

Built for this.



American
AgCredit

Your future grows here



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When markets are uncertain, margins are tight, and the future feels harder to predict, you need a partner who understands agriculture — not just the numbers, but the seasons, the risks, and the resolve it takes to keep going. American AgCredit was built by farmers and ranchers to serve farmers and ranchers, and that shared purpose has

Built for this.

carried our cooperative through more than a century of change. We’ve weathered the hard years together, adapted through every cycle, and stayed focused on what you need to keep moving forward. No matter the size of your operation or the challenges ahead, we’re here — built to stand with you through whatever comes next.

CURT HUDNUTT



JOE ALAMO



To our shareholders

When we talk about American AgCredit being “built for this,” we mean built for farmers and ranchers, built for agriculture, built for rural communities, and built to serve generations of American agriculture through good times and bad. This past year was another challenging one for our industry. Despite headwinds, the cooperative reported continued strong earnings of \$429 million and distributed nearly half of our earnings — over \$200 million — back to our customer-owners.

This excellent financial performance starts with the expertise of our teams, who work with customers to help them tackle both challenges

and opportunities for their businesses and provide solutions based on decades of experience across all areas of agriculture. It’s not always easy, but just like our customers, we have a passion for agriculture. It’s our mission.

In this report, you can learn more about how we work with farmers and ranchers by getting to know the stories of Ela Family Farms and Valigura Simmental. From a multi-generational Colorado operation grounded in grit and community to a first-generation New Mexico cattle business built through adaptability and planning, both operations underscore a shared truth: Success in agriculture requires flexibility, innovation, and a trusted

financial partner. These customer features reflect why American AgCredit was built by and for farmers and ranchers — to stand alongside them through every cycle and help build what comes next.

The cooperative’s continued success is also built on thoughtful management that considers the combination of risk, financial returns today, and how we can best invest to ensure we’re strong enough to serve the next generations of farmers and ranchers. This can be a balancing act, as our Chief Financial Officer Maryam Ghazi, Chief Banking Officer Lynn Scherler, and Chief Legal and Risk Officer Rachel Angress discuss in our financial update.



SCAN TO
WATCH
CEO CURT
HUDNUTT'S
MESSAGE.

Joe Alamo
Board Chair

Curt Hudnutt
President and Chief
Executive Officer

To keep serving our mission, we need financial strength. It’s how we protect our long-term viability, maintain our ability to serve customers in any economic environment, invest in future initiatives our customers need, and support the future of American agriculture.

Behind the numbers

YEAR ENDED DECEMBER 31 (in thousands)	2025	2024	2023	2022	2021
NET INCOME	\$429,398	\$408,734	\$378,283	\$358,689	\$351,018
PATRONAGE DECLARED	\$201,353	\$237,660	\$213,669	\$185,747	\$162,855
PATRONAGE AS % OF NET INCOME	46.89%	58.15%	56.48%	51.78%	46.40%
LOAN VOLUME	\$22,326,071	\$21,779,107	\$20,499,416	\$17,431,808	\$15,934,730
RETURN ON AVERAGE ASSETS	1.88%	1.86%	1.96%	2.05%	2.25%
SHAREHOLDERS' EQUITY AS % OF TOTAL ASSETS	16.28%	15.75%	15.96%	15.25%	15.70%

MARYAM GHAZI
Chief Financial Officer



“Our cooperative reported record earnings in 2025, but net income is just one part of building our financial strength for the future.”

Like our customers, our team worked hard in the face of continued industry headwinds this year, and you can see the results in our strong earnings, operating efficiency, and capital position. Our financial foundation remains strong despite agriculture’s challenges. We built this foundation

through diligent management for the long term, including a prudent increase in provisions for losses. We are here to help our customers today and invest in the future to serve the farmers and ranchers of tomorrow.

“Investing in tomorrow means building our financial foundation today.”

In 2025, we distributed over \$200 million of the cooperative’s earnings back to our customer-owners in patronage. Through the current challenges and going forward, our mission remains the same: to provide reliable capital to agriculture. To continue to help farmers and ranchers succeed, our cooperative aligns business

and financial management strategies. We balance how we generate revenue with what we distribute to our farmer-owners — and with what we retain on our balance sheet — to ensure our capital position remains strong and built for the future.

LYNN SCHERLER
Chief Banking Officer



“Our success is built on financial returns aligned with strong risk management.”

Our board of directors, who are producers and business leaders, understand the legal, credit, reputational, and regulatory risks associated with finance and agriculture. The board oversees the strategy to maintain strong earnings while appropriately managing risks at all levels. This focus supports growth while

protecting the safety and soundness of our cooperative — and our ability to serve agriculture. Embedding risk management throughout our business means all employees proactively contribute to a strong and healthy foundation for growth and continued success.

RACHEL ANGRESS
Chief Legal and Risk Officer



Financial highlights

Many regions. Many commodities. One stronger portfolio.

Loan volume by state

We maintain a healthy loan volume by serving all segments of agriculture. Risks that may be associated with a particular geographic region, such as adverse weather, land pricing or commodity markets, may be offset by stronger performance in our other regions, thereby reducing pressure on the overall portfolio.

(in millions)	2025	2024	2023
CALIFORNIA	\$10,111.2	\$9,981.7	\$9,382.4
KANSAS	2,070.0	2,044.7	1,985.6
COLORADO	1,803.2	1,688.0	1,691.9
NEW MEXICO	1,409.7	1,377.7	1,299.0
NEVADA	287.0	284.8	283.4
HAWAII	163.2	153.1	185.2
OTHER	6,481.8	6,249.1	5,671.9
TOTAL	\$22,326.1	\$21,779.1	\$20,499.4

Commodities financed

We maintain a diverse loan portfolio to reduce risks associated with a downturn in any single agricultural commodity. By serving a wide range of commodities and operation types, we are able to mitigate risk and ensure that any material stress on the entire portfolio is minimized.



New role focused on the wine industry

Putting customers first during market headwinds

The wine industry is facing unprecedented challenges. To better support customers through change, American AgCredit created a new, dedicated role.

The Executive Business Manager – Wine Industry, held by Cody Radelfinger, serves as a single point of focus and advocacy for customers in the wine industry.

The focus:

- Strategize to help wine businesses navigate tomorrow’s headwinds
- Position customers for long-term success

In this capacity, Cody brings together expertise from across the cooperative to deepen our understanding of the pressures facing vintners and wineries — and to shape practical, forward-looking support strategies for wine customers when it matters most.



“This role allows us to take a proactive, portfolio-wide view of the wine industry — so we can put customers first, helping them prepare for change and position their businesses for long-term success.”

— Cody Radelfinger, Executive Business Manager – Wine Industry

Map a path through what's next.



You know your land as well as your own reflection. But the future isn't always easy to read. With Terrain's timely market analysis and long-term outlooks, you can map a path through it all.



Terrain

Terrain™ is offered by American AgCredit



APPLY
TERRAIN'S
INSIGHTS
TO YOUR
OPERATION.

Built for this. Built for you.

Trusted partnership that helps operations navigate uncertainty — and keep moving forward



VINEYARD AND WINERY

“During COVID-19, American AgCredit was actually easy to work with. They were saying, ‘Hey, we’ve got this. We’ll be able to work through anything that’s going on — we just want you to know that we have your back.’”

Denis Hoey
Owner & Winemaker
Odonata Wines
Salinas, California



CATTLE

“It really helps us, at the end of the day, to be able to call up someone that we know understands what we’re doing on a day-to-day, and that they’ll be there for us at the end.”

Marisa Kleysteuber
Manager
Triangle H / Hands Enterprises
Garden City, Kansas



COFFEE

“By the time you pick it [coffee beans] and sell it, it’s about four to five months. We needed a way to weather that period of time, so American AgCredit is our lifeline.”

Thomas Greenwell
Owner
Greenwell Farms
Kona, Hawaii



BISON

“I can’t even think of another bank that’s going to be as competitive and understand your program the way they do. It’s an ag-based bank, and that’s what they do, and that’s the reason we’re here.”

Boyd Meyer
Owner
Cold Creek Buffalo Company
Cheyenne, Wyoming

Expertise in agriculture

American AgCredit meets agriculture

A legacy of supporting your legacy

Producers give their all — and so do we.

For more than 100 years, we’ve stood proudly as a 100% producer-owned cooperative. So, when we say we’re built for this — we mean we’re here, 100% of the way, to help you weather storms, embrace change, grow your business, and withstand the test of time.

We understand agriculture because we’re a part of it.

Through every season, you need someone who can give you adaptable solutions — a partner in navigating the everchanging ag landscape, support to act on new opportunities, and a trusted expert to help you grow. Our team isn’t afraid to get our hands dirty. We’re part of these rural communities — not just as members, but as their biggest champions.

Services and offerings

Flexible financing, and expertise, no matter how big or small. We understand how to structure financing programs that consider your business needs and offer flexible payment terms that match your cash flow. Beyond your loan, we join you at the table with:

- **Tailored economic insights** through Terrain, a team of analysts who deliver exclusive and timely market analysis and long-term outlooks.
- **Access to a variety of services** through our Farm Credit network — from rural home loans, educational resources, and more, we partner with our peers to extend offerings and programs that have worked for producers across the U.S.

Additional programs

- **Crop insurance** — Highly experienced agents and tested, customizable crop insurance plans that are designed to manage your risk and protect your operation.
- **Leasing** — Options with fixed rates and special pricing to help you access the right equipment while preserving working capital.

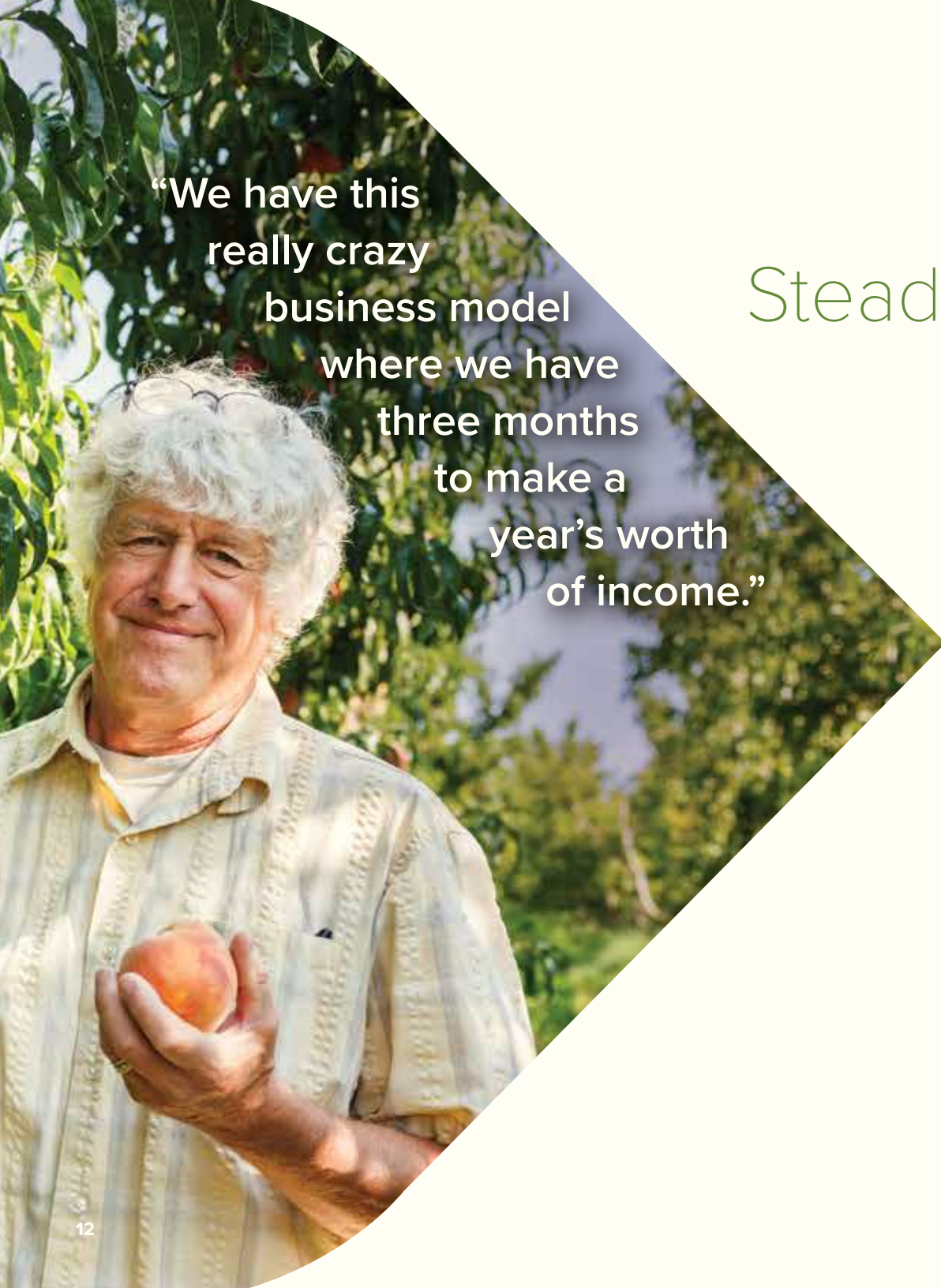


SCAN TO
LEARN MORE.



Ela Family Farms

HOTCHKISS, COLORADO



“We have this
really crazy
business model
where we have
three months
to make a
year’s worth
of income.”

Steadfast through the seasons

How does a business — a family legacy — grow for more than a century? For the Ela family, it’s the balance of respecting tradition while relentlessly adapting through change with sustainable practices.

The story:

- Ela Family Farms is a 99-acre, zero-food-waste orchard nestled on the western flanks of the Colorado Rockies.
- They produce organic cherries, peaches, pears, plums, apples, jams, fruit butters, apple sauces, dried fruit, and ciders.
- Today, the farm is run by co-owners Steve Ela and Regan Choi with support from full-time and seasonal staff.

How they’ve endured 100+ years:

Generations of adaptation: Since the early 1900s, the Ela family has shifted crops, techniques, and distribution as conditions changed.



SCAN TO
WATCH
ELA FAMILY
FARMS' STORY.

New practices, early: The farm went fully organic in 1994 and now operates with zero food waste, turning surplus fruit into shelf-stable products for year-round revenue.

Built for resilience: Solar power supplies most of the farm’s energy, conserving resources in a demanding high-desert environment.

Grit in setbacks: After a devastating 2020 freeze destroyed the family’s fruit trees, more than 300 community members helped Steve and Regan rebuild the farm. It’s proof that resilience is both earned and shared.

Flexible financing: With just three months to generate a full year’s income, cash flow is critical for Ela Family Farms. A revolving line of credit from American AgCredit helps bridge the gap until harvest.

Built to weather the gap:

Regan noted she was “really startled” by how deeply American AgCredit understands agriculture compared to a traditional bank. Steve echoed that reality.

“We have this really crazy business model where we have three months to make a year’s worth of income,” he said. “So, the line of credit is so key, and if we didn’t have that, we wouldn’t be here.”

Relationship Manager Justin Wetzel added that American AgCredit’s role is simple: “We just try to stand in the gap and help them wherever we can so the farm can keep operating.”





Valigura Simmental

ESTANCIA, NEW MEXICO

Built by change

In the high-desert terrain of Estancia, New Mexico, the land doesn't offer much forgiveness. For Jordan and Amy Valigura, that challenge is exactly what shaped their operation — and their mindset.

The story:

Valigura Simmental is a first-generation cattle operation, built from the ground up by a young couple willing to learn, adapt, and plan for the long term.

"In our 14 years farming, it has changed big time, and we've just learned you've got to be willing to change," reflected Jordan. "You have to choose what you think is going to be profitable and meet the customer's needs."

Planned with purpose:

As their operation evolved, so did their approach. Jordan and Amy became increasingly astute in their business planning, focusing on cost efficiency, genetics, and understanding the customer all the way down the supply chain.

That forward-looking mindset is what stands out most.

"What I see here is a lot of innovation," said Terrain Analyst Dave Weaber. "They're a young couple who had to start with almost nothing, and they've built this operation into what it is. They're cost efficient, very conscious about genetics, and focused on the customer. It's a progressive operation."

"In our 14 years farming, it has changed big time, and we've just learned you've got to be willing to change."





As Jordan and Amy grew — from young, beginning farmers to confident operators — American AgCredit remained a steady presence, evolving to meet their needs at each stage.

Built for what's next:

Today, Valigura Simmental stands as proof that success in agriculture is about planning smartly, staying flexible, and having the right partner beside you.

A partner willing to change, too:

From the beginning, American AgCredit adjusted alongside the Valiguras, supporting a growing operation that didn't fit a cookie-cutter model.

"We've had a great experience with Farm Credit since the beginning. They've supported us with everything we've done," Jordan said. "It's really been a blessing for us."

"We're constantly looking at what we can do for the future and for our kids," Jordan said. "Agriculture is necessary. Our country needs to eat — and we really want to build something."



SCAN TO
WATCH THE
VALIGURAS'
STORY.

REPORT OF MANAGEMENT

The Association's consolidated financial statements are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. In the opinion of management, the accompanying consolidated financial statements fairly present the financial condition and results of operations of the Association, in conformity with generally accepted accounting principles in the United States of America. Other financial information included in this Annual Report is consistent with that in the financial statements.

To meet its responsibility for reliable financial information, management depends on the Association's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be related to the benefits derived. To monitor compliance, the Association's internal auditors perform audits of the accounting records, review accounting systems and internal controls, and recommend improvements as needed. The consolidated financial statements are audited by PricewaterhouseCoopers LLP, independent auditors. Its report is located on page 38. The Association is also examined by the Farm Credit Administration (FCA), regulator of the Farm Credit System.

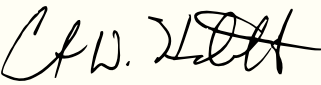


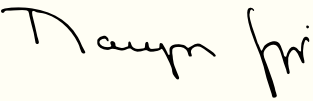
The Association's Audit Committee of the Board of Directors, which is composed of directors who are not employees, has overall responsibility for the Association's system of internal control over financial reporting. The Audit Committee of the Board of Directors meets periodically with management, FCA, outside consulting firms, internal auditors, and independent external auditors to review the manner in which each of these groups perform their responsibilities and to carry out the Board's oversight role with respect to auditing, internal controls, and financial reporting matters. These internal auditors, independent external auditors, and regulators also have access to the Audit Committee of the Board of Directors and its individual members at any time.

The undersigned certify that they have reviewed the 2025 Annual Report and that it has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of their knowledge and belief.

MARCH 3, 2026


Joe Alamo
Board Chair


Curt Hudnutt
Chief Executive Officer


Maryam Ghazi
Chief Financial Officer

AUDIT COMMITTEE REPORT

The Audit Committee (Committee) is composed of seven members of the Board of Directors. In 2025, eight Committee meetings were held. The Committee oversees the scope of the Association’s internal audit program, the independence of the outside auditors, the adequacy of the Association’s system of internal controls and procedures, and the adequacy of management’s actions with respect to recommendations arising from those auditing activities.

The Committee approved the appointment of PricewaterhouseCoopers LLP (PwC) as the Association’s independent auditors for 2025. The Committee’s responsibilities are described more fully in the Association’s Internal Control Policy and the Audit Committee Charter.

The fees paid for professional services rendered for the Association by its independent auditors, PwC, during 2025 were \$1,379,025 for audit and audit-related services and \$40,268 for tax services.

Management is responsible for the Association’s internal controls and the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Association’s consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon. The Committee’s responsibilities include monitoring and overseeing these processes.

In this context, the Committee reviewed and approved the Association’s Quarterly Reports and Audited Financial Statements with management for the year ended December 31, 2025 (Audited Financial Statements). The Committee also reviewed with PwC the matters required to be discussed by the Statements on Auditing Standards. Both PwC and the Association’s internal auditors directly provided reports on significant matters to the Committee.



The Committee discussed with PwC its independence from the Association. The Committee also reviewed the non-audit services provided by PwC and concluded these services to be compatible with maintaining the independent auditors’ independence. The Committee has discussed with management and PwC such other matters and received such assurances from them as the Committee deemed appropriate.

Based on the foregoing review and discussions and relying thereon, the Committee recommended that the Board of Directors include the Audited Financial Statements in the Association’s 2025 Annual Report and for filing with the FCA.

MARCH 3, 2026

Tom Drake
Audit Committee Chair

2025 AUDIT COMMITTEE MEMBERS

Berry Bortz	Paul McCaffrey
Randall Doll	Thomas Teixeira
Tom Drake	Steven Van Houten
Marc Kermisch	

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Association’s principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association’s consolidated financial statements.

For the purposes of this report, “internal control over financial reporting” is defined as a process designed by, or under the supervision of, the Association’s principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. It includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance

with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Association’s assets that could have a material effect on its consolidated financial statements.

The Association’s management has completed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. In making the assessment, management used the framework in “Internal Control - Integrated Framework” (2013), promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the COSO criteria.

Based on the assessment performed, the Association’s management concluded that as of December 31, 2025, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association’s management determined that there were no material weaknesses in the internal control over financial reporting as of December 31, 2025.

MARCH 3, 2026

Curt Hudnutt
Chief Executive Officer

Maryam Ghazi
Chief Financial Officer



FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

(UNAUDITED)

December 31 (in thousands)	2025	2024	2023	2022	2021
CONSOLIDATED STATEMENTS OF CONDITION DATA					
Loans	\$22,326,071	\$21,779,107	\$20,499,416	\$17,431,808	\$15,934,730
Less: allowance for credit losses on loans	(87,461)	(38,213)	(21,227)	(49,448)	(37,515)
Net loans	22,238,610	21,740,894	20,478,189	17,382,360	15,897,215
Investment in and receivable from CoBank	713,887	690,093	648,947	546,167	554,197
Accrued interest receivable	272,677	269,643	272,057	179,489	119,531
Investment securities	50,819	–	–	–	–
Other property owned	5,081	14,503	–	4,160	4,160
Assets held for sale	55,284	54,417	–	–	–
Other assets	357,897	404,805	472,621	389,375	393,279
Total assets	\$23,694,255	\$23,174,355	\$21,871,814	\$18,501,551	\$16,968,382
Obligations with maturities of one year or less	\$12,324,871	\$10,923,450	\$10,251,940	\$8,105,147	\$8,052,151
Obligations with maturities greater than one year	\$7,511,191	\$8,601,247	8,130,218	7,575,100	6,252,776
Total liabilities	19,836,062	19,524,697	18,382,158	15,680,247	14,304,927
Preferred stock	300,000	300,000	300,000	300,000	300,000
Common capital stock and participation certificates	11,554	11,687	11,707	10,604	10,495
Allocated retained surplus	239,507	239,507	239,507	7,847	7,847
Unallocated retained surplus	2,385,985	2,176,398	2,019,621	1,842,539	1,687,124
Additional paid-in capital	935,386	935,386	935,386	677,110	677,110
Accumulated other comprehensive loss	(14,239)	(13,320)	(16,565)	(16,796)	(19,121)
Total shareholders' equity	3,858,193	3,649,658	3,489,656	2,821,304	2,663,455
Total liabilities and shareholders' equity	\$23,694,255	\$23,174,355	\$21,871,814	\$18,501,551	\$16,968,382

Year Ended December 31 (in thousands)	2025	2024	2023	2022	2021
CONSOLIDATED STATEMENTS OF INCOME DATA					
Net interest income	\$622,564	\$586,624	\$547,992	\$493,694	\$445,534
Provision for credit losses	(108,602)	(62,544)	(20,577)	(12,317)	(6,832)
Patronage distributions from Farm Credit institutions	168,983	163,457	145,677	127,437	112,464
Non-interest expense, net	(253,539)	(278,801)	(294,796)	(250,106)	(200,146)
Provision for income taxes	(8)	(2)	(13)	(19)	(2)
Net income	\$429,398	\$408,734	\$378,283	\$358,689	\$351,018

CONSOLIDATED KEY FINANCIAL RATIOS

(UNAUDITED)

Year Ended December 31	2025	2024	2023	2022	2021
Return on average assets	1.88%	1.86%	1.96%	2.05%	2.25%
Return on average shareholders' equity	11.07%	11.06%	12.02%	12.68%	13.65%
Net interest margin	2.87%	2.82%	3.00%	2.98%	3.02%
Net charge-offs as a percentage of average loans	0.26%	0.22%	0.12%	0.00%	0.02%
As of December 31					
Shareholders' common equity as a percentage of total assets	15.02%	14.45%	14.58%	13.63%	13.93%
Shareholders' total equity as a percentage of total assets	16.28%	15.75%	15.96%	15.25%	15.70%
Debt as a ratio to members' equity	5.14:1	5.35:1	5.27:1	5.56:1	5.37:1
Allowance for credit losses as a percentage of loans	0.41%	0.18%	0.11%	0.31%	0.26%
Allowance for loan losses as a percentage of loans	0.39%	0.18%	0.10%	0.28%	0.24%
Common Equity Tier 1 (CET1) Capital	11.69%	11.53%	11.14%	10.09%	10.69%
Tier 1 capital	12.85%	12.73%	12.41%	11.58%	12.37%
Total capital	13.94%	13.66%	13.37%	12.81%	13.71%
Tier 1 leverage	14.83%	14.56%	14.15%	13.29%	14.10%
Unallocated Retained Earnings and URE Equivalents (UREE) leverage	13.43%	13.14%	12.64%	11.51%	13.36%
Permanent capital ratio	13.77%	13.68%	13.44%	12.82%	13.69%
Other Information					
Cash patronage distributions declared (in thousands)	\$201,353	\$237,660	\$213,669	\$185,747	\$162,855
Preferred stock dividends declared (in thousands)	\$15,750	\$15,750	\$15,750	\$15,750	\$8,189
Loans serviced for others (in millions)	\$12,377	\$11,289	\$9,129	\$7,796	\$6,299

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(UNAUDITED)

The following discussion summarizes the financial position and results of operations of American AgCredit, ACA and its subsidiaries American AgCredit, FLCA and American AgCredit, PCA (collectively the Association or American AgCredit) as of December 31, 2025, with comparisons to prior years. This 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. This commentary should be read with the accompanying consolidated financial statements and the related notes appearing in this report.



Our annual and quarterly reports to shareholders are available on our website, www.AgLoan.com, or can be obtained free of charge by calling (800) 800-4865. Annual reports are provided to all stockholders within 90 days after year-end and are available on our website within 75 days after year-end; quarterly reports are available on our website within 40 days after each calendar quarter-end.

BUSINESS OVERVIEW

FARM CREDIT SYSTEM STRUCTURE AND MISSION
American AgCredit is one of 55 associations in the Farm Credit System (System) that was created by Congress in 1916 and has served rural communities and agricultural producers for more than 100 years. The System’s mission is to maintain and improve the income and well-being of American farmers, ranchers, producers or harvesters of aquatic products, and farm-related businesses through a member-owned cooperative system. This is done by making loans and providing financial services, such as crop insurance. Through its commitment and dedication to agriculture, the System continues to have the largest portfolio of agricultural loans of any lender in the United States. The Farm Credit Administration (FCA) is the System’s independent safety and soundness federal regulator and was established to supervise, examine, and regulate System institutions.

OUR STRUCTURE AND FOCUS
As a cooperative, voting stock of American AgCredit is owned by the members we serve. The Board of Directors (“Board”) is comprised of 20 seats, 16 of which are currently filled by stockholder elected directors plus 4 directors appointed by the elected directors. All directors are independent from the perspective that no management or staff serve as Board members. However, as a financial services cooperative, our elected directors are required to have a loan relationship with the Association. Among other duties, the Board selects and compensates the Chief Executive Officer, oversees lending operations, establishes the strategic plan, approves the operating budget, and oversees the financial reporting process.

Our territory extends across a diverse agricultural region that includes portions of California, Colorado, Kansas, and Oklahoma, as well as the entire states of Hawaii, Nevada, and New Mexico. The Association makes short- and intermediate-term loans for agricultural production or operating purposes and long-term real estate mortgage loans. To meet the diverse needs of its borrowers, the Association is structured along geographical and business industry lines that allow for specialized transactions that are unique to various types of customers. The Association’s success is highly dependent on the customer experience it can provide to its borrowers. Business priorities are to serve the needs of all eligible customers, increase loan volume, improve operating efficiencies, build capital, increase profitability, and invest in the people and technological resources that will ensure future success.

As part of the System, the Association obtains funding from CoBank, ACB (CoBank). CoBank is a cooperative of which the Association is a member. CoBank and its affiliated associations and AgVantis, Inc. (AgVantis) are collectively referred to as the District.

The Association, along with our borrowers’ investment in our Association, is materially affected by CoBank’s financial condition and results of operations. The CoBank quarterly and annual reports are available free of charge on CoBank’s website, www.CoBank.com, or may also be obtained at no charge by calling (800) 542-8072 or mailing CoBank at 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111. Annual reports are available within 75 days after year-end and quarterly reports are available within 40 days after the calendar quarter-end.

MERGER ACTIVITY
Effective October 1, 2023, Farm Credit of New Mexico, ACA and its PCA and FLCA subsidiaries (FCNM) completed a merger with and into American AgCredit and its respective PCA and FLCA subsidiaries, whereupon all shareholders of FCNM became shareholders of American AgCredit. The effects of the merger are included in American AgCredit’s financial position, results of operations, equity, and related metrics beginning October 1, 2023. Upon the closing of the merger, assets increased by \$1.97 billion (including net loans of \$1.85 billion), liabilities increased by \$1.48 billion, and shareholders’ equity increased by \$491.1 million. These amounts include adjustments for fair value as required by accounting standards for business combinations. For additional information, refer to Note 1 to the Consolidated Financial Statements.

ECONOMIC OVERVIEW

Throughout 2025, economic indicators showed that the U.S. economy remained resilient despite ongoing inflationary pressures and uneven performance across sectors. Evaluating conditions in the final months of 2025 was unusually difficult due to the Federal government shutdown, which lasted from October 1 to November 12, 2025.

Real gross domestic product (real GDP) grew at an annual rate of 1.4% in the fourth quarter of 2025, slowing from 4.4% in the prior quarter, as increases in consumer spending and investment were partly offset by declines in government spending and exports, alongside a decrease in imports.

Despite the strong headline numbers, several emerging indicators signaled a slight slowing in economic growth. Inflation, measured by both the Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE), remains persistent. The CPI rose to 3.0% in September; following the government shutdown, data collection resumed, and the year-over-year CPI increase moderated to 2.7% in December and further to 2.4% in January. Because the Bureau of Labor Statistics’ data collection was disrupted during the shutdown, these figures may understate underlying inflation pressures, which have shown modest but steady increases since the beginning of the year. Headline PCE increased from 2.8% in September to 2.9% in December, following several months of relatively stable readings around 2.7% – 2.8% and indicating a gradual uptick in price growth toward the end of the year.

The labor market also exhibited signs of cooling. While the economy added about 50,000 new jobs in December and only 64,000 in November, it lost 105,000 jobs in October, the weakest monthly performance since late 2020. Much of the slowdown stemmed from a sharp reduction in government employment, which declined 6% from September to November. The unemployment rate held at an elevated level of 4.4% in December, but still low by

historical standards. Median wage growth has continued to slow from its post-pandemic highs of nearly 7% in 2022 to around 4% at the end of 2025, an indication that softening labor demand is outweighing the wage-lifting effects of constrained labor supply.

Credit card delinquency rates have also risen, with 12.4% of credit card balances now delinquent, the highest level since 2011. This trend may signal that some households are exhausting savings or that wage growth is not keeping pace with consumer spending. There is some evidence that this may be truer among those at the lower end of the income strata. Despite this, consumers still appear willing to spend. Retail sales from January to October 2025 were up about 4.3% from the previous year, mirroring the steady growth rates observed from 2010 to 2019, a period marked by consistent economic growth.

In December, the Federal Reserve lowered its benchmark interest rate by 25 basis points, bringing total cuts for 2025 to 75 basis points. Federal Reserve Chair Jerome Powell described the decision as a “close call,” underscoring the difficulty of managing persistent inflation alongside a cooling labor market. As of the end of January 2026, the Committee decided to maintain the Federal funds rate, reflecting ongoing caution amid solid economic activity, low job gains, and elevated inflation. Despite the softening in short-term interest rates, long-term yields have declined only modestly. Equity markets, however, have maintained strong momentum, with the S&P 500 up 17% and the NASDAQ Composite up 22% for the year.

Several significant farm policy developments occurred in the latter half of 2025. In late September, the U.S. Department of Agriculture (USDA) announced a second round of Emergency Commodity Assistance Program payments, most of which were disbursed in December, bringing the total disbursements for both rounds to approximately \$9.3 billion. The USDA also launched the second stage of its Supplemental Disaster Relief Program (SDRP) designed to offset natural disaster losses for 2023 and 2024. SDRP covers row crops, specialty crops, and milk inventory losses through a separate carveout. Nearly \$6 billion was paid out in 2025, and an additional \$9 billion is expected to be disbursed in the first half of 2026.

In November, Congress enacted an additional extension of the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) through September 30, 2026, as part of a November 2025 continuing resolution. This marked the third extension since the statute’s original expiration in 2023 and preserved core Farm Bill authorities, including commodity, nutrition, and conservation programs, while leaving certain structural issues (e.g., conservation payment limits) unresolved pending further legislation.

Finally, in December, the USDA introduced the Farmer Bridge Assistance program, which will allocate \$11 billion to row crop producers and \$1 billion to specialty and other crop producers, with payments anticipated in early 2026. Combined with the October 2026 Agriculture Risk Coverage/Price Loss Coverage payments, these programs could potentially inject significant cash into the farm sector in 2026.

COMMODITY REVIEW AND OUTLOOK

The following is intended to highlight the general status of the most significant agricultural commodity concentrations within the Association’s loan portfolio. Loan volume may fluctuate based on the seasonal nature of agriculture, especially with respect to commodities that have a single harvest cycle per year. Major commodities financed by the Association are shown in the table in Note 3 to the consolidated financial statements.

VINEYARDS AND WINERIES

The wine and grape industry is experiencing continued demand declines across all sales and distribution channels. These challenges stem from shifting consumer preferences, reduced alcohol consumption, and economic pressures, all compounded by a significant oversupply of grapes and wine inventory. Off-premise retail wine sales fell 5% year-to-date through October versus the same period last year, according to NielsenIQ. SipSource data shows distributor revenue falling 8% year-to-date through December 2025, including an approximate 10% decline specifically during the fourth quarter. Premium and luxury wines continue to outperform lower-priced bottles, though both segments remain under pressure. Community Benchmark figures indicate that direct-to-consumer revenues fell 5% during the first 11 months of 2025 versus the same period in 2024, with particularly weak results in the early fourth quarter. Wine exports declined 30% year-over-year in the first three quarters of 2025, driven primarily by a sharp drop in export shipments to Canada following bans on U.S. alcohol imports.

The grape market remains mired in a deep slump. The 2025 California grape crush is expected to be the smallest in at least 25 years, as hundreds of thousands of tons of fruit went unharvested due to lack of buyers. However, the small 2025 harvest will almost certainly reduce the excess wine inventory. Overall, vineyard acreage removals, declining grape prices, and a growing volume of unsold fruit, across both premium and nonpremium regions, indicate ongoing distress in the grape market. Still, recent acreage reductions may support a faster rebalancing of supply and demand. In summary, while there is some evidence the rebalancing of supply and demand may occur sooner than later, ongoing adversity via compressed margins will continue to weigh on the broader segment in the near term.

BEEF

In 2025, the U.S. beef industry experienced a historically tight cattle supply, shrinking cow-calf inventories, and persistent drought-driven production challenges, setting the stage for continued volatility across all sectors from ranch to feedlot.

The U.S. cattle and beef market in late 2025 was characterized by a sharp \$30 per hundredweight drop in fed cattle prices from near record-highs in early October, then rebounded by \$20 per hundredweight at year's end. The drop was precipitated by pressure on futures contract prices following the U.S. presidential administration's efforts to lower retail beef prices by reducing tariffs on South American countries and promoting imports of lean trimmings. Announcements of a slaughter plant closure in Nebraska and a plant shift elimination at a Texas plant also caused futures markets to decline. Underlying market trends are still being shaped by tightening cattle supplies and sustained, robust consumer demand.

The 2025 calf crop was historically small, limiting downward pressure on both feeder and calf markets. Feed yards and stocker operations continued to purchase high-priced replacement cattle inventory, despite late-year price declines, partly to address tax considerations tied to strong profits realized during the year. The intermittent closure of the U.S.–Mexico border throughout 2025 to feeder cattle and calf imports has significantly tightened cattle supply chains. Year-to-date imports fell 82%, or 1 million head, compared with the previous year, accounting for 73% of the decline in U.S. feedlot placements.

U.S. producers have not retained large numbers of heifer calves, and herd expansion has not meaningfully commenced. Consequently, domestic beef production and cattle slaughter have declined. Through mid-December, year-to-date beef production was 3.5% lower than the previous year. The fed cattle slaughter rate fell 5.3% and cow slaughter was down 10.7%.

Average dressed weights for all cattle were up 2.9% and fed cattle weights were up 2.6% over the same period last year.

Feeder cattle and calf prices reached record highs in 2025, pushing projected fed cattle break-evens for marketings in the second half of 2026 to unprecedented levels. At the same time, retail beef prices reached record levels during the first eight months of 2025, with consumer spending on beef outpacing that of competing proteins.

In summary, while record calf prices and strong beef demand are helping stabilize producer finances, ongoing herd liquidation, drought conditions, border-related supply disruptions, and packing-sector adjustments suggest that meaningful herd rebuilding and true long-term expansion will continue to be difficult. Markets are likely to remain firm, but risk conditions will stay elevated.

TREE FRUITS AND NUTS

In 2025, prices for both almonds and walnuts have strengthened, with almonds seeing firmer spot market pricing post-harvest and walnuts achieving significantly improved prices due to reduced competition from China. The unsold almond inventory, which carried into the new crop year beginning in August, was 484 million pounds, a significant reduction and improvement from the roughly 840 million pounds seen in prior years. Based on current receipts, the 2025 almond crop is expected to fall short of the USDA's 3-billion-pound forecast.

While domestic almond demand has been soft, export demand has remained relatively steady except in China and Hong Kong, where imports have shifted toward Australian almonds due to a free-trade agreement. In spite of these situations, the supply-demand balance has strengthened, supporting higher prices throughout 2025 and into 2026. Medium- and long-term pricing sentiment has also improved as acreage removals continue and new orchard plantings remain low. Annual new plantings, once exceeding 130,000 acres, have fallen to under 30,000 acres, according to Land IQ, an independent agriculture-related consulting firm. In addition, more acreage is expected to come out of production as California's Sustainable Groundwater Management Act (SGMA) takes effect, creating a lasting constraint on future supply growth.

The walnut market has also moved into a healthier supply-demand balance, however prices have begun to show modest softening in early 2026 as the industry anticipates a larger-than-expected 2025 crop. Current crop receipts are already 10% higher than the USDA's 710,000 inshell pound estimate. Notably, this production increase reflects improved yields rather than expanded acreage, as bearing acreage continues to decline.

Agricultural land values in California's Central Valley continue to be pressured in 2025, driven by ongoing water constraints under SGMA, higher for longer interest rates, and ongoing market uncertainty. Impact will remain highly variable based on operationally specific factors.

Overall, the outlook for almonds and walnuts is cautiously optimistic. Supportive commodity pricing driven by an improving supply-demand balance, and better-than-expected crop performance are helping both industries move back toward sustainable profitability after several challenging years. However, lingering structural pressures, including SGMA-driven land value declines off of peak values, ongoing tariff uncertainty, and elevated input costs, will continue to influence financial performance and risk management needs.

FIELD CROPS

During 2025, corn, soybean, and wheat farmers experienced mixed market conditions driven by supply dynamics, global trade flows, and price volatility.

Corn benefited from strong export demand and a slight reduction in U.S. production estimates. The USDA lowered its 2025/26 production forecast by 62 million bushels; however, total

supply increased to 18.3 billion bushels due to higher prior year ending stocks. Export commitments reached a record 1.87 billion bushels, significantly above historical averages. Futures traded in a narrower range, ending the quarter at \$4.44 per bushel. The season-average farm price is projected at \$4.00 per bushel, with margins expected to remain tight despite favorable yields and government support.

Soybean markets faced downward price pressure from abundant global supplies, particularly Brazil's record production forecast of 175 million metric tons. U.S. planted acres for 2025/26 are projected to decline over 7%, but record yields limit the production decrease to 2.8% year-over-year. Domestic soybean crush demand remains strong, reaching new highs and supported by biofuel policy, while China resumed purchases after a prolonged absence, albeit at reduced volumes. The USDA projects an average price of \$10.50 per bushel, which continues to be stressed by global oversupply.

Wheat markets continued to experience price weakness due to increased global production. U.S. spring wheat output fell 6.6% to 583 million bushels, but Canadian production surged over 10%, and southern hemisphere revisions added to global stocks. Wheat futures largely traded sideways, with the USDA projecting an all-wheat season-average price of \$5.00 per bushel, down from prior-year levels, signaling continued margin compression.

In summary, corn marginally benefited from strong export demand, soybeans remain challenged by global oversupply, and wheat is facing persistent downward price pressure from record international production. Corn, soybean, and wheat markets enter 2026 under continued margin pressure as prices remain well below early-2025 levels. Profitability will depend heavily on achieving strong yields amid persistent input-cost "stickiness." While record or near-record corn and soybean yields and tightening global stocks offer the potential for some longer-term support, the near-term headwinds of export volatility, and elevated input costs will continue to pressure performance in this segment.

DAIRIES

Through most of 2025, dairy producers benefited from strong milk prices, moderating feed costs, and high cull-cow and calf values, which boosted cash flow and helped offset recent years' pressures. Toward the end of 2025, however, milk prices fell sharply as a growing global surplus in milk production pushed prices to significantly lower levels. The October All-Milk price was reported by the USDA at \$20 per hundredweight, a decrease of more than 20% from the same month last year.

After years of being flat, U.S. milk production had surged as high as 4.5% year-over-year in November. Production in other major exporting regions surged as well, with European volumes up more than 5% in October and New Zealand output rising 2.4% in November. When the world's three largest exporters simultaneously increase production, downward pressure on global prices becomes unavoidable.

Domestic price declines were first triggered by a decline in butter prices, followed by declines in cheese prices, both of which saw elevated production due to increased milk supply. For much of the year, prices were supported by export strength. However, once global markets declined, domestic prices had to fall to remain competitive and sustain export movement.

Whey markets have been a notable exception. Domestic demand for protein remains very strong, pushing whey prices higher. Supply chain feedback indicates that production of high-protein whey concentrate and isolate can't keep pace with demand. Although whey strength has not fully offset the decline in cheese prices, it has provided support to Class III milk prices, keeping them elevated relative to Class IV milk prices.

Very strong revenues from beef-on-dairy calves and cull cows also continue to provide a buffer against the weaker milk prices. Despite a profitable start to 2025, dairy producers ended the year facing lower milk prices driven by global oversupply. While strong beef-on-dairy revenues and lower feed costs will help offset the recent milk price decline, the outlook for 2026 suggests a challenging first half, with the potential for gradual improvement as global markets rebalance and demand strengthens in the second half.

FOREST PRODUCTS

The forest products industry experienced increasing headwinds in 2025, marked by oversupplied markets, weakened housing activity, declining lumber and panel prices, and persistent macroeconomic pressures that continued to weigh on performance across all segments.

Consumer sentiment, as a proxy for economic sentiment, has remained historically low since February, pressured by persistent inflation and a softening labor market. Housing demand followed suit; building permits in August fell nearly 10% year-over-year to their lowest level since May 2020, and housing starts declined 6% to 1.307 million units, the weakest August reading since 2018. Construction spending contracted for 11 consecutive months, and the National Association of Home Builders Index hovered at or below 40 since March, signaling a deep contraction in the housing sector.

Mortgage rates offered little relief. Although the Federal Reserve reduced interest rates, the national 30-year mortgage rate has eased only slightly, averaging 6.24% in the fourth quarter, still well above recent lows, limiting affordability and housing demand.

Forest-product pricing mirrored these trends. Framing lumber prices are down 15% year-over-year, with declines across Southern Pine, studs, and Western Spruce-Pine-Fir. Structural panels and plywood prices have also weakened, with oriented strand board down 41%. In contrast, log prices have shown resilience, as export log prices are up over 10% from last year and Whitewood No. 2 logs have appreciated steadily.

Looking ahead, the sector's trajectory remains cautiously optimistic. Easing mortgage rates and prospective monetary policy support may gradually improve conditions. However, the industry continues to warrant heightened oversight given ongoing economic uncertainty, persistent trade tensions, and structurally weak demand conditions.



FINANCIAL CONDITION

LOAN PORTFOLIO

The Association’s loan portfolio primarily consists of accrual loans and nonaccrual loans. Loans were \$22.3 billion as of December 31, 2025, compared to \$21.8 billion and \$20.5 billion for 2024 and 2023, respectively. The \$0.5 billion increase in 2025 reflects a 2.29% year-over-year growth rate, primarily driven by organic loan growth. The following table illustrates the major loan categories from December 31, 2023, to December 31, 2025.

December 31	2025		2024		2023	
(in millions)	Loan Principal	Percent of Total	Loan Principal	Percent of Total	Loan Principal	Percent of Total
Real estate mortgage	\$11,076.6	49.6%	\$11,011.0	50.6%	\$10,799.7	52.7%
Production and intermediate-term	5,215.4	23.4	4,949.8	22.7	4,595.8	22.4
Agribusiness	4,894.8	21.9	4,854.0	22.3	4,197.6	20.5
Rural infrastructure	1,043.4	4.7	862.0	3.9	828.0	4.0
Other	95.9	0.4	102.3	0.5	78.3	0.4
Total loans	\$22,326.1	100.0%	\$21,779.1	100.0%	\$20,499.4	100.0%

Factors affecting the changes in loan categories are discussed as follows.

Real Estate Mortgage Loans: Real estate mortgage loans increased to \$11.1 billion at December 31, 2025, compared to \$11.0 billion and \$10.8 billion at year-end 2024 and 2023, respectively. The 2025 increase of \$65.6 million resulted in a 0.60% annual growth rate. Real estate mortgage loans increased by \$211.3 million in 2024.

Production and Intermediate-Term Loans: Production and intermediate-term loans increased to \$5.2 billion in 2025, compared to \$4.9 billion and \$4.6 billion at year-end 2024 and 2023, respectively. The \$265.6 million increase resulted in a 5.37% annual growth rate.

Agribusiness Loans: Agribusiness loans are primarily made to finance the throughput of agricultural goods to the marketplace. These loans consist of long-term mortgages on processing facilities and equipment as well as short- and intermediate-term loans and operating lines of credit. The agribusiness portfolio remained unchanged at \$4.9 billion as of year-end 2025, the same as in 2024, and \$4.2 billion for 2023.

Rural Infrastructure and Other Loans: These loan portfolios consist of rural infrastructure, agricultural export finance, and loans made for sales contracts and for homes located in rural areas. Unless otherwise indicated, agricultural export finance and rural residential real estate collectively comprise the amounts presented in “Other.” This portion of the portfolio accounted for 5.10% of the 2025 total loan portfolio and grew at an annual rate of 18.15%.

GEOGRAPHIC CONCENTRATIONS

The Association’s territory covers 38 California counties from the Oregon border to the Mexico border, the entire states of Hawaii, Nevada, and New Mexico and parts of central and southwest Kansas, northern Oklahoma, and western Colorado. The geographical distribution of loan volume as of December 31, 2025, 2024, and 2023, is shown in the following table. The Association originates and services loans in areas outside its chartered territory with the concurrence of the Farm Credit associations where those loans are physically located.

December 31	2025		2024		2023	
(in millions)	Loan Principal	Percent of Total	Loan Principal	Percent of Total	Loan Principal	Percent of Total
California	\$10,111.2	45.3%	\$9,981.7	45.8%	\$9,382.4	45.8%
Kansas	2,070.0	9.3	2,044.7	9.4	1,985.6	9.7
Colorado	1,803.2	8.1	1,688.0	7.8	1,691.9	8.2
New Mexico	1,409.7	6.3	1,377.7	6.3	1,299.0	6.3
Nevada	287.0	1.3	284.8	1.3	283.4	1.4
Hawaii	163.2	0.7	153.1	0.7	185.2	0.9
Other	6,481.8	29.0	6,249.1	28.7	5,671.9	27.7
Total	\$22,326.1	100.0%	\$21,779.1	100.0%	\$20,499.4	100.0%

We are a party to multiple territorial concurrence agreements with other associations in various states within the System. The agreements are intended to allow for cooperation within the System and align with fulfilling our mission to farmers and ranchers regardless of where they operate. The agreements eliminate territorial restrictions and allow party associations to make loans in each other’s territory without needing to obtain consent. The agreements can be terminated by the parties under certain circumstances and also when directed by FCA.



The Association routinely sells portions of large loans to other financial institutions to manage portfolio risk. These institutions are geographically dispersed and come from within the Farm Credit System. In addition, the Association has entered into participation agreements with these institutions in which the Association services the entire loan but retains ownership of only a small portion. Participating in or selling loans allows the Association to manage its lending limits and its internal capital requirements, as well as to diversify credit, commodity, geographic, and other risks. Neither the principal nor any unused commitments related to the participated or sold portion of these loans are included on the Association’s Consolidated Statements of Condition. Participation and other multi-lender activity is summarized as follows.

December 31 (in millions)	2025	2024	2023
Loans sold to others	\$9,655.4	\$9,197.4	\$7,612.7
Retained interest in sold loans	\$3,328.5	\$3,516.3	\$3,056.7
Loans purchased from others	\$5,914.8	\$5,628.3	\$5,069.6
Syndications serviced for others	\$2,721.5	\$2,091.3	\$1,516.4

To further manage portfolio credit risk, the Association participates in a Federal Agricultural Mortgage Corporation (Farmer Mac) guarantee program. Under this program, the Association pays a guarantee fee to Farmer Mac to assume the balance of predesignated loans if they become delinquent. Management considers these fees to be intrinsic credit enhancement costs that affect the yield on the pool of guaranteed loans. The Association paid \$1.1 million, \$1.2 million, and \$765 thousand in guarantee fees during 2025, 2024, and 2023, respectively. These fees are included in interest expense in the Consolidated Statements of Comprehensive Income. Farmer Mac guaranteed loans at December 31, 2025, 2024, and 2023, were \$215.7 million, \$252.4 million, and \$273.9 million, respectively.

NONACCRUAL LOANS

Nonaccrual loans represent all loans where there is a known risk to the collection of principal and/or interest. Nonaccrual loan volume decreased \$10.0 million to \$435.3 million at December 31, 2025, from \$445.3 million at December 31, 2024 which was primarily due to loan repayments. Credit quality pressures persisted, driven by continued elevated inflation and ongoing headwinds in the tree fruits and nuts sector along with the wine and wine grape industry, which contributed to the elevated level of nonaccrual loan volume. While the Association does not accrue interest on loans classified as nonaccrual, 43.8% of the nonaccrual loan volume at December 31, 2025, was current as to principal and interest compared to 52.5% at December 31, 2024, and 58.5% at year-end 2023.

See the “Credit Risk Management” section on page 32 for further information on the Association’s credit quality. Given the cyclical nature of agriculture, management anticipates that factors such as product oversupply, volatile commodity prices, water issues, regulatory demands, changing interest rates, and public demand for commodities could adversely impact the Association’s loan portfolio over time. Supply and demand dynamics, including the threat or existence of trade tariffs, may negatively impact a number of U.S. agricultural segments. The potential for worsening drought conditions throughout our territory could have a negative impact on our borrowers and the credit quality of our loan portfolio. The Association proactively monitors and addresses portfolio risk.

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. Beginning January 1, 2023, the ACL represents an estimate of current expected credit losses (CECL) 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 ACLL increased \$49.3 million to \$87.5 million in 2025, from \$38.2 million in 2024, primarily driven by recalibration of the recovery portion of the quantitative component of the ACLL, with some additional influence from changing macro-economic conditions and underlying stress within segments of the loan portfolio. Comparative ACLL coverage as a percentage of the average daily balance of loans and certain other credit quality indicators as of December 31 is shown in the following table.

December 31	2025	2024	2023
Allowance for credit losses on loans as a percentage of:			
Average loans	0.40%	0.18%	0.12%
Nonperforming loans	19.38%	8.57%	8.17%

Further discussion of the allowance can be found in Note 3 to the consolidated financial statements.

INVESTMENT IN COBANK

The required stock investment in CoBank for affiliated associations is based on 3% of direct note balances, calculated using a one-year average loan base period. Management and the Board of Directors of CoBank periodically evaluate its capital plans based on financial performance, capital requirements, asset growth, and other considerations.

The investment in CoBank was \$606.2 million at December 31, 2025, an increase of \$24.6 million when compared to year-end 2024. The increase was due to a \$21.0 million additional required stock investment in CoBank in the form of Class A stock based on an increase in our average direct note balance, and \$3.6 million in CoBank patronage distribution in the form of stock. The investment in CoBank was \$581.6 million at December 31, 2024, an increase of \$34.5 million compared to year-end 2023.

OTHER ASSETS

Other assets were \$324.2 million at December 31, 2025, an increase of \$5.0 million when compared to year-end 2024. Other assets primarily consisted of \$161.4 million of patronage receivables from Farm Credit institutions, \$118.1 million of retirement plan assets, and \$44.7 million of other receivables and assets. The change was primarily due to a \$7.0 million increase in patronage receivables and a \$1.9 million decrease in retirement plan assets. Other assets were \$319.2 million at December 31, 2024, an increase of \$3.8 million compared to year-end 2023.

OTHER LIABILITIES

Other liabilities were \$192.4 million at December 31, 2025, an increase of \$8.3 million when compared to year-end 2024. Other liabilities primarily consisted of \$103.0 million of retirement plan liabilities, \$46.9 million of short- and long-term incentive compensation payables, \$18.1 million of Farm Credit System Insurance Corporation (FCSIC) payable, and \$24.4 million of other liabilities. The year-over-year change was primarily due to an \$8.6 million increase in retirement plan benefits, a \$1.8 million increase in short- and long-term incentive compensation payable, a \$0.9 million increase in FCSIC premiums payable, offset by a decrease in other liabilities of \$3.0 million. Other liabilities were \$184.2 million at December 31, 2024, a decrease of \$2.5 million when compared to year-end 2023.

RESULTS OF OPERATIONS

EARNINGS

The Association produced net income of \$429.4 million in 2025, compared to \$408.7 million in 2024 and \$378.3 million in 2023. The \$20.7 million increase in net income from 2024 was primarily due to a \$35.9 million increase in net interest income as a result of loan growth and higher net interest margin, aided by a \$12.5 million increase in non-interest income attributable to \$6.2 million increase in loan origination fees and \$5.5 million increase in patronage income, offset by a \$46.1 million increase in the provision for credit losses , primarily attributable to increases in the quantitative reserve, with additional impact from commodity-specific qualitative overlays. Non-interest expense decreased by \$18.3 million, driven by a decrease in technology expenses, a decrease in occupancy and equipment expenses, a decrease in purchased services, and a decrease in salaries and benefits.

The Association’s 2024 net income of \$408.7 million was \$30.5 million higher than 2023’s net income of \$378.3 million. The \$30.5 million increase in net income from 2023 was primarily due to a \$38.6 million increase in net interest income as a result of loan growth, aided by a \$24.2 million increase in non-interest income attributable to higher patronage income from other Farm Credit institutions and loan origination fees recognized, offset by an increase in the provision for credit losses attributable to qualitative overlays as well as a recalibration of the quantitative reserve. Non-interest expense decreased by \$9.6 million, largely driven by a decrease in merger-related expenses, a decrease in FCSIC insurance fund premiums, and a decrease in purchased services, offset by an increase in salaries and benefits, and a slight increase in technology expenses.

The major components of change in net income over the past two years are summarized as follows.

(in thousands)	2025 vs. 2024	2024 vs. 2023
Net income, prior year	\$408,734	\$378,283
(Decrease)/Increase in interest income	(18,814)	208,883
Decrease/(Increase) in interest expense	54,754	(170,251)
Increase in net interest income	35,940	38,632
Increase in provision for credit losses	(46,058)	(41,967)
Increase in non-interest income	12,510	24,213
Decrease in non-interest expense	18,278	9,562
(Increase)/Decrease in income tax benefit/provision	(6)	11
Increase in net income	20,664	30,451
Net income, current year	\$429,398	\$408,734



NET INTEREST INCOME

The following table provides an analysis of the individual components of the change in net interest income for 2025 and 2024.

(in thousands)	2025 vs. 2024	2024 vs. 2023
Net interest income, prior year	\$586,624	\$547,992
Increase/(Decrease) in net interest income due to changes in:		
Net interest margin	10,396	(32,909)
Volume of average earning assets	25,252	75,249
Margin/volume combination	292	(3,708)
Increase in net interest income	35,940	38,632
Net interest income, current year	\$622,564	\$586,624

Net interest income in 2025 was \$622.6 million, compared to \$586.6 million in 2024 and \$548.0 million in 2023. The 2025 increase of \$36.0 million represents a 6.14% increase over 2024 and was primarily driven by steady growth in loan volume and higher net interest margin. Average earning assets grew by \$0.9 billion during 2025, representing an annual growth rate of 4.31%.

Net interest income in 2024 increased 7.05% from \$548.0 million in 2023 to \$586.6 million. The \$38.6 million increase was primarily due to strong growth in loan volume, offset by a decrease in the net interest margin. Average earning assets grew by \$2.5 billion during 2024, representing an annual growth rate of 13.72%.

	2025	2024	2023
Average rate on earning assets	6.51%	6.88%	6.68%
Average rate on interest-bearing liabilities	4.22%	4.68%	4.23%
Net interest margin	2.87%	2.82%	3.00%

The Association administers its variable-rate loans based on its cost of funds. Adjustments to borrower’s variable rates have generally followed changes in the prime rate. Management closely monitors interest rate movements and will adjust variable rates to customers to preserve capital for future growth.

The Association has a differential pricing policy for interest rates, which is based on loan size, servicing requirements, and credit risk of a loan. Management’s objective is to maintain interest rates that are competitive with other lenders providing similar-type loans.

PROVISION FOR CREDIT LOSSES

The provision for credit losses reflects an estimate of current expected credit losses in our loan portfolio, including unfunded commitments. At December 31, 2025, the provision for credit losses was \$108.6 million, compared to \$62.5 million in 2024. This increase includes the effect of \$56.2 million in net charge-offs and a \$52.4 million increase in the ACL. The increase to ACL is comprised of: 1) a \$49.6 million increase for quantitative ACL component updates, primarily driven by recalibration of the quantitative recovery model and changing macro-economic conditions, 2) a \$1.5 million decrease for qualitative updates, and 3) a

\$4.3 million increase on collateral-dependent loans. Although the net charge-off activity of \$56.2 million is recognized to be somewhat elevated year-over-year, overall charge-off activity remains manageable relative to the size of our loan portfolio. The net charge-off activity is believed to be evidence of an uptick in credit degradation that is reflective of the general economic and commodity conditions, versus that of the Association’s underwriting standards, which remain strong.

NON-INTEREST INCOME

Non-interest income consists primarily of patronage from other Farm Credit institutions, loan origination and servicing fees, insurance income, and other gains and losses. Total non-interest income was \$213.5 million in 2025, compared to \$201.0 million in 2024 and \$176.8 million in 2023. The \$12.5 million increase in non-interest income during 2025 was primarily due to a \$5.5 million increase in patronage primarily driven by an increase in participated loan patronage income from other Farm Credit institutions caused by higher participations sold balances, a \$6.2 million increase in loan origination fees, a \$4.1 million unanticipated Farm Credit Insurance Corporation (FCSIC) premium refund, a \$2.2 million net gain on the sale of four office buildings, and a \$2.1 million increase in loan servicing fees and late charges, offset by a \$4.9 million write-down of the former Santa Rosa Headquarters building, a \$1.9 million write-down of an acquired property from foreclosure, and a \$1.1 million loss on the sale of an acquired asset. The \$24.2 million increase in non-interest income during 2024 was primarily due to a \$12.6 million increase in CoBank direct note patronage due to an increase in the note payable to CoBank attributable to an increase in note payable to CoBank following the October 2023 merger with Farm Credit of New Mexico, a \$9.4 million increase in loan origination fees partly due to additional territory following the merger with Farm Credit of New Mexico and organic loan growth, a \$6.2 million increase due to a FCSIC premium refund, and a \$4.2 million increase in participated loan patronage income from other Farm Credit institutions caused by higher participations sold balances, offset by a \$6.2 million write-down of the former Santa Rosa, CA, Headquarters building and reclassification as assets held for sale, and a slight decrease in financially-related services and loan servicing and late charges.

NON-INTEREST EXPENSES

Non-interest expenses consist of salaries and benefits, occupancy and equipment costs, purchased services, technology, insurance fund premiums, supervisory expenses, merger expenses, and other operating costs. Non-interest expenses were \$298.1 million in 2025, compared to \$316.3 million in 2024 and \$325.9 million in 2023. The \$18.2 million decrease in non-interest expenses in 2025 was primarily driven by a \$4.6 million decrease in occupancy and equipment expense due to the sale of four office buildings and the movement of one building to Assets Held for Sale in 2025 resulting in less depreciation expense, a \$4.6 million decrease in technology expenses primarily due to a timing difference in recording prepaid expenses, and a \$3.1 million decrease in purchased services. Overall, the Association has reduced spending to better control our expenses and cost-to-income ratio. The \$9.6 million decrease in non-interest expenses in 2024 was primarily driven by a \$22.4 million decrease in merger-related expenses, a \$9.2 million decrease in FCSIC insurance fund premiums, and a \$1.7 million decrease in purchased services, offset by an \$18.7 million increase in salaries and benefits primarily due to the additional headcount from the merger with Farm Credit of New Mexico for the entire year of 2024 as compared to one quarter in 2023, and a \$2.4 million increase in technology expenses.

PROVISION FOR INCOME TAXES

The Association’s effective tax rate is primarily affected by the mix of taxable and tax-exempt lending activities. Due to the level of tax-exempt lending activities and the Association’s patronage program, the provision for income taxes remains an insignificant component of net income.

ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss (AOCL) arises from the recognition of an unfunded nonqualified defined benefit pension plan liability and is a component of total shareholders’ equity. The liability and the associated other comprehensive loss will fluctuate from year to year depending on the plan’s performance and underlying actuarial assumptions and obligations. The actual loss or income to be realized as liabilities paid will not be determinable until the liabilities expire. See Note 12 to the consolidated financial statements for further discussion.

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 reduction, 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. In June 2021, the Association issued non-cumulative perpetual preferred stock and subordinated debt, which also provided a significant source of funding.

The Association’s primary source of funds (excluding capital) and largest liability is its direct loan from CoBank. As further described in Note 8 to the consolidated financial statements, this direct loan is governed by a General Financing Agreement (GFA), is collateralized by a pledge of substantially all the Association’s assets, and is subject to regulatory borrowing limits. The GFA includes financial and credit metrics that, if not maintained, can result in increases to our funding costs. The GFA also requires compliance with FCA regulations regarding liquidity. To meet this requirement, the Association closely manages its funding activity and is allocated a share of CoBank’s liquid assets for liquidity calculation purposes. The Association is currently in compliance with the GFA and does not foresee any issues with obtaining funding or maintaining liquidity. The Association applies substantially all cash received to the direct loan and draws all cash disbursements from it. The Association’s ability to incur debt from other sources is subject to statutory and regulatory restrictions. The GFA was renewed on June 1, 2023, and matures on May 31, 2028.

CoBank’s primary source of funds is the issuance of Farm Credit System debt securities through the Federal Farm Credit Banks Funding Corporation. The continued liquidity of the Association is therefore directly dependent on the ability of the System to continue to sell debt securities at competitive rates. Historically, this access has provided a dependable source of competitively priced debt that is critical for supporting our mission of providing credit to agriculture and rural America. The Association anticipates continued access to the funding necessary to support its lending and business operations.

The Association primarily utilizes a block-funding methodology, under which CoBank provides a committed pool of funds that the Association may draw upon, providing stable and predictable financing, and to support lending activities. In addition to its blocks of debt, the Association also utilizes a daily revolving line of credit with CoBank for liquidity purposes. The interest rate on the revolving line is periodically adjusted by CoBank based on the terms and conditions of the borrowing.

The Association also has the ability to obtain funding from customer Funds Held accounts, which bear a variable interest rate and are uninsured. From a funding perspective, they provide a cost-effective additional borrowing source compared to our direct loan with CoBank and are offered to customers of the Association as a financial tool for excess operating funds. Restrictions apply to the purpose for which the funds held may be withdrawn and the maximum dollar amount a customer may maintain in Funds Held accounts.

In June 2021, the Association issued \$300 million of Series A 5.25% fixed-rate reset perpetual non-cumulative preferred stock and \$200 million of 3.375% fixed-to-floating rate subordinated debt due 2036. The Series A preferred stock and subordinated debt may be redeemed at the option of the Association no earlier than June 15, 2026, and June 15, 2031, respectively, subject to conditions. S&P Global has currently assigned the Association a “BBB+” long-term issuer credit rating and assigned the preferred stock and subordinated debt ratings of “BB+” and “BBB,” respectively. Further information regarding the subordinated debt and preferred stock may be found in Notes 9 and 10 to the consolidated financial statements, respectively.

In accordance with FCA regulations, the Association, with the approval of CoBank, may purchase and hold investments to manage risks. The Association currently manages an investment portfolio that holds U.S. Small Business Association (SBA) debt securities, primarily to diversify assets. As of December 31, 2025, the investment portfolio 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 4 to the Consolidated Financial Statements.

ASSET/LIABILITY MANAGEMENT

In the normal course of lending activities, the Association is subject to interest rate risk. The asset/liability management objective is monitored and managed within interest rate risk limits designed to target reasonable stability in net interest income over an intermediate planning horizon and to preserve a relatively stable market value of equity over the long term. Mismatches and exposure in interest rate repricing and indices of assets and liabilities can arise from product structures, customer activity, capital reinvestment, and liability management. While the Association actively manages interest rate risk within the policy limits approved by the Association’s Board of Directors through the strategies established by the Asset Liability Committee (ALCO), there is no assurance that these mismatches and exposures will not adversely impact earnings and capital. The overall objective is to develop competitively priced and structured loan products for customers’ benefit and fund these products with an appropriate blend of equity and debt obligations.

The interest rate gap analysis shown in the following table presents a comparison of interest-earning assets and interest-bearing liabilities in defined time segments at December 31, 2025.

December 31, 2025 (in thousands)	1 Month or Less	Over 1 Month to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
Interest-earning assets:						
Floating rate loans	\$10,572,508	\$3,462,063	\$–	\$–	\$–	\$14,034,571
Adjustable rate loans	170	4,005	3,008	1,976	55	9,214
Fixed rate loans, prepayable	158,204	505,332	519,614	3,180,621	2,130,929	6,494,700
Fixed rate loans	21,179	82,799	123,665	893,548	299,684	1,420,875
Nonaccrual loans	220,450	37,279	3,927	173,187	–	434,843
Fair market value adjustment	(737)	(3,674)	(4,397)	(27,626)	(31,698)	(68,132)
Investment securities	50,819	–	–	–	–	50,819
Total interest-earning assets	\$11,022,593	\$4,087,804	\$645,817	\$4,221,706	\$2,398,970	\$22,376,890
Interest-bearing liabilities:						
Floating rate debt	\$10,883,061	\$–	\$–	\$–	\$–	\$10,883,061
Discount notes	168,600	1,425,154	498,314	–	–	2,092,068
Fixed rate debt, callable	56,194	229,461	186,812	1,134,191	654,390	2,261,048
Fixed rate debt	60,587	302,047	690,312	1,780,960	912,409	3,746,315
Funds Held	222,618	–	–	–	–	222,618
Subordinated debt	–	–	–	–	198,256	198,256
Preferred stock	–	300,000	–	–	–	300,000
Fair market value adjustment	(1,283)	(6,282)	(6,956)	(35,489)	(11,317)	(61,327)
Total interest-bearing liabilities and preferred stock	\$11,389,777	\$2,250,380	\$1,368,482	\$2,879,662	\$1,753,738	\$19,642,039
Interest rate sensitivity gap	\$(367,184)	\$1,837,424	\$(722,665)	\$1,342,044	\$645,232	\$2,734,851
Cumulative gap	\$(367,184)	\$1,470,240	\$747,575	\$2,089,619	\$2,734,851	
Cumulative gap/total interest-earning assets	(1.64)%	6.57%	3.34%	9.34%	12.22%	

The analysis shows how the Association is positioned by comparing the amount of assets and liabilities that reprice at various time periods in the future. As the dividend on preferred stock is tied to an interest rate much like a bond’s interest payments, it is subject to interest rate risk, and is consistent with reporting to the ALCO, preferred stock is bucketed with liabilities. The interest rate gap analysis is a static indicator that does not reflect future changes in repricing characteristics and may not necessarily indicate the sensitivity of net interest income in a changing interest rate environment. The value of this analysis can be limited given factors such as the differences between interest rate indices on loans and the underlying funding, the relative changes in the levels of interest rates over time, and optionality included in loans and the respective funding that can impact future earnings and market value.

The Association’s repricing gap as of December 31, 2025, can be characterized as asset-sensitive, indicating the Association generally has more interest-rate-sensitive assets than interest-rate-sensitive liabilities for particular time periods into the future. Given some of the inherent weaknesses with interest rate gap analysis, simulation models are used to develop additional interest-rate-sensitivity measures and estimates. The assumptions used to produce anticipated results are periodically reviewed and models are tested to help ensure reasonable

performance. Various simulations are produced for net interest income and market value of equity. These simulations help to assess interest rate risk and make adjustments as needed to the products and related funding strategies.

The Association’s Asset/Liability Management Board policy establishes limits for changes in net interest income and market value of equity sensitivities. These limits are measured and reviewed by ALCO monthly and reported to the MRC and Board at least quarterly. The Board policy limit for net interest income is a negative 10.0% change, and the market value of equity policy limit is a negative 15.0% change, given parallel and instantaneous shocks of interest rates up and down 200 basis points. In instances when the rate on the three-month U.S. Treasury bill is less than 4.0%, FCA guidelines provide that the Regulatory Down Policy shock measure should be used in lieu of the down 200 basis point measure, with that measure equal to one-half of the three-month U.S. Treasury bill rate. The rate on the three-month U.S. Treasury bill was 3.62% as of December 31, 2025, therefore, a shock of down 181 basis points was used. The GFA also uses these simulation results to assess the interest rate risk position

and whether corrective action is necessary. The following table shows the percentage impacts to net interest income and market value of equity using parallel and instantaneous interest rate increases of 100 basis points and 181 basis points. In all scenarios, the underlying assumptions and strategies are held constant so that results are comparable from scenario to scenario. However, actual results would differ to the extent changes in strategy were undertaken to mitigate the unfavorable impact of interest rate changes. As of December 31, 2025, all interest rate risk-related measures were within the Board policy limits, GFA requirements, and management guidelines.

December 31, 2025	Regulatory Down Policy Shock	-1% Shock	+1% Shock	+2% Shock
Change in net interest income	(4.07)%	(2.13)%	1.91%	3.55%
Change in market value of equity	3.85%	2.52%	(2.67)%	(5.60)%

CREDIT RISK MANAGEMENT

The Association utilizes a portfolio risk management process to evaluate and monitor the risk associated with major commodity groups, credit classifications, unsecured loans, and purchased loans. This process utilizes shock analysis to determine the impact of significant credit deterioration in any one group on the portfolio as a whole. Credit classification trends are identified and monitored as an early warning sign of potential nonperforming assets. The Association employs management personnel to perform the risk management process that the Board of Directors oversees. In addition, the Association conducts internal credit reviews to evaluate the effectiveness of these processes.

Credit risk arises from the potential failure of a borrower to meet repayment obligations that result in a financial loss to the lender. Credit risk exists in the Association's loan portfolio (including letters of credit and unfunded loan commitments) and is actively managed on an individual and portfolio basis through the application of sound lending and underwriting standards, policies, and procedures. Underwriting standards are developed and utilized to determine an applicant's operational, financial, and management resources available for repaying debt within the terms of the note or loan agreement. Underwriting standards include, among other things, an evaluation of the following:

- **Character:** borrower integrity and credit history
- **Capacity:** repayment capacity of the borrower based on cash flows from operations or other sources of income
- **Collateral:** protection of the lender in the event of default and a secondary source of loan repayment
- **Capital:** ability of the operation to survive unanticipated risks
- **Conditions:** intended use of the loan funds, terms, restrictions, etc.

Processes for information gathering, balance sheet and income statement verification, loan analysis, credit approvals, disbursements of proceeds, and subsequent loan servicing actions are established and followed. Underwriting standards vary by industry and are updated periodically to reflect market and industry conditions.

By regulation, the Association cannot have loan commitments to one borrower totaling more than 15.0% of regulatory capital. The Association has set lending limits to manage loan concentrations. These limits are established for individual loan size, commodity, special lending programs, and geographic concentrations. The Association has established internal lending delegations to properly control the loan approval process. Delegations to staff are based on the Association's risk-bearing ability, loan size, complexity, type, and risk, as well as the expertise of the credit staff member. Larger and more complex loans are typically approved by a loan committee with the most experienced and knowledgeable credit staff serving as members.

One method for managing concentration is through the use of participation programs with other System and non-System institutions. Buying and selling loan volume can help reduce concentrations and manage growth and capital positions while allowing for a sharing of credit risk. Concentrations and credit risk are also managed through the utilization of government guarantee programs and Farmer Mac guarantee programs. The Association has further diversified concentrations in agricultural production by developing rural residential, part-time farmer, and agribusiness portfolios. Rural residents and part-time farmers often derive a significant portion of earnings from nonagricultural sources, thus helping diversify repayment risk to sources other than agricultural production income.

The majority of Association lending is first-mortgage real estate lending. Production and intermediate-term lending accounts for most of the remaining volume and is typically secured by either real or personal property. Collateral evaluations are made within FCA and Uniform Standards of Professional Appraisal Practices requirements. All property is appraised at market value. Certain appraisals must be performed by individuals with a state certification or license.

The Association utilizes a Combined System Risk Model (Model) in its loan and portfolio management processes. The Model is a two-dimensional risk rating system that estimates each loan's probability of default and loss given default. The Model uses objective and subjective criteria to identify inherent strengths, weaknesses, and risks in each loan. The Model estimates loan losses with levels of risk granularity, particularly related to acceptable loans. The Model's 14-point scale provides for nine acceptable categories, one other assets especially mentioned (OAEM) category, two substandard categories, one doubtful category, and one loss category. This Model also serves as the basis for future economic capital modeling.

The following table presents selected statistics related to the credit quality of loans including accrued interest at December 31.

December 31	2025	2024	2023
Acceptable and OAEM	94.6%	95.1%	96.1%
Substandard	5.4	4.9	3.9
Total	100.0%	100.0%	100.0%

Despite the decline in credit quality, the Association's credit quality remained reasonably strong throughout 2025. Acceptable and OAEM as a percentage of total loans was 94.6%, a slight decrease from 95.1% during 2024. The Association's Acceptable and OAEM credit quality was 96.1% in 2023. Credit quality was generally impacted by global economic conditions, persistently elevated interest rates, and other challenges facing agriculture. The credit quality of the Association's loan portfolio remains strong, supported by our geographic and commodity diversification and continued emphasis on sound underwriting standards, despite challenges affecting several key commodity sectors. Agriculture remains a cyclical business that is heavily influenced by production, operating costs, commodity prices, and global economic conditions. Each of these can be significantly impacted by uncontrollable events. Credit quality is expected to face continued pressure in 2026 due to commodity price volatility, trade negotiations, input and other price inflation, the uncertain interest rate environment, and other potentially adverse global conditions. In addition, drought conditions will impact water availability where present in our lending territory.

CREDIT COMMITMENTS

The Association may participate in financial instruments with off-balance sheet risk to satisfy the financing needs of its borrowers. These financial instruments include commitments to extend credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. The following table summarizes the maturity distribution of unfunded credit commitments on loans at December 31, 2025.



(in thousands)	Due 1 Year or Less	Due After 1 Year Through 3 Years	Due After 4 Years Through 5 Years	Due After 5 Years	Total
Commitments to extend credit	\$1,735,202	\$2,662,680	\$1,644,854	\$1,019,907	\$7,062,643
Standby letters of credit	62,559	40,545	5,606	16,321	125,031
Total commitments	\$1,797,761	\$2,703,225	\$1,650,460	\$1,036,228	\$7,187,674

Because many of these commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. However, these credit-related financial instruments have off-balance sheet credit risk because their contractual amounts are not reflected on the Consolidated Statements of Condition until funded or drawn upon. The credit risk associated with issuing commitments and letters of credit is substantially the same as that involved in extending loans to borrowers, and the Association applies the same credit policies to these commitments. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower.

CAPITAL RESOURCES

Capital supports asset growth and provides protection for unexpected credit and operating losses. Capital is also needed for investments in new products and services. We believe a sound capital position is critical to our long-term financial success and our ability to serve our mission. Over the past several years, we have been able to build capital primarily through net income retained after patronage, supplemented with institutional capital through Series A preferred stock and subordinated debt issuances. Shareholders' equity at December 31, 2025, totaled \$3.9 billion, compared with \$3.6 billion at December 31, 2024, and \$3.5 billion at December 31, 2023. The \$0.3 billion increase in 2025 was primarily due to net income of \$429.4 million, offset by \$201.4 million of cash patronage distributions declared to our customers. Our capital position is reflected in the following ratio comparisons.

December 31	2025	2024	2023
Total capital (in millions)	\$3,858.2	\$3,649.7	\$3,489.7
Debt to capital	5.14:1	5.35:1	5.27:1
Capital to net loans	17.35%	16.79%	17.04%
Capital to total assets	16.28%	15.75%	15.96%
Capital to total liabilities	19.45%	18.69%	18.98%

As a prudent business practice, the Association has established a capital adequacy plan that outlines objectives related to maintaining a stable, secure capital base. Common Equity Tier 1 capital, as defined by FCA regulations, is generated from two sources: unallocated retained earnings and common cooperative equities (qualifying capital stock and allocated equity). Unallocated retained earnings and additional paid-in capital represented 86.09%, 85.26%, and 84.68% of total capital at December 31, 2025, 2024, and 2023, respectively. For a description of classes of stock and regulatory capital requirements see Note 10 to the consolidated financial statements. The Board and management consider current capital ratios to be adequate in view of anticipated loan growth, operating performance, and identified risks.

Association bylaws require each borrower to invest in the capital stock of the Association. The Association may require additional capital contributions in accordance with federal regulations. Equities purchased by borrowers, institutional capital issued, and surplus accumulated from earnings provide the capital resources used in the Association’s operations.

The Board of Directors has adopted an Obligating Resolution to distribute 2026 patronage-sourced earnings to patrons of the Association, contingent upon the Association achieving certain capital criteria.



CAPITAL PLAN AND REGULATORY REQUIREMENTS

Our Board of Directors establishes a formal capital adequacy plan that addresses capital goals in relation to risks. The capital adequacy plan assesses the capital levels necessary for financial viability and provide for growth. The Association establishes minimum capital standards as an action point above regulatory minimums which allows the Association to react to a stressed capital environment before regulatory minimums are reached. The plan is updated annually and approved by our Board of Directors. FCA regulations require the plan to consider the following factors in determining optimal capital levels, including:

- Regulatory capital requirements
- Asset quality
- Needs of our customer base
- Other risk-oriented activities, such as funding and interest rate risks, contingent and off-balance sheet liabilities, and other conditions warranting additional capital

As shown in the following table, our capital and leverage ratios exceeded regulatory minimums. If these capital standards are not met, the FCA can impose restrictions, including limiting our ability to pay cash patronage distributions, retire equities, pay preferred stock dividends, and pay discretionary senior executive incentive compensation.

	Regulatory Minimum Requirement With Buffer	As of December 31, 2025	As of December 31, 2024	As of December 31, 2023
Common Equity Tier 1 ratio	7.00%	11.69%	11.53%	11.14%
Tier 1 capital ratio	8.50%	12.85%	12.73%	12.41%
Total capital ratio	10.50%	13.94%	13.66%	13.37%
Tier 1 leverage ratio	5.00%	14.83%	14.56%	14.15%
URE and UREE leverage ratio	1.50%	13.43%	13.14%	12.64%

The increases in the capital ratios that occurred in 2025 primarily reflect the Association’s disciplined cost management efforts and a deliberate emphasis on earnings retention, alongside more modest loan growth compared to previous years.

FORWARD-LOOKING INFORMATION

Certain information included in this discussion constitutes forward-looking statements and information that is based on management’s belief, as well as certain assumptions made by and with information currently available to management. These statements are not guarantees of future performance. When used in this discussion, words such as “anticipates,” “projects,” “expects,” “believes,” “estimates,” “could,” “should,” and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations and projections will prove to be correct. Such forward-looking statements are subject

to certain risks, uncertainties, and assumptions. Should one or more of these risks materialize, or should such underlying assumptions prove to be incorrect, actual results may vary materially from those anticipated, projected, or expected.

KEY RISK FACTORS THAT MAY HAVE A DIRECT BEARING ON OPERATING RESULTS INCLUDE:

Funding Costs Could Be Negatively Impacted by Downgrades of the Long-Term U.S. Sovereign Credit Rating and the System’s Long-Term Debt Rating

As a member of the Farm Credit System (System), the Association has historically benefited from the favorable funding costs and funding flexibility associated with the debt securities issued through the Federal Farm Credit Banks Funding Corporation (the Funding Corporation). The credit ratings of government-sponsored enterprises (GSEs), including the System, are influenced by the sovereign credit rating of the United States.

On May 16, 2025, Moody’s Ratings (Moody’s) downgraded the long-term sovereign credit rating on the United States to Aa1 from Aaa with a stable outlook. Subsequently, on May 19, 2025, Moody’s also downgraded the long-term senior unsecured debt rating for the System to Aa1 from Aaa with a stable outlook and affirmed the P-1 short-term rating. The downgrade of the System rating reflects the downgrade of the U.S. sovereign rating.

In August 2025, S&P Global Ratings (S&P) reaffirmed the long-term sovereign credit rating on the United States of AA+ and reaffirmed the long-term issuer default rating for the System of AA+ with a stable outlook and a short-term issuer default rating of A-1+. S&P currently maintains an individual credit rating for American AgCredit of BBB+ as a long-term issuer credit rating and assigned the preferred stock and subordinated debt ratings of BB+ and BBB, respectively.

Downgrades from rating agencies could negatively impact access to debt capital markets, funding flexibility, funding costs, and earnings for American AgCredit, CoBank, and other System institutions.

The Association’s Funding Is Dependent Upon the System’s Ability to Access the Capital Markets

The primary source of liquidity for the Association and other System institutions is the Systems’ ability to issue Systemwide Debt Securities. Access to the financial markets has provided the System with a dependable source of funding. The System’s ability to continue to issue Systemwide Debt Securities depends, in part, on the conditions in the capital markets, which are outside the System’s control. As a result, the System cannot make any assurances that it will be able to fund itself by issuing Systemwide Debt Securities. Furthermore, the System issues combined financial statements and assurance of adequate disclosure controls and procedures around internal control over financial reporting. Failure by a System institution to provide required information for financial reporting, or to have adequate disclosure controls or procedures over financial reporting, may delay the timely publication of the System’s financial statements or cause an error in the accuracy or completeness of the financial statements. Failure to timely issue the System’s combined financial statements could disrupt the System’s ability to access debt capital markets. If the System cannot issue Systemwide Debt Securities or cannot access the capital markets, CoBank’s funding would be negatively impacted, creating a negative effect on our financial

condition and results of operations, which could be material.

Inflation and Higher Interest Rates Could Negatively Impact Our Results of Operations and Financial Condition

Financial results and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investments and the interest rates paid on interest-bearing liabilities such as borrowings. These rates are highly sensitive to many factors that are beyond the Association’s control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the Federal Reserve). Changes in monetary policy, including changes in interest rates, will influence the origination of loans, the prepayment speed of loans, the purchase of investments, and the rates received on loans and paid on borrowings.

American AgCredit Faces Intense Competition in a Rapidly Changing Financial Services Industry

American AgCredit faces intense competition from commercial banks, thrift institutions, insurance companies, finance companies, mortgage banking companies, private equity investment companies, other GSEs, U.S. agencies, and the U.S. government. Future results may become increasingly sensitive to increased competition. Furthermore, continued expansion of the digital economy, technological advances, and the introduction of disruptive technologies have altered how many financial services get delivered to customers and have introduced new competitors for certain services. There can be no assurance that the Association will be able to continue to successfully compete in the markets we serve or to effectively adapt to technological or other changes impacting the financial services marketplace.

Reforms Impacting Government-Sponsored Enterprises Could Have an Adverse Impact on Business

The System is a Government Sponsored Entity (GSE) and, as a member of the System, American AgCredit benefits from ready access to debt funding and favorable debt-funding costs. The Association’s individual credit ratings are also positively impacted by the GSE status of the System. In addition, as provided in the Association’s charter, portions of business activities, including real estate mortgage loan activity and loan participation purchases from other System institutions, are exempt from many forms of taxation, including federal income taxes.

As a direct result of the financial difficulties experienced by the housing-related GSEs, GSE status has been and will continue to be a topic of debate and concern among various stakeholders, including the public and Congress. Congressional deliberations over structural reform of housing-related GSEs are likely to continue. The Association and the System are under the jurisdiction of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture and thus have not been the subject of this specific congressional scrutiny. American AgCredit cannot predict whether or when legislative or regulatory initiatives may commence that, if successful, could negatively affect the status of the System as a GSE. Any changes in the System’s status as a GSE or the general perception by investors of GSEs could have a significant adverse impact on the System’s ability to issue debt at favorable rates and terms, which could negatively impact the Association’s funding costs.

Federal Policy and Trade-Related Risks

Uncertainty surrounding current Federal policy including potential changes in trade and tariff policy, renewed tariff actions involving key trade partners, shifts in labor policy, evolving regulatory requirements, and broader macroeconomic policies affecting interest rates and input costs could significantly impact agriculture by directly affecting export markets, causing fluctuations in commodity prices, impacting farmer income, and potentially altering production patterns. These factors could lead to substantial losses for producers, and the Association could experience a significant increase in credit losses that would drastically lower net income.

Dependency on the Accuracy and Completeness of Customer and Counterparty Information

American AgCredit relies on information (including financial information) furnished by or on behalf of customers, including our Associations and counterparties. The Association may also rely on representations of those customers and counterparties regarding the accuracy and completeness of that information. If the financial or other information provided to the Association is incorrect, there could be associated credit losses or other consequences.

Cybersecurity Risks That Could Negatively Affect Ability to Conduct and Manage Business

Information security risk at financial institutions has increased in recent years as a result of the proliferation of new technologies and the increased activities of organized crime, hackers, nation-states, and other external parties. American AgCredit and its customers, like many other financial institutions and their customers, have been and will likely continue to be the target of cyberattacks aimed at committing fraud. Companies across many industries, including financial institutions, have reported being victims of cyberattacks, resulting in, among other things, compromise of customer or other confidential data, theft of funds or resources, and disruption of services. American AgCredit has not experienced any material losses relating to cyberattacks, however, cybersecurity and the continued development and enhancement of controls, processes, and systems to protect information systems and data remain a priority for the Association. Although the Association believes itself to have robust information security procedures and controls, and information systems, including those of the Association's customers, used to access the Association's services, the Association may become the target of cyberattacks, which could result in material losses. Cybersecurity risk and exposure remain inherently high due to the evolving nature and increased frequency of such attacks on businesses and individuals and being a financial services organization. In particular, nation-state and state-sponsored actors deploy significant resources and employ sophisticated methods to plan and carry out attacks. The risk of these attacks occurring are often escalated during periods of elevated geopolitical tension such as the wars in Ukraine and the Middle East. The Association relies on third-party service providers to conduct various aspects of business operations and therefore faces similar risks relating to those operations. While American AgCredit conducts security reviews on its third-party vendors there is still a risk of cyberattacks that could result in material losses to the Association. The cost and operational consequences of implementing, maintaining, and enhancing system protection measures are significant and they could materially increase to address increasingly complex and sophisticated cyber risks.

Failures of Critical Vendors and Other Third-Party Service Providers Could Disrupt Ability to Conduct and Manage Business

American AgCredit relies on vendors and other third-party service providers to perform certain critical services. A failure in, or an interruption to, one or more of those services provided could negatively affect the Association's customer servicing capabilities and/or business operations. If one or more of these key external parties could not perform their functions at an acceptable service level, business operations could be constrained, disrupted, or otherwise negatively affected.

Risks Arising From Changes to Collaborative Partnerships With Other System Entities

American AgCredit's collaborative partnerships with CoBank and other System entities are key to the Association's financial growth, strength, and stability. These collaborations are rooted in the philosophy that working constructively together optimizes the ability to fulfill the System's collective mission to serve rural America. Notwithstanding the importance of these relationships and collaborations, the Association is exposed to reputation risk, regulatory risk, and interrelated financial risks arising from other System entities. The failure to maintain effective System cooperation in mitigating these exposures could adversely affect financial condition, results of operations, and the ability to meet the needs of our customers.

Unfavorable Changes in Reputation From Environmental, Social, and Governance (ESG) Activities Could Adversely Affect Business and Financial Results

The growing impact of environmental, social, and governance (ESG) trends in the financial services industry globally, including policies directed toward measuring the carbon impact from lending activities and efforts focused on reducing the impact of climate change, such as the legislation passed by the State of California, exposes businesses to increasing public scrutiny. The public holds diverse and often conflicting views on ESG topics. Large financial institutions have multiple stakeholders, including customers, employees, regulators, and the communities in which they operate. These stakeholders will often have differing priorities and expectations regarding ESG issues. If the Association takes action in conflict with one or another of our stakeholders' expectations, the Association could experience an increase in customer complaints, a loss of business, or reputational harm. Furthermore, adverse incidents with respect to ESG activities caused by negative public opinion could adversely affect the ability to meet our customers' lending needs or obtain financing, impede our ability to hire and retain qualified personnel, hinder business prospects, impact relationships with other System institutions, or expose the Association to greater regulatory scrutiny or adverse regulatory or legislative changes.

Exposure to the Risks From Changes in Climate

Climate change poses both short- and long-term risks globally, including to the agricultural and financial sectors. Climate change arises from physical risk (acute or chronic risks to the physical effects of climate change) and transition risk (related to societal risks, including regulatory, legal, or market changes). Overall, climate change risks may result in increased compliance costs, lower profitability, and fewer customers. Additionally, climate change impacts could negatively affect the credit quality of the Association's loan portfolio. Physical risk such as adverse weather conditions, particularly during the planting and growing season,

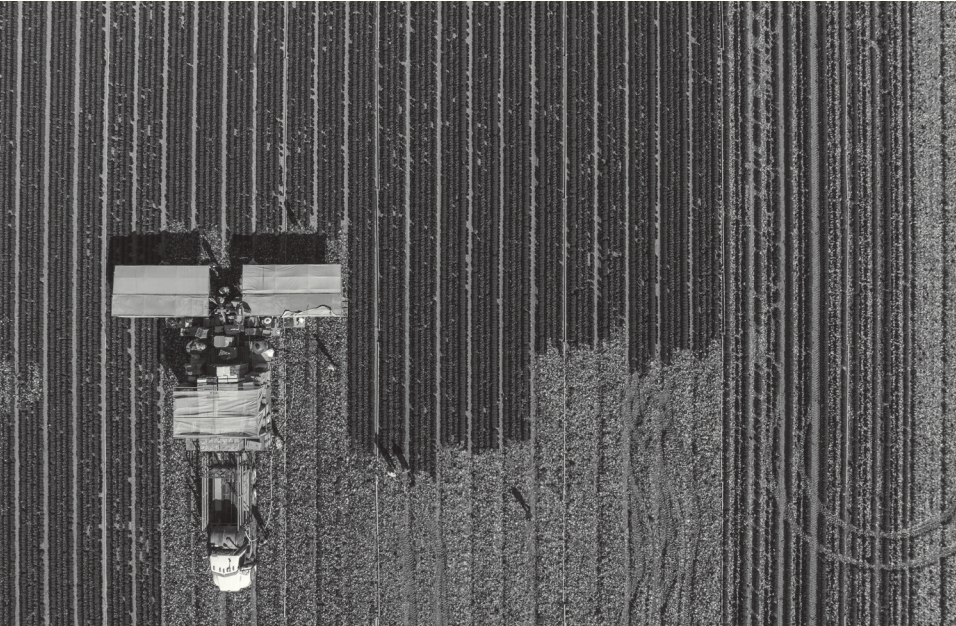
can significantly affect agricultural production, with the timing and quantity of rainfall being two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges can also cause decreased yields, crop failure, or quality issues for crops. Livestock and dairy production can be negatively impacted by weather extremes as well, due to impact on feed and other input costs or reduced production.

Unforeseen Public Health Crises, Such as the COVID-19 Pandemic, Could Materially Adversely Impact Business, Financial Condition, Liquidity, and Results of Operations

Pandemics, epidemics, disease outbreaks, and other public health crises, such as the COVID-19 pandemic, could disrupt the global economy and may, in the future, disrupt the U.S. economy. The economic conditions resulting from similar health crises in the future could adversely impact the Association's business, results of operations, and financial condition. They could also deteriorate credit quality of the Association's loan portfolio, which could result in an increase in nonperforming assets and the allowance for credit losses, reduced regulatory capital and liquidity ratios, and could impact other regulatory requirements.

REGULATORY MATTERS

As of December 31, 2025, no enforcement actions were in effect and FCA took no enforcement actions on the Association during the year.



To the Board of Directors of American AgCredit, ACA,

OPINION

We have audited the accompanying consolidated financial statements of American AgCredit, ACA and its subsidiaries (the “Association”), which comprise the consolidated statements of condition as of December 31, 2025, 2024, and 2023, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2025, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER

As discussed in Note 2 to the consolidated financial statements, the Association changed the manner in which it accounts for the allowance for credit losses in 2023. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted

in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the information included in the 2025 Annual Report, but does not include the consolidated financial statements and our auditors’ report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

DENVER, COLORADO
MARCH 3, 2026

December 31 (in thousands)	2025	2024	2023
ASSETS			
Loans	\$22,326,071	\$21,779,107	\$20,499,416
Less: allowance for credit losses on loans	(87,461)	(38,213)	(21,227)
Net loans	22,238,610	21,740,894	20,478,189
Cash	52,767	98,450	106,756
Accrued interest receivable	272,677	269,643	272,057
Investment in CoBank	606,155	581,570	547,062
Investment securities	50,819	–	–
Investment in AgDirect	38,190	35,741	29,744
Premises and equipment, net	50,445	59,942	122,643
Other property owned	5,081	14,503	–
Assets held for sale	55,284	54,417	–
Other assets	324,227	319,195	315,363
Total assets	\$23,694,255	\$23,174,355	\$21,871,814
LIABILITIES			
Notes payable to CoBank	\$18,921,166	\$18,580,448	\$17,436,357
Subordinated notes	198,256	198,090	197,923
Funds Held accounts	222,618	228,148	244,314
Accrued interest payable	95,863	95,028	100,413
Cash patronage and preferred stock dividends payable	201,353	237,660	215,426
Reserve for unfunded commitments	4,358	1,159	1,036
Other liabilities	192,448	184,164	186,689
Total liabilities	19,836,062	19,524,697	18,382,158
Commitments and contingencies (Note 15)			
SHAREHOLDERS’ EQUITY			
Preferred stock	300,000	300,000	300,000
Common stock and participation certificates, net	11,554	11,687	11,707
Additional paid-in capital	935,386	935,386	935,386
Allocated retained surplus	239,507	239,507	239,507
Unallocated retained surplus	2,385,985	2,176,398	2,019,621
Accumulated other comprehensive loss	(14,239)	(13,320)	(16,565)
Total shareholders’ equity	3,858,193	3,649,658	3,489,656
Total liabilities and shareholders’ equity	\$23,694,255	\$23,174,355	\$21,871,814

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

CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended December 31 (in thousands)	2025	2024	2023
INTEREST INCOME			
Loans	\$1,410,499	\$1,431,085	\$1,222,202
Investment securities	1,772	–	–
Total interest income	1,412,271	1,431,085	1,222,202
INTEREST EXPENSE			
Notes payable to CoBank	774,494	826,895	657,305
Subordinated notes	6,916	6,916	6,916
Funds Held and other interest	8,297	10,650	9,989
Total interest expense	789,707	844,461	674,210
Net interest income	622,564	586,624	547,992
Provision for credit losses	(108,602)	(62,544)	(20,577)
Net interest income after provision for credit losses	513,962	524,080	527,415
NON-INTEREST INCOME			
Patronage income from CoBank	107,338	108,523	95,946
Patronage income from other Farm Credit institutions	57,229	50,291	46,110
Patronage income from AgDirect	4,416	4,643	3,621
Loan origination fees	24,570	18,361	8,919
Servicing fees and late charges	7,953	5,897	5,995
Financially-related services	7,149	6,760	7,065
Other (losses)/gains, net	(5,014)	(4,157)	3,625
Miscellaneous	9,854	10,668	5,492
Total non-interest income	213,495	200,986	176,773

For the Year Ended December 31 (in thousands)	2025	2024	2023
NON-INTEREST EXPENSES			
Salaries and employee benefits	209,465	211,134	192,407
Occupancy and equipment expense	6,232	10,794	11,322
Insurance fund premiums	18,131	17,501	26,733
Supervisory and examination expense	4,014	3,822	3,909
Purchased services	10,521	13,657	15,317
Technology	21,053	25,699	23,349
Merger expenses	–	157	22,533
Other operating expenses	28,635	33,566	30,322
Total non-interest expenses	298,051	316,330	325,892
Net income before income taxes	429,406	408,736	378,296
Provision for income taxes	(8)	(2)	(13)
Net income	\$429,398	\$408,734	\$378,283
COMPREHENSIVE INCOME			
Actuarial (loss)/gain in retirement obligation	(919)	3,245	231
Total comprehensive income	\$428,479	\$411,979	\$378,514

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



CONSOLIDATED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands)	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, 2022	\$10,604	\$300,000	\$677,110	\$7,846	\$1,842,540	\$(16,796)	\$2,821,304
Comprehensive income					378,283	231	378,514
Stock/participation certificates issued	742						742
Stock/participation certificates retired	(820)						(820)
Preferred stock dividends paid					(15,750)		(15,750)
Patronage distribution declared					(213,669)		(213,669)
Adjustment to prior-period patronage accrual					(3,430)		(3,430)
Cumulative effect adjustment of CECL adoption					31,647		31,647
Equity re-characterized upon merger	1,181		258,276	231,661			491,118
BALANCE AT DECEMBER 31, 2023	\$11,707	\$300,000	\$935,386	\$239,507	\$2,019,621	\$(16,565)	\$3,489,656
Comprehensive income					408,734	3,245	411,979
Stock/participation certificates issued	807						807
Stock/participation certificates retired	(827)						(827)
Preferred stock dividends paid					(15,750)		(15,750)
Patronage distribution declared					(237,660)		(237,660)
Adjustment to prior-period patronage accrual					1,453		1,453
BALANCE AT DECEMBER 31, 2024	\$11,687	\$300,000	\$935,386	\$239,507	\$2,176,398	\$(13,320)	\$3,649,658
Comprehensive income					429,398	(919)	428,479
Stock/participation certificates issued	779						779
Stock/participation certificates retired	(912)						(912)
Preferred stock dividends paid					(15,750)		(15,750)
Patronage distribution declared					(201,353)		(201,353)
Adjustment to prior-period patronage accrual					(2,708)		(2,708)
BALANCE AT DECEMBER 31, 2025	\$11,554	\$300,000	\$935,386	\$239,507	\$2,385,985	\$(14,239)	\$3,858,193

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended December 31 (in thousands)	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$429,398	\$408,734	\$378,283
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	108,602	62,544	20,577
Depreciation and amortization	5,478	7,905	8,127
Amortization/(Accretion) of loans and notes payable acquired in merger	140	(2,818)	(1,382)
Gain on early extinguishment of debt	–	–	(256)
Other property owned carrying value adjustments	3,140	90	–
Loss on sale of other property owned, net	–	–	364
Gain on sale of other assets	(2,806)	(1,967)	(3,719)
Asset carrying value adjustment	7,247	6,215	–
Stock patronage from CoBank	(3,559)	(3,263)	(2,779)
Change in operating assets and liabilities:			
(Increase)/Decrease in accrued interest receivable	(3,034)	2,414	(54,924)
Increase in other assets	(16,288)	(23,129)	(20,885)
Increase/(Decrease) in accrued interest payable	835	(5,385)	36,585
Increase in other liabilities	7,861	2,817	4,146
Net cash provided by operating activities	\$537,014	\$454,157	\$364,137
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in loans, net	\$(615,504)	\$(1,355,981)	\$(1,241,083)
Recovery of loans charged-off	7,166	6,435	4,801
Purchase of HTM SBA securities	(51,750)	–	–
Proceeds from paydowns of HTM SBA securities	672	–	–
Acquisition of premises and equipment	(3,768)	(5,390)	(430)
Proceeds from sale of premises and equipment	7,044	2,698	4,558
Proceeds from sale of other property owned, net of expenses	3,572	–	3,796
Proceeds from paydowns on other property owned	3,044	12,853	–
Purchase of CoBank stock	(21,026)	(31,245)	(35,898)
Contributions to AgDirect, LLP	(2,449)	(5,997)	(3,223)
Contribution to mission-related investments	(1,514)	(2,334)	(2,637)
Return of capital on mission-related investments	488	700	–
Cash acquired in mergers and acquisitions	–	–	2,617
Net cash used in investing activities	\$(674,025)	\$(1,378,261)	\$(1,267,499)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended December 31 (in thousands)	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Net draws on note payable to CoBank	\$357,535	\$1,164,604	\$1,250,304
(Decrease)/Increase in Funds Held accounts	(5,530)	(16,166)	(75,751)
Payments on lease liabilities	(4,426)	(2,897)	(2,456)
Cash patronage distributions paid	(240,368)	(213,973)	(204,420)
Issuances of common stock and participation certificates	779	807	742
Retirement of common stock and participation certificates	(912)	(827)	(820)
Dividends paid on Series A preferred stock	(15,750)	(15,750)	(15,750)
Net cash provided by financing activities	\$91,328	\$915,798	\$951,849
Net (decrease)/increase in cash	\$(45,683)	\$(8,306)	\$48,487
Cash at beginning of year	98,450	106,756	58,269
Cash at end of year	\$52,767	\$98,450	\$106,756
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	\$771,889	\$829,167	\$619,851
Cash paid for income taxes	\$8	\$2	\$13

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES			
For the Year Ended December 31 (in thousands)	2025	2024	2023
Cash patronage and preferred stock dividends declared	\$201,353	\$237,660	\$213,669
Cumulative effect adjustment due to CECL adoption	\$–	\$–	\$31,647
Loan charge-offs	\$63,321	\$51,870	\$27,361
Other property owned in settlement of loans	\$334	\$27,446	\$–
Patronage accrual adjustment to prior year	\$(2,708)	\$1,453	\$–
Reclass of fixed assets to held-for-sale	\$4,890	\$56,100	\$–
Right-of-use assets exchanged for lease liabilities	\$3,930	\$800	\$4,268
IMPACT OF MERGER AND ACQUISITION TRANSACTIONS			
Assets acquired	\$–	\$–	\$1,972,792
Liabilities assumed	\$–	\$–	\$1,481,674
Equity issued	\$–	\$–	\$491,118

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands, except as noted)



NOTE 1 – ORGANIZATION AND OPERATIONS

A. ORGANIZATION: American AgCredit, ACA, including its subsidiaries, American AgCredit, PCA, and American AgCredit, FLCA (collectively, the Association), is a member-owned cooperative that provides credit and credit-related services to and for the benefit of eligible borrowers/stockholders for qualified agricultural purposes throughout the states of Hawaii, Nevada, and New Mexico. In California, the Association serves the counties of Alameda, Alpine, Amador, Calaveras, Contra Costa, Del Norte, El Dorado, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Sierra, Siskiyou, Sonoma, Stanislaus, Tuolumne, and portions of Fresno, Los Angeles, Orange, and Trinity. In Kansas, the Association serves the counties of Barber, Barton, Butler, Chautauqua, Clark, Cloud, Comanche, Cowley, Edwards, Elk, Ellis, Ellsworth, Finney, Ford, Graham, Grant, Gray, Greeley, Greenwood, Hamilton, Harper, Harvey, Haskell, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, McPherson, Meade, Mitchell, Morton, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Reno, Republic, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Smith, Stafford, Stanton, Stevens, Sumner, Trego, and Wichita. In Oklahoma, the Association serves the counties of Kay, Noble, and Osage. In Colorado, the Association serves the counties of Adams, Arapahoe, Archuleta, Boulder, Broomfield, Clear Creek, Delta, Denver, Dolores, Douglas, Eagle, part of Elbert, Garfield, Gilpin, Grand, Gunnison, part of Hinsdale, Jackson, Jefferson, La Plata, Larimer, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, part of Saquache, Summit, and Weld.

The Association is a lending institution of the Farm Credit System (System), a nationwide system of cooperatively owned banks and associations, that was established by Acts of Congress to meet the credit needs of American agriculture and is subject to the provisions of the Farm Credit Act of 1971, as amended (Farm Credit Act).

At December 31, 2025, the System was comprised of three Farm Credit Banks (FCBs), one Agricultural Credit Bank (ACB), and 55 associations. Each FCB and the ACB serve Federal Land Credit Associations (FLCAs) that originate and service long-term real estate mortgage loans, and/or Production Credit Associations (PCAs) that may originate and service short-term

and intermediate-term loans. Agricultural Credit Associations (ACAs), FLCAs, and PCAs are collectively referred to as associations.

CoBank, its related associations, and AgVantis Inc. (AgVantis) are collectively referred to as “the District.” CoBank provides the funding to associations within the District and is responsible for supervising certain activities of the District associations. AgVantis, which is owned by the entities it serves, provides technology and other operational services to certain associations. As of December 31, 2025, the District consisted of CoBank, 16 ACAs, which each have two wholly owned subsidiaries (an FLCA and a PCA), and AgVantis.

ACA parent companies provide financing and related services through their FLCA and PCA subsidiaries. Generally, the FLCA makes secured long-term agricultural real estate and rural home mortgage loans. The PCA makes short- and intermediate-term loans for agricultural production or operating purposes. The Association also has a wholly owned subsidiary, AgCredit Holding Company, LLC, whose sole purpose is to hold, manage, and liquidate foreclosed property.

Congress has delegated authority to the Farm Credit Administration (FCA) to regulate the System banks and associations. The FCA examines the activities of System institutions to ensure their compliance with the Farm Credit Act, FCA regulations, and safe and sound banking practices.

The Farm Credit Act established the Farm Credit System Insurance Corporation (FCSIC) to administer the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is required to be used to insure the timely payment of principal and interest on System-wide debt obligations (insured debt) and ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes. The Insurance Fund is also available for discretionary uses by the FCSIC to provide assistance to certain troubled System institutions and to cover the operating expenses of the FCSIC. Each System bank is required to pay premiums, which may be passed on to the Association, into the Insurance Fund, based on its annual average adjusted outstanding insured debt until the monies in the Insurance Fund reach the “secure base amount,” which is defined in the Farm Credit Act as 2.0% of the aggregate insured obligations (adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments) or such other percentage of the aggregate obligations as the FCSIC, in its sole discretion, determines to be actuarially sound. When the amount in the Insurance Fund exceeds the secure base amount,

the FCSIC is required to reduce premiums, as necessary to maintain the Insurance Fund at the 2.0% level. As required by the Farm Credit Act, as amended, the FCSIC may return excess funds above the secure base amount to System institutions.

B. OPERATIONS: The Farm Credit Act sets forth the types of authorized lending activity, persons eligible to borrow from the Association, and financial services that can be offered by the Association. The Association is authorized to provide, 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 Association also serves as an intermediary in offering credit life insurance and multi-peril crop insurance.

C. MERGER ACCOUNTING: Effective October 1, 2023, Farm Credit of New Mexico, ACA, and its PCA and FLCA subsidiaries (FCNM) completed a merger with and into American AgCredit and its respective PCA and FLCA subsidiaries, whereupon all shareholders of FCNM became shareholders of American AgCredit. American AgCredit acquired 100% of the assets and assumed 100% of the liabilities of FCNM. The primary reason for the merger was to strategically position the Association to best serve members’ needs with enhanced marketplace stability, increased funding capacity, and additional capital. The effects of the merger are included in American AgCredit’s financial position, results of operations, equity, and related metrics beginning October 1, 2023.

The acquisition method of accounting as required under FASB ASC Topic 805, Business Combinations, requires the financial statement presentation of combined balances as of the date of merger, but not for previous periods. The Consolidated Statements of Condition reflect the merged balances beginning December 31, 2023 through December 31, 2025. The Consolidated Statements of Comprehensive Income, Changes in Shareholders’ Equity, and Cash Flows reflect the results of American AgCredit prior to October 1, 2023 and the merged Association after October 1, 2023. Information in the Notes to the Consolidated Financial Statements for 2023 reflects balances of the merged Association as of December 31, or in the case of transactional activity, reflects American AgCredit to October 1 and the merged Association for the period October 1 to December 31.

As cooperative organizations, Farm Credit associations operate for the mutual benefit of their members and other customers and not for the benefit of equity investors. As such, capital stock provides no significant interest in corporate earnings or growth. Specifically, due to restrictions in applicable regulations and the bylaws, the associations can issue stock only at its par value of \$5 per share, the stock is not tradable, and the stock can be retired only for the lesser of par value or book value. The shares of FCNM stock were converted into shares of American AgCredit, with identical rights and attributes. For this reason, the conversion of FCNM stock pursuant to the merger occurred at a one-for-one exchange ratio (i.e., each FCNM share was converted into one share of American AgCredit stock with an equal par value).

Management believes that because the stock in each association is fixed in value (although subject to impairment), the American AgCredit stock issued in the merger provided no basis for estimating the fair value of the consideration transferred pursuant to the merger. In the absence of a purchase price determination, American AgCredit undertook a process to estimate the acquisition-date fair value of FCNM assets and liabilities instead of the acquisition-date fair value of American AgCredit’s equity interests transferred as consideration. The fair value of the assets acquired and liabilities assumed from FCNM were measured based on various estimates using assumptions that management believes are reasonable and using information available as of the merger date. Use of different estimates and judgments could yield materially different results.

The fair value of the net identifiable assets acquired of \$1.9 billion was substantially equal to the fair value of the equity interest exchanged in the merger. In addition, no material amounts of intangible assets were acquired, therefore, no goodwill was recorded. A net increase of \$491.1 million was recorded in shareholders’ equity related to the merger.

The following condensed statement of net assets acquired reflects the fair value assigned to FCNM net assets as of the acquisition date. There were no subsequent changes to the initial fair value measurements since the merger.

(in thousands)	October 1, 2023
ASSETS	
Cash	\$2,617
Net loans	1,849,666
Accrued interest receivable	37,644
Investment in CoBank	50,749
Premises and equipment, net	15,281
Other assets	16,835
Total assets	\$1,972,792
LIABILITIES	
Note payable to CoBank	\$1,423,663
Funds Held accounts	23,928
Accrued interest payable	5,627
Patronage payable	17,000
Other liabilities	11,456
Total liabilities	\$1,481,674
Fair value of net assets acquired	\$491,118

Business combination adjustments to FCNM’s assets included a \$110.3 million net business combination discount to gross loans. With the adoption of CECL, loans acquired in a business combination that have experienced more-than-insignificant deterioration in credit quality since origination are considered purchased with credit deterioration (PCD). At the acquisition date, an estimate of expected credit losses was made for PCD loans of \$2.5 million. This initial allowance for credit losses (ACL) is allocated to individual PCD loans and added to the acquisition date fair values to establish the initial amortized cost basis of the PCD loans. As the initial ACL is added to the fair values, there is no provision for credit losses recognized upon acquisition of a PCD loan. For acquired loans not deemed PCD at acquisition, the differences between the initial fair value and the unpaid principal balance are recognized as interest income over the lives of the related loans. An ACL is estimated and \$4.6 million was recorded as a provision for credit losses for non-PCD assets post-merger. Fair value adjustments to FCNM’s liabilities included a \$105.0 million net business combination discount to note payable to CoBank to reflect changes in interest rates and other market conditions since the time these instruments were issued. These differences are being amortized into interest expense over the remaining lives of the debt instruments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Association conform to accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the banking industry. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Significant estimates are discussed in these notes, as applicable. Actual results may differ from these estimates. Certain amounts in prior years’ financial statements have been reclassified to conform to current financial statement presentation. The Association revised amounts related to loan modifications granted to borrowers experiencing financial difficulties in 2024 and 2023 to align with the enhanced identification and reporting methodology adopted in 2025. These changes reflect a more comprehensive review and analysis consistent with current expected credit losses (CECL) and related disclosure requirements.

The consolidated financial statements include the accounts of American AgCredit, PCA and American AgCredit, FLCA. All significant intercompany transactions have been eliminated in consolidation.

A. RECENTLY ISSUED OR ADOPTED ACCOUNTING PRONOUNCEMENTS:

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

In November 2025, the Financial Accounting Standards Board (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’s financial condition, results of operations, and cash flows will not be impacted unless a merger occurs after the adoption date of the standard.

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 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 evaluating the potential impact of adoption on the Association’s financial condition, results of operations, and cash flows.

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 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. 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 accounting standards update (ASU) apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization (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 generally accepted accounting principles (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 subordinated 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.

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740): 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 requires 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. Income taxes paid will require disaggregated disclosure by federal, state, and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than 5% of total income taxes paid. 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. Effective January 1, 2025, the Association adopted ASU 2023-09. The adoption of this guidance had no impact on the Association’s financial condition, results of operations, or cash flows, but did impact income tax disclosures.

B. LOANS AND ALLOWANCE FOR CREDIT LOSSES: Long-term real estate mortgage loans generally have maturities ranging from five to 40 years. Substantially all short- and intermediate-term loans for agricultural production or operating purposes have maturities of 10 years or less.

Loans are carried at their principal amount outstanding adjusted for charge-offs and deferred loan fees or costs. Loan origination fees and certain direct origination costs for mortgage loans and commercial loans with terms greater than one year are capitalized and the net fee or cost is amortized over the life of the related loan as an adjustment of the yield of the related loan. Interest on loans is accrued and credited to interest income based on the daily principal amount outstanding.

The Association purchases loan and lease participations from other System entities to generate additional earnings and diversify risk related to existing commodities financed and the geographic area served. Additionally, the Association sells a portion of certain large loans to other System entities to reduce risk and comply with established lending limits. When loans are sold, the sale terms comply with requirements under ASC Topic 860, “Transfers and Servicing.”

Nonaccrual Loans

A loan is considered a Nonaccrual loan if there is a known risk to the collection of principal and interest according to the original contractual terms and are generally considered substandard or doubtful, which is in accordance with the loan rating model, as described below. A loan is considered contractually past due when any principal repayment or interest

payment required by the loan contract is not received on or before the due date. A loan shall remain contractually past due until it is modified or until the entire amount past due, including principal, accrued interest, and penalty interest incurred, is collected or otherwise discharged in full.

Loans are generally placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless adequately collateralized and in the process of collection), when circumstances indicate that collection of principal and interest is in doubt, or legal action, including foreclosure or other forms of collateral conveyance, has been initiated to collect the outstanding principal and interest. At the time a loan is placed in nonaccrual status, accrued interest deemed uncollectible is reversed. Loans are charged off at the time they are deemed to be uncollectible.

When loans are in nonaccrual status, interest payments received in cash are generally recognized as interest income if the collectability of the loan principal is fully expected and certain other criteria are met. Otherwise, payments received on nonaccrual loans are applied against the amortized cost in the loan asset. Nonaccrual loans may, at times, be maintained on a cash basis. Generally, cash basis refers to the recognition of interest income from cash payments received on certain nonaccrual loans for which the collectability of the amortized cost in the loan is no longer in doubt and the loan does not have a remaining unrecovered charge-off associated with it. Nonaccrual loans are returned to accrual status if all contractual principal and interest is current, the borrower is fully expected to fulfill the contractual repayment terms, and the borrower has demonstrated repayment capacity by establishing a sustained performance in making on-time contractual payment. If previously unrecognized interest income exists at the time the loan is transferred to accrual status, cash received at the time of or subsequent to the transfer should first be recorded as interest income until such time as the recorded balance equals the contractual indebtedness of the borrower.

Accrued Interest Receivable

The Association classifies accrued interest on loans and investment securities in accrued interest receivable in the Consolidated Statements of Condition. The Association does not estimate an allowance for losses on interest receivable balances because the nonaccrual policies provide for the accrual of interest to cease on a timely basis when all contractual amounts are not expected.

Loan Modifications to Borrowers Experiencing Financial Difficulty

Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications can be in the form of one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant payment delay, or a term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. While interest rate modifications are generally a reduction in the weighted average contractual interest rate, the Association does not consider interest rate changes attributable to the application or removal of default interest rates that are specifically defined in original loan contracts to be reportable modifications.

Collateral-Dependent Loans

Collateral-dependent loans are loans secured by collateral, including but not limited to agricultural real estate, crop inventory, equipment, and livestock. CECL requires an entity to

measure the expected credit losses based on fair value of the collateral at the reporting date when the entity determines that foreclosure is probable. Additionally, CECL allows a fair value practical expedient as a measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulties. Under the practical expedient measurement approach, the expected credit losses are based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan.

Purchased Credit Deteriorated (PCD) Loans

Purchased loans are recorded at their fair value at the acquisition date. Any loans that have experienced a more-than insignificant deterioration in credit quality since origination are identified as PCD loans and the Association is required to estimate and record an ACL for these loans. This allowance is then added to the purchase price of the PCD loans to establish the initial amortized cost basis, rather than being reported as a provision for credit losses. Any subsequent changes in expected credit losses are recorded through the income statement with a provision for credit losses. An ACL is recorded on non-PCD loans through a provision for credit losses.

Allowance for Credit Losses

Effective January 1, 2023, the Allowance for Credit Losses (ACL) represents the estimated current expected credit losses over the remaining estimated life of financial assets measured at amortized cost and certain off-balance sheet credit exposures. The ACL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications. 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.

Determining the appropriateness of the allowance for credit and loan losses is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio, considering macroeconomic conditions, forecasts, and other factors prevailing at the time, may result in significant changes in the ACL in those future periods.

The methodology for the ACL represents management’s estimate of credit losses over the remaining expected life of loans. The Association employs a disciplined process and methodology to establish its ACL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics. The Association utilizes the loan’s accrual status to bifurcate loans into these two categories.

For nonaccrual, collateral-dependent loans, the ACLL is calculated as the difference between the net realizable value (NRV), which is the fair value of the collateral less selling costs, and exposure at default (EAD), when the EAD is greater than the NRV.

In estimating the component of the ACL that shares common risk characteristics, loans are segregated into six industry groups and evaluated with models specific to each industry. The models include macro-economic variables as well as loan-level variables, such as internal risk ratings. The allowance is determined by modeling an undiscounted cash flow method. Using this approach, contractual features of the loans combined with loan prepayment, loan probability of default, and loan recovery given default models and/or assumptions are used to project future principal and interest cash flows over the life of the loan given forecasted interest rates and economic variables. For each individual loan record, the pooled allowance is then calculated as the amount of lifetime defaults less lifetime recoveries.

The Association leverages economic scenarios provided by Oxford Economics over a reasonable and supportable forecast period of two years. The economic forecasts incorporate macroeconomic variables, including interest rates and corporate bond spreads, as well as net farm income and agricultural commodity prices, along with other economic factors that have been shown to influence loan performance. Also considered are loan and borrower characteristics, such as internal risk ratings, vintage, size, and history of late payments, among others. Subsequent to the forecast period, the Association reverts the macro-economic variables back to their long-term average values through mean reversion, to inform the cash flows for the remaining contractual life of the loan portfolio.

In addition to the quantitative calculation, the Association considers the imprecision inherent in the process and methodology, emerging risk assessments, and other subjective factors that may lead to a qualitative adjustment to the modeled ACL results. This component of the ACL also considers factors for each loan pool to adjust for differences between the historical period used to calculate historical default and loss severity rates and expected conditions over the remaining lives of the loans in the portfolio related to:

- National, regional, and local economic business conditions and developments that affect the collectability of the portfolio, including the condition of various markets and/or commodities
- The quality of the loan review and process
- The existence and effect of any concentrations of credit, including large loan concentrations, and changes in the level of such concentrations
- The effect of external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing portfolio
- Identified model limitations

Also adopted, effective January 1, 2023, was ASU 2022-02 Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. This guidance requires the creditor to determine whether a modification results in a new loan or a continuation of an existing loan, among other disclosures specific to modifications with borrowers that are experiencing financial difficulties. The update eliminated the accounting guidance for troubled debt restructurings by creditors. The update also requires disclosure of current period gross write-offs by year of origination for financing receivables and net investments in leases on a prospective basis.

Reserve for Unfunded Commitments

The Association evaluates the need for a reserve for credit losses on unfunded commitments under CECL and, if required, an amount is recognized and included in liabilities on the Consolidated Statements of Condition. The amount of expected losses is determined by assuming a full utilization on the commitment and then applying the same undiscounted cash flow approach used for the pooled loans. No reserve for credit losses is recorded for commitments that are unconditionally cancellable.

C. CASH: Cash, as included in the consolidated financial statements, represents cash on hand and on deposit at financial institutions. At times, cash deposits may be in excess of federally insured limits.

D. INVESTMENT IN COBANK: The Association’s required investment in CoBank is in the form of Class A stock. The minimum required investment is 3.0% of the prior one-year average direct loan volume. The investment in CoBank is composed of patronage-based stock and purchased stock. The requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the prior 10-year average of such participations sold to CoBank. The Association has elected the alternative to measure its investment in CoBank at cost, as no readily determinable fair value is available.

E. INVESTMENT SECURITIES: The Association’s held-to-maturity 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. Premiums are assessed for potential credit losses and an allowance is recorded if necessary. For investments that are guaranteed by the U.S. government or other governmental agencies, an allowance for credit losses is not recorded.

F. OTHER PROPERTY OWNED: Other property owned, consisting of real and personal property acquired through foreclosure or deed in lieu of foreclosure, is recorded at fair value less estimated selling costs upon acquisition. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the allowance for credit losses. On at least an annual basis, revised estimates to the fair value are reported as adjustments to the carrying amount of the asset, provided that such adjusted value is not in excess of the carrying amount at acquisition. Income and expenses from operations and carrying value adjustments are included in losses on other property owned, net in the Consolidated Statements of Comprehensive Income.

G. PREMISES AND EQUIPMENT: Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation and amortization computed by the straight-line method over the estimated useful lives of the assets. Useful lives for buildings are 39 years and range from four to seven years for furniture, equipment, and automobiles. Progress payments for assets under construction or development are held in construction in progress and do not begin depreciation until the asset is designated as complete and placed in service by the Association. Gains and losses on dispositions are reflected in current operating results. Maintenance and repairs are expensed, and improvements above certain thresholds are

capitalized. Long-lived assets are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset group may not be recoverable.

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.

The Association purchases, as well as internally develops and customizes, certain software to enhance or perform internal business functions. Software development costs, as well as costs for software that are part of a cloud computing arrangement incurred in the preliminary and post-implementation project stages, are charged to non-interest expense. Costs associated with designing software configuration, installation, coding programs, and testing systems are capitalized and amortized using the straight-line method over three years.

H. ASSETS HELD FOR SALE: The Association classifies assets (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met: 1) management, having the authority to approve the action, commits to a plan to sell the disposal group; 2) the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups; 3) an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated; 4) the sale of the disposal group is probable, and transfer of the disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond the Association’s control extend the period of time required to sell the disposal group beyond one year; 5) the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and 6) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Association initially measures a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until the date of sale. The Association assesses the fair value of a disposal group, less any costs to sell, each reporting period it remains classified as held for sale and recognizes any subsequent changes as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the carrying value of the disposal group at the time it was initially classified as held for sale.

I. OTHER ASSETS AND OTHER LIABILITIES: Other assets are composed primarily of patronage receivables from other Farm Credit institutions and pension plan assets. Significant components of other liabilities primarily include short- and long-term incentive compensation payables, pension plan liabilities, and Farm Credit System Insurance Corporation (FCSIC) premiums payable.

J. FUNDS HELD ACCOUNTS: The Association is authorized under the Farm Credit Act to accept advance payments from borrowers. To the extent the borrower’s access to such funds held is restricted, the funds held are netted against the borrower’s related loan balance. Unrestricted Funds Held are included in liabilities in the Consolidated Statements of Condition. Restricted Funds Held are primarily associated with mortgage loans, while

unrestricted Funds Held are primarily related to production and intermediate-term loans and insurance proceeds on mortgage loans. Funds held are not insured. Interest is generally paid by the Association on Funds Held accounts. Currently, all of the Association’s Funds Held accounts are considered unrestricted.

K. EMPLOYEE BENEFIT PLANS: Certain employees of the Association participate in either the Ninth Farm Credit District Pension Plan (Ninth Plan) or the Eleventh Farm Credit District Employee’s Retirement Plan (Eleventh Plan) (together Ninth and Eleventh Retirement Plans or Pension Plans) and/or the Farm Credit Foundations’ Defined Contribution/401(k) Plan (Defined Contribution Plan). The Ninth and Eleventh Retirement Plans are noncontributory defined benefit plans. Benefits are based on compensation and years of service. The Association recognizes its proportional share of expense and contributes its proportional share of funding. The Ninth Plan was closed to employees beginning January 1, 2007. The Eleventh Plan was closed to employees hired after December 31, 1997.

The Defined Contribution Plan has two components. Employees who do not participate in the Ninth Plan may receive benefits through the employer contribution portion of the Defined Contribution Plan. In this portion of the plan, the Association provides a contribution based on a defined percentage of the employee’s salary. Employees may also participate in the employee contribution portion of the Defined Contribution Plan governed by Section 401(k) of the Internal Revenue Code (401(k)). The Association matches a certain percentage of employee contributions to the 401(k). Employees hired on or after January 1, 1998, are eligible to participate only in the Defined Contribution Plan. All defined contribution costs are expensed in the same period that participants earn employer contributions.

The Association also participates in the Former Ninth and Eleventh District Employers Restoration Plan (Restoration Plan). This plan provides retirement benefits above the Internal Revenue Code compensation limit to certain highly compensated eligible employees. Benefits payable under the plans are offset by the benefits payable from the Pension Plans.

Certain eligible employees may also participate in a nonqualified deferred compensation plan, which is included in other assets and other liabilities in the Consolidated Statements of Condition, where they are able to defer a portion of their compensation. The Association matches a certain percentage of employee contributions to the plan.

The Association provides certain health and life insurance benefits to eligible current and retired employees through the Farm Credit Foundations Retiree Medical Plan and Retiree Life Plan. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for the Association. The anticipated costs of these benefits are accrued during the period of the employee’s active service. Accounting standards require the accrual of the expected cost of providing postretirement benefits during the years that the employee renders service necessary to become eligible for these benefits.

The Association provides a nonqualified Supplemental Executive Retirement Plan (SERP) that provides supplemental retirement benefits payable upon separation, disability, or death. The plan is unfunded and recorded in Other Liabilities on the Consolidated Statements of Condition.

L. INCOME TAXES: The ACA holding company conducts its business activities through two wholly owned subsidiaries. Long-term mortgage lending activities are operated through a wholly owned FLCA subsidiary, which is exempt from federal and state income tax. Short- and intermediate-term lending activities are operated through a wholly owned PCA subsidiary. The ACA, which is the holding company, and the PCA subsidiary are subject to income taxes. The Association accounts for income taxes under the liability method. Accordingly, deferred taxes are recognized for estimated taxes ultimately payable or recoverable based on federal, state, or local laws. Operating expenses are allocated to each subsidiary based on estimated relative service. All significant transactions between the subsidiaries and the parent company have been eliminated in consolidation.

The Association elects to operate as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, under specified conditions, the Association can exclude from taxable income amounts distributed as qualified patronage refunds in the form of cash, stock, or allocated surplus. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage refunds. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts reflected in the financial statements and tax bases of assets and liabilities. In addition, a valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (over 50% probability), based on management’s estimate, that the deferred tax assets will not be realized. The consideration of valuation allowances involves various estimates and assumptions as to future taxable earnings.

At December 31, 2025, deferred income taxes have not been provided on approximately \$78.7 million of patronage refunds received from the Bank before January 1, 1993, the adoption date of accounting guidance on income taxes. Such refunds, distributed in the form of stock, are subject to tax only upon conversion to cash. Management’s intent is to permanently invest these undistributed earnings in CoBank, thereby indefinitely postponing their conversion to cash.

The Association has not provided deferred income taxes on amounts allocated to the Association that relate to the Bank’s post-1992 earnings to the extent that such earnings will be passed through to the Association’s borrowers through qualified patronage allocations. Additionally, deferred income taxes have not been provided on the Bank’s post-1992 unallocated earnings. CoBank currently has no plans to distribute unallocated CoBank earnings and does not contemplate circumstances that, if distributions were made, would result in taxes being paid at the Association level.

For state tax purposes, the Association can exclude from taxable income all patronage-sourced income. Therefore, the provision for state income taxes is made only on non-patronage-sourced taxable earnings.

M. PATRONAGE INCOME FROM FARM CREDIT INSTITUTIONS: Patronage income from Farm Credit institutions is accrued by the Association in the year earned.

N. OTHER COMPREHENSIVE INCOME/LOSS: Other comprehensive income/loss refers to revenue, expenses, gains, and losses that under generally accepted accounting principles are recorded as an element of shareholders’ equity and comprehensive income but are excluded from net income. Accumulated other comprehensive income/loss refers to the balance of these

transactions. The Association records other comprehensive income/loss associated with the liability under the Restoration Plan.

O. FAIR VALUE MEASUREMENT: Accounting guidance defines fair value, establishes a framework for measuring fair value, and specifies disclosures about fair value measurements. It describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets include assets held in trust funds that relate to the Association’s nonqualified deferred compensation plan. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Level 2: Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 2 inputs include the following: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active so that they are traded less frequently than exchange-traded instruments, the prices are not current, or principal market information is not released publicly; (c) inputs other than quoted prices that are observable, such as interest rates and yield curves, prepayment speeds, credit risks, and default rates; and (d) inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the determination of the fair value of the assets or liabilities. These unobservable inputs reflect the reporting entity’s own assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. Level 3 assets include impaired loans and other property owned.

The fair value disclosures are presented in Note 16.

P. OFF-BALANCE SHEET CREDIT EXPOSURES: Commitments to extend credit are agreements to lend to customers, generally having fixed expiration dates or other termination clauses that may require payment of a fee. Commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. These letters of credit are issued to facilitate commerce and typically result in the commitment being funded when the underlying transaction is consummated between the customer and third party. The credit risk associated with commitments to extend credit and commercial letters of credit is essentially the same as that involved with extending loans to customers and is subject to normal credit policies. Collateral may be obtained based on management’s assessment of the customer’s creditworthiness.

Other off-balance sheet liabilities include Risk Participation Agreements held with CoBank. Risk Participation Agreements are agreements with CoBank where the Association shares 50% of the risk of swap transactions customers have entered into with CoBank. Risk Participation Agreements are recorded at their fair value on the consolidated balance sheets. Changes in the fair value are recorded in current period earnings.

Q. ACQUISITION ACCOUNTING: Accounting guidance on business combinations applies to all transactions in which an entity obtains control of one or more businesses and requires the acquirer to use the acquisition method of accounting and recognize assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date. For the Association, because the stock is fixed in value, the stock issued pursuant to a merger provides no basis for estimating the fair value of the consideration transferred pursuant to the merger. In the absence of a purchase price determination, the acquiring Association would identify and estimate the acquisition date fair value of the equity interests (net assets) of the acquired Association instead of the acquisition date fair value of the equity interests transferred as consideration. The fair value of the assets acquired, including specific intangible assets and liabilities assumed, are measured based on various estimates using assumptions that management believes are reasonable utilizing information currently available. The excess value received by the acquiring Association from the acquired Association over the par value of capital stock and participation certificates issued in the merger is considered to be additional paid-in capital.

NOTE 3 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

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

December 31	2025	2024	2023
Real estate mortgage	\$11,076,613	\$11,010,982	\$10,799,663
Production and intermediate-term	5,215,418	4,949,831	4,595,789
Agribusiness	4,894,818	4,854,001	4,197,597
Rural infrastructure	1,043,388	861,991	828,029
Other	95,834	102,302	78,338
Total	\$22,326,071	\$21,779,107	\$20,499,416



Participation Interests

The Association, in the normal course of business, purchases and sells participation interests with other parties to diversify risk, manage loan volume, and comply with FCA regulations. All loans sold to others are sold without recourse. The Association had no participations purchased from or sold to non-Farm Credit institutions at December 31, 2023. The following tables present information regarding participations purchased from and sold to other Farm Credit institutions as of December 31, 2025, 2024, and 2023.

December 31, 2025	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	\$724,843	\$1,758,037	\$–	\$–	\$724,843	\$1,758,037
Production and intermediate-term	1,225,630	2,755,738	35,160	23,385	1,260,790	2,779,123
Agribusiness	2,822,694	4,929,416	–	26,725	2,822,694	4,956,141
Rural infrastructure	1,014,479	162,052	–	–	1,014,479	162,052
Other	91,989	–	–	–	91,989	–
Total	\$5,879,635	\$9,605,243	\$35,160	\$50,110	\$5,914,795	\$9,655,353

December 31, 2024	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	\$754,102	\$2,120,037	\$–	\$–	\$754,102	\$2,120,037
Production and intermediate-term	1,123,389	1,807,721	17,685	–	1,141,074	1,807,721
Agribusiness	2,799,508	5,081,139	–	26,364	2,799,508	5,107,503
Rural infrastructure	833,111	162,114	–	–	833,111	162,114
Other	100,491	–	–	–	100,491	–
Total	\$5,610,601	\$9,171,011	\$17,685	\$26,364	\$5,628,286	\$9,197,375

December 31, 2023	Other Farm Credit Institutions	
	Participations Purchased	Participations Sold
Real estate mortgage	\$704,900	\$2,358,952
Production and intermediate-term	1,139,442	1,522,770
Agribusiness	2,349,997	3,569,202
Rural infrastructure	798,941	161,812
Other	76,324	–
Total	\$5,069,604	\$7,612,736



Collateral

The Association’s concentration of credit risk in various agricultural commodities is shown in the following table. While the amounts represent the Association’s maximum potential credit risk as it relates to recorded loan principal, a substantial portion of the Association’s lending activities is collateralized and the exposure to credit loss associated with lending activities is reduced accordingly. An estimate of the Association’s credit risk exposure is considered in the determination of the allowance for credit losses.

December 31	2025		2024		2023	
Vineyards and wineries	\$3,253,328	15%	\$3,270,506	15%	\$3,026,453	15%
Beef	3,211,115	14	2,821,930	13	2,457,148	12
Tree fruits and nuts	2,934,561	13	2,831,439	13	2,817,929	14
Dairies	2,582,961	12	2,685,536	12	2,611,464	13
Field crops	2,618,752	12	2,576,524	12	2,590,207	12
Forest products	1,442,683	6	1,567,226	7	1,489,094	7
Other	6,282,671	28	6,025,946	28	5,507,121	27
Total	\$22,326,071	100%	\$21,779,107	100%	\$20,499,416	100%

The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management’s credit evaluation of the borrower. Collateral held varies but typically includes farmland and income-producing property, such as crops and livestock, as well as receivables. Long-term real estate loans are secured by first liens on the underlying real property. Federal regulations state that long-term real estate loans are not to exceed 85% (97% if guaranteed by a government agency) of the property’s appraised value. However, a decline in a property’s market value after loan origination or advances, or other actions necessary to protect the financial interest of the Association in the collateral, may result in loan-to-value ratios in excess of the regulatory maximum.

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. 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.

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in 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 the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan-to-appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional loan risk rating model based on 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 12 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.

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. These 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.

In 2025, management identified presentation errors in the tables below related to the December 31, 2024 and 2023 amounts previously reported. These errors resulted from the classification of certain loans between revolving loans and revolving loans converted to term loans within the disclosure. Specifically, certain revolving loans were incorrectly classified as revolving loans converted to term loans in the prior year tables. Management evaluated the impact of these presentation errors on the financial statements taken as a whole and concluded that the errors are immaterial. For consistency and clarity, management has determined to revise the previously issued 2024 and 2023 tables below.

The following table presents year-to-date 2025 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:

	Term Loans Amortized Cost by Origination Year					Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2025	2024	2023	2022	2021				
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.

The following table presents year-to-date 2024 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:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	Prior			
Real estate mortgage:									
Acceptable	\$1,079,410	\$867,697	\$1,338,671	\$1,530,516	\$1,233,023	\$3,158,710	\$636,930	\$74,624	\$9,919,581
OAEM	6,738	26,300	89,192	70,612	70,056	131,332	25,862	8,600	428,692
Substandard/Doubtful	16,851	66,963	83,535	81,370	111,900	249,413	45,972	6,705	662,709
Total	1,102,999	960,960	1,511,398	1,682,498	1,414,979	3,539,455	708,764	89,929	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	2,741,251	2,084	4,483,460
OAEM	7,096	6,798	25,719	16,363	10,518	950	148,919	–	216,363
Substandard/Doubtful	30,366	19,416	19,389	14,827	2,855	14,578	146,719	1,858	250,008
Total	616,981	368,433	320,070	219,015	165,817	218,684	3,036,889	3,942	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	527,268	12,792	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	584,023	12,792	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	3,925,484	108,889	19,819,395
OAEM	43,999	91,336	161,323	87,077	101,750	160,199	210,963	8,600	865,247
Substandard/Doubtful	62,749	110,991	111,470	145,566	168,768	273,094	213,264	8,563	1,094,465
Total loans	\$2,934,871	\$2,704,603	\$2,861,895	\$2,619,233	\$1,937,926	\$4,244,816	\$4,349,711	\$126,052	\$21,779,107
Total 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.

The following table presents year-to-date 2023 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:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2023	2022	2021	2020	2019	Prior			
Real estate mortgage:									
Acceptable	\$972,609	\$1,529,047	\$1,706,076	\$1,375,339	\$995,121	\$2,786,628	\$553,069	\$75,624	\$9,993,513
OAEM	14,454	46,158	41,079	77,301	29,305	112,319	29,716	6,786	357,118
Substandard/Doubtful	11,857	93,167	51,529	62,736	89,022	121,671	18,676	374	449,032
Total	998,920	1,668,372	1,798,684	1,515,376	1,113,448	3,020,618	601,461	82,784	10,799,663
Gross charge-offs ⁽¹⁾	–	–	–	76	(3)	–	–	–	73
Production and intermediate-term:									
Acceptable	530,420	376,693	278,988	269,071	114,276	175,695	2,435,366	6,958	4,187,467
OAEM	12,160	20,794	11,135	11,683	27,699	296	136,588	143	220,498
Substandard/Doubtful	13,702	54,671	15,036	8,050	27,277	6,455	56,457	6,176	187,824
Total	556,282	452,158	305,159	288,804	169,252	182,446	2,628,411	13,277	4,595,789
Gross charge-offs ⁽¹⁾	2,492	1,580	304	660	10,468	116	1,344	41	17,005
Agribusiness:									
Acceptable	1,003,167	945,667	621,039	325,354	169,533	385,602	538,884	13,010	4,002,256
OAEM	4,738	6,919	9,120	3,539	–	478	7,959	–	32,753
Substandard/Doubtful	41,719	844	17,191	63,132	6,780	11,672	14,680	6,570	162,588
Total	1,049,624	953,430	647,350	392,025	176,313	397,752	561,523	19,580	4,197,597
Gross charge-offs ⁽¹⁾	3,590	–	1,569	1,143	7	179	3,796	–	10,284
Rural infrastructure:									
Acceptable	343,335	158,306	176,214	58,726	25,051	31,535	6,842	–	800,009
OAEM	–	6,562	–	15,842	–	5,530	86	–	28,020
Total	343,335	164,868	176,214	74,568	25,051	37,065	6,928	–	828,029
Other:									
Acceptable	29,988	–	12,249	253	41	16,435	–	19,313	78,279
Substandard/Doubtful	–	–	–	–	–	59	–	–	59
Total	29,988	–	12,249	253	41	16,494	–	19,313	78,338
Total loans:									
Acceptable	2,879,519	3,009,713	2,794,566	2,028,743	1,304,022	3,395,895	3,534,161	114,905	19,061,524
OAEM	31,352	80,433	61,334	108,365	57,004	118,623	174,349	6,929	638,389
Substandard/Doubtful	67,278	148,682	83,756	133,918	123,079	139,857	89,813	13,120	799,503
Total loans	\$2,978,149	\$3,238,828	\$2,939,656	\$2,271,026	\$1,484,105	\$3,654,375	\$3,798,323	\$134,954	\$20,499,416
Total gross charge-offs ⁽¹⁾	\$6,082	\$1,580	\$1,873	\$1,879	\$10,472	\$295	\$5,140	\$41	\$27,362

⁽¹⁾ As of and for the twelve months ended December 31, 2023.

The following table shows loans at amortized cost under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type:

December 31	2025	2024	2023
Real estate mortgage:			
Acceptable	90.03%	90.15%	92.55%
OAEM	3.65	3.88	3.32
Substandard/Doubtful	6.32	5.97	4.13
	100.00%	100.00%	100.00%
Production and intermediate-term:			
Acceptable	92.12%	90.63%	91.21%
OAEM	3.10	4.35	4.80
Substandard/Doubtful	4.78	5.02	3.99
	100.00%	100.00%	100.00%
Agribusiness:			
Acceptable	89.05%	92.45%	95.34%
OAEM	5.60	4.08	0.79
Substandard/Doubtful	5.35	3.47	3.87
	100.00%	100.00%	100.00%
Rural infrastructure:			
Acceptable	98.71%	97.39%	96.62%
OAEM	1.29	2.61	3.38
	100.00%	100.00%	100.00%
Other:			
Acceptable	99.98%	99.93%	99.93%
Substandard/Doubtful	0.02	0.07	0.07
	100.00%	100.00%	100.00%
Total loans:			
Acceptable	90.75%	91.10%	93.01%
OAEM	3.83	3.96	3.13
Substandard/Doubtful	5.42	4.94	3.86
	100.00%	100.00%	100.00%

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:

December 31	2025	2024	2023
Nonaccrual loans:			
Real estate mortgage	\$294,920	\$284,132	\$145,494
Production and intermediate-term	88,047	77,690	65,805
Agribusiness	52,288	83,466	45,053
Other	20	34	59
Total nonaccrual loans	435,275	445,322	256,411
Accruing loans 90 days or more past due:			
Real estate mortgage	–	260	–
Production and intermediate-term	12,360	–	1,034
Agribusiness	3,709	–	–
Total accruing loans 90 days or more past due	16,069	260	1,034
Total nonperforming loans	\$451,344	\$445,582	\$257,445
Other property owned	5,081	14,503	–
Total nonperforming assets	\$456,425	\$460,085	\$257,445

December 31	2025	2024	2023
Nonaccrual loans as a percentage of total loans	1.95%	2.04%	1.25%
Nonperforming assets as a percentage of total loans and other property owned	2.04%	2.11%	1.26%
Nonperforming assets as a percentage of capital	11.83%	12.61%	7.38%

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

At December 31, 2025				For the Year Ended December 31, 2025
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	Interest Income Recognized
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

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

At December 31, 2023				For the Year Ended December 31, 2023
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	Interest Income Recognized
Nonaccrual loans:				
Real estate mortgage	\$1,608	\$143,886	\$145,494	\$3,107
Production and intermediate-term	5,943	59,862	65,805	3,628
Agribusiness	12,065	32,988	45,053	495
Other	–	59	59	–
Total nonaccrual loans	\$19,616	\$236,795	\$256,411	\$7,230

Accrued interest receivable on loans, as of December 31, 2025, 2024, and 2023, were \$272.2 million, \$269.6 million, and \$272.0 million, respectively, and have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association wrote off accrued interest receivable of \$7.8 million during 2025, \$15.5 million during 2024, and \$4.2 million during 2023.

Delinquency

The following tables provide an age analysis of past due loans at amortized cost by portfolio segment as of December 31, 2025, 2024, and 2023:

December 31, 2025	30–89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
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

December 31, 2024	30–89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$20,031	\$116,482	\$136,513	\$10,874,469	\$11,010,982	\$260
Production and intermediate-term	34,052	17,793	51,845	4,897,986	4,949,831	–
Agribusiness	10,224	34,683	44,907	4,809,094	4,854,001	–
Rural infrastructure	–	–	–	861,991	861,991	–
Other	–	–	–	102,302	102,302	–
Total	\$64,307	\$168,958	\$233,265	\$21,545,842	\$21,779,107	\$260

December 31, 2023	30–89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	\$8,510	\$31,491	\$40,001	\$10,759,662	\$10,799,663	\$–
Production and intermediate-term	44,816	14,725	59,541	4,536,248	4,595,789	1,034
Agribusiness	5,250	34,290	39,540	4,158,057	4,197,597	–
Rural infrastructure	–	–	–	828,029	828,029	–
Other	1	6	7	78,331	78,338	–
Total	\$58,577	\$80,512	\$139,089	\$20,360,327	\$20,499,416	\$1,034

As part of the merger on October 1, 2023, as further discussed in Note 1, American AgCredit purchased assets at acquisition for which there was evidence of more than insignificant deterioration in credit quality since origination. The carrying amount of the PCD loans acquired by the entity was as follows:

	October 1, 2023
Purchase price of loans at acquisition	\$66,435
Allowance for credit losses at acquisition	2,546
Non-credit discount at acquisition	3,600
Carrying value of acquired loans at acquisition	\$72,581

Loan Modifications to Borrowers Experiencing Financial Difficulties

Upon the adoption of ASU 2022-02 Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures, creditors are required to disclose specific modifications with borrowers who are 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 six 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 tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during 2025, 2024, and 2023, disaggregated by loan type and type of modification granted. In 2025, management identified presentation errors in the tables below related to the December 31, 2024, and 2023 amounts previously reported that resulted in the overstatement of certain loan modification amounts. Specifically, certain loans that had either a change in interest rate, or had a less frequent payment due date or a combination of these as part of the contractual loan agreement were reported but did not meet the definition of a modification in accordance with applicable accounting guidance for loan modifications. Management evaluated the impact of these presentation errors on the financial statements taken as a whole and concluded that the errors are immaterial. For consistency and clarity, management has determined to revise the previously issued 2024 and 2023 tables below.

For the Year Ended December 31, 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 by Loan Type
Real estate mortgage	\$18,850	\$1,703	\$12,077	\$(1)	\$2,479	\$2,627	\$37,735	0.34%
Production and intermediate-term	4,468	38,406	4,252	612	827	16,146	64,711	1.24%
Agribusiness	1,623	23,033	–	835	–	1,242	26,733	0.55%
Total	\$24,941	\$63,142	\$16,329	\$1,446	\$3,306	\$20,015	\$129,179	0.58%

For the Year Ended December 31, 2024								
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	\$14,821	\$391	\$37,601	\$–	\$–	\$–	\$52,813	0.48%
Production and intermediate-term	–	37,366	19,186	14,006	8,178	8,818	87,554	1.77%
Agribusiness	11,524	750	300	–	–	–	12,574	0.26%
Total	\$26,345	\$38,507	\$57,087	\$14,006	\$8,178	\$8,818	\$152,941	0.70%

For the Year Ended December 31, 2023								
	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	\$11,594	\$–	\$7,138	\$2	\$–	\$2,378	\$21,112	0.20%
Production and intermediate-term	14,079	26,211	(2)	7,229	1,287	13,574	62,378	1.36%
Agribusiness	1,451	–	35,178	–	–	6,570	43,199	1.03%
Total	\$27,124	\$26,211	\$42,314	\$7,231	\$1,287	\$22,522	\$126,689	0.62%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty at December 31, 2025, 2024, and 2023 was \$1.7 million, \$1.1 million, and \$0.6 million, respectively.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during 2025, 2024, and 2023:

As of December 31, 2025	Interest Rate Reduction
Real estate mortgage	Reduced weighted average contractual interest rate from 7.17% to 6.82%
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.55% to 8.22%
Agribusiness	Reduced weighted average contractual interest rate from 8.87% to 7.07%
	Term Extension
Real estate mortgage	Increased weighted average maturities by 14.4 years
Production and intermediate-term	Increased weighted average maturities by 320 days
Agribusiness	Increased weighted average maturities by 1.3 years
	Payment Deferral
Real estate mortgage	Provided a weighted average 272 days payment deferral
Production and intermediate-term	Provided a weighted average 1.0 years payment deferral
	Combination – Interest Rate Reduction and Payment Deferral
Real estate mortgage	Reduced weighted average contractual interest rate from 12.25% to 7.25% and provided a weighted average of 1.4 years payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate from 10.88% to 9.01% and provided a weighted average of 339 days payment deferral
	Combination – Interest Rate Reduction and Term Extension
Real estate mortgage	Reduced weighted average contractual interest rate from 11.75% to 6.75% and increased weighted average maturities by 178 days
Production and intermediate-term	Reduced weighted average contractual interest rate from 12.73% to 7.73% and increased weighted average maturities by 274 days
Agribusiness	Reduced weighted average contractual interest rate from 6.75% to 6.5% and increased weighted average maturities by 1.2 years
	Combination – Term Extension and Payment Deferral
Real estate mortgage	Increased weighted average maturities by 2.5 years and provided a weighted average of 1.3 years payment deferral
Production and intermediate-term	Increased weighted average maturities by 1.0 years and provided a weighted average of 3.7 years payment deferral
Agribusiness	Increased weighted average maturities by 1.9 years and provided a weighted average 3.2 years payment deferral



As of December 31, 2024	Interest Rate Reduction
Real estate mortgage	Reduced weighted average contractual interest rate from 9.99% to 8.74%
Agribusiness	Reduced weighted average contractual interest rate from 9.70% to 9.42%
	Term Extension
Real estate mortgage	Increased weighted average maturities by 8.7 years
Production and intermediate-term	Increased weighted average maturities by 1.2 years
Agribusiness	Increased weighted average maturities by 273 days
	Payment Deferral
Real estate mortgage	Provided a weighted average 5.5 years payment deferral
Production and intermediate-term	Provided a weighted average 1.0 years payment deferral
Agribusiness	Provided a weighted average 1.7 years payment deferral
	Combination – Interest Rate Reduction and Payment Deferral
Production and intermediate-term	Reduced weighted average contractual interest rate from 8.07% to 7.42% and provided a weighted average 2.9 years payment deferral
	Combination – Interest Rate Reduction and Term Extension
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.16% to 8.42% and increased weighted average maturities by 342 days
	Combination – Term Extension and Payment Deferral
Production and intermediate-term	Increased weighted average maturities by 1.2 years and provided a weighted average of 1.9 years payment deferral

As of December 31, 2023	Interest Rate Reduction
Real estate mortgage	Reduced weighted average contractual interest rate from 11.14% to 9.33%
Production and intermediate-term	Reduced weighted average contractual interest rate from 12.88% to 10.48%
Agribusiness	Reduced weighted average contractual interest rate from 12.08% to 10.08%
	Term Extension
Production and intermediate-term	Increased weighted average maturities by 1.5 years
	Payment Deferral
Real estate mortgage	Provided a weighted average 2.4 years payment deferral
Production and intermediate-term	Provided a weighted average 2.1 years payment deferral
Agribusiness	Provided a weighted average 2.6 years payment deferral
	Combination – Interest Rate Reduction and Payment Deferral
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.53% to 8.33% and provided a weighted average 1.4 years payment deferral
	Combination – Interest Rate Reduction and Term Extension
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 5.75% to 0.00% and increased weighted average maturities by 5.9 years
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.39% to 8.02% and increased weighted average maturities by 347 days
	Combination – Term Extension and Payment Deferral
Real estate mortgage	Increased weighted average maturities by 214 days and provided a weighted average 1.6 years payment deferral
Production and intermediate-term	Increased weighted average maturities by 1.0 years and provided a weighted average 2.0 years payment deferral
Agribusiness	Increased weighted average maturities by 181 days and provided a weighted average of 1.4 years payment deferral

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty who received a modification during 2025, 2024, and 2023, and defaulted in the period presented:

Modified Loans That Subsequently Defaulted				
	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Term Extension & Payment Deferral
December 31, 2025				
Production and intermediate-term	\$5,126	\$101	\$610	\$2
Total	\$5,126	\$101	\$610	\$2

Modified Loans That Subsequently Defaulted					
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Term Extension & Payment Deferral
December 31, 2024					
Real estate mortgage	\$3,245	\$–	\$–	\$–	\$–
Production and intermediate-term	–	1,825	–	333	823
Agribusiness	–	–	363	–	–
Total	\$3,245	\$1,825	\$363	\$333	\$823

Modified Loans That Subsequently Defaulted			
	Term Extension	Payment Deferral	Combination – Term Extension & Payment Deferral
December 31, 2023			
Production and intermediate-term	\$7,474	\$–	\$–
Agribusiness	–	23,730	6,570
Total	\$7,474	\$23,730	\$6,570

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2025, through December 31, 2025, and excludes loans that were modified during the period but were paid off or sold prior to period end:

Payment Status of Loans Modified in the Past 12 Months			
December 31, 2025	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$35,773	\$–	\$1,962
Production and intermediate-term	55,281	4,900	4,530
Agribusiness	26,018	715	–
Total	\$117,072	\$5,615	\$6,492

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were \$49.2 million at December 31, 2025.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2024, through December 31, 2024, and excludes loans that were modified during the period but were paid off or sold prior to period end:

Payment Status of Loans Modified in the Past 12 Months			
December 31, 2024	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$27,561	\$397	\$24,856
Production and intermediate-term	62,618	22,383	2,552
Agribusiness	3,855	8,419	300
Total	\$94,034	\$31,199	\$27,708

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were \$13.7 million at December 31, 2024.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2023, through December 31, 2023, and excludes loans that were modified during the period but were paid off or sold prior to period end:

Payment Status of Loans Modified in the Past 12 Months			
December 31, 2023	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$20,941	\$172	\$–
Production and intermediate-term	49,218	5,685	7,474
Agribusiness	12,899	–	30,300
Total	\$83,058	\$5,857	\$37,774

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were \$23.0 million at December 31, 2023.

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	Agribusiness	Rural Infrastructure	Other	Total
Allowance for credit losses:						
Balance at December 31, 2024	\$20,449	\$7,428	\$9,572	\$652	\$112	\$38,213
Charge-offs	(17,537)	(35,209)	(10,575)	–	–	(63,321)
Recoveries	418	5,385	1,363	–	–	7,166
Provision for loan losses	31,028	37,171	36,489	712	3	105,403
Balance at December 31, 2025	\$34,358	\$14,775	\$36,849	\$1,364	\$115	\$87,461
Allowance for unfunded commitments:						
Balance at December 31, 2024	\$247	\$316	\$588	\$8	\$–	\$1,159
Provision for unfunded commitments	1	450	2,586	128	34	3,199
Balance at December 31, 2025	\$248	\$766	\$3,174	\$136	\$34	\$4,358
Total allowance for credit losses	\$34,606	\$15,541	\$40,023	\$1,500	\$149	\$91,819

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Other	Total
Allowance for credit losses:						
Balance at December 31, 2023	\$5,599	\$7,841	\$7,786	\$1	\$–	\$21,227
Charge-offs	(12,010)	(16,327)	(23,533)	–	–	(51,870)
Recoveries	62	2,829	3,544	–	–	6,435
Provision for loan losses	26,798	13,085	21,775	651	112	62,421
Balance at December 31, 2024	\$20,449	\$7,428	\$9,572	\$652	\$112	\$38,213
Allowance for unfunded commitments:						
Balance at December 31, 2023	\$136	\$396	\$504	\$–	\$–	\$1,036
Provision for unfunded commitments	111	(80)	84	8	–	123
Balance at December 31, 2024	\$247	\$316	\$588	\$8	\$–	\$1,159
Total allowance for credit losses	\$20,696	\$7,744	\$10,160	\$660	\$112	\$39,372

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Rural Infrastructure	Other	Total
Allowance for credit losses:						
Balance at December 31, 2022	\$11,115	\$15,672	\$22,122	\$457	\$82	\$49,448
Cumulative effect of change in accounting principle	(8,004)	(9,422)	(10,459)	(457)	(82)	(28,424)
Balance at January 1, 2023	3,111	6,250	11,663	–	–	21,024
Charge-offs	(74)	(17,004)	(10,284)	–	–	(27,362)
Recoveries	23	4,676	102	–	–	4,801
Adjustment due to merger	623	851	1,072	–	–	2,546
Provision for loan losses	1,916	13,068	5,233	1	–	20,218
Balance at December 31, 2023	\$5,599	\$7,841	\$7,786	\$1	\$–	\$21,227
Allowance for unfunded commitments:						
Balance at December 31, 2022	\$200	\$2,267	\$1,375	\$52	\$6	\$3,900
Cumulative effect of change in accounting principle	(108)	(2,018)	(1,039)	(52)	(6)	(3,223)
Balance at January 1, 2023	92	249	336	–	–	677
Provision for unfunded commitments	44	147	168	–	–	359
Balance at December 31, 2023	\$136	\$396	\$504	\$–	\$–	\$1,036
Total allowance for credit losses	\$5,735	\$8,237	\$8,290	\$1	\$–	\$22,263

Discussion of Changes in Allowance for Credit Losses

The allowance for credit losses using the CECL methodology increased \$52.4 million to \$91.8 million at December 31, 2025, as compared to \$39.4 million at December 31, 2024. This is largely due to the stresses in certain commodities such as vineyards and wineries and tree fruits and nuts, as well as updated qualitative overlays and a recalibration of the quantitative reserve.

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 the 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 71.85% of the portfolio at December 31, 2025.

Forecast Period				
Industry	Significant Macroeconomic Variable	Year 1	Year 2	Year 3
Beef	Boneless beef, price % quarter-over-quarter	-0.04%	0.39%	0.77%
	World food price % quarter-over-quarter	0.75%	0.90%	0.70%
Dairies	Exchange rate, effective real % year-over-year	1.76%	-0.58%	-0.17%
	Total livestock crop cash receipts % quarter-over-quarter	-0.85%	-0.91%	-0.41%
Field crops	Corn price parity	0.08	0.10	0.13
	Net farm income % year-over-year	-2.94%	-3.17%	-0.49%
Tree fruits and nuts	Exchange rate, effective real % year-over-year	1.76%	-0.58%	-0.17%
	Fruit and tree nut price received index % quarter-over-quarter	0.97%	0.61%	0.69%
Vineyards and wineries	Interest rate, long-term government bond yields	4.14%	4.18%	4.20%
	U.S. export value of wine	5.04	5.11	5.31

NOTE 4 – INVESTMENT SECURITIES

The Association may hold investment securities for managing risk. The Association had no investment securities in 2024 or 2023. A summary of the amortized cost of securities held-to-maturity by type is as follows:

As of December 31, 2025				
	Amortized Cost	Gross Unrealized Gains/(Losses)	Fair Value	Weighted Average Yield
Asset-backed securities	\$50,819	\$(798)	\$50,021	6.21%

As of December 31, 2025, the Association’s investment portfolio included two securities issued by Small Business Administration (SBA), unconditionally guaranteed by the Federal Government, and classified as held-to-maturity in the Association’s financial statements. Each investment has a contractual maturity of 25 years. Accrued interest of \$511 thousand as of December 31, 2025, has been excluded from the amortized cost basis of the total investment securities.

The Association evaluates investment securities with unrealized losses for impairment, as necessary. As part of the assessment, the Association evaluated and concluded that it does not intend to sell these securities, or it is more likely than not that it would be required to sell the security, prior to recovery of the amortized cost basis. The Association also evaluated whether credit impairment exists by comparing the present value of the expected cash flows to the securities’ amortized cost basis. Credit impairment, if any, is recorded as an ACL for debt securities. Agency securities have a zero-loss assumption and the Association does not consider these unrealized losses to be credit-related and an allowance for credit losses is not necessary.

NOTE 5 – INVESTMENT IN COBANK

At December 31, 2025, the Association’s investment in CoBank is in the form of Class A stock with a par value of \$100 per share. The Association is required to own stock in CoBank to capitalize its direct loan balance and participation loans sold to CoBank. The current requirement for capitalizing its direct loan from CoBank is 3.0% of the Association’s prior one-year average direct loan balance. The 2025 requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the Association’s prior 10-year average balance of such participations sold to CoBank. Under the current CoBank capital plan applicable to such participations sold, patronage from CoBank related to these participations sold is paid 75.0% cash and 25.0% Class A stock. The capital plan is evaluated annually by CoBank’s Board of Directors and management and is subject to change.

CoBank may require the holders of its equities to subscribe for such additional capital as may be needed to meet its capital requirements or its joint and several liability under the Act and regulations. In making such a capital call, CoBank shall consider the financial condition of each such holder and such other considerations, as it deems appropriate.

The Association owned approximately 13.3% of the outstanding common stock of CoBank at December 31, 2025.

NOTE 6 – PREMISES AND EQUIPMENT

Premises and equipment consist of the following:

December 31	2025	2024	2023
Buildings and improvements	\$58,459	\$63,023	\$132,499
Furniture and equipment	10,136	11,030	18,498
Land	6,010	8,446	15,894
Construction in progress	–	3,718	1,121
Vehicles	356	548	851
Premises and equipment at cost	74,961	86,765	168,863
Less: accumulated depreciation	(29,849)	(31,862)	(53,539)
Premises and equipment, net	\$45,112	\$54,903	\$115,324

As of December 31, 2025, assets held for sale totaled \$55.3 million, compared to \$54.4 million as of December 31, 2024. The balance primarily consisted of the former Santa Rosa headquarters building and land (along with other furniture and equipment), which was appraised in 2025 and further written down to its fair value of \$49.5 million, less estimated selling costs of \$1.7 million. The balance also included the Albuquerque, New Mexico, office building and land, which had been written down to \$4.9 million in 2024 and appraised in November 2025 resulting in an upward adjustment of \$1.3 million and a new carrying amount of \$6.1 million, less approximate selling costs of \$369 thousand. Certain assets previously classified as held for sale were disposed of during 2025, including the Greeley, Colorado, office building and land, which resulted in a gain of \$2.4 million recognized as income in the Consolidated Statements of Comprehensive Income. The Albuquerque, New Mexico, office building and land are under contract to sell with an anticipated closing date of March 2026.



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

	Operating Leases	Finance Leases	Total
2025	\$842	\$1,765	\$2,607
2026	551	774	1,325
2027	507	400	907
2028	317	208	525
2029	123	48	171
Thereafter	1,143	–	1,143
Total lease payments	3,483	3,195	6,678
Less: interest	–	(951)	(951)
Total	\$3,483	\$2,244	\$5,727

Right-of-use assets, net of accumulated amortization, amounted to \$5.3 million at December 31, 2025, \$5.0 million at December 31, 2024, and \$7.3 million at December 31, 2023. These amounts are included with premises and equipment, net on the Consolidated Statements of Condition.

NOTE 7 – OTHER PROPERTY OWNED

Gains and losses on other property owned, as reflected in other gains/losses, net on the Consolidated Statements of Income, consisted of the following:

December 31	2025	2024	2023
(Gains)/losses on sale, net	\$(168)	\$–	\$351
Carrying value adjustments	3,140	(90)	–
Operating expense, net	526	442	13
Losses on other property owned, net	\$3,498	\$352	\$364

NOTE 8 – NOTES PAYABLE TO COBANK

The Association’s indebtedness to CoBank represents borrowings by the Association to fund its loan portfolio. This indebtedness is collateralized by a pledge of substantially all of the Association’s assets to CoBank and is governed by a General Financing Agreement (GFA). The GFA is subject to renewal periodically in accordance with normal business practices and requires the Association to comply with certain covenants. The GFA matures on May 31, 2028. The Association’s debt is primarily block-funded through a direct note with CoBank. The weighted average interest rate is determined based on the terms and conditions of the Association’s borrowing. The weighted average interest rate was 3.47% at December 31, 2025, compared with 3.92% at December 31, 2024, and 4.29% at December 31, 2023.

Through the note payable, the Association was liable for the following (excluding the fair value adjustment for acquired liabilities during the 2023 merger with FCNM of \$61.3 million, net of accumulated amortization of \$43.7 million):

December 31	2025	2024	2023
Fixed rate debt	\$6,007,366	\$5,771,613	\$6,474,962
Floating rate debt	9,736,166	8,044,610	7,526,681
Discount notes	2,092,067	3,498,236	2,460,814
Daily revolving line of credit	1,146,893	1,344,132	1,072,556
Total	\$18,982,492	\$18,658,591	\$17,535,013

Fixed rate debt typically has original maturities ranging from one to 30 years, and at December 31, 2025, included callable debt of \$2.3 billion, with a range of call dates between January 2026 and August 2028. Floating rate notes generally have maturities ranging from six months to five years. Discount notes have maturities from one day to 365 days. The daily revolving line of credit is renewed annually and is priced at the 30-day discount note rate.

The maturities of debt within the note payable to CoBank as of December 31, 2025, are as follows:

Year of Maturity	Amount	Weighted Average Interest Rate
2026	\$11,471,301	3.67%
2027	3,556,585	3.57
2028	826,934	2.98
2029	937,811	2.50
2030	453,711	2.10
Subsequent years	1,736,150	3.02
Total	\$18,982,492	3.47%

Under the Farm Credit Act, the Association is obligated to borrow from CoBank, unless CoBank gives approval to borrow from elsewhere.

NOTE 9 – SUBORDINATED DEBT

In June 2021, the Association issued subordinated debt with an overall principal balance of \$200.0 million, due in 2036, which may be redeemed all or in part at the option of the Association on any interest payment date on or after June 2031. The subordinated debt bears 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 secured overnight financing rate (SOFR), plus a spread of 212 basis points through maturity date or the date of earlier redemption. The subordinated debt is subordinate to all other creditor debt, including general creditors, and senior to all classes of stock. The subordinated debt is not considered System debt and is not an obligation of, nor guaranteed by, any System entity. Further, payments on the subordinated debt are not insured by the FCSIC. The subordinated debt is presented net of unamortized issuance costs of approximately \$1.7 million on the Consolidated Statements of Condition.

NOTE 10 – SHAREHOLDERS’ EQUITY

A description of the Association’s capitalization requirements, capital protection mechanisms, regulatory capitalization requirements and restrictions, and equities is provided in the following.

A. COMMON STOCK AND PARTICIPATION CERTIFICATES

In accordance with the Farm Credit Act and the Association’s capitalization bylaws, each borrower is required to invest in common stock (for agricultural loans) or participation certificates (for rural home and farm-related business loans) in the Association as a condition of borrowing. In accordance with the Association’s capitalization bylaws, the required investment is currently the lesser of \$1,000 or 2.0% of the total borrower’s commitment.

The borrower acquires ownership of the common stock or participation certificates at the time the loan is made but usually does not make a cash investment. The aggregate par value is added to the principal amount of the related loan obligation. The Association retains a first lien on the stock or participation certificates owned by borrowers. At the discretion of the Board of Directors, retirement of such equities will generally be at the lower of par or book value, and repayment of a loan does not automatically result in retirement of the corresponding stock or participation certificates.

The Association may issue class F participation certificates to customers who utilize services but do not hold a loan with the Association without requiring the stockholder to contribute capital. Stock issued without consideration is recorded in a contra-equity account and excluded from total contributed capital, with the related balance presented as a reduction within shareholders’ equity on the accompanying consolidated Statements of Condition. As of December 31, 2025, the contra-equity account contained a balance of \$7 thousand.

B. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents the excess value received over the par value of capital stock and participation certificates issued in connection with mergers and acquisitions. Additional paid-in capital also includes a reduction for capital stock issuance costs incurred.



C. REGULATORY CAPITALIZATION REQUIREMENTS AND RESTRICTIONS

The Farm Credit Administration sets minimum regulatory capital requirements for banks and associations. The following table presents the regulatory capital ratio requirements and ratios at December 31:

Ratio	Primary Components of Numerator	Denominator	Ratios as of December 31, 2025	Ratios as of December 31, 2024	Ratios as of December 31, 2023	Minimum With Buffer	Minimum Requirement
Common Equity Tier 1 (CET1) capital	URE and common cooperative equities (qualifying capital stock and allocated equity) ¹	Risk-weighted assets	11.69%	11.53%	11.14%	7.00%	4.50%
Tier 1 capital	CET1 capital and non-cumulative perpetual preferred stock	Risk-weighted assets	12.85%	12.73%	12.41%	8.50%	6.00%
Total capital	Tier 1 capital, allowance for loan losses, ² other common cooperative equities, ³ and term preferred stock and subordinated debt ⁴	Risk-weighted assets	13.94%	13.66%	13.37%	10.50%	8.00%
Tier 1 leverage	Tier 1 capital (at least 1.5% must be URE and URE equivalents)	Total assets	14.83%	14.56%	14.15%	5.00%	4.00%
URE and URE equivalents (UREE) leverage	URE and URE equivalents	Total assets	13.43%	13.14%	12.64%	–	1.50%
Permanent capital	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	Risk-weighted assets	13.77%	13.68%	13.44%	–	7.00%
1. Equities subject to a minimum redemption or revolvement period of 7 or more years 2. Capped at 1.25% of risk-weighted assets and inclusive of the reserve for unfunded commitments 3. Equities subject to a minimum redemption or revolvement period of 5 or more years, but less than 7 years 4. Equities subject to a minimum redemption or revolvement period of 5 or more years							

If the capital ratios fall below the total requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and cash patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

D. DESCRIPTION OF EQUITIES

Class A Common Stock (nonvoting, at-risk, no shares outstanding, \$5 par value): Class A common stock may be issued as a patronage distribution or in exchange for a like number of shares of Class C common stock when the holder has fully retired their loan or loans with the Association and has not had a borrowing relationship with the Association for two years. Class A common stock may be converted to Class C common stock if the holder becomes a borrower eligible to own Class C common stock, and to Class F participation certificates if the holder becomes a borrower eligible to own Class F participation certificates.

Class C Common Stock (voting, at-risk, 2,258,999 shares outstanding, \$5 par value): Each owner of Class C common stock is entitled to a single vote. Other classes of borrower equities do not provide voting rights to their owners. Voting stock may not be transferred to another person unless such person is eligible to hold voting stock.

Class D Common Stock (nonvoting, at-risk, no shares outstanding, \$1,000 par value): Class D common stock may be issued to CoBank or to any person through direct sale.

Class F Participation Certificates (nonvoting, at-risk, 53,174 shares outstanding, \$5 par value): Class F participation certificates may be issued or transferred to rural residents, persons furnishing farm-related services, or to other persons eligible to borrow for the purpose of qualifying for services offered by the Association who are not eligible to hold Class C common stock.

Class H Preferred Stock (limited voting, at-risk, no shares outstanding, \$1 par value): Class H preferred stock may be issued to, and may be acquired by members and equity holders who, at the time of such issuance or acquisition, hold any class of common stock or participation certificates. Class H preferred stock is transferable only to another holder of Class H preferred stock, and then only after the transferor provides written notice to the Association in a form prescribed by the Association’s Board. The holders of H stock are limited to voting on matters that would affect any preference accorded to the H stock and any amendments that would authorize a new class of preferred stock. Each holder of H stock is entitled to receive dividends in an amount equal to a specified percentage (dividend rate) as declared by the Board of Directors. The dividend rate is a per annum rate that may change monthly at the discretion of the Board but is limited to 8.0% per annum. Dividends accrue daily and will accumulate until declared and paid in the form of additional shares of H stock. H stock is redeemable at par plus cumulative unpaid dividends. Retirement of the stock is at the discretion of the Board.

Series A Non-Cumulative Perpetual Preferred Stock (limited voting, at-risk, 300,000 shares outstanding, \$1,000 par value): The issuance carries an annual dividend rate of 5.25% payable quarterly beginning September 15, 2021, 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. Issuance costs of approximately \$6.9 million are included in additional paid-in capital on the Consolidated Statements of Condition.

The Association has the authority to issue other classes of stock, no shares of which are outstanding. The voting rights, duties, and liabilities of such classes of stock are similar to those discussed above. Separately from Class H preferred stock, the Association is authorized to issue other preferred stock with an aggregate par value of up to \$900 million outstanding at any one time.

Series A preferred stock is junior to any subordinated debt, existing and future debt obligations, and to any series of preferred stock the Association may issue in the future with priority rights. Series A preferred stock is senior to outstanding common classes of equity, Class F participation certificates, and patronage equities. The Series A preferred stock has a preference as to dividends and on liquidation or dissolution over all other classes of equities. After the retirement of stock, any remaining assets will be distributed to holders of allocated surplus as evidenced by nonqualified written notices of allocation. Any assets remaining after such distribution will be shared pro rata on a patronage basis by all common stock and certificate holders of record immediately before the liquidation distribution.

E. PATRONAGE DISTRIBUTIONS

The Association’s bylaws provide for the payment of patronage distributions. All patronage distributions to a borrower shall be on a proportionate patronage basis as may be approved by the Association’s Board of Directors, consistent with the requirement of Subchapter T of the Internal Revenue Code.

The Association’s Board of Directors adopted a resolution establishing the distribution of 2025 patronage-sourced net earnings. The resolution established the cash patronage in the amount of 0.75% of the Association’s borrowers’ average daily loan balances and 0.60% on purchased participations. Cash patronage of \$201.4 million will be distributed to qualified patrons in 2026. This amount was recognized as a liability on the Association’s Consolidated Statements of Condition at December 31, 2025.

In December 2025, the Association’s Board of Directors adopted an Obligating Resolution to distribute 2026 patronage-sourced earnings to patrons of the Association, contingent upon the Association maintaining certain capital criteria.

Cash patronage of \$237.7 million and \$213.7 million was declared on the Association’s patronage-sourced earnings for 2024 and 2023, respectively. These amounts were recognized as a liability on the Association’s balance sheet at December 31 in the year they were declared and paid in the first quarter of the following year. Cash patronage represented 1.0% of the Association’s borrowers’ average daily loan balances and 0.85% on purchased participations for both 2024 and 2023.

F. ALLOCATED AND UNALLOCATED RETAINED SURPLUS

Net income can be distributed annually in the form of cash or allocated retained earnings; it may also be retained as unallocated retained earnings. Thus, unallocated retained earnings include patronage-sourced net income that is retained each year. The Association maintains a separate allocated surplus account consisting of undistributed patronage earnings allocated to borrowers. The Board of Directors considers this allocated surplus to be permanently invested in the Association. As such, there is no current plan to revolve or redeem these amounts. No express or implied right to have such capital retired or revolved at any time is granted. The Board of Directors must approve any use of unallocated retained earnings.

G. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The Association reports accumulated other comprehensive income/(loss) in its Consolidated Statements of Condition and Consolidated Statements of Changes in Shareholders’ Equity. As more fully described in Note 12, other comprehensive income/(loss) results from the recognition of the Restoration Plan’s net unamortized gains and (losses) and prior service costs or credits of \$(919) thousand, \$3.2 million, and \$231 thousand in 2025, 2024, and 2023, respectively. There were no other items affecting comprehensive income or loss.

NOTE 11 – INCOME TAXES

The provision for income taxes is as follows:

Year Ended December 31	2025	2024	2023
Current federal tax provision	\$4	\$–	\$4
Current state tax provision	4	2	9
Total provision for income taxes	\$8	\$2	\$13

The following table quantifies the differences between the provision for income taxes and the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income of the Association.

Year Ended December 31	2025	
Federal tax at U.S. statutory rate	\$90,175	21.0%
State and local income tax, net (of Federal income tax effect)	4	0.0%
Tax-exempt FLCA income	(65,347)	(15.2)%
Cash patronage distributions paid	(32,777)	(7.6)%
Change in deferred tax valuation allowance	7,943	1.8%
Other	10	0.0%
Provision for income taxes	\$8	0.0%

Year Ended December 31	2024	2023
Federal tax at U.S. statutory rate	\$85,835	\$79,442
State and local income tax, net (of Federal income tax effect)	2	9
Tax-exempt FLCA income	(61,021)	(57,792)
Cash patronage distributions paid	(25,526)	(23,989)
Change in deferred tax valuation allowance	694	(816)
Cumulative effect of change in accounting principle	–	3,139
Other	18	20
Provision for income taxes	\$2	\$13

Disaggregation of income tax expense by individual state jurisdiction is immaterial to the consolidated financial statements; accordingly, such detail has not been presented.

Deferred tax assets and liabilities result from the following:

Year Ended December 31	2025	2024	2023
Gross deferred tax assets:			
Allowance for loan losses	\$7,369	\$2,396	\$3,057
Deferred loan fees	3,265	3,229	1,931
Nonaccrual loan interest	7,620	4,721	4,095
Gross deferred tax asset	18,254	10,346	9,083
Gross deferred tax liabilities:			
Mineral depletion	(52)	(52)	(52)
Accrued CoBank patronage	(6,177)	(6,213)	(5,644)
Net deferred tax asset before valuation allowance	12,025	4,081	3,387
Deferred tax asset valuation allowance	(12,025)	(4,081)	(3,387)
Net deferred tax asset	\$–	\$–	\$–

The calculation of deferred tax assets and liabilities involves various management estimates and assumptions as to future taxable earnings, including the amount of non-patronage income and patronage income retained. The expected future tax rates are based on enacted tax laws.

The Association had a valuation allowance of \$12.0 million in 2025, \$4.1 million in 2024, and \$3.4 million in 2023. The Association will continue to evaluate the likely realization of deferred tax assets and adjust the valuation allowance accordingly.

The Association had no uncertain tax positions to be recognized as of December 31, 2025, 2024, or 2023.

The Association recognizes interest and penalties related to unrecognized tax benefits as an adjustment to income tax expense. There were no interest or penalties recognized in 2025, 2024, or 2023. The tax years that remain open for federal and major state income tax jurisdictions are 2020 and forward.

NOTE 12 – EMPLOYEE BENEFIT PLANS

Certain employees participate in the Ninth and Eleventh Retirement Plans, which are multi-employer defined benefit retirement plans. The Department of Labor has determined the plans to be governmental plans; therefore, the plans are not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As the plans are not subject to ERISA, the plans’ benefits are not insured by the Pension Benefit Guaranty Corporation. Accordingly, the amount of accumulated benefits that participants would receive in the event of the plans’ termination is contingent on the sufficiency of the plans’ net assets to provide benefits at that time. The plans are noncontributory and cover eligible employees. The assets, liabilities, and costs of the plans are not segregated by participating entities. As such, plan assets are available for any of the participating employers’ retirees at any point in time. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Further, if the Association chooses to stop participating in the plan, it may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability. Because of the multi-employer nature of the plan, any individual employer is not able to unilaterally change the provisions of the plan. If an employee moves to another employer within the same plan, the employee benefits under the plan transfer. Benefits are based on salary and years of service. There is no collective bargaining agreement in place as part of these plans.

The defined benefit pension plans reflect a funded asset totaling \$26.4 million for the Ninth Plan and \$16.2 million for the Eleventh Plan at December 31, 2025. The pension benefits funding status reflects the net of the fair value of the plan assets and the projected benefit obligation at the date of these consolidated financial statements. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date, based on assumed future compensation levels.

The projected benefit obligation and fair value of the multi-employer plan assets at December 31 are as follows:

December 31 (in millions)	2025	2024	2023
Projected benefit obligation:			
Ninth Plan	\$251.0	\$248.0	\$282.2
Eleventh Plan	\$209.8	\$212.4	\$243.7
Fair value of plan assets:			
Ninth Plan	\$277.4	\$274.2	\$298.4
Eleventh Plan	\$226.0	\$221.4	\$243.3

The amount of the pension benefits funding status is subject to many variables, including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their current employees as well as an allocation of the remaining costs based proportionately on the estimated projected liability of the employer under this plan. The Association recognizes its proportional share of expense and contributes a proportional share of funding.

Costs and contributions for the multi-employer plans at December 31 are as follows:

December 31 (in millions)	2025	2024	2023
Total plan expenses for all participating employers:			
Ninth Plan	\$2.0	\$6.1	\$11.6
Eleventh Plan	\$2.5	\$3.8	\$4.7
The Association’s allocated share of plan expenses included in salaries and benefits:			
Ninth Plan	\$0.4	\$1.7	\$3.3
Eleventh Plan	\$1.0	\$1.5	\$1.9
Total plan contributions for all participating employers:			
Ninth Plan	\$0.0	\$2.2	\$4.0
Eleventh Plan	\$0.3	\$1.1	\$1.5
The Association’s allocated share of plan contributions:			
Ninth Plan	\$0.0	\$0.3	\$7.3
Eleventh Plan	\$0.1	\$0.4	\$0.6

While the plans are governmental plans and are not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plans with sufficient assets to meet the benefits to be paid to participants. There are no expected employer contributions to be paid into the Pension Plans during 2026. The amount ultimately to be contributed and the amount ultimately recognized as expense, as well as the timing of those contributions and expenses, are subject to many variables, including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than anticipated.

Postretirement benefits other than pensions are provided through the Farm Credit Foundations Retiree Medical Plan to eligible current and retired employees of the Association. Benefits provided are determined on a graduated scale based on years of service. The anticipated costs of these benefits were accrued during the period of the employee’s active service. Postretirement benefits (primarily health care benefits) included in salaries and employee benefits were \$26 thousand for 2025, \$32 thousand for 2024, and \$3 thousand for 2023. These expenses are equal to the Association’s cash contributions for each year.

The Association participates in a nonqualified defined benefit Restoration Plan that is unfunded. The plan provides retirement benefits above the Internal Revenue Code compensation limit to certain highly compensated eligible employees. Benefits payable under the Restoration Plan are offset by the benefits payable from the Pension Plans. Restoration Plan expenses included in

salaries and employee benefits were \$8.7 million for 2025, \$8.6 million for 2024, and \$8.0 million for 2023. The Restoration Plan experienced a current year net actuarial loss due to increases in the discount rates utilized and other factors such as employee salaries and retirement rates.

The funded status and the amounts recognized in other liabilities in the Consolidated Statements of Condition for the Association’s Restoration Plan are as follows:

Nonqualified Restoration Plan	2025	2024	2023
Change in benefit obligation:			
Benefit obligation at beginning of the period	\$51,097	\$47,607	\$41,192
Benefit obligation acquired in merger	–	–	577
Service cost	659	754	593
Interest cost	2,270	2,375	1,873
Net actuarial (gain)/loss	6,668	2,266	5,272
Benefits paid	(333)	(1,905)	(1,900)
Benefit obligation at December 31	\$60,361	\$51,097	\$47,607
Amounts recognized in other liabilities in the Consolidated Statements of Condition consist of:			
Projected benefit obligation	\$60,361	\$51,097	\$47,607

The following table represents the amounts included in accumulated other comprehensive income (AOCI)/loss for the Restoration Plan:

December 31	2025	2024	2023
Net actuarial loss	\$14,239	\$13,320	\$16,565
Total amount recognized in AOCI/loss	\$14,239	\$13,320	\$16,565

Information for pension plans with an accumulated benefit obligation in excess of plan assets for the Restoration Plan at December 31 was as follows:

December 31	2025	2024	2023
Accumulated benefit obligation	\$60,331	\$51,086	\$45,697
Fair value of plan assets	N/A	N/A	N/A

Information for pension plans with a projected benefit obligation in excess of plan assets for the Restoration Plan at December 31 was as follows:

December 31	2025	2024	2023
Projected benefit obligation	\$60,361	\$51,097	\$47,607
Fair value of plan assets	N/A	N/A	N/A

The net periodic pension expense for the Restoration Plan included in salaries and benefits in the Consolidated Statements of Income is composed of the following at December 31:

Nonqualified Restoration Plan	2025	2024	2023
Components of net periodic benefit cost:			
Service cost	\$659	\$754	\$593
Interest cost	2,270	2,375	1,873
Net amortization and deferral	5,749	5,511	5,503
Net periodic cost	\$8,678	\$8,640	\$7,969

Changes in benefit obligation recognized in accumulated other comprehensive income are included in the following table.

December 31	2025	2024	2023
Current year net actuarial loss	\$6,668	\$2,266	\$5,272
Amortization of net actuarial gain	(5,749)	(5,511)	(5,503)
Total recognized in other comprehensive loss/(income)	\$919	\$(3,245)	\$(231)

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

Nonqualified Restoration Plan	2025	2024	2023
Discount rate – Ninth Plan	4.41%	4.90%	4.99%
Discount rate – Eleventh Plan	4.72%	4.79%	5.09%
Rate of compensation increase – Ninth Plan	N/A	7.10%	7.10%
Rate of compensation increase – Eleventh Plan	N/A	6.70%	6.70%
Interest crediting rate – Ninth Plan	5.00%	5.00%	5.00%
Interest crediting rate – Eleventh Plan	N/A	N/A	N/A

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

Nonqualified Restoration Plan	2025	2024	2023
Discount rate – Ninth Plan	4.90%	4.99%	4.57%
Discount rate – Eleventh Plan	4.79%	5.09%	4.66%
Rate of compensation increase – Ninth Plan	N/A	7.10%	7.10%
Rate of compensation increase – Eleventh Plan	N/A	6.70%	6.70%
Interest crediting rate – Ninth Plan	5.00%	5.00%	5.00%
Interest crediting rate – Eleventh Plan	N/A	N/A	N/A

The Association estimates it will contribute \$0.3 million to the Restoration Plan in 2026.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	2026	2027	2028	2029	2030	2031–2035
Pension restoration benefits	\$334	\$6,036	\$6,042	\$6,979	\$8,181	\$50,702

The Association participates in the Farm Credit Foundations Defined Contribution/401(k) Plan. The plan has two components. Employees who do not participate in the Ninth Plan may receive benefits through the employer contribution portion of the Defined Contribution Plan. The Association provides a contribution based on a defined percentage of the employee’s salary. Employees may also participate in the employee contribution portion of the Defined Contribution Plan governed by Section 401(k) of the Internal Revenue Code. The Association matches a certain percentage of employee contributions to the 401(k). Employer contributions to the Defined Contribution Plan included in salaries and employee benefits were \$9.9 million in 2025, \$13.0 million in 2024, and \$12.8 million in 2023.

The Supplemental Executive Retirement Plan (“SERP”) establishes an unfunded, non-qualified deferred compensation arrangement under which American AgCredit provides eligible executives with a supplemental retirement benefit, payable upon retirement, certain change-in-control separations, permanent disability, or death, subject to vesting and continued service requirements. Benefits are based on a monthly accrual multiplied by credited months of service, up to a maximum of 60 months, and are paid generally one year after retirement or qualifying separation, or within 45 days in the case of disability or death. Employer contribution to the SERP, included in employee benefits, were \$490 thousand in 2025 and \$436 thousand in 2024.

NOTE 13 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Association enters into loan transactions with directors of the Association, their immediate families, and other organizations with which such persons may be associated. These loans are subject to special approval requirements contained in the FCA regulations and are made on the same terms, including interest rates, amortization schedules, and collateral, as those prevailing at the time for comparable transactions with unrelated borrowers.

The Association has a policy that loans to directors must be maintained at an acceptable or other assets especially mentioned (OAEM) credit classification. If the loan becomes adversely classified, the director’s service is terminated at the end of the 15th calendar day thereafter, unless grounds for an exception exist and a written request for an exception is granted.

Loan information to related parties for the years ended December 31 is shown in the following table:

December 31	2025	2024	2023
Beginning balance	\$304,091	\$256,356	\$171,727
New loans	239,719	376,225	272,639
Repayments	(212,826)	(307,123)	(207,999)
Loans no longer related parties	(149,460)	(21,367)	(5,001)
Loans acquired in merger	–	–	24,990
Ending balance	\$181,524	\$304,091	\$256,356

In the opinion of management, none of these loans outstanding at December 31, 2025, involved more than a normal risk of collectability.

The Association also has business relationships with certain other System entities:

Farm Credit Leasing Services Corporation: American AgCredit partners with Farm Credit Leasing Services Corporation (FCL), a leasing subsidiary wholly owned by CoBank, which specializes in lease financing and related services for a broad range of equipment, machinery, vehicles, and facilities to agricultural producers, Association partners, and rural infrastructure companies. American AgCredit purchases 50% of certain leases from FCL, which are included in Loans in the Consolidated Statements of Condition.

Agri-Access®: As a component of the Association’s growing partnership and alliance efforts, agreements have been formed with certain financial institutions to provide correspondent lending programs under the trade name Agri-Access®, which operates as a unit of Compeer Financial. Agri-Access focuses primarily on purchasing participations in agricultural real estate loans and leases. Agri-Access also services loan portfolios for other institutional investors. These financial services firms are dispersed throughout the United States. The Association receives income from lease originations, which are reflected in loan origination fees in the Consolidated Statements of Comprehensive Income, and patronage income, which is included in total patronage income from other Farm Credit institutions in the Consolidated Statements of Comprehensive Income. As of December 31, 2025, the Association recorded \$406 thousand in lease origination fees and \$816 thousand in patronage income, which are reflected in the Consolidated Statements of Comprehensive Income.

Rural 1st®: American AgCredit entered into a Territorial Concurrence Agreement, after the merger with Farm Credit of New Mexico on October 1, 2023, in which Farm Credit of Mid-America, ACA (FCMA) provides consumer loans under the Rural 1st® program in the state of New Mexico. FCMA compensates American AgCredit annually for access to American AgCredit’s territory, as granted by American AgCredit in the agreement. Income in the amount of \$683 thousand was recorded under loan origination fees in the Consolidated Statements of Comprehensive Income as of December 31, 2025.

Farm Credit Foundations: The Association purchases human resources services from Farm Credit Foundations (Foundations). The Association paid \$754 thousand in 2025, \$677 thousand in 2024, and \$702 thousand in 2023 to Foundations for these services, which are recorded in purchased services in the Consolidated Statements of Comprehensive Income. Also, through Foundations, the Association purchases centralized technology services related to human resources and benefit functions from SunStream Business Services, a Farm Credit System Service corporation.

Farm Credit System Association Captive Insurance Company: The Farm Credit System Association Captive Insurance Company (the Captive) is a reciprocal insurer that provides insurance services such as directors and officers liability, fiduciary liability, and a bankers bond to System organizations. The Association paid \$2.9 million in 2025, \$2.4 million in 2024, and \$2.1 million in 2023 to the Captive, which are reflected in salaries and employee benefits, occupancy and equipment, and other operating expenses in the Consolidated Statements of Comprehensive Income, as necessary.

The Association’s business relationships include those with the following unincorporated business entities (UBEs):

AgCredit Holdings, LLC: The Association had 100% equity ownership in AgCredit Holdings, LLC as of December 31, 2025. This unincorporated business entity was formed for the purpose of acquiring and managing unusual or complex collateral associated with loans. This entity acquired one property during the year ended December 31, 2025 and sold one property, acquired in 2024.

AgDirect, LLP: American AgCredit participates in AgDirect, LLP (AgDirect), a trade credit financing program that includes origination and refinancing of agricultural equipment loans through independent equipment dealers. AgDirect is an entity created by Farm Credit Services of America (FCSA), which is responsible for the marketing, operation, and implementation of the program. FCSA serves as the master servicer for the program assets and provides periodic reporting to investor associations. At December 31, 2025, the Association’s investment in AgDirect was \$38.2 million, representing a 6.7% ownership in the partnership. Income recorded related to AgDirect was \$4.4 million in 2025, \$4.6 million in 2024, and \$3.6 million in 2023.

PW PropCo Holdings, LLC: As of December 31, 2025, the Association held a minority non-controlling interest in PW PropCo Holdings, LLC, a limited liability company formed by another System association and established for the purpose of acquiring and selling collateral acquired through the loan collection process, primarily for legal liability purposes. At December 31, 2025, the Association’s investment in PW PropCo Holdings, LLC was \$0.9 million, representing 6.76% ownership.

Patronage income recognized from Farm Credit institutions to the Association is presented in the following table:

	2025	2024	2023
CoBank	\$107,338	\$108,523	\$90,009
AgDirect, LLP	4,416	4,643	3,111
Other Farm Credit institutions	55,996	49,624	33,806
FCS Insurance Exchange	417	195	511
Agri-Access®	816	472	–
Total	\$168,983	\$163,457	\$127,437

Patronage distributed from CoBank is received in cash and stock. All other patronage is received in cash.

NOTE 14 – REGULATORY ENFORCEMENT MATTERS

There are no regulatory enforcement actions in effect for the Association.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Association has various commitments outstanding and contingent liabilities. Regarding contingent liabilities, there are no actions pending against the Association in which claims for monetary damages are asserted.

The Association may participate in financial instruments with off-balance sheet risk to satisfy the financing needs of its borrowers and to manage their exposure to interest rate risk. These financial instruments include commitments to extend credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. At December 31, 2025, \$7.1 billion commitments to extend credit were outstanding.

Since many of these commitments and letters of credit are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. However, these credit-related financial instruments have off-balance sheet credit risk because their amounts are not reflected on the Consolidated Statements of Condition until funded or drawn upon. The credit risk associated with issuing commitments is substantially the same as that involved in extending loans to borrowers, and management applies the same credit policies to these commitments. Upon fully funding a commitment, the credit risk amounts are equal to the contract amounts, assuming that borrowers fail completely to meet their obligations and the collateral or other security is of no value. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management’s credit evaluation of the borrower.

The Association also participates in standby letters of credit to satisfy the financing needs of its borrowers. These letters of credit are irrevocable agreements to guarantee payments of specified financial obligations. At December 31, 2025, \$125.0 million of standby letters of credit were outstanding with a nominal fair value. Outstanding standby letters of credit have expiration dates ranging from 2025 to 2044. The maximum potential amount of future payments the Association is required to make under the guarantees is \$125.0 million.

The Association maintains a reserve for unfunded commitments, which reflects management’s best estimate of losses inherent in lending commitments made to customers but not yet disbursed on. The reserve totaled \$4.4 million, \$1.2 million, and \$1.0 million at December 31, 2025, 2024, and 2023, respectively.

NOTE 16 – FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value measurement is not an indication of liquidity. See Note 2 for additional information.

Quoted market prices are generally not available for certain financial instruments, as described in the following. Accordingly, fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates involve uncertainties and matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Assets measured at fair value on a non-recurring basis at December 31 for each of the fair value hierarchy values are summarized in the following table. During the years presented, there were no assets measured at fair value on a non-recurring basis categorized as Level 1 or Level 2.

December 31	Hierarchy Level 3	Total Fair Value
2025:		
Loans	\$67,003	\$67,003
Other property owned	\$5,081	\$5,405
Assets held for sale	\$55,284	\$57,185
2024:		
Loans	\$32,176	\$32,176
Other property owned	\$14,503	\$15,429
Assets held for sale	\$54,418	\$56,100
2023:		
Loans	\$43,799	\$43,799

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals to value these loans and other property owned and takes into account unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

Assets measured at fair value on a recurring basis at December 31 for each of the fair value hierarchy values are summarized in the following table. During the years presented, there were no assets measured at fair value on a recurring basis categorized as Level 2 or Level 3.

December 31	Hierarchy Level 1	Total Fair Value
Assets held in nonqualified benefits trusts:		
2025	\$42,687	\$42,687
2024	\$43,307	\$43,307
2023	\$34,795	\$34,795

During the three years presented, the Association recorded no transfers in or out of Levels 1, 2, or 3. The Association has 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, net of allowance. 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 December 31, 2025.

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

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

December 31, 2023	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	\$20,478,189	\$19,913,870	Level 3
Cash	\$106,756	\$106,756	Level 1
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	\$17,436,357	\$17,083,175	Level 3
Subordinated debt	\$197,923	\$166,730	Level 3

VALUATION TECHNIQUES

As more fully discussed in Note 2, 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. Fair values of financial instruments represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability in active markets among willing participants at the reporting date. Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain of the estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities subject to fair value measurement:

A. 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 on the underlying real estate collateral as the loans are collateral dependent. The fair value measurement process uses 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, these fair value measurements fall within Level 3 of the 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.

B. Assets Held in Nonqualified Benefits Trusts: Assets held in trust funds related to deferred compensation 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. Assets held in nonqualified benefits trusts are included in other assets in the Consolidated Statements of Condition.

C. 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 appraisals or other market-based information. As a result, these fair value measurements fall within Level 3 of the hierarchy. Costs to sell represent transaction costs and are not included as a component of the asset’s fair value.

D. 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 asset’s fair value.

E. Cash: Fair value of cash approximates carrying value.

F. 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.

G. 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.

H. 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 17 – 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 Note 2 – Summary of Significant Accounting Policies. The measure of segment assets is reported on the Statements of Condition as Total Assets. There is no separate segment financial information as the entity has only one segment.

NOTE 18 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 3, 2026, which is the date the financial statements were available to be issued and has determined there were no other events requiring disclosure.

OTHER REGULATORY DISCLOSURE INFORMATION

(UNAUDITED)



FINANCIAL STATEMENTS

The Association will post the annual report and quarterly reports to shareholders on the Association’s website, www.AgLoan.com, approximately 40 days after the end of each calendar quarter for the quarterly reports and 75 days after year-end for the annual report. Copies of these reports may be obtained free of charge by contacting American AgCredit at P.O. Box 1120, Santa Rosa, CA 95402, or by calling (800) 800-4865.

DESCRIPTION OF PROPERTY

American AgCredit is headquartered in Santa Rosa, California. The Association owns and leases various facilities throughout the territory, which are described in this annual report.

LEGAL PROCEEDINGS AND ENFORCEMENT ACTIONS

Other than ordinary routine litigation incidental to the business, there are no material legal proceedings pending to which the Association is a party, of which any of its property is the subject, or that involve claims that the Association may be required to satisfy. There are no enforcement actions in effect against the Association.

RELATIONSHIP WITH INDEPENDENT EXTERNAL AUDITORS

There has been no change in independent external auditors and no material disagreements on any matters of accounting principles or financial statement disclosures during the period.

BORROWER PRIVACY

As a customer-owner of this institution, your privacy and the security of your personal information are vital to our continued ability to serve your ongoing credit needs. FCA regulations require that borrower information be held in confidence by Farm Credit institutions, their directors, officers, and employees. FCA regulations specifically restrict Farm Credit institution directors and employees from disclosing information not normally contained in published reports or press releases about the institution or its borrowers or members. These regulations also provide Farm Credit institutions clear guidelines for protecting their borrowers’ nonpublic information.

BOARD OVERSIGHT

The Board of Directors (“Board”) is comprised of 20 seats, 16 of which are currently filled by stockholder elected directors and four by directors appointed by the elected directors. The Board represents the interests of stockholders and is organized into the following committees to carry out Board responsibilities:

AUDIT COMMITTEE

The Audit Committee assists the Board with fulfilling its fiduciary responsibilities. The Committee monitors the Association’s financial reporting process and systems of internal controls, and the integrity of the Association’s financial statements. The Audit Committee oversees the adequacy of the Association’s internal control systems, the scope of the internal audit program, the independence of external auditors, and the process for monitoring compliance with Standards of Conduct.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee assists the Board with fulfilling its role to oversee compensation programs and provide comprehensive review and disclosures for those programs. The Committee oversees compensation practices to ensure alignment with long-term performance and provides direction and recommendations for compensation, benefits, and human resource performance management programs.

GOVERNANCE COMMITTEE

The Governance Committee assists the Board with its oversight and evaluation of matters of corporate governance and structure, including the director nomination and election process, Board composition and qualifications, skills and other expertise desired for directors, as well as the evaluation and development of Board performance and processes, director orientation and continuing education, and the independence of directors.

STRATEGY AND RISK COMMITTEE

The Strategy and Risk Committee assists the Board with fulfilling its oversight responsibilities for strategic planning and the enterprise-wide risk management framework of the Association. The Committee collaborates with management on the Association’s overall strategy, business objectives, and strategic initiatives and makes recommendations to the Board related to the Association’s mission, vision, and risk appetite, reviews ongoing risk assessments of current and emerging risks, and monitors the risk oversight activities of the chartered Board committees.

DIRECTOR INDEPENDENCE

All directors must exercise sound judgment in deciding matters in the Association’s interest. All directors are independent from the perspective that no management or staff serves as a Board member. However, as a financial services cooperative, the Association is required by the Farm Credit Act and FCA regulations to have elected directors that have a loan relationship with the Association.

The elected directors, as borrowers, have a vested interest in ensuring the Association remains strong and successful. However, the borrowing relationship could be viewed as having the potential to compromise the independence of an elected director. For this reason, the Board has established independence criteria to ensure that a loan relationship does not compromise the independence of the Board. Annually, in conjunction with the independence analysis and reporting on loans to directors, each director provides financial information and any other documentation and/or assertions needed for the Board to determine the independence of each Board member.



ASSOCIATION DIRECTORS

The following lists the Board of Directors, including each director’s business experience during the last five years, as well as current committee assignments.

Danita Agar, Director

Term Expires: 2026
Committee(s): Governance

Ms. Agar joined the American AgCredit Board as a result of the merger with Farm Credit of New Mexico, ACA, where she served since 2017. Ms. Agar and her husband operate a commercial cow/calf operation in Santa Rosa, New Mexico. She also owns and operates Agar Insurance Agency and is an officer for KDGS Family LLC, a beef cattle operation. Ms. Agar is actively involved in local and state fairs and serves on several community boards including the Guadalupe County Tax Protest Board and the City of Santa Rosa Lodgers Tax Board, and she is a member of the New Mexico Cattle Growers Association.

Joe Alamo, Chair

Term Expires: 2026
Committee(s): Executive, Strategy and Risk

Mr. Alamo has been a partner in Alamo Dairy and Alamo Farms since 1997. He currently operates a dairy and farming operation, growing corn, winter forage, alfalfa, sudan, and almonds. He is a board member for the Turlock Irrigation District and the California Farm Water Coalition. Other involvements in the past five years include the Central Valley Energy Authority, Walnut Energy JPA, and Tuolomne Wind Power JPA.

Joe Bernal, Director

Term Expires: 2030
Committee(s): Governance

Mr. Bernal has been a lifelong farmer in Western Colorado, operating a fifth-generation family farm alongside his son. Bernal Farms LLC raises primarily corn, wheat, and alfalfa on over 1,600 acres of irrigated ground. Together with his son and nephew, he also operates a cow-calf operation. Mr. Bernal is active in local water associations and has been a member of multiple workgroup committees regarding irrigation water rights, anti-speculation regulations, and other ag-related legislative efforts.

Berry Bortz, Director

Term Expires: 2027
Committee(s): Audit

Mr. Bortz farms in partnership with his family in eastern Pratt, southwest Reno, and southern Wichita counties in Kansas, producing corn, wheat, soybeans, milo, alfalfa, cotton, cattle feed, and cattle. The family has a commercial and registered cow herd and feedlot. He is a partner in CB Farms Family Partnership and BAD Lands, LLC. He is also a partner in Next Gineration, Inc., and Central Kansas Cotton Producers, and Vice Chair of Next Gineration, Inc., which gins cotton for producers in south central Kansas.

Tom Bryan, Outside Appointed Director

Term Expires: 2029
Committee(s): Human Resources and Compensation

Mr. Bryan resides in Carmel, California. He is a retired CFO from Taylor Fresh Foods, a leading \$6 billion fresh produce processing business. With over 25 years of experience in treasury, financial management, and administration, Mr. Bryan has played a pivotal role in planning and executing capital strategies for high-growth, value-added vegetable companies. He has broad experience serving on both for-profit and nonprofit boards for over 25 years, four of which were within the past five years.

Cyril Chappellet, Director

Term Expires: 2030
Committee(s): Governance

Mr. Chappellet is the President, CEO and Chair of Chappellet Vineyard and Winery, a family-owned and operated winemaking and vineyard operation established in 1967. Mr. Chappellet oversees every aspect of the operation from farming and winemaking to finance, personnel, and sales. He also manages a 2,500-acre ranch adjacent to the vineyard property, which is used as a cattle operation. He currently serves on the Board of the Charlie Russell Riders. Within the past five years, he also served on the Boards of Napa Valley Vintners and Napa Firework Foundation.

Randall Doll, Director

Term Expires: 2029
Committee(s): Audit

Mr. Doll is a lifelong resident of Kansas, and owns Walnut River Ranch, located in the Flint Hills tallgrass prairie region, which contracts row crop, cattle, and native bluestem hay production. He has extended family ranch and farming operations located in Barton, Finney, and Gray counties in Kansas. He is the President and CEO of Capital Partners Group LLC, a training and development firm. He is also President of Doll Real Estate Services LLC, a land development and management firm. Mr. Doll also serves on the board of Farm Credit Council Services.

Tom Drake, Outside Appointed Director

Term Expires: 2028
Committee(s): Audit

Mr. Drake joined the American AgCredit Board as a result of the merger with Farm Credit of New Mexico, ACA, where he served as an appointed director since 2002. Mr. Drake is the owner of Tom Drake and Associates, a real estate appraisal company. He served as the Director of Operations for Glenco, a steel fabrication business, for three years. Mr. Drake served as the Vice President for Administration and Government Relations for Clovis Community College for 21 years. He has commercial banking experience and was a certified real estate appraiser for 36 years. Mr. Drake resides in Clovis, New Mexico.

James Duffey, Director

Term Expired: 2025
Committee(s): Governance

Mr. Duffey joined the American AgCredit Board resulting from the merger with Farm Credit of New Mexico, ACA, where he served since 2015. Mr. Duffey and his family reside in Roswell, New Mexico, where they produce alfalfa, cotton, pecans, and small grains. They also have a custom farming and chemical sales business, and have a cattle and sheep production operation. Mr. Duffey serves on several community boards, including the Eastern New Mexico State Fair Board, the New Mexico Wool Growers Association, and the New Mexico Sheep and Goat Council. His term concluded in 2025.

Carolyn Dunn, Director

Term Expires: 2026
Committee(s): Governance

Ms. Dunn partners with her husband in their farming operation in St. John, Kansas, consisting of wheat, corn, alfalfa hay, milo, and cattle ranching. She is the President of the Port Authority of Stafford County and Strategic Projects Director for Stafford County Economic Development. Both organizations promote economic and agricultural opportunity as well as population growth throughout Stafford County in Kansas.

Marshall Ernst, Director

Term Expires: 2029
Committee(s): Executive, Human Resources and Compensation

Mr. Ernst and his spouse own and operate a cattle and hay farming operation in Weld County Colorado. Prior to that, Mr. Ernst spent 30 years in executive positions in the food industry for several nationally branded food companies. He also served as Senior Director of Livestock Operations for the National Western Stock show in Denver after retirement from the food industry.

Kimberly Clauss Jorritsma, Director

Term Expired: 2025
Committee(s): Executive, Governance

Ms. Jorritsma is a third-generation dairy farmer and key member of Clauss Dairy Farms and Sunwest Jersey Dairy management teams in Hilmar, California. Clauss and Sunwest Jersey Dairy Farms are registered Jersey dairies and farming operations of row crops and almond trees. She serves on the board of Hilmar Cheese Company, Inc., a processor and marketer of cheese, whey proteins, and lactose. Ms. Jorritsma was the first female chairperson of the National Dairy Board. Her term concluded in 2025.

Marc Kermisch, Outside Appointed Director

Term Expires: 2029
Committee(s): Audit

Mr. Kermisch is a seasoned executive with over 25 years of experience leading technology and product organizations with deep experience in bringing new products to market, leading digital transformations, delivering customer-centric results, and driving profitable sales. Mr. Kermisch has worked across a variety of industries, including retail, manufacturing, financial services, software, health care, and professional services. In the last 10 years, he has served in C-level roles at CNH, United Health Care, Red Wing Shoes, and Blue Stem Brands. Mr. Kermisch resides in Minnetonka, Minnesota.

Janet Konkel, Director

Term Expired: 2025
Committee(s): Human Resources and Compensation

Ms. Konkel and her husband have owned a commercial cattle breeding operation since 2022. From 2019 to 2021, they grew alfalfa hay and small grains. She served for eight years as the Weld County Fair Coordinator in Greeley, Colorado, retiring from that position in 2019. Her term concluded in 2025.

Paul McCaffrey, Outside Appointed Director

Term Expires: 2028
Committee(s): Audit

Mr. McCaffrey serves as the Board’s designated financial expert. He is a Certified Public Accountant, Certified Internal Auditor, Associate in Risk Management, Associate in Reinsurance, and a Chartered Property Casualty Underwriter. Mr. McCaffrey currently serves as the Chief Financial Officer of Tricor Automotive Group. He has previously served as the CFO of High Definition Vehicle Insurance. Prior to that, he was CFO of American Share Insurance, and CFO of Nationwide Commercial Lines. Mr. McCaffrey owns Canyon Trail LLC, which provides management consulting and advisory services.

Kristin McMenomey, Director

Term Expires: 2027
Committee(s): Human Resources and Compensation, Strategy and Risk

Ms. McMenomey resides in Potter Valley, California. She and her husband farm 200 acres of vineyard property in Potter Valley consisting of chardonnay, sauvignon blanc, merlot, pinot noir, and pinot gris. She is the Residency Administrator at Adventist Health Ukiah Valley and has over two decades of government experience in purchasing, information technology, and risk management. Ms. McMenomey serves as a Director and Plan Sponsor Committee member for the Farm Credit Foundations Board and serves on the Nominating Committee for CoBank.

Jason Ochs, Vice Chair

Term Expires: 2027
Committee(s): Governance

Mr. Ochs is a member of Plum Creek Farms GP and LLC in Syracuse, Kansas, agricultural entities that produce dryland grain and corn, and provide custom farming, including harvesting, tillage, planting, spraying and conservation reserve program (CRP) management. Mr. Ochs is the Chair of the Kansas Wheat Commission, and a member of the Hamilton County Historical Society.

Teresa Reimer, Director

Term Expires: 2029
Committee(s): Human Resources and Compensation

Ms. Reimer resides on a ranch near Paradise, Kansas, and is a fifth-generation farmer and rancher. Her cattle operation consists of cow-calf, backgrounding, and finishing, complemented by a dryland farm producing wheat, sorghum, and forages.

Michael Stonebarger, Director

Term Expires: 2027
Committee(s): Governance

Mr. Stonebarger serves as an executive manager for Ghiggeri and Stonebarger Farms, LLC, directing the production and sale of sweet corn, tomato, and cherry operations. He also manages an arm of his family’s business G&J Marketing, a sales firm that has fostered close relationships with large grocery distribution partners and represents sales for fresh market sweet corn throughout the West Coast annually.

Charles Talbott, Director

Term Expires: 2026
Committee(s): Governance, Strategy and Risk

Mr. Talbott resides in Palisade, Colorado. He is President and CEO of Talbott Farms, Inc., which grows, packs, processes, markets, and ships tree fruits, wine grapes, fresh and hard apple ciders, and wines. He is a limited partner in both Talbott Land & Property LLLP and Talbott’s Mountain Gold LLLP, a grower, packer, processor, and marketer of tree fruits, wine grapes, and fresh ciders.

Thomas Teixeira, Director

Term Expires: 2028
Committee(s): Audit, Strategy and Risk

Mr. Teixeira is partner-owner of Teixeira and Sons, LLC, producing alfalfa, almonds, cantaloupes, honeydew melons, corn, cotton, fresh-market tomatoes, processing tomatoes, parsley, garlic, onions, and wheat. The company operates a tomato transplant greenhouse facility and is part owner in Thornton Almonds LLC, Pacific Ginning LLC, Eagle Valley Ginning LLC, Agritree LLC, and 360 Agri LLC. Pacific Ginning and Valley Ginning are cotton ginning operations and 360 is a custom cotton harvesting company.

Jonathan Vander Dussen, Director

Term Expires: 2030
Committee(s): Audit

Mr. Vander Dussen joined the American AgCredit Board following the merger with Farm Credit of New Mexico, ACA, where he served since 2017. Mr. Vander Dussen and his family own and operate multiple dairies in Clovis, New Mexico. Other business interests of Mr. Vander Dussen include membership in the following LLCs: JJ Housing LLC, single-family rental properties; Pacific Property Investments LLC, multifamily investments; Dussen Investments LLC, real estate investments; Bada Bing LLC, real estate investments; RSJ Equipment LLC. purchased vehicles; and Shally Capital Funds I, III and IV, LLC, real estate investments. He serves as chairman of Premiere Source Cooperative, which collects and markets colostrum. He also serves on the board of Select Milk Producers.

Steven Van Houten, Director

Term Expires: 2029
Committee(s): Audit

Mr. Van Houten was elected to the Board in 2024. He is Chief Executive Officer of the Rancon Group and its Europa Village Winery and Resort in Temecula, California, which includes vineyards, wine production, tasting rooms, restaurants, hotels, and event facilities. Mr. Van Houten serves on the board and leads the finance committee of First Tee, a charitable organization for disadvantaged youth.

COMPENSATION OF DIRECTORS

(UNAUDITED)

It is the Association’s policy to reimburse directors for mileage as well as documented business expenses while serving in an official capacity. A copy of the Association’s reimbursement policies is available to shareholders upon request.

For 2025, directors were compensated for their services based on annual retainers as follows:

Chair	\$105,250
Vice Chair	\$99,700
Audit Committee Chair	\$94,150
Human Resources and Compensation Committee Chair	\$91,400
Governance Committee Chair	\$91,400
Committee Vice Chair	\$85,850
Director	\$83,100

Retainer amounts are adjusted for meeting absences or attendance at meetings in excess of scheduled Board meetings. Directors are also reimbursed for reasonable expenses incurred while serving in an official capacity and are paid a per diem of \$500 per calculated travel day. The aggregate amount of compensation and reimbursements for travel, subsistence, and other related expenses for all directors was \$3.3 million for 2025, \$3.5 million for 2024, and \$2.8 million for 2023.



Compensation information for each director who served in 2025 is shown in the following table:

Director	Number of Days Served		Additional Compensation Paid for Service on a Second Board Committee ¹	Name of Second Committee	Total Compensation Paid in 2025 ²
	Board Meeting Days	Other Official Activity Days			
Danita Agar	8.5	3			\$87,213
Joe Alamo, Chair	8.5	15.5			\$112,250
Joe Bernal ³	4	2.5			\$36,646
Berry Bortz	8.5	10			\$86,600
Tom Bryan	6.5	6			\$85,100
Cyril Chappellet	6.5	4.5			\$87,100
Randall Doll	7	8.5			\$86,600
Tom Drake	8	9.5			\$99,150
James Duffey ⁴	4.5	1.5			\$49,954
Carolyn Dunn	6.5	3			\$87,940
Marshall Ernst	8.5	4			\$94,900
Kimberly Clauss Jorritsma ⁴	4	1.5			\$55,393
Marc Kermisch	8.5	8.5			\$86,100
Janet Konkelt ⁴	4.5	3			\$49,954
Paul McCaffrey	8	9			\$92,850
Kristin McMenomey	8.5	4.5			\$88,850
Jason Ochs, Vice Chair	8.5	15.5			\$104,700
Teresa Reimer ¹	8.5	7	\$10,144	Strategy and Risk Committee	\$96,244
Michael Stonebarger	8.5	3			\$93,597
Charles Talbott ¹	7	6.5	\$11,100	Strategy and Risk Committee	\$99,200
Thomas Teixeira ¹	8	11	\$11,100	Strategy and Risk Committee	\$99,200
Jonathan Vander Dussen	8	4			\$87,600
Steven Van Houten	8.5	8.5			\$86,600
Total					\$1,953,741

¹Service on one Board Committee is included in annual honorarium. Additional compensation is paid for service on a second chartered committee.

²Total compensation includes honorarium and all per diems paid in 2025.

³Term began August 4, 2025.

⁴Term concluded August 4, 2025.

SENIOR OFFICERS

The following lists the Senior Officers, including each officer’s business experience during the last five years.

Curt Hudnutt, Chief Executive Officer

Mr. Hudnutt was hired as Chief Executive Officer on October 19, 2020. He was previously Executive Vice President – Head of Rural Banking for Rabobank, North America. Mr. Hudnutt has over 20 years of agricultural banking experience and has served in a variety of leadership roles, including operations, business development, underwriting, and risk management.

Rachel Angress, Chief Legal & Risk Officer

Ms. Angress was promoted to General Counsel in September 2013 after serving as Deputy General Counsel since 2012. She was promoted to Chief Legal and Risk Officer in October 2025. She has over 30 years of legal experience, including years of civil and bankruptcy litigation and general legal representation for many Bay Area financial institutions.

Mike Banks, Chief Credit Officer

Mr. Banks has served American AgCredit as Chief Credit Officer since January 1, 2017, and was Chief Credit & Risk Officer from January 1, 2024 to August 1, 2025. He previously served as Chief Credit Officer, and Senior Vice President for American AgCredit, leading the Association’s Credit Management Department. He has over 30 years of service with the Farm Credit System, primarily focused in various lending and credit functions. Mr. Banks is a senior officer of Banks Customer Detailing, LLC, a family-held entity that is engaged in the detailing of vehicles and large equipment.

Maryam Ghazi, Chief Financial Officer

Ms. Ghazi assumed the role of Chief Financial Officer on May 1, 2024, after the retirement of Jerry Rose, Chief Strategy and Financial Officer. She previously served as Deputy CFO, Chief Innovation Officer, and Executive Head of Credit Resolution and Evaluation Services. She has more than 30 years of banking and financial consulting experience, with more than 10 years with PricewaterhouseCoopers and FTI Consulting. She has held interim CFO and leadership roles supporting companies in transition and served as a financial advisor and expert to both distressed companies and private equity firms.

Rich Hollis, Chief People Experience Officer

Mr. Hollis joined American AgCredit as Chief People Experience Officer on March 1, 2021. He has brought in over 25 years of executive leadership in the agricultural industry. Most recently, Mr. Hollis served as a member of the executive team for The Maschhoffs, the fifth largest pork production company in the U.S., leading the people strategies, environmental and sustainability initiatives, and generational transfer programs. Prior to that, Mr. Hollis led Rabobank’s people strategies. Mr. Hollis serves on the boards of Monroe County Electric Coop and Columbia Fire District.

Dave Hoyt, Chief Transformation Officer

Mr. Hoyt joined American AgCredit as Chief Transformation Officer on September 30, 2024. He has more than 30 years of experience as a strategic advisor and consultant to leaders across multiple industries and most recently served as Chief Strategy Officer and Corporate Vice President for solution delivery at Daugherty Business Solutions, focused on driving transformation in innovation and technology.

Avery Hudson, Chief Audit Executive

Ms. Hudson joined American AgCredit as the Chief Audit Executive on July 12, 2021. She has worked in accounting, internal and external audit, and risk roles for more than 30 years. Most recently, Ms. Hudson was the North America Head of Audit with Rabobank, and before that, Senior Vice President, Head of Audit and Credit Review, also at Rabobank.

Matt Jacobs, Chief Delivery Officer

Mr. Jacobs joined the executive team as Chief Delivery Officer on October 16, 2024. He joined American AgCredit in 2021 and has led multiple centralized functional teams to support effective delivery of organizational initiatives as Executive Head of Business Operations, including enterprise technology; business architecture; data management; and program, change, and business process management. Prior to joining American AgCredit, Mr. Jacobs was EVP Rural Strategy & Change at Rabo AgriFinance.

Sarah Kolell, Chief Brand Officer

Ms. Kolell joined American AgCredit on March 22, 2021, as Chief Brand Officer, leading the communications, legislative affairs, marketing, and storytelling functions that connect American AgCredit and our employees with our customers and communities. Prior to joining American AgCredit, she led marketing, communications, and sustainability in senior vice president positions at Rabo AgriFinance.

Mike Lancaster, Chief Customer Value Officer

Mr. Lancaster joined the executive team as Chief Customer Value Officer on September 1, 2024. He focuses on continuing to center American AgCredit’s business on its customers, fulfilling their mission by delivering value beyond basic funding, such as via solutions, expertise, and partnerships. Mr. Lancaster’s career in Farm Credit has spanned managing regional banking teams and relationships, business transformation, and, most recently, serving as Chief of Staff.

Luke Massey, Chief Business Technology Officer

Mr. Massey joined the executive team as Chief Business Technology Officer effective October 16, 2024. Mr. Massey has served as American AgCredit’s Executive Head of Business Technology since 2021 and has a strong track record in guiding teams to develop complex technology solutions, integrating technology and process through partnership and collaboration with business leaders to deliver excellent results. He not only understands our business inside and out, but he also has a career’s worth of Farm Credit System experience.

Paula Olufs, Chief Customer Officer

Ms. Olufs served as the Chief Customer Officer since February 2020. She led the centers of excellence for customer experience, business transformation, and product development, uniting the Association around a common vision and strategy for customer experience from the customer’s perspective. Previously, she served as Chief Innovation Officer. Ms. Olufs has nearly 40 years of Farm Credit experience. She retired from American AgCredit in January 2025.

Lynn Scherler, Chief Banking Officer

Mr. Scherler assumed the role of Chief Banking Officer Elect on October 1, 2024, and Chief Banking Officer on January 1, 2025. He previously served as the Association’s Chief Alliance Officer and as Chief Lending Officer. Prior to joining American AgCredit, he served as President – Strategic Relationship Division for CoBank; as Interim President and CEO of Farm Credit of Southwest Kansas; and held a number of other relationship and leadership roles at CoBank. Mr. Scherler has over 25 years of banking and Farm Credit System experience. Mr. Scherler is a board member of Sand Creek, Inc., a family-owned grain company.

Gary Van Schuyver, Chief Banking Officer

Mr. Van Schuyver was named Chief Banking Officer on September 1, 2021. He previously served as Senior Vice President – Corporate Banking. He has over 40 years of service with the Farm Credit System, primarily focused on corporate finance, loan syndications, and agribusiness lending. Mr. Van Schuyver retired from American AgCredit in January 2025.



SENIOR OFFICERS' COMPENSATION

(UNAUDITED)

The Human Resources and Compensation Committee of the Board of Directors (HR & Compensation Committee) follows a comprehensive compensation philosophy where the objectives of the Compensation Plans (Plans) are to:

- Provide market-based compensation through base salary and annual and long-term incentive components that will allow the Association to attract, motivate, and retain superior executive talent
- Place a portion of total compensation for the executives at risk and contingent upon the Association remaining financially sound and meeting established performance goals
- Ensure that long-term financial stability of the Association is emphasized over short-term results and decisions

The Plans are designed to:

- Reward successful business year results through annual Incentive Compensation Plans (ICP)
- Foster long-term financial stability through the Executive Long-Term Incentive Plan (ELTIP)
- Significantly contribute to the retention of the President & Chief Executive Officer (CEO) and other Senior Officers

The Association maintains the ICP for Senior Officers that rewards performance based on objective criteria. The HR & Compensation Committee annually reviews market information related to the level and mix of salaries, benefits, and incentive plans for the CEO and other senior officers. Certain Senior Officers participated in the ICP and ELTIP. Due to the cooperative business structure of the Association, the Plans do not contain stock-based compensation components. The ICP is administered by the CEO, except that the HR & Compensation Committee shall be the Plan Administrator as to administration of the CEO’s participation in this program.

SUMMARY COMPENSATION
Compensation earned by the CEO and aggregate compensation of other Senior Officers for the years ended December 31, 2025, 2024, and 2023 is disclosed in the following table. Our current Board policy regarding reimbursements for travel, subsistence, and other related expenses states that all employees, including Senior Officers, shall be reimbursed for actual reasonable travel and related expenses that are necessary and that support our business interests. A copy of our travel policy is available to shareholders upon request.



SUMMARY COMPENSATION TABLE¹ (in thousands)

Name of Individual or Number in Group²	Year	Salary	Annual Incentive Compensation³	Executive Long-Term Incentive Compensation³	Change in Pension Value	Deferred/ Perquisites⁴	Other⁵	Total
President and CEO:								
Curt Hudnutt	2025	\$767	\$1,024	\$747	N/A	\$217	\$0	\$2,755
	2024	\$714	\$804	\$493	N/A	\$282	\$412	\$2,705
	2023	\$656	\$985	\$881	N/A	\$166	\$650	\$3,338
Aggregate number of Senior Officers and (excluding CEO):								
13⁶	2025	\$4,467	\$3,764	\$2,600	\$13,698	\$1,065	\$105	\$25,699
15	2024	\$5,165	\$6,330	\$1,631	\$5,981	\$1,499	\$2,573	\$23,179
12	2023	\$4,233	\$6,781	\$2,555	\$6,157	\$2,645	\$2,995	\$25,366

¹ Disclosure of the total compensation paid to any designated Senior Officer is available to shareholders upon request. Compensation amounts do not include earnings on nonqualified deferred compensation, as such earnings are not considered above-market or preferential.

² The senior officers included in the table are those officers defined by FCA regulations Section 619.9310 and Section 620.6.

³ Annual incentive compensation represents amounts earned in the reported fiscal year, which are paid in February of the subsequent year. The annual incentive compensation amounts are calculated based on relevant performance factors for the reported fiscal year. The ELTIP amounts are estimated based on the relevant performance factors included in this plan for the current fiscal year. For 2025, the amounts reflect estimated earned ELTIP as part of the 2023 Plan Term (third year), the 2024 Plan Term (second year) and the 2025 Plan Term (first year) to be finalized and paid out following the end of each Plan Term. The 2023 Plan Term has been paid out as of February 2026. Each Plan Term consists of three full years. One retired senior officer is continuing to vest in the 2023 and 2024 plan terms and is included in the table above.

⁴ Represents company contributions to a 401(k) retirement savings plan and nonqualified deferred compensation plan, as well as payment for certain other expenses, such as relocation, certain travel-related costs, wellness benefits, and life insurance benefits.

⁵ Represents amounts paid pursuant to plans in connection with retirement, severance payments, retirement gratuity, sign on, retention, or discretionary cash bonus payments.

⁶ Two Senior Officers retired in January 2025 and are included in the 2025 numbers.

The Salary, Annual Incentive Compensation, and Executive Long-Term Incentive Compensation columns of the Summary Compensation Table include all amounts earned during 2025, 2024, and 2023 regardless of whether a portion of such compensation has been deferred by the CEO or other Senior Officers’ elections pursuant to the Farm Credit Foundations Defined Contribution/401(k) Plan (Defined Contribution Plan) and/or the Farm Credit Foundations Nonqualified Deferred Compensation Plan (NQDC Plan). Individual compensation for any senior officer included here in the aggregate is available to shareholders upon written request.

In addition to base salary, substantially all eligible employees and executives could earn additional compensation under the annual incentive plans, which are plans tied to the overall business performance and to the employee’s performance. The annual incentive plans were based on the fiscal year and were designed to motivate employees and executives to exceed annual performance targets established by the Board of Directors. In 2025, executive metrics included: return on common equity, accrual loan growth, net income, cost to income, strategic enablement, and regulatory agenda.

The Executive Long-Term Incentive Plan provides targeted long-term awards for senior officers if the long-term performance objectives of the Association are met. For each senior officer, a long-term incentive award percentage was established and communicated at the beginning of the plan term. The payout of the ELTIP award is three years after the plan commences and is conditioned upon satisfactory performance of the senior officer and the Association exceeding certain minimum thresholds related to the CIPA score and income as determined in the plan.

The Deferred/Perquisites Compensation column of the Summary Compensation Table is primarily comprised of company contributions to benefit plans, taxable group term life insurance premiums, and long-term disability premiums. In 2025, the Association’s employer matching contribution to Curt Hudnutt’s account in the Defined Contribution Plan was \$23,500 and its contribution to Curt Hudnutt’s account in the NQDC Plan to restore the employer match that was limited due to restrictions in the Internal Revenue Code and compensation deferred was \$179,249. For 2025, the Association’s employer matching and non-elective contributions for the other senior officers’ accounts in the Defined Contribution Plan were \$316,103 and contributions to their accounts in the NQDC Plan were equal to \$477,158.

PENSION BENEFITS

The following table shows certain pension benefit information by plan for the CEO and the Senior Officer group, as of December 31, 2025. Curt Hudnutt, CEO, is not eligible to participate in the Pension Plans.

Retirement Plan Table (dollars in thousands)				
Name of Individual or Number in Group ¹	Plan Name	Number of Years of Credited Service ²	Actuarial Present Value of Accumulated Benefits	Payments During Last Fiscal Year ³
Aggregate number of Senior Officers ⁴ (excluding the CEO):				
Two	Ninth Farm Credit District Pension Plan or Eleventh Farm Credit District Employees' Retirement Plan	40	\$7,972	\$–
Two	Former Ninth and Eleventh District Employers Restoration Plan	40	\$26,747	\$–
Total			\$34,719	\$–

¹ The Senior Officers included in the pension benefits disclosure are those defined by FCA regulations Section 619.9310 and Section 620.6.

² For the Pension Plans and the Restoration Plan, this represents an average for the aggregate Senior Officer group.

³ Represents post-retirement benefit payments made during the last fiscal year.

⁴ Two of the 13 Senior Officers defined by FCA regulations Section 619.9310 and Section 620.6, are participants in the Pension Plans.

RETIREMENT PLAN OVERVIEW: Certain senior officers participate in two defined benefit retirement plans: (1) the Ninth Farm Credit District Pension Plan (Ninth Plan) or the Eleventh Farm Credit District Employees' Retirement Plan (Eleventh Plan), which are qualified defined benefit plans (Pension Plans); and (2) the Former Ninth and Eleventh District Employers Restoration Plan (Restoration Plan), which is a nonqualified retirement plan. Additionally, substantially all employees are eligible to participate in the Farm Credit Foundations Defined Contribution/401(k) Plan (Defined Contribution Plan), which has an employer matching contribution. Certain eligible employees participate in the Farm Credit Foundations Nonqualified Deferred Compensation Plan (NQDC Plan), which allows individuals to defer compensation, and which restores the benefits limited in the Defined Contribution Plan by restrictions in the Internal Revenue Code.

QUALIFIED PENSION PLANS: In general, the Ninth Plan provides participants with a 50% joint-and-survivor annuity benefit at normal retirement that is equal to 1.50% of average monthly compensation during the 60 consecutive months in which an individual receives their highest compensation (High 60) multiplied by their years of benefit service, plus 0.25% of the amount by which the High 60 exceeds covered compensation multiplied by years of benefit service. The benefit is actuarially adjusted if the individual chooses a different form of distribution than a 50% joint-and-survivor annuity, such as a lump sum distribution. The pension valuation was determined using a blended approach assuming half of the benefits would be paid as a lump sum and half as an annuity at the participants earliest unreduced retirement age.

In general, the Eleventh Plan provides participants with a single life annuity benefit at normal retirement that is equal to 1.95% of average monthly compensation during the 60 consecutive months in which an individual receives their highest compensation (High 60) multiplied by years of benefit service. The benefit is actuarially adjusted if the individual chooses a different form of distribution than a single life annuity. The pension valuation was determined using a blended approach assuming 30% of the benefits would be paid as a lump sum and 70% as an annuity at the participants earliest unreduced retirement age.

The Pension Plans pay benefits up to the applicable limits under the Internal Revenue Code.

NONQUALIFIED PENSION RESTORATION PLAN: The Restoration Plan is unfunded and not qualified for tax purposes. Benefits payable under this plan are equal to the excess of the amount that would be payable under the terms of the Pension Plans disregarding the limitations imposed under Internal Revenue Code Sections 401(a)(17) and 415, over the pension actually payable under the Pension Plans. The Restoration Plan also restores any benefits attributable to nonqualified deferred compensation excluded from the benefit determined under the Pension Plans. The Restoration Plan valuation was determined using an assumption that benefits would be paid as a lump sum at the participant's earliest unreduced retirement age.

NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN: As of January 1, 2024, the Association implemented a supplemental plan for the CEO and certain senior officers for post-retirement health care costs. The plan is unfunded and not qualified for tax purposes. Participants in good standing receive an accrued benefit for each month of executive-level service from January 1, 2024, up to a maximum of 60 months, which is recorded as a liability in the Consolidated Statements of Condition when service is incurred. The accrued benefit will be paid out upon the one-year anniversary of the retirement date, permanent disability, or death.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

As of December 31, 2025			
Name of Individual	Years of Credited Service	Accrued Liability for SERP Benefits	Payments Made During Reporting Period ¹
CEO	2	\$54	N/A
Senior Officers as a group	2	\$805	N/A

¹ As payments are made one year following the retirement date, \$67,350 was paid to one retired Senior Officer in 2025.



YOUNG, BEGINNING, AND SMALL FARMERS AND RANCHERS PROGRAM (UNAUDITED)

American AgCredit offers Young, Beginning, and Small (YBS) farmers and ranchers opportunities to invest in, build, and support their agribusinesses. Through specific, tailored programs designed to meet the credit and related needs of YBS customers and potential customers in our chartered territory, we provide various layers of support throughout this market.

Per FCA regulations, qualified YBS programs serve farmers and ranchers by one or more of the following categories:

Young: A farmer, rancher, or producer or harvester of aquatic products who is 35 years old or younger as of the date the loan is originally made.

Beginning: A farmer, rancher, or producer or harvester of aquatic products who has 10 years or less of farming, ranching, or aquatic experience as of the date the loan is originally made.

Small: A farmer, rancher, or producer or harvester of aquatic products who normally generates less than \$350,000 in annual gross cash farm income of agricultural or aquatic products.

OUR YBS MISSION
The mission of American AgCredit’s Young, Beginning, Small Farmers, Ranchers, and Harvesters of Aquatic Products program is to make concerted and cooperative efforts to help this essential group of borrowers enter and become successful in the agricultural industry. The program is intended to invest in this special group of producers by offering competitive rates and flexible loan terms, promoting the use of products and services that are beneficial to this group, and encouraging the use of government guarantees.

To fulfill the mission tailored to the specific needs of the YBS market, the program offers the following:

- Support of AgYouth programs: Transforming our interest-free loan program into easily accessible grants for young people to support for 4-H and Future Farmers of America (FFA) livestock projects that will be rolled out in 2026
- Host training focused on legacy and business continuity planning for generations of farmers and ranchers: Training provided free of charge for customers
- Support of youth programs in the community: Outreach and sponsorship of ag-related educational activities, such as ag training, exhibits, and other outreach
- Promote YBS program information, including web pages, brochures, and ad slicks: Awareness of programs to support new businesses and encourage young people to get involved in agriculture
- Provide scholarships to college students interested in working in or studying courses related to agriculture
- Offer paid internships: Professional training and paid work experience provided to young

professionals interested in learning about opportunities in the agricultural industry, including financing, marketing, and communication

- Expand our outreach and offering of readily available resources specifically designed for YBS producers through collaboration with System and non-System entities and organizations

To facilitate credit offerings to this specialized customer base, we support financing programs and use government-guaranteed loan programs. We are actively involved in developing and sponsoring educational opportunities, leadership training, business financial training, and insurance services for YBS farmers and ranchers.

DEMOGRAPHICS
To ensure that these groups are adequately serviced, demographic research known as AgCensus is completed by the U.S. Department of Agriculture every five years, and those demographics are compared to our borrower base. Part of adequately serving these segments is understanding how farming is changing within the Association’s lending territory.

The latest data available is from the 2022 AgCensus (released in October 2025). It shows the number of farms within our chartered territory has continued to decline by more than 7% from 132,822 to 122,541. The number of young farmers, both primary and co-operators, increased from 2017 census data. In our territory, young farmers comprise about 10.7% of total farm operators, which is an increase from 8% from 2017. Beginning farm operators comprise 35.2% of the market in our territory, increasing from 28% from 2017. Small farm operators comprise 82.7% of the farms in the market, which is a slight decline from 85% reported in 2017. A few significant changes over the last five years include the following:

- The number of young farm operators did increase, but at the same time the average operator age increased to 58. As of 2022, farmers older than 65 make up 38% of all U.S. producers while farmers younger than 35 make up only 9%.
- The number of beginning farmers has increased to account for more than 30% of all U.S. producers, but the average age of beginning farmers in 2022 was just over 47.
- The number of small farms decreased from 2017 to 2022 by roughly 8%. According to the recent census, small farms account for 85% of all U.S. farms, only 9% of which were considered young and only 32% of which were considered beginning. Many of the small farms reported being involved in commodities such as fruits, vegetables, grains and oilseeds, and livestock.

EXCEPTION PROGRAM
The Association’s YBS Exception Program is tailored for those individual producers and ag businesses that do not meet all underwriting criteria and exhibit higher-than-normal risk factors. The Exception Program offers unique financing criteria and additional benefits. This includes additional business support, education, training, and other incentives, allowing them to strengthen and prosper and, in the process, to develop avenues for the Association to fulfill its mission and serve all fields and levels of agriculture.

YBS ANNUAL QUANTITATIVE TARGETS
As part of our 2025 Marketing Plan, we projected a conservative goal of increasing our new (or refinanced) loans to YBS farmers and ranchers. We attribute our results to the ongoing national trend of increased age of farmers as well as small farmers moving above the gross annual income definition of \$350,000. Additionally, the overall economic conditions have led to the total number of new loans, not just YBS new loans, being down from the prior year. The Association continues to streamline its new loan origination platform and continued outreach efforts. Current YBS program statistics are provided in the table below to detail the new or refinanced loan number and volume as of December 31, 2025. Due to the recent changes to YBS reporting requirements per FCA regulations, the Association opted to set YBS goals utilizing both the historic and the new reporting methods. At this time, the Association will continue reporting and setting program loan number and volume goals utilizing both the new reporting method as well as the historic method, as indicated in the following table, until further guidance is received.

(Dollars in thousands)	American AgCredit 2025 Goals		American AgCredit 2025 Results	
	New/Refi Loan Number	New/Refi Loan Volume	New/Refi Loan Number	New/Refi Loan Volume
Young*	722	\$304,207	560	\$373,993
Beginning*	1,690	\$1,567,507	1,132	\$819,638
Small*	1,976	\$595,112	1,822	\$445,076
Young**	75	\$70,520	90	\$91,764
Beginning**	473	\$526,271	397	\$433,829
Small**	755	\$171,714	1,177	\$223,617
Young Beginning**	196	\$143,478	165	\$185,410
Young Small**	51	\$16,138	75	\$21,059
Beginning Small**	287	\$146,232	340	\$124,639
Young Beginning Small**	216	\$57,491	230	\$75,761

*Goals were continued using the historical reporting method in 2025.

**Added goals for the new reporting categories in 2025.

The following tables outline the percentage of loans in the loan portfolio (by number) to young, beginning, and small farmers and ranchers as of December 31, 2025, compared to the total number of loans in the portfolio.

Category (dollars in thousands)	Number of Loans	Percent of Total Loans	Volume Outstanding	Percent of Total Volume
Total loans and commitments outstanding at year-end	20,748	100.0%	\$22,326	100.0%
Young farmers and ranchers	2,593	12.5%	\$1,202	5.4%
Beginning farmers and ranchers	6,398	30.8%	\$4,630	20.7%

The following table provides a breakdown of small-farmer and rancher loans by size as of December 31, 2025.

Number/Volume Outstanding (in thousands)	\$0 – \$50.0	\$50.1 – \$100.0	\$100.1 – \$250.0	\$250.1 and Greater
Total number of loans and commitments outstanding at year-end	3,286	2,272	4,394	10,796
Total number of loans to small farmers and ranchers	1,617	1,212	1,879	2,060
Percent of loans to small farmers and ranchers	49.2%	53.3%	42.8%	19.1%
Total loan volume outstanding at year-end	\$74,546	\$173,317	\$753,169	\$28,512,713
Total loan volume to small farmers and ranchers	\$41,110	\$92,482	\$317,100	\$1,880,913
Percent of loan volume to small farmers and ranchers	55.1%	53.4%	42.1%	6.6%

YBS QUALITATIVE GOALS

- Support our customers and other producers through robust mission programs and engagement at the regional and local levels.
- Partner with government agencies, Farm Credit institutions, nonprofits, and private companies that share our mission.
- Showcase the expertise that we have relating to agricultural markets, the broader economy, and specific services available to producers, with the ultimate goal of strengthening their operations.

YBS PROGRAM OUTREACH
We believe that all of agriculture benefits by supporting the full spectrum of agricultural efforts. American AgCredit, on its own and through alliance partnership with other Farm Credit associations, sponsors/co-sponsors many events and activities to promote Farm Credit and the services offered by the System, and to inform and educate young, beginning, and small farmers. American AgCredit’s efforts to provide support to YBS producers are highlighted by, but not limited to, the following:

AgBizInfo: In May 2025, American AgCredit entered into a partnership with AgFirst Farm Credit Bank on an online platform that AgFirst Farm Credit Bank and their district Associations created for the sole purpose of supporting YBS producers called AgBizInfo.com. AgBizInfo is a comprehensive source of education and business resources for YBS producers that is provided at no cost to its users. It provides this targeted demographic of producers with the tools and information they may need to continue the growth and success of their operations. To date, 42 Farm Credit Associations and related affiliates partner on the platform to provide users with these resources from within their own YBS programs.

Grow Your Future Forum: In February 2025, American AgCredit continued to co-sponsor the annual Grow Your Future Forum. This event is a two-day workshop that offers young, beginning, and small (YBS) farmers tools and opportunities for success through financial education and support. The forum included American AgCredit producers from each region of our territory, giving them the opportunity to learn, network, and collaborate with others within the Farm Credit System.

North American Intercollegiate Dairy Challenge: In partnership with CoBank and AgWest, the Association sponsored this organization, which develops tomorrow's dairy leaders and enhances progress of the dairy industry by providing education, communication, and networking among students, producers, and agribusiness and university personnel.

California FFA Foundation: American AgCredit, independently and in partnership with CoBank and other Farm Credit associations within the California Farm Credit Alliance, support agricultural education by providing rural, urban, and suburban students real-world experiences both inside and outside of the classroom. Through the Foundation and the collaboration with the Alliance, American AgCredit supports the success of agriculture education.

Young Farmers & Ranchers Leadership Program: In support of the California Farm Bureau's Young Farmers & Ranchers Program (YF&R), American AgCredit joined with the Associations of the California Farm Credit Alliance to sponsor events such as their new quarterly education seminars for YBS producers. American AgCredit provided the speaker and the training material for the first quarter seminar that was held in person and provided virtually in Sacramento, California. Approximately 100 YF&Rs who are YBS producers were in attendance from across California.

California State University, Stanislaus Ag Business Class Mentorship: American AgCredit provides staff mentors to Cal State students enrolled in an ag business class. Mentorship is provided on a class capstone business plan project and guidance is given on finance principles and the professional workplace. The class culminates with a presentation hosted at an American AgCredit office where a cash prize is donated to the winning business plan owner.

California Foundation for Ag in the Classroom: Through our partnership with the California Farm Credit Alliance, American AgCredit helps sponsor this not-for-profit organization dedicated to educating youth throughout California about the importance of agriculture in their daily lives.

Center for Land Based Learning (CLBL): Partnering with CoBank and other Farm Credit associations in California, American AgCredit committed to a multi-year contribution to help fund program capital improvements and programs such as the California Farm Academy (CFA) and Apprenticeship Program. Its youth programs (FARMS, SLEWS, CFW) demonstrate a racial diversity of over 75%. Additional contributions have allowed CLBL to return its FARMS (Farming, Agriculture, Resources Management for Sustainability) program to high school students across the state back to in-person field days.

The Sonoma County Grape Growers Foundation: The Sonoma County Grape Growers Foundation (FUNDACIÓN DE LA VOZ DE LOS VIÑEDOS) Leadership Academy continued to host its annual class of vineyard employees in 2025. The academy is a multi-month commitment focusing on professional development for vineyard employees with a goal of being promoted into leadership roles within their organization or as an enhancement to their current leadership skills and responsibilities. The Leadership Academy class concludes every year with a graduation ceremony that honors each participant's achievement.

Colorado Farm Bureau (CFB) YF&R Program: This important program gives American AgCredit the opportunity to network with young farmers and ranchers across Colorado. With our support of CFB YF&R, American AgCredit attends and presents an economic update

at the annual AFBF Fusion event. Supporting Colorado Young Farmers and Ranchers is important to our team and the future of agriculture in Colorado.

Colorado FFA Foundation: Through a comprehensive agricultural education program, the Colorado FFA teaches its members premier leadership skills, personal growth, and career success. American AgCredit partners closely with Colorado FFA through yearly support to the Colorado FFA Foundation.

Poudre Valley Community Farms: American AgCredit, in collaboration with CoBank, entered into a multi-year sponsorship of the Poudre Valley Community Farms (PVCF) organization. PVCF is an organization that focuses on connecting small, local producers to resources such as land and water to ensure the long-term sustainability of ag production in northern Colorado. PVCF manages 350 acres across northern Colorado that are currently leased to 12 producers in the area to promote food production for their communities.

Nevada Junior Livestock Show: The Nevada Junior Livestock Show (NJLS) provides an opportunity for Nevada youth to exhibit their livestock projects. NJLS encourages the growth of sportsmanship, leadership, citizenship, and responsibility in each of the youth exhibitors competing. American AgCredit continued its support of the NJLS by providing funding for scholarships and awards in 2025.

Nevada FFA Foundation: The Nevada FFA Foundation promotes agriculture education and career and technical education in the state of Nevada, while providing financial resources for agriculture education programs that support students to develop leadership, personal growth, and career success. American AgCredit supports Nevada FFA through student scholarships, as well as sponsorship of the Greenhand Leadership Conference, the Nevada State FFA Convention, Sporting Clay Shoot Stations, an Agricultural Education Student Teacher scholarship, Nevada Ag Teachers Association awards, and four "Give the Gift of Blue" FFA jackets for students in need.

Nevada Agricultural Foundation: The Foundation's mission is to promote and strengthen agriculture in Nevada by seeking ways to develop, enhance, and sustain a productive agriculture industry through education and research. American AgCredit teamed up with the Foundation in 2025 to provide financial support for individuals or groups who are committed to the future of Nevada agriculture.

Agriculture Leadership Foundation of Hawaii: The Agriculture Leadership Foundation of Hawaii offers several programs to support strengthening of agriculture in Hawaii. Of particular interest is its focus on youth programs like 4-H and FFA, providing training through the Agriculture Leadership Program as well as scholarship opportunities to the next generation of agriculture producers in Hawaii.

GoFarm Hawaii: American AgCredit and CoBank pledged \$2 million to support GoFarm Hawaii, a University of Hawaii program that provides business technical assistance, educational opportunities, and access to a suite of resources designed to remove barriers to farming and agribusinesses. In addition, it operates five beginning farmer training sites across four islands and an agricultural technician training program at the Waiawa Correctional Facility. In 2022, American AgCredit pledged an additional \$1 million over five years to create a matching grant program to support young, beginning, and small farmers in growing their business operations.

Hawaii Agriculture Research Center: The Hawaii Agriculture Research Center (HARC) provides research and programs that support agriculture at local, state, national, and international levels with a specialization in agronomy, ecosystem services, crop improvement, and sustainable forestry. American AgCredit contributed to the support of this organization by sponsoring its Seeds4Tomorrow outreach and education program.

Kansas Farm Bureau YF&R Leaders Conference: American AgCredit, as a part of the Farm Credit Associations Alliance of Kansas, sponsors the annual Kansas Farm Bureau YF&R Leaders Conference. The event was held in February 2025 in Manhattan, Kansas, and provided a pivotal opportunity to network with approximately 500 young farmers and ranchers from across the state. This important partnership gives our alliance the opportunity to give comments and present a keynote speaker at the conference.

Kansas FFA Foundation: Serving over 10,000 members in more than 225 high school agriculture education departments in 216 unified school districts across the state, the Kansas FFA Foundation creates a new generation of agriculturists via student experiences in ag education classes. American AgCredit, independently and in collaboration with the Farm Credit Associations Alliance of Kansas, continued providing financial support of the foundation to promote agriculture for the next generation of producers in the state of Kansas.

Oklahoma FFA Foundation: The Oklahoma FFA Foundation exists to support the instruction of science, technology, production, processing, and business as each relates to the field of agriculture. The Foundation strives to strengthen agriculture education and the FFA organization so the next generation of agriculture producers can develop their personal growth and career success. American AgCredit is proud to provide funding to support the Foundation in fulfilling its mission.

Rural Roots Endowment: American AgCredit designed the \$10 million Rural Roots Endowment to provide grants and direct funds to New Mexico agricultural organizations that support underserved populations of producers and the next generation of farmers and ranchers – like FFA, 4-H, junior livestock, and scholarships – as well as protect New Mexico agriculture, fight hunger in New Mexico, and continue ag education in the state. During 2025, grants were awarded to 21 organizations throughout the state of New Mexico.

New Mexico Farm & Livestock Bureau: NMFLB's Ag In The Classroom program continued to receive support from American AgCredit in 2025. The purpose of the New Mexico Ag In The Classroom (NMAITC) program is to educate the general public, primarily K-12 students, on the importance of agriculture and to promote the future of agriculture in the state of New Mexico.

New Mexico FFA Foundation: American AgCredit continued our annual support of the New Mexico FFA Foundation in 2025 for the purpose of dedicating resources to promoting agriculture education and youth leadership development within the agriculture community throughout New Mexico. Serving over 5,300 members in over 85 schools statewide, the mission of the New Mexico FFA Foundation closely aligns with the mission of American AgCredit's YBS program.

YBS PROGRAM SAFETY AND SOUNDNESS
American AgCredit offers diverse and accessible financing options for qualified farmers and ranchers within our territory. The YBS program provides alternate financing and guarantee options for farmers and ranchers who are just getting started, as well as small or part-time operations. To better serve YBS customers, special lending qualifications and requirements allow young, beginning, and small farmers and ranchers access to financing, leasing, and other services for which they might not otherwise qualify.

Procedures have been established to streamline the delivery of these unique and other small loans utilizing credit scoring through our retail channel delivery system. Loans will continue to be made on a sound basis, with proper emphasis on the fundamentals of sound credit. Loans made under this program meet all our requirements for eligibility and scope of financing, interest rates, and length of term. Co-makers and guarantors (financially responsible family members or other individuals) and secondary collateral are utilized when available and appropriate to minimize risk. Excessively ambitious growth plans are restricted, and loans are closely monitored on a regular basis.



OFFICE LOCATIONS

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Merced 711 W. 19th Street Merced, CA 95340 (800) 800-4865	Ukiah 455 E. Gobbi Street Ukiah, CA 95482 (800) 800-4865	Grand Junction 627 24 ½ Road Unit I Grand Junction, CO 81505 (800) 800-4865 Appointment only	Great Bend 5634 10th Street Great Bend, KS 67530 (800) 800-4865	Fallon 1440 W. Williams Avenue Fallon, NV 89406 (800) 800-4865	Las Cruces 2800 Las Vegas Court Las Cruces, NM 88007 (800) 800-4865
Napa 1434 1st Street Napa, CA 94559 (800) 800-4865		Greeley 4505 W. 29th Street Greeley, CO 80634 (800) 800-4865	Hutchinson 1902 E. 23rd Street Hutchinson, KS 67502 (800) 800-4865	Reno 255 W. Peckham Lane Suite 1 Reno, NV 89509 (800) 800-4865 Appointment only	Roswell 1300 West Country Club Road Roswell, NM 88201 (800) 800-4865
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