

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.

AGFIRST FARM CREDIT BANK & DISTRICT ASSOCIATIONS

2026 FIRST QUARTER FINANCIAL INFORMATION



AgFirst Farm Credit Bank and District Associations ***March 31, 2026 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 three months ended March 31, 2026. 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 March 31, 2026, 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 as mentioned above. 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

<i>(dollars in thousands)</i>	March 31, 2026	December 31, 2025
Total loans	\$ 47,767,433	\$ 46,963,063
Allowance for credit losses on loans	(205,477)	(194,899)
Net loans	\$ 47,561,956	\$ 46,768,164
Total assets	\$ 58,306,105	\$ 57,736,931
Total shareholders' equity	7,852,171	7,740,372
	For the Three Months Ended March 31,	
	2026	2025
Net interest income	\$ 371,835	\$ 337,486
Provision for credit losses	13,681	27,833
Noninterest expense, net	(133,361)	(160,373)
Net income	\$ 224,793	\$ 149,280
Net interest income as a percentage of average earning assets	2.66 %	2.58 %
Net (charge-offs) recoveries to average loans	(0.02)%	(0.02)%
Return on average assets	1.58 %	1.12 %
Return on average shareholders' equity	11.51 %	8.27 %
Operating expense as a percentage of net interest income and noninterest income	43.83 %	50.81 %
Average loans	\$ 47,220,967	\$ 43,626,858
Average earning assets	56,708,855	53,053,602
Average assets	57,687,238	54,037,260

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

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2026, was \$224.8 million compared to \$149.3 million for the corresponding period in 2025, an increase of \$75.5 million or 50.58%. See below for further discussion of the change in net income by major components.

Net Interest Income

Net interest income increased \$34.3 million, or 10.18%, to \$371.8 million, for the three months ended March 31, 2026, compared to the same period in the prior year. The net interest margin, which is net interest income as a percentage of average earning assets, for the three months ended March 31, 2026 was 2.66%, an increase of eight basis points when compared to the same period in the prior year.

The effects of changes in volume and interest rates on net interest income for the three months ended March 31, 2026, as compared with the corresponding period in 2025, are presented in the following table. 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 Three Months Ended March 31, 2026 vs. March 31, 2025		
	Increase (decrease) due to changes in:		
	Volume	Rate	Total
Interest Income:			
Loans	\$ 55,871	\$ (6,805)	\$ 49,066
Investments & Cash Equivalents	309	(4,357)	(4,048)
Other	221	(849)	(628)
Total Interest Income	56,401	(12,011)	44,390
Interest Expense	27,603	(17,562)	10,041
Changes in Net Interest Income	\$ 28,798	\$ 5,551	\$ 34,349

The increase in net interest income when compared to the prior year is primarily the result of a higher average spread of nine basis points resulting primarily from lower rates paid on interest-bearing liabilities due to benefits realized from called debt in previous years and a slight increase in fixed-rate term debt utilization in 2026 which results in lower call premium expense. In addition, a favorable volume variance within the Association retail lending and Capital Markets portfolios that exceeded growth in interest-bearing liabilities resulted in higher net interest income. See further discussion of loan growth in the *Loan Portfolio* section below.

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 losses expense so that appropriate allowances for credit losses (ACL) are maintained. Provision for credit losses, which includes the provision for loan losses and the provision for unfunded commitments, was a provision expense of \$13.7 million for the three months ended March 31, 2026 compared to a provision expense of \$27.8 million for the corresponding period in 2025.

<i>(dollars in thousands)</i>	For the Three Months Ended March 31, 2026				For the Three Months Ended March 31, 2025			
	Bank's Capital Markets Portfolio	Bank's Correspondent Lending Portfolio	District Associations Combined	District Total	Bank's Capital Markets Portfolio	Bank's Correspondent Lending Portfolio	District Associations Combined	District Total
Provision for (reversal of) allowance for credit losses:								
Asset-specific component	\$ (256)	\$ 92	\$ 4,293	\$ 4,129	\$ 7,955	\$ 231	\$ 5,085	\$ 13,271
Pooled component	2,755	14	5,937	8,706	4,715	(676)	8,717	12,756
Unfunded Commitments	351	—	495	846	799	—	1,007	1,806
Total	\$ 2,850	\$ 106	\$ 10,725	\$ 13,681	\$ 13,469	\$ (445)	\$ 14,809	\$ 27,833

The provision expense for the three months ended March 31, 2026 was primarily due to increased loan volume and a slight decline in credit quality.

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

Noninterest Income

The following table illustrates the changes in noninterest income:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31,		
	2026	2025	Increase/ (Decrease)
Change in Noninterest Income			
Loan fees	\$ 14,221	\$ 10,334	\$ 3,887
Fees for financially related services	4,923	4,302	621
Losses on sales of investments	—	(5,890)	5,890
(Losses) gains on debt extinguishment	(7,351)	157	(7,508)
Gains (losses) on other transactions	3,841	(59)	3,900
Insurance premium refund	23,371	8,011	15,360
Patronage refunds from other Farm Credit institutions	11,954	4,857	7,097
Other noninterest income	2,180	1,836	344
Total noninterest income	\$ 53,139	\$ 23,548	\$ 29,591

Noninterest income increased \$29.6 million to \$53.1 million for the three months ended March 31, 2026, when compared to the three months ended March 31, 2025. The increase was primarily due to an increase in FCSIC refunds of \$15.4 million, which is nonrecurring and resulted from FCSIC assets exceeding the secure base amount, as defined by the Farm Credit Act, at the end of the preceding year. Additionally, patronage refunds from other Farm Credit institutions increased by \$7.1 million for the three months ended March 31, 2026 compared to the corresponding period in 2025 primarily due to increased participations sold to other Farm Credit entities outside of the AgFirst District. For the three months ended March 31, 2025, a loss on the sale of investments of \$5.9 million was incurred and economically offset by the early extinguishment of Systemwide Debt Securities resulting in a gain of \$6.2 million. These transactions were executed as part of the Bank's strategy to reduce price sensitivity in the Bank's available-for-sale (AFS) portfolio and more efficiently deploy capital by lowering total investments. There were no such transactions for the three months ended March 31, 2026.

Noninterest Expenses

The following table illustrates the changes in noninterest expenses:

Change in Noninterest Expense <i>(dollars in thousands)</i>	For the Three Months Ended March 31,		
	2026	2025	Increase/ (Decrease)
Salaries and employee benefits	\$ 113,017	\$ 108,256	\$ 4,761
Occupancy and equipment	8,064	7,447	617
Insurance Fund premiums	10,834	10,085	749
Purchased services	9,235	11,050	(1,815)
Data processing	14,640	14,422	218
Other operating expenses	30,481	32,177	(1,696)
(Gains) losses from other property owned	(44)	200	(244)
Total noninterest income	\$ 186,227	\$ 183,637	\$ 2,590

Noninterest expenses were \$186.2 million for the three months ended March 31, 2026, an increase of \$2.6 million or 1.41% when compared to the same period in 2025. The slight increase was primarily due to higher salaries and employee benefit costs from annual merit adjustments and higher group health insurance costs. The District operating efficiency ratio improved to 43.83% for the three months ended March 31, 2026, compared to 50.81% for the same period in 2025.

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>	March 31, 2026		December 31, 2025	
Real estate mortgage	\$ 22,622,582	47.36 %	\$ 22,253,459	47.39 %
Production and intermediate-term Agribusiness:	8,938,771	18.71	8,993,087	19.15
Loans to cooperatives	1,046,141	2.19	852,218	1.81
Processing and marketing	5,236,004	10.96	5,166,081	11.00
Farm-related business	766,785	1.61	748,758	1.59
Rural residential real estate	4,108,434	8.60	4,138,540	8.81
Rural infrastructure:				
Power	2,390,274	5.00	2,321,963	4.94
Communication	1,505,041	3.15	1,459,300	3.11
Water/Waste disposal	450,183	0.94	326,759	0.70
Other:				
International	268,302	0.56	258,264	0.55
Lease receivables	9,669	0.03	9,921	0.02
Loans to other financing institutions (OFIs)	172,662	0.36	172,548	0.37
Other (including mission related)	252,585	0.53	262,165	0.56
Total	\$ 47,767,433	100.00 %	\$ 46,963,063	100.00 %

Total loans outstanding increased \$804.4 million, or 1.71 percent, compared to December 31, 2025. The loan growth for the combined District portfolio was primarily due to an increase in borrower input costs, such as seed, fertilizer, fuel, and replacement livestock. Additionally, increased credit was needed to manage tighter margins and refinance or extend existing debt. Growth was primarily in the forestry, nursery/greenhouse, and cattle 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 tables show the amortized cost of loans classified under the Uniform Loan Classification System by origination year and gross charge-offs for the periods presented:

<i>(dollars in thousands)</i>	Balance as of and for the three months March 31, 2026							
	2026	2025	2024	2023	2022	Prior	Revolving	Total
Acceptable	\$2,110,871	\$ 8,139,424	\$ 5,630,848	\$ 4,365,820	\$ 4,327,515	\$13,559,594	\$ 7,136,437	\$45,270,509
OAEM	25,702	133,280	119,703	199,908	171,519	356,553	379,938	1,386,603
Substandard	31,666	75,858	104,400	104,211	210,559	293,995	285,759	1,106,448
Doubtful	—	1,983	313	170	402	633	218	3,719
Loss	—	1	—	—	—	153	—	154
Total	\$2,168,239	\$ 8,350,546	\$ 5,855,264	\$ 4,670,109	\$ 4,709,995	\$14,210,928	\$ 7,802,352	\$47,767,433
Current Period Gross Writeoffs	\$ —	\$ —	\$ —	\$ 31	\$ —	\$ 52	\$ 3,228	\$ 3,311

<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

	March 31, 2026	December 31, 2025
Acceptable	94.77 %	95.10 %
OAEM	2.90	2.56
Substandard	2.32	2.33
Doubtful	0.01	0.01
Loss	—	—
Total	100.00 %	100.00 %

While credit quality is still considered to be strong overall, credit quality has declined slightly in the three months ended March 31, 2026, primarily as a result of downgrades to isolated borrowers from Acceptable to OAEM classification. Credit quality may be impacted in future quarters due to continued inflationary input cost pressures and rising interest rates. Other factors that may impact credit quality in 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.

Nonaccrual Loans

Nonaccrual loans are 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 FCA loan type and portfolio are as follows:

<i>(dollars in thousands)</i>	March 31, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	\$ 121,300	\$ 118,876
Production and intermediate-term	88,017	70,710
Agribusiness	121,333	111,991
Rural residential real estate	38,922	38,847
Rural infrastructure	9,780	9,945
Total	<u>\$ 379,352</u>	<u>\$ 350,369</u>
Nonaccrual Loans as Percentage of Total Loans	0.79 %	0.75 %

	Nonaccrual by Portfolio			
	March 31, 2026		December 31, 2025	
	Total Amount	% of Total	Total Amount	% of Total
Bank's Capital Markets	\$ 71,992	18.98 %	\$ 74,137	21.16 %
Bank's Correspondent Lending	34,936	9.21 %	35,666	10.18 %
District Associations	272,424	71.81 %	240,566	68.66 %
Total	<u>\$ 379,352</u>	<u>100.00 %</u>	<u>\$ 350,369</u>	<u>100.00 %</u>

During 2026, the total nonaccrual balance increased to 0.79% of total loans outstanding, consistent with slight declines in overall credit quality, compared to 0.75% at December 31, 2025. The commodity segments with the largest increase in nonaccruals were nursery/greenhouse, corn, and forestry.

Aging Analysis of Loans

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

<i>(dollars in thousands)</i>	March 31, 2026					
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 149,261	\$ 62,287	\$ 211,548	\$ 22,411,034	\$ 22,622,582	\$ 4,194
Production and intermediate-term	95,549	53,889	149,438	8,789,333	8,938,771	1,303
Agribusiness	28,638	30,227	58,865	6,990,065	7,048,930	—
Rural residential real estate	52,969	12,347	65,316	4,043,118	4,108,434	—
Rural infrastructure	37,014	—	37,014	4,308,484	4,345,498	—
Other	16,020	8,075	24,095	679,123	703,218	8,075
Total	<u>\$ 379,451</u>	<u>\$ 166,825</u>	<u>\$ 546,276</u>	<u>\$ 47,221,157</u>	<u>\$ 47,767,433</u>	<u>\$ 13,572</u>

<i>(dollars in thousands)</i>	December 31, 2025					
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$ 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	<u>\$ 317,005</u>	<u>\$ 133,859</u>	<u>\$ 450,864</u>	<u>\$ 46,512,199</u>	<u>\$ 46,963,063</u>	<u>\$ 16,471</u>

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 allowance for credit losses is as follows:

<i>(dollars in thousands)</i>	Production and Intermediate		Rural		Rural		Other	Total
	Real Estate Mortgage	-term	Agribusiness	Residential Real Estate	Infrastructure			
Activity related to allowance for loan losses:								
Balance at December 31, 2025	\$ 67,041	\$ 47,769	\$ 60,090	\$ 8,655	\$ 10,811	\$ 533	\$	194,899
Charge-offs	(877)	(2,269)	(73)	(92)	—	—	—	(3,311)
Recoveries	181	504	317	52	—	—	—	1,054
Provision for (reversal of) loan losses	4,371	5,980	1,693	97	548	146	—	12,835
Balance at March 31, 2026	\$ 70,716	\$ 51,984	\$ 62,027	\$ 8,712	\$ 11,359	\$ 679	\$	205,477
Allowance for unfunded commitments:								
Balance at December 31, 2025	\$ 1,326	\$ 5,071	\$ 7,554	\$ 621	\$ 913	\$ 108	\$	15,593
Provision for (reversal of) unfunded commitments	116	391	153	(18)	196	8	—	846
Balance at March 31, 2026	\$ 1,442	\$ 5,462	\$ 7,707	\$ 603	\$ 1,109	\$ 116	\$	16,439
Allowance for credit losses	\$ 72,158	\$ 57,446	\$ 69,734	\$ 9,315	\$ 12,468	\$ 795	\$	221,916
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	(461)	(1,048)	(528)	(19)	—	—	—	(2,056)
Recoveries	97	132	115	26	—	—	—	370
Provision for (reversal of) loan losses	4,677	13,234	5,907	(262)	1,912	559	—	26,027
Balance at March 31, 2025	\$ 68,341	\$ 58,054	\$ 28,049	\$ 9,426	\$ 7,505	\$ 1,035	\$	172,410
Allowance for unfunded commitments:								
Balance at December 31, 2024	\$ 505	\$ 4,698	\$ 6,040	\$ 28	\$ 595	\$ 701	\$	12,567
Provision for (reversal of) unfunded commitments	466	845	694	205	224	(628)	—	1,806
Balance at March 31, 2025	\$ 971	\$ 5,543	\$ 6,734	\$ 233	\$ 819	\$ 73	\$	14,373
Allowance for credit losses	\$ 69,312	\$ 63,597	\$ 34,783	\$ 9,659	\$ 8,324	\$ 1,108	\$	186,783

The allowance for credit losses increased \$11.4 million to \$221.9 million for the three months ended March 31, 2026. The increase was primarily the result of \$13.7 million of provision for credit losses. See further discussion in the *Provision for Credit Losses* section above. The allowance for credit losses was 0.46% and 0.45% of total loans outstanding at March 31, 2026 and December 31, 2025, respectively. Additional detail on the allowance for credit losses is provided in the table below.

Allowance for Credit Losses by Portfolio

<i>(dollars in thousands)</i>	March 31, 2026				December 31, 2025			
	Bank's Capital Markets	Bank's Correspondent Lending	District Associations Combined	Total	Bank's Capital Markets	Bank's Correspondent Lending	District Associations Combined	Total
Asset-specific component	\$ 21,912	\$ 312	\$ 36,043	\$ 58,267	\$ 22,165	\$ 255	\$ 33,975	\$ 56,395
Pooled component	23,692	6,108	117,410	147,210	20,938	6,094	111,472	138,504
Unfunded commitments	6,514	—	9,925	16,439	6,163	—	9,430	15,593
Allowance for Credit Losses	\$ 52,118	\$ 6,420	\$ 163,378	\$ 221,916	\$ 49,266	\$ 6,349	\$ 154,877	\$ 210,492

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 the Bank's First Quarter 2026 Report 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 were no District Associations that exceeded the regulatory limits for investments. There was no allowance for credit loss on District investments at March 31, 2026 or December 31, 2025. The following tables summarize the District's investments:

<i>(dollars in thousands)</i>	March 31, 2026			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
District Bank investments	\$ 8,681,356	\$ 6,539	\$ (654,263)	\$ 8,033,632
District Association investments	278,095	2,050	(1,650)	278,495
Total District investments	<u>\$ 8,959,451</u>	<u>\$ 8,589</u>	<u>\$ (655,913)</u>	<u>\$ 8,312,127</u>

<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	<u>\$ 8,941,963</u>	<u>\$ 9,658</u>	<u>\$ (657,426)</u>	<u>\$ 8,294,195</u>

At March 31, 2026, there were \$647.5 million in net unrealized losses on the Bank's available-for-sale investments, compared to \$647.3 million in net unrealized losses at December 31, 2025. The net unrealized losses are the result of the significant increase in interest rates during 2022 and 2023 which reduced the fair value of existing available-for-sale fixed-rate investment securities held. The Bank evaluates investment securities with unrealized losses for impairment on a quarterly 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 90 days of maturing debt through the sale of available-for-sale securities before recognizing a net loss on the sale.

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 \$111.8 million, or 1.44%, from December 31, 2025, to \$7.9 billion at March 31, 2026. The increase is primarily the result of net income of \$224.8 million partially offset by Association equity revolvments of \$99.5 million.

The table below presents the activity related to accumulated other comprehensive income (AOCI):

<i>(dollars in thousands)</i>	Accumulated Other Comprehensive Income (Loss)	
	March 31, 2026	December 31, 2025
Unrealized loss on investment securities	\$ (647,385)	\$ (647,250)
Employee benefit plans activity	(148,842)	(152,894)
Total accumulated other comprehensive loss	<u>\$ (796,227)</u>	<u>\$ (800,144)</u>

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 March 31, 2026	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 %	13.90%	13.28% - 35.23%
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.00 %	8.50 %	13.90%	13.28% - 35.23%
Total capital ratio	Tier 1 capital, allowance for credit losses ² , common cooperative equities ³ and term preferred stock and subordinated debt ⁴	8.00 %	10.50 %	14.18%	14.00% - 36.14%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock, and subordinated debt, subject to certain limits	7.00 %	7.00 %	13.93%	14.14% - 35.57%
Non-risk adjusted:					
Tier 1 leverage ratio*	Tier 1 capital	4.00 %	5.00 %	5.56%	11.75% - 34.54%
URE and UREE component	URE and URE equivalents	1.50 %	1.50 %	4.12%	10.62% - 34.22%

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.

REGULATORY MATTERS

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

On December 5, 2025, the FCA published a proposed rule on loan performance categories and financial reporting in the Federal Register. The proposed rule would amend the regulations for high-risk loan performance categories due to changes in generally accepted accounting principles, 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 did not have a material impact to any District entity.

OTHER MATTERS

CEO Transition

Effective March 2, 2026, Puerto Rico Farm Credit's President and Chief Executive Officer, Ricardo Fernandez, submitted his resignation effective immediately. The Board of Directors has initiated a process to identify and appoint a successor. In the interim, Hampton Jordan, Vice President & Executive Account Officer at AgFirst Farm Credit Bank, was named the Association's Interim President and Chief Executive Officer.

Direct Notes

See the *Direct Notes* section of *Management's Discussion & Analysis of Financial Condition & Results of Operations* in the AgFirst Farm Credit Bank 2026 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 March 31, 2026, one Association (0.38% of total Direct Note), was operating under a written agreement with the FCA. This Association is also 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>	March 31, 2026	December 31, 2025
Assets		
Cash	\$ 639,876	\$ 708,449
Cash equivalents	735,000	900,000
Investments in debt securities	8,311,976	8,294,624
Loans	47,767,433	46,963,063
Allowance for credit losses on loans	(205,477)	(194,899)
Net loans	47,561,956	46,768,164
Loans held for sale	1,355	709
Accrued interest receivable	414,967	432,485
Accounts receivable	63,872	73,389
Equity investments in other Farm Credit institutions	82,781	80,420
Other equity investments	16,443	17,430
Premises and equipment, net	379,008	374,355
Other property owned	4,020	3,963
Other assets	94,851	82,943
Total assets	<u>\$ 58,306,105</u>	<u>\$ 57,736,931</u>
Liabilities		
Systemwide bonds payable	\$ 45,229,095	\$ 43,918,527
Systemwide notes payable	4,345,879	5,162,250
Accrued interest payable	319,648	293,564
Accounts payable	82,648	358,196
Advanced conditional payments	44,953	34,002
Other liabilities	431,711	230,020
Total liabilities	<u>50,453,934</u>	<u>49,996,559</u>
Shareholders' Equity		
Protected borrower equity	445	445
Capital stock and participation certificates	202,305	202,633
Additional paid-in-capital	516,563	516,563
Retained earnings		
Allocated	2,335,328	2,433,096
Unallocated	5,593,757	5,387,779
Accumulated other comprehensive loss	(796,227)	(800,144)
Total shareholders' equity	<u>7,852,171</u>	<u>7,740,372</u>
Total liabilities and equity	<u>\$ 58,306,105</u>	<u>\$ 57,736,931</u>

Statements of Comprehensive Income

(unaudited)

<i>(dollars in thousands)</i>	For the Three Months Ended March 31,	
	2026	2025
Interest Income		
Investments & Cash Equivalents	\$ 77,665	\$ 81,713
Loans	734,063	684,997
Other	4,335	4,963
Total interest income	816,063	771,673
Interest Expense	444,228	434,187
Net interest income	371,835	337,486
Provision for credit losses	13,681	27,833
Net interest income after provision for credit losses	358,154	309,653
Noninterest Income		
Loan fees	14,221	10,334
Fees for financially related services	4,923	4,302
Losses on sales of investments	—	(5,890)
(Losses) gains on debt extinguishment	(7,351)	157
Gains (losses) on other transactions	3,841	(59)
Insurance premium refund	23,371	8,011
Patronage refunds from other Farm Credit institutions	11,954	4,857
Other noninterest income	2,180	1,836
Total noninterest income	53,139	23,548
Noninterest Expenses		
Salaries and employee benefits	113,017	108,256
Occupancy and equipment	8,064	7,447
Insurance Fund premiums	10,834	10,085
Purchased services	9,235	11,050
Data processing	14,640	14,422
Other operating expenses	30,481	32,177
(Gains) losses from other property owned	(44)	200
Total noninterest expenses	186,227	183,637
Income before income taxes	225,066	149,564
Provision for income taxes	273	284
Net income	\$ 224,793	\$ 149,280
Other comprehensive income:		
Unrealized (losses) gains on investments	\$ (138)	\$ 123,195
Employee benefit plans adjustments	4,055	4,660
Other comprehensive income	3,917	127,855
Comprehensive income	\$ 228,710	\$ 277,135

DISTRICT ASSOCIATIONS

As of March 31, 2026

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	\$ 6,717,441	22.63 %	\$ 8,195,576	\$ 1,389,365	14.33 %	0.88 %	1.79 %
AgSouth Farm Credit, ACA	4,597,499	15.49	5,570,205	850,048	14.00	0.96	2.32
Ag Credit, ACA	3,274,904	11.03	3,939,547	626,399	18.48	0.76	2.04
First South Farm Credit, ACA	2,873,735	9.68	3,634,436	721,816	16.77	0.31	1.71
AgCarolina Farm Credit, ACA	2,437,345	8.21	3,044,869	565,228	16.07	1.46	1.95
Farm Credit of the Virginias, ACA	2,033,682	6.85	2,596,338	521,139	18.10	0.79	1.69
Farm Credit of Florida, ACA	1,547,769	5.21	1,979,701	396,025	17.30	0.15	1.76
AgGeorgia Farm Credit, ACA	1,449,097	4.88	1,784,439	322,731	16.99	1.01	2.06
Farm Credit of Central Florida, ACA	1,065,891	3.59	1,251,828	170,437	15.88	1.18	1.50
Central Kentucky, ACA	724,526	2.44	901,506	168,570	17.86	0.13	1.87
Colonial Farm Credit, ACA	684,835	2.31	914,912	213,860	20.29	0.23	1.79
ArborOne, ACA	626,798	2.11	780,137	144,788	16.92	0.38	1.68
Southwest Georgia Farm Credit, ACA	594,153	2.00	747,682	146,201	18.92	0.72	1.68
River Valley AgCredit, ACA	578,829	1.95	739,812	144,882	17.73	1.81	1.44
Farm Credit of Northwest Florida, ACA	377,970	1.27	487,809	104,523	19.42	0.83	1.42
Puerto Rico Farm Credit, ACA	105,301	0.35	169,298	62,012	36.14	2.11	0.77

* Includes fair value adjustments resulting from mergers

AgFirst Farm Credit Bank

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1901 Main Street
Columbia, SC 29201
803-799-5000
www.agfirst.com

AgFirst District Associations

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

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

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

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5052 Highway 90 East
Marianna, FL 32446
850-526-4910
www.farmcredit-fl.com

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

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

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

First South Farm Credit, ACA
618 Crescent Boulevard
Ridgeland, MS 39157
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800 Woody Jones Boulevard
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300 Winding Creek Boulevard
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Central Kentucky Agricultural Credit Association
2429 Members Way
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305 Colquitt Highway
Bainbridge, GA 39817
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