Farm Credit of Central Florida, ACA

SECOND QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026 quarterly report of Farm Credit of Central Florida, 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/ Reginald T. Holt
Chief Executive Officer

/s/ Anne M. Sullivan
Chief Financial Officer

/s/ Timothy D. Schaal
Chairman of the Audit committee

August 7, 2026

Farm Credit of Central Florida, 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/ Reginald T. Holt
Chief Executive Officer

/s/ Anne M. Sullivan
Chief Financial Officer

August 7, 2026

Farm Credit of Central Florida, 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 Farm Credit of Central Florida, 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 in our region, including horticulture, fruits/vegetables, citrus, and cattle. 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, reduces the level of dependency on a given commodity.

The total loan volume of the Association as of June 30, 2026, was $1,114,929, an increase of $27,265 as compared to $1,087,664 at December 31, 2025. The short-term portfolio, which is heavily influenced by operating loans, normally reaches a peak balance between October and December and declines between January and June as strawberry and other winter vegetable growers pay down their loans using proceeds from the sale of their crops. The result of this normal seasonal lending activity typically causes net loan volume to decrease. However, loan growth during the first six months of 2026 has offset the seasonal reduction in loan volume.

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 $12,285 at June 30, 2026 from $14,166 at December 31, 2025. As a percent of total loans, nonaccrual loans were 1.10% and 1.30% at June 30, 2026 and December 31, 2025, respectively. At June 30, 2026, the Association had no property in other property owned.

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 $6,713 or 0.60% of total loans compared to $4,160 or 0.38% 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 $5,050, a decrease of $573 as compared to net income of $5,623 for the same period ended in 2025. The decrease is a result of decreased net interest income and increased provisions and noninterest expenses, offset by increased noninterest income.

For the three months ended June 30, 2026, net interest income was $7,073, a decrease of $87, and the net interest margin was 2.35%, a decrease of 32 basis points as compared to the same period ended in 2025. Lower spreads due to AgFirst's funding model changes offset by higher average daily balances of loan volumes are the primary reason for the decrease over 2025.

The provision for credit losses for the three months ended June 30, 2026, was $1,681, an increase of $1,580 from the provision for credit losses of $101 for the same period ended during the prior year. The increase was primarily the result of increased general reserves due to the downgrading of two assets from OAEM to substandard.

Noninterest income increased $1,859 to $5,235 during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily due to increased commissions on crop insurance and increased patronage from other Farm Credit Institutions.

For the three months ended June 30, 2026, noninterest expense increased $765 to $5,577 compared to the same period ended in 2025 primarily due to increased cost of services provided to the Association by the Bank.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $9,611, a decrease of $887 as compared to net income of $10,498 for the same period ended in 2025. The decrease is a result of decreased net interest income and increased provisions and noninterest expenses, offset by increased noninterest income.

For the six months ended June 30, 2026, net interest income was $13,920, a decrease of $343, and the net interest margin was 2.35%, a decrease of 33 basis points as compared to the same period ended in 2025. Lower spreads due to AgFirst's funding model changes offset by higher average daily balances of loan volumes are the primary reason for the decrease over 2025.

The provision for credit losses for the six months ended June 30, 2026, was $2,524, an increase of $1,774 from the provision for credit losses of $750 for the same period ended during the prior year. The increase was primarily the result of specific reserves on one nonaccrual credit and increased general reserves on two loans that were downgraded to substandard during the period.

Noninterest income increased $2,655 to $8,850 during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily due to increased commissions on crop insurance, increased patronage from other Farm Credit Institutions and an increased refund from the Fam Credit Services Insurance Corporation.

For the six months ended June 30, 2026, noninterest expense increased $1,425 to $10,635 compared to the same period ended in 2025 primarily due to increased cost of services provided to the Association by the Bank and increased salaries and benefits.

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 $1,078,485 as compared to $1,037,293 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at June 30, 2026, was $170,338, an increase of $9,484 from a total of $160,854 at December 31, 2025. The increase in the second quarter of 2026 was primarily due to net income. Capital stock and participation certificates were $1,185 on June 30, 2026, compared to $1,214 on December 31, 2025. The decrease is attributed to the retirement of stock and participation certificates 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%	15.60%	15.43%	15.43%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	15.52%	15.41%	15.40%
Tier 1 Capital Ratio	8.50%	15.52%	15.41%	15.40%
Total Regulatory Capital Ratio	10.50%	16.09%	15.58%	15.59%
Tier 1 Leverage Ratio**	5.00%	11.57%	12.06%	12.85%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	10.55%	10.99%	11.57%

**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 1-800-533-2773, or writing Anne M. Sullivan, CFO, Farm Credit of Central Florida, ACA, P.O. Box 8009, Lakeland, FL 33802, or accessing the website, *www.farmcreditcfl.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.

Farm Credit of Central Florida, ACA

Consolidated Balance Sheets

(dollars in thousands)	June 30, 2026 *(unaudited)*	December 31, 2025 *(audited)*
Assets		
Cash	**$ 10**	$ 10
Investments in debt securities:		
Held to maturity	**109,000**	88,819
Loans	**1,114,929**	1,087,664
Allowance for credit losses on loans	**(6,713)**	(4,160)
Net loans	**1,108,216**	1,083,504
Accrued interest receivable	**8,335**	8,323
Equity investments in other Farm Credit institutions	**23,797**	22,324
Premises and equipment, net	**5,144**	5,368
Other property owned	**—**	203
Accounts receivable	**6,154**	10,551
Other assets - fair value	**1,373**	1,270
Other assets	**2,921**	3,268
Total assets	**$ 1,264,950**	$ 1,223,640
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 1,078,485**	$ 1,037,293
Accrued interest payable	**3,717**	3,623
Patronage refunds payable	**213**	10,296
Accounts payable	**1,385**	1,754
Advanced conditional payments	**3,120**	648
Other liabilities	**7,692**	9,172
Total liabilities	**1,094,612**	1,062,786
Commitments and contingencies (Note 6)		
Members' Equity		
Capital stock and participation certificates	**1,185**	1,214
Retained earnings		
Allocated	**13,571**	13,571
Unallocated	**155,132**	145,542
Accumulated other comprehensive income	**450**	527
Total members' equity	**170,338**	160,854
Total liabilities and members' equity	**$ 1,264,950**	$ 1,223,640

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

Farm Credit of Central Florida, 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	**$ 17,137**	$ 15,924	**$ 33,517**	$ 31,262
Investments	**1,112**	1,236	**2,219**	2,493
Total interest income	**18,249**	17,160	**35,736**	33,755
Interest Expense	**11,176**	10,000	**21,816**	19,492
Net interest income	**7,073**	7,160	**13,920**	14,263
Provision for credit losses	**1,681**	101	**2,524**	750
Net interest income after provision for credit losses	**5,392**	7,059	**11,396**	13,513
Noninterest Income				
Loan fees	**44**	161	**83**	237
Fees for financially related services	**2,997**	1,092	**3,664**	1,205
Patronage refunds from other Farm Credit institutions	**2,135**	2,069	**4,342**	4,172
Gains (losses) on sales of rural home loans, net	**31**	44	**39**	63
Gains (losses) on sales of premises and equipment, net	**—**	—	**—**	(45)
Gains (losses) on other transactions	**21**	10	**99**	7
Insurance Fund refunds	**—**	—	**475**	157
Other noninterest income	**7**	—	**148**	399
Total noninterest income	**5,235**	3,376	**8,850**	6,195
Noninterest Expense				
Salaries and employee benefits	**2,781**	2,566	**5,000**	4,567
Occupancy and equipment	**274**	269	**549**	540
Insurance Fund premiums	**229**	210	**456**	420
Purchased services	**1,457**	1,141	**2,844**	2,283
Data processing	**82**	86	**206**	171
Other operating expenses	**683**	555	**1,509**	1,255
(Gains) losses on other property owned, net	**71**	(15)	**71**	(26)
Total noninterest expense	**5,577**	4,812	**10,635**	9,210
Net income	**$ 5,050**	$ 5,623	**$ 9,611**	$ 10,498
Other comprehensive income net of tax				
Employee benefit plans adjustments	**(39)**	(54)	**(77)**	(108)
Comprehensive income	**$ 5,011**	$ 5,569	**$ 9,534**	$ 10,390

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

Farm Credit of Central Florida, 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	$ 1,223	$ 14,999	$ 135,851	$ 912	$ 152,985
Comprehensive income			10,498	(108)	10,390
Capital stock/participation certificates issued/(retired), net	(6)				(6)
Patronage distribution adjustment			(75)		(75)
Balance at June 30, 2025	$ 1,217	$ 14,999	$ 146,274	$ 804	$ 163,294
Balance at December 31, 2025	**$ 1,214**	**$ 13,571**	**$ 145,542**	**$ 527**	**$ 160,854**
Comprehensive income			**9,611**	**(77)**	**9,534**
Capital stock/participation certificates issued/(retired), net	**(29)**				**(29)**
Patronage distribution adjustment			**(21)**		**(21)**
Balance at June 30, 2026	**$ 1,185**	**$ 13,571**	**$ 155,132**	**$ 450**	**$ 170,338**

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

Farm Credit of Central Florida, 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 Farm Credit of Central Florida, 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	$ 652,781	$ 592,734
Production and intermediate-term	181,946	234,351
Agribusiness:		
Loans to cooperatives	11,464	12,966
Processing and marketing	129,820	129,927
Farm-related business	60,735	48,385
Rural infrastructure:		
Communication	31,703	30,454
Power and water/waste disposal	18,482	11,956
Rural residential real estate	21,561	20,453
Other:		
International	6,437	6,438
Total loans	$ 1,114,929	$ 1,087,664

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	99.18%	99.42%
OAEM	0.68	0.48
Substandard/doubtful/loss	0.14	0.10
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	96.66%	96.72%
OAEM	1.25	1.37
Substandard/doubtful/loss	2.09	1.91
	100.00%	100.00%
Agribusiness:		
Acceptable	88.39%	90.63%
OAEM	–	–
Substandard/doubtful/loss	11.61	9.37
	100.00%	100.00%
Rural infrastructure:		
Acceptable	72.47%	100.00%
OAEM	13.43	–
Substandard/doubtful/loss	14.10	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	97.76%	98.67%
OAEM	1.16	0.14
Substandard/doubtful/loss	1.08	1.19
	100.00%	100.00%
Other:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total loans:		
Acceptable	95.59%	97.31%
OAEM	1.23	0.56
Substandard/doubtful/loss	3.18	2.13
	100.00%	100.00%

Accrued interest receivable on loans of $7,530 and $7,563 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	$ 6,566	$ 3,225	$ 9,791	$ 642,990	$ 652,781
Production and intermediate-term	2,545	3,569	6,114	175,832	181,946
Agribusiness	–	–	–	202,019	202,019
Rural infrastructure	–	–	–	50,185	50,185
Rural residential real estate	320	61	381	21,180	21,561
Other	–	–	–	6,437	6,437
Total	$ 9,431	$ 6,855	$ 16,286	$ 1,098,643	$ 1,114,929

	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	$ 10,538	$ 528	$ 11,066	$ 581,668	$ 592,734
Production and intermediate-term	8,282	350	8,632	225,719	234,351
Agribusiness	–	–	–	191,278	191,278
Rural infrastructure	–	–	–	42,410	42,410
Rural residential real estate	295	61	356	20,097	20,453
Other	–	–	–	6,438	6,438
Total	$ 19,115	$ 939	$ 20,054	$ 1,067,610	$ 1,087,664

Accruing loans greater than 90 days past due as of June 30, 2026 were $2,982. There were no accruing loans greater than 90 days past due as of 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	$ –	$ 347	$ 347
Production and intermediate-term	3,373	207	3,580
Agribusiness	8,227	–	8,227
Rural residential real estate	61	70	131
Total	$ 11,661	$ 624	$ 12,285

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ –	$ 785	$ 785
Production and intermediate-term	4,134	355	4,489
Agribusiness	8,820	–	8,820
Rural residential real estate	61	11	72
Total	$ 13,015	$ 1,151	$ 14,166

The Association recognized $2 and $56 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $12 and $64 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	$ 5,054	$ 1,449
Charge-offs	–	(72)
Recoveries	3	21
Provision for credit losses on loans	1,656	120
Balance at end of period	$ 6,713	$ 1,518
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 197	$ 347
Provision for unfunded commitments	25	(19)
Balance at end of period	$ 222	$ 328
Total allowance for credit losses	$ 6,935	$ 1,846

	Six Months Ended June 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 4,160	$ 1,018
Charge-offs	(8)	(192)
Recoveries	18	21
Provision for credit losses on loans	2,543	671
Balance at end of period	$ 6,713	$ 1,518
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 241	$ 249
Provision for unfunded commitments	(19)	79
Balance at end of period	$ 222	$ 328
Total allowance for credit losses	$ 6,935	$ 1,846

The $5,195 increase in allowance for credit losses is was primarily the result of specific reserves on one nonaccrual credit and increased general reserves on two loans that were downgraded to substandard during the period.

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	$ 36	$ –	$ –	$ 36
Agribusiness	4,815	–	–	4,815
Total	$ 4,851	$ –	$ –	$ 4,851

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

Note 3 — Investments

Investments in Debt Securities

The Association's investments consist of asset-backed securities (ABSs). These ABSs are issued through the Small Business Administration and are guaranteed by the full faith and credit of the United States government. They are held for managing short-term surplus funds and reducing interest rate risk. These securities meet the applicable FCA regulatory guidelines related to government agency guaranteed investments.

A summary of the amortized cost of investment securities held-to-maturity follows:

	Amortized Cost	
	June 30, 2026	**December 31, 2025**
ABSs	$ 109,000	$ 88,819

A summary of the contractual maturity and amortized cost of investment securities follows:

	Amortized Cost
	June 30, 2026
In one year or less	$ –
After one year through five years	40
After five years through ten years	65,800
After ten years	43,160
Total	$ 109,000

For the securities listed above, expected maturities can differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

The Association evaluates investment securities with unrealized losses for impairment on a quarterly basis. As part of this assessment, it was concluded that the Association does not intend to sell the security, or it is not more likely than not that the Association would be required to sell the security prior to recovery of the amortized cost basis. The Association also evaluates whether credit impairment exists by comparing the present value of expected cash flows to the amortized cost basis of the security. Credit impairment, if any, is recorded as an ACL for debt securities. At June 30, 2026 and December 31, 2025, the Association does not consider any unrealized losses to be credit-related and an allowance for credit losses on investments is not necessary.

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 3.12% 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 $1,467 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	$ 489	$ 858	$ 527	$ 912
Other comprehensive income before reclassification	–	–	–	–
Amounts reclassified from AOCI	(39)	(54)	(77)	(108)
Net current period other comprehensive income	(39)	(54)	(77)	(108)
Balance at end of period	$ 450	$ 804	$ 450	$ 804

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	$ 39	$ 54	$ 77	$ 108	Salaries and employee benefits
Net amounts reclassified	$ 39	$ 54	$ 77	$ 108	

(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	$ 1,373	$ –	$ –	$ 1,373
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 7,463	$ 7,463
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	$ 1,270	$ –	$ –	$ 1,270
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 9,721	$ 9,721
Other property owned	$ –	$ –	$ 203	$ 203

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 — Leases

Lessee

The Association leases certain assets, consisting primarily of real estate, transportation and office equipment, under standard industry terms. The contracts are assessed at inception to determine whether a contract is, or contains, a lease.

The components of lease costs were as follows:

	Six Months Ended June 30, 2026	Year Ended December 31, 2025
Operating lease cost	$ 191	$ 384
Variable lease cost (costs excluded from lease payments)	84	165
Sublease income	–	–
Lease costs	$ 275	$ 549

Other information related to leases was as follows:

	Six Months Ended June 30, 2026	Year Ended December 31, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 226	$ 442
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ –	$ 7

Lease term and discount rate for the periods ended were as follows:

	June 30, 2026	December 31, 2025
Weighted average remaining lease term in years:		
Operating leases	9.48	9.98
Weighted average discount rate:		
Operating leases	3.09%	3.09%

Maturities of lease liabilities as of period end were as follows:

	Operating Leases June 30, 2026
2026	$ 225
2027	459
2028	466
2029	476
2030	487
Thereafter	2,624
Total lease payments	4,737
Less: imputed interest	648
Total lease liabilities	$ 4,089

Note 8 — 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.