

Quarterly Report to Shareholders



| American
AgCredit

Your future grows here

as of March 31, 2026

Management's Discussion and Analysis

The following discussion summarizes the financial position and results of operations of American AgCredit, ACA and its subsidiaries (collectively “the Association”) as of the first quarter of 2026. This commentary should be read with the accompanying consolidated financial statements and the related notes appearing in this report along with our 2025 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, Colorado, Kansas, and Oklahoma, as well as the states of Hawaii, Nevada, 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 2025 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Economic Overview

The United States economy showed mixed signals during the first quarter of 2026. The labor market shifted into a low-hiring, low-firing and low-quits environment, yet unemployment remains relatively low at 4.3% in March. Inflation pressures persisted, and geopolitical developments in the Middle East continued to add uncertainty to the economic outlook.

In March, the Consumer Price Index (CPI) for all items rose 3.3% year over year, with a 0.9% seasonally adjusted monthly increase driven primarily by higher energy prices. Energy costs rose sharply amid heightened geopolitical tensions, with gasoline prices contributing to a 10.9% increase in the energy index. Shelter costs rose a modest 0.3% during the month, while food prices were unchanged overall. Core CPI, excluding food and energy, increased 0.2% in March and 2.6% over the prior year, as gains in select services and goods were partially offset by declines in medical care and used vehicle prices.

The Federal Reserve held the federal funds rate steady through April 2026, maintaining a target range of 3.5% to 3.75%, which left the prime rate at 6.75%. The decision reflects a complex backdrop characterized by mixed labor market signals, elevated inflation expectations, and geopolitical disruptions. According to the March Summary of Economic Projections, the Federal Reserve currently anticipates only one 25-basis point rate cut in late 2026.

The unemployment rate remained between 4.3% and 4.4% in the first quarter, and broader labor market indicators remained relatively firm. Job openings per unemployed worker held below 1 for a sixth consecutive month, registering at 0.94 in January, though still above the pre-pandemic average of 0.57. Initial unemployment claims remained low and declined slightly during the quarter, falling from 207,000 to 205,000 by mid-March. However, signs of softness emerged among recent college graduates, with unemployment increasing from 5.6% in December 2025 to 7.3% in February 2026.

Despite overall labor market resilience, signs of strain are increasingly evident among consumers. Credit card delinquencies continue to rise, with 12.7% of balances now 90 days or more past due — the highest level since early 2011. The personal savings rate declined from 5.1% a year ago to 4.5% as of January 2026. While wage growth remains above inflation, the gap has narrowed as inflation remains elevated and wage growth moderates. As a result, consumer spending has remained positive but increasingly selective, with indications that some

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households are beginning to reduce discretionary spending. Consumer spending trends will be important to monitor should energy costs rise materially amid ongoing geopolitical developments.

In November 2025, during the federal government shutdown, Congress passed the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, which extended authorities under the Agricultural Improvement Act of 2018 (the "2018 Farm Bill"), through September 30, 2026, thereby providing continued authorization for key agricultural and nutrition programs while Congress continues work toward a comprehensive reauthorization. In addition, on July 4, 2025, the One Big Beautiful Bill Act was signed into law, incorporating selected Farm Bill-related provisions, including updates to certain commodity programs, with certain authorizations extending beyond the baseline Farm Bill authorities established under the 2018 Farm Bill and its subsequent extensions. Among other changes, the legislation increased statutory reference prices for covered commodities by approximately 10% to 41%, representing the most significant adjustment to reference prices since 2002.

Commodity Review and Outlook

The Association's commodity portfolio remains well-diversified. Beef leads our commodity portfolio at 14.72%, followed by vineyards/wineries at 14.57%, tree fruits/nuts at 12.78%, field crops at 11.57%, dairies at 10.62%, and forest products at 7.10%. The top six commodities make up 71.36% of the total portfolio with the remaining 28.64% spread over multiple additional categories.

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

- **Beef:** The U.S. cattle and beef markets entered 2026 with strong momentum, as the late-fourth-quarter 2025 rally carried into the first quarter and lifted fed cattle prices to nearly \$35/cwt above year-earlier levels, reaching a record high of \$246.91/cwt in mid-February. Since then, fed steer prices have declined by roughly \$12/cwt, market sentiment has become more cautious amid increased volatility following a beef processing plant strike, U.S. military action involving Iran, and announced production capacity reductions related to a Midwest plant closure and a shift elimination at a Texas facility. Despite these developments, underlying market fundamentals continue to be shaped by tightening cattle supplies and resilient consumer demand. The U.S. Department of Agriculture (USDA) confirmed in late January 2026 that the 2025 calf crop was historically small, while feed yards and stocker operations continued to purchase high-priced replacement cattle inventories, even amid the late-February to mid-March drop in prices. Feeder cattle and calf placements in January and February 2026 were nearly even with year-earlier levels, leaving cattle-on-feed inventories larger than expected. Producers have not retained large numbers of heifer calves, and herd expansion has yet to meaningfully begin. Through mid-March 2026, year-to-date beef production was 6.6% lower than the prior year, reflecting a 9% decline in fed cattle slaughter and a 3.9% decline in cow slaughter, partially offset by higher dressed weights. The year-to-date average dressed weights for all cattle were up 2.3% and fed cattle weights were up 3.2%. Quarterly feeder cattle and calf prices reached record highs, pushing projected fed cattle break-evens for second-half 2026 marketings to unprecedented levels. While beef operations continue to face structural pressures, including persistent drought across the West and Central Plains, elevated input costs, labor constraints, and limited grazing resources, the sector posted a strong start to 2026, supported by historically tight cattle supplies, record prices, and resilient demand. Looking ahead, the outlook remains constructive but increasingly sensitive to weather conditions, cost inflation, packing capacity adjustments, and the timing of herd rebuilding.
- **Vineyards and wineries:** U.S. wine sales continued to decline across channels and price points in 2025, following declines in 2023 and 2024, and early indicators for 2026 suggest limited near-term improvement. Off-premise retail wine sales decreased 4% in the 12-month period ending January 2026, according to NIQ data, while distributor depletions declined 6% in the 12 months through February 2026 based on SipSource data. While premium and luxury wine segments continued to outperform lower-priced categories, overall consumption trends remain soft, reflecting a combination of structural shifts in consumer preferences and broader economic pressures. Direct-to-consumer (DTC) performance also weakened, reflecting reduced winery visitation and subdued consumer engagement. Total DTC revenue fell by 3% over the last 12 months, while winery visitor counts declined by 5%, according to Community Benchmark data. At the same time, U.S. wine exports remain under pressure amid ongoing trade tensions, declining 37% over the past 12 months through January 2026, adding incremental stress to an already challenged demand environment. Supply conditions remain elevated despite significant production adjustments. The 2025 California Grape Crush

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Report, released in March, showed that wineries crushed fewer grapes than in any year since 1999, primarily due to reduced vineyard acreage and weaker demand that left substantial volumes of uncontracted fruit unharvested. However, total crush volume of 2.62 million tons exceeded market expectations, contributing to excess wine inventories heading into the 2026 harvest. Elevated inventory levels across the supply chain continue to depress pricing and limit near-term demand for additional grape supply. Excess inventory is expected to continue weighing on grape demand in 2026. Nevertheless, ongoing vineyard removals, combined with increased grower discipline and a reluctance to farm vineyards without secured grape contracts, should gradually improve supply-demand balance over time, even if consumer demand remains subdued in the near term.

- **Tree fruits and nuts:** Tree nut markets experienced mixed performance entering 2026, shaped by soft domestic demand, varying export conditions, and crop-specific supply dynamics. While pricing and profitability have improved for certain commodities following several years of oversupply and market stress, near-term conditions remain sensitive to demand recovery, trade policies, and production variability. Almond receipts for the 2025 crop totaled approximately 2.7 billion pounds, in line with the prior year but below the USDA's Objective Estimate of 3.0 billion pounds. Despite the smaller-than-forecast crop, domestic demand remains weak, with shipments down approximately 18% year to date through February, while export shipments have tracked modestly higher. Walnut markets were heavily influenced by supply conditions in 2025, as favorable growing conditions produced an estimated 807,000 in-shell tons, the second largest crop on record and well above the USDA's prior forecast. The larger supply has weighed on pricing across most varieties, although shipments increased year over year. With approximately 70% of production exported, walnut pricing remains sensitive to tariff conditions and trade negotiations. Recent indications of potential tariff relief in India, combined with reduced competitive pressure from China, have offered partial price support, though overall pricing remains below prior-year levels. Pistachio fundamentals remain comparatively strong. The 2025 crop reached approximately 1.6 billion pounds, slightly below expectations, while demand has continued to outpace supply, supporting elevated in-shell and kernel prices. The 2026 crop is expected to be an "off" year due to the alternate-bearing nature of pistachio trees, which may further constrain supply. While concerns persist regarding non-producing acreage expected to come online in future years, strong demand growth particularly in emerging markets has offset near-term oversupply risks. Overall and across these tree nut commodities, broader industry risks remain centered on trade policy uncertainty, elevated input costs, water availability constraints, and ongoing adjustments in production acreage. While supply discipline and production variability are expected to gradually improve market balance, demand recovery, particularly in domestic channels, will remain a key determinant of pricing, margins, and overall financial performance through the remainder of 2026.
- **Field crops:** Corn prices were volatile in the first quarter of 2026 but ended the period modestly higher, with strong export demand serving as the primary supportive factor throughout the quarter. In February, the USDA raised its 2025/26 export forecast to a record 3.3 billion bushels, while export commitments reached 2.76 billion bushels by mid-March. Strong demand helped offset pressure from large domestic and global supplies. South American weather influenced market sentiment, with dryness in Argentina raising yield concerns and excessive rain in Brazil delaying soybean harvest and second-crop corn planting, though global production continued to outpace demand, driving higher projected ending stocks. Government support provided some margin relief, with Farmer Bridge Assistance (FBA) payments of \$44.36 per acre beginning in February, though rising input costs remain a concern. Soybean prices in the first quarter of 2026 saw short-lived price strength driven by speculation of additional Chinese purchases and higher crude oil prices boosting biofuel sentiment, though lingering U.S.–China trade concerns led to pullbacks. Fundamentally, the market remained well supplied as Brazil harvested a record crop and global supplies neared record levels, keeping pressure on U.S. export potential and limiting sustained price upside. Domestic crush stayed strong and the Environmental Protection Agency's finalized record renewable volume obligations for 2026/2027 offered longer-term support. Near-term uncertainty around biofuel production, rising soybean oil stocks, and ample supplies continued to cap prices. So far in 2026, wheat markets have been supported by slightly lower acreage expectations and strong export demand, contributing to steadily higher futures prices across both spring and winter wheat contracts. However, rising fertilizer, fuel, and other input costs have continued to pressure margins, even as firmer prices and Farmer Bridge Assistance payments have helped stabilize producer returns. Looking ahead, ongoing drought concerns in key winter wheat regions and elevated production costs are expected to remain central factors influencing wheat profitability. Overall, U.S. grain markets were shaped by strong export demand and government support that

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helped prices and revenues stabilize, even as ample global supplies, weather uncertainty, and rising input costs continued to limit upside and pressure producer profitability across crops.

- **Dairies:** Following strong U.S. and European milk supply growth, weak milk prices in late 2025 carried into early 2026 before showing signs of recovery during the first quarter. U.S. milk production has increased more than 3% year over year in recent months, contributing to continued price pressure early in the year. The USDA reported the January all-milk price at \$17.50/cwt, down from \$19.00/cwt in December and \$24.10/cwt in January 2025. January Class III milk averaged \$14.59/cwt, while Class IV milk declined to \$13.55/cwt. Price momentum improved early in the year as nonfat dry milk rallied from below \$1.20/lb. on January 1 to above \$1.90/lb. more recently. This increase, driven by tight skim-solids supplies and strong demand for high-protein products, supported a rapid recovery in Class IV milk prices, with futures trading above \$20/cwt through August 2026. Demand for dairy protein continues to expand, reflecting both increased adoption of high-protein diets and broader consumer demand for products such as cottage cheese, Greek yogurt, whey protein, and ultra-filtered milk. The rebound in Class III prices has been more moderate, though futures have strengthened above \$18/cwt for most of the balance of 2026 beyond April, reflecting modest improvement in the cheese prices and continued firmness in whey markets. Expansion in U.S. dairy processing capacity over the past several years has shifted the market from constraints on milk handling to challenges associated with marketing finished products. As a result, the U.S. dairy sector has become increasingly reliant on export demand to absorb incremental production, with exports increasing 3.8% year over year in 2025. While export performance has been supportive, greater exposure to global markets introduces additional price volatility. In the near-term, increased price volatility and recent market recovery have created improved opportunities for dairy producers to enhance hedging and insurance purchases relative to options available earlier in the year. Strong beef-on-dairy revenues continue to provide meaningful support to cash flows, effectively lowering breakeven milk prices. While milk markets are signaling the need for slower production growth, strong beef revenues and relatively low feed costs may moderate producer response to those signals. Although the spring flush will test the resilience of the milk price rebound, ongoing strength in beef markets is expected to continue to support overall dairy profitability.
- **Forest products:** The forest product industry continues to face headwinds driven by weak U.S. consumer sentiment and constrained housing affordability. Financial uncertainty has discouraged discretionary purchases including homebuying, while affordability challenges have intensified, with median household incomes estimated to require significant increases to support the median home price. As a result, expectations for homebuilding and renovation activity have weakened. While confidence in homeownership as a long-term investment remains relatively intact, a majority of consumers view current conditions as unfavorable due to elevated home prices, high interest rates, and overall affordability constraints. Mortgage rates remain a key limiting factor, with the 30-year mortgage rate above 6%, down from peak levels in 2023 but still well above long-term historical averages. Soft housing demand has translated to declining construction activity, with residential construction spending down for ten consecutive months and total construction spending declining for eleven months. Although housing starts rebounded modestly in January 2026, the three-month moving average has remained flat to negative since October 2025, indicating limited near-term momentum. These conditions have weighed on demand for logs and most construction materials, with pricing pressure persisting over the past several years. Strength in other segments, including millwork, tissue and corrugated packaging, has provided some offset but has not fully kept pace with inflationary cost pressures. Lumber prices have shown early signs of stabilization in 2026, increasing for three consecutive months to \$437 per thousand board feet (MBF) in March. The year-to-date first quarter Framing Lumber Composite average of \$430/MBF is modestly higher than fourth quarter 2025 levels but remains well below longer-term averages. Structural panel prices have also improved modestly, though they continue to trail historical norms. Elevated input costs, subdued demand, and combined trade duties have contributed to mill closures and production curtailments across the industry. Builder confidence softened further in February, reflecting ongoing affordability challenges, high interest rates, and subdued buyer traffic.

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Loan Portfolio

The total loan and lease balance was \$22.0 billion at March 31, 2026, a decrease of \$280.8 million from \$22.3 billion at December 31, 2025. This decrease was due to anticipated loan repayments, partially offset by new loan originations, and loans purchased from other institutions during the normal course of business. On a year-over-year basis, loans increased by \$540.8 million when compared to March 31, 2025, resulting in a growth rate of 2.33%. Credit quality was 93.82% as of March 31, 2026, compared to 94.57% as of December 31, 2025. The slight decrease was primarily driven by the negative impact of ongoing inflationary pressures, including elevated input costs and interest rates, along with market headwinds affecting the vineyards/wineries, and the tree fruit and nut segments of the portfolio. Credit quality is a measurement of loans classified as either "Acceptable" or "Other Assets Especially Mentioned" divided by total loans under Farm Credit Administration's Uniform Classification System.

In addition to the \$22.0 billion of loans and leases reported on our balance sheet, we serviced an additional \$12.7 billion of loans and syndicated balances for other institutions as of March 31, 2026, compared to \$12.4 million at December 31, 2025, and \$12.5 billion at March 31, 2025.

Nonaccrual Loans

Nonaccrual loans increased by \$9.8 million to \$445.1 million at March 31, 2026, compared to \$435.3 million at December 31, 2025. The change in nonaccrual loans was primarily driven by transfers to nonaccrual status of \$44.2 million and disbursements on nonaccrual loans of \$3.0 million, partially offset by repayments of \$28.0 million, charge-offs of \$7.7 million, and \$1.7 million of loans that were reinstated to accrual status. Nonaccrual loan volume continues 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 2.02% of total loan volume at March 31, 2026, and 1.95% at December 31, 2025.

Allowance for Credit Losses

The allowance for credit losses (ACL) represents the estimated current expected credit losses (CECL) over the remaining estimated life of financial assets measured at amortized cost and certain off-balance sheet credit exposures. The ACL comprises the allowance for credit losses on loans (ACLL) and the reserve for unfunded commitments, which are presented on the balance sheet in other liabilities. Management evaluates the appropriate level of allowance for loan losses on a quarterly basis based on a periodic evaluation of factors that include 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 \$99.3 million at March 31, 2026, which included a \$95.0 million allowance for loan losses and a \$4.4 million reserve for unfunded commitments. Total allowance for credit losses at December 31, 2025, was \$91.8 million, which included \$87.5 million allowance for loan losses and \$4.3 million reserve for unfunded commitments.

Financial Condition and Results of Operations

Net income for the three months ended March 31, 2026, was \$130.0 million compared to \$95.5 million for the same period last year, an increase of \$34.5 million. The change in net income was primarily due to the following reasons:

- Net interest income increased by \$9.7 million year-over-year primarily due to a decrease in interest expense on notes payable to CoBank of \$17.7 million caused by lower average interest rates and lower outstanding balances during the period, a \$1.1 million increase in interest income from investment securities, and a \$0.8 million decrease in Funds Held interest expense, which more than offset the \$9.9 million decrease in interest income from accrual loan volume. The Association's weighted average interest rate on interest-bearing liabilities was 3.39% and 3.83% as of March 31, 2026, and 2025, respectively. Net interest margin was 2.85% as of March 31, 2026, and 2.75% as of March 31, 2025.
- The Association recorded a provision for credit losses of \$14.2 million through March 31, 2026, as compared to \$30.8 million a year ago. The \$16.6 million year-over-year decrease was primarily driven by lower net charge-offs and continued refinement of the qualitative and quantitative components of the CECL allowance calculation.

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- Non-interest income increased by \$8.3 million year-over-year. The increase was primarily due to a \$11.8 million return of excess insurance funds from the Farm Credit System Insurance Corporation (FCSIC) which was \$7.7 million more than the \$4.1 million received in 2025, an increase in patronage income from CoBank and AgDirect, offset by a decrease in patronage income from other Farm Credit institutions, and a decrease in loan origination fees.
- Overall, non-interest operating expenses increased by \$0.1 million compared to the same period last year.
- FCSIC insurance, a component of non-interest operating expense, increased by \$62 thousand when compared to March 2025. The FCSIC board voted to leave the insurance premium assessment accrual rate on adjusted insured debt at 10 basis points for 2026, the same premium rate as in 2025.

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

	For the three Months Ended		Increase
	March 31, 2026	March 31, 2025	(Decrease) in Net Income
Net interest income	\$158,262	\$148,559	\$9,703
Provision for credit losses	(14,220)	(30,804)	16,584
Patronage income	38,948	39,444	(496)
Other income, net	20,148	11,366	8,782
Non-interest expenses	(73,164)	(73,050)	(114)
Provision for income taxes	(2)	(1)	(1)
Net income	\$129,972	\$95,514	\$34,458

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

	March 31,	
	2026	2025
Return on average assets	2.22%	1.67%
Return on common equity	14.35%	11.22%
Return on total equity	13.25%	10.31%
Net interest margin	2.85%	2.75%

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 cost-effective 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 a five-year term.

The Association manages an investment portfolio which currently holds U.S. Small Business Association (SBA) guaranteed debt securities primarily to diversify assets. As of March 31, 2026, the investment portfolio totaled \$121.5 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.

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Shareholders' Equity

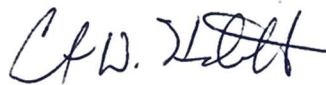
The Association's capital position remains strong. Total shareholders' equity was \$4.0 billion at the end of the first quarter, an increase of \$127.5 million from \$3.9 billion at December 31, 2025. The increase in capital is primarily the result of the Association's year-to-date net income. The Association was in compliance with all capital ratio requirements at March 31, 2026. The Association's strong earnings and capital position enable us to effectively serve our mission and our customers and support our ability to maintain our cash patronage distribution program and pay preferred stock dividends.

Certification

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



Joe Alamo
Board Chair



Curt Hudnutt
Chief Executive Officer



Maryam Ghazi
Chief Financial Officer

May 5, 2026

Consolidated Statements of Condition (dollars in thousands)

	March 31, 2026	December 31, 2025
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Loans	\$22,045,262	\$22,326,071
Less: allowance for credit losses on loans	(94,964)	(87,461)
Net loans	21,950,298	22,238,610
Cash	38,166	52,767
Accrued interest receivable	229,480	272,677
Investment in CoBank	609,973	606,155
Investment securities	121,510	50,819
Investment in AgDirect	37,139	38,190
Premises and equipment, net	49,507	50,445
Other property owned	4,874	5,081
Assets held for sale	49,508	55,284
Other assets	205,430	324,227
Total assets	\$23,295,885	\$23,694,255
LIABILITIES		
Notes payable to CoBank	\$18,517,988	\$18,921,166
Subordinated debt	198,297	198,256
Funds Held accounts	250,186	222,618
Accrued interest payable	95,755	95,863
Cash patronage and preferred stock dividends payable	90,840	201,353
Reserve for unfunded commitments	4,355	4,358
Other liabilities	152,732	192,448
Total liabilities	19,310,153	19,836,062
SHAREHOLDERS' EQUITY		
Preferred stock	300,000	300,000
Common stock and participation certificates, net	11,468	11,554
Additional paid-in capital	935,386	935,386
Allocated retained surplus	239,507	239,507
Unallocated retained surplus	2,512,020	2,385,985
Accumulated other comprehensive loss	(12,649)	(14,239)
Total shareholders' equity	3,985,732	3,858,193
Total liabilities and shareholders' equity	\$23,295,885	\$23,694,255

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

Consolidated Statements of Comprehensive Income (dollars in thousands)

<i>(Unaudited)</i>	For the Three Months Ended	
	March 31,	
	2026	2025
INTEREST INCOME		
Loans	\$337,281	\$347,189
Investment securities	1,059	-
Total interest income	338,340	347,189
INTEREST EXPENSE		
Notes payable to CoBank	176,828	194,547
Subordinated notes	1,729	1,729
Funds Held and other interest	1,521	2,354
Total interest expense	180,078	198,630
Net interest income	158,262	148,559
Provision for credit losses	(14,220)	(30,804)
Net interest income after provision for credit losses	144,042	117,755
NON-INTEREST INCOME		
Patronage income from CoBank	25,385	24,402
Patronage income from other Farm Credit institutions	11,051	13,896
Patronage income from AgDirect	2,512	1,146
Loan origination fees	3,480	5,268
Servicing fees and late charges	1,523	871
Financially-related services	1,589	1,289
Miscellaneous	13,556	3,938
Total non-interest income	59,096	50,810
NON-INTEREST EXPENSES		
Salaries and employee benefits	51,454	50,624
Occupancy and equipment expense	1,412	1,319
Insurance fund premiums	4,632	4,570
Supervisory and examination expense	1,098	1,017
Other operating expenses	14,568	15,520
Total non-interest expenses	73,164	73,050
Income before income taxes	129,974	95,515
Provision for income taxes	(2)	(1)
Net income	\$129,972	\$95,514
COMPREHENSIVE INCOME		
Actuarial gain in retirement obligation	1,590	1,437
Total comprehensive income	\$131,562	\$96,951

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, 2024	\$11,687	\$300,000	\$935,386	\$239,507	\$2,176,398	\$(13,320)	\$3,649,658
Comprehensive income					95,514	1,437	96,951
Stock/participation certificates issued	181						181
Stock/participation certificates retired	(223)						(223)
Preferred stock dividends					(3,937)		(3,937)
Balance at March 31, 2025	\$11,645	\$300,000	\$935,386	\$239,507	\$2,267,975	\$(11,883)	\$3,742,630
Balance at December 31, 2025	\$11,554	\$300,000	\$935,386	\$239,507	\$2,385,985	\$(14,239)	\$3,858,193
Comprehensive income					129,972	1,590	131,562
Stock/participation certificates issued	173						173
Stock/participation certificates retired	(259)						(259)
Preferred stock dividends					(3,937)		(3,937)
Balance at March 31, 2026	\$11,468	\$300,000	\$935,386	\$239,507	\$2,512,020	\$(12,649)	\$3,985,732

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, 2025, are contained in the 2025 Annual Report to Shareholders (2025 Annual Report). The financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

The accompanying unaudited first quarter 2026 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, 2025, as contained in the 2025 Annual Report.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation. The Association revised amounts related to loan modifications granted to borrowers experiencing financial difficulties in 2025 to align with the enhanced identification and reporting methodology adopted late in 2025. These changes reflect a more comprehensive review and analysis consistent with current expected credit losses (CECL) and related disclosure requirements.

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, 2026. Descriptions of the significant accounting policies are included in the 2025 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*Interim Reporting (Topic 270): Narrow-Scope Improvements*

In December 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements. The update provides narrow-scope improvements to interim reporting guidance (ASC 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements. Key changes include clarifying who is subject to ASC 270, adding comprehensive lists of required disclosures from other Codification topics, and establishing a principle to disclose events that have a material impact on the entity since the end of the last annual reporting period. The standard is effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027, and for other entities after December 15, 2028, with early adoption permitted. The Association is currently assessing the potential impact of adoption on the Association's financial condition, results of operations, cash flows and disclosures.

Financial Instruments – Credit Losses (Topic 326): Purchased Loans

In November 2025, the FASB issued ASU 2025-08 Financial Instruments - Credit Losses (Topic 326) - Purchased Loans. The amendment simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans" (PSLs). This eliminates the Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility by creating a more consistent accounting approach similar to that used for previously purchased credit-deteriorated (PCD) loans. The standard is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The Association is currently assessing the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

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

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

In September 2025, the FASB issued 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 (a) capitalization occurs when management has authorized and committed to funding, and (b) 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 adoption on the Association’s financial condition, results of operations, cash flows and 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 (Topic 326): 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 receivable 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. In January 2026, the Association adopted ASU 2025-05 on a prospective basis, which did not have a material impact on the Association’s consolidated financial statements, financial position, results of operations, or cash flows.

Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): 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) recognized as part of oil- and gas-producing activities (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 meets the definition of public business entity as it has preferred stock and subordinate debt outstanding. The Association is currently assessing the potential impact on disclosures; however, the adoption of ASU 2024-03 will not have an impact on the Association’s financial condition, results of operations, or cash flows.

Notes to the Consolidated Financial Statements (dollars in thousands, except as noted.)**NOTE 2 – LOANS AND ALLOWANCE FOR LOAN LOSSES**

Components of loans in the Consolidated Statements of Condition are as follows and unless otherwise indicated agricultural export finance and rural residential real estate collectively comprise the amounts presented in “Other”:

	March 31, 2026		December 31, 2025	
	Amount	Percentage	Amount	Percentage
Real estate mortgage	\$10,932,026	49.6%	\$11,076,613	49.6%
Production and intermediate-term	4,834,269	21.9%	5,215,418	23.4%
Agribusiness	5,072,639	23.0%	4,894,818	21.9%
Rural infrastructure	1,117,038	5.1%	1,043,388	4.7%
Other	89,290	0.4%	95,834	0.4%
Total loans	\$22,045,262	100.0%	\$22,326,071	100.0%

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 March 31, 2026.

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations		Participations		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$711,550	\$1,752,659	\$-	\$-	\$711,550	\$1,752,659
Production and intermediate-term	1,231,996	2,838,155	27,642	25,931	1,259,638	2,864,086
Agribusiness	3,002,810	5,055,170	-	26,845	3,002,810	5,082,015
Rural infrastructure	1,087,567	161,450	-	-	1,087,567	161,450
Other	85,560	-	-	-	85,560	-
Total	\$6,119,483	\$9,807,434	\$27,642	\$52,776	\$6,147,125	\$9,860,210

CREDIT QUALITY

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

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

The Association utilizes a Combined System Risk Model (Model) in its loan and portfolio management process. The Model is a two-dimensional risk rating system 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 a borrower default and a separate scale addressing loss given default over a period of time. The probability of default rating is management's assumption of the probability that a borrower will experience a default within twelve months of the date of the determination of the risk rating. 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 is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category 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 one and nine of the 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.
- **Loss:** Assets are considered uncollectible.

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 or modification, where loan modifications are accounted for as new loans, as well as credit quality indicators by loan type and the related principal balance by year of origination as of March 31, 2026:

	Term Loans						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	Amortized Cost by Origination Year								
	2026	2025	2024	2023	2022	Prior			
Real estate mortgage:									
Acceptable	\$196,779	\$1,028,747	\$893,153	\$729,809	\$1,098,314	\$5,033,488	\$665,047	\$84,853	\$9,730,190
OAEM	-	11,475	33,334	22,045	97,799	222,652	13,160	5,452	405,917
Substandard/Doubtful	108	31,406	17,466	86,130	106,455	499,410	29,161	25,783	795,919
Total	196,887	1,071,628	943,953	837,984	1,302,568	5,755,550	707,368	116,088	10,932,026
Gross charge-offs ⁽¹⁾	-	-	-	142	-	97	-	-	239
Production and intermediate-term:									
Acceptable	180,833	650,579	353,470	199,259	90,651	248,502	2,664,532	798	4,388,624
OAEM	2,155	13,621	11,740	16,572	29,586	21,356	71,366	-	166,396
Substandard/Doubtful	3,481	45,801	17,526	27,243	33,145	27,496	122,602	1,955	279,249
Total	186,469	710,001	382,736	243,074	153,382	297,354	2,858,500	2,753	4,834,269
Gross charge-offs ⁽¹⁾	51	1,060	786	464	102	4,986	38	-	7,487
Agribusiness:									
Acceptable	204,647	846,444	840,966	553,374	613,027	753,927	601,060	16,304	4,429,749
OAEM	10,734	37,036	58,348	58,154	36,928	50,615	74,618	8,558	334,991
Substandard/Doubtful	5,806	16,270	19,093	25,061	33,455	120,090	83,507	4,617	307,899
Total	221,187	899,750	918,407	636,589	683,410	924,632	759,185	29,479	5,072,639
Gross charge-offs ⁽¹⁾	-	-	-	-	-	15	-	-	15
Rural infrastructure:									
Acceptable	55,432	307,466	240,322	224,067	74,968	104,625	33,758	-	1,040,638
OAEM	-	15,490	-	60,904	-	-	6	-	76,400
Total	55,432	322,956	240,322	284,971	74,968	104,625	33,764	-	1,117,038
Other:									
Acceptable	-	2,648	8,036	46,019	-	13,147	-	19,440	89,290
Total	-	2,648	8,036	46,019	-	13,147	-	19,440	89,290
Total loans:									
Acceptable	637,691	2,835,884	2,335,947	1,752,528	1,876,960	6,153,689	3,964,397	121,395	19,678,491
OAEM	12,889	77,622	103,422	157,675	164,313	294,623	159,150	14,010	983,704
Substandard/Doubtful	9,395	93,477	54,085	138,434	173,055	646,996	235,270	32,355	1,383,067
Total loans	\$659,975	\$3,006,983	\$2,493,454	\$2,048,637	\$2,214,328	\$7,095,308	\$4,358,817	\$167,760	\$22,045,262
Total gross charge-offs⁽¹⁾	\$51	\$1,060	\$786	\$606	\$102	\$5,098	\$38	\$-	\$7,741

⁽¹⁾ As of and for the three months ended March 31, 2026.

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 or modification, where loan modifications are accounted for as new loans, as well as credit quality indicators by loan type and the related principal balance by year of origination as of December 31, 2025:

	Term Loans						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	Amortized Cost by Origination Year								
	2025	2024	2023	2022	2021	Prior			
Real estate mortgage:									
Acceptable	\$1,050,118	\$950,747	\$758,462	\$1,139,022	\$1,377,015	\$3,878,357	\$744,849	\$69,829	\$9,968,399
OAEM	10,775	6,147	23,299	135,531	37,066	193,054	9,930	2,397	418,199
Substandard/Doubtful	28,915	17,127	79,743	67,115	84,190	365,648	21,220	26,057	690,015
Total	1,089,808	974,021	861,504	1,341,668	1,498,271	4,437,059	775,999	98,283	11,076,613
Gross charge-offs ⁽¹⁾	-	-	477	132	900	6,596	245	9,187	17,537
Production and intermediate-term:									
Acceptable	723,522	396,673	177,158	129,380	104,115	177,921	3,092,961	1,206	4,802,936
OAEM	8,294	1,784	17,647	30,269	3,241	17,359	89,060	-	167,654
Substandard/Doubtful	33,750	18,420	28,555	32,713	11,453	25,850	61,661	32,426	244,828
Total	765,566	416,877	223,360	192,362	118,809	221,130	3,243,682	33,632	5,215,418
Gross charge-offs ⁽¹⁾	350	3,382	16,103	988	4,079	8,367	1,755	185	35,209
Agribusiness:									
Acceptable	836,069	835,514	618,924	699,486	344,318	463,037	538,768	11,976	4,348,092
OAEM	22,257	64,910	52,019	36,131	16,749	18,923	54,366	8,596	273,951
Substandard/Doubtful	19,807	7,517	27,137	35,324	78,401	28,734	71,638	4,217	272,775
Total	878,133	907,941	698,080	770,941	439,468	510,694	664,772	24,789	4,894,818
Gross charge-offs ⁽¹⁾	156	-	10,405	-	2	12	-	-	10,575
Rural infrastructure:									
Acceptable	287,715	230,564	290,005	87,434	58,068	46,107	29,985	-	1,029,878
OAEM	13,504	-	-	-	-	-	6	-	13,510
Total	301,219	230,564	290,005	87,434	58,068	46,107	29,991	-	1,043,388
Other:									
Acceptable	9,124	8,041	46,017	-	12,272	937	-	19,423	95,814
Substandard/Doubtful	-	-	-	-	-	20	-	-	20
Total	9,124	8,041	46,017	-	12,272	957	-	19,423	95,834
Total loans:									
Acceptable	2,906,548	2,421,539	1,890,566	2,055,322	1,895,788	4,566,359	4,406,563	102,434	20,245,119
OAEM	54,830	72,841	92,965	201,931	57,056	229,336	153,362	10,993	873,314
Substandard/Doubtful	82,472	43,064	135,435	135,152	174,044	420,252	154,519	62,700	1,207,638
Total loans	\$3,043,850	\$2,537,444	\$2,118,966	\$2,392,405	\$2,126,888	\$5,215,947	\$4,714,444	\$176,127	\$22,326,071
Total gross charge-offs ⁽¹⁾	\$506	\$3,382	\$26,985	\$1,120	\$4,981	\$14,975	\$2,000	\$9,372	\$63,321

⁽¹⁾ As of and for the twelve months ended December 31, 2025.

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

Accrued interest receivable on loans of \$228.4 million and \$272.2 million at March 31, 2026, and December 31, 2025, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association reversed accrued interest receivable of \$2.0 million and \$2.7 million for the three months ended March 31, 2026, and 2025.

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>March 31, 2026</u>	<u>December 31, 2025</u>
Nonaccrual loans:		
Real estate mortgage	\$289,727	\$294,920
Production and intermediate-term	92,449	88,047
Agribusiness	62,910	52,288
Other	-	20
Total nonaccrual loans	<u>445,086</u>	<u>435,275</u>
Accruing loans 90 days or more past due:		
Production and intermediate-term	-	12,360
Agribusiness	-	3,709
Total accruing loans 90 days or more past due	<u>-</u>	<u>16,069</u>
Total nonperforming loans	<u>\$445,086</u>	<u>\$451,344</u>
Other property owned	4,874	5,081
Total nonperforming assets	<u>\$449,960</u>	<u>\$456,425</u>

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>
Nonaccrual loans as a percentage of total loans	2.02%	1.95%
Nonperforming assets as a percentage of total loans and other property owned	2.04%	2.04%
Nonperforming assets as a percentage of capital	11.29%	11.83%

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 resulting from payoffs and loans reinstated to accrual status during the period:

	<u>At March 31, 2026</u>			Interest Income Recognized for the Three Months Ended March 31, 2026
	<u>Amortized Cost With Allowance</u>	<u>Amortized Cost Without Allowance</u>	<u>Total</u>	
Nonaccrual loans:				
Real estate mortgage	\$29,635	\$260,092	\$289,727	\$823
Production and intermediate-term	9,324	83,125	92,449	573
Agribusiness	17,856	45,054	62,910	-
Rural infrastructure	-	-	-	60
Total nonaccrual loans	<u>\$56,815</u>	<u>\$388,271</u>	<u>\$445,086</u>	<u>\$1,456</u>

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

	At December 31, 2025			Interest Income Recognized for the Year Ended December 31, 2025
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	
Nonaccrual loans:				
Real estate mortgage	\$21,355	\$273,565	\$294,920	\$3,957
Production and intermediate-term	7,081	80,966	88,047	3,880
Agribusiness	7,307	44,981	52,288	6,026
Other	-	20	20	1
Total nonaccrual loans	\$35,743	\$399,532	\$435,275	\$13,864

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
March 31, 2026						
Real estate mortgage	\$79,916	\$131,016	\$210,932	\$10,721,094	\$10,932,026	\$-
Production and intermediate-term	27,357	50,452	77,809	4,756,460	4,834,269	-
Agribusiness	11,029	29,993	41,022	5,031,617	5,072,639	-
Rural infrastructure	-	-	-	1,117,038	1,117,038	-
Other	-	-	-	89,290	89,290	-
Total	\$118,302	\$211,461	\$329,763	\$21,715,499	\$22,045,262	\$-

	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, 2025						
Real estate mortgage	\$44,615	\$117,998	\$162,613	\$10,914,000	\$11,076,613	\$-
Production and intermediate-term	50,704	59,265	109,969	5,105,449	5,215,418	12,360
Agribusiness	16,684	21,951	38,635	4,856,183	4,894,818	3,709
Rural infrastructure	-	-	-	1,043,388	1,043,388	-
Other	-	-	-	95,834	95,834	-
Total	\$112,003	\$199,214	\$311,217	\$22,014,854	\$22,326,071	\$16,069

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

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 6 months for monthly and semi-annual scheduled payments or greater than 12 months for annually scheduled payments. 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.

The following table shows the amortized cost basis for loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2026, and March 31, 2025, disaggregated by loan type, and type of modification granted.

	For the Three Months Ended March 31, 2026					Percentage of Total Loan Type
	Interest Rate Reduction	Term Extension	Combination – Interest Rate Reduction & Term Extension	Total		
Real estate mortgage	\$207	\$-	\$-	\$207		0.00%
Production and intermediate-term	131	3,608	2	3,741		0.08%
Total	\$338	\$3,608	\$2	\$3,948		0.02%

	For the Three Months Ended March 31, 2025						
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total Loan Type
Real estate mortgage	\$18,540	\$578	\$3,439	\$-	\$-	\$22,557	0.21%
Production and intermediate-term	-	8,942	12,420	101	6,287	27,750	0.61%
Agribusiness	-	4,019	1,306	-	-	5,325	0.11%
Total	\$18,540	\$13,539	\$17,165	\$101	\$6,287	\$55,632	0.26%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2026, and March 31, 2025, was \$0.1 million and \$0.6 million.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2026:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 9.55% to 9.20%
Production and intermediate-term	Reduced weighted average contractual interest rate from 8.75% to 6.75%
	Term Extension
	Financial Effect
Production and intermediate-term	Increased weighted average maturities by 347 days

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

Combination - Interest Rate Reduction and Term Extension	
Financial Effect	
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.98% to 7.50% and increased weighted average maturities by 6.9 years

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

Interest Rate Reduction	
Financial Effect	
Real estate mortgage	Reduced weighted average contractual interest rate from 7.11% to 6.78%
Term Extension	
Financial Effect	
Real estate mortgage	Increased weighted average maturities by 181 days
Production and intermediate-term	Increased weighted average maturities by 1.1 years
Agribusiness	Increased weighted average maturities by 1.5 years
Payment Deferral	
Financial Effect	
Real estate mortgage	Provided a weighted average 269 days payment deferral
Production and intermediate-term	Provided a weighted average 1.1 years payment deferral
Agribusiness	Provided a weighted average 1.3 years payment deferral
Combination - Interest Rate Reduction and Payment Deferral	
Financial Effect	
Production and intermediate-term	Reduced weighted average contractual interest rate from 12.16% to 9.25% and provided a weighted average 1.3 years payment deferral
Combination - Term Extension and Payment Deferral	
Financial Effect	
Production and intermediate-term	Increased weighted average maturities by 1.0 years and provided a weighted average 5.5 years payment deferral

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2026, and received a modification in the twelve months before default:

Modified Loans that Subsequently Defaulted	
Term Extension	
Production and intermediate-term	\$5,115
Total	\$5,115

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 three months ended March 31, 2025, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted		
	Term Extension	Payment Deferral	Combination - Term Extension & Payment Deferral
Production and intermediate-term	\$702	\$8,227	\$188
Total	\$702	\$8,227	\$188

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2026:

	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	\$16,473	\$389	\$323
Production and intermediate-term	46,982	2,154	241
Agribusiness	29,183	682	-
Total	\$92,638	\$3,225	\$564

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

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$27,268	\$-	\$26,520
Production and intermediate-term	69,363	3,339	9,613
Agribusiness	4,697	-	3,574
Total	\$101,328	\$3,339	\$39,707

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026, were \$1.3 million and \$49.2 million during the year ended December 31, 2025.

ALLOWANCE FOR CREDIT LOSSES

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

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

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

	Real Estate Mortgage	Production and Intermediate- term	Agri- business	Rural Infra- structure	Other	Total
Allowance for loan losses:						
Balance at December 31, 2025	\$34,358	\$14,775	\$36,849	\$1,364	\$115	\$87,461
Charge-offs	(239)	(7,487)	(15)	-	-	(7,741)
Recoveries	167	843	12	-	-	1,022
Provision for/(Reversal of) loan losses	1,869	4,621	6,913	848	(29)	14,222
Balance at March 31, 2026	\$36,155	\$12,752	\$43,759	\$2,212	\$86	\$94,964
Allowance for unfunded commitments:						
Balance at December 31, 2025	\$248	\$766	\$3,174	\$136	\$33	\$4,357
Provision for unfunded commitments	79	87	(185)	29	(12)	(2)
Balance at March 31, 2026	\$327	\$853	\$2,989	\$165	\$21	\$4,355
Total allowance for credit losses	\$36,482	\$13,605	\$46,748	\$2,377	\$107	\$99,319

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

DISCUSSION OF CHANGES IN ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses using the CECL methodology was \$99.3 million at March 31, 2026, an increase of \$7.5 million, as compared to \$91.8 million at December 31, 2025. The Association updates the quantitative and qualitative components of the allowance for credit losses calculation on a quarterly basis to improve transparency, verifiability, and responsiveness to emerging credit deterioration. Current and future expected macroeconomic risks are increasing due to ongoing uncertainty surrounding existing and potential tariffs geopolitical conflicts. These risks are reflected both 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 \$6.7 million were recorded during the quarter. The specific reserve increased \$3.4 million, largely due to additional reserves recorded upon nonaccrual loan conversions in excess of charge-offs.

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

The Association's CECL framework is significantly shaped by the internally assigned risk rating of each loan. By integrating the risk profile for each individual credit within the Association's portfolio, along with key macroeconomic variables (MEVs) listed in the following table, the Association's CECL framework provides an estimate of expected losses. This estimate is grounded in both the characteristics of each individual loan and broader economic factors. The following table provides the forecast variables for the first three years of the 10-year forecast period for the two most influential MEVs for the Association's five largest commodities within the CECL industry segments, which represent 64.26% of the portfolio at March 31, 2026.

Industry	Significant Macroeconomic Variable	Forecast Period		
		Year 1	Year 2	Year 3
Beef	Boneless beef price % quarter-over-quarter, and	-0.65%	0.01%	0.66%
	World food price % quarter-over-quarter	-0.52%	0.40%	0.40%
Vineyards and wineries	Long-term government bond yields, and	4.19%	4.20%	4.20%
	U.S. export value of wine	\$5.04	\$5.13	\$5.34
Tree fruits and nuts	Real effective exchange rate % year-over-year, and	0.48%	-0.14%	0.04%
	Fruit and tree nut index % quarter-over-quarter	1.60%	0.26%	0.59%
Dairies	Real effective exchange rate % year-over-year, and	0.48%	-0.14%	0.04%
	Total livestock and crop cash receipts % quarter-over-quarter	0.54%	0.01%	-0.52%
Field crops	Corn price parity level quarter-over-quarter, and	0.08	0.08	0.10
	Net farm income % year-over-year	-7.77%	-6.91%	-3.72%

NOTE 3 – INVESTMENT SECURITIES

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

March 31, 2026	Amortized Cost	Gross Unrealized Gains/(Losses)	Fair Value	Weighted Average Yield
Asset-backed securities	\$121,510	\$(2,655)	\$118,855	5.72%

A summary of the contractual maturity, amortized cost, fair value, and weighted average yield of investment securities (by investment category) at March 31, 2026, is as follows:

March 31, 2026	Due After 10 Years or More	Total
Asset-backed securities:		
Amortized cost	\$121,510	\$121,510
Fair value	\$118,855	\$118,855
Weighted average yield	5.72%	5.72%

Accrued interest of \$1.1 million as of March 31, 2026, 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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Buildings and improvements	\$58,540	\$58,459
Furniture and equipment	10,136	10,136
Land	6,010	6,010
Vehicles	187	356
Premises and equipment at cost	<u>74,873</u>	<u>74,961</u>
Less: accumulated depreciation	<u>(30,188)</u>	<u>(29,849)</u>
Premises and equipment, net	\$44,685	\$45,112

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 March 31, 2026, were as follows:

	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total</u>
2026 (excluding the three months ended 3/31/26)	\$575	\$1,279	\$1,854
2027	551	871	1,422
2028	507	481	988
2029	317	228	545
2030	123	59	182
Thereafter	<u>1,143</u>	<u>-</u>	<u>1,143</u>
Total lease payments	3,216	2,918	6,134
Less: interest	<u>-</u>	<u>(992)</u>	<u>(992)</u>
Total	<u>\$3,216</u>	<u>\$1,926</u>	<u>\$5,142</u>

Right-of-use assets, net of accumulated amortization, amounted to \$4.8 million for the period ended March 31, 2026.

ASSETS HELD FOR SALE

As of March 31, 2026, assets held for sale totaled \$49.5 million, compared to \$55.3 million as of December 31, 2025. The balance primarily consisted of the former Santa Rosa, California headquarters building and land (along with other furniture and equipment). Certain assets previously classified as held for sale were disposed of during the first quarter, which included the Albuquerque, New Mexico office building and land held at \$5.8 million, which resulted in a loss of \$115 thousand.

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 March 31, 2026. The Association exceeded all regulatory minimum capital requirements as of March 31, 2026, and December 31, 2025.

	Regulatory Minimums	Capital Conservation Buffer	Total	Mar. 31, 2026	Dec. 31, 2025
Risk-adjusted:					
Common Equity Tier 1 capital	4.50%	2.50%	7.00%	11.49%	11.69%
Tier 1 capital	6.00%	2.50%	8.50%	12.64%	12.85%
Total capital	8.00%	2.50%	10.50%	13.77%	13.94%
Permanent capital	7.00%	0.00%	7.00%	13.54%	13.77%
Non-risk-adjusted:					
Tier 1 leverage	4.00%	1.00%	5.00%	14.48%	14.83%
URE and UREE leverage	1.50%	0.00%	1.50%	13.11%	13.43%

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.

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, 2025		
Other comprehensive loss before reclassifications	\$(14,239)	\$(14,239)
Amounts reclassified from accumulated other comprehensive loss	1,590	1,590
Net current period other comprehensive income	1,590	1,590
Balance at March 31, 2026	\$(12,649)	\$(12,649)
Balance at December 31, 2024		
Other comprehensive loss before reclassifications	\$(13,320)	\$(13,320)
Amounts reclassified from accumulated other comprehensive loss	1,437	1,437
Net current period other comprehensive income	1,437	1,437
Balance at March 31, 2025	\$(11,883)	\$(11,883)

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 Three Months Ended		Location of Gain/(Loss) Recognized in Statement of Income
	Mar. 31, 2026	Mar. 31, 2025	
Pension and other benefit plans:			
Net actuarial gain	\$1,590	\$1,437	Salaries & Benefits
Total amounts reclassified	\$1,590	\$1,437	

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 \$1.7 million on the Consolidated Statements of Condition at March 31, 2026.

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 2025 Annual Report.

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

	March 31, 2026		December 31, 2025	
	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	\$44,678		\$42,687	
Measured at fair value on a non-recurring basis:				
Loans		\$82,697		\$67,003
Other property owned		\$4,874		\$5,081
Assets held for sale		\$49,508		\$55,284

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying amounts, estimated fair values, and the level within the fair value hierarchy of the Association's financial instruments not carried at fair value. Receivables and payables due in one year or less, equity securities without readily determinable fair values, and other financial assets or liabilities with no defined or contractual maturities are excluded. There were no significant changes in the valuation techniques during the period ending March 31, 2026.

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

March 31, 2026	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	\$21,950,298	\$21,422,680	Level 3
Cash	\$38,166	\$38,166	Level 1
Asset-backed securities, held to maturity	\$121,510	\$118,855	Level 2
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	\$18,517,988	\$18,313,511	Level 3
Subordinated debt	\$198,297	\$174,171	Level 3
December 31, 2025	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	\$22,238,610	\$21,799,078	Level 3
Cash	\$52,767	\$52,767	Level 1
Asset-backed securities held to maturity	\$50,819	\$50,021	Level 2
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	\$18,921,166	\$18,753,220	Level 3
Subordinated debt	\$198,256	\$176,706	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.

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.

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.

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

Assets Held for Sale: Assets held for sale are primarily categorized as real estate. The fair value of the property is estimated by using the market approach, which relies on independent third-party appraisals that analyze recent sales of comparable properties and adjust for factors such as location, use, condition, utility, and market conditions. Accordingly, the fair value of assets held for sale are classified within Level 3 of the fair value hierarchy. Costs to sell represent transaction costs and are not included as a component of the assets' fair value.

Cash: Fair value of cash approximates amortized cost.

Notes Payable to CoBank: 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 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 non-interest income. Therefore, no segment reporting is required based on customer concentration.

NOTE 9 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 5, 2026, which is the date the financial statements were available to be issued and has determined there were no other events requiring disclosure.