First South Farm Credit, ACA

THIRD QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the September 30, 2026 quarterly report of First South 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/ Robert Dale Thibodeaux
Chairman of the Board

/s/ Gines Pérez, III
Chief Executive Officer

/s/ Sarah F. Lutz
Chief Financial Officer

November 6, 2026

First South 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 September 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 September 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 September 30, 2026.

/s/ Gines Pérez, III
Chief Executive Officer

/s/ Sarah F. Lutz
Chief Financial Officer

November 6, 2026

First South Farm Credit, ACA

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

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of First South Farm Credit, ACA (Association) for the period ended September 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. Concentrations within the portfolio include real estate, poultry, livestock, forestry, and various row crops. Farm size varies and many of the borrowers in the region have diversified farming operations. The variety of commodities, along with the increase in non-farm income borrowers in the area, reduces the level of dependency on any single commodity.

The total loan volume of the Association as of September 30, 2026, was $3,663,973, an increase of $263,210 as compared to $3,400,763 at December 31, 2025. The growth for the nine month period is spread across several concentrations, with largest increases seen in poultry, timber, real estate, cattle and various row crops.

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 $33,790 at September 30, 2026 from $11,961 at December 31, 2025. As a percentage of total loans, nonaccrual loans were .92% and .35% at September 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 September 30, 2026, was $16,361 or .45% of total loans compared to $16,950 or .50% 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 losses within the *Results of Operations* below.

RESULTS OF OPERATIONS

For the three months ended September 30, 2026

Net income for the three months ended September 30, 2026, was $14,865, an increase of $512 as compared to net income of $14,353 for the same period ended in 2025. Major changes in the components of net income are as follows:

For the three months ended September 30, 2026, net interest income was $57,452, an increase of $5,026, and the net interest margin was 2.65%, a decrease of 14 basis points as compared to the same period ended in 2025.

The reversal of credit losses for the three months ended September 30, 2026, totaled $326, a decrease of $614 from the provision for credit losses of $288 for the same period ended during the prior year.

Noninterest income increased $1,199 to $7,558 during the three months ended September 30, 2026, compared to the same period ended during the prior year. The increase is due to an increase in gains on sales of premises and equipment of $471, an increase in patronage related income of $342, an increase in loan fees of $295, an increase in fees for financially related services of $65, and an increase in other income of $26.

For the three months ended September 30, 2026, noninterest expense increased $1,872 to $17,349 compared to the same period ended in 2025. The increase is due to an increase in purchased services of $1,054, an increase in salaries and employee benefits of $847, an increase in insurance fund premiums of $82, and an increase in occupancy and equipment of $41. The increases were offset by additional gains on other property owned of $46, decreases in data processing expenses of $36, and a decrease in other operating expenses of $70.

For the nine months ended September 30, 2026

Net income for the nine months ended September 30, 2026, was $42,007, an increase of $1,311 as compared to net income of $40,696 for the same period ended in 2025. Major changes in the components of net income are as follows:

For the nine months ended September 30, 2026, net interest income was $71,449, an increase of $2,103, and the net interest margin was 2.73%, a decrease of 11 basis points as compared to the same period ended in 2025.

The reversal of credit losses for the nine months ended September 30, 2026, was $133, a decrease of $1,571 from the provision for credit losses of $1,438 for the same period ended during the prior year. The reversal reflects the modeled portfolio-wide estimate for credit losses, and not simply the change in past dues or nonaccrual balances.

Noninterest income increased $2,446 to $21,948 during the nine months ended September 30, 2026 compared to the same period ended during the prior year. The increase is related to an increase in loan fees of $997, an increase in gains on sales of premises and equipment of $979, an increase in refunds received from the Farm Credit System Insurance Corporation (FCSIC) of $973, and an increase in fees for financially related services of $937. The increases were offset by a decrease in patronage related income of $1,418 and a decrease in other noninterest income of $22.

For the nine months ended September 30, 2026, noninterest expense increased $4,805 to $51,521 compared to the same period ended in 2025. The increase is related to increases in purchased services of $3,273, an increase in salaries and employee benefits of $1,607, an increase in insurance fund premiums of $201, and an increase in occupancy and equipment expenses of $114. The increases were offset by a decrease of $231 in other operating expenses, a decrease in additional gains on other property owned of $136, and a decrease in data processing costs of $23.

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 September 30, 2026, was $3,104,139 as compared to $2,833,736 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at September 30, 2026, was $727,304, an increase of $36,755 from a total of $690,549 at December 31, 2025. Total capital stock and participation certificates were $35,180 on September 30, 2026, compared to $40,486 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*	September 30, 2026	December 31, 2025	September 30, 2025
Permanent Capital Ratio	7.00 %	15.74 %	16.64 %	16.90 %
Common Equity Tier 1 (CET1) Capital Ratio	7.00 %	15.64 %	16.52 %	16.78 %
Tier 1 Capital Ratio	8.50 %	15.64 %	16.52 %	16.78 %
Total Regulatory Capital Ratio	10.50 %	16.09 %	17.00 %	17.26 %
Tier 1 Leverage Ratio**	5.00 %	16.42 %	17.25 %	17.41 %
Unallocated Retained Earnings (URE) and URE Equivalents	1.50 %	12.03 %	12.43 %	12.25 %

**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 became effective on August 24, 2026.

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 could be materially affected by the financial condition and results of operations of the Bank. Copies of the Bank’s Quarterly and Annual Reports are on the Bank’s website, *www.agfirst.com*, or may be obtained at no charge by calling 1-800-845-1745, extension 2764, or writing Matthew Miller, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Copies of the Association’s Annual and Quarterly reports are also on the Association’s website, *www.firstsouthfarmcredit.com*, or may be obtained upon request free of charge by calling 1-800-955-1722 or writing Sarah Lutz, First South Farm Credit, ACA, 618 Crescent Blvd., Ridgeland, MS 39157. 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.

First South Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)	September 30, 2026	December 31, 2025
	(unaudited)	*(audited)*
Assets		
Cash	**$ 261**	$ 235
Loans	**3,663,973**	3,400,763
Allowance for credit losses on loans	**(16,361)**	(16,950)
Net loans	**3,647,612**	3,383,813
Accrued interest receivable	**47,560**	38,260
Equity investments in other Farm Credit institutions	**90,237**	90,038
Premises and equipment, net	**39,375**	35,632
Other property owned	**464**	250
Accounts receivable	**14,567**	27,000
Other assets - fair value	**42**	20
Other assets	**964**	1,047
Total assets	**$ 3,841,082**	$ 3,576,295
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 3,104,139**	$ 2,833,736
Accrued interest payable	**10,943**	9,760
Patronage refunds payable	**594**	32,861
Accounts payable	**2,452**	3,972
Other liabilities	**(4,350)**	5,417
Total liabilities	**3,113,778**	2,885,746
Commitments and contingencies (Note 6)		
Members' Equity		
Capital stock and participation certificates	**35,180**	40,486
Retained earnings		
Allocated	**256,357**	256,357
Unallocated	**423,980**	381,931
Accumulated other comprehensive income	**11,787**	11,775
Total members' equity	**727,304**	690,549
Total liabilities and members' equity	**$ 3,841,082**	$ 3,576,295

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

First South Farm Credit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended September 30, 2026	2025	For the Nine Months Ended September 30, 2026	2025
Interest Income				
Loans	**$ 57,452**	$ 52,426	**$ 163,560**	$ 149,924
Interest Expense	**33,122**	28,671	**92,111**	80,578
Net interest income	**24,330**	23,755	**71,449**	69,346
Provision for (reversal of) allowance for credit losses	**(326)**	288	**(133)**	1,438
Net interest income after provision for (reversal of) allowance credit losses	**24,656**	23,467	**71,582**	67,908
Noninterest Income				
Loan fees	**990**	695	**3,510**	2,513
Fees for financially related services	**1,110**	1,045	**1,604**	667
Patronage refunds from other Farm Credit institutions	**4,923**	4,581	**14,273**	15,691
Gains (losses) on sales of premises and equipment, net	**495**	24	**1,016**	37
Insurance Fund refunds	**—**	—	**1,480**	507
Other noninterest income	**40**	14	**65**	87
Total noninterest income	**7,558**	6,359	**21,948**	19,502
Noninterest Expense				
Salaries and employee benefits	**9,077**	8,230	**27,221**	25,614
Occupancy and equipment	**615**	574	**1,765**	1,651
Insurance Fund premiums	**760**	678	**2,177**	1,976
Purchased services	**4,572**	3,518	**13,703**	10,430
Data processing	**96**	132	**341**	364
Other operating expenses	**2,270**	2,340	**6,444**	6,675
(Gains) losses on other property owned, net	**(41)**	5	**(130)**	6
Total noninterest expense	**17,349**	15,477	**51,521**	46,716
Income before income taxes	**14,865**	14,349	**42,009**	40,694
Provision for income taxes	**—**	(4)	**2**	(2)
Net income	**$ 14,865**	$ 14,353	**$ 42,007**	$ 40,696
Other comprehensive income net of tax				
Employee benefit plans adjustments	**4**	—	**12**	—
Comprehensive income	**$ 14,869**	$ 14,353	**$ 42,019**	$ 40,696

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

First South Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Retained Earnings		Accumulated Other Comprehensive Income	Total Members' Equity
		Allocated	Unallocated		
Balance at December 31, 2024	$ 50,452	$ 256,357	$ 354,559	$ 4,915	$ 666,283
Comprehensive income			40,696		40,696
Capital stock/participation certificates issued/(retired), net	(10,047)				(10,047)
Balance at September 30, 2025	$ 40,405	$ 256,357	$ 395,255	$ 4,915	$ 696,932
Balance at December 31, 2025	**$ 40,486**	**$ 256,357**	**$ 381,931**	**$ 11,775**	**$ 690,549**
Comprehensive income			**42,007**	**12**	**42,019**
Capital stock/participation certificates issued/(retired), net	**(5,306)**				**(5,306)**
Patronage distribution adjustment			**42**		**42**
Balance at September 30, 2026	**$ 35,180**	**$ 256,357**	**$ 423,980**	**$ 11,787**	**$ 727,304**

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

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 First South 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 nine months ended September 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:

	September 30, 2026	December 31, 2025
Real estate mortgage	$ 2,681,259	$ 2,589,632
Production and intermediate-term	725,968	571,885
Agribusiness:		
Loans to cooperatives	19,519	21,245
Processing and marketing	135,533	141,627
Farm-related business	44,856	29,796
Rural infrastructure:		
Communication	7,947	7,202
Power and water/waste disposal	24,967	16,077
Rural residential real estate	23,868	23,299
Other:		
Other (including Mission Related)	56	—
Total loans	$ 3,663,973	$ 3,400,763

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:

	September 30, 2026	December 31, 2025
Real estate mortgage:		
Acceptable	96.22%	96.19%
OAEM	2.93	2.92
Substandard/doubtful/loss	0.85	0.89
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	80.99%	76.34%
OAEM	12.63	18.52
Substandard/doubtful/loss	6.38	5.14
	100.00%	100.00%
Agribusiness:		
Acceptable	92.22%	95.25%
OAEM	3.39	0.34
Substandard/doubtful/loss	4.39	4.41
	100.00%	100.00%
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	—	—
Substandard/doubtful/loss	—	—
	100.00%	100.00%
Rural residential real estate:		
Acceptable	99.24%	97.91%
OAEM	0.47	0.75
Substandard/doubtful/loss	0.29	1.34
	100.00%	100.00%
Other:		
Acceptable	100.00%	—%
OAEM	—	—
Substandard/doubtful/loss	—	—
	100.00%	—%
Total loans:		
Acceptable	93.04%	92.84%
OAEM	4.84	5.36
Substandard/doubtful/loss	2.12	1.80
	100.00%	100.00%

Accrued interest receivable on loans of $47,560 and $38,260 at September 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:

	September 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	$ 20,025	$ 3,603	$ 23,628	$ 2,657,631	$ 2,681,259
Production and intermediate-term	21,597	21,683	43,280	682,688	725,968
Agribusiness	39	1,024	1,063	198,845	199,908
Rural infrastructure	—	—	—	32,914	32,914
Rural residential real estate	324	—	324	23,544	23,868
Other	—	—	—	56	56
Total	$ 41,985	$ 26,310	$ 68,295	$ 3,595,678	$ 3,663,973

	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	$ 16,046	$ 1,709	$ 17,755	$ 2,571,877	$ 2,589,632
Production and intermediate-term	8,160	1,916	10,076	561,809	571,885
Agribusiness	—	648	648	192,020	192,668
Rural infrastructure	—	—	—	23,279	23,279
Rural residential real estate	222	215	437	22,862	23,299
Total	$ 24,428	$ 4,488	$ 28,916	$ 3,371,847	$ 3,400,763

There were no accruing loans greater than 90 days past due as of September 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:

	September 30, 2026		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ —	$ 8,805	$ 8,805
Production and intermediate-term	6,051	17,910	23,961
Agribusiness	—	1,024	1,024
Total	$ 6,051	$ 27,739	$ 33,790

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ —	$ 6,547	$ 6,547
Production and intermediate-term	1,589	2,940	4,529
Agribusiness	—	648	648
Rural residential real estate	—	237	237
Total	$ 1,589	$ 10,372	$ 11,961

The Association recognized $265 and $776 of interest income on nonaccrual loans during the three and nine months ended September 30, 2026, respectively. The Association recognized $92 and $323 of interest income on nonaccrual loans during the three and nine months ended September 30, 2025, respectively.

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

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

	Three Months Ended September 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 16,879	$ 16,456
Charge-offs	(263)	(3)
Recoveries	55	60
Provision for (reversal of) credit losses on loans	(310)	384
Balance at end of period	$ 16,361	$ 16,897
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 567	$ 514
Provision for (reversal of) unfunded commitments	(16)	(96)
Balance at end of period	$ 551	$ 418
Total allowance for credit losses	$ 16,912	$ 17,315

	Nine Months Ended September 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 16,950	$ 15,482
Charge-offs	(374)	(15)
Recoveries	105	38
Provision for (reversal of) credit losses on loans	(320)	1,392
Balance at end of period	$ 16,361	$ 16,897
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 364	$ 372
Provision for (reversal of) unfunded commitments	187	46
Balance at end of period	$ 551	$ 418
Total allowance for credit losses	$ 16,912	$ 17,315

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 nine months ended September 30, 2026, disaggregated by loan type and type of modification granted:

	For the Three Months Ended September 30, 2026	
	Maturity Extension	Percentage of Total by Loan Type
Real estate mortgage	$ 161	0.01 %
Production and intermediate-term	8,719	1.20 %
Total	$ 8,880	0.24 %

	For the Nine Months Ended September 30, 2026	
	Maturity Extension	Percentage of Total by Loan Type
Real estate mortgage	$ 1,275	0.05 %
Production and intermediate-term	13,113	1.81 %
Total	$ 14,388	0.39 %

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 nine months ended September 30, 2025, disaggregated by loan type and type of modification granted:

	For the Three Months Ended September 30, 2025	
	Maturity Extension	Percentage of Total by Loan Type
Real estate mortgage	$ 36	0.01 %
Production and intermediate-term	1,243	0.21 %
Total	$ 1,279	0.04 %

	For the Nine Months Ended September 30, 2025	
	Maturity Extension	Percentage of Total by Loan Type
Real estate mortgage	$ 155	0.01 %
Production and intermediate-term	3,061	0.52 %
Total	$ 3,216	0.10 %

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 5.0 years to the life of loans
Production and intermediate-term	Added a weighted average 2.8 months to the life of loans

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 14.2 years to the life of loans
Production and intermediate-term	Added a weighted average 7.0 months to the life of loans

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 5.0 years to the life of loans
Production and intermediate-term	Added a weighted average 8.5 months to the life of loans

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 7.1 years to the life of loans
Production and intermediate-term	Added a weighted average 8.0 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 nine months ended September 30, 2026 and 2025.

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

	September 30, 2026			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 1,275	$ —	$ —	$ 1,275
Production and intermediate-term	4,401	9,550	—	13,951
Total	$ 5,676	$ 9,550	$ —	$ 15,226

	September 30, 2025			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 53	$ 102	$ —	$ 155
Production and intermediate-term	3,061	—	—	3,061
Total	$ 3,114	$ 102	$ —	$ 3,216

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2026 were $361 and $584, respectively. Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2025 were $58 and $116, respectively. There were no additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at September 30, 2026 and December 31, 2025.

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

Note 3 — Investments

Equity Investments in Other Farm Credit 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 8.81% of the issued stock and allocated retained earnings of the Bank as of September 30, 2026, net of any reciprocal investment. As of that date, the Bank's assets totaled $52.0 billion and shareholders' equity totaled $2.3 billion. The Bank's earnings were $328 million for the nine months ended September 30, 2026. In addition, the Association held investments of $1,729 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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Employee Benefit Plans:				
Balance at beginning of period	$ 11,783	$ 4,915	$ 11,775	$ 4,915
Other comprehensive income before reclassification	—	—	—	—
Amounts reclassified from AOCI	4	—	12	—
Net current period other comprehensive income	4	—	12	—
Balance at end of period	$ 11,787	$ 4,915	$ 11,787	$ 4,915

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

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2026	2025	2026	2025	Income Statement Line Item
Defined Benefit Pension Plans:					
Periodic pension costs	$ (4)	$ —	$ (12)	$ —	Salaries and employee benefits
Net amounts reclassified	$ (4)	$ —	$ (12)	$ —	

(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.

	September 30, 2026			
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ 42	$ —	$ —	$ 42
Nonrecurring assets				
Nonaccrual loans	$ —	$ —	$ 3,468	$ 3,468
Other property owned	$ —	$ —	$ 507	$ 507

	December 31, 2025			
	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Recurring assets				
Assets held in trust funds	$ 20	$ —	$ —	$ 20
Nonrecurring assets				
Nonaccrual loans	$ —	$ —	$ 204	$ 204
Other property owned	$ —	$ —	$ 276	$ 276

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 November 6, 2026, which was the date the financial statements were issued.