Farm Credit Illinois, ACA

Quarterly Report
June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Illinois, ACA and its subsidiaries, Farm Credit Illinois, FLCA and Farm Credit Illinois, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2025 (2025 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2025 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

AGRICULTURAL AND ECONOMIC CONDITIONS

Crop conditions across Illinois remain generally favorable entering mid-summer, although excessive rainfall in some areas has led to ponding and localized crop losses. According to the United States Department of Agriculture (USDA) Crop Progress report released July 13, 2026, 45.0% of Illinois corn has reached the silking stage, slightly ahead of the five-year average of 42.0%. Illinois soybean development has also progressed at a normal to slightly advanced pace. Nationally, corn and soybean conditions remain relatively favorable, with 68.0% of corn and 65.0% of soybeans rated good-to-excellent.

University of Illinois Extension reports indicate that much of Illinois entered the critical pollination period with generally good yield potential, although portions of the state continue to show damage from saturated soils and drowned-out areas. As in previous years, weather during July and August will play a critical role in determining whether yields exceed or fall below trend expectations.

The USDA June 2026 Acreage report estimates that producers planted 95.3 million acres of corn in 2026, down 3.0% from 2025 but still the fourth-highest corn acreage total since 1944. Soybean acreage increased 5.0% to 85.4 million acres as producers shifted land back toward oilseeds. National wheat acreage declined 6.0% from the prior year. The acreage changes suggest producers continue to adjust cropping decisions in response to market signals, input costs, and regional growing conditions.

In its latest outlook, the USDA forecasted a national average corn yield of 183 bushels per acre and a soybean yield of 53 bushels per acre for the 2026 crop. The USDA estimates total corn production at approximately 16.0 billion bushels and soybean production at 4.5 billion bushels. If realized, soybean production would establish a new United States (U.S.) production record and corn production would be among the largest ever recorded.

As producers consider crop marketing decisions in 2026, U.S. farmer sentiment remains cautious. Through the first half of 2026, the Purdue University Farm Barometer fluctuated but ended June at essentially the same level where it began the year. High input costs remain the dominant concern, with nearly half of farmers surveyed identifying production costs as their largest challenge. Only 12.0% of producers indicated that their operations were financially better than one year ago. Despite weaker financial expectations, producers generally remain optimistic about the long-term outlook for farmland values.

Farmland values in the Chicago Federal Reserve District continue to demonstrate resilience. According to the Chicago Federal Reserve's first-quarter 2026 AgLetter, agricultural land values were 3.0% higher than one year earlier. However, values declined slightly from the fourth quarter of 2025, reflecting softer net farm income conditions and weaker demand for farmland purchases. Cash rental rates weakened modestly across much of the district, including Illinois. At the same time, agricultural lenders continue to report elevated demand for operating credit and higher loan renewals and extensions.

The outlook for the beef sector remains favorable because cattle inventories remain historically tight. The USDA reported that the U.S. cattle herd declined for the seventh consecutive year, reaching 86.2 million head on January 1, 2026. Beef cow inventories fell to 27.6 million head, the smallest herd since the early 1960s. Tight supplies continue to support strong feeder cattle prices and positive profitability prospects for cow-calf producers. The USDA expects beef production to decline again in 2026, although growth in pork and poultry production is expected to partially offset reduced beef supplies.

Dairy markets have remained relatively stable. The USDA outlook projections suggest milk prices should remain supportive as feed costs moderate and demand remains steady. Lower feed prices resulting from large corn and soybean supplies are expected to improve margins for many livestock and dairy producers during 2026.

Agricultural trade continues to be an important source of uncertainty. Although export demand for U.S. agricultural products remains generally supportive, producers continue to monitor tariff policies, international trade negotiations, and geopolitical developments that could affect major export markets. Purdue survey respondents remain largely optimistic regarding long-term export demand, with more producers expecting exports to increase rather than decline over the next five years.

Farm policy developments remain a significant focus for agriculture. Many farm programs were strengthened through legislation enacted during 2025, including updates to commodity and crop insurance programs. While lawmakers continue to discuss longer-term farm policy priorities, many producers have welcomed the increased safety-net support provided through recent legislation. Continued attention is being given to conservation programs, crop insurance, and commodity support mechanisms as policymakers consider future agricultural legislation.

The broader U.S. economy continues to grow at a modest pace. Labor markets have softened somewhat compared with previous years but remain relatively healthy by historical standards. Inflation pressures have moderated compared with the peaks experienced earlier in the decade, although producers continue to face elevated costs for machinery, labor, land, and certain production inputs. Interest rates remain elevated relative to pre-pandemic levels. While the economic outlook has improved compared with conditions experienced during 2024 and 2025, the timing and pace of future monetary policy easing remain uncertain.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $6.8 billion at June 30, 2026, an increase of $157.1 million from December 31, 2025. The increase was primarily due to increases in the real estate mortgage and agribusiness portfolios offset by paydowns in the production and intermediate-term portfolio.

Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2025. Adversely classified loans increased to 3.5% of the portfolio at June 30, 2026, from 2.9% of the portfolio at December 31, 2025. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At June 30, 2026, $575.8 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:	**June 30, 2026**	December 31, 2025
Nonaccrual loans	**$ 23,871**	$ 25,241
Accruing loans 90 days or more past due	**16,949**	2,479
Total nonperforming loans	**40,820**	27,720
Other property owned	**--**	226
Total nonperforming assets	**$ 40,820**	$ 27,946
Total nonperforming loans as a percentage of total loans	**0.6%**	0.4%
Nonaccrual loans as a percentage of total loans	**0.4%**	0.4%
Current nonaccrual loans as a percentage of total nonaccrual loans	**77.8%**	94.1%
Total delinquencies as a percentage of total loans[1]	**1.1%**	0.6%

[1]Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

Total nonperforming assets have increased from December 31, 2025, but remained at acceptable levels. Despite the increase in nonperforming assets, total nonperforming loans as a percentage of total loans were well within our established risk management guidelines.

The increase in accruing loans 90 days or more past due was primarily due to a number of loans with government guarantees becoming more than 90 days past due during 2026. The remaining real estate mortgage loans without a government guarantee in accrual status and more than 90 days past due were deemed to be adequately secured and in the process of collection. Our accounting policy requires loans past due 90 days or more to be transferred into nonaccrual status unless adequately secured and in the process of collection.

The decrease in current nonaccrual loans as a percentage of total nonaccrual loans was primarily due to the charge-off of one capital markets portfolio customer.

The primary driver of the increase in total delinquencies as a percentage of total loans was due to a number of government guaranteed loans that are more than 30 days past due at June 30, 2026. Increases in past due accrual loans within the production and intermediate-term, real estate mortgage, and agribusiness loan portfolios also contributed to the increase, but to a lesser extent.

All other property owned was sold during the second quarter of 2026, with no remaining other property owned as of June 30, 2026.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that includes both an asset-specific component for individually evaluated loans that do not share risk characteristics and a pooled component for loans with similar risk characteristics. The asset-specific component is based on the present value of expected future cash flows or, for collateral-dependent loans, the fair value of the underlying collateral. The pooled component incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasted economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. Refer to Note 2 in our 2025 Annual Report for a complete description of our allowance for credit losses on loans policy.

Allowance for Credit Losses on Loans and Coverage Ratios

(dollars in thousands) As of:	**June 30, 2026**	December 31, 2025
Allowance for credit losses on loans	**$ 19,517**	$ 22,442
Allowance for credit losses on loans as a percentage of:		
Loans	**0.3%**	0.3%
Nonaccrual loans	**81.8%**	88.9%
Total nonperforming loans	**47.8%**	81.0%

The decrease in allowance for credit losses on loans from December 31, 2025, was primarily related to agribusiness loan charge-offs for one capital markets portfolio customer.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the six months ended June 30,	**2026**	2025
Net income	**$ 65,790**	$ 47,867
Return on average assets	**1.7%**	1.4%
Return on average members' equity	**9.4%**	7.3%

Changes presented in the profitability information table relate directly to:

- Changes in net income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands) For the six months ended June 30,	**2026**	2025	**Increase (decrease) in net income**
Net interest income	**$ 83,917**	$ 79,063	**$ 4,854**
Provision for credit losses	**2,427**	9,787	**7,360**
Non-interest income	**33,540**	24,847	**8,693**
Non-interest expense	**49,240**	46,256	**(2,984)**
Net income	**$ 65,790**	$ 47,867	**$ 17,923**

Provision for Credit Losses

The “Provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The current period provision for credit losses is the result of changes in the allowance for credit losses on loans and less required specific reserves on loans in nonaccrual status. The decrease in provision for credit losses on loans is primarily due to a more stable economic outlook in 2026 compared to 2025, which reduced the need for additional reserves on pooled loans. To a lesser extent, lower year-to-date change in asset-specific reserves also contributed to the year-over-year decrease.

Non-Interest Income

The change in non-interest income was primarily due to patronage income and other non-interest income.

Patronage Income: We may receive patronage from AgriBank and other Farm Credit institutions. Patronage distributions from AgriBank and other Farm Credit institutions are declared solely at the discretion of each institution’s Board of Directors. AgriBank may distribute patronage in the form of cash or stock. All other patronage from other Farm Credit institutions is typically distributed in cash.

Patronage Income

(in thousands)

For the six months ended June 30,		**2026**		2025
Patronage from AgriBank	**$**	**18,153**	$	13,835
AgDirect partnership distribution		**1,411**		1,417
Other patronage		**178**		117
Total patronage income	**$**	**19,742**	$	15,369

Patronage from AgriBank primarily includes wholesale patronage and asset pool program patronage.

Other Non-Interest Income: The increase in other non-interest income was primarily due to our share of the Allocated Insurance Reserve Accounts (AIRA) distribution received from the Farm Credit System Insurance Corporation (FCSIC) of $2.7 million in 2026, compared to $1.0 million in 2025. The AIRA was established by FCSIC when premiums collected increased the level of the Farm Credit Insurance Fund beyond the required 2% of Systemwide insured debt. Refer to the 2025 Annual Report for additional information about the FCSIC.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on July 31, 2028. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. However, we maintain some exposure to interest rates, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. We also fund our portfolio from equity.

The components of cost of funds associated with our note payable include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit
- A risk premium component, if applicable

We were not subject to a risk premium at June 30, 2026, or December 31, 2025.

Total members’ equity increased $66.0 million from December 31, 2025, primarily due to net income for the period.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total capital, and permanent capital risk-adjusted capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 7 in our 2025 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	**June 30, 2026**	December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**15.3%**	15.4%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**15.3%**	15.4%	6.0%	2.5%	8.5%
Total capital ratio	**15.6%**	15.8%	8.0%	2.5%	10.5%
Permanent capital ratio	**15.3%**	15.5%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**15.0%**	15.2%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**14.9%**	15.1%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 11 in our 2025 Annual Report.

CERTIFICATION

The undersigned have reviewed the June 30, 2026, Quarterly Report of Farm Credit Illinois, ACA, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Adam Brown
Chairperson of the Board
Farm Credit Illinois, ACA

Kelly D. Hunt
President and Chief Executive Officer
Farm Credit Illinois, ACA

Abby Wegner
Senior Vice President and Chief Financial Officer
Farm Credit Illinois, ACA

August 5, 2026

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Illinois, ACA
(in thousands)

As of:		June 30, 2026		December 31, 2025
		(Unaudited)		
ASSETS				
Loans	**$**	**6,800,391**	$	6,643,252
Allowance for credit losses on loans		**19,517**		22,442
Net loans		**6,780,874**		6,620,810
Investment in AgriBank, FCB		**307,612**		302,308
Investment securities		**401,541**		384,898
Accrued interest receivable		**96,431**		114,315
Other assets		**139,859**		147,389
Total assets	**$**	**7,726,317**	$	7,569,720
LIABILITIES				
Note payable to AgriBank, FCB	**$**	**6,214,449**	$	6,090,512
Accrued interest payable		**56,365**		56,085
Patronage distribution payable		**986**		34,675
Other liabilities		**20,968**		20,876
Total liabilities		**6,292,768**		6,202,148
Contingencies and commitments (Note 4)				
MEMBERS' EQUITY				
Capital stock and participation certificates		**8,688**		8,605
Unallocated retained earnings		**1,425,961**		1,360,173
Accumulated other comprehensive loss		**(1,100)**		(1,206)
Total members' equity		**1,433,549**		1,367,572
Total liabilities and members' equity	**$**	**7,726,317**	$	7,569,720

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Farm Credit Illinois, ACA

(in thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
For the periods ended June 30,	**2026**	2025	**2026**	2025
Interest income	**$ 99,030**	$ 93,334	**$ 195,031**	$ 184,843
Interest expense	**56,365**	53,501	**111,114**	105,780
Net interest income	**42,665**	39,833	**83,917**	79,063
Provision for credit losses	**(237)**	7,461	**2,427**	9,787
Net interest income after provision for credit losses	**42,902**	32,372	**81,490**	69,276
Non-interest income				
Patronage income	**9,607**	6,058	**19,742**	15,369
Financially related services income	**3,079**	2,152	**6,063**	4,320
Fee income	**2,278**	1,831	**4,429**	3,552
Other non-interest income	**210**	404	**3,306**	1,606
Total non-interest income	**15,174**	10,445	**33,540**	24,847
Non-interest expense				
Salaries and employee benefits	**12,937**	12,263	**25,919**	24,772
Other operating expense	**11,407**	9,826	**23,412**	21,298
Other non-interest (income) expense	**(97)**	186	**(91)**	186
Total non-interest expense	**24,247**	22,275	**49,240**	46,256
Income before income taxes	**33,829**	20,542	**65,790**	47,867
Provision for (benefit from) income taxes	**--**	--	**--**	--
Net income	**$ 33,829**	$ 20,542	**$ 65,790**	$ 47,867
Other comprehensive income				
Employee benefit plans activity	**$ 59**	$ 52	**$ 106**	$ 100
Total other comprehensive income	**59**	52	**106**	100
Comprehensive income	**$ 33,888**	$ 20,594	**$ 65,896**	$ 47,967

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Illinois, ACA

(in thousands)

(Unaudited)

	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2024	$ 8,364	$ 1,280,245	$ (1,301)	$ 1,287,308
Net income	--	47,867	--	47,867
Other comprehensive income	--	--	100	100
Capital stock and participation certificates issued	373	--	--	373
Capital stock and participation certificates retired	(259)	--	--	(259)
Balance at June 30, 2025	$ 8,478	$ 1,328,112	$ (1,201)	$ 1,335,389
Balance at December 31, 2025	$ 8,605	$ 1,360,173	$ (1,206)	$ 1,367,572
Net income	**--**	**65,790**	**--**	**65,790**
Other comprehensive income	**--**	**--**	**106**	**106**
Unallocated retained earnings designated for patronage distributions	**--**	**(2)**	**--**	**(2)**
Capital stock and participation certificates issued	**414**	**--**	**--**	**414**
Capital stock and participation certificates retired	**(331)**	**--**	**--**	**(331)**
Balance at June 30, 2026	**$ 8,688**	**$ 1,425,961**	**$ (1,100)**	**$ 1,433,549**

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the six months ended June 30, 2026, are not necessarily indicative of the results to be expected for the year ending December 31, 2026. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2025 (2025 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Illinois, ACA and its subsidiaries Farm Credit Illinois, FLCA and Farm Credit Illinois, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System (System). Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In September 2025, the FASB issued Accounting Standards Update (ASU) 2025-06 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This guidance is effective for all entities for annual and interim periods beginning after December 15, 2027. Early adoption is permitted.	The standard includes several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website development costs, and (4) modifies the disclosure requirements for capitalized software costs.	We expect to adopt the standard as of January 1, 2028. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.
In November 2025, the FASB issued ASU 2025-08, “Financial Instruments – Credit Losses (Topic 326) – Purchased Loans”. This guidance is effective for annual and interim periods beginning after December 15, 2026. Early adoption is permitted.	The standard simplifies accounting for purchased loans by expanding the “gross-up” method to “purchased seasoned loans”. This eliminates Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility.	We expect to adopt the standard as of January 1, 2027. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.
In December 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements”. This guidance is effective for annual and interim periods beginning after December 15, 2028. Early adoption is permitted.	The standard provides narrow-scope improvements to interim reporting guidance (Topic 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements.	We expect to adopt the standard as of January 1, 2029. We are currently assessing the impact of this standard on our financial statements and disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type

(dollars in thousands)

As of:	**June 30, 2026**		December 31, 2025	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	**$ 3,667,309**	**53.9%**	$ 3,516,846	52.9%
Production and intermediate-term	**952,467**	**14.0%**	1,015,910	15.3%
Agribusiness	**1,412,636**	**20.8%**	1,374,256	20.7%
Other	**767,979**	**11.3%**	736,240	11.1%
Total	**$ 6,800,391**	**100.0%**	$ 6,643,252	100.0%

The other category is composed of rural infrastructure, agricultural export finance, and rural residential real estate related loans and certain assets characterized as mission related investments.

Accrued interest receivable on loans is excluded from the amortized cost of loans. At June 30, 2026, and December 31, 2025, accrued interest receivable on loans totaled $94.4 million and $112.2 million, respectively, and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands) **As of June 30, 2026**	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$ 15,472**	**$ 4,735**	**$ 20,207**	**$ 3,647,102**	**$ 3,667,309**	**$ 3,242**
Production and intermediate-term	**15,527**	**3,228**	**18,755**	**933,712**	**952,467**	**--**
Agribusiness	**4,430**	**--**	**4,430**	**1,408,206**	**1,412,636**	**--**
Other	**17,675**	**13,717**	**31,392**	**736,587**	**767,979**	**13,707**
Total	**$ 53,104**	**$ 21,680**	**$ 74,784**	**$ 6,725,607**	**$ 6,800,391**	**$ 16,949**

As of December 31, 2025	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 12,812	$ --	$ 12,812	$ 3,504,034	$ 3,516,846	$ --
Production and intermediate-term	8,159	383	8,542	1,007,368	1,015,910	--
Agribusiness	100	7	107	1,374,149	1,374,256	--
Other	14,725	2,479	17,204	719,036	736,240	2,479
Total	$ 35,796	$ 2,869	$ 38,665	$ 6,604,587	$ 6,643,252	$ 2,479

Nonaccrual Loans

Nonaccrual Loans Information

	As of June 30, 2026	
(in thousands)	Amortized Cost	Amortized Cost Without Allowance
Nonaccrual loans:		
Real estate mortgage	**$ 5,161**	**$ 3,890**
Production and intermediate-term	**3,764**	**3,017**
Agribusiness	**12,889**	**2,131**
Other	**2,057**	**106**
Total	**$ 23,871**	**$ 9,144**

	As of December 31, 2025	
	Amortized Cost	Amortized Cost Without Allowance
Nonaccrual loans:		
Real estate mortgage	$ 2,077	$ 742
Production and intermediate-term	1,662	462
Agribusiness	18,705	2,308
Other	2,797	376
Total	$ 25,241	$ 3,888

Interest income recognized (reversed) on nonaccrual loans was not material for the six months ended June 30, 2026, or 2025. At the time the loans were transferred to nonaccrual status, write-offs of accrued interest receivable, as a reversal of interest income were not material for the six months ended June 30, 2026, or 2025.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. Loans that both modify and are paid off or charged-off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the modification disclosures.

Loan Modifications at Amortized Cost

(dollars in thousands) **For the six months ended June 30, 2026**	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	**$ 216**	**$ --**	**$ --**	**$ --**	**$ --**	**$ 216**	**0.0%**
Production and intermediate-term	**241**	**--**	**--**	**--**	**19,735**	**19,976**	**0.3%**
Agribusiness	**--**	**9,240**	**4,560**	**860**	**18,674**	**33,334**	**0.5%**
Total	**$ 457**	**$ 9,240**	**$ 4,560**	**$ 860**	**$ 38,409**	**$ 53,526**	**0.8%**
Loan modifications granted as a percentage of total loans	**0.0%**	**0.1%**	**0.1%**	**0.0%**	**0.6%**	**0.8%**	

For the six months ended June 30, 2025	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Deferral	Total	Percentage of Total Loans
Real estate mortgage	$ 2,893	$ --	$ --	$ --	$ --	$ 2,893	0.0%
Production and intermediate-term	10	--	--	--	12,050	12,060	0.2%
Agribusiness	--	210	--	--	15,904	16,114	0.3%
Total	$ 2,903	$ 210	$ --	$ --	$ 27,954	$ 31,067	0.5%
Loan modifications granted as a percentage of total loans	0.0%	0.0%	--	--	0.5%	0.5%	

Financial Effect of Loan Modifications

For the six months ended June 30, 2026	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)
Real estate mortgage			
Interest rate reduction	**0.3%**		
Production and intermediate-term			
Interest rate reduction	**0.9%**		
Combination - term extension and payment deferral		**12**	**12**
Agribusiness			
Term extension		**12**	
Payment deferral			**12**
Combination - interest rate reduction and term extension	**3.3%**	**51**	
Combination - term extension and payment deferral		**12**	**12**

For the six months ended June 30, 2025	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)
Real estate mortgage			
Interest rate reduction	0.4%		
Production and intermediate-term			
Interest rate reduction	0.6%		
Combination - term extension and payment deferral		10	10
Agribusiness			
Term extension		9	
Combination - term extension and payment deferral		13	13

We had loans to borrowers experiencing financial difficulty with combination term extension and payment deferral in the production and intermediate-term loan category of $245 thousand that defaulted during the six months ended June 30, 2026, in which the modifications were within twelve months preceding the default. There were no loans to borrowers experiencing financial difficulty that defaulted during the six months ended June 30, 2025, in which the modifications were within twelve months preceding the default.

The following table presents the payment status at amortized cost of loans that have been modified for borrowers experiencing financial difficulty within twelve months of the respective reporting period.

Payment Status of Loan Modifications

(in thousands) **As of June 30, 2026**	Not Past Due or Less Than 30 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	**$ 1,706**	**$ --**	**$ 1,706**
Production and intermediate-term	**20,274**	**--**	**20,274**
Agribusiness	**33,334**	**--**	**33,334**
Other	**2,869**	**--**	**2,869**
Total	**$ 58,183**	**$ --**	**$ 58,183**

As of June 30, 2025	Not Past Due or Less Than 30 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 2,893	$ --	$ 2,893
Production and intermediate-term	12,429	97	12,526
Agribusiness	20,629	--	20,629
Total	$ 35,951	$ 97	$ 36,048

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at June 30, 2026, or 2025.

Additional commitments were $18.1 million at June 30, 2026, and $7.6 million at December 31, 2025, to lend to borrowers experiencing financial difficulty whose loans were modified during the six months ended June 30, 2026, and during the year ended December 31, 2025, respectively.

Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type, which is used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of United States (U.S.) net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

Changes in Allowance for Credit Losses

(in thousands) Six months ended June 30,	**2026**	2025
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$ 22,442**	$ 12,554
Provision for credit losses on loans	**2,489**	8,490
Loan recoveries	**205**	140
Loan charge-offs	**(5,619)**	(3,649)
Balance at end of period	**$ 19,517**	$ 17,535
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$ 2,382**	$ 1,983
Provision for credit losses on unfunded commitments	**(62)**	1,297
Balance at end of period	**$ 2,320**	$ 3,280
Total allowance for credit losses	**$ 21,837**	$ 20,815

The change in the allowance for credit losses on loans from December 31, 2025, was primarily driven by agribusiness loan charge-offs for one capital markets portfolio customer.

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $401.5 million at June 30, 2026, and $384.9 million at December 31, 2025. Our investment securities consisted of:

- Mortgage-backed securities (MBS) issued by the Federal Agricultural Mortgage Corporation (Farmer Mac)
- Asset-backed securities (ABS) guaranteed by the Small Business Administration (SBA)

All of our investment securities were fully guaranteed by Farmer Mac or the SBA at June 30, 2026, and December 31, 2025. Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income.

The investment securities have been classified as held-to-maturity and are evaluated for an allowance for credit losses. For securities that are guaranteed by the U.S. government or other governmental agencies, we have not recognized an allowance for credit losses on investment securities at June 30, 2026, or December 31, 2025, as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

Additional Investment Securities Information at Amortized Cost

(in thousands) As of:		**June 30, 2026**		December 31, 2025
MBS	**$**	**36,201**	$	29,261
ABS		**365,340**		355,637
Total	**$**	**401,541**	$	384,898

Accrued interest receivable on investment securities is presented in “Accrued interest receivable” in the Consolidated Statements of Condition and was $2.1 million at June 30, 2026, and December 31, 2025.

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $8.2 million and $9.8 million for the six months ended June 30, 2026, and 2025, respectively.

Contractual Maturities of Investment Securities

(in thousands) **As of June 30, 2026**		Amortized Cost
One to five years	**$**	**11,325**
Five to ten years		**156,954**
More than ten years		**233,262**
Total	**$**	**401,541**

Actual maturity of the investment securities may be less than contractual maturity due to prepayments.

NOTE 4: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

Refer to Note 11 in our 2025 Annual Report for additional detail regarding contingencies and commitments.

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2025 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at June 30, 2026, or December 31, 2025.

Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of June 30, 2026	Fair Value Measurement Using Level 1	Level 2	Level 3	Total Fair Value
Loans	**$ --**	**$ --**	**$ 5,661**	**$ 5,661**

As of December 31, 2025	Fair Value Measurement Using Level 1	Level 2	Level 3	Total Fair Value
Loans	$ --	$ --	$ 8,571	$ 8,571
Other property owned	--	--	235	235

Valuation Techniques

Loans: Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

Other Property Owned: Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3. All other property owned was sold during the second quarter of 2026, with no remaining other property owned as of June 30, 2026.

NOTE 6: SUBSEQUENT EVENTS

We have evaluated subsequent events through August 5, 2026, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.