Colonial Farm Credit, ACA

SECOND QUARTER 2026

TABLE OF CONTENTS

CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026 quarterly report of Colonial Farm Credit, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ Paul B. Franklin, Sr.
Chief Executive Officer

/s/ Diane S. Fowlkes
Chief Financial Officer

/s/ Jennifer U. Cuthbertson
Chair of the Board

August 7, 2026

Colonial Farm Credit, ACA

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

(dollars in thousands)

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

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio is diversified over a range of agricultural commodities including livestock operations such as beef cattle, horses, poultry, swine, and dairy farms and various field crops such as soybeans, peanuts, tobacco, cotton, and corn. Other predominant commodities in the portfolio are timber and rural home loans. Farm size varies, and many of the borrowers in the region have diversified farming operations. This factor, along with the numerous opportunities for non-farm income in the area, has somewhat reduced the level of dependency on any single commodity.

The total loan volume of the Association as of June 30, 2026, was $901,741, a decrease of $540 as compared to $902,281 at December 31, 2025. The decrease in loan volume during the reporting period was due to the normal seasonal decrease in working capital loans to farmers as crop proceeds were used to pay down lines of credit.

ASSET QUALITY AND LOAN LOSS RESERVES

There is an inherent risk in the extension of any type of credit. Portfolio credit quality continues to be maintained at an acceptable level and credit administration remains satisfactory. Nonaccrual loans increased to $4,393 at June 30, 2026 from $3,874 at December 31, 2025. As a percent of total loans, nonaccrual loans were 0.49% and 0.43% at June 30, 2026 and December 31, 2025, respectively.

Association management maintains an allowance for credit losses (ACL) in an amount considered sufficient to absorb estimated current and expected credit losses over the financial assets expected life. The most significant component of the Association's ACL is the allowance for credit losses on loans (ACLL). The ACLL at June 30, 2026, was $3,493 or 0.39% of total loans compared to $1,961 or 0.22% of total loans at December 31, 2025, and is considered by management to be adequate to cover estimated current and expected losses within the loan portfolio. See further detail on the Association's ACL within the Association's Annual Report and discussion of significant provision for credit loss within the *Results of Operations* below.

RESULTS OF OPERATIONS

For the three months ended June 30, 2026

Net income for the three months ended June 30, 2026, was $2,740, a decrease of $1,213 as compared to net income of $3,953 for the same period ended in 2025. The decrease in net income is attributable to an increase in the provision for credit losses as well as an increase in noninterest expense.

For the three months ended June 30, 2026, net interest income was $7,134, an increase of $169, and the net interest margin was 3.21%, a decrease of 8 basis points as compared to the same period ended in 2025.

The provision for credit losses for the three months ended June 30, 2026, was $1,354, an increase of $881 from the provision for credit losses of $473 for the same period ended during the prior year. The provision in 2026 was primarily driven by new specific reserves on two accounts in the timber industry while the provision in 2025 was primarily due to changes in macroeconomic variables combined with an increase in new loan volume.

Noninterest income increased $26 to $1,411 during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily due to an increase of $102 for patronage refunds from other Farm Credit institutions attributed to an increase in the outstanding direct note balance with AgFirst as well as participations purchased.

For the three months ended June 30, 2026, noninterest expense increased $529 to $4,451 compared to the same period ended in 2025 primarily due to an increased fee for technology and software services from the Bank and an increase in fees for participation loans.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $6,771, a decrease of $1,254 as compared to net income of $8,025 for the same period ended in 2025. The decrease in net income is attributable to an increase the provision for credit losses as well as an increase in noninterest expense.

For the six months ended June 30, 2026, net interest income was $14,358, an increase of $416, and the net interest margin was 3.25%, a decrease of 8 basis points as compared to the same period ended in 2025.

The provision for credit losses for the six months ended June 30, 2026, was $1,577, an increase of $951 from the provision for credit losses of $626 for the same period ended during the prior year. The provision in 2026 was primarily driven by new specific reserves on two accounts in the timber industry while the provision in 2025 was primarily due to changes in macroeconomic variables combined with an increase in new loan volume.

Noninterest income increased $394 to $3,077 during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily due to an increase of $246 for the Farm Credit System Insurance Corporation refund and an increase in patronage refunds from other Farm Credit institutions of $188.

For the six months ended June 30, 2026, noninterest expense increased $1,118 to $9,087 compared to the same period ended in 2025 primarily due to an increased fee for technology and software services from the Bank, an increase in fees for participation loans, and an increase in salary and benefit expenses.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at June 30, 2026, was $706,500 as compared to $702,037 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at June 30, 2026, was $214,508, an increase of $6,482 from a total of $208,026 at December 31, 2025. Total capital stock and participation certificates were $5,441 on June 30, 2026, compared to $5,535 on December 31, 2025.

The Farm Credit Administration (FCA) sets minimum regulatory capital requirements with a capital conservation buffer for System banks and associations. Capital adequacy is evaluated using a number of regulatory ratios.

The following sets forth the regulatory capital ratios:

	Regulatory Minimum Including Buffer*	June 30, 2026	December 31, 2025	June 30, 2025
Permanent Capital Ratio	7.00%	20.24%	20.85%	21.62%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	20.20%	20.81%	21.58%
Tier 1 Capital Ratio	8.50%	20.20%	20.81%	21.58%
Total Regulatory Capital Ratio	10.50%	20.45%	21.02%	21.79%
Tier 1 Leverage Ratio**	5.00%	21.97%	22.44%	23.16%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	21.38%	21.83%	22.54%

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

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

REGULATORY MATTERS

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

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

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

SHAREHOLDER INVESTMENT

Shareholder investment in the Association may be materially affected by the financial condition and results of operations of the Bank. Copies of the Bank’s annual and quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2764, or writing Matthew Miller, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Information concerning the Bank can also be obtained at the Bank’s website, *www.agfirst.com*. Copies of the Association’s annual and quarterly reports are also available upon request free of charge by calling 1-804-746-1252, or writing Diane Fowlkes, Chief Financial Officer, Colonial Farm Credit, ACA, 7104 Mechanicsville Turnpike, Mechanicsville, VA 23111, or accessing the website, *www.colonialfarmcredit.com*. The Association prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no report needs to be prepared for the fiscal quarter that coincides with the end of the fiscal year of the Association.

Colonial Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)	June 30, 2026 *(unaudited)*	December 31, 2025 *(audited)*
Assets		
Cash	**$ 46**	$ 63
Loans	**901,741**	902,281
Allowance for credit losses on loans	**(3,493)**	(1,961)
Net loans	**898,248**	900,320
Accrued interest receivable	**7,851**	8,671
Equity investments in other Farm Credit institutions	**15,782**	15,094
Premises and equipment, net	**2,218**	2,189
Accounts receivable	**2,461**	4,414
Other assets - fair value	**984**	923
Other assets	**323**	246
Total assets	**$ 927,913**	$ 931,920
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 706,500**	$ 702,037
Accrued interest payable	**2,503**	2,521
Patronage refunds payable	**145**	12,919
Accounts payable	**693**	994
Advanced conditional payments	**8**	—
Other liabilities	**3,556**	5,423
Total liabilities	**713,405**	723,894
Commitments and contingencies (Note 6)		
Members' Equity		
Capital stock and participation certificates	**5,441**	5,535
Unallocated retained earnings	**209,079**	202,503
Accumulated other comprehensive income (loss)	**(12)**	(12)
Total members' equity	**214,508**	208,026
Total liabilities and members' equity	**$ 927,913**	$ 931,920

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

Colonial Farm Credit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest Income				
Loans	**$ 14,616**	$ 13,819	**$ 29,085**	$ 27,302
Interest Expense	**7,482**	6,854	**14,727**	13,360
Net interest income	**7,134**	6,965	**14,358**	13,942
Provision for credit losses	**1,354**	473	**1,577**	626
Net interest income after provision for credit losses	**5,780**	6,492	**12,781**	13,316
Noninterest Income				
Loan fees	**185**	243	**284**	383
Fees for financially related services	**1**	14	**2**	32
Patronage refunds from other Farm Credit institutions	**1,132**	1,030	**2,173**	1,985
Gains (losses) on sales of rural home loans, net	**—**	6	**—**	8
Gains (losses) on sales of premises and equipment, net	**49**	(2)	**95**	(2)
Gains (losses) on other transactions	**13**	7	**73**	6
Insurance Fund refunds	**—**	—	**369**	123
Other noninterest income	**31**	87	**81**	148
Total noninterest income	**1,411**	1,385	**3,077**	2,683
Noninterest Expense				
Salaries and employee benefits	**2,303**	2,129	**4,613**	4,376
Occupancy and equipment	**154**	140	**296**	296
Insurance Fund premiums	**174**	163	**346**	320
Purchased services	**1,262**	960	**2,480**	1,913
Data processing	**50**	39	**98**	79
Other operating expenses	**508**	491	**1,254**	985
Total noninterest expense	**4,451**	3,922	**9,087**	7,969
Income before income taxes	**2,740**	3,955	**6,771**	8,030
Provision for income taxes	**—**	2	**—**	5
Net income	**$ 2,740**	$ 3,953	**$ 6,771**	$ 8,025
Other comprehensive income net of tax				
Employee benefit plans adjustments	**—**	(13)	**—**	(26)
Comprehensive income	**$ 2,740**	$ 3,940	**$ 6,771**	$ 7,999

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

Colonial Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2024	$ 5,553	$ 199,281	$ 170	$ 205,004
Comprehensive income		8,025	(26)	7,999
Capital stock/participation certificates issued/(retired), net	(165)			(165)
Balance at June 30, 2025	$ 5,388	$ 207,306	$ 144	$ 212,838
Balance at December 31, 2025	**$ 5,535**	**$ 202,503**	**$ (12)**	**$ 208,026**
Comprehensive income		**6,771**		**6,771**
Capital stock/participation certificates issued/(retired), net	**(94)**			**(94)**
Patronage distribution adjustment		**(195)**		**(195)**
Balance at June 30, 2026	**$ 5,441**	**$ 209,079**	**$ (12)**	**$ 214,508**

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

Colonial Farm Credit, ACA

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)

(unaudited)

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization

The accompanying financial statements include the accounts of Colonial Farm Credit, ACA and its Production Credit Association (PCA) and Federal Land Credit Association (FLCA) subsidiaries (collectively, the Association). Descriptions of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations for the Association as of and for the year ended December 31, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited interim consolidated financial statements should be read in conjunction with the latest Annual Report to Shareholders.

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

Certain amounts in the prior period's consolidated financial statements have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies

The Association's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for credit losses (Note 2, *Loans and Allowance for Credit Losses*) and financial instruments (Note 5, *Fair Value Measurement*). Actual results could differ from those estimates.

For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

Accounting Standards Updates (ASUs) Issued but Not Yet Adopted

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

ASUs Effective During the Period

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

Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding at period end follows:

	June 30, 2026	December 31, 2025
Real estate mortgage	$ 548,279	$ 541,982
Production and intermediate-term	187,276	195,691
Agribusiness:		
Loans to cooperatives	8,822	8,732
Processing and marketing	68,706	68,824
Farm-related business	26,805	25,061
Rural infrastructure:		
Communication	6,310	6,185
Power and water/waste disposal	10,391	10,371
Rural residential real estate	41,780	42,066
Other:		
International	3,305	3,303
Lease receivables	67	66
Total loans	$ 901,741	$ 902,281

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

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

	June 30, 2026	December 31, 2025
Real estate mortgage:		
Acceptable	97.50%	97.62%
OAEM	1.83	1.49
Substandard/doubtful/loss	0.67	0.89
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	94.58%	95.28%
OAEM	3.48	3.07
Substandard/doubtful/loss	1.94	1.65
	100.00%	100.00%
Agribusiness:		
Acceptable	93.55%	95.19%
OAEM	1.97	2.51
Substandard/doubtful/loss	4.48	2.30
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	99.62%	99.52%
OAEM	0.38	0.47
Substandard/doubtful/loss	–	0.01
	100.00%	100.00%
Other:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total loans:		
Acceptable	96.59%	96.98%
OAEM	2.08	1.87
Substandard/doubtful/loss	1.33	1.15
	100.00%	100.00%

Accrued interest receivable on loans of $7,851 and $8,671 at June 30, 2026 and December 31, 2025, respectively, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets.

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

	June 30, 2026				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 3,287	$ 1,689	$ 4,976	$ 543,303	$ 548,279
Production and intermediate-term	6,197	1,599	7,796	179,480	187,276
Agribusiness	724	–	724	103,609	104,333
Rural infrastructure	–	–	–	16,701	16,701
Rural residential real estate	655	–	655	41,125	41,780
Other	–	–	–	3,372	3,372
Total	$ 10,863	$ 3,288	$ 14,151	$ 887,590	$ 901,741

	December 31, 2025				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 3,381	$ 3,410	$ 6,791	$ 535,191	$ 541,982
Production and intermediate-term	2,800	51	2,851	192,840	195,691
Agribusiness	20	–	20	102,597	102,617
Rural infrastructure	–	–	–	16,556	16,556
Rural residential real estate	199	–	199	41,867	42,066
Other	–	–	–	3,369	3,369
Total	$ 6,400	$ 3,461	$ 9,861	$ 892,420	$ 902,281

There were no accruing loans greater than 90 days past due as of June 30, 2026 and December 31, 2025.

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

	June 30, 2026		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ 1,898	$ 626	$ 2,524
Production and intermediate-term	1,376	493	1,869
Total	$ 3,274	$ 1,119	$ 4,393

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ –	$ 3,537	$ 3,537
Production and intermediate-term	–	331	331
Rural residential real estate	–	6	6
Total	$ –	$ 3,874	$ 3,874

The Association recognized $29 and $86 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $8 and $69 of interest income on nonaccrual loans during the three and six months ended June 30, 2025, respectively.

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

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 2,191	$ 1,662
Charge-offs	(23)	(36)
Recoveries	4	37
Provision for credit losses on loans	1,321	380
Balance at end of period	$ 3,493	$ 2,043
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 248	$ 211
Provision for unfunded commitments	33	93
Balance at end of period	$ 281	$ 304
Total allowance for credit losses	$ 3,774	$ 2,347

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 1,961	$ 1,520
Charge-offs	(27)	(43)
Recoveries	5	43
Provision for credit losses on loans	1,554	523
Balance at end of period	$ 3,493	$ 2,043
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 258	$ 201
Provision for unfunded commitments	23	103
Balance at end of period	$ 281	$ 304
Total allowance for credit losses	$ 3,774	$ 2,347

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one, or a combination of, principal forgiveness, interest rate reduction, or an other-than-insignificant payment delay or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

The following tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2026, disaggregated by loan type and type of modification granted:

	For the Three Months Ended June 30, 2026	
	Maturity Extension	**Percentage of Total by Loan Type**
Production and intermediate-term	$ 222	0.12%
Agribusiness	2,110	2.02%
Total	$ 2,332	0.26%

	For the Six Months Ended June 30, 2026	
	Maturity Extension	**Percentage of Total by Loan Type**
Production and intermediate-term	$ 286	0.15%
Agribusiness	2,110	2.02%
Total	$ 2,396	0.27%

The following tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025, disaggregated by loan type and type of modification granted:

	For the Three Months Ended June 30, 2025	
	Maturity Extension	**Percentage of Total by Loan Type**
Production and intermediate-term	$ 506	0.29%
Total	$ 506	0.06%

	For the Six Months Ended June 30, 2025	
	Maturity Extension	**Percentage of Total by Loan Type**
Production and intermediate-term	$ 2,430	1.39%
Total	$ 2,430	0.28%

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

	Maturity Extension
	Financial Effect
Production and intermediate-term	Added a weighted average 7.5 months to the life of loans
Agribusiness	Added a weighted average 2.8 years to the life of loans

The following table describes the financial effects of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2026:

	Maturity Extension
	Financial Effect
Production and intermediate-term	Added a weighted average 1.5 years to the life of loans
Agribusiness	Added a weighted average 2.8 years to the life of loans

The following table describes the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2025:

	Maturity Extension
	Financial Effect
Production and intermediate-term	Added a weighted average 1.9 years to the life of loans

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

	Maturity Extension
	Financial Effect
Production and intermediate-term	Added a weighted average 1.4 years to the life of loans

There were no loans to borrowers experiencing financial difficulty that had a modification in the preceding twelve months and subsequently defaulted during the three and six months ended June 30, 2026 and 2025.

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

	June 30, 2026			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Production and intermediate-term	$ 286	$ –	$ 78	$ 364
Agribusiness	2,110	–	–	2,110
Total	$ 2,396	$ –	$ 78	$ 2,474

	June 30, 2025			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Production and intermediate-term	$ 2,430	$ –	$ –	$ 2,430
Total	$ 2,430	$ –	$ –	$ 2,430

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2026 was $5 and $6, respectively. Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025 was $12 and $58, respectively. Additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified were $165 and $156 at June 30, 2026 and December 31, 2025, respectively.

The Association had no loans held for sale at June 30, 2026 and December 31, 2025.

Note 3 — Investments

Equity Investments in Other Farm Credit System Institutions

Equity investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA. These investments are carried at cost and evaluated for impairment based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

Associations are required to maintain ownership in AgFirst Farm Credit Bank (the Bank) in the form of Class B or Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association owned 2.13% of the issued stock and allocated retained earnings of the Bank as of June 30, 2026, net of any reciprocal investment. As of that date, the Bank's assets totaled $51.2 billion and shareholders' equity totaled $2.4 billion. The Bank's earnings were $218 million for the six months ended June 30, 2026. In addition, the Association held investments of $548 related to other Farm Credit institutions.

Note 4 — Members' Equity

Accumulated Other Comprehensive Income (AOCI)

	Changes in Accumulated Other Comprehensive Income by Component *(a)*			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Employee Benefit Plans:				
Balance at beginning of period	$ (12)	$ 157	$ (12)	$ 170
Other comprehensive income before reclassification	–	–	–	–
Amounts reclassified from AOCI	–	(13)	–	(26)
Net current period other comprehensive income	–	(13)	–	(26)
Balance at end of period	$ (12)	$ 144	$ (12)	$ 144

	Reclassifications Out of Accumulated Other Comprehensive Income *(b)*				
	Three Months Ended June 30,		Six Months Ended June 30,		
	2026	**2025**	**2026**	**2025**	**Income Statement Line Item**
Defined Benefit Pension Plans:					
Periodic pension costs	$ –	$ 13	$ –	$ 26	Salaries and employee benefits
Net amounts reclassified	$ –	$ 13	$ –	$ 26	

(a) Amounts in parentheses indicate debits to AOCI.
(b) Amounts in parentheses indicate debits to profit/loss.

Note 5 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 2, *Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders for additional information.

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

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

	June 30, 2026			
	Fair Value Measurement Using			Total Fair
	Level 1	**Level 2**	**Level 3**	**Value**
Recurring assets				
Assets held in trust funds	$ 984	$ –	$ –	$ 984
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 1,846	$ 1,846
Other property owned	$ –	$ –	$ –	$ –

	December 31, 2025			
	Fair Value Measurement Using			Total Fair
	Level 1	**Level 2**	**Level 3**	**Value**
Recurring assets				
Assets held in trust funds	$ 923	$ –	$ –	$ 923
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ –	$ –
Other property owned	$ –	$ –	$ –	$ –

Note 6 — Commitments and Contingent Liabilities

From time to time, legal actions may be pending against the Association in which claims for damages are asserted. At the date of these financial statements, the Association is not aware of any material actions. However, the Association cannot ensure that such actions or other contingencies will not arise in the future.

Note 7 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through August 7, 2026, which was the date the financial statements were issued.