AgGeorgia Farm Credit, ACA

SECOND QUARTER 2026

TABLE OF CONTENTS

CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026 quarterly report of AgGeorgia 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/ James R. Crain
Chief Executive Officer

/s/ Brandie L. Thompson
Chief Financial Officer

/s/ R. Brian Grogan
Chair of the Board

August 7, 2026

AgGeorgia Farm Credit, ACA

Report on Internal Control Over Financial Reporting

The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's Consolidated Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel. This process provides reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of June 30, 2026. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Association's management concluded that as of June 30, 2026, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association's management determined that there were no material weaknesses in the internal control over financial reporting as of June 30, 2026.

/s/ James R. Crain
Chief Executive Officer

/s/ Brandie L. Thompson
Chief Financial Officer

August 7, 2026

AgGeorgia Farm Credit, ACA

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

(dollars in thousands, except as noted)

The following commentary reviews the financial condition and results of operations of AgGeorgia 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 poultry, cotton, timber, peanuts and livestock. 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, somewhat reduces the level of dependency on any single commodity.

The total loan volume of the Association as of June 30, 2026, was $1,784 million, an increase of $114 million as compared to $1,670 million at December 31, 2025. This increase in loan volume is primarily related to advances on operating loans and long-term real estate loans.

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 decreased to $12,534 thousand at June 30, 2026 from $17,769 thousand at December 31, 2025. As a percent of total loans, nonaccrual loans were 0.70% and 1.06% 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 $9,574 thousand or 0.54% of total loans compared to $9,430 thousand or 0.56% 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 $10,710 thousand, an increase of $3,128 thousand as compared to net income of $7,583 thousand for the same period ended in 2025. The increase in net income was primarily driven by higher net interest income resulting from loan growth, a reversal of the provision for credit losses compared to provision expense in the prior year, and increased noninterest income from loan fees and financial services activities. These favorable factors were partially offset by higher operating expenses, primarily related to salaries and employee benefits, as well as purchased services.

For the three months ended June 30, 2026, net interest income was $15,069 thousand, an increase of $1,542 thousand, and the net interest margin was 3.53%, an increase of 11 basis points as compared to the same period ended in 2025. The increase in net interest income was primarily driven by higher loan volume, which contributed to greater interest income during the period.

The reversal of credit losses for the three months ended June 30, 2026, was $512 thousand, a decrease of $1,726 thousand from the provision for credit losses of $1,214 thousand for the same period ended during the prior year.

Noninterest income increased $573 thousand to $3,770 thousand during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily driven by strong growth in fee-based revenue.

For the three months ended June 30, 2026, noninterest expense increased $713 thousand to $8,641 thousand compared to the same period ended in 2025 primarily due to higher purchased services costs, driven by increased technology and software services provided by the Bank, as well as higher personnel costs associated with staffing and compensation adjustments.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $19,572 thousand, an increase of $4,872 thousand as compared to net income of $14,700 thousand for the same period ended in 2025. The increase in net income was largely attributable to higher net interest income resulting from increased loan volume, along with growth in noninterest income from loan fees, financial services, and Farm Credit System Insurance Fund refunds. These favorable impacts were partially offset by increases in general operating expenses, including salaries and purchased services.

For the six months ended June 30, 2026, net interest income was $29,195 thousand, an increase of $2,720 thousand, and the net interest margin was 3.47%, an increase of 6 basis points as compared to the same period ended in 2025. The increase in net interest income was primarily driven by higher loan volume, which contributed to greater interest income during the period.

The provision for credit losses for the six months ended June 30, 2026, was $165 thousand, a decrease of $2,097 thousand from the provision for credit losses of $2,262 thousand for the same period ended during the prior year.

Noninterest income increased $1,951 thousand to $8,269 thousand during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily driven by strong growth in fee-based revenue and a substantial increase in FCS Insurance Corporation Refunds.

For the six months ended June 30, 2026, noninterest expense increased $1,896 thousand to $17,727 thousand compared to the same period ended in 2025 primarily due to higher purchased services costs, driven by increased technology and software services provided by the Bank, as well as higher personnel costs associated with staffing and compensation adjustments.

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, were $1,520 million as compared to $1,414 million at December 31, 2025.

CAPITAL RESOURCES

Total members’ equity at June 30, 2026, was $314,045 thousand, an increase of $10,200 thousand from a total of $303,845 thousand at December 31, 2025. This increase is primarily related to year-to-date net income. Total capital stock and participation certificates were $5,084 thousand on June 30, 2026, compared to $4,963 thousand on December 31, 2025. This increase is attributed to the issuance of stock on new loans being greater than the retirement of stock on loans liquidated in the normal course of business.

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%	16.13%	16.61%	17.43%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	16.04%	16.54%	17.37%
Tier 1 Capital Ratio	8.50%	16.04%	16.54%	17.37%
Total Regulatory Capital Ratio	10.50%	16.64%	16.95%	17.78%
Tier 1 Leverage Ratio**	5.00%	15.80%	16.09%	16.95%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	13.82%	13.98%	14.24%

**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 478-987-8300 Ext. 113, writing Brandie Thompson, Chief Financial Officer, AgGeorgia Farm Credit, ACA, P.O. Box 1820, Perry, GA 31069, or accessing the website, *www.aggeorgia.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.

AgGeorgia Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)		June 30, 2026		December 31, 2025
		(unaudited)		*(audited)*
Assets				
Cash	**$**	**10**	$	11
Loans		**1,784,207**		1,670,047
Allowance for credit losses on loans		**(9,574)**		(9,430)
Net loans		**1,774,633**		1,660,617
Accrued interest receivable		**19,200**		18,003
Equity investments in other Farm Credit institutions		**32,617**		31,152
Premises and equipment, net		**21,712**		19,861
Other property owned		**284**		—
Accounts receivable		**5,446**		10,382
Other assets - fair value		**2,057**		1,992
Other assets		**1,938**		1,879
Total assets	**$**	**1,857,897**	$	1,743,897
Liabilities				
Notes payable to AgFirst Farm Credit Bank	**$**	**1,519,501**	$	1,413,763
Accrued interest payable		**5,535**		5,256
Patronage refunds payable		**1,645**		11,987
Accounts payable		**741**		1,371
Other liabilities		**16,430**		7,675
Total liabilities		**1,543,852**		1,440,052
Commitments and contingencies (Note 6)				
Members' Equity				
Capital stock and participation certificates		**5,084**		4,963
Retained earnings				
Allocated		**21,340**		30,833
Unallocated		**287,488**		267,916
Accumulated other comprehensive income		**133**		133
Total members' equity		**314,045**		303,845
Total liabilities and members' equity	**$**	**1,857,897**	$	1,743,897

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

AgGeorgia 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	**$ 31,514**	$ 28,050	**$ 60,826**	$ 54,582
Interest Expense	**16,445**	14,523	**31,631**	28,107
Net interest income	**15,069**	13,527	**29,195**	26,475
Provision for (reversal of) allowance for credit losses	**(512)**	1,214	**165**	2,262
Net interest income after provision for (reversal of) allowance for credit losses	**15,581**	12,313	**29,030**	24,213
Noninterest Income				
Loan fees	**780**	314	**1,379**	640
Fees for financially related services	**125**	28	**211**	81
Patronage refunds from other Farm Credit institutions	**2,779**	2,638	**5,392**	5,116
Gains (losses) on sales of rural home loans, net	**4**	3	**43**	9
Gains (losses) on sales of premises and equipment, net	**47**	181	**178**	204
Gains (losses) on other transactions	**35**	17	**152**	16
Insurance Fund refunds	**—**	—	**713**	236
Other noninterest income	**—**	16	**201**	16
Total noninterest income	**3,770**	3,197	**8,269**	6,318
Noninterest Expense				
Salaries and employee benefits	**4,432**	3,975	**9,272**	8,186
Occupancy and equipment	**357**	347	**733**	734
Insurance Fund premiums	**348**	317	**682**	623
Purchased services	**2,104**	1,647	**4,186**	3,285
Data processing	**109**	77	**239**	198
Other operating expenses	**1,291**	1,564	**2,615**	2,805
Total noninterest expense	**8,641**	7,927	**17,727**	15,831
Net income	**$ 10,710**	$ 7,583	**$ 19,572**	$ 14,700
Other comprehensive income net of tax				
Employee benefit plans adjustments	**—**	—	**—**	(1)
Comprehensive income	**$ 10,710**	$ 7,583	**$ 19,572**	$ 14,699

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

AgGeorgia Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income	Total Members' Equity
Balance at December 31, 2024	$ 5,071	$ 40,432	$ 247,767	$ 179	$ 293,449
Comprehensive income			14,700	(1)	14,699
Capital stock/participation certificates issued/(retired), net	45				45
Retained earnings retired		(9,598)			(9,598)
Balance at June 30, 2025	$ 5,116	$ 30,834	$ 262,467	$ 178	$ 298,595
Balance at December 31, 2025	**$ 4,963**	**$ 30,833**	**$ 267,916**	**$ 133**	**$ 303,845**
Comprehensive income			**19,572**		**19,572**
Capital stock/participation certificates issued/(retired), net	**121**				**121**
Retained earnings retired		**(9,493)**			**(9,493)**
Balance at June 30, 2026	**$ 5,084**	**$ 21,340**	**$ 287,488**	**$ 133**	**$ 314,045**

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

AgGeorgia 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 AgGeorgia 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	$ 1,322,485	$ 1,270,336
Production and intermediate-term	329,933	277,006
Agribusiness:		
Loans to cooperatives	3,349	1,912
Processing and marketing	78,691	76,533
Farm-related business	14,110	8,490
Rural infrastructure:		
Communication	7,359	7,395
Power and water/waste disposal	2,401	2,400
Rural residential real estate	23,988	24,084
Other:		
International	1,891	1,891
Total loans	$ 1,784,207	$ 1,670,047

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	97.53%	97.02%
OAEM	1.38	1.86
Substandard/doubtful/loss	1.09	1.12
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	92.98%	95.62%
OAEM	3.28	2.84
Substandard/doubtful/loss	3.74	1.54
	100.00%	100.00%
Agribusiness:		
Acceptable	90.63%	82.04%
OAEM	–	6.48
Substandard/doubtful/loss	9.37	11.48
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	99.23%	98.34%
OAEM	0.23	1.41
Substandard/doubtful/loss	0.54	0.25
	100.00%	100.00%
Other:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total loans:		
Acceptable	96.35%	96.04%
OAEM	1.64	2.25
Substandard/doubtful/loss	2.01	1.71
	100.00%	100.00%

Accrued interest receivable on loans of $19,200 and $18,003 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	$ 7,952	$ 1,903	$ 9,855	$ 1,312,630	$ 1,322,485
Production and intermediate-term	3,742	1,060	4,802	325,131	329,933
Agribusiness	568	–	568	95,582	96,150
Rural infrastructure	–	–	–	9,760	9,760
Rural residential real estate	309	24	333	23,655	23,988
Other	–	–	–	1,891	1,891
Total	$ 12,571	$ 2,987	$ 15,558	$ 1,768,649	$ 1,784,207

	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	$ 6,419	$ 1,010	$ 7,429	$ 1,262,907	$ 1,270,336
Production and intermediate-term	328	1,258	1,586	275,420	277,006
Agribusiness	5,184	–	5,184	81,751	86,935
Rural infrastructure	–	–	–	9,795	9,795
Rural residential real estate	325	30	355	23,729	24,084
Other	–	–	–	1,891	1,891
Total	$ 12,256	$ 2,298	$ 14,554	$ 1,655,493	$ 1,670,047

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	$ 226	$ 3,134	$ 3,360
Production and intermediate-term	497	1,557	2,054
Agribusiness	4,377	2,680	7,057
Rural residential real estate	–	63	63
Total	$ 5,100	$ 7,434	$ 12,534

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ 318	$ 5,917	$ 6,235
Production and intermediate-term	911	2,497	3,408
Agribusiness	5,128	2,947	8,075
Rural residential real estate	–	51	51
Total	$ 6,357	$ 11,412	$ 17,769

The Association recognized $591 and $706 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $176 and $288 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		2025	
Allowance for Credit Losses on Loans:				
Balance at beginning of period	$	9,950	$	6,043
Charge-offs		(73)		(107)
Recoveries		306		35
Provision for credit losses on loans		(609)		1,137
Balance at end of period	$	9,574	$	7,108
Allowance for Credit Losses on Unfunded Commitments:				
Balance at beginning of period	$	370	$	539
Provision for unfunded commitments		97		77
Balance at end of period	$	467	$	616
Total allowance for credit losses	$	10,041	$	7,724

	Six Months Ended June 30,			
	2026		2025	
Allowance for Credit Losses on Loans:				
Balance at beginning of period	$	9,430	$	5,404
Charge-offs		(96)		(496)
Recoveries		322		64
Provision for credit losses on loans		(82)		2,136
Balance at end of period	$	9,574	$	7,108
Allowance for Credit Losses on Unfunded Commitments:				
Balance at beginning of period	$	220	$	490
Provision for unfunded commitments		247		126
Balance at end of period	$	467	$	616
Total allowance for credit losses	$	10,041	$	7,724

The Allowance for Credit Losses was relatively stable during the first six months of 2026 but remained higher than the prior-year period. The elevated allowance reflects continued loan growth, macroeconomic assumptions incorporated within the CECL model, and the impact of borrower-specific reserves established in late 2025. A large borrower downgrade in the fourth quarter of 2025 resulted in placement on nonaccrual status and the recognition of a specific reserve that continues to influence the overall allowance level. Although changes in the allowance during 2026 have been immaterial, management believes the allowance remains appropriate to cover expected credit losses inherent in the portfolio.

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

Modifications of loans to borrowers experiencing financial difficulty were not material during the three and six months ended June 30, 2026 and 2025. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at June 30, 2026 and 2025. There were no material modifications to borrowers experiencing financial difficulty that occurred during the previous twelve months and for which there was a subsequent payment default during the period.

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

	June 30, 2026							
		Current		30-89 Days Past Due		90 Days or More Past Due		Total
Real estate mortgage	$	1,703	$	–	$	–	$	1,703
Production and intermediate-term		237		158		–		395
Total	$	1,940	$	158	$	–	$	2,098

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 4.35% 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 $1,494 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, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Employee Benefit Plans:				
Balance at beginning of period	$ 133	$ 178	$ 133	$ 179
Other comprehensive income before reclassification	–	–	–	–
Amounts reclassified from AOCI	–	–	–	(1)
Net current period other comprehensive income	–	–	–	(1)
Balance at end of period	$ 133	$ 178	$ 133	$ 178

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Income Statement Line Item
Defined Benefit Pension Plans:					
Periodic pension costs	$ –	$ –	$ –	$ 1	Salaries and employee benefits
Net amounts reclassified	$ –	$ –	$ –	$ 1	

(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	$ 2,057	$ –	$ –	$ 2,057
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 787	$ 787
Other property owned	$ –	$ –	$ 315	$ 315

	December 31, 2025			
	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Recurring assets				
Assets held in trust funds	$ 1,992	$ –	$ –	$ 1,992
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 1,662	$ 1,662
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.