

Quarterly Report to Shareholders



| American
AgCredit

Your future grows here

as of September 30, 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 third 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

The U.S. economy remained resilient throughout 2025. Real gross domestic product (GDP) for the second quarter was revised upward to an annualized rate of 3.8%, marking a strong rebound from a modest contraction in the first quarter. Real GDP through the first two quarters of 2025 is up about 2.1% from the previous year, which is near the 10-year average. Consumer spending on goods and services showed significant strength, particularly in June, driving a sharp increase from the first quarter to the second. Spending remained stable through July and August, as total retail sales in the first two months of the quarter were up 4.3% from the previous year. Year-to-date retail sales are up 4.2%. Productivity also increased at a 4% annualized rate, likely improving business profit margins.

Despite these positive indicators, the U.S. economy faces several headwinds. According to the Federal Reserve Bank of Atlanta, wage growth has slowed to about 4.1% year over year, the slowest since 2021. As of September, inflation, as measured by the Consumer Price Index (CPI), increased from earlier in the year and remains somewhat elevated, resulting in only marginal real wage gains for the average worker. Inflationary pressures remain persistent, as both the CPI and the Personal Consumption Expenditures have accelerated slightly in recent months. The increase in inflation has most impacted consumers with lower incomes, for whom essentials such as shelter, food and energy make up a large portion of their total expenditure. As a result, delinquency rates on consumer loans for vehicles, credit cards, and student loans have increased. The aggregate delinquency rate across all consumer loans has reached its highest level since 2012. The juxtaposition of stronger consumer spending and rising delinquency rates indicates that the increase in spending is concentrated among higher-income brackets.

Labor market conditions softened in the third quarter. The U.S. economy added only 22,000 jobs in August, the weakest August performance since 2010. Year to date, total job gains are down about 43% from the previous year. The unemployment rate ticked up to 4.3% in August, the highest since 2021, though still relatively low by recent standards. For context, from 2015 through 2019, a recent period of sustained economic growth, the unemployment rate averaged 4.4%. The current labor market is characterized as a "low hire, low fire" environment, where both hires and layoffs are limited. For example, the hiring rate in August was the lowest since 2011 (excluding COVID) and the separations rate is the lowest since 2013. This environment has placed greater stress on new labor market entrants or those otherwise seeking employment.

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In October, the Federal Open Market Committee reduced the Federal funds target interest rate range by 25 basis points, setting it at 3.75% - 4.00%. Looking ahead, any further adjustments to this range will be informed by a comprehensive evaluation of incoming data, the evolving economic outlook, and the prevailing balance of risks.

Following the Federal funds interest rate cut, the average 30-year mortgage rate dipped slightly to their lowest level since October 2024. Equity markets have continued their strong run in 2025. Since the start of the year, the Dow Jones Composite is up 7%, the Nasdaq Composite is up 17%, and the S&P 500 is up 13%.

In 2025, the U.S. faced multiple catastrophic weather events including wildfires in California and severe flooding in Texas and New Mexico. As of September, the National Oceanic and Atmospheric Administration confirmed that La Niña weather conditions have officially emerged. Forecasts now predict drier conditions in the southern U.S., wetter and colder weather in the northern U.S., and continued influence from the polar jet stream, increasing the chance of colder winter patterns.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law, incorporating major provisions from the Farm Bill and extending key program authorizations and funding through 2031. Updates included 10–41% increases in program statutory reference prices that brought certain prices to multi-year highs. The changes represent the most comprehensive farm policy update since 2002. The 2018 Farm Bill, originally set to expire on September 30, 2023, was extended twice: first through September 30, 2024, and then again through September 30, 2025, by the American Relief Act of 2025, signed December 21, 2024. While legislative discussions are ongoing, Congress has yet to finalize a successor or approve an additional extension.

Effective October 1st, 2025, the U.S. government entered a shutdown following Congress's inability to reach a consensus on appropriations for the new fiscal year. While material impacts to agriculture are not currently anticipated, disruptions to federal services may persist until a funding resolution is enacted.

Commodity Review and Outlook

The Association's commodity portfolio remains well-diversified. Vineyards/wineries lead our commodity portfolio at 15.51%, followed by beef at 13.61%, tree fruits/nuts at 13.27%, field crops at 12.12%, dairies at 10.44%, and forest products at 6.77%. The top six commodities make up 71.72% of the total portfolio with the remaining 28.28% spread over multiple additional categories.

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

- **Vineyards and wineries:** U.S. wine sales continue to underperform in 2025, though the rate of decline appears to be stabilizing. According to NielsonIQ data, off-premise retail wine sales fell 5% in both value and volume during the first eight months of 2025 versus the same period last year. While the premium and luxury segments have shown relative resilience, evidence of discounting, particularly in the \$50+ price tier, suggests softening demand even at the higher end of the market. Direct-to-consumer channels remain challenged. Community Benchmark data indicates that revenues fell 4% year-over-year through August, with similar declines in visitor traffic and active wine club memberships. Elevated wholesale inventories and sluggish depletion rates continue to constrain outbound shipments. Additionally, recent tariff developments are unlikely to provide meaningful support to domestic producers in the near term. Trade tensions have further impacted American wine exports. Wine exports fell 27% in value year-to-date through July versus the same period in 2024, driven primarily by a sharp contraction in exports to Canada. Over the past four months, Canadian exports have plummeted 96% year-over-year, representing a \$127 million loss for U.S. wine producers. Dwindling wine sales and inventory rightsizing continue to weigh on grape demand. While the 2025 crop appears healthy, with yields predicted to be average or slightly below, a significant volume of fruit remains unsold. Despite widespread vineyard mothballing and abandonment, a substantial quantity of grapes will almost certainly go unharvested again this year due to insufficient buyer interest. Additionally, consumers continue to show moderation in alcohol consumption due to shifting health priorities, rising interest in wellness lifestyles, and generational preferences for lower- or no-alcohol alternatives.
- **Beef:** The U.S. beef market in mid-2025 was characterized by record-high prices, driven by tightening cattle supplies and sustained, robust consumer demand. The 2025 calf crop is historically small, limiting downward pressure on both feeder and calf markets. Feed yards and stocker operations continue to purchase high-priced replacement cattle inventory, largely influenced by tax planning

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strategies tied to strong earnings realized during the year. Supply constraints were further exacerbated by the closure of the U.S.-Mexico border to feeder and calf imports due to New World Screwworm. Year-to-date imports declined 76%, or approximately 743,000 head, compared to the previous year, accounting for 88% of the reduction in U.S. feedlot placements. Producers have not retained large numbers of heifer calves, and herd expansion has not meaningfully commenced. Consequently, beef production and cattle slaughter volumes have declined. Through August, year-to-date beef production was 3.2% lower than the previous year. The fed cattle slaughter rate fell 4.2%, and cow slaughter declined 11.4%. However, average dressed weights for all cattle increased 3.1% and fed cattle weights rose 2.7% year-over-year, partially offsetting volume declines. Feeder cattle and calf prices reached record highs, elevating projected break-even costs for cattle feeders to unprecedented levels. Retail beef prices followed suit, with grocers adjusting to elevated cutout values. Consumer spending on beef outpaced that of competing proteins during the first seven months of 2025. In July, All-Fresh beef real per capita expenditures were 5.5% higher year-over-year, with year-to-date expenditures up 6.8%. Choice boxed beef cutout values achieved an unusually late summer high, marking a deviation from established seasonal patterns. Ground beef demand remained strong, bolstered in part by ongoing trade disruptions with Brazil, while dry pasture conditions persisted across much of the U.S. Central Plains, with 18% of cattle-producing areas experiencing drought. Continued volatility is expected in the beef sector as producers navigate elevated costs, constrained supply chains, and persistent environmental stressors.

- Tree fruits and nuts:** August marked the first month of the 2025/26 almond marketing year. Total almond shipments (domestic and export) for the 2024/25 marketing year were down almost 2% from the previous year. Export volumes increased by almost 1% as strong exports to Europe and the Middle East offset flat exports to Asia. However, domestic shipments fell by nearly 8%, effectively negating export gains. As a result, beginning inventory for August was about 4% lower than a year earlier. The USDA projects an 11% increase in total almond production for the 2025/26 marketing year, driven by some expansion in producing acreage and record yield forecasts. However, early harvest reports indicate less optimistic yields. Almond prices have slightly improved in response to lower yield estimates, but profit margins remain compressed due to persistently high input costs. The walnut market has rebounded since 2022, with grower prices staying mostly above breakeven levels. The 2025 crop is expected to exceed last year's output, as strong yields from favorable growing conditions are anticipated to offset reductions in planted acreage. Walnut demand remains stable, with shipment volumes exceeding the five-year average when adjusted for crop size. Despite recent price volatility, strong yields and stable demand suggest almond and walnut growers may achieve solid revenue per acre in the upcoming season. However, producers continue to contend with trade uncertainty, tariff exposure, elevated input costs, groundwater access constraints under California's Groundwater Act, emerging La Niña climate patterns, and softening land values across California's Central Valley.
- Field crops:** Weather conditions through late July were generally favorable, supporting strong growing yield expectations heading into August. The August World Agricultural Supply and Demand Estimates (WASDE) report projected record corn yields, combined with the USDA's upward revision to corn planted acreage led to the expectation of record-high supply levels by mid-August. Through the rest of the summer, a variety of issues ranging from drier weather to disease in certain parts of the growing region led to a downward revision in yield forecasts. In the September WASDE report, the USDA lowered its corn yield projection to 186.7 bu./ac., down from 188.8 bu./ac. in August. Despite this, total expected supply increased again due to another upward revision to planted acreage, bringing corn acres (both planted and harvested) for the 2025/26 marketing year to highs not seen since the 1930s. Futures market prices have recovered from their mid-August lows and remained stable following the September WASDE report. Export activity has been particularly strong, with export commitments exceeding 1 billion bushels by the third week of September, a record start to the export season. Increased projected usage for both feed and ethanol contributed to a USDA forecasted total use increase of 4.8%, or 730 million bushels, over last year. The USDA projects the season-average farm price to be \$3.90/bu., down from \$4.20/bu. in July and \$4.30/bu. last year. U.S. soybean acreage for the 2025/26 marketing year is forecast at 81.1 million acres, down nearly 7% year-over-year. However, record yields are expected to keep production nearly flat at 4.3 billion bushels. Global soybean supply pressure continues, led by Brazil's record production in 2024/25. U.S. soybean exports have improved, and domestic crush hit a record of 5.6 million metric tons, supported by four new processing facilities in 2024 and two more expected by 2025/26. U.S. spring wheat supplies are projected at 819 million bushels, down 4.6% year-over-year due to reduced harvested acreage and lower yields. Despite this, ending stocks are expected to rise 1.4% to 330 million bushels, driven by decreased domestic

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use and exports. On the other hand, U.S. winter wheat yields are projected up 6.4% year-over-year at 52.1 bu./ac. Futures prices declined through the third quarter of 2025, with Hard Red Winter and Soft Red Winter contracts both trending lower. Even with a projected 33% increase in exports, global competition and abundant corn supplies continue to exert downward pressure on wheat prices.

- Dairies:** Dairy operations have experienced a strong performance so far in 2025, supported by favorable feed costs, solid milk pricing, and exceptional beef values for cull cows and beef-cross calves. Although cream markets began the year in surplus, resulting in low cream multiple pricing, several factors, including elevated ice cream demand, seasonal component declines, school milk program downtime, and strong export activity, helped rebalance supply and support butter price levels through the summer months. By September, however, butter prices collapsed to lows not seen since 2021, exerting downward pressure on fat component prices on milk checks. Despite this, strong beef revenues, particularly from day-old beef-cross calves, continue to climb to unprecedented levels. While this has been a substantial additional revenue stream for dairies, it has also led many producers to hold milk cows for additional lactations, since the revenue from the calf is likely to offset any marginal decline in milk production. By holding on to cows longer, U.S. producers have grown the herd to levels not seen since the mid-1990s. As a result, milk production grew by more than 3% year-on-year in June, July, and August. Both export and domestic demand for dairy products have been strong. Several new and expanded processing plants are now operational, and more are in the works throughout the country. Consumer demand for high-protein products has been a boon for whey protein markets. The interplay between rising milk supply and sustained demand will be a key factor in determining market dynamics in the coming months. Nonetheless, continued strength in beef revenues is expected to help producers navigate volatility in milk markets.
- Forest products:** The U.S. forest products sector has been impacted by a slowdown in the housing market, resulting in subdued pricing for most forest products. In August, housing starts were down 6%, and building permits were down 10% from a year earlier. Spending on all construction was down 3%, with residential construction spending decreasing 5% from the previous year. The National Association of Home Builders' Housing Market Index recorded its weakest third quarter reading since 2011. Prices for forest products closely tied to residential construction have recently declined alongside weaker demand. Prices are below year-ago levels for framing lumber (-5%), Southern Pine plywood (-8%), structural panel (-19%) and oriented strand board (-46%). Wood pulp prices have also declined by about 6% from last year. Year-to-date exports of forest product materials are down 11% from the previous year, reflecting broader demand weakness. Some forest product sectors have fared slightly better and are up from year-ago levels, such as tissue (5%), container board (7%) and windows (5%), however overall demand for forest products has declined. Log prices stabilized somewhat in the third quarter after a prolonged decline in 2023 and 2024. The indexes for domestic and export log prices are down 7% and 3%, respectively, from 2023 but have recovered to levels 6% and 4% above 2024. Both timber harvest and timberland sales have been slow throughout the year and into the third quarter.

Loan Portfolio

The total loan and lease balance was \$21.5 billion at September 30, 2025, a decrease of \$297.3 million from \$21.8 billion at December 31, 2024. This decrease was due to anticipated loan repayments and additional unscheduled paydowns, partially offset by new loan originations. On a year-over-year basis, loans increased by \$437.9 million when compared to September 30, 2024, resulting in a growth rate of 2.38%. Credit quality was 94.43% as of September 30, 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 and the tree fruit and nut sector. 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 \$12.2 billion of loans and syndicated balances for other institutions as of September 30, 2025, as compared to \$10.1 billion at September 30, 2024.

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Nonearning Assets

Nonaccrual loans decreased by \$45.1 million to \$400.2 million at September 30, 2025, compared to \$445.3 million at December 31, 2024. The net decrease in nonaccrual loans was primarily due to \$196.7 million year-to-date repayments, \$33.4 million in loan volume reinstated to accrual status, and additional amounts charged off amounting to \$52.8 million, offset by \$221.7 million transfers to nonaccrual status, and disbursements on nonaccrual loans of \$16.1 million. Nonearning assets continue to be driven by the profitability challenges and resulting elevated adversity, as noted above, within the Association's portfolio, primarily in wine grapes and wine, and tree fruit and nut sectors. Nonaccrual loans represented 1.86% of total loan volume at the end of September 30, 2025, compared to 2.11% at September 30, 2024, and 2.05% 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 \$82.7 million at September 30, 2025, which included a \$78.7 million allowance for loan losses and a \$4.0 million reserve for unfunded commitments. Total allowance for credit losses at December 31, 2024, was \$39.4 million, which included \$38.2 million allowance for loan losses and \$1.2 million reserve for unfunded commitments.

Financial Condition and Results of Operations

Net income for the nine months ended September 30, 2025, was \$312.9 million compared to \$307.4 million for the same period last year, an increase of \$5.5 million. The change in net income was primarily due to the following reasons:

- Net interest income increased by \$28.6 million year-over-year primarily due to a decrease in operating line interest expense of \$35.9 million caused by lower note payable balances with CoBank, and a \$1.7 million decrease in Funds Held interest expense, which more than offset the \$10.1 million decrease in interest income from accrual loan volume, and an increase in interest income from investment activities of \$1.1 million, beginning April 28, 2025. The Association's weighted average interest rate on interest-bearing liabilities was 3.72% and 4.09% as of September 30, 2025, and 2024, respectively. Net interest margin was 2.87% as of September 30, 2025, and 2.82% as of September 30, 2024.
- The Association recorded a provision for credit losses of \$91.3 million through September 30, 2025, as compared to \$46.3 million a year ago. The \$45.0 million year-over-year increase is primarily the result of credit quality deterioration, an increase in charge-offs during 2025, and continuous refinement of CECL qualitative and quantitative components of the allowance calculation in the third quarter of 2025.
- Non-interest income increased by \$12.6 million year-over-year. The increase was primarily due to a \$9.9 million increase in patronage income from Farm Credit institutions, a \$4.9 million increase in loan origination fees, a \$4.1 million Farm Credit Insurance Corporation (FCSIC) premium refund (a decrease of \$2.1 million compared to the \$6.2 million received in 2024), \$4.5 million gains on sales of three office buildings, and a slight increase in 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, a \$1.2 million decrease in the carrying value of an acquired asset due to revaluation, and a \$1.3 million decrease due to a nonrecurring gain recognized in the prior year from the acquisition of an acquired property from foreclosure.
- Overall, non-interest operating expenses decreased by \$9.3 million compared to the same period last year, primarily due to a \$3.9 million decrease in occupancy and equipment expense from the disposal of certain owned properties and related assets in 2025,

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and a \$3.2 million decrease in third party professional and consulting fees, slightly offset by an increase in FCSIC insurance fund premium expense.

- FCSIC insurance, a component of non-interest operating expense, increased by \$544 thousand when compared to September 2024 primarily due to additional surcharges assessed on the increase in nonaccrual loan volume and less total non-government guaranteed loan volume. The FCSIC board voted to leave the insurance premium assessment accrual rate on adjusted insured debt at 10 basis points for the remainder of 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 Nine Months Ended		Increase (Decrease) in
	September 30, 2025	September 30, 2024	Net Income
Net interest income	\$465,024	\$436,376	\$28,648
Provision for credit losses	(91,309)	(46,286)	(45,023)
Patronage income	121,016	111,218	9,798
Other income, net	36,808	34,004	2,804
Non-interest expenses	(218,593)	(227,893)	9,300
Provision for income taxes	(8)	(2)	(6)
Net income	\$312,938	\$307,417	\$5,521

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

	September 30,	
	2025	2024
Return on average assets	1.83%	1.88%
Return on common equity	11.84%	12.24%
Return on total equity	10.91%	11.24%
Net interest margin	2.87%	2.82%

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.

The Association manages an investment portfolio which currently holds U.S. Small Business Association (SBA) debt securities primarily to diversify assets. As of September 30, 2025, the investment portfolio totaled \$51.4 million and was comprised exclusively of held-to-maturity securities, which are not intended to serve as a source of liquidity or funding. More information can be found in Note 3 to the Consolidated Financial Statements.

Shareholders' Equity

The Association's capital position remains strong. Total shareholders' equity was \$4.0 billion at the end of the third quarter, an increase of \$302.6 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

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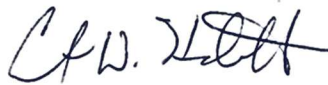
income. The Association was in compliance with all capital ratio requirements at September 30, 2025. The Association's strong earnings and capital position enable us to effectively serve our mission and our customers and support our ability to maintain our cash patronage distribution program and pay 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

November 7, 2025

Consolidated Statements of Condition (dollars in thousands)

	September 30, 2025	December 31, 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Loans	\$21,481,766	\$21,779,107
Less: allowance for credit losses on loans	(78,686)	(38,213)
Net loans	21,403,080	21,740,894
Cash	34,016	98,450
Accrued interest receivable	305,921	269,643
Investment in CoBank	585,129	581,570
Investment securities	51,384	-
Investment in AgDirect	37,954	35,741
Premises and equipment, net	51,121	59,942
Other property owned	11,881	14,503
Assets held for sale	59,015	54,417
Other assets	278,894	319,195
Total assets	\$22,818,395	\$23,174,355
LIABILITIES		
Notes payable to CoBank	\$18,177,608	\$18,580,448
Subordinated debt	198,214	198,090
Funds Held accounts	223,874	228,148
Accrued interest payable	99,003	95,028
Cash patronage and preferred stock dividends payable	-	237,660
Reserve for unfunded commitments	3,982	1,159
Other liabilities	163,428	184,164
Total liabilities	18,866,109	19,524,697
SHAREHOLDERS' EQUITY		
Preferred stock	300,000	300,000
Common stock and participation certificates	11,584	11,687
Additional paid-in capital	935,386	935,386
Allocated retained surplus	239,507	239,507
Unallocated retained surplus	2,474,817	2,176,398
Accumulated other comprehensive loss	(9,008)	(13,320)
Total shareholders' equity	3,952,286	3,649,658
Total liabilities and shareholders' equity	\$22,818,395	\$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 September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
INTEREST INCOME				
Loans	\$360,590	\$365,638	\$1,062,296	\$1,072,394
Investment securities	734	-	1,103	-
Total interest income	361,324	356,105	1,063,399	1,072,394
INTEREST EXPENSE				
Notes payable to CoBank	197,156	213,043	586,567	622,471
Subordinated notes	1,729	1,729	5,187	5,187
Funds Held and other interest	2,057	2,505	6,621	8,360
Total interest expense	200,942	217,277	598,375	636,018
Net interest income	160,382	148,361	465,024	436,376
Provision for credit losses	(38,032)	(20,966)	(91,309)	(46,286)
Net interest income after provision for credit losses	122,350	127,395	373,715	390,090
NON-INTEREST INCOME				
Patronage income from CoBank	24,496	24,424	73,321	70,391
Patronage income from other Farm Credit institutions	12,736	10,452	44,555	37,551
Patronage income from AgDirect	881	1,084	3,140	3,276
Loan origination fees	7,020	3,267	17,148	12,200
Servicing fees and late charges	916	631	5,328	4,442
Financially-related services	2,526	2,227	4,349	4,009
Miscellaneous	1,657	1,780	9,983	13,353
Total non-interest income	50,232	43,865	157,824	145,222
NON-INTEREST EXPENSES				
Salaries and employee benefits	50,807	52,407	154,096	154,071
Occupancy and equipment expense	1,635	2,778	4,074	7,962
Insurance fund premiums	4,531	4,348	13,618	13,074
Supervisory and examination expense	779	911	2,814	2,739
Other operating expenses	15,470	17,123	43,991	50,047
Total non-interest expenses	73,222	77,567	218,593	227,893
Income before income taxes	99,360	93,693	312,946	307,419
Provision for income taxes	-	-	(8)	(2)
Net income	\$99,360	\$93,693	\$312,938	\$307,417
COMPREHENSIVE INCOME				
Actuarial gain in retirement obligation	1,437	1,376	4,312	4,128
Total comprehensive income	\$100,797	\$95,069	\$317,250	\$311,545

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

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

<i>(Unaudited)</i>	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	\$2,019,621	\$(16,565)	\$3,489,656
Comprehensive income					307,417	4,128	311,545
Stock/participation certificates issued	604						604
Stock/participation certificates retired	(617)						(617)
Preferred stock dividends					(11,813)		(11,813)
Adjustment to prior period patronage accrual					1,453		1,453
Balance at September 30, 2024	\$11,694	\$300,000	\$935,386	\$239,507	\$2,316,678	\$(12,437)	\$3,790,828
Balance at December 31, 2024	\$11,687	\$300,000	\$935,386	\$239,507	\$2,176,398	\$(13,320)	\$3,649,658
Comprehensive income					312,938	4,312	317,250
Stock/participation certificates issued	577						577
Stock/participation certificates retired	(680)						(680)
Preferred stock dividends					(11,812)		(11,812)
Adjustment to prior period patronage accrual					(2,707)		(2,707)
Balance at September 30, 2025	\$11,584	\$300,000	\$935,386	\$239,507	\$2,474,817	\$(9,008)	\$3,952,286

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 third quarter 2025 financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report 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 Issued or Adopted Accounting Pronouncements

Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal – Use Software

In September 2025, the Financial Accounting Standards Board (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. The amendment introduces 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 developments costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. The Association is currently assessing the potential impact of this amendment on its disclosures.

Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses-Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The practical expedient would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. 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.)*

Disaggregation of Income Statement Expenses (ASC 220)

In November 2024, the 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 the 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.

Improvements to Income Tax Disclosures (ASC 740)

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. Income taxes paid will require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid.

Improvements to Reportable Segment Disclosures (ASC 280)

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.

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

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.

Accounting Policy for Investment Securities

In April 2025, the Association began investing in U.S. Small Business Administration (SBA) securities. These securities consist of pools of loans unconditionally guaranteed by SBA and classified as held-to-maturity in the Association's financial statements. The Association's investments are recorded at amortized cost, representing the original purchase price adjusted for the amortization of premiums or accretion of discounts over the life of the securities using the straight-line interest method. Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income. Premiums paid to purchase the investments are not guaranteed and are amortized as a reduction of interest income.

NOTE 2 – LOANS AND ALLOWANCE FOR LOAN LOSSES

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

	September 30, 2025		December 31, 2024	
	Amount	Percentage	Amount	Percentage
Real estate mortgage	\$10,982,661	51.1%	\$11,010,982	50.6%
Production and intermediate-term	4,579,437	21.3%	4,949,831	22.7%
Agribusiness	4,890,259	22.8%	4,854,001	22.3%
Rural infrastructure	938,872	4.4%	861,991	3.9%
Other	90,537	0.4%	102,302	0.5%
Total loans	\$21,481,766	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. The following table presents information regarding participations purchased and sold at September 30, 2025.

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations		Participations		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$755,094	\$1,752,252	\$-	\$-	\$755,094	\$1,752,252
Production and intermediate-term	1,196,427	2,649,276	26,660	24,128	1,223,087	2,673,404
Agribusiness	2,765,586	4,814,556	-	26,241	2,765,586	4,840,797
Rural infrastructure	909,620	161,709	-	-	909,620	161,709
Other	86,617	-	-	-	86,617	-
Total	\$5,713,344	\$9,377,793	\$26,660	\$50,369	\$5,740,004	\$9,428,162

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

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 originated 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 originated is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be originated 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 next twelve months. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs. 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.

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.

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 September 30, 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	\$791,640	\$980,703	\$795,231	\$1,184,446	\$1,408,654	\$4,029,895	\$651,031	\$89,502	\$9,931,102
OAEM	7,316	5,402	8,430	112,803	38,399	153,306	10,280	16,351	352,287
Substandard/Doubtful	19,028	17,344	83,890	71,544	81,267	375,678	31,216	19,305	699,272
Total	817,984	1,003,449	887,551	1,368,793	1,528,320	4,558,879	692,527	125,158	10,982,661
Gross charge-offs ⁽¹⁾	-	-	392	132	900	6,109	9,433	-	16,966
Production and intermediate-term:									
Acceptable	535,491	440,575	229,778	181,139	157,282	221,425	2,356,456	2,354	4,124,500
OAEM	10,738	6,569	3,529	31,067	9,462	520	98,162	7,226	167,273
Substandard/Doubtful	22,173	30,289	29,915	35,625	14,183	31,191	121,391	2,898	287,664
Total	568,402	477,433	263,222	247,831	180,927	253,136	2,576,009	12,478	4,579,437
Gross charge-offs ⁽¹⁾	293	2,725	15,783	1,515	504	4,380	1,168	76	26,444
Agribusiness:									
Acceptable	631,387	852,342	725,401	751,150	378,182	518,483	577,238	33,571	4,467,754
OAEM	11,516	32,785	11,811	31,772	42,629	17,499	45,602	-	193,614
Substandard/Doubtful	13,530	10,776	31,925	23,453	53,184	29,727	62,066	4,230	228,891
Total	656,433	895,903	769,137	806,375	473,995	565,709	684,906	37,801	4,890,259
Gross charge-offs ⁽¹⁾	119	-	9,261	-	1	13	-	-	9,394
Rural infrastructure:									
Acceptable	156,786	228,305	298,970	93,935	60,698	46,718	28,647	-	914,059
OAEM	3,225	9,990	-	-	-	11,598	-	-	24,813
Total	160,011	238,295	298,970	93,935	60,698	58,316	28,647	-	938,872
Other:									
Acceptable	3,805	8,041	46,008	-	12,263	964	-	19,431	90,512
Substandard/Doubtful	-	-	-	-	-	25	-	-	25
Total	3,805	8,041	46,008	-	12,263	989	-	19,431	90,537
Total loans:									
Acceptable	2,119,109	2,509,966	2,095,388	2,210,670	2,017,079	4,817,485	3,613,372	144,858	19,527,927
OAEM	32,795	54,746	23,770	175,642	90,490	182,923	154,044	23,577	737,987
Substandard/Doubtful	54,731	58,409	145,730	130,622	148,634	436,621	214,673	26,433	1,215,852
Total Loans	\$2,206,635	\$2,623,121	\$2,264,888	\$2,516,934	\$2,256,203	\$5,437,029	\$3,982,089	\$194,868	\$21,481,766
Gross charge-offs ⁽¹⁾	\$412	\$2,725	\$25,436	\$1,647	\$1,405	\$10,502	\$10,601	\$76	\$52,804

⁽¹⁾ As of and for the nine months ended September 30, 2025.

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 Converted to Term Loans		
	2024	2023	2022	2021	2020	Prior	Amortized Cost Basis	Amortized Cost Basis	Total
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
Gross charge-offs ⁽¹⁾	-	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
Gross charge-offs ⁽¹⁾	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
Gross charge-offs ⁽¹⁾	-	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	\$21,779,107
Gross charge-offs ⁽¹⁾	\$4,466	\$14,119	\$8,323	\$1,550	\$4,613	\$6,466	\$3,201	\$9,132	\$51,870

⁽¹⁾ As of and for the twelve months ended December 31, 2024.

Accrued interest receivable on loans of \$305.4 million and \$269.6 million at September 30, 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 \$5.1 million and \$15.0 million for the nine months ended September 30, 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:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Nonaccrual loans:		
Real estate mortgage	\$280,976	\$284,132
Production and intermediate-term	69,554	77,689
Agribusiness	49,684	83,467
Other	25	34
Total nonaccrual loans	400,239	445,322
Accruing loans 90 days or more past due:		
Real estate mortgage	16,690	260
Production and intermediate-term	698	-
Total accruing loans 90 days or more past due	17,388	260
Total nonperforming loans	\$417,627	\$445,582
Other property owned	11,881	14,503
Total nonperforming assets	\$429,508	\$460,085

	<u>Sep. 30, 2025</u>	<u>Dec. 31, 2024</u>
Nonaccrual loans as a percentage of total loans	1.86%	2.05%
Nonperforming assets as a percentage of total loans and other property owned	2.00%	2.11%
Nonperforming assets as a percentage of capital	10.87%	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:

	<u>At September 30, 2025</u>			<u>Interest Income Recognized</u>	
	<u>Amortized Cost with Allowance</u>	<u>Amortized Cost without Allowance</u>	<u>Total</u>	<u>For the Three Months Ended Sep. 30, 2025</u>	<u>For the Nine Months Ended Sep. 30, 2025</u>
Nonaccrual loans:					
Real estate mortgage	\$21,898	\$259,078	\$280,976	\$1,209	\$3,381
Production and intermediate-term	9,909	59,645	69,554	1,024	3,242
Agribusiness	7,517	42,167	49,684	3,274	6,019
Rural residential real estate	-	25	25	-	1
Total nonaccrual loans	\$39,324	\$360,915	\$400,239	\$5,507	\$12,643

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

	At September 30, 2024			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Three Months Ended Sep. 30, 2024	For the Nine Months Ended Sep. 30, 2024
Nonaccrual loans:					
Real estate mortgage	\$17,817	\$271,591	\$289,408	\$1,256	\$3,093
Production and intermediate-term	14,540	53,300	67,840	829	3,386
Agribusiness	7,956	78,016	85,972	(150)	70
Rural residential real estate	-	44	44	-	-
Total nonaccrual loans	\$40,313	\$402,951	\$443,264	\$1,935	\$6,549

DELINQUENCY

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

	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
September 30, 2025						
Real estate mortgage	\$5,329	\$134,031	\$139,360	\$10,843,301	\$10,982,661	\$16,690
Production and intermediate-term	31,796	40,692	72,488	4,506,949	4,579,437	698
Agribusiness	12,300	18,079	30,379	4,859,880	4,890,259	-
Rural infrastructure	-	-	-	938,872	938,872	-
Other	-	-	-	90,537	90,537	-
Total	\$49,425	\$192,802	\$242,227	\$21,239,539	\$21,481,766	\$17,388

	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
December 31, 2024						
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 September 30, 2025, for loan modifications granted to borrowers experiencing financial difficulty during the three months ended September 30, 2025, and September 30, 2024, disaggregated by loan type and type of modification granted.

For the Three Months Ended September 30, 2025

	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 Loan Type
Real estate mortgage	\$36,452	\$-	\$23,521	\$(1)	\$472	\$-	\$60,444	0.55%
Production and intermediate-term	6,297	8,776	31,093	3	700	83	46,952	1.03%
Agribusiness	11,855	474	8,547	-	-	532	21,408	0.44%
Total	\$54,604	\$9,250	\$63,161	\$2	\$1,172	\$615	\$128,804	0.60%

For the Three Months Ended September 30, 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	\$10,319	\$-	\$61,245	\$-	\$-	\$-	\$71,564	0.66%
Production and intermediate-term	10,067	29,875	24,209	399	-	2,383	66,933	1.51%
Agribusiness	-	8,885	625	-	126	-	9,636	0.20%
Rural infrastructure	39	-	-	-	-	-	39	0.00%
Total	\$20,425	\$38,760	\$86,079	\$399	\$126	\$2,383	\$148,172	0.70%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended September 30, 2025, and September 30, 2024, was \$1.9 million and \$2.3 million.

For the Nine Months Ended September 30, 2025

	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 Loan Type
Real estate mortgage	\$63,534	\$592	\$202,098	\$(1)	\$16,792	\$3,113	\$286,128	2.29%
Production and intermediate-term	5,045	25,780	39,513	3	8,897	19,344	98,582	1.44%
Agribusiness	11,855	3,911	8,547	-	-	12,101	36,414	0.53%
Total	\$80,434	\$30,283	\$250,158	\$2	\$25,689	\$34,558	\$421,124	1.59%

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

For the Nine Months Ended September 30, 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	\$22,964	\$395	\$165,084	\$-	\$7,617	\$-	\$196,060	1.80%
Production and intermediate-term	18,880	43,581	26,187	1,335	398	7,358	97,739	2.20%
Agribusiness	13,055	750	562	-	-	8,135	22,502	0.47%
Rural infrastructure	39	-	-	-	-	-	39	0.00%
Total	\$54,938	\$44,726	\$191,833	\$1,335	\$8,015	\$15,493	\$316,340	1.50%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the nine months ended September 30, 2025, and September 30, 2024, was \$8.1 million and \$4.6 million.

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

Interest Rate Reduction	
Financial Effect	
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 11.66% to 6.70%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 7.90% to 7.27%
Agribusiness	Reduced weighted average contractual interest rate on loans from 8.95% to 7.98%
Term Extension	
Financial Effect	
Production and intermediate-term	Increased weighted average maturities on loans by 308 days
Agribusiness	Increased weighted average maturities on loans by 354 days
Payment Deferral	
Financial Effect	
Real estate mortgage	Provided a weighted average 271 day payment deferral
Production and intermediate-term	Provided a weighted average 3.4 year payment deferral
Agribusiness	Provided a weighted average 2.1 year payment deferral
Combination - Interest Rate Reduction and Payment Deferral	
Financial Effect	
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 12.46% to 7.46% and provided a weighted average 196 day payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.75% to 9.25% and provided a weighted average 215 day payment deferral

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

Combination - Interest Rate Reduction and Term Extension	
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 9.75% to 9.50% and increased weighted average maturities on loans by 7.3 years
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.25% to 0.00% and increased weighted average maturities on loans by 2.0 years
Combination - Term Extension and Payment Deferral	
	Financial Effect
Production and intermediate-term	Increased weighted average maturities on loans by 6.3 years and provided a weighted average 2.5 year payment deferral
Agribusiness	Increased weighted average maturities on loans by 325 days and provided a weighted average 339 day payment deferral

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended September 30, 2024:

Interest Rate Reduction	
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 11.98% to 7.59%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 10.26% to 8.60%
Rural infrastructure	Reduced weighted average contractual interest rate on loans from 13.78% to 8.78%
Term Extension	
	Financial Effect
Production and intermediate-term	Increased weighted average maturities on loans by 306 days
Agribusiness	Increased weighted average maturities on loans by 341 days
Payment Deferral	
	Financial Effect
Real estate mortgage	Provided a weighted average 1.9 year payment deferral
Production and intermediate-term	Provided a weighted average 333 day payment deferral
Agribusiness	Provided a weighted average 349 day payment deferral
Combination - Interest Rate Reduction and Payment Deferral	
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 10.65% to 5.65% and provided a weighted average 1.0 year payment deferral
Combination - Interest Rate Reduction and Term Extension	
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.47% to 5.69% and increased weighted average maturities on loans by 5.9 years

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

Combination - Term Extension and Payment Deferral
Financial Effect

Production and intermediate-term	Increased weighted average maturities on loans by 1.0 years and provided a weighted average 2.0 year payment deferral
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The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2025:

Interest Rate Reduction
Financial Effect

Real estate mortgage	Reduced weighted average contractual interest rate on loans from 10.28% to 6.84%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 10.09% to 8.30%
Agribusiness	Reduced weighted average contractual interest rate on loans from 8.95% to 7.98%

Term Extension
Financial Effect

Real estate mortgage	Increased weighted average maturities on loans by 181 days
Production and intermediate-term	Increased weighted average maturities on loans by 330 days
Agribusiness	Increased weighted average maturities on loans by 1.3 years

Payment Deferral
Financial Effect

Real estate mortgage	Provided a weighted average 348 day payment deferral
Production and intermediate-term	Provided a weighted average 2.4 year payment deferral
Agribusiness	Provided a weighted average 2.0 year payment deferral

Combination - Interest Rate Reduction and Payment Deferral
Financial Effect

Real estate mortgage	Reduced weighted average contractual interest rate on loans from 12.09% to 7.15% and provided a weighted average 1.0 year payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 8.66% to 7.54% and provided a weighted average 3.0 year payment deferral

Combination - Interest Rate Reduction and Term Extension
Financial Effect

Real estate mortgage	Reduced weighted average contractual interest rate on loans from 9.75% to 9.50% and increased weighted average maturities on loans by 7.3 years
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.25% to 0.00% and increased weighted average maturities on loans by 2.0 years

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

	Combination - Term Extension and Payment Deferral
	Financial Effect
Real estate mortgage	Increased weighted average maturities on loans by 183 days and provided a weighted average 1.1 year payment deferral
Production and intermediate-term	Increased weighted average maturities on loans by 1.1 years and provided a weighted average 3.8 year payment deferral
Agribusiness	Increased weighted average maturities on loans by 1.9 year and provided a weighted average 3.2 year payment deferral

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2024:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 10.57% to 8.13%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 10.07% to 8.66%
Agribusiness	Reduced weighted average contractual interest rate on loans from 9.95% to 9.42%
Rural infrastructure	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 8.7 years
Production and intermediate-term	Increased weighted average maturities on loans by 1.2 years
Agribusiness	Increased weighted average maturities on loans by 273 days

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 1.3 year payment deferral
Production and intermediate-term	Provided a weighted average 334 day payment deferral
Agribusiness	Provided a weighted average 1.7 year payment deferral

	Combination - Interest Rate Reduction and Payment Deferral
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 12.46% to 8.55% and provided a weighted average 1.1 year payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 14.29% to 8.86% and provided a weighted average 329 day payment deferral

	Combination - Interest Rate Reduction and Term Extension
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 14.14% to 9.55% and increased weighted average maturities on loans by 2.6 years

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

Combination - Term Extension and Payment Deferral

	Financial Effect
Production and intermediate-term	Increased weighted average maturities on loans by 1.1 years and provided a weighted average 1.6 year payment deferral
Agribusiness	Increased weighted average maturities on loans by 349 days and provided a weighted average 4.6 year payment deferral

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended September 30, 2025, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted	
	Interest Rate Reduction	Payment Deferral
Real estate mortgage	\$-	\$7,763
Production and intermediate-term	1	-
Total	\$1	\$7,763

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended September 30, 2024, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted	
	Payment Deferral	Combination - Interest Rate Reduction & Payment Deferral
Real estate mortgage	\$5,677	\$126
Production and intermediate-term	931	-
Agribusiness	371	-
Total	\$6,979	\$126

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted		
	Interest Rate Reduction	Payment Deferral	Combination - Interest Rate Reduction & Payment Deferral
Real estate mortgage	\$2,545	\$28,605	\$4,981
Production and intermediate-term	517	1,995	2
Total	\$3,062	\$30,600	\$4,983

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

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2024, and received a modification in the twelve months before default:

Modified Loans that Subsequently Defaulted

	Interest Rate Reduction	Term Extension	Payment Deferral	Combination - Interest Rate Reduction & Term Extension	Combination - Interest Rate Reduction & Payment Deferral	Combination - Term Extension & Payment Deferral
Real estate mortgage	\$3,571	\$-	\$56,887	\$-	\$3,588	\$-
Production and intermediate-term	229	1,983	895	872	207	4,551
Agribusiness	-	-	371	-	-	-
Rural residential real estate	39	-	-	-	-	-
Total	\$3,839	\$1,983	\$58,153	\$872	\$3,795	\$4,551

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 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	\$239,097	\$1,581	\$45,449
Production and intermediate-term	94,264	100	4,219
Agribusiness	36,414	-	-
Total	\$369,775	\$1,681	\$49,668

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 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	\$137,418	\$779	\$57,863
Production and intermediate-term	85,840	385	11,514
Agribusiness	22,193	-	309
Other	39	-	-
Total	\$245,490	\$1,164	\$69,686

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the nine months ended September 30, 2025, were \$20.9 million and during the year ended December 31, 2024, were \$20.3 million.

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

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.

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 June 30, 2025	\$25,746	\$11,773	\$22,041	\$822	\$126	\$60,508
Charge-offs	(9,942)	(3,373)	(6,392)	-	-	(19,707)
Recoveries	132	2,256	220	-	-	2,608
Provision for/(Reversal of) loan losses	15,181	2,926	17,103	96	(29)	35,277
Balance at September 30, 2025	\$31,117	\$13,582	\$32,972	\$918	\$97	\$78,686
Allowance for unfunded commitments:						
Balance at June 30, 2025	\$208	\$395	\$591	\$33	\$-	\$1,227
Provision for unfunded commitments	46	559	2,013	99	38	2,755
Balance at September 30, 2025	\$254	\$954	\$2,604	\$132	\$38	\$3,982
Total allowance for credit losses	\$31,371	\$14,536	\$35,576	\$1,050	\$135	\$82,668
	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	\$7,426	\$9,574	\$652	\$112	\$38,213
Charge-offs	(16,966)	(26,444)	(9,394)	-	-	(52,804)
Recoveries	343	4,128	320	-	-	4,791
Provision for/(Reversal of) loan losses	27,291	28,472	32,472	266	(15)	88,486
Balance at September 30, 2025	\$31,117	\$13,582	\$32,972	\$918	\$97	\$78,686
Allowance for unfunded commitments:						
Balance at December 31, 2024	\$247	\$316	\$588	\$8	\$-	\$1,159
Provision for unfunded commitments	7	638	2,016	124	38	2,823
Balance at September 30, 2025	\$254	\$954	\$2,604	\$132	\$38	\$3,982
Total allowance for credit losses	\$31,371	\$14,536	\$35,576	\$1,050	\$135	\$82,668

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

	Real Estate Mortgage	Production and Intermediate- term	Agri- business	Rural Infra- structure	Agricultural Export Finance	Total
Allowance for loan losses:						
Balance at June 30, 2024	\$7,454	\$6,147	\$4,631	\$8	\$-	\$18,240
Charge-offs	(5,146)	(2,482)	(2,518)	-	-	(10,146)
Recoveries	4	312	607	-	-	923
Provision for loan losses	15,591	2,862	2,628	31	8	21,120
Balance at September 30, 2024	\$17,903	\$6,839	\$5,348	\$39	\$8	\$30,137
Allowance for unfunded commitments:						
Balance at June 30, 2024	\$120	\$389	\$654	\$-	\$-	\$1,163
Provision for unfunded commitments	88	(67)	(185)	8	2	(154)
Balance at September 30, 2024	\$208	\$322	\$469	\$8	\$2	\$1,009
Total allowance for credit losses	\$18,111	\$7,161	\$5,817	\$47	\$10	\$31,146

	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	(11,296)	(8,643)	(22,933)	-	-	(42,872)
Recoveries	10	1,966	3,493	-	-	5,469
Provision for loan losses	23,590	5,677	17,000	38	8	46,313
Balance at September 30, 2024	\$17,903	\$6,839	\$5,348	\$39	\$8	\$30,137
Allowance for unfunded commitments:						
Balance at December 31, 2023	\$136	\$396	\$504	\$-	\$-	\$1,036
Provision for unfunded commitments	72	(74)	(35)	8	2	(27)
Balance at September 30, 2024	\$208	\$322	\$469	\$8	\$2	\$1,009
Total allowance for credit losses	\$18,111	\$7,161	\$5,817	\$47	\$10	\$31,146

DISCUSSION OF CHANGES IN ALLOWANCE FOR CREDIT LOSSES

The Allowance for Credit Losses (“Allowance”) using the Current Expected Credit Losses (“CECL”) Methodology was \$82.7 million at September 30, 2025, an increase of \$43.3 million, as compared to \$39.4 million at December 31, 2024. In the third quarter of 2025, the Association implemented multiple enhancements to the quantitative and qualitative components of the Allowance for Credit Losses methodology. These changes were designed to improve transparency, verifiability, and responsiveness to credit deterioration. The enhancements increased the allowance by approximately \$28.8 million. Current and future expected macroeconomic risks are increasing due to ongoing uncertainty surrounding existing and potential tariffs, as well as other governmental policies. These risks are reflected both

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

in actual loss experience and credit deterioration, and in future expected losses captured through the quantitative loss modeling process, particularly within consumer goods and field crops. Non-performing loan activity continues to increase. Net charge-offs of \$17.3 million were recorded during the quarter. The specific reserve decreased \$1.3 million, largely as a result of charge-offs in excess of additional reserves recorded upon nonaccrual loan conversions.

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 64.95% of the portfolio at September 30, 2025.

Industry	Significant Macroeconomic Variable	Forecast Period		
		Year 1	Year 2	Year 3
Vineyards and wineries	Long-term government bond yields %, and	4.30%	4.20%	4.20%
	U.S. export value of wine	\$4.61	\$4.89	\$5.20
Beef	Boneless beef price % quarter-over-quarter, and	-0.09%	0.52%	0.71%
	World food price % quarter-over-quarter	0.85%	0.85%	0.80%
Tree fruits and nuts	Real effective exchange rate % year-over-year, and	2.38%	-0.32%	-0.35%
	Fruit and tree nut index % quarter-over-quarter	1.13%	0.56%	0.80%
Field crops	Corn price parity level quarter-over-quarter, and	0.08	0.12	0.13
	Net farm income % year-over-year	-3.73%	-2.19%	-0.23%
Dairies	Real effective exchange rate % year-over-year, and	2.38%	-0.32%	-0.35%
	Total livestock and crop cash receipts % quarter-over-quarter	-1.13%	-0.82%	-0.18%

NOTE 3 – INVESTMENT SECURITIES

A summary of the amortized cost of securities held-to-maturity by type is as follows:

As of September 30, 2025				
	Amortized Cost	Gross Unrealized Gains/(losses)	Fair Value	Weighted Average Yield
Asset-backed securities	\$51,384	\$(842)	\$50,542	6.46%

As of September 30, 2025, the Association's investment portfolio included two securities issued by SBA, each with contractual maturities of 25 years. Accrued interest of \$543.6 thousand as of September 30, 2025, has been excluded from the amortized cost basis of the total investment securities.

Notes to the Consolidated Financial Statements (dollars in thousands, except as noted.)**NOTE 4 – PREMISES, EQUIPMENT, AND LEASES****PREMISES AND EQUIPMENT**

Premises and equipment consist of the following:

	September 30, 2025	December 31, 2024
Buildings and improvements	\$58,459	\$63,023
Furniture and equipment	10,462	11,030
Land	6,019	8,446
Construction in progress	-	3,718
Vehicles	376	548
Premises and equipment at cost	75,316	86,765
Less: accumulated depreciation	(29,672)	(31,862)
Premises and equipment, net	\$45,644	\$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.

Future minimum lease payments under non-cancellable leases as of September 30, 2025, were as follows:

	Operating Leases	Finance Leases	Total
2025 (excluding the nine months ended 9/30/25)	\$246	\$668	\$914
2026	769	1,486	2,255
2027	524	677	1,201
2028	484	310	794
2029	294	183	477
Thereafter	1,247	38	1,285
Total lease payments	3,564	3,362	6,926
Less: interest	-	(1,026)	(1,026)
Total	\$3,564	\$2,336	\$5,900

Right-of-use assets, net of accumulated amortization, amounted to \$5.5 million for the period ended September 30, 2025.

ASSETS HELD FOR SALE

As of September 30, 2025, assets held for sale totaled \$59.0 million, compared to \$54.4 million as of December 31, 2024. The balance primarily consisted of the Albuquerque, NM office building and land, with a carrying amount of \$8.1 million, which was written down to the appraised value of \$4.9 million less approximate selling costs of \$293 thousand, and the former Santa Rosa headquarters building and land (along with other furniture and equipment) which were written down to its fair value of \$56.1 million, less estimated selling costs of \$1.7 million. As of September 30, 2025, certain assets previously classified as held for sale were disposed of, which included the Greeley, CO office building and land resulting in a gain of \$2.4 million and was included in miscellaneous income in the accompanying statements of operations.

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

NOTE 5 – SHAREHOLDERS’ EQUITY

The table below shows the Association’s regulatory capital requirements and ratios as of September 30, 2025. The Association exceeded all regulatory minimum capital requirements as of September 30, 2025, and December 31, 2024.

	Regulatory Minimums	Capital Conservation Buffer	Total	Sep. 30, 2025	Dec. 31, 2024
Risk-adjusted:					
Common Equity Tier 1 capital	4.5%	2.5%	7.0%	11.54%	11.53%
Tier 1 capital	6.0%	2.5%	8.5%	12.71%	12.73%
Total capital	8.0%	2.5%	10.5%	13.74%	13.66%
Permanent capital	7.0%	0.0%	7.0%	13.36%	13.68%
Non-risk-adjusted:					
Tier 1 leverage	4.0%	1.0%	5.0%	14.66%	14.56%
URE and UREE leverage	1.5%	0.0%	1.5%	13.26%	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.

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

	Pension and Other Benefit Plans	Accumulated Other Comprehensive Loss
Balance at December 31, 2024		
Other comprehensive loss before reclassifications	\$(13,320)	\$(13,320)
Amounts reclassified from accumulated other comprehensive loss	4,312	4,312
Net current period other comprehensive income	4,312	4,312
Balance at September 30, 2025	\$(9,008)	\$(9,008)
	Pension and Other Benefit Plans	Accumulated Other Comprehensive Loss
Balance at December 31, 2023		
Other comprehensive loss before reclassifications	\$(16,565)	\$(16,565)
Amounts reclassified from accumulated other comprehensive loss	4,128	4,128
Net current period other comprehensive income	4,128	4,128
Balance at September 30, 2024	\$(12,437)	\$(12,437)

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

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

	For the Nine Months Ended		Location of Gain/(Loss) Recognized in Statement of Income
	Sep. 30, 2025	Sep. 30, 2024	
Pension and other benefit plans:			
Net actuarial gain	\$4,312	\$4,128	Salaries & Benefits
Total amounts reclassified	\$4,312	\$4,128	

NOTE 6 – 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 \$1.8 million on the Consolidated Statements of Condition at September 30, 2025.

NOTE 7 – 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.

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

	September 30, 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	\$40,241		\$43,307	
Measured at fair value on a non-recurring basis:				
Loans		\$72,879		\$32,176
Other property owned		\$11,881		\$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.

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

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 September 30, 2025.

<u>September 30, 2025</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
Financial assets (recorded at amortized cost):			
Loans, net of allowance (recorded at amortized cost)	\$21,530,711	\$20,994,381	Level 3
Cash	\$48,511	\$48,511	Level 1
Asset-backed securities held to maturity	\$51,384	\$50,542	Level 2
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	\$18,306,270	\$17,972,475	Level 3
Subordinated debt	\$198,173	\$174,787	Level 3
<u>December 31, 2024</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
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.

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

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.

Investment Securities: The fair value of our asset-backed investment securities classified as Level 2 is determined by a third-party pricing service that uses valuation models to estimate current market prices. Inputs and assumptions related to these models are typically observable in the marketplace. If quoted prices are not available in an active market, the fair value of securities is estimated using quoted prices for similar securities received from pricing services or discounted cash flows.

NOTE 8 – 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.

The Association does not have any individual customers whose revenue contributions exceed 10% of the Association's total revenue, which includes both interest and noninterest income. Therefore, no segment reporting is required based on customer concentration.

NOTE 9 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 7, 2025, which is the date the financial statements were available to be issued.