3,027	
Balance at December 31, 2025	\$ 1,326	\$ 5,071	\$ 7,554	\$ 621	\$ 913	\$ 108	\$ 15,593	
Allowance for credit losses at December 31, 2025	\$ 68,367	\$ 52,840	\$ 67,644	\$ 9,276	\$ 11,724	\$ 641	\$ 210,492	
Activity related to allowance for loan losses:								
Balance at December 31, 2023	\$ 62,237	\$ 41,220	\$ 20,734	\$ 20,960	\$ 4,966	\$ 381	\$ 150,498	
Charge-offs	(1,238)	(10,322)	(2,844)	(199)	—	—	(14,603)	
Recoveries	1,008	2,456	127	163	—	9	3,763	
Provision for (reversal of) credit losses on loans	2,021	12,382	4,538	(11,243)	627	86	8,411	
Balance at December 31, 2024	\$ 64,028	\$ 45,736	\$ 22,555	\$ 9,681	\$ 5,593	\$ 476	\$ 148,069	
Allowance for unfunded commitments:								
Balance at December 31, 2023	\$ 2,372	\$ 4,250	\$ 6,041	\$ 97	\$ 499	\$ 106	\$ 13,365	
Provision for (reversal of) unfunded commitments	(1,867)	448	(2)	(68)	95	595	(799)	
Balance at December 31, 2024	\$ 505	\$ 4,698	\$ 6,039	\$ 29	\$ 594	\$ 701	\$ 12,566	
Allowance for credit losses at December 31, 2024	\$ 64,533	\$ 50,434	\$ 28,594	\$ 9,710	\$ 6,187	\$ 1,177	\$ 160,635	
Activity related to allowance for loan losses:								
Balance at December 31, 2022	\$ 82,018	\$ 65,472	\$ 20,146	\$ 8,824	\$ 3,875	\$ 919	\$ 181,254	
Cumulative effect of change in accounting principle	(14,693)	(23,270)	(1,246)	12,605	(758)	(476)	(27,838)	
Charge-offs	(1,998)	(39,956)	(493)	(283)	(701)	—	(43,431)	
Recoveries	1,950	2,294	243	276	41	5	4,809	
Provision for (reversal of) credit losses on loans	2,793	41,632	3,175	(316)	2,583	122	49,989	
Merger adjustment	(7,833)	(4,952)	(1,091)	(146)	(74)	(189)	(14,285)	
Balance at December 31, 2023	\$ 62,237	\$ 41,220	\$ 20,734	\$ 20,960	\$ 4,966	\$ 381	\$ 150,498	
Allowance for unfunded commitments:								
Balance at December 31, 2022	\$ 189	\$ 2,747	\$ 2,727	\$ 15	\$ 78	\$ 48	\$ 5,804	
Cumulative effect of change in accounting principle	565	791	2,936	22	463	37	4,814	
Provision for (reversal of) unfunded commitments	2,052	916	500	65	(42)	27	3,518	
Merger adjustment	(434)	(204)	(122)	(5)	—	(6)	(771)	
Balance at December 31, 2023	\$ 2,372	\$ 4,250	\$ 6,041	\$ 97	\$ 499	\$ 106	\$ 13,365	
Allowance for credit losses at December 31, 2023	\$ 64,609	\$ 45,470	\$ 26,775	\$ 21,057	\$ 5,465	\$ 487	\$ 163,863	

The ACL by portfolio is included within the tables below:

(dollars in thousands)

Allowance for Credit Losses by Portfolio				
December 31, 2025				
	Bank's Capital Markets	Bank's Correspondent Lending	District Associations Combined	Total
Asset-specific component	\$ 22,165	\$ 255	\$ 33,975	\$ 56,395
Pooled component	20,938	6,094	111,472	138,504
Unfunded commitments	6,163	—	9,430	15,593
Allowance for Credit Losses	\$ 49,266	\$ 6,349	\$ 154,877	\$ 210,492

(dollars in thousands)

Allowance for Credit Losses by Portfolio				
December 31, 2024				
	Bank's Capital Markets	Bank's Correspondent Lending	District Associations Combined	Total
Asset-specific component	\$ 3,351	\$ 1,047	\$ 14,198	\$ 18,596
Pooled component	17,278	6,477	105,718	129,473
Unfunded commitments	3,975	—	8,591	12,566
Allowance for Credit Losses	\$ 24,604	\$ 7,524	\$ 128,507	\$ 160,635

(dollars in thousands)

Allowance for Credit Losses by Portfolio				
December 31, 2023				
	Bank's Capital Markets	Bank's Correspondent Lending	District Associations Combined	Total
Asset-specific component	\$ 4,386	\$ 479	\$ 31,706	\$ 36,571
Pooled component	16,394	18,161	79,372	113,927
Unfunded commitments	4,039	—	9,326	13,365
Allowance for Credit Losses	\$ 24,819	\$ 18,640	\$ 120,404	\$ 163,863

Charge-offs during the year ended December 31, 2025 were related primarily to borrowers in the nursery/greenhouse (49.78 percent of the total) and processing (21.91 percent) commodity segments and recoveries were related primarily to borrowers in the field crops (17.55 percent of the total) and forestry (13.93 percent) commodity segments. See *Provision for Credit Losses* section above for additional details regarding provision for credit loss expense. The allowance for credit losses on loans (ACLL) at December 31, 2025 included asset-specific reserves of \$56.4 million (28.94 percent of the total) and \$138.5 million (71.06 percent) of pooled reserves. The ACL was 0.45 percent, 0.37 percent, and 0.40 percent of total loans outstanding at December 31, 2025, December 31, 2024, and December 31, 2023, respectively.

INVESTMENTS

The Bank is responsible for meeting the District's funding, liquidity, and asset/liability management needs. Along with normal cash flows associated with lending operations, the District has two primary sources of liquidity: the capacity to issue Systemwide Debt Securities through the Federal Farm Credit Banks Funding Corporation, and cash and investments. The Bank maintains several repurchase agreement facilities. In addition, the System has established a line of credit in the event contingency funding is needed to meet obligations of System banks under certain circumstances.

The Bank's investments are primarily classified as available-for-sale. Refer to AgFirst's 2025 Annual Report on its website for additional information related to investments. District Associations also have regulatory authority to enter into certain government guaranteed investments, generally mortgage-backed or asset-backed securities. There was no ACL on District investments during the years ended December 31, 2025, 2024, and 2023. The following tables summarize the District's investments:

<i>(dollars in thousands)</i>	December 31, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
District Bank investments	\$ 8,687,585	\$ 8,048	\$ (655,545)	\$ 8,040,088
District Association investments	254,378	1,610	(1,881)	254,107
Total District investments	\$ 8,941,963	\$ 9,658	\$ (657,426)	\$ 8,294,195

<i>(dollars in thousands)</i>	December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
District Bank investments	\$ 8,901,434	\$ 6,646	\$ (906,658)	\$ 8,001,422
District Association investments	162,089	1,533	(2,005)	161,617
Total District investments	\$ 9,063,523	\$ 8,179	\$ (908,663)	\$ 8,163,039

<i>(dollars in thousands)</i>	December 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
District Bank investments	\$ 9,543,846	\$ 4,269	\$ (897,704)	\$ 8,650,411
District Association investments	105,216	1,487	(1,370)	105,333
Total District investments	\$ 9,649,062	\$ 5,756	\$ (899,074)	\$ 8,755,744

At December 31, 2025, there were \$647.3 million in net unrealized losses in available-for-sale investments, compared to \$899.5 million in net unrealized losses and \$893.2 million net unrealized losses at December 31, 2024 and 2023, respectively. The net unrealized losses are primarily the result of the significant increase in market interest rates during 2022 and 2023 which reduced the fair value of available-for-sale fixed rate investment securities held. The Bank evaluates investment securities with unrealized losses for impairment on a quarterly basis. As part of this assessment, it was concluded that the Bank does not intend to sell the securities held at December 31, 2025 prior to recovery of the amortized cost basis. In the unlikely event the Bank could not access the capital markets to issue debt or raise cash through repurchase agreements, the Bank approximates it could cover at least 83 days of maturing debt through sales of available-for-sale securities before recognizing a loss. During 2025, the Bank sold \$85.7 million of available-for-sale investment securities. These transactions were completed simultaneously with the extinguishment of \$91.2 million of Systemwide Debt Securities. These economically offsetting transactions occurred as part of the Bank's strategy to reduce price sensitivity in the investment portfolio along with deleveraging the Bank's Balance Sheet by lowering total investments. See further discussion in the *Noninterest Income* section above.

CAPITAL

Capital serves to support future asset growth, investment in new products and services, and to provide protection against credit, interest rate, and other risks, as well as operating losses. A sound capital position is critical to provide protection to investors in Systemwide Debt Securities and to ensure long-term financial success.

Total shareholders' equity increased \$622.6 million, or 8.75%, from December 31, 2024, to \$7.7 billion at December 31, 2025. The following table summarizes changes in the District's Capital during the year:

<i>(dollars in thousands)</i>	Year Ended December 31,	
	2025	2024
Change in Shareholder's Equity		
Shareholders' Equity (for prior year)	\$ 7,117,760	\$ 6,808,874
Increase (decrease) due to:		
Net Income	661,774	690,960
Change in unrealized losses on investments	252,166	(6,312)
Cash patronage declared	(289,001)	(394,590)
Other	(2,327)	18,828
Total increase in shareholders' equity	622,612	308,886
Shareholder's equity	\$ 7,740,372	\$ 7,117,760

Accumulated Other Comprehensive Loss

<i>(dollars in thousands)</i>	December 31,		
	2025	2024	2023
Unrealized loss on investment securities	\$ (647,250)	\$ (899,416)	\$ (893,104)
Employee benefit plans activity	(152,894)	(177,893)	(221,682)
Total accumulated other comprehensive loss	\$ (800,144)	\$ (1,077,309)	\$ (1,114,786)

The Farm Credit Administration sets minimum regulatory capital requirements for Banks and Associations. The Bank and all Associations exceeded regulatory capital requirements, as demonstrated in the following table. These ratios are calculated using a three-month average daily balance.

Regulatory Capital Requirements and Ratios					
As of December 31, 2025	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer	Bank	District Associations
Risk adjusted:					
Common equity tier 1 capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity) ¹	4.50 %	7.00 %	14.86%	13.96% - 35.74%
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.00 %	8.50 %	14.86%	13.96% - 35.74%
Total capital ratio	Tier 1 capital, allowance for loan losses ² , common cooperative equities ³ and term preferred stock and subordinated debt ⁴	8.00 %	10.50 %	15.14%	14.76% - 36.59%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock, and subordinated debt, subject to certain limits	7.00 %	7.00 %	14.90%	14.41% - 36.02%
Non-risk adjusted:					
Tier 1 leverage ratio*	Tier 1 capital	4.00 %	5.00 %	5.89%	12.06% - 34.85%
URE and UREE component	URE and URE equivalents	1.50 %	1.50 %	4.45%	10.84% - 34.53%

¹ Equities outstanding 7 or more years

² Capped at 1.25% of risk-adjusted assets

³ Outstanding 5 or more years, but less than 7 years

⁴ Outstanding 5 or more years

* Must include the regulatory minimum requirement for the URE and UREE Leverage ratio.

EMPLOYEE BENEFIT PLANS

The Bank and thirteen District Associations participate in the multiemployer AgFirst Farm Credit Retirement Plan, which is a qualified defined benefit final average pay plan (FAP Plan). Three District Associations participate in the multiemployer Independent Associations' Retirement Plan (IAR Plan), which is also a qualified defined benefit final average pay plan. In addition to the multiemployer defined benefit plans above, one Association also sponsors a single employer qualified defined benefit plan, the First South Farm Credit, ACA Retirement Plan (FS Plan). In addition, the Bank and 16 District Associations participate in a multiemployer qualified defined benefit other postretirement benefits plan (OPEB Plan), the Farm Credit Benefits Alliance Retiree and Disabled Medical and Dental Plan, and the Bank and all 16 District Associations participate in the Farm Credit Benefits Alliance (FCBA) 401(k) Plan (401(k) Plan), a multiemployer qualified defined contribution 401(k) plan. These plans are qualified plans under the Internal Revenue Code.

The FAP Plan covers eligible employees hired prior to January 1, 2003. The IAR Plan covers eligible employees whose employment date is prior to January 1, 2009. The FS Plan covers eligible employees whose employment date is prior to January 1, 2009. Each plan is noncontributory. The "Projected Unit Credit" actuarial method is used for financial reporting purposes. Pension benefits are primarily based on eligible compensation and years of service. The District entities funded \$13.0 million, \$20.3 million, and \$24.5 million into these retirement plans for each of the three years ended December 31, 2025, 2024, and 2023, respectively. The expenses of these retirement plans included in noninterest expenses were \$26.0

million, \$26.3 million, and \$48.0 million for 2025, 2024, and 2023, respectively. The plans' respective prepaid retirement expenses or liabilities are reflected in Other Assets or Other Liabilities in the District's Balance Sheets.

In addition to providing pension benefits, the District provides certain medical and dental benefits for eligible retired employees through the OPEB Plan. Substantially all of the District employees may become eligible for the benefits if they reach early retirement age while working for the Bank or District Associations. Early retirement age is defined as a minimum of age 55 and 10 years of service. Employees hired after December 31, 2002, and employees who separate from service between age 50 and age 55 that were hired prior to December 31, 2002, are required to pay the full cost of their retiree health insurance coverage. In addition, substantially all District employees who retired on or before December 1, 2007, after reaching early retirement age are provided retiree life insurance benefits. The OPEB Plan includes certain other Farm Credit System employees that are not employees of the Bank or District Associations and is accounted for as a multiemployer plan. Thus, the related net benefit plan obligations are not included in the District's Balance Sheets but are included in the Combined Statement of Condition for the Farm Credit System. The OPEB Plan is unfunded with expenses paid as incurred. Postretirement benefits other than pensions included in salaries and employee benefit costs on the District's Statements of Comprehensive Income were \$10.1 million for 2025, \$9.6 million for 2024, and \$9.5 million for 2023. At December 31, 2025, 2024, and 2023, the total AgFirst District liability balance for the OPEB Plan presented in the Farm Credit System Combined Statement of Condition was \$182.4 million, \$182.6 million, and \$161.0 million, respectively.

All District entities also participate in the FCBA defined contribution 401(k) Plan which qualifies as a 401(k) plan as defined by the Internal Revenue Code. The contributions vary by entity within the District and range from \$0.50 to \$1.00 for each \$1.00 of the employee's first 6.00 percent of contribution (based on total compensation) up to the maximum employer contribution of 3.00 or 6.00 percent of total compensation, dependent upon each District entity's policy. Beginning in 2015, contributions include an additional 3.00 percent of eligible compensation for employees who are not covered under the FAP Plan, the IAR Plan, or the FS Plan. Employee deferrals are not to exceed the maximum deferral as determined and adjusted by the Internal Revenue Service. The 401(k) Plan costs are expensed as funded. Employer contributions to this plan included in salaries and employee benefit costs were \$25.2 million, \$23.8 million, and \$22.3 million for the years ended December 31, 2025, 2024, and 2023, respectively.

In addition to the multiemployer plans above, AgFirst and certain District Associations individually sponsor supplemental defined benefit and defined contribution retirement plans and offer a FCBA supplemental 401(k) plan for employees that meet certain eligibility requirements. These plans are nonqualified; therefore, the associated liabilities are included in the District's Combined Balance Sheets in Other Liabilities. The District entities contributed \$1.8 million, \$1.4 million, and \$1.4 million for the years ended December 31, 2025, 2024, and 2023, respectively, into these supplemental retirement plans. The supplemental retirement plans are unfunded and had a projected benefit obligation of \$29.2 million and a net under-funded status of \$29.2 million at December 31, 2025. The expenses of these nonqualified plans included in the District's noninterest expenses were \$3.2 million, \$2.4 million, and \$2.0 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The funding status and the amounts recognized in the Combined Balance Sheet of the District for postretirement benefit plans follows:

<i>(dollars in thousands)</i>	Pension Benefits			Unfunded Benefit Plans
	FAP Plan	IAR Plan	FS Plan	
December 31, 2025				
Projected benefit obligations	\$ 659,608	\$ 49,658	\$ 99,294	\$ 29,241
Fair value of plan assets	650,975	47,034	116,761	—
Funded (unfunded) status	(8,633)	(2,624)	17,467	(29,241)
Accumulated benefit obligation	\$ 628,089	\$ 44,788	\$ 94,259	\$ 26,307
Assumptions used to determine benefit obligations:				
Discount rate	5.70 %	5.65 %	5.50 %	5.45 %
Expected long-term rate of return	5.84 %	6.61 %	6.50 %	N/A*
Rate of compensation increase	4.00 %	5.20 %	5.00 %	Varies

<i>(dollars in thousands)</i>	Pension Benefits			Unfunded Benefit Plans
	FAP Plan	IAR Plan	FS Plan	
December 31, 2024				
Projected benefit obligations	\$ 661,525	\$ 55,153	\$ 96,821	\$ 27,159
Fair value of plan assets	651,760	48,902	105,796	—
Funded (unfunded) status	(9,765)	(6,251)	8,975	(27,159)
Accumulated benefit obligation	\$ 632,702	\$ 49,364	\$ 91,906	\$ 23,918
Assumptions used to determine benefit obligations:				
Discount rate	5.70 %	6.00 %	5.70 %	5.00 %
Expected long-term rate of return	5.84 %	6.00 %	6.50 %	N/A*
Rate of compensation increase	4.00 %	5.00 %	5.00 %	Varies

<i>(dollars in thousands)</i>	Pension Benefits			Unfunded Benefit Plans
	FAP Plan	IAR Plan	FS Plan	
December 31, 2023				
Projected benefit obligations	\$ 735,796	\$ 59,721	\$ 104,620	\$ 25,846
Fair value of plan assets	702,136	51,728	100,274	—
Funded (unfunded) status	(33,660)	(7,993)	(4,346)	(25,846)
Accumulated benefit obligation	\$ 699,557	\$ 52,272	\$ 98,458	\$ 23,155
Assumptions used to determine benefit obligations:				
Discount rate	5.00 %	5.10 %	5.00 %	5.00 %
Expected long-term rate of return	5.90 %	5.80 %	6.50 %	N/A*
Rate of compensation increase	4.00 %	5.20 %	5.20 %	Varies

*Not applicable

REGULATORY MATTERS

On December 5, 2025, the FCA published a proposed rule on loan performance categories and financial reporting in the Federal Register. The proposed rule would amend the regulations for high-risk loan performance categories due to changes in GAAP, clarify expectations for vintage disclosures and disclosures of loan modifications to borrowers experiencing financial difficulties. The comment period ended on February 3, 2026.

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk-weightings for High Volatility Commercial Real Estate (HVCRE) 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 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 less than \$500,000. This rule went into effect on January 1, 2026 and is not expected to have a material impact to any District entity.

OTHER MATTERS

Direct Notes

See the *Direct Notes* section of *Management's Discussion & Analysis of Financial Condition & Results of Operations* in the AgFirst Farm Credit Bank 2025 annual report for a discussion of the Bank's funding to District Associations. The Bank's Direct Notes to Associations are eliminated for the purposes of this report on a combined District basis.

At December 31, 2025, one Association (0.39% of total Direct Note), was operating under a special credit agreement with the Bank pursuant to the GFA and classified as Substandard. Presently, collection of the full Direct Note amount due is expected from all Associations, including the Association classified as Substandard, in accordance with the contractual terms of the debt arrangements, and no allowance has been recorded for Direct Notes. Virtually all assets of the Associations are pledged as collateral for their respective Direct Notes. In the opinion of management, all Association Direct Notes are adequately collateralized. The risk funds of an Association, including both capital and the allowance for credit losses, also protect the interest of the Bank should a Direct Note default.

Balance Sheets

(unaudited)

<i>(dollars in thousands)</i>	As of December 31,		
	2025	2024	2023
Assets			
Cash	\$ 708,449	\$ 819,557	\$ 658,758
Cash equivalents	900,000	1,040,000	835,000
Investments in debt securities	8,294,624	8,164,010	8,755,808
Loans	46,963,063	43,432,432	40,750,224
Allowance for credit losses on loans	(194,899)	(148,069)	(150,498)
Net loans	46,768,164	43,284,363	40,599,726
Loans held for sale	709	2,339	71,888
Accrued interest receivable	432,485	404,802	372,401
Accounts receivable	73,389	62,075	58,956
Equity investments in other Farm Credit institutions	80,420	72,951	65,497
Other equity investments	17,430	11,277	6,658
Premises and equipment, net	374,355	348,728	330,180
Other property owned	3,963	10,081	4,394
Other assets	82,943	78,113	67,299
Total assets	\$ 57,736,931	\$ 54,298,296	\$ 51,826,565
Liabilities			
Systemwide bonds payable	\$ 43,918,527	\$ 41,673,261	\$ 39,197,358
Systemwide notes payable	5,162,250	4,467,291	4,780,008
Accrued interest payable	293,564	328,297	244,994
Accounts payable	358,196	434,515	490,083
Advanced conditional payments	34,002	35,776	31,756
Other liabilities	230,020	241,396	273,492
Total liabilities	49,996,559	47,180,536	45,017,691
Shareholders' Equity			
Protected borrower equity	445	445	445
Capital stock and participation certificates	202,633	193,098	184,936
Additional paid-in-capital	516,563	516,563	516,563
Retained earnings			
Allocated	2,433,096	2,299,606	2,238,228
Unallocated	5,387,779	5,185,357	4,983,488
Accumulated other comprehensive loss	(800,144)	(1,077,309)	(1,114,786)
Total shareholders' equity	7,740,372	7,117,760	6,808,874
Total liabilities and equity	\$ 57,736,931	\$ 54,298,296	\$ 51,826,565

Statements of Comprehensive Income

(unaudited)

<i>(dollars in thousands)</i>	For the year ended December 31,		
	2025	2024	2023
Interest Income			
Investments & Cash Equivalents	\$ 327,573	\$ 354,932	\$ 327,844
Loans	2,875,280	2,688,790	2,380,137
Other	19,542	22,570	18,787
Total interest income	3,222,395	3,066,292	2,726,768
Interest Expense	1,809,390	1,735,439	1,393,477
Net interest income	1,413,005	1,330,853	1,333,291
Provision for credit losses	74,927	7,612	53,507
Net interest income after provision for credit losses	1,338,078	1,323,241	1,279,784
Noninterest Income			
Loan fees	45,640	41,715	39,258
Fees for financially related services	25,049	26,742	23,286
(Losses) gains on sales of investments	(13,231)	105	—
Losses on debt extinguishment	(23,088)	(22,774)	(6,515)
Gains on other transactions	7,082	11,914	2,227
Insurance premium refund	8,011	13,106	—
Patronage refunds from other Farm Credit institutions	18,851	19,018	25,024
Other noninterest income	7,289	7,022	6,534
Total noninterest income	75,603	96,848	89,814
Noninterest Expenses			
Salaries and employee benefits	435,631	414,481	393,493
Occupancy and equipment	30,429	30,114	29,293
Insurance Fund premiums	41,727	38,755	66,703
Purchased services	46,798	58,827	79,084
Data processing	60,339	54,483	52,345
Other operating expenses	135,482	130,775	148,436
Total noninterest expenses	750,406	727,435	769,354
Income before income taxes	663,275	692,654	600,244
Provision for income taxes	1,501	1,694	715
Net income	\$ 661,774	\$ 690,960	\$ 599,529
Other comprehensive income:			
Unrealized gains (losses) on investments	\$ 252,166	\$ (6,312)	\$ 100,966
Employee benefit plans adjustments	24,999	43,789	28,342
Other comprehensive income	277,165	37,477	129,308
Comprehensive income	\$ 938,939	\$ 728,437	\$ 728,837

DISTRICT ASSOCIATIONS

As of December 31, 2025

Associations	Direct Notes *	% of Direct Note Total	Total Assets	Total Allowance and Capital	Total Regulatory Capital Ratio	Nonperforming Loans as a % of Total Loans	ROA
<i>(dollars in thousands)</i>							
Horizon Farm Credit, ACA	\$ 6,596,628	22.44 %	\$ 8,046,863	\$ 1,353,717	14.76 %	0.78 %	1.58 %
AgSouth Farm Credit, ACA	4,493,428	15.29	5,456,993	917,900	15.06	0.90	2.12
Ag Credit, ACA	3,340,030	11.36	3,991,818	607,472	18.63	0.92	1.91
First South Farm Credit, ACA	2,833,736	9.64	3,576,295	707,499	17.00	0.36	1.73
AgCarolina Farm Credit, ACA	2,506,075	8.53	3,106,927	548,208	16.52	0.78	2.06
Farm Credit of the Virginias, ACA	1,994,578	6.79	2,551,531	510,001	18.65	0.78	1.60
Farm Credit of Florida, ACA	1,447,381	4.92	1,873,924	387,316	18.51	0.16	1.68
AgGeorgia Farm Credit, ACA	1,413,763	4.81	1,743,897	313,275	16.95	1.06	1.83
Farm Credit of Central Florida, ACA	1,037,293	3.53	1,223,640	165,014	15.58	1.32	1.74
Central Kentucky, ACA	717,357	2.44	890,427	164,776	17.85	0.22	1.73
Colonial Farm Credit, ACA	702,037	2.39	931,920	209,987	21.02	0.43	1.77
ArborOne, ACA	635,892	2.16	788,526	140,612	17.17	0.43	1.73
Southwest Georgia Farm Credit, ACA	594,702	2.02	746,660	143,368	18.52	1.04	1.58
River Valley AgCredit, ACA	581,563	1.98	743,327	141,656	18.11	1.17	1.61
Farm Credit of Northwest Florida, ACA	391,089	1.33	500,197	102,813	20.04	0.01	1.43
Puerto Rico Farm Credit, ACA	107,432	0.37	171,301	61,547	36.59	2.20	1.20

* Includes fair value adjustments resulting from mergers

AgFirst Farm Credit Bank

AgFirst Farm Credit Bank
1901 Main Street
Columbia, SC 29201
803-799-5000
www.agfirst.com

AgFirst District Associations

AgCarolina Farm Credit, ACA
636 Rock Spring Road
Greenville, NC 27834
800-951-3276
www.agcarolina.com

AgCredit Agricultural Credit Association
610 W. Lytle Street
Fostoria, OH 44830-3422
419-435-7758
www.agcredit.net

AgGeorgia Farm Credit, ACA
468 Perry Parkway
Perry, GA 31069
478-987-8300
www.aggeorgia.com

AgSouth Farm Credit, ACA
146 Victory Lane
Statesville, NC 28625
704-873-0276
www.agsouthfc.com

ArborOne, ACA
800 Woody Jones Boulevard
Florence, SC 29501
843-662-1527
www.arborone.com

Central Kentucky Agricultural Credit Association
2429 Members Way
Lexington, KY 40504
859-253-3249
www.agcreditonline.com

Colonial Farm Credit, ACA
7104 Mechanicsville Turnpike
Mechanicsville, VA 23111
804-746-1252
www.colonialfarmcredit.com

Farm Credit of Central Florida, ACA
204 East Orange Street, Suite 200
Lakeland, FL 33801
863-682-4117
www.farmcreditcfl.com

Farm Credit of Florida, ACA
11903 Southern Boulevard, Suite 200
West Palm Beach, FL 33411
561-965-9001
www.farmcreditfl.com

Farm Credit of Northwest Florida, ACA
5052 Highway 90 East
Marianna, FL 32446
850-526-4910
www.farmcredit-fl.com

Farm Credit of the Virginias, ACA
102 Industry Way
Staunton, VA 24401
800-919-3276
www.farmcreditofvirginias.com

First South Farm Credit, ACA
260 Trace Colony Park Drive
Ridgeland, MS 39157
601-707-2928
www.firstsouthfarmcredit.com

Horizon Farm Credit, ACA
300 Winding Creek Boulevard
Mechanicsburg, PA 17050
888-339-3334
www.horizonfc.com

Puerto Rico Farm Credit, ACA
URB Baldrich
213 Calle Manuel Domenech
San Juan, PR 00918-3505
800-981-3323
www.prfarmcredit.com

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2731 Olivet Church Road
Paducah, KY 42001
270-554-2912
www.rivervalleyagcredit.com

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305 Colquitt Highway
Bainbridge, GA 39817
229-246-0384
www.swgafarmcredit.com