AGFIRST FARM CREDIT BANK & DISTRICT ASSOCIATIONS

2026 SECOND QUARTER FINANCIAL INFORMATION

FARM CREDIT

AgFirst Farm Credit Bank and District Associations June 30, 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 and six months ended June 30, 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 June 30, 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

(dollars in thousands)	**June 30, 2026**	December 31, 2025
Total loans	**$ 48,274,713**	$ 46,963,063
Allowance for credit losses on loans	**(214,969)**	(194,899)
Net loans	**$ 48,059,744**	$ 46,768,164
Total assets	**$ 58,956,070**	$ 57,736,931
Total shareholders' equity	**8,051,177**	7,740,372

	For the Six Months Ended June 30,	
	2026	**2025**
Net interest income	**$ 750,159**	$ 681,494
Provision for credit losses	**27,302**	59,509
Noninterest expense, net	**(291,471)**	(325,703)
Net income	**$ 431,386**	$ 296,282
Net interest income as a percentage of average earning assets	**2.65 %**	2.57 %
Net (charge-offs) recoveries to average loans	**(0.02)%**	(0.02)%
Return on average assets	**1.50 %**	1.10 %
Return on average shareholders' equity	**10.90 %**	8.05 %
Operating expense as a percentage of net interest income and noninterest income	**44.86 %**	50.67 %
Average loans	**$ 47,647,346**	$ 44,098,930
Average earning assets	**57,055,925**	53,403,611
Average assets	**58,034,615**	54,377,850

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

RESULTS OF OPERATIONS

Net income for the six months ended June 30, 2026, was $431.4 million compared to $296.3 million for the same period in 2025, an increase of $135.1 million or 45.60%. Net income for the three months ended June 30, 2026, was $206.6 million compared to $147.0 million for the same period ending June 30, 2025, an increase of $59.6 million, or 40.54%. The increase for both periods was primarily due to higher interest income and lower provision for credit losses in 2026 compared to 2025.

Net Interest Income

For the six months ended June 30, 2026, net interest income increased $68.7 million, or 10.08% to $750.2 million compared to the same period in the prior year. Net interest income increased $34.3 million, or 9.98%, to $378.3 million, for the three months ended June 30, 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, was 2.64% and 2.65% for the three and six months ended June 30, 2026 which was an increase of 9 and 8 basis points, respectively, when compared to the same periods in the prior year.

Net interest income for the three and six months ended June 30, 2026 improved with a higher average spread of 11 and 10 basis points, respectively. The increase in net interest income in both periods is primarily the result of favorable volume variance within the Association retail lending and Capital Markets portfolios that exceeded growth in interest-bearing liabilities. Additionally, rates paid on interest-bearing liabilities were lower for both periods in 2026 due to benefits realized from called debt in previous years and increased non-callable debt issuance in 2026.

The effects of changes in volume and interest rates on net interest income for the three and six months ended June 30, 2026, as compared with the corresponding periods 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.

	For the Three Months Ended June 30, 2026 vs. June 30, 2025			For the Six Months Ended June 30, 2026 vs. June 30, 2025		
	Increase (decrease) due to changes in:			Increase (decrease) due to changes in:		
(dollars in thousands)	**Volume**	**Rate**	**Total**	**Volume**	**Rate**	**Total**
Interest Income:						
Loans	$ 49,237	$ (6,258)	$ 42,979	$ 110,816	$ (18,771)	$ 92,045
Investments & Cash Equivalents	961	(3,989)	(3,028)	1,271	(8,347)	(7,076)
Other	381	(67)	314	592	(906)	(314)
Total Interest Income	50,579	(10,314)	40,265	112,679	(28,024)	84,655
Interest Expense:						
Interest-Bearing Liabilities	25,308	(19,359)	5,949	56,318	(40,328)	15,990
Changes in Net Interest Income	$ 25,271	$ 9,045	$ 34,316	$ 56,361	$ 12,304	$ 68,665

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 loss and the provision for unfunded commitments, was a provision expense of $13.6 million and $27.3 million for the three and six months ended June 30, 2026, respectively, compared to a provision expense of $31.7 million and $59.5 million for the corresponding periods in 2025, as reflected in the table below.

(dollars in thousands)	For the three months ended June 30, 2026				June 30, 2025			
Provision for (reversal of) allowance for credit losses:	**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**
Asset-specific component	$ (654)	$ 368	$ 5,226	$ 4,940	$ 4,166	$ 139	$ 1,887	$ 6,192
Pooled component	5,518	230	1,920	7,668	6,515	524	14,931	21,970
Unfunded Commitments	369	—	644	1,013	1,012	—	2,502	3,514
Total	$ 5,233	$ 598	$ 7,790	$ 13,621	$ 11,693	$ 663	$ 19,320	$ 31,676

(dollars in thousands)	For the six months ended June 30, 2026				June 30, 2025			
Provision for (reversal of) allowance for credit losses:	**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**
Asset-specific component	$ (909)	$ 459	$ 9,518	$ 9,068	$ 12,121	$ 370	$ 6,972	$ 19,463
Pooled component	8,273	244	7,858	16,375	11,230	(152)	23,648	34,726
Unfunded Commitments	720	—	1,139	1,859	1,811	—	3,509	5,320
Total	$ 8,084	$ 703	$ 18,515	$ 27,302	$ 25,162	$ 218	$ 34,129	$ 59,509

For the three and six months ended June 30, 2026, the provision expense for both periods was primarily in the Bank's Capital Markets and District Associations Combined portfolios driven by a slight decline in credit quality and loan volume growth. Asset-specific reserves were recorded on isolated credits at the Associations, primarily within the corn, nursery/greenhouse, and forestry segments.

The provision for credit loss expense for the three and six months ended June 30, 2025 was primarily the result of asset-specific and pooled provision expense of the Bank's Capital Markets and the Combined Association portfolios. The provision expense in the pooled and unfunded commitments components of the Bank's Capital Markets and Combined Association portfolios increased due to the several large borrower relationships being downgraded in the second quarter. Additionally, the Bank's Capital Markets and the Combined Association allowance models utilize similar macroeconomic outlooks which projected higher unemployment and lower equity market forecasts resulting in additional provision expense.

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

Noninterest Income

The following table illustrates the changes in noninterest income:

Change in Noninterest Income	**For the Three Months Ended June 30,**			**For the Six Months Ended June 30,**		
(dollars in thousands)	**2026**	**2025**	**Increase/ Decrease**	**2026**	**2025**	**Increase/ Decrease**
Loan fees	$ 14,488	$ 12,242	$ 2,246	$ 28,709	$ 22,576	$ 6,133
Fees for financially related services	7,927	4,284	3,643	12,850	8,586	4,264
Losses on sales of investments	—	(7,341)	7,341	—	(13,231)	13,231
(Losses) gains on debt extinguishment	—	4,786	(4,786)	(7,351)	4,943	(12,294)
Gains on other transactions	2,914	1,083	1,831	6,755	1,024	5,731
Insurance premium refund	—	—	—	23,371	8,011	15,360
Patronage refunds from other Farm Credit institutions	1,556	1,354	202	13,510	6,211	7,299
Other noninterest income	1,646	1,378	268	3,826	3,214	612
Total noninterest income	$ 28,531	$ 17,786	$ 10,745	$ 81,670	$ 41,334	$ 40,336

Noninterest income increased $10.7 million and $40.3 million for the three and six months ended June 30, 2026, respectively, compared to the corresponding periods in 2025.

The increase for the six months ended June 30, 2026 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 $7.3 million primarily due to increased participations sold to other Farm Credit entities outside of the AgFirst District. Loan fees increased by $6.1 million, or 27.2%, for the six months ended June 30, 2026 when compared to the prior year, primarily due to increased loan growth at the Bank and Associations. In the prior year, a loss on the sale of investments of $13.2 million was incurred and economically offset by the early extinguishment of Systemwide Debt Securities resulting in a gain of $13.7 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 six months ended June 30, 2026.

The increase for the three months ended June 30, 2026 was primarily due to a loss on the sale of investments of $7.3 million incurred in the prior year that did not recur. This transaction was economically offset by the early extinguishment of Systemwide Debt Securities resulting in a gain of $7.5 million that also did not recur. These transactions were executed as part of the Bank's strategy discussed above. The other primary drivers for the increased noninterest income were lower losses on debt extinguishment of $2.7 million as there was no called debt during the three months ended June 30, 2026 and increased fees for financially related services of $3.6 million due to increased crop insurance receipts.

Noninterest Expenses

The following table illustrates the changes in noninterest expenses:

Change in Noninterest Expenses	**For the Three Months Ended June 30,**				**For the Six Months Ended June 30,**		
(dollars in thousands)	**2026**	**2025**	**Increase/ Decrease**		**2026**	**2025**	**Increase/ Decrease**
Salaries and employee benefits	$ 111,086	$ 106,719	$ 4,367		$ 224,103	$ 214,975	$ 9,128
Occupancy and equipment	7,714	7,521	193		15,778	14,968	810
Insurance Fund premiums	11,156	10,360	796		21,990	20,445	1,545
Purchased services	11,211	11,237	(26)		20,446	22,287	(1,841)
Data processing	16,607	14,629	1,978		31,247	29,051	2,196
Other operating expenses	29,152	32,320	(3,168)		59,633	64,497	(4,864)
(Gains) losses from other property owned	(559)	33	(592)		(603)	233	(836)
Total noninterest expenses	$ 186,367	$ 182,819	$ 3,548	0	$ 372,594	$ 366,456	$ 6,138

Noninterest expenses increased $3.5 million, or 1.94%, and $6.1 million, or 1.67%, for the three and six months ended June 30, 2026, respectively, compared to the corresponding periods in 2025.

The increase in noninterest expense for both periods was driven primarily by higher salaries and employee benefits expenses of $4.4 million and $9.1 million, or 4.09% and 4.25%, for the three and six months ended June 30, 2026, respectively, when compared to the corresponding periods in the prior year. The increases were primarily due to annual merit salary adjustments at the Bank and District Associations.

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

(dollars in thousands)	**June 30, 2026**		**December 31, 2025**	
Real estate mortgage	$ 23,019,870	47.68 %	$ 22,253,459	47.39 %
Production and intermediate-term	9,083,790	18.82	8,993,087	19.15
Agribusiness:				
Loans to cooperatives	953,574	1.98	852,218	1.81
Processing and marketing	5,283,454	10.94	5,166,081	11.00
Farm-related business	864,953	1.79	748,758	1.59
Rural residential real estate	4,087,991	8.47	4,138,540	8.81
Rural infrastructure:				
Power	2,372,264	4.91	2,321,963	4.94
Communication	1,510,265	3.13	1,459,300	3.11
Water/Waste disposal	449,791	0.93	326,759	0.70
Other:				
International	234,330	0.49	258,264	0.55
Lease receivables	9,295	0.02	9,921	0.02
Loans to other financing institutions (OFIs)	179,179	0.37	172,548	0.37
Other (including mission related)	225,957	0.47	262,165	0.56
Total	$ 48,274,713	100.00 %	$ 46,963,063	100.00 %

Total loans outstanding were $48.3 billion at June 30, 2026, an increase of $1.3 billion, or 2.79%, compared to December 31, 2025. The loan growth 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, field crops, and poultry commodity segments.

While there should be no material District loan volume impact, the Bank announced that it ceased the purchase of rural residential mortgage loans effective June 30, 2026. Associations will continue to maintain those portfolios either on-balance sheet or will sell to non-Farm Credit System brokers. Refer to the Bank's Second Quarter 2026 Report for additional information related to this strategy.

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:

	Balance as of and for the six months ended June 30, 2026							
(dollars in thousands)	2026	2025	2024	2023	2022	Prior	Revolving	Total
Acceptable	$ 3,908,575	$ 7,930,167	$ 5,352,034	$ 4,163,780	$ 4,139,125	$ 12,811,631	$ 7,416,233	$ 45,721,545
OAEM	41,424	118,146	102,531	89,411	178,578	453,858	325,625	1,309,573
Substandard	43,314	86,968	114,469	204,730	177,326	299,357	312,772	1,238,936
Doubtful	—	1,942	1,227	158	503	465	218	4,513
Loss	—	—	—	1	—	145	—	146
Total	$ 3,993,313	$ 8,137,223	$ 5,570,261	$ 4,458,080	$ 4,495,532	$ 13,565,456	$ 8,054,848	$ 48,274,713
Current Period Gross Writeoffs	$ —	$ —	$ —	$ 1,630	$ 69	$ 68	$ 5,904	$ 7,671

	Balance as of and for the year ended December 31, 2025							
(dollars in thousands)	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

	June 30, 2026	December 31, 2025
Acceptable	94.71 %	95.10 %
OAEM	2.71	2.56
Substandard	2.57	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 six months ended June 30, 2026, primarily within the District Capital Markets portfolio as a result of several downgrades to isolated borrowers. Credit quality may continue to be impacted in future quarters due to sustained 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 by FCA loan type are as follows:

(dollars in thousands)	June 30, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	$ 143,254	$ 118,876
Production and intermediate-term	147,375	70,710
Agribusiness	105,973	111,991
Rural infrastructure	8,284	38,847
Rural residential real estate	41,462	9,945
Total	$ 446,348	$ 350,369
Nonaccrual Loans as Percentage of Total Loans	0.92 %	0.75 %

	Nonaccrual by Portfolio			
	June 30, 2026		December 31, 2025	
	Total Amount	% of Total	Total Amount	% of Total
Bank's Capital Markets	$ 93,170	20.87 %	$ 74,137	21.16 %
Bank's Correspondent Lending	37,807	8.47	35,666	10.18 %
District Associations	315,371	70.66	240,566	68.66 %
Total	$ 446,348	100.00 %	$ 350,369	100.00 %

During 2026, the total nonaccrual balance increased to 0.92% of total loans outstanding which is consistent with slight declines in overall credit quality discussed above, compared to 0.75% at December 31, 2025. The commodity segments with the largest increase in nonaccruals were forestry, grains, and corn.

Aging Analysis of Loans

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

	June 30, 2026					
(dollars in thousands)	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	$ 165,116	$ 63,966	$ 229,082	$ 22,790,788	$ 23,019,870	$ 5,560
Production and intermediate-term	97,252	77,452	174,704	8,909,086	9,083,790	1,362
Agribusiness	178,044	4,036	182,080	6,919,901	7,101,981	15
Rural residential real estate	19,685	17,584	37,269	4,050,722	4,087,991	—
Rural infrastructure	47,858	7,867	55,725	4,276,595	4,332,320	—
Other	12,571	6,283	18,854	629,907	648,761	6,283
Total	$ 520,526	$ 177,188	$ 697,714	$ 47,576,999	$ 48,274,713	$ 13,220

	December 31, 2025					
(dollars in thousands)	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

Allowance for Credit Losses

Each District institution maintains an ACL 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 ACL 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:

(dollars in thousands)	Real Estate Mortgage	Production and Intermediate-term	Agribusiness	Rural Residential Real Estate	Rural Infrastructure	Other	Total
Activity related to ACL on loans:							
Balance at March 31, 2026	$ 70,716	$ 51,984	$ 62,027	$ 8,712	$ 11,359	$ 679	$ 205,477
Charge-offs	(88)	(1,654)	(941)	(184)	(1,494)	—	(4,361)
Recoveries	471	551	174	49	—	—	1,245
Provision for (reversal of) credit losses on loans	(475)	1,885	3,037	618	7,714	(171)	12,608
Balance at June 30, 2026	$ 70,624	$ 52,766	$ 64,297	$ 9,195	$ 17,579	$ 508	$ 214,969
Allowance for unfunded commitments:							
Balance at March 31, 2026	$ 1,442	$ 5,462	$ 7,707	$ 603	$ 1,109	$ 116	$ 16,439
Provision for (reversal of) unfunded commitments	1,251	40	54	(468)	165	(29)	1,013
Balance at June 30, 2026	$ 2,693	$ 5,502	$ 7,761	$ 135	$ 1,274	$ 87	$ 17,452
Allowance for credit losses	$ 73,317	$ 58,268	$ 72,058	$ 9,330	$ 18,853	$ 595	$ 232,421
Activity related to ACL on loans:							
Balance at December 31, 2025	$ 67,041	$ 47,769	$ 60,090	$ 8,655	$ 10,811	$ 533	$ 194,899
Charge-offs	(965)	(3,923)	(1,014)	(276)	(1,494)	—	(7,672)
Recoveries	652	1,055	491	101	—	—	2,299
Provision for (reversal of) credit losses on loans	3,896	7,865	4,730	715	8,262	(25)	25,443
Balance at June 30, 2026	$ 70,624	$ 52,766	$ 64,297	$ 9,195	$ 17,579	$ 508	$ 214,969
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	1,367	431	207	(486)	361	(21)	1,859
Balance at June 30, 2026	$ 2,693	$ 5,502	$ 7,761	$ 135	$ 1,274	$ 87	$ 17,452
Allowance for credit losses	$ 73,317	$ 58,268	$ 72,058	$ 9,330	$ 18,853	$ 595	$ 232,421
Activity related to ACL on loans:							
Balance at March 31, 2025	$ 68,341	$ 58,054	$ 28,049	$ 9,426	$ 7,505	$ 1,035	$ 172,410
Charge-offs	(115)	(2,154)	(86)	(188)	—	—	(2,543)
Recoveries	357	287	48	95	—	—	787
Provision for (reversal of) credit losses on loans	5,157	10,170	10,018	943	2,315	(441)	28,162
Balance at June 30, 2025	$ 73,740	$ 66,357	$ 38,029	$ 10,276	$ 9,820	$ 594	$ 198,816
Allowance for unfunded commitments:							
Balance at March 31, 2025	$ 971	$ 5,543	$ 6,733	$ 234	$ 818	$ 73	$ 14,372
Provision for (reversal of) unfunded commitments	273	1,201	1,621	307	129	(17)	3,514
Balance at June 30, 2025	$ 1,244	$ 6,744	$ 8,354	$ 541	$ 947	$ 56	$ 17,886
Allowance for credit losses	$ 74,984	$ 73,101	$ 46,383	$ 10,817	$ 10,767	$ 650	$ 216,702
Activity related to ACL on loans:							
Balance at December 31, 2024	$ 64,028	$ 45,736	$ 22,555	$ 9,681	$ 5,593	$ 476	$ 148,069
Charge-offs	(576)	(3,202)	(614)	(207)	—	—	(4,599)
Recoveries	454	419	163	121	—	—	1,157
Provision for (reversal of) credit losses on loans	9,834	23,404	15,925	681	4,227	118	54,189
Balance at June 30, 2025	$ 73,740	$ 66,357	$ 38,029	$ 10,276	$ 9,820	$ 594	$ 198,816
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	739	2,046	2,315	512	353	(645)	5,320
Balance at June 30, 2025	$ 1,244	$ 6,744	$ 8,354	$ 541	$ 947	$ 56	$ 17,886
Allowance for credit losses	$ 74,984	$ 73,101	$ 46,383	$ 10,817	$ 10,767	$ 650	$ 216,702

The ACL was $232.4 million at June 30, 2026, as compared with $194.9 million at December 31, 2025, an increase of $20.1 million. The increase was primarily the result of $27.3 million of provision for credit losses and offset by $7.7 million of charge-offs. See further discussion in the *Provision for Credit Losses* section above. The ACL on loans was 0.45% and 0.42% of total loans outstanding at June 30, 2026 and December 31, 2025, respectively. Additional detail on the ACL is provided in the table below.

(dollars in thousands)	Allowance for Credit Losses by Portfolio							
	June 30, 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	$ 21,303	$ 542	$ 38,245	$ 60,090	$ 22,165	$ 255	$ 33,975	$ 56,395
Pooled component	29,210	6,338	119,331	154,879	20,938	6,094	111,472	138,504
Unfunded commitments	6,883	—	10,569	17,452	6,163	—	9,430	15,593
Allowance for Credit Losses	$ 57,396	$ 6,880	$ 168,145	$ 232,421	$ 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 also 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.

The Bank's investments are primarily classified as available-for-sale (AFS) investments. Refer to the Bank's Second 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 was no allowance for credit loss on District investments at June 30, 2026 or December 31, 2025. The following tables summarize the District's investments:

	June 30, 2026			
(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
District Bank investments	$ 8,744,039	$ 5,540	$ (654,733)	$ 8,094,846
District Association investments	306,285	1,943	(1,888)	306,339
Total District investments	$ 9,050,324	$ 7,483	$ (656,621)	$ 8,401,185

	December 31, 2025			
(dollars in thousands)	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

At June 30, 2026, there were $648.9 million in net unrealized losses in AFS investments, compared to $647.3 million at December 31, 2025. The net unrealized losses are the result of the significant increase in interest rates in recent years which reduced the fair value of existing AFS 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 76 days of maturing debt through the utilization of cash and cash equivalents and the sale of AFS 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 $310.8 million, or 4.02%, from December 31, 2025, to $8.1 billion at June 30, 2026. This increase is primarily attributed to net income of $431.4 million, partially offset by the revolvement of allocated retained earnings of $108.9 million at the District Associations.

Accumulated Other Comprehensive Income (Loss) *(dollars in thousands)*	**June 30, 2026**	**December 31, 2025**
Unrealized loss on investment securities	$ (648,822)	$ (647,250)
Employee benefit plans activity*	(144,787)	(152,894)
Total accumulated other comprehensive loss	$ (793,609)	$ (800,144)

**Employee benefit plan activity is primarily related to the District's defined benefit pension plans and includes actuarial gains and losses, prior service costs, and changes in the fair value of plan assets.*

The FCA 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 June 30, 2026	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer	Bank	Range of 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 %	14.34%	13.14% - 35.81%
Tier 1 capital ratio	CET1 capital, non-cumulative perpetual preferred stock	6.00 %	8.50 %	14.34%	13.14% - 35.81%
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 %	14.63%	13.58% - 36.77%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock, and subordinated debt, subject to certain limits	7.00 %	7.00 %	14.38%	13.19% - 36.14%
Non-risk adjusted:					
Tier 1 leverage ratio*	Tier 1 capital	4.00 %	5.00 %	5.73%	11.57% - 34.89%
URE and UREE component	URE and URE equivalents	1.50 %	1.50 %	4.26%	10.55% - 34.56%

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

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

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk-weightings for High Volatility Commercial Real Estate (HVCRE) 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

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 June 30, 2026, one Association (0.37% 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)

(dollars in thousands)	June 30, 2026	December 31, 2025
Assets		
Cash	**$ 738,127**	$ 708,449
Cash equivalents	**660,000**	900,000
Investments in debt securities	**8,401,415**	8,294,624
Loans	**48,274,713**	46,963,063
Allowance for credit losses on loans	**(214,969)**	(194,899)
Net loans	**48,059,744**	46,768,164
Loans held for sale	**1,786**	709
Accrued interest receivable	**444,362**	432,485
Accounts receivable	**61,132**	73,389
Equity investments in other Farm Credit institutions	**84,138**	80,420
Other equity investments	**19,507**	17,430
Premises and equipment, net	**388,168**	374,355
Other property owned	**3,517**	3,963
Other assets	**94,174**	82,943
Total assets	**$ 58,956,070**	$ 57,736,931
Liabilities		
Systemwide bonds payable	**$ 46,459,358**	$ 43,918,527
Systemwide notes payable	**3,769,837**	5,162,250
Accrued interest payable	**344,252**	293,564
Accounts payable	**75,004**	358,196
Advanced conditional payments	**39,225**	34,002
Other liabilities	**217,217**	230,020
Total liabilities	**50,904,893**	49,996,559
Shareholders' Equity		
Protected borrower equity	**445**	445
Capital stock and participation certificates	**201,733**	202,633
Additional paid-in-capital	**516,563**	516,563
Retained earnings		
Allocated	**2,325,809**	2,433,096
Unallocated	**5,800,236**	5,387,779
Accumulated other comprehensive loss	**(793,609)**	(800,144)
Total shareholders' equity	**8,051,177**	7,740,372
Total liabilities and equity	**$ 58,956,070**	$ 57,736,931

Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest Income				
Investments & Cash Equivalents	**$ 76,844**	$ 79,872	**$ 154,509**	$ 161,585
Loans	**753,944**	710,965	**1,488,007**	1,395,962
Other	**5,193**	4,879	**9,528**	9,842
Total interest income	**835,981**	795,716	**1,652,044**	1,567,389
Interest Expense	**457,657**	451,708	**901,885**	885,895
Net interest income	**378,324**	344,008	**750,159**	681,494
Provision for credit losses	**13,621**	31,676	**27,302**	59,509
Net interest income after provision for credit losses	**364,703**	312,332	**722,857**	621,985
Noninterest Income				
Loan fees	**14,488**	12,242	**28,709**	22,576
Fees for financially related services	**7,927**	4,284	**12,850**	8,586
Losses on sales of investments	**—**	(7,341)	**—**	(13,231)
(Losses) gains on debt extinguishment	**—**	4,786	**(7,351)**	4,943
Gains on other transactions	**2,914**	1,083	**6,755**	1,024
Insurance premium refund	**—**	—	**23,371**	8,011
Patronage refunds from other Farm Credit institutions	**1,556**	1,354	**13,510**	6,211
Other noninterest income	**1,646**	1,378	**3,826**	3,214
Total noninterest income	**28,531**	17,786	**81,670**	41,334
Noninterest Expenses				
Salaries and employee benefits	**111,086**	106,719	**224,103**	214,975
Occupancy and equipment	**7,714**	7,521	**15,778**	14,968
Insurance Fund premiums	**11,156**	10,360	**21,990**	20,445
Purchased services	**11,211**	11,237	**20,446**	22,287
Data processing	**16,607**	14,629	**31,247**	29,051
Other operating expenses	**29,152**	32,320	**59,633**	64,497
(Gains) losses from other property owned	**(559)**	33	**(603)**	233
Total noninterest expenses	**186,367**	182,819	**372,594**	366,456
Income before income taxes	**206,867**	147,299	**431,933**	296,863
Provision for income taxes	**274**	297	**547**	581
Net income	**$ 206,593**	$ 147,002	**$ 431,386**	$ 296,282
Other comprehensive income:				
Unrealized gains on investments	**$ (1,436)**	$ 30,325	**$ (1,574)**	$ 153,520
Employee benefit plans adjustments	**4,054**	4,660	**8,109**	9,320
Other comprehensive income	**2,618**	34,985	**6,535**	162,840
Comprehensive income	**$ 209,211**	$ 181,987	**$ 437,921**	$ 459,122

DISTRICT ASSOCIATIONS

As of June 30, 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
(dollars in thousands)							
Horizon Farm Credit, ACA	$ 6,973,591	22.76 %	$ 8,424,510	$ 1,423,718	14.16 %	0.69 %	1.71 %
AgSouth Farm Credit, ACA	4,773,598	15.58	5,714,701	877,692	13.58	1.22	2.12
Ag Credit, ACA	3,306,844	10.79	3,968,484	643,817	18.47	0.80	1.86
First South Farm Credit, ACA	3,042,457	9.93	3,774,659	732,540	16.42	1.02	1.51
AgCarolina Farm Credit, ACA	2,528,794	8.25	3,122,280	579,202	16.16	1.43	2.03
Farm Credit of the Virginias, ACA	2,092,451	6.83	2,636,198	531,654	17.81	1.20	1.56
Farm Credit of Florida, ACA	1,555,751	5.08	1,983,496	404,312	16.98	0.19	1.59
AgGeorgia Farm Credit, ACA	1,519,501	4.96	1,857,897	323,619	16.64	0.72	2.22
Farm Credit of Central Florida, ACA	1,078,485	3.52	1,264,950	177,051	16.09	1.37	1.56
Central Kentucky, ACA	747,612	2.44	923,001	172,353	17.63	0.07	1.75
Colonial Farm Credit, ACA	706,500	2.31	927,913	218,001	20.45	0.49	1.49
ArborOne, ACA	656,226	2.14	809,393	146,955	16.86	1.47	1.83
Southwest Georgia Farm Credit, ACA	601,874	1.96	755,174	149,115	18.86	0.81	1.62
River Valley AgCredit, ACA	557,249	1.82	716,448	147,732	18.15	1.04	1.53
Farm Credit of Northwest Florida, ACA	395,594	1.29	504,194	106,382	19.34	0.75	1.48
Puerto Rico Farm Credit, ACA	106,099	0.35	168,407	62,336	36.77	2.35	0.75

** 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

Ag Credit 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
804-746-4581
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
618 Crescent Boulevard
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

Southwest Georgia Farm Credit, ACA
305 Colquitt Highway
Bainbridge, GA 39817
229-246-0384
www.swgafarmcredit.com