Quarterly Report to Shareholders

American AgCredit

Your future grows here

as of March 31, 2025

Management's Discussion and Analysis

The following discussion summarizes the financial position and results of operations of American AgCredit, ACA and its subsidiaries (collectively "the Association") as of the first quarter of 2025. This commentary should be read with the accompanying consolidated financial statements and the related notes appearing in this report along with our 2024 Annual Report. The discussion includes significant known trends, commitments, events, or uncertainties that have impacted or are reasonably likely to impact our financial condition and results of operations. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of our Board of Directors.

Our annual and quarterly reports to shareholders are available on our website, www.agloan.com, or can be obtained free of charge by calling our corporate headquarters at (800) 800-4865. Additionally, the financial condition and results of operations of CoBank, ACB (CoBank), our funding bank, materially affect the risk associated with shareholder investments in American AgCredit. Shareholders of American AgCredit may obtain copies of CoBank's Quarterly or Annual Report to Shareholders free of charge by accessing CoBank's website, www.CoBank.com, calling (800) 542-8072, or mailing CoBank at 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111.

As a cooperative, the voting stock of American AgCredit is owned by the members we serve. Our territory extends across a diverse agricultural region that includes parts of California, Kansas, Oklahoma, and Colorado, as well as the states of Nevada, Hawaii, and New Mexico.

Forward Looking Statements

Any forward-looking statements in this 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 2024 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.

Economic Overview

In the first quarter of 2025, the United States economy experienced slower growth tempered by escalating trade tensions and inflationary uncertainties. The U.S. core consumer price index (CPI), which excludes food and energy, rose by an annual rate of 2.8% in March, marking the lowest annual increase since March 2021. However, inflation pressures have re-emerged due to a strong labor market, resilience in consumer spending, changes to fiscal policy, geopolitical tensions, and tariff-induced price increases. The U.S. labor force experienced modest growth through the first quarter of 2025 and has remained relatively stable. The unemployment rate averaged 4.1% during the first three months of 2025, a slight acceleration compared to an average rate of 3.8% for the same period last year. In an effort to rebalance global trade relationships, the U.S. is increasing tariffs which will likely create a complex landscape for agricultural imports and some exported commodities. The outcomes of the tariff policy will vary based on each commodity's export and import dependency, general market dynamics, and duration of the policies. Overall, tariffs may increase input costs and result in higher consumer prices in some instances, though the potential impact is likely to unfold in future quarters. As of the May 7th Federal Open Market Committee meeting, the Federal Reserve decided to maintain its current interest rate range between 4.25% and 4.50%, continuing the pause on the interest rate cutting cycle that began in September 2024. Though, the committee did announce in May they will continue to slow the pace of decline of its securities holdings, which began in April of this year. In the coming months, economic activity, labor force stability, inflation, and potential impacts from policy changes, such as tariffs, will determine monetary policy decisions. The average 30-year fixed mortgage rate decreased 14 basis points at the end of March 2025 compared to the same period last year but has since increased. Mortgage rates remain elevated compared to pre-2022 levels and continue to weigh on home affordability. Since December 2024, the 10-year U.S. Treasury yield fluctuated, opening January at 4.57%, then declining by the end of March, but has slightly increased through mid-April. Earlier in the year, the U.S. dollar showed strength due to robust economic performance and higher yields. However, due to escalating trade tensions, the dollar has slipped significantly heading into the second quarter. Equity markets also experienced a volatile first quarter. The S&P 500 declined 4% from January through March and has declined further through mid-April. The U.S. economy presented a mixed picture at the end of the first quarter, characterized by slowing growth, persistent but improving inflation, stable employment, and rising economic uncertainty.

Management's Discussion and Analysis

As of mid-April 2025, U.S. drought conditions exhibited regional variability, with some areas experiencing improvement and others facing worsening conditions. In California and Nevada, drought conditions slightly improved due to spring storms bringing relief in early 2025. The southwest and southern plains, including New Mexico, continued to experience significant drought. In January, a polar vortex brought extreme cold and heavy snowfall to the northern plains and Midwest regions. Additionally, early March snowstorms deposited over a foot of snow across northeastern Colorado and Kansas. The severe winter cold of early 2025 most notably impacted livestock operations in these regions.

In December 2024, to avoid a government shutdown, Congress passed a continuing resolution that included a one-year extension of the Farm Bill, the Continuing Appropriations and Other Extensions Act of 2025. In March 2025, the senate passed a full-year version of the Act to further extend appropriations and avert a government shutdown through September 30, 2025, the expiration of the extension. The continuing resolution funds most programs and activities at fiscal year 2024 levels, but it also includes several additional provisions that increase or decrease funding for various programs compared to the 2024 budget levels.

Commodity Review and Outlook

The Association's commodity portfolio remains well-diversified. Vineyards/wineries and beef lead our commodity portfolio at 15.18% and 13.65%, respectively, followed by tree fruits/nuts at 13.19%, field crops at 11.69%, dairies at 10.82%, and forest products at 7.42%. The top six commodities make up 71.95% of the total portfolio with the remaining 28.05% spread over sixteen additional categories.

Following is a summary of economic conditions among the Association's significant commodities:

- **Vineyards and wineries:** As of March 2025, wine sales volumes continued their downward trend after declining over the past four years. The initial drop was attributed to shifting consumer preferences following the COVID-19 pandemic, demographic changes, and short-term economic conditions. However, supply-side challenges are now exacerbating the issue, with several years of normal harvests leading to an oversupply of bulk wine. Coincidentally, the 2024 crop produced the smallest grape crush since 2008, with only 3 million tons compared to the long-term average of nearly 4 million tons. This reduction resulted from lower yields and decreased bearing acreage due to vineyard removals, particularly in the California Central Valley. Despite the smaller crop, supply still exceeded demand, leading to unharvested fruit and depressed spot market prices. High inventory levels are putting downward pressure on prices and reducing demand for new bulk wine production. Looking ahead, the wine market will continue to face headwinds such as an aging consumer base, broader economic pressure, water availability, softening of real estate values, and moderation in consumption due to personal preference or influences by the new U.S. guidelines for safe alcohol consumption. Potential for gradual improvement will be heavily dependent on an improved supply/demand dynamic.

- **Beef:** In 2025, the U.S. beef cattle industry is experiencing notable shifts influenced by supply constraints, New World screwworm outbreaks in Mexico and Central America, and environmental factors. Tightening supplies of fed cattle have led to significant price increases, setting record highs for all classes of cattle. Despite favorable pricing, beef cow herd expansion remains uncertain. Limited numbers of replacement heifers suggest a continued decline in beef cow numbers, potentially leading to a smaller calf crop in 2025. The 2024 herd had the lowest reported beef cow numbers in the U.S. since 1961. Drought conditions re-emerged during the first quarter of 2025 and as of April 15th, 38% of cattle regions were impacted by drought, affecting grazing conditions and further influencing herd dynamics. Additionally, severe winter weather in early 2025, including significant snowstorms, led to poor feeding conditions and weight loss. In response to the severe weather events, cattle feeders delayed marketings to allow cattle time to recover. The additional time spent to rehabilitate the herd strengthened bargaining position and positively contributed to the seasonal spring rally in beef prices. Lower feed costs, short supplies, and strong consumer demand are holding prices steady in 2025 with good profit margins. However, uncertainties regarding herd expansion and ongoing drought conditions may pose challenges for the industry's long-term stability.

Management's Discussion and Analysis

- **Tree fruits and nuts:** After experiencing headwinds in recent years, the almond, pistachio, and walnut industries are generally experiencing continued improvement, driven by a more balanced supply and demand situation. Almond prices have demonstrated significant recovery in 2024 and into early 2025, influenced by strong international demand reducing carryover supplies, resulting in a much more favorable economic outlook for growers. Although somewhat improved over recent years, the walnut industry continues to face challenges, including increased global competition, particularly from China and Chile. These factors have led to walnut orchard removals in California's Central Valley. While there is hope that the worst of the walnut market downturn has passed, the industry still contends with slow domestic growth and the dominance of a limited variety of product, which poses challenges for long-term success. Pistachio growers have benefited from robust domestic and international demand. According to the United States Department of Agriculture (USDA), pistachio bearing acres in California totaled about 488,000 in 2024, a 25,000 acre increase from the previous year. The 2024 pistachio crop is the third largest on record trailing 2023 and 2021. However, this rapid growth raises concerns about potential oversupply, which could exert downward pressure on prices in the future. In summary, tree nut farmers are navigating several common challenges like rising production costs including increasing labor, water availability due to ongoing drought conditions and water regulations in California which pose significant concerns for irrigation and crop yields, global competition and market volatility, lingering concern surrounding land values specifically in the Central Valley of California, and some longer-term concerns over trade policy.

- **Field crops:** As of March 7, 2025, the U.S. was the most competitive global corn exporter. Mexico, the United States' largest corn importer, has the potential to increase imports in 2025 due to the country's drought-stricken domestic crops. Mexico's restrictions on growing genetically modified white corn will only further increase the country's need to import yellow feed corn, the primary corn crop in the U.S., as more yellow feed corn acres will pivot to white corn. As of April 2025, the season-average price of corn was $4.35 per bushel while sorghum was $4.10 per bushel, a decline from prior year prices of $4.70 and $4.85. Given the relative strength in corn prices and weakness in soybean prices, the USDA estimates that U.S. farmers will plant 84 million acres of soybeans, down 3 million acres from last year. Global oversupply and flat demand of soybeans have driven prices down, the season-average price per bushel was $9.95 as of April 2025, down $2.45 compared to $12.40 during the same period last year. The outlook for U.S. soybean supply and use for 2024/2025 includes higher imports and crush, and lower ending stocks. Favorable weather in Brazil is contributing to record soybean production, intensifying export competition. Additionally, U.S. biofuel policies, including transitions in tax credits, are creating uncertainty in soybean demand. For wheat, the 2024/2025 projected all-wheat season-average price was unchanged from March 2025 at $5.50 per bushel as of April 2025. The USDA revised U.S. wheat exports for 2024/2025 down 15 million bushels to 820 million based on the pace of export sales and shipments as reported by the U.S. Department of Commerce, Bureau of the Census. In 2025, U.S. corn, wheat, and soybean producers are anticipated to continue to face tight profit margins due to elevated production costs, fluctuating market prices, strong global competition for exports, and potential trade policy impacts.

- **Dairies:** On the heels of a relatively strong 2024, the dairy industry is off to an adequate, but somewhat subdued start to 2025**.** Milk production remains stable with modest growth resulting from record export shipments of $706 million, up 20% year-over-year. Milk prices are highly dependent on export opportunities. The difference between the past several years and 2025 is the high degree of uncertainty around trade negotiations, potential barriers to exports, and the potential for additional market access or reduced barriers to trade. In 2025, U.S. cheese exports have been building momentum; for example, exports of cheese to Mexico have more than doubled in volume since 2020. This year, milk production has also been ramping up to meet the needs of new major cheese manufacturing plants that have recently started receiving milk and producing cheese. Feed costs have continued a downward trend providing some relief for farmers, although the impact is softened due to other persistent inflationary pressures. According to the USDA, the average number of cows in February 2025 was 9.4 million head, about 62,000 more than February 2024. This was the fifth consecutive month of steady year-over-year growth in the dairy livestock industry. Additionally, the slaughter of dairy cows in the first 2 months of the year was below 2024 and 2023 levels. This suggests that dairy farmers are holding cows longer in production instead of culling. Market volatility remains a concern, particularly with uncertainties surrounding trade policies and export demand. While these structural shifts and trade uncertainties pose potential challenges to dairy producers, the industry is positioned to leverage these dynamics for improved profitability.

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- **Forest products:** After a soft 2024, lumber and other forest product prices are starting to stabilize in 2025 due to tight supply and some demand recovery. Plywood, panel, and oriented strand board are down slightly from year ago levels, but most lumber prices increased in the first quarter compared to year ago prices. Market pulp, a backbone of the pulp and paper industry used in packaging materials, paper, tissue, printing, and other writing materials, have decreased from pandemic highs, but are stable despite high input costs and tariff uncertainty. Log prices appreciated in 2024 and have remained stable in 2025. Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,324,000, which is a sluggish 1.9% increase compared to the same period last year and a moderate decline from the estimated 1,494,000 expected by the U.S. Department of Housing and Urban Development in February. The limited supply of new homes paired with high mortgage rates, continue to impact home availability and affordability, but with possible future interest rate cuts by the Federal Reserve, there's optimism for some relief in the market. On March 1, 2025, the United States issued the "Immediate Expansion of American Timber Production" executive order aiming to boost timber production on federal lands while mitigating forest management and wildfire risk. While the long-term impact remains uncertain, this signals some momentum towards increasing domestic timber supply. Timberland values have appreciated, though overall supply of timberland available to purchase is limited. Overall, changes in tariffs and trade policies along with high mortgage rates will continue to pose challenges for the industry and home buyers.

Loan Portfolio

The total loan and lease balance was $21.5 billion at March 31, 2025, a decrease of $274.7 million from $21.8 billion at December 31, 2024. This decrease was due to anticipated seasonal loan repayments, partially offset by new loan originations. On a year-over-year basis, loans increased by $1.1 billion when compared to March 31, 2024, resulting in a growth rate of 5.39%. Credit quality was 94.65% as of March 31, 2025, compared to 95.06% as of December 31, 2024. The slight decrease was primarily driven by the negative impact of ongoing inflationary influences (i.e. elevated input costs and interest rates, etc.), along with the market headwinds being experienced within the vineyards/wineries portion of the portfolio. Credit quality is a measurement of loans classified as either "Acceptable" or "Other Assets Especially Mentioned" divided by total loans under Farm Credit Administration's Uniform Classification System.

In addition to the $21.5 billion of loans and leases reported on our balance sheet, we serviced an additional $12.5 billion of loans and syndicated balances for other institutions as of March 31, 2025, as compared to $9.2 billion at March 31, 2024.

Nonearning Assets

Nonaccrual loans increased by $69.3 million to $514.6 million at March 31, 2025, compared to $445.3 million at December 31, 2024. The change in nonaccrual loans was primarily due to transfers to nonaccrual status of $120.3 million and disbursements on nonaccrual loans of $3.4 million. Much of this increase was driven by the profitability challenges and resulting elevated adversity, as noted above, within the Association's portfolio, primarily in the agricultural services, nursery, and wine and grape sectors. This was offset by $30.0 million year-to-date repayments on nonaccrual loans, and charge-offs of nonaccrual loans of $23.4 million primarily related to commercial and corporate loan complexes. Nonaccrual loans represented 2.39% of total loan volume at the end of March 31, 2025, compared to 1.60% at March 31, 2024, and 2.04% at December 31, 2024.

Allowance for Credit Losses

The allowance for credit losses (ACL) is composed of the allowance for credit losses on loans (ACLL) and the reserve for unfunded commitments. The ACLL is an estimate of expected credit losses on loans in our portfolio as of the financial statement date. Beginning January 1, 2023, the ACL represents an estimate of current expected credit losses over the remaining estimated life of loans in our portfolio and certain off-balance sheet credit exposures. Management evaluates the appropriate level of allowance for loan losses on a quarterly basis based on periodic evaluation of factors such as loan loss history, portfolio quality, estimated collateral values, current market conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The total allowance for credit losses was $48.03 million at March 31, 2025, which included a $46.7 million allowance for loan losses and a $1.4 million reserve for unfunded commitments. Total allowance for credit losses at December 31, 2024, was $39.2 million.

Management's Discussion and Analysis

Financial Condition and Results of Operations

Net income for the three months ended March 31, 2025, was $95.5 million compared to $92.3 million for the same period last year, an increase of $3.2 million. The change in net income was primarily due to the following reasons:

- Net interest income increased by $5.9 million year-over-year due to organic growth in accrual loan volume. The Association's weighted average interest rate on interest-bearing liabilities was 3.83% and 4.23% as of March 31, 2025, and 2024, respectively.

- The Association recorded a provision for credit losses of $30.8 million through March 31, 2025, as compared to $20.8 million a year ago. The $10.0 million year-over-year increase is primarily the result of credit quality decline, an increase in charge-offs during 2025, and new CECL qualitative overlays and quantitative reserve changes to the allowance calculation (adopted in the third quarter of 2024), and a commodity specific overlay applied to the vineyard and winery sector of $8.1 million in the first quarter of 2025.

- Non-interest income increased by $6.4 million year-over-year. The increase was primarily due to a $4.1 million Farm Credit Insurance Corporation (FCSIC) premium refund, $3.5 million increase in patronage income from Farm Credit institutions, a $2.2 million increase in loan origination fees, $1.4 million gain from the sale of the Garden City, KS office building, a slight increase in financially-related services and loan servicing fees and late charges, offset by a $3.5 million write down of the Albuquerque, NM office building when it was moved to assets held for sale in March 2025.

- Overall, non-interest operating expenses decreased by $1.0 million compared to the same period last year, primarily due to a decrease in depreciation caused by the reclassification of the Santa Rosa, CA office building as assets held for sale in December 2024 as well as the Greeley, CO office building in February 2025, and a decrease in meetings and events expense, offset by an increase in salaries and benefits.

- FCSIC insurance, a component of non-interest operating expense, increased by $60.9 thousand when compared to March 2024 related to the increase in our outstanding notes payable to CoBank. The FCSIC board voted to leave the insurance premium assessment accrual rate on adjusted insured debt at 10 basis points for 2025, the same premium rate as in 2024.

The major components of change in net income are summarized as follows (dollars in thousands):

	For the Three Months Ended		Increase (Decrease) in
	March 31, 2025	**March 31, 2024**	**Net Income**
Net interest income	$148,559	$142,636	$5,923
Provision for credit losses	(30,804)	(20,761)	(10,043)
Patronage income	39,444	35,903	3,541
Other income, net	11,366	8,531	2,835
Non-interest expenses	(73,050)	(74,049)	999
Provision for income taxes	(1)	-	(1)
Net income	**$95,514**	**$92,260**	**$3,254**

Management's Discussion and Analysis

The following table shows the Association's year-to-date annualized return on average assets, return on equity, and net interest margin:

	March 31,	
	2025	**2024**
Return on average assets	1.67%	1.71%
Return on common equity	11.22%	11.38%
Return on total equity	10.31%	10.42%
Net interest margin	2.75%	2.79%

Liquidity and Funding

Liquidity is necessary to meet our financial obligations, such as paying our note with CoBank, funding loans and other commitments, and funding operations in a low-cost manner. Our liquidity policy is intended to manage short-term cash flow, maximize debt reductions, and liquidate nonearning assets. Our direct loan with CoBank, cash on hand, and borrower loan repayments provide adequate liquidity to fund our ongoing operations and other commitments. The Association also received funding from preferred stock, subordinated debt, and funds held accounts. The direct note with CoBank is governed by a General Financing Agreement which was renewed June 1, 2023, as amended, for an additional five-year term.

Other Matters

Effective April 21, 2025, the Association received approval from CoBank to purchase floating rate SBA investments and secondary market USDA loans. The first SBA investment purchase, in the amount of $25.0 million, settled on April 28, 2025. The investment was treated as held to maturity and recorded at amortized cost.

Shareholders' Equity

The Association's capital position remains strong. Total shareholders' equity was $3.7 billion at the end of the first quarter, an increase of $93.0 million from $3.6 billion at December 31, 2024. The increase in capital is primarily the result of the Association's year-to-date net income. The Association was in compliance with all capital ratio requirements at March 31, 2025. The Association's strong earnings and capital position enable us to effectively serve our mission and our customers and support our ability to maintain our cash patronage distribution program and pay preferred stock dividends.

Certification

The undersigned certify that they have reviewed this report and that it has been prepared in accordance with all applicable statutory and/or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of his knowledge and belief.

Joe Alamo Board Chair	Curt Hudnutt Chief Executive Officer	Maryam Ghazi Chief Financial Officer

May 9, 2025

Consolidated Statements of Condition *(dollars in thousands)*

	March 31, 2025	December 31, 2024
	(Unaudited)	*(Audited)*
ASSETS		
Loans	$21,504,417	$21,779,107
Less: allowance for credit losses on loans	(46,663)	(38,213)
Net loans	21,457,754	21,740,894
Cash	51,375	98,450
Accrued interest receivable	220,792	269,643
Investment in CoBank	585,129	581,570
Investment in AgDirect	36,370	35,741
Premises and equipment, net	48,930	59,942
Other property owned	13,150	14,503
Assets held for sale	61,220	54,417
Other assets	227,474	319,195
Total assets	**$22,702,194**	**$23,174,355**
LIABILITIES		
Notes payable to CoBank	$18,137,417	$18,580,448
Subordinated debt	198,131	198,090
Funds Held accounts	302,251	228,148
Accrued interest payable	92,266	95,028
Cash patronage and preferred stock dividends payable	87,849	237,660
Reserve for unfunded commitments	1,369	1,159
Other liabilities	140,281	184,164
Total liabilities	**18,959,564**	**19,524,697**
SHAREHOLDERS' EQUITY		
Preferred stock	300,000	300,000
Common stock and participation certificates	11,645	11,687
Additional paid-in capital	935,386	935,386
Allocated retained surplus	239,507	239,507
Unallocated retained surplus	2,267,975	2,176,398
Accumulated other comprehensive loss	(11,883)	(13,320)
Total shareholders' equity	**3,742,630**	**3,649,658**
Total liabilities and shareholders' equity	**$22,702,194**	**$23,174,355**

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

Consolidated Statements of Comprehensive Income *(dollars in thousands)*

(Unaudited)	For the Three Months Ended March 31,	
	2025	**2024**
INTEREST INCOME		
Loans	$347,189	$350,651
Total interest income	**347,189**	**350,651**
INTEREST EXPENSE		
Notes payable to CoBank	194,547	203,286
Subordinated notes	1,729	1,729
Funds Held and other interest	2,354	3,000
Total interest expense	**198,630**	**208,015**
Net interest income	**148,559**	**142,636**
Provision for credit losses	(30,804)	(20,761)
Net interest income after provision for credit losses	**117,755**	**121,875**
NON-INTEREST INCOME		
Patronage income from CoBank	24,402	23,149
Patronage income from other Farm Credit institutions	13,896	11,609
Patronage income from AgDirect	1,146	1,145
Loan origination fees	5,268	3,094
Servicing fees and late charges	871	834
Financially-related services	1,289	865
Miscellaneous	3,938	3,738
Total non-interest income	**50,810**	**44,434**
NON-INTEREST EXPENSES		
Salaries and employee benefits	50,624	50,076
Occupancy and equipment expense	1,319	2,356
Insurance fund premiums	4,570	4,509
Supervisory and examination expense	1,017	918
Other operating expenses	15,520	16,190
Total non-interest expenses	**73,050**	**74,049**
Income before income taxes	95,515	92,260
Provision for income taxes	(1)	-
Net income	**$95,514**	**$92,260**
COMPREHENSIVE INCOME		
Actuarial gain in retirement obligation	1,437	1,376
Total comprehensive income	**$96,951**	**$93,636**

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

Consolidated Statements of Changes in Shareholders' Equity *(dollars in thousands)*

(Unaudited)	Common Stock and Participation Certificates	Preferred Stock	Additional Paid-in Capital	Allocated Retained Surplus	Unallocated Retained Surplus	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at December 31, 2023	**$11,707**	**$300,000**	**$935,386**	**$239,507**	**$2,259,128**	**$(16,565)**	**$3,489,656**
Comprehensive income					92,260	1,376	93,636
Stock/participation certificates issued	191						191
Stock/participation certificates retired	(233)						(233)
Preferred stock dividends					(3,937)		(3,937)
Balance at March 31, 2024	**$11,665**	**$300,000**	**$935,386**	**$239,507**	**$2,347,451**	**$(15,189)**	**$3,579,313**
Balance at December 31, 2024	**$11,687**	**$300,000**	**$935,386**	**$239,507**	**$2,176,398**	**$(13,320)**	**$3,649,658**
Comprehensive income					95,514	1,437	96,951
Stock/participation certificates issued	181						181
Stock/participation certificates retired	(223)						(223)
Preferred stock dividends					(3,937)		(3,937)
Balance at March 31, 2025	**$11,645**	**$300,000**	**$935,386**	**$239,507**	**$2,267,975**	**$(11,883)**	**$3,742,630**

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 AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of American AgCredit, ACA (Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2024, are contained in the 2024 Annual Report to Shareholders (2024 Annual Report). The financial statements were prepared under the oversight of the audit committee of the board of directors.

The accompanying unaudited first quarter 2025 financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2024, as contained in the 2024 Annual Report.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2025. Descriptions of the significant accounting policies are included in the 2024 Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Recently Adopted or Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
- Include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association is currently assessing the potential impact of this standard on its disclosures.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

In December 2023, the FASB issued ASU 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The enhanced rate reconciliation will require tabular reporting by amount and percentage for specifically defined reconciling items as well as additional information for reconciling items that meet a quantitative threshold of greater than 5% of the amount computed by multiplying pre-tax income by the applicable statutory income tax rate. The guidance will also eliminate the requirement to disclose an estimate of the range of the reasonably possible change in the unrecognized tax benefits balances in the next 12 months. The amendments in this guidance are effective for public business entities for annual periods beginning after December 15, 2024, and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations or cash flows but could result in additional disclosures.

In November 2023, the FASB issued ASU 2023-07-Segment Reporting: Improvements to Reportable Segment Disclosures. The amendments in this ASU improve reportable segment disclosure, but do not change the definition of the segment, method of determining a segment, or the criteria for aggregating operating segments. The standard requires a public entity to disclose, on an annual and interim basis, the following:

- Significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss,
- composition and aggregate amount of other segment items, which represent the difference between profit or loss and segment revenues less significant segment expenses,
- the title and position of the CODM, and
- an explanation of how the CODM uses the reported segment measures in assessing segment performance and deciding how to allocate resources.

Even if a public entity has a single reportable segment, it is required to provide all disclosures set forth in the standard and all existing segment disclosures.

This ASU became effective for the annual financial statement period ended December 31, 2024, and interim financial statements period ended March 31, 2025, under a modified retrospective approach. The adoption of this guidance did not have an impact on the Association's financial condition, results of operations, or cash flows, but impacted segment disclosures.

NOTE 2 – LOANS AND ALLOWANCE FOR LOAN LOSSES

Components of loans in the Consolidated Statements of Condition are as follows:

	March 31, 2025		December 31, 2024	
	Amount	**Percentage**	**Amount**	**Percentage**
Real estate mortgage	$10,941,763	50.9%	$11,010,982	50.6%
Production and intermediate-term	4,547,628	21.1%	4,949,831	22.7%
Agribusiness	5,039,570	23.4%	4,854,001	22.3%
Rural infrastructure	873,642	4.1%	861,991	3.9%
Other	101,814	0.5%	102,302	0.5%
Total loans	**$21,504,417**	**100.0%**	**$21,779,107**	**100.0%**

Note: The Association's financials include agricultural export finance and rural residential real estate loans combined in Other.

PARTICIPATION INTERESTS

The Association, in the normal course of business, purchases and sells participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. All loans sold to other parties are sold without recourse.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

The following table presents information regarding participations purchased and sold at March 31, 2025.

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations		Participations		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$729,501	$2,001,659	$-	$-	$729,501	$2,001,659
Production and intermediate-term	1,118,748	2,526,188	14,219	22,184	1,132,967	2,548,372
Agribusiness	2,944,966	5,054,455	-	26,691	2,944,966	5,081,146
Rural infrastructure	844,422	161,740	-	-	844,422	161,740
Other	97,408	-	-	-	97,408	-
Total	**$5,735,045**	**$9,744,042**	**$14,219**	**$48,875**	**$5,749,264**	**$9,792,917**

CREDIT QUALITY

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit and unfunded loan commitments. The Association manages credit risk associated with its lending activities on an individual and portfolio basis through the application of sound lending and underwriting standards and policies, approved by its board of directors. The credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance and actual Association loss history that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs over the next 12 months. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The institution reviews, at least on an annual basis, or when a credit action is taken, both the probability of default and loss given default ratings.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between ratings one through nine (acceptable categories) is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. The categories are defined as follows:

- **Acceptable:** Assets are expected to be fully collectible and represent the highest quality,
- **Other Assets Especially Mentioned (OAEM):** Assets are currently collectible but exhibit some potential weakness,
- **Substandard:** Assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan,
- **Doubtful:** Assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable, and
- **Loss:** Assets are considered uncollectible.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The collateral dependent loans are primarily real estate mortgage and rural residential real estate loans. The extent to which collateral secures certain loans is primarily based on the calculated Loan-to-Value ratio. The following table presents year-to-date gross charge-offs by year of origination as well as credit quality indicators by loan type and the related principal balance by year of origination as of March 31, 2025:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2025	2024	2023	2022	2021	Prior			
Real Estate Mortgage:									
Acceptable	$260,751	$1,084,527	$812,846	$1,254,046	$1,480,277	$4,223,876	$590,777	$89,543	$9,796,643
OAEM	-	7,578	25,146	119,483	71,195	198,869	17,066	9,743	449,080
Substandard/Doubtful	2,995	16,568	81,260	72,320	84,758	386,424	40,453	11,262	696,040
Total	**263,746**	**1,108,673**	**919,252**	**1,445,849**	**1,636,230**	**4,809,169**	**648,296**	**110,548**	**10,941,763**
Current period gross charge-offs	-	-	162	27	51	1,123	2,802	-	4,165
Production and intermediate-term:									
Acceptable	195,127	577,947	284,096	259,585	179,989	286,364	2,307,171	2,827	4,093,106
OAEM	34	13,087	7,174	27,567	14,500	7,480	133,694	648	204,184
Substandard/Doubtful	19,097	22,599	22,313	18,786	13,958	13,605	132,994	6,986	250,338
Total	**214,258**	**613,633**	**313,583**	**305,938**	**208,447**	**307,449**	**2,573,859**	**10,461**	**4,547,628**
Current period gross charge-offs	6,875	671	2,579	927	484	98	4,561	76	16,271
Agribusiness:									
Acceptable	147,616	925,484	947,290	855,522	516,295	626,934	583,368	25,747	4,628,256
OAEM	8,453	34,285	71,377	29,510	102	18,035	26,162	-	187,924
Substandard/Doubtful	3,633	24,695	9,278	24,807	48,421	84,396	27,230	930	223,390
Total	**159,702**	**984,464**	**1,027,945**	**909,839**	**564,818**	**729,365**	**636,760**	**26,677**	**5,039,570**
Current period gross charge-offs	-	-	2,993	-	-	4	-	-	2,997
Rural infrastructure:									
Acceptable	46,986	209,154	302,318	114,258	111,046	50,187	16,790	(20)	850,719
OAEM	3,509	3,562	-	-	-	15,849	3	-	22,923
Total	**50,495**	**212,716**	**302,318**	**114,258**	**111,046**	**66,036**	**16,793**	**(20)**	**873,642**
Other:									
Acceptable	2,703	18,348	30,002	-	12,244	16,141	2,942	19,402	101,782
Substandard/Doubtful	-	-	-	-	-	31	-	-	31
Total	**2,703**	**18,348**	**30,002**	**-**	**12,244**	**16,172**	**2,942**	**19,402**	**101,813**
Total loans:									
Acceptable	653,183	2,815,460	2,376,552	2,483,411	2,299,851	5,203,503	3,501,048	137,499	19,470,507
OAEM	11,996	58,512	103,697	176,560	85,797	240,233	176,925	10,391	864,111
Substandard/Doubtful	25,725	63,862	112,851	115,913	147,137	484,456	200,677	19,178	1,169,799
Total Loans	**$690,904**	**$2,937,834**	**$2,593,100**	**$2,775,884**	**$2,532,785**	**$5,928,192**	**$3,878,650**	**$167,068**	**$21,504,417**
Total gross charge-offs for the period ended March 31, 2025:	**$6,875**	**$671**	**$5,734**	**$954**	**$535**	**$1,225**	**$7,363**	**$76**	**$23,433**

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

The following table presents year-to-date gross charge-offs by year of origination as well as credit quality indicators by loan type and the related principal balance by year of origination as of December 31, 2024:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	Prior			
Real Estate Mortgage:									
Acceptable	$1,079,410	$867,697	$1,338,671	$1,530,516	$1,233,023	$3,158,710	$632,777	$78,777	$9,919,581
OAEM	6,738	26,300	89,192	70,612	70,056	131,332	25,860	8,602	428,692
Substandard/Doubtful	16,851	66,963	83,535	81,370	111,900	249,413	45,557	7,120	662,709
Total	**1,102,999**	**960,960**	**1,511,398**	**1,682,498**	**1,414,979**	**3,539,455**	**704,194**	**94,499**	**11,010,982**
Current period gross charge-offs	-	238	5,177	134	184	6,188	89	-	12,010
Production and intermediate-term:									
Acceptable	579,519	342,219	274,962	187,825	152,444	203,156	2,735,418	7,917	4,483,460
OAEM	7,096	6,798	25,719	16,363	10,518	950	147,483	1,436	216,363
Substandard/Doubtful	30,366	19,416	19,389	14,827	2,855	14,578	141,683	6,894	250,008
Total	**616,981**	**368,433**	**320,070**	**219,015**	**165,817**	**218,684**	**3,024,584**	**16,247**	**4,949,831**
Current period gross charge-offs	4,466	2,107	3,146	941	937	456	3,599	675	16,327
Agribusiness:									
Acceptable	938,262	957,290	851,450	523,772	262,967	400,797	519,256	20,804	4,474,598
OAEM	26,602	58,238	45,075	102	5,329	26,161	36,182	-	197,689
Substandard/Doubtful	15,532	24,612	8,546	49,369	54,013	9,069	20,573	-	181,714
Total	**980,396**	**1,040,140**	**905,071**	**573,243**	**322,309**	**436,027**	**576,011**	**20,804**	**4,854,001**
Current period gross charge-offs	-	11,774	-	475	3,492	(178)	(487)	8,457	23,533
Rural infrastructure:									
Acceptable	212,579	305,071	124,019	132,217	18,743	32,876	13,983	-	839,488
OAEM	3,563	-	1,337	-	15,847	1,756	-	-	22,503
Total	**216,142**	**305,071**	**125,356**	**132,217**	**34,590**	**34,632**	**13,983**	**-**	**861,991**
Other:									
Acceptable	18,353	29,999	-	12,260	231	15,984	6,052	19,389	102,268
Substandard/Doubtful	-	-	-	-	-	34	-	-	34
Total	**18,353**	**29,999**	**-**	**12,260**	**231**	**16,018**	**6,052**	**19,389**	**102,302**
Total loans:									
Acceptable	2,828,123	2,502,276	2,589,102	2,386,590	1,667,408	3,811,523	3,907,486	126,887	19,819,395
OAEM	43,999	91,336	161,323	87,077	101,750	160,199	209,525	10,038	865,247
Substandard/Doubtful	62,749	110,991	111,470	145,566	168,768	273,094	207,813	14,014	1,094,465
Total loans	**$2,934,871**	**$2,704,603**	**$2,861,895**	**$2,619,233**	**$1,937,926**	**$4,244,816**	**$4,324,824**	**$150,939**	**$21,779,10**
Total gross charge-offs for the year ended December 31, 2024:	**$4,466**	**$14,119**	**$8,323**	**$1,550**	**$4,613**	**$6,466**	**$3,201**	**$9,132**	**$51,870**

Accrued interest receivable on loans of $220.8 million and $269.6 million at March 31, 2025, and December 31, 2024, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association reversed accrued interest receivable of $2.7 million and $9.5 million for the three months ended March 31, 2025, and 2024.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

NONPERFORMING ASSETS

The following table reflects nonperforming assets on an amortized cost basis, which consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned and related credit quality statistics:

	March 31, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	$302,247	$284,132
Production and intermediate-term	92,624	77,689
Agribusiness	119,697	83,467
Other	31	34
Total nonaccrual loans	**514,599**	**445,322**
Accruing loans 90 days or more past due:		
Real estate mortgage	-	260
Total accruing loans 90 days or more past due	-	**260**
Total nonperforming loans:	**$514,599**	**$445,582**
Other property owned	13,150	14,503
Total nonperforming assets	**$527,749**	**$460,085**

	Mar. 31, 2025	Dec. 31, 2024
Nonaccrual loans as a percentage of total loans	2.39%	2.05%
Nonperforming assets as a percentage of total loans and other property owned	2.45%	2.11%
Nonperforming assets as a percentage of capital	14.00%	12.61%

The following tables provide the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans during the period:

	At March 31, 2025			
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized for The Three Months Ended March 31, 2025
Nonaccrual loans:				
Real estate mortgage	$22,840	$279,407	$302,247	$477
Production and intermediate-term	8,356	84,268	92,624	482
Agribusiness	50,569	69,128	119,697	185
Other	-	31	31	1
Total nonaccrual loans	**$81,765**	**$432,834**	**$514,599**	**$1,145**

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

	At December 31, 2024			
	Amortized Cost with Allowance	**Amortized Cost without Allowance**	**Total**	**Interest Income Recognized for The Year Ended December 31, 2024**
Nonaccrual loans:				
Real estate mortgage	$28,744	$255,388	$284,132	$4,999
Production and intermediate-term	4,583	73,107	77,690	4,087
Agribusiness	7,394	76,072	83,466	73
Other	-	34	34	1
Total nonaccrual loans	**$40,721**	**$404,601**	**$445,322**	**$9,160**

DELINQUENCY

The following tables provide an age analysis of past due loans at amortized cost by portfolio segment as of:

March 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 Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$109,567	$102,026	$211,593	$10,730,170	$10,941,763	$-
Production and intermediate-term	40,334	28,597	68,931	4,478,697	4,547,628	-
Agribusiness	12,357	28,170	40,527	4,999,043	5,039,570	-
Rural infrastructure	-	-	-	873,642	873,642	-
Other	-	-	-	101,814	101,814	-
Total	**$162,258**	**$158,793**	**$321,051**	**$21,183,366**	**$21,504,417**	**$-**

December 31, 2024	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 Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$20,031	$116,482	$136,513	$10,874,469	$11,010,982	$260
Production and intermediate-term	34,052	17,793	51,845	4,897,986	4,949,831	-
Agribusiness	10,224	34,683	44,907	4,809,094	4,854,001	-
Rural infrastructure	-	-	-	861,991	861,991	-
Other	-	-	-	102,302	102,302	-
Total	**$64,307**	**$168,958**	**$233,265**	**$21,545,842**	**$21,779,107**	**$260**

LOAN MODIFICATIONS TO BORROWERS EXPERIENCING FINANCIAL DIFFICULTIES

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one or a combination of principal forgiveness, interest rate reduction, forbearance, or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Also included in the following disclosures are other-than-insignificant payment deferrals that may provide the borrower with a temporary payment deferral, which has been defined as cumulative or individual forbearance or payment delay greater than or equal to 6 months. These deferred payments may be capitalized into the principal balance of the loan and amortized with no extension of maturity or with the deferred payment due at the time of original maturity.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

The following table shows the amortized cost basis at March 31, 2025, for loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2025, and March 31, 2024, disaggregated by loan type and type of modification granted.

	For the Three Months Ended March 31, 2025							
	Interest Rate Reduction	**Term Extension**	**Payment Deferral**	**Combination – Interest Rate Reduction & Payment Deferral**	**Combination – Term Extension & Payment Deferral**	**Combination – Interest Rate Reduction, Term Extension, and Payment Deferral**	**Total**	**Percentage of Total by Loan Type**
Real estate mortgage	$22,098	$-	$172,730	$1,549	$577	$-	$196,954	1.80%
Production and intermediate-term	53	8,770	15,844	-	6,359	101	31,127	0.68%
Agribusiness	-	4,019	1,306	-	-	-	5,325	0.11%
Total	**$22,151**	**$12,789**	**$189,880**	**$1,650**	**$6,936**	**$101**	**$233,406**	1.09%

	For the Three Months Ended March 31, 2024							
	Interest Rate Reduction	**Term Extension**	**Payment Deferral**	**Combination – Interest Rate Reduction & Term Extension**	**Combination – Interest Rate Reduction & Payment Deferral**	**Combination – Term Extension & Payment Deferral**	**Total**	**Percentage of Total by Loan Type**
Real estate mortgage	$8,195	$2,467	$99,291	$-	$1,559	$-	$111,512	1.05%
Production and intermediate-term	8,715	6,183	1,692	60	197	5,266	22,113	0.51%
Agribusiness	9,611	-	8,489	-	-	-	18,100	0.41%
Other	52	-	-	-	-	-	52	2.64%
Total	**$26,573**	**$8,650**	**$109,472**	**$60**	**$1,756**	**$5,266**	**$151,777**	0.75%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2025, and March 31, 2024, was $3.5 million and $1.1 million.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 7.89% to 6.85%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 15.84% to 15.59%

	Term Extension
	Financial Effect
Production and intermediate-term	Increased weighted average maturities on loans by 390 days
Agribusiness	Increased weighted average maturities on loans by 1.5 years

Notes to the Consolidated Financial Statements (dollars in thousands, except as noted.)

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 1.0 years payment deferral
Production and intermediate-term	Provided a weighted average 1.1 years payment deferral
Agribusiness	Provided a weighted average 1.3 years payment deferral

	Combination - Interest Rate Reduction and Payment Deferral
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 12.88% to 7.88%
Real estate mortgage	Provided a weighted average of 283 days payment deferral

	Combination - Interest Rate Reduction, Term Extension, and Payment Deferral
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 12.16% to 9.25%
Production and intermediate-term	Increased weighted average maturities on loans by 5.3 years
	Provided a weighted average 1.3 years payment deferral

	Combination - Term Extension and Payment Deferral
	Financial Effect
Real estate mortgage	Increased weighted average maturities on loans by 181 days
Real estate mortgage	Provided a weighted average 1.0 years payment deferral
Production and intermediate-term	Increased weighted average maturities on loans by 1.1 years
Production and intermediate-term	Provided a weighted average 5.5 years payment deferral

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2024:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 9.28% to 8.35%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.60% to 8.78%
Agribusiness	Reduced weighted average contractual interest rate on loans from 9.96% to 9.73%
Rural home loans	Reduced weighted average contractual interest rate on loans from 13.78% to 8.78%

	Term Extension
	Financial Effect
Real estate mortgage	Increased weighted average maturities on loans by 9.5 years
Production and intermediate-term	Increased weighted average maturities on loans by 3.5 years

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 1.0 years payment deferral
Production and intermediate-term	Provided a weighted average 231 days payment deferral
Agribusiness	Provided a weighted average 3.3 years payment deferral

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

	Combination - Interest Rate Reduction and Term Extension
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 14.47% to 9.54%
Production and intermediate-term	Increased weighted average maturities on loans by 186 days

	Combination - Interest Rate Reduction and Payment Deferral
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 14.74% to 9.74%
Real estate mortgage	Provided a weighted average 1.0 year payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 17.25% to 12.25%
Production and intermediate-term	Provided a weighted average 1.0 year payment deferral

	Combination - Term Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Increased weighted average maturities on loans by 1.2 years
Production and intermediate-term	Provided a weighted average 1.9 years payment deferral

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2025, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted
	Payment Deferral
Production and intermediate-term	$8,227
Total	**$8,227**

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2024, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted		
	Interest Rate Reduction	**Payment Deferral**	**Combination - Interest Rate Reduction & Term Extension**
Real estate mortgage	$548	$4,298	$-
Production and intermediate-term	958	171	49
Rural residential real estate	53	-	-
Total	**$1,559**	**$4,469**	**$49**

Notes to the Consolidated Financial Statements (dollars in thousands, except as noted.)

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2025:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	**30-89 Days Past Due**	**90 Days or More Past Due**
Real estate mortgage	$127,383	$48,044	$21,529
Production and intermediate-term	20,037	2,470	8,619
Agribusiness	1,750	-	3,574
Total	**$149,170**	**$50,514**	**$33,722**

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2024:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	**30-89 Days Past Due**	**90 Days or More Past Due**
Real estate mortgage	$75,570	$30,106	$5,837
Production and intermediate-term	20,402	532	1,178
Agribusiness	18,289	-	(189)
Rural residential real estate	-	-	53
Total	**$114,261**	**$30,638**	**$6,879**

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2025, were $11.1 million and during the year ended December 31, 2024, were $12.6 million.

ALLOWANCE FOR CREDIT LOSSES

The credit risk rating methodology is a key component of the allowance for credit losses evaluation and is incorporated into loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the board of directors has established more restrictive lending limits. This limit applies to Associations with long-term and short- and intermediate-term lending authorities, and to the Banks' (other than CoBank) loan participations.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

A summary of changes in the allowance for credit losses by portfolio segment are as follows:

	Real Estate Mortgage	Production and Intermediate-term	Agri-business	Rural Infra-structure	Agricultural Export Finance	Total
Allowance for loan losses:						
Balance at December 31, 2024	$20,449	$7,428	$9,572	$652	$112	$38,213
Charge-offs	(4,165)	(16,271)	(2,997)	-	-	(23,433)
Recoveries	32	1,258	-	-	-	1,290
Provision for loan losses	7,525	17,055	5,868	128	17	30,593
Balance at March 31, 2025	**$23,841**	**$9,470**	**$12,443**	**$780**	**$129**	**$46,663**
Allowance for unfunded commitments:						
Balance at December 31, 2024	$247	$316	$588	$8	$-	$1,159
Provision for unfunded commitments	-	92	114	5	-	211
Balance at March 31, 2025	**$247**	**$408**	**$702**	**$13**	**$-**	**$1,370**
Total allowance for credit losses	**$24,088**	**$9,878**	**$13,145**	**$793**	**$129**	**$48,033**

	Real Estate Mortgage	Production and Intermediate-term	Agri-business	Rural Infra-structure	Agricultural Export Finance	Total
Allowance for loan losses:						
Balance at December 31, 2023	$5,599	$7,839	$7,788	$1	$-	$21,227
Charge-offs	(3,782)	(4,117)	(19,599)	-	-	(27,498)
Recoveries	3	849	1,468	-	-	2,320
Provision for credit losses	5,437	2,923	12,562	3	-	20,925
Balance at March 31, 2024	**$7,257**	**$7,494**	**$2,219**	**$4**	**$-**	**16,974**
Allowance for unfunded commitments:						
Balance at December 31, 2023	$136	$396	$504	$-	$-	$1,036
Provision for unfunded commitments	(20)	24	(168)	-	-	(164)
Balance at March 31, 2024	**$116**	**$420**	**$336**	**$-**	**$-**	**$872**
Total allowance for credit losses	**$7,373**	**$7,914**	**$2,555**	**$4**	**$-**	**$17,846**

Discussion of Changes in Allowance for Credit Losses

The Allowance for Credit Losses (“Allowance”) using the Current Expected Credit Losses (“CECL”) Methodology was $48.0 million at March 31, 2025, an increase of $8.6 million, as compared to $39.4 million at December 31, 2024. In the first quarter of 2025, the Association recognized a new qualitative overlay related to elevated risk within the vineyard and winery portfolio. This $8.1 million commodity-specific overlay accounted for approximately 94% of the increase in the allowance for credit losses. Non-performing loan activity continues to increase. Net charge-offs of $22.1 million were recorded during the quarter. The effect of these charge-offs on the provision for credit losses was partially offset by a reduction in the specific reserve of $1.7 million.

Notes to the Consolidated Financial Statements (dollars in thousands, except as noted.)

The Association's CECL framework is significantly shaped by the internally assigned risk rating of each loan. By integrating the risk profile for each individual credit within the Association's portfolio, along with key macroeconomic variables (MEVs) listed in the following table, the Association's CECL framework provides an estimate of expected losses. This estimate is grounded in both the characteristics of each individual loan and broader economic factors. The following table provides the forecast variables for the first three years of the 10-year forecast period for the two most influential MEVs for the Association's five largest commodities within the CECL industry segments, which represent 64.53% of the portfolio at March 31, 2025.

Industry	Significant Macroeconomic Variable	Forecast Period		
		Year 1	Year 2	Year 3
Beef	Boneless beef, price % quarter-over-quarter	0.32%	1.34%	0.95%
	World food price % quarter-over-quarter	0.70%	0.80%	0.80%
Dairies	Exchange rate, effective real % year-over-year	-1.35%	-1.23%	-1.07%
	Total livestock crop cash receipts % quarter-over-quarter	1.23%	0.22%	0.15%
Field crops	Corn price parity	0.22	0.23	0.20
	Net farm income % year-over-year	-2.25%	-2.31%	-1.41%
Tree fruits and nuts	Exchange rate, effective real % year-over-year	-1.35%	-1.23%	-1.07%
	Fruit and tree nut price received index % quarter-over-quarter	1.52%	0.48%	0.87%
Vineyards and wineries	Interest rate, long-term government bond yields	4.25%	4.10%	4.00%
	U.S. export value of wine	$5.91	$6.06	$6.18

NOTE 3 – PREMISES, EQUIPMENT, AND LEASES

PREMISES AND EQUIPMENT

Premises and equipment consist of the following:

	March 31, 2025	December 31, 2024
Buildings and improvements	$51,394	$63,023
Furniture and equipment	10,505	11,030
Land	6,044	8,446
Construction in progress	4,355	3,718
Vehicles	460	548
Premises and equipment at cost	72,758	86,765
Less: accumulated depreciation	(29,144)	(31,862)
Premises and equipment, net	**$43,614**	**$54,903**

LEASES

The balance sheet effect of operating leases for office space, and finance leases for vehicles, are included in premises and equipment and other liabilities on the balance sheet. Right-of-use assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

Future minimum lease payments under non-cancellable leases as of March 31, 2025, were as follows:

	Operating Leases	Finance Leases	Total
2025 (excluding the three months ended 3/31/25)	$674	$1,805	$2,479
2026	555	1,025	1,580
2027	332	428	760
2028	286	160	446
2029	90	107	197
Thereafter	1,178	14	1,192
Total lease payments	**3,115**	**3,539**	**6,654**
Less: interest	-	(595)	(595)
Total	**$3,115**	**$2,944**	**$6,059**

Right-of-use assets, net of accumulated amortization, amounted to $5.3 million for the period ended March 31, 2025.

ASSETS HELD FOR SALE

As of March 31, 2025, the Albuquerque, NM office building and land were reclassified as assets held for sale with a book value of $4.9 million less approximate selling costs of $293 thousand. The carrying amount of the building was $8.1 million which was written down to the appraised value of $4.9 million. In February 2025, the Association accepted an offer on the sale of the Greeley, CO office building. The building, land, and furniture were reclassified as assets held for sale with a book value of $2.2 million. In December 2024, the former Santa Rosa headquarters building and land, along with other furniture and equipment, were reclassified as assets held for sale with a net book value of $60.6 million, as discussed in the 2024 Annual Report.

NOTE 4 – SHAREHOLDERS' EQUITY

The table below shows the Association's regulatory capital requirements and ratios as of March 31, 2025. The Association exceeded all regulatory minimum capital requirements as of March 31, 2025, and December 31, 2024.

	Regulatory Minimums	Capital Conservation Buffer	Total	Mar. 31, 2025	Dec. 31, 2024
Risk-adjusted:					
Common Equity Tier 1 capital	4.5%	2.5%	7.0%	**11.01%**	**11.53%**
Tier 1 capital	6.0%	2.5%	8.5%	**12.19%**	**12.73%**
Total capital	8.0%	2.5%	10.5%	**13.13%**	**13.66%**
Permanent capital	7.0%	0.0%	7.0%	**13.12%**	**13.68%**
Non-risk-adjusted:					
Tier 1 leverage	4.0%	1.0%	5.0%	**13.93%**	**14.56%**
URE and UREE leverage	1.5%	0.0%	1.5%	**12.53%**	**13.14%**

On June 14, 2021, the Association issued $300 million of Series A non-cumulative perpetual preferred stock at $1,000 par value per share. The issuance carries an annual dividend rate of 5.25% payable quarterly until the First Reset Date of June 15, 2026, thereafter, the amount equal to the sum of the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 4.50%. The issuance will be callable June 15, 2026, and quarterly thereafter.

The Series A preferred stock is junior upon liquidation or dissolution to any subordinated debt, existing and future debt obligations, and to any series of preferred stock issued in the future with priority rights. Series A preferred stock has a preference as to dividends and is senior upon liquidation or dissolution to outstanding Class C common stock, Class F participation certificates, and patronage equities.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

The following tables present the activity in the accumulated other comprehensive loss, net of tax by component:

Balance at December 31, 2024	**Pension and Other Benefit Plans**	**Accumulated Other Comprehensive Loss**
Other comprehensive loss before reclassifications	$(13,320)	$(13,320)
Amounts reclassified from accumulated other comprehensive loss	1,437	1,437
Net current period other comprehensive income	1,437	1,437
Balance at March 31, 2025	**$(11,883)**	**$(11,883)**

Balance at December 31, 2023	**Pension and Other Benefit Plans**	**Accumulated Other Comprehensive Loss**
Other comprehensive loss before reclassifications	$(16,796)	$(16,796)
Amounts reclassified from accumulated other comprehensive loss	1,378	1,378
Net current period other comprehensive income	1,378	1,378
Balance at March 31, 2024	**$(15,418)**	**$(15,418)**

The following table represents reclassifications out of accumulated other comprehensive loss:

	For the Three Months Ended		**Location of Gain/(Loss) Recognized in Statement of Income**
	Mar. 31, 2025	**Mar. 31, 2024**	
Pension and other benefit plans:			
Net actuarial gain	$1,437	$1,376	Salaries & Benefits
Total amounts reclassified	**$1,437**	**$1,376**	

NOTE 5 – SUBORDINATED NOTES

In June 2021, the Association issued $200 million of Subordinated Notes (Notes), due in 2036, which may be redeemed all or in part on any interest payment date on or after June 2031. The Notes bear a fixed interest rate of 3.375% per annum, payable semi-annually until June 15, 2031, at which point the rate changes to a floating rate equal to the benchmark rate, expected to be three-month term SOFR, plus a spread of 212 basis points through maturity date or the date of earlier redemption. The Notes are subordinate to all other creditor debt, including general creditors, and senior to all classes of stock. The Notes are not considered System debt and are not an obligation of, nor guaranteed by any System entity. Further, payments on the Notes are not insured by the FCSIC. The notes are presented net of unamortized issuance costs of approximately $2.0 million on the Consolidated Statements of Condition at March 31, 2025.

NOTE 6 – FAIR VALUE MEASUREMENTS

Accounting standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 to the 2024 Annual Report.

Notes to the Consolidated Financial Statements *(dollars in thousands, except as noted.)*

Assets and liabilities measured at fair value for each of the fair value hierarchy values are summarized below:

	March 31, 2025		December 31, 2024	
	Fair Value Measurement Using		Fair Value Measurement Using	
	Level 1	Level 3	Level 1	Level 3
Measured at fair value on a recurring basis:				
Assets held in nonqualified benefits trusts	$43,150		$43,307	
Measured at fair value on a non-recurring basis:				
Loans		$392,094		$32,176
Other property owned		$13,150		$14,503

During the reporting periods presented, the Association recorded no transfers in or out of Levels 1, 2, or 3. The Association had no liabilities measured at fair value on a recurring basis for the periods presented.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying amounts, estimated fair values, and the level within the fair value hierarchy of the Association's financial instruments not carried at fair value. Receivables and payables due in one year or less, equity securities without readily determinable fair values, and other financial assets or liabilities with no defined or contractual maturities are excluded. There were no significant changes in the valuation techniques during the period ending March 31, 2025.

March 31, 2025	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$21,457,754	$20,863,351	Level 3
Cash	$51,375	$51,375	Level 1
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$18,137,417	$17,874,556	Level 3
Subordinated debt	$198,131	$169,488	Level 3

December 31, 2024	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$21,740,894	$21,013,200	Level 3
Cash	$98,450	$98,450	Level 1
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$18,580,448	$18,222,648	Level 3
Subordinated debt	$198,090	$166,872	Level 3

VALUATION TECHNIQUES

Accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a brief summary of the valuation techniques used for the Associations' assets and liabilities.

Loans: Fair value is estimated by discounting the expected future principal and interest cash flows to present value. The discount rate is a spread over an applicable yield curve, based on interest rates at which similar loans would be made to borrowers with similar credit risk regarding recent loan origination rates and management's estimates of credit risk. Management has no basis to determine whether the estimated fair values presented would be indicative of the assumptions and adjustments that a purchaser of the Association's loans would seek in an actual sale.

Fair value of loans in nonaccrual status is estimated as described above, but cash flows are principal only, meaning no interest cash flows occur, and the maturity date is adjusted to assume resolution occurs within two to three years.

For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

Other Property Owned: Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of other property owned involves the use of independent appraisals or other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

Assets Held in Nonqualified Benefits Trusts: Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Cash: Fair value of cash approximates amortized cost.

Notes Payable to CoBank: Fair value is estimated by discounting the future expected principal and interest cash flows to present value. The discount rate is a spread over an applicable yield curve based on current market rates of similar securities with similar maturities and characteristics. The current market rates used were obtained from the Federal Farm Credit Banks Funding Corporation.

Subordinated Debt: Fair value is estimated by discounting the future expected principal and interest cash flows to present value. This discount rate is a spread over an applicable yield curve based on expected market rates of similar securities. The expected market rates are derived from current market interest rates and the change in applicable corporate BBB finance spread obtained from an independent third party since the trade date. Management has no basis to determine whether the estimated fair value presented would be indicative of the assumptions and adjustments that a purchaser of the subordinated debt would seek in an actual sale.

NOTE 7 – SEGMENT REPORTING

The Association is engaged in a single line of business which, by regulation, provides, either directly or in participation with other lenders, credit, credit commitments and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents and farm-related businesses. The chief operating decision maker (CODM) is the Chief Executive Officer (CEO), who uses net interest income and net income, provision for credit losses, salaries and benefits, purchased services and technology expenses along with regulatory capital ratios reported in the accompanying Financial Statements, to evaluate the Association's performance, and make operational decisions such as whether to reinvest profits. The Association's operations constitute a single operating segment and therefore, a single reportable segment, as the CODM manages the business activities using information of the Association as a whole.

The accounting policies of the segment, including those used to measure the profit and loss of the segment, are the same as those disclosed in the summary of significant accounting policies disclosed in the Annual Report to Shareholders. The measure of segment assets is reported on the Statements of Condition as Total Assets. There is no separate segment financial information as the entity has only one segment.

NOTE 8 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 9, 2025, which is the date the financial statements were available to be issued.

Effective April 21, 2025, the Association received approval from CoBank to purchase floating rate SBA investments and secondary market USDA loans. The first SBA investment purchase, in the amount of $25.0 million, settled on April 28, 2025. The investment was treated as held to maturity and recorded at amortized cost.