ArborOne, ACA

SECOND QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026 quarterly report of **ArborOne, 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/ Bryant Sansbury
President and Chief Executive Officer

/s/ Brad J. Fjestad
Chief Financial Officer and Treasurer

/s/ William DuPree Atkinson
Chairman of the Board

August 7, 2026

ArborOne, 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/ Bryant Sansbury
President and Chief Executive Officer

/s/ Brad J. Fjestad
Chief Financial Officer and Treasurer

August 7, 2026

ArborOne, 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 ArborOne, 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 across our region, including cash grains, cotton, forestry, poultry and other non-farm services. Farm size varies and many of the borrowers in the region have diversified farming operations. These factors, along with the numerous opportunities for non-ag income in the area, reduce the level of dependency on any one specific commodity. Approximately 38% of the portfolio has significant non-ag related income to diversify dependence on agriculture, consisting of lifestyle loans and loans to less than full-time farmers with sources of non-agricultural dependent income. Further, approximately 9% of the loan portfolio carries federal guarantees as a risk management tool.

The total loan volume of the Association as of June 30, 2026, was $780,605, an increase of $24,058, or 3%, as compared to $756,547 at December 31, 2025. The growth was driven primarily by new real estate loan originations during the first half of 2026 and utilization of operating lines of credit during the second quarter. The Association remains actively engaged in buying and selling loan participations within the Farm Credit System to help mitigate credit concentration risk while generating interest and fee income. As of June 30, 2026, participations purchased totaled $89,661 and participations sold to other Farm Credit lenders totaled $60,158.

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 $11,261 at June 30, 2026 from $3,043 at December 31, 2025 due to the transfer of several accounts to nonaccrual status during the second quarter. As a percent of total loans, nonaccrual loans were 1.44% and 0.40% 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 $9,245 or 1.18% of total loans compared to $10,120 or 1.34% 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 $3,927, an increase of $974 or 33% as compared to net income of $2,953 for the same period ended in 2025. The key components of this change are outlined below:

- For the three months ended June 30, 2026, net interest income was $5,841, an increase of $287, and the net interest margin was 3.03%, a decrease of 5 basis points as compared to the same period in 2025. Net interest income, which represents the difference between interest income and interest expense, is influenced by factors such as volume, yield on assets, and cost of debt.

- The reversal of provision for credit losses for the three months ended June 30, 2026, was $608, a favorable change of $837 from the provision for credit losses of $229 for the same period in 2025. The change was primarily attributable to the utilization of a qualitative allowance established during the fourth quarter of 2025 in anticipation of credit risks identified through the Association's operating loan renewal process. During the second quarter of 2026 those risks were further evaluated and the qualitative reserve was no longer considered necessary as specific reserves were established for individual accounts with deteriorating credit quality. Provision for (reversal of) credit losses for the three months ending June 30, 2026 and 2025 is shown in the following table.

	For the Three Months Ended June 30,		
	2026	**2025**	**Change**
General Reserves	$ (2,213)	$ (190)	$ (2,023)
Specific Reserves	1,577	164	1,413
Reserve for Unfunded Commitments	28	255	(227)
Total Provisions/(Reversals) for Credit Losses	$ (608)	$ 229	$ (837)

- Noninterest income increased $33 to $1,191 during the three months ended June 30, 2026, compared to the same period in 2025. The most significant factor was a favorable market value adjustment on assets held to fund nonqualified deferred compensation plans.

- For the three months ended June 30, 2026, noninterest expense increased $183 to $3,713 compared to the same period in 2025. This was primarily driven by increased costs for purchased services provided by AgFirst and higher salaries and benefits costs. The increase in salaries and benefits was mainly related to staffing levels and annual salary adjustments for 2026.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $7,152, an increase of $1,960 or 38% as compared to net income of $5,192 for the same period ended in 2025. The key components of this change are outlined below:

- For the six months ended June 30, 2026, net interest income increased by $750 to $11,922, while the net interest margin decreased by 2 basis points to 3.14% as compared to the same period in 2025.

- The provision for credit losses for the six months ended June 30, 2026, was $105, a decrease of $1,249 compared to $1,354 for the same period in the prior year. As discussed above, the decrease in provision expense was primarily attributable to the utilization of the qualitative allowance established during the fourth quarter of 2025 in anticipation of credit risks identified through the Association's operating loan renewal process. During the first half of 2026, those risks were evaluated and specific reserves were established on individual accounts with deteriorating credit quality. Details on the provision for credit losses for the six months ending June 30, 2026 and 2025 are shown in the following table.

	For the Six Months Ended June 30,		
	2026	**2025**	**Change**
General Reserves	$ (1,384)	$ 635	$ (2,019)
Specific Reserves	1,401	379	1,022
Reserve for Unfunded Commitments	88	340	(252)
Total Provisions/(Reversals) for Credit Losses	$ 105	$ 1,354	$ (1,249)

- Noninterest income increased $558 to $2,990 during the six months ended June 30, 2026 compared to the same period in 2025. Contributing factors included additional patronage refunds from other Farm Credit institutions, commissions received for financially related services, and a $306 insurance premium refund received from the Farm Credit System Insurance Corporation (FCSIC) in the first quarter of 2026. A similar refund of $103 was received from FCSIC in the same quarter of the prior year.

- For the six months ended June 30, 2026, noninterest expense increased $597 to $7,058 compared to the same period in 2025. This increase was primarily due to increased costs for purchased services provided by AgFirst, as well as higher salaries and benefits costs, which were previously mentioned above for the three months ended June 30, 2026.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit 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. AgFirst 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 component is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate component is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to AgFirst at June 30, 2026, was $656,226 as compared to $635,892 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at June 30, 2026, was $137,710, an increase of $7,218 from a total of $130,492 at December 31, 2025. This increase is primarily due to current year earnings. Total capital stock and participation certificates were $2,111 on June 30, 2026, compared to $2,079 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%	15.79%	16.11%	16.17%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	15.61%	15.92%	15.97%
Tier 1 Capital Ratio	8.50%	15.61%	15.92%	15.97%
Total Regulatory Capital Ratio	10.50%	16.86%	17.17%	17.23%
Tier 1 Leverage Ratio**	5.00%	15.49%	15.72%	15.99%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	10.70%	10.84%	10.89%

**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 AgFirst Farm Credit Bank. Copies of AgFirst'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 AgFirst Farm Credit Bank can also be obtained at their website, *www.agfirst.com*. Copies of the Association's annual and quarterly reports are also available upon request free of charge by calling 1-800-741-7332, or writing Rebecca Barnett, ArborOne, ACA, P.O. Box 3699, Florence, SC 29502, or accessing the website, *www.arborone.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 institution.

ArborOne, ACA

Consolidated Balance Sheets

(dollars in thousands)	June 30, 2026	December 31, 2025
	(unaudited)	*(audited)*
Assets		
Cash	**$ 6**	$ 2
Investments in debt securities:		
Held to maturity	**4,410**	4,476
Loans	**780,605**	756,547
Allowance for credit losses on loans	**(9,245)**	(10,120)
Net loans	**771,360**	746,427
Accrued interest receivable	**12,016**	14,533
Equity investments in other Farm Credit institutions	**14,400**	13,786
Premises and equipment, net	**3,464**	3,662
Other property owned	**240**	202
Accounts receivable	**2,362**	4,465
Other assets - fair value	**1,059**	892
Other assets	**76**	81
Total assets	**$ 809,393**	$ 788,526
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 656,226**	$ 635,892
Accrued interest payable	**2,402**	2,343
Patronage refunds payable	**79**	7,398
Accounts payable	**308**	592
Advanced conditional payments	**8,622**	6,414
Other liabilities	**4,046**	5,395
Total liabilities	**671,683**	658,034
Commitments and contingencies (Note 6)		
Members' Equity		
Capital stock and participation certificates	**2,111**	2,079
Retained earnings		
Allocated	**76,016**	76,016
Unallocated	**59,681**	52,496
Accumulated other comprehensive income (loss)	**(98)**	(99)
Total members' equity	**137,710**	130,492
Total liabilities and members' equity	**$ 809,393**	$ 788,526

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

ArborOne, 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	**$ 13,052**	$ 12,148	**$ 25,959**	$ 23,879
Investments	**57**	60	**113**	118
Total interest income	**13,109**	12,208	**26,072**	23,997
Interest Expense	**7,268**	6,654	**14,150**	12,825
Net interest income	**5,841**	5,554	**11,922**	11,172
Provision for (reversal of) allowance for credit losses	**(608)**	229	**105**	1,354
Net interest income after provision for (reversal of) allowance for credit losses	**6,449**	5,325	**11,817**	9,818
Noninterest Income				
Loan fees	**70**	77	**151**	150
Fees for financially related services	**18**	15	**148**	24
Patronage refunds from other Farm Credit institutions	**1,046**	1,067	**2,297**	2,148
Gains (losses) on sales of rural home loans, net	**4**	—	**5**	—
Gains (losses) on sales of premises and equipment, net	**—**	(8)	**—**	(8)
Gains (losses) on other transactions	**47**	7	**77**	15
Insurance Fund refunds	**—**	—	**306**	103
Other noninterest income	**6**	—	**6**	—
Total noninterest income	**1,191**	1,158	**2,990**	2,432
Noninterest Expense				
Salaries and employee benefits	**1,987**	1,843	**3,959**	3,673
Occupancy and equipment	**87**	96	**183**	190
Insurance Fund premiums	**147**	135	**289**	265
Purchased services	**1,067**	910	**2,127**	1,738
Data processing	**24**	17	**60**	50
Other operating expenses	**417**	529	**1,093**	1,142
(Gains) losses on other property owned, net	**(16)**	—	**(56)**	—
Total noninterest expense	**3,713**	3,530	**7,655**	7,058
Net income	**$ 3,927**	$ 2,953	**$ 7,152**	$ 5,192
Other comprehensive income net of tax				
Unrealized gains (losses) on investments	**(2)**	(2)	**(4)**	(4)
Employee benefit plans adjustments	**2**	2	**5**	4
Other comprehensive income (loss) (Note 4)	**—**	—	**1**	—
Comprehensive income	**$ 3,927**	$ 2,953	**$ 7,153**	$ 5,192

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

ArborOne, 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 (Loss)	Total Members' Equity
Balance at December 31, 2024	$ 1,967	$ 76,016	$ 46,430	$ (86)	$ 124,327
Comprehensive income			5,192		5,192
Capital stock/participation certificates issued/(retired), net	53				53
Patronage distribution adjustment			298		298
Balance at June 30, 2025	$ 2,020	$ 76,016	$ 51,920	$ (86)	$ 129,870
Balance at December 31, 2025	**$ 2,079**	**$ 76,016**	**$ 52,496**	**$ (99)**	**$ 130,492**
Comprehensive income			**7,152**	**1**	**7,153**
Capital stock/participation certificates issued/(retired), net	**32**				**32**
Patronage distribution adjustment			**33**		**33**
Balance at June 30, 2026	**$ 2,111**	**$ 76,016**	**$ 59,681**	**$ (98)**	**$ 137,710**

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

ArborOne, 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 ArborOne, 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	$ 475,378	$ 446,858
Production and intermediate-term	208,328	213,598
Agribusiness:		
Loans to cooperatives	4,234	4,690
Processing and marketing	37,214	38,155
Farm-related business	19,997	18,099
Rural infrastructure:		
Communication	2,398	2,473
Power and water/waste disposal	6,660	6,658
Rural residential real estate	20,951	20,436
Other:		
International	944	944
Other (including mission related)	4,501	4,636
Total loans	$ 780,605	$ 756,547

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	92.52%	93.08%
OAEM	4.09	4.10
Substandard/doubtful/loss	3.39	2.82
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	91.99%	92.54%
OAEM	5.22	4.95
Substandard/doubtful/loss	2.79	2.51
	100.00%	100.00%
Agribusiness:		
Acceptable	83.95%	81.74%
OAEM	6.17	10.55
Substandard/doubtful/loss	9.88	7.71
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	96.72%	97.70%
OAEM	0.63	0.68
Substandard/doubtful/loss	2.65	1.62
	100.00%	100.00%
Other:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total loans:		
Acceptable	91.96%	92.27%
OAEM	4.39	4.69
Substandard/doubtful/loss	3.65	3.04
	100.00%	100.00%

Accrued interest receivable on loans of $11,976 and $14,493 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	$ 2,553	$ 628	$ 3,181	$ 472,197	$ 475,378
Production and intermediate-term	1,869	601	2,470	205,858	208,328
Agribusiness	543	286	829	60,616	61,445
Rural infrastructure	–	–	–	9,058	9,058
Rural residential real estate	572	–	572	20,379	20,951
Other	–	–	–	5,445	5,445
Total	$ 5,537	$ 1,515	$ 7,052	$ 773,553	$ 780,605

	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	$ 2,568	$ 1,029	$ 3,597	$ 443,261	$ 446,858
Production and intermediate-term	126	589	715	212,883	213,598
Agribusiness	376	86	462	60,482	60,944
Rural infrastructure	–	–	–	9,131	9,131
Rural residential real estate	203	308	511	19,925	20,436
Other	–	–	–	5,580	5,580
Total	$ 3,273	$ 2,012	$ 5,285	$ 751,262	$ 756,547

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	$ 3,257	$ 1,628	$ 4,885
Production and intermediate-term	2,483	2,137	4,620
Agribusiness	567	898	1,465
Rural residential real estate	–	291	291
Total	$ 6,307	$ 4,954	$ 11,261

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ –	$ 1,633	$ 1,633
Production and intermediate-term	–	938	938
Agribusiness	–	154	154
Rural residential real estate	–	318	318
Total	$ –	$ 3,043	$ 3,043

The Association recognized $213 and $379 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $7 and $142 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 $267 and $270 for the three and six months ended June 30, 2026 but not material for the same periods in 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 March 31	$ 11,009	$ 10,665
Charge-offs	(1,316)	(30)
Recoveries	188	102
Provision for credit losses on loans	(636)	(26)
Balance at June 30	$ 9,245	$ 10,711
Allowance for Credit Losses on Unfunded Commitments:		
Balance at March 31	$ 497	$ 417
Provision for unfunded commitments	28	255
Balance at June 30	$ 525	$ 672
Total allowance for credit losses	$ 9,770	$ 11,383

	Six Months Ended June 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at December 31	$ 10,120	$ 10,001
Charge-offs	(1,552)	(550)
Recoveries	660	246
Provision for credit losses on loans	17	1,014
Balance at June 30	$ 9,245	$ 10,711
Allowance for Credit Losses on Unfunded Commitments:		
Balance at December 31	$ 437	$ 332
Provision for unfunded commitments	88	340
Balance at June 30	$ 525	$ 672
Total allowance for credit losses	$ 9,770	$ 11,383

The allowance for credit losses decreased during the three and six month periods ended June 30, 2026, primarily due to the utilization of previously established qualitative reserves, as discussed above in the *Results of Operations*. While specific reserves were established for certain accounts with deteriorating credit quality, the reduction in qualitative reserves contributed to an overall decline in the allowance balance. Charge-offs recognized during the first six months of 2026 resulted from credit deterioration and insufficient collateral on certain loans, while recoveries were generated through liquidations and paydowns on several nonaccrual loans during the first half of 2026.

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	$ 1,187	0.57%
Total	$ 1,187	0.15%

	For the Six Months Ended June 30, 2026	
	Maturity Extension	Percentage of Total by Loan Type
Production and intermediate-term	$ 1,263	0.61%
Total	$ 1,263	0.16%

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 9.0 months 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 9.2 months 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.

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
Production and intermediate-term	$ 1,263	$ –	$ –	$ 1,263
Total	$ 1,263	$ –	$ –	$ 1,263

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the six months ended June 30, 2026 was $3. There were no material commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at June 30, 2026 and December 31, 2025.

Modified loans to borrowers experiencing financial difficulty and activity on these loans were not material during the three and six months ended June 30, 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 as of June 30, 2025.

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 primarily of Rural America Bonds (RABs), which are private placement securities purchased under the Mission Related Investment (MRI) program approved by the FCA. In its Conditions of Approval for the program, the FCA generally considers a RAB ineligible if its investment rating, based on the internal 14-point risk rating scale used to also grade loans, falls below 9 and requires System institutions to provide notification to FCA when a security becomes ineligible. Any other bonds purchased under the MRI program, approved on a case-by-case basis by FCA, may have different eligibility requirements. At June 30, 2026, the Association held no RABs whose credit quality had deteriorated beyond the program limits.

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

	Amortized Cost	
	June 30, 2026	December 31, 2025
RABs	$ 4,410	$ 4,476

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	–
After five years through ten years	–
After ten years	4,410
Total	$ 4,410

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 allowance for credit losses 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 1.95% 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 $431 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
Unrealized Gains (Losses) on Investments:				
Balance at beginning of period	$ 88	$ 96	$ 90	$ 98
Other comprehensive income before reclassifications	–	–	–	–
Amounts reclassified from AOCI	(2)	(2)	(4)	(4)
Net current period other comprehensive income	(2)	(2)	(4)	(4)
Balance at end of period	$ 86	$ 94	$ 86	$ 94
Employee Benefit Plans:				
Balance at beginning of period	$ (186)	$ (182)	$ (189)	$ (184)
Other comprehensive income before reclassifications	–	–	–	–
Amounts reclassified from AOCI	2	2	5	4
Net current period other comprehensive income	2	2	5	4
Balance at end of period	$ (184)	$ (180)	$ (184)	$ (180)
Accumulated Other Comprehensive Income:				
Balance at beginning of period	$ (98)	$ (86)	$ (99)	$ (86)
Other comprehensive income before reclassifications	–	–	–	–
Amounts reclassified from AOCI	–	–	1	–
Net current period other comprehensive income	–	–	1	–
Balance at end of period	$ (98)	$ (86)	$ (98)	$ (86)

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
Investment Securities:					
Amortization	$ 2	$ 2	$ 4	$ 4	Interest income on investments
Net amounts reclassified	2	2	4	4	
Defined Benefit Pension Plans:					
Periodic pension costs	(2)	(2)	(5)	(4)	Salaries and employee benefits
Net amounts reclassified	(2)	(2)	(5)	(4)	
Total reclassifications for period	$ –	$ –	$ (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 Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ 1,059	$ –	$ –	$ 1,059
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 5,798	$ 5,798
Other property owned	$ –	$ –	$ 252	$ 252

December 31, 2025				
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ 892	$ –	$ –	$ 892
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ –	$ –
Other property owned	$ –	$ –	$ 245	$ 245

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.