Horizon Farm Credit, ACA

SECOND QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2026, quarterly report of Horizon 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 and regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ Thomas H. Truitt, Jr.
Chief Executive Officer

/s/ Brian E. Rosati
Chief Financial Officer

/s/ Michael S. Nelson
Chair of the Board

August 7, 2026

Horizon Farm Credit, ACA

Report on Internal Control Over Financial Reporting

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

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

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

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

/s/ Thomas H. Truitt, Jr.
Chief Executive Officer

/s/ Brian E. Rosati
Chief Financial Officer

August 7, 2026

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

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners, and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio encompasses a well-diversified range of agricultural commodities, including cash grains, dairy, livestock, poultry, forest products, various crops, as well as part-time farmers and rural home loans. In addition, the Association provides loans to lessors of agricultural real estate. Farm size varies and many of the borrowers in the region have diversified farming operations. This factor, along with the opportunities for non-farm income, impacts the level of dependency on any particular commodity.

The total loan volume of the Association as of June 30, 2026, was $8,193,483 an increase of $389,175 as compared to $7,804,308 at December 31, 2025 driven by growth in the Local Service Area (LSA) and Capital Markets loan portfolios.

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 $56,672 at June 30, 2026 from $60,541 at December 31, 2025. As a percent of total loans, nonaccrual loans were 0.69% and 0.78% at June 30, 2026 and December 31, 2025, respectively. Other property owned decreased to $237 at June 30, 2026 (two properties) from $647 at December 31, 2025 (five properties).

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 $35,702 or 0.44% of total loans compared to $32,341 or 0.41% of total loans at December 31, 2025. 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 $33,949, an increase of $6,298 as compared to net income of $27,651 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the three months ended June 30, 2026, net interest income was $54,526 , an increase of $3,768 as compared to the same period ended in 2025. The net interest margin was 2.72%, a decrease of 2 basis points as compared to the same period ended in 2025. The change in net interest income is attributable to (a) a $1,543 increase resulting from changes in volume and interest rate due to a $681 million increase in the average daily balance of accruing portfolio volume, (b) a $1,234 increase in net interest income recognized on nonaccruing loans, (c) a favorable variance of $590 due to increased earnings on free cash held at the Bank, and (d) a $401 increase in net interest income from the amortization of GAAP fair market value adjustments booked in accordance with ASC 805.

The provision for credit losses for the three months ended June 30, 2026, was $1,482, a decrease of $3,422 from the provision for credit losses of $4,904 for the same period ended during the prior year. The change is due to favorable macroeconomic forecasts within the model, partially offset by higher specific reserves as compared to the prior year.

Noninterest income increased $1,266 to $14,625 during the three months ended June 30, 2026 compared to the same period ended during the prior year primarily due to (a) a $943 increase in patronage refunds from other Farm Credit institutions and (b) a $579 increase in financially related services fees and other noninterest income, partially offset by (c) a $256 decrease from loan fees and less gains on sale of premises, equipment, and other transactions.

For the three months ended June 30, 2026, noninterest expense increased $2,153 to $33,471 compared to the same period ended in 2025 primarily due to (a) a $2,517 increase in purchased services primarily related to the cost of services provided by the Bank, (b) a $505 increase in salaries and employee benefits, and (c) a $228 increase in occupancy and equipment, and insurance fund premiums, partially offset by (d) a $1,097 decrease in other operating expenses.

For the six months ended June 30, 2026

Net income for the six months ended June 30, 2026, was $69,469, an increase of $11,602 as compared to net income of $57,867 for the same period ended in 2025. Major changes in the components of net income are identified as follows:

For the six months ended June 30, 2026, net interest income was $108,839, an increase of $7,495 for the same period ended in 2025. The net interest margin was 2.77%, a decrease of 1 basis point as compared to the same period ended in 2025. The change in net interest income is attributable to (a) a $3,988 increase resulting from changes in volume and interest rate due to a $558 million increase in the average daily balance of accruing portfolio volume, (b) a favorable variance of $1,557 due to increased earnings on free cash held at the Bank , (c) a $1,402 increase in net interest income recognized on nonaccruing loans, and (d) a $548 increase in net interest income from the amortization of GAAP fair market value adjustments booked in accordance with ASC 805.

The provision for credit losses for the six months ended June 30, 2026, was $5,110, a decrease of $3,117 from the provision for credit losses of $8,227 for the same period ended during the prior year. The change is due to favorable macroeconomic forecasts within the model, partially offset by higher specific reserves as compared to the prior year.

Noninterest income increased $5,524 to $33,643 during the six months ended June 30, 2026 compared to the same period ended during the prior year primarily due to (a) an increase of $2,337 in an insurance fund premium refund, (b) a $1,413 increase in patronage refunds from other Farm Credit institutions, (c) a $790 increase in recognized gains largely attributable to the sale of a branch location, and (d) a $984 increase in fee-related and other noninterest income.

For the six months ended June 30, 2026, noninterest expense increased $4,517 to $67,404 compared to the same period ended in 2025 primarily due to (a) a $4,933 increase in purchased services primarily related to the cost of services provided by the Bank, (b) a $933 increase in salaries and employee benefits, and (c) a $381 increase in occupancy and equipment, and insurance fund premiums, partially offset by (d) a $1,730 decrease in other operating expenses.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at June 30, 2026, was $6,973,591 as compared to $6,596,628 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at June 30, 2026, was $1,388,016, an increase of $66,640 from a total of $1,321,376 at December 31, 2025. The increase in members' equity was primarily due to current year's net income, as well as a $2,117 adjustment to the 2025 patronage distribution accrual. Total capital stock and participation certificates were $22,239 on June 30, 2026, compared to $23,315 on December 31, 2025. The $1,076 decrease was mainly a result of a large, aged stock retirement which aligns with the Association's updated stock retirement policy.

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%	13.79%	14.41%	14.82%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	13.73%	14.36%	14.78%
Tier 1 Capital Ratio	8.50%	13.73%	14.36%	14.78%
Total Regulatory Capital Ratio	10.50%	14.16%	14.76%	15.11%
Tier 1 Leverage Ratio**	5.00%	14.98%	15.53%	15.85%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	14.70%	15.23%	15.55%

**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 AgFirst Farm Credit Bank can also be obtained by going to AgFirst's web site at ***www.agfirst.com***. The Bank prepares an electronic version of the Annual Report, which is available on the website, within 75 days after the end of the fiscal year. The Bank prepares an electronic version of the 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 Bank.

WHISTLEBLOWER

Reports of suspected or actual wrongdoing involving the Association, its employees and/or Directors, can be made anonymously and confidentially through the Association's Whistleblower Hotline at 1-833-220-9773 or a link to the website is available at ***http://horizonfarmcredit.ethicspoint.com***.

Horizon Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)	June 30, 2026	December 31, 2025
	(unaudited)	*(audited)*
Assets		
Cash	**$ 149**	$ 14
Loans	**8,193,483**	7,804,308
Allowance for credit losses on loans	**(35,702)**	(32,341)
Net loans	**8,157,781**	7,771,967
Other equity investments	**5,525**	4,244
Accrued interest receivable	**51,336**	45,586
Equity investments in other Farm Credit institutions	**148,695**	142,634
Premises and equipment, net	**28,208**	27,510
Other property owned	**237**	647
Accounts receivable	**23,888**	46,942
Other assets - fair value	**4,070**	3,856
Other assets	**4,621**	3,463
Total assets	**$ 8,424,510**	$ 8,046,863
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 6,973,591**	$ 6,596,628
Accrued interest payable	**24,986**	24,233
Patronage refunds payable	**35**	62,138
Accounts payable	**5,227**	6,926
Advanced conditional payments	**204**	7
Other liabilities	**32,451**	35,555
Total liabilities	**7,036,494**	6,725,487
Commitments and contingencies (Note 6)		
Members' Equity		
Capital stock and participation certificates	**22,239**	23,315
Additional paid-in-capital	**267,216**	267,216
Retained earnings		
Allocated	**689,296**	688,833
Unallocated	**411,226**	344,337
Accumulated other comprehensive income (loss)	**(1,961)**	(2,325)
Total members' equity	**1,388,016**	1,321,376
Total liabilities and members' equity	**$ 8,424,510**	$ 8,046,863

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

Horizon Farm Credit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest Income				
Loans	**$ 130,055**	$ 120,342	**$ 255,763**	$ 236,862
Interest Expense	**75,529**	69,584	**146,924**	135,518
Net interest income	**54,526**	50,758	**108,839**	101,344
Provision for credit losses	**1,482**	4,904	**5,110**	8,227
Net interest income after provision for credit losses	**53,044**	45,854	**103,729**	93,117
Noninterest Income				
Loan fees	**900**	947	**1,787**	1,598
Fees for financially related services	**2,808**	2,238	**4,790**	3,998
Patronage refunds from other Farm Credit institutions	**10,722**	9,779	**22,234**	20,821
Gains (losses) on sales of premises and equipment, net	**84**	188	**936**	270
Gains (losses) on other transactions	**79**	184	**304**	180
Insurance Fund refunds	**—**	—	**3,502**	1,165
Other noninterest income	**32**	23	**90**	87
Total noninterest income	**14,625**	13,359	**33,643**	28,119
Noninterest Expense				
Salaries and employee benefits	**16,042**	15,537	**32,824**	31,891
Occupancy and equipment	**844**	776	**1,748**	1,669
Insurance Fund premiums	**1,722**	1,562	**3,379**	3,077
Purchased services	**10,390**	7,873	**20,659**	15,726
Data processing	**415**	441	**782**	1,079
Other operating expenses	**4,076**	5,118	**8,207**	9,423
(Gains) losses on other property owned, net	**(18)**	11	**(195)**	22
Total noninterest expense	**33,471**	31,318	**67,404**	62,887
Income before income taxes	**34,198**	27,895	**69,968**	58,349
Provision for income taxes	**249**	244	**499**	482
Net income	**$ 33,949**	$ 27,651	**$ 69,469**	$ 57,867
Other comprehensive income net of tax				
Employee benefit plans adjustments	**182**	182	**364**	364
Comprehensive income	**$ 34,131**	$ 27,833	**$ 69,833**	$ 58,231

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

Horizon Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Additional Paid-in-Capital	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2024	$ 22,350	$ 267,216	$ 649,741	$ 324,884	$ (2,963)	$ 1,261,228
Comprehensive income				57,867	364	58,231
Capital stock/participation certificates issued/(retired), net	507					507
Patronage distribution adjustment			592	(1,543)		(951)
Balance at June 30, 2025	$ 22,857	$ 267,216	$ 650,333	$ 381,208	$ (2,599)	$ 1,319,015
Balance at December 31, 2025	**$ 23,315**	**$ 267,216**	**$ 688,833**	**$ 344,337**	**$ (2,325)**	**$ 1,321,376**
Comprehensive income				**69,469**	**364**	**69,833**
Capital stock/participation certificates issued/(retired), net	**(1,076)**					**(1,076)**
Patronage distribution adjustment			**463**	**(2,580)**		**(2,117)**
Balance at June 30, 2026	**$ 22,239**	**$ 267,216**	**$ 689,296**	**$ 411,226**	**$ (1,961)**	**$ 1,388,016**

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

Horizon Farm Credit, ACA

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)

(unaudited)

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

Organization

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

Basis of Presentation

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

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

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

Significant Accounting Policies

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

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

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

Accounting Standards Updates (ASUs) Issued but Not Yet Adopted

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

ASUs Effective During the Period

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

Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding at period end follows:

	June 30, 2026	December 31, 2025
Real estate mortgage	$ 4,481,089	$ 4,266,618
Production and intermediate-term	1,830,600	1,808,098
Agribusiness:		
Loans to cooperatives	142,677	112,854
Processing and marketing	911,933	824,702
Farm-related business	178,088	162,422
Rural infrastructure:		
Communication	245,866	258,594
Power and water/waste disposal	196,267	165,106
Rural residential real estate	138,811	129,839
Other:		
International	65,801	73,765
Lease receivables	2,351	2,310
Total loans	$ 8,193,483	$ 7,804,308

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 FCA regulations. The following tables present the principal balance of participation loans at periods ended:

	June 30, 2026					
	Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 90,111	$ 10,751	$ –	$ –	$ 90,111	$ 10,751
Production and intermediate-term	252,396	256,320	5,939	7,230	258,335	263,550
Agribusiness	640,516	213,097	125,721	–	766,237	213,097
Rural infrastructure	443,586	–	–	–	443,586	–
Other	68,238	–	–	–	68,238	–
Total	$ 1,494,847	$ 480,168	$ 131,660	$ 7,230	$ 1,626,507	$ 487,398

	December 31, 2025					
	Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 82,476	$ 7,617	$ –	$ –	$ 82,476	$ 7,617
Production and intermediate-term	255,739	181,572	19,723	6,109	275,462	187,681
Agribusiness	545,094	112,919	119,368	–	664,462	112,919
Rural infrastructure	425,210	–	–	–	425,210	–
Other	76,200	–	–	–	76,200	–
Total	$ 1,384,719	$ 302,108	$ 139,091	$ 6,109	$ 1,523,810	$ 308,217

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	95.46%	95.61%
OAEM	2.06	2.24
Substandard/doubtful/loss	2.48	2.15
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	93.30%	94.18%
OAEM	2.91	3.17
Substandard/doubtful/loss	3.79	2.65
	100.00%	100.00%
Agribusiness:		
Acceptable	91.88%	90.20%
OAEM	2.53	3.04
Substandard/doubtful/loss	5.59	6.76
	100.00%	100.00%
Rural infrastructure:		
Acceptable	85.75%	97.01%
OAEM	7.48	0.98
Substandard/doubtful/loss	6.77	2.01
	100.00%	100.00%
Rural residential real estate:		
Acceptable	96.21%	96.30%
OAEM	1.80	1.79
Substandard/doubtful/loss	1.99	1.91
	100.00%	100.00%
Other:		
Acceptable	98.94%	98.98%
OAEM	0.42	1.02
Substandard/doubtful/loss	0.64	–
	100.00%	100.00%
Total loans:		
Acceptable	93.95%	94.64%
OAEM	2.60	2.48
Substandard/doubtful/loss	3.45	2.88
	100.00%	100.00%

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	$ 29,405	$ 10,815	$ 40,220	$ 4,440,869	$ 4,481,089
Production and intermediate-term	15,547	9,970	25,517	1,805,083	1,830,600
Agribusiness	8,515	1,898	10,413	1,222,285	1,232,698
Rural infrastructure	–	7,040	7,040	435,093	442,133
Rural residential real estate	1,924	331	2,255	136,556	138,811
Other	46	–	46	68,106	68,152
Total	$ 55,437	$ 30,054	$ 85,491	$ 8,107,992	$ 8,193,483

	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	$ 23,560	$ 12,428	$ 35,988	$ 4,230,630	$ 4,266,618
Production and intermediate-term	12,623	8,908	21,531	1,786,567	1,808,098
Agribusiness	1,338	1,653	2,991	1,096,987	1,099,978
Rural infrastructure	–	8,434	8,434	415,266	423,700
Rural residential real estate	1,532	212	1,744	128,095	129,839
Other	–	–	–	76,075	76,075
Total	$ 39,053	$ 31,635	$ 70,688	$ 7,733,620	$ 7,804,308

Accruing loans greater than 90 days past due as of June 30, 2026 and December 31, 2025 were $19 and $54, respectively.

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	$ 9,420	$ 13,807	$ 23,227
Production and intermediate-term	11,479	3,119	14,598
Agribusiness	11,017	–	11,017
Rural infrastructure	7,040	–	7,040
Rural residential real estate	664	126	790
Total	$ 39,620	$ 17,052	$ 56,672

	December 31, 2025		
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Real estate mortgage	$ 9,169	$ 14,330	$ 23,499
Production and intermediate-term	10,948	2,141	13,089
Agribusiness	14,881	–	14,881
Rural infrastructure	8,535	–	8,535
Rural residential real estate	402	135	537
Total	$ 43,935	$ 16,606	$ 60,541

The Association recognized $1,127 and $2,595 of interest income on nonaccrual loans during the three and six months ended June 30, 2026, respectively. The Association recognized $350 and $554 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.

The allowance for credit losses was $38.4 million and $31.6 million for the three and six months ended June 30, 2026 and 2025, respectively. The increase in allowance is primarily due to an increase in loan volume and specific reserves, partially offset by favorable macroeconomic forecasts in the allowance model. 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	$ 35,816	$ 23,871
Charge-offs	(1,505)	(177)
Recoveries	6	173
Provision for credit losses on loans	1,385	4,181
Balance at end of period	$ 35,702	$ 28,048
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 2,569	$ 2,812
Provision for unfunded commitments	97	723
Balance at end of period	$ 2,666	$ 3,535
Total allowance for credit losses	$ 38,368	$ 31,583

	Six Months Ended June 30,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	$ 32,341	$ 20,980
Charge-offs	(1,773)	(272)
Recoveries	183	176
Provision for credit losses on loans	4,951	7,164
Balance at end of period	$ 35,702	$ 28,048
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	$ 2,507	$ 2,472
Provision for unfunded commitments	159	1,063
Balance at end of period	$ 2,666	$ 3,535
Total allowance for credit losses	$ 38,368	$ 31,583

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			
	Real Estate Mortgage	Production and Intermediate-term	Agribusiness	Total
Maturity Extension	$ 273	$ 3,332	$ 2,881	$ 6,486
Payment Deferral	–	103	–	103
Combination – Maturity Extension and Payment Deferral	–	1,785	–	1,785
Total	$ 273	$ 5,220	$ 2,881	$ 8,374
Percentage of Total by Loan Type	0.01%	0.29%	0.23%	0.10%

	For the Six Months Ended June 30, 2026			
	Real Estate Mortgage	Production and Intermediate-term	Agribusiness	Total
Maturity Extension	$ 1,448	$ 4,797	$ 2,909	$ 9,154
Payment Deferral	–	103	–	103
Combination – Interest Rate Reduction and Maturity Extension	–	975	–	975
Combination – Maturity Extension and Payment Deferral	–	1,785	–	1,785
Total	$ 1,448	$ 7,660	$ 2,909	$ 12,017
Percentage of Total by Loan Type	0.03%	0.42%	0.24%	0.15%

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 9.7 years to the life of loans
Production and intermediate-term	Added a weighted average 2.4 years to the life of loans
Agribusiness	Added a weighted average 1.0 years to the life of loans

	Payment Deferral
	Financial Effect
Production and intermediate-term	Provided a weighted average 0.8 years of payment deferrals

	Combination – Maturity Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Added a weighted average 6.3 years to the life of loans and provided a weighted average 6.3 years of payment deferrals

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

	Maturity Extension
	Financial Effect
Real estate mortgage	Added a weighted average 14.4 years to the life of loans
Production and intermediate-term	Added a weighted average 2.6 years to the life of loans
Agribusiness	Added a weighted average 1.0 years to the life of loans

	Payment Deferral
	Financial Effect
Production and intermediate-term	Provided a weighted average 0.8 years of payment deferrals

	Combination – Interest Rate Reduction and Maturity Extension
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate from 7.03% to 6.55% and added a weighted average 4.2 years to the life of the loans

	Combination – Maturity Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Added a weighted average 6.3 years to the life of loans and provided a weighted average 6.3 years of payment deferrals

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 three or 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
Real estate mortgage	$ 2,440	$ 797	$ –	$ 3,237
Production and intermediate-term	9,952	948	176	11,076
Agribusiness	3,315	51	–	3,366
Total	$ 15,707	$ 1,796	$ 176	$ 17,679

Accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three and six months ended June 30, 2026 was $64 and $91, respectively. Additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified were $2,501 and $681 at June 30, 2026 and December 31, 2025, respectively.

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 commitments to lend to borrowers experiencing financial difficulty whose loans had been modified at 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.

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

Note 3 — Investments

Equity Investments in Other Farm Credit System Institutions

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

Associations are required to maintain ownership in 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 20.25% 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 $3,666 related to other Farm Credit institutions.

Note 4 — Members' Equity

Accumulated Other Comprehensive Income (AOCI)

Changes in Accumulated Other Comprehensive Income by Component *(a)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Employee Benefit Plans:				
Balance at beginning of period	$ (2,143)	$ (2,781)	$ (2,325)	$ (2,963)
Other comprehensive income before reclassification	–	–	–	–
Amounts reclassified from AOCI	182	182	364	364
Net current period other comprehensive income	182	182	364	364
Balance at end of period	$ (1,961)	$ (2,599)	$ (1,961)	$ (2,599)

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

	Three Months Ended June 30,		Six Months Ended June 30,		
	2026	**2025**	**2026**	**2025**	**Income Statement Line Item**
Defined Benefit Pension Plans:					
Periodic pension costs	$ (182)	$ (182)	$ (364)	$ (364)	Salaries and employee benefits
Net amounts reclassified	$ (182)	$ (182)	$ (364)	$ (364)	

(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	$ 4,070	$ –	$ –	$ 4,070
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 25,990	$ 25,990
Other property owned	$ –	$ –	$ 263	$ 263
Other equity investments	$ –	$ –	$ 5,525	$ 5,525

	December 31, 2025			
	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Recurring assets				
Assets held in trust funds	$ 3,856	$ –	$ –	$ 3,856
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 32,378	$ 32,378
Other property owned	$ –	$ –	$ 705	$ 705
Other equity investments	$ –	$ –	$ 4,244	$ 4,244

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 no subsequent events have occurred requiring disclosure through August 7, 2026, which was the date the financial statements were issued.