Quarterly Report to Shareholders



as of September 30, 2026

Management's Discussion and Analysis

The following discussion summarizes the financial position and results of operations of American AgCredit, ACA and its subsidiaries (collectively "the Association") as of the third quarter of 2026. This commentary should be read with the accompanying consolidated financial statements and the related notes appearing in this report along with our 2025 Annual Report. The discussion includes significant known trends, commitments, events, or uncertainties that have impacted or are reasonably likely to impact our financial condition and results of operations. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of our Board of Directors.

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

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

Preferred Stock Redemption and Subordinated Debt Offering

In September 2026, the Association redeemed $200.0 million of its Series A perpetual non-cumulative preferred stock, originally issued in June 2021. The redemption was funded through the net proceeds from the issuance of $150.0 million of 6.75% fixed-to-floating rate subordinated notes due 2041, together with the Association's capital. Following the redemption, $100.0 million of Series A preferred stock remained outstanding as of September 30, 2026, and Subordinated Notes totaled $346.1 million.

Notice of Significant or Material Events

As previously disclosed in a letter to stockholders, in June of this year the Association discovered certain errors in the stockholder lists used for the mailing of the Association's 2026 Annual Meeting Information Statement, the 2025 Annual Report, and the ballots for the election of directors and nominating committee members. Specifically, the lists omitted certain categories of stockholders and included certain former borrowers. The Association promptly disclosed this matter to the Farm Credit Administration, and a determination was made to void the original 2026 director election. All ballots submitted in that election were declared to be void.

The Association undertook an extensive review of the root causes of all errors in the stockholder lists. The Association has remediated these errors to ensure the accuracy of future stockholder lists. The Association is conducting a new 2026 election for directors and nominating committee members utilizing stockholder lists that have been determined to be complete and accurate. Following the election process, the tabulation of the ballots is scheduled to be complete in November 2026, after which the Association will announce the election results. In addition, the Association mailed the 2025 Annual Report to those stockholders who were excluded from the original distribution. This matter did not impact the Association's day-to-day operations or affect its financial reporting, loan accounting, regulatory capital or patronage calculations.

Forward Looking Statements

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

Management's Discussion and Analysis

Economic Overview

The Federal Reserve maintained the target federal funds rate range at 3.75% to 4.00% after its October 2026 meeting following a 25 basis point increase in September 2026. Federal Reserve communications indicated that additional monetary policy tightening remained under consideration. Inflation continued to exceed the Federal Reserve's long-run objective of 2%, as the Personal Consumption Expenditures (PCE) Price Index increased 3.4% year over year through August 2026. The Core PCE Price Index, which excludes the more volatile food and energy prices and is the Federal Reserve's preferred measure of inflation, increased 3.1% year over year through September 2026, indicating that underlying inflationary pressures remained elevated relative to the Federal Reserve's target.

Inflationary pressures persisted amid elevated energy prices associated with ongoing geopolitical tensions involving Iran. Following a temporary decline, Brent crude oil, a key global benchmark for crude oil prices, resumed its upward trend after the deadline for a permanent peace agreement between the United States and Iran passed without resolution. The average price of Brent crude oil increased from $91.08 per barrel in August 2026 to $109.78 per barrel in September 2026. Given the broad influence of energy costs across the economy, elevated oil prices continue to represent an upside risk to inflation.

Economic activity remained generally supportive of growth through the third quarter of 2026. Consumer spending, which accounts for the largest share of U.S. gross domestic product, rose 3.4%. Business investment excluding residential construction grew 8.5%, supported in part by ongoing investment in artificial intelligence and other technology-related initiatives. Headline economic growth was partially offset by a 12.5% increase in imports and lower government spending.

The labor market softened in September 2026, as nonfarm payroll employment increased by 29,000 jobs, compared with a revised increase of 133,000 jobs in August. The unemployment rate increased modestly to 4.2% from 4.1% in the prior month, indicating continued moderation in labor market conditions. Wage growth also remained subdued, with average hourly earnings increasing 3.0% year over year in September, down slightly from 3.1% in August, potentially limiting gains in household purchasing power.

Household financial conditions reflect mixed trends. According to the Bureau of Economic Analysis, the personal savings rate was 4.1% of disposable income in August 2026, down from 5.2% one year earlier, suggesting consumers are losing a financial cushion. Although household delinquency rates improved modestly as of the second quarter of 2026, they remained elevated relative to the prior year, while the percentage of consumer debt balances 90 or more days past due remained higher than one year earlier.

Geopolitical developments in the Middle East continue to present risks to the macroeconomic outlook. The September attack on Saudia Arabia's East-West Pipeline highlighted the vulnerability of global energy infrastructure, while continued Houthi activity in and around the Red Sea increased risks to trade and energy supply routes. Given the broad impact of energy costs across the economy, developments in global energy markets remain an important consideration for the inflation outlook and future monetary policy decisions. In November 2025, during the federal government shutdown, Congress passed the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, which extended authorities under the Agricultural Improvement Act of 2018 (the "2018 Farm Bill"), through September 30, 2026, providing continued authorization for key agricultural and nutrition programs while Congress continues to work toward a comprehensive reauthorization. In April 2026, the U.S. House of Representatives passed its version of the Farm Bill, and the Senate Agriculture Committee subsequently released its draft proposal in June 2026. The One Big Beautiful Bill Act, signed into law on July 4, 2025, included modifications to certain commodity programs, including increases in statutory reference prices for covered commodities by approximately 10% to 41%, representing the most significant adjustment to reference prices since 2002. The legislation also provided extended authorities for certain commodity and risk management programs beyond the baseline authorities established under the 2018 Farm Bill and its extensions. Congressional negotiations remain ongoing as lawmakers continue to work toward enactment of a comprehensive Farm Bill.

Commodity Review and Outlook

The Association's commodity portfolio remains well-diversified. Vineyards and wineries lead our commodity portfolio at 14.44% (as a percent of total principal) followed by beef at 13.93%, tree fruits and nuts at 13.02%, field crops at 11.65%, dairies at 10.52%, and forest products at 6.92%. The top six commodities make up 70.48% of the total portfolio with the remaining 29.52% spread over multiple additional commodities and industries.

Management's Discussion and Analysis

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

- **Vineyards and wineries:** U.S. wine market conditions remained challenging through the third quarter of 2026, reflecting continued weakness in consumer demand and elevated industry inventories. According to NielsenIQ, a consumer intelligence and retail sales tracking provider, retail wine sales declined 3% in value and 4% in volume year over year during the first seven months of 2026. Similarly, SipSource, a wine industry platform that tracks distributor depletion trends, reported that distributor depletions declined 5% in value and 8% in volume year over year during the first eight months of the year. While mid- and upper-priced wine segments generally continued to outperform lower-priced categories, consumer demand remained pressured by changing demographics, evolving consumer consumption preferences, and broader economic pressures that have led consumers to become increasingly selective in discretionary spending. Direct-to-consumer sales have shown somewhat greater resilience than traditional wholesale channels during 2026, though shipment volumes continue to decline and tasting room visitation and wine club membership trends remain soft. The 2026 California grape harvest is winding down and has been both early and light. Harvest activity has been running two to four weeks ahead of normal across many regions following an unusually warm spring. Rain and wind during bloom contributed to widespread shatter, reduced fruit set, and smaller cluster sizes, resulting in significantly lower yields in many vineyards. The 2026 California grape crush may be the smallest in 30 years, reflecting both reduced production and ongoing vineyard removals. Grape buyers remain cautious due to declining wine sales, elevated distributor inventories, and the continued oversupply that accumulated following several years of production exceeding demand. As a result, the small crop has not stimulated a significant increase in purchasing activity, and grape and bulk wine pricing generally remain under pressure, particularly in non-premium growing regions. Nonetheless, there should be considerably less unsold fruit this year, and the smaller harvest, combined with ongoing vineyard removals across California, should contribute to a gradual reduction in excess inventories. Although industry conditions are expected to remain challenging in the near term, these developments may help improve supply and demand fundamentals over time and support stronger grape demand as the market continues to rebalance. Overall, challenging operating conditions in the vineyard and winery remain, pressuring revenues, asset values, and liquidity, particularly for growers and operators with weaker grape contracts, higher inventory exposure, or vineyards in less desirable locations

- **Beef:** The U.S. cattle and beef sector remains historically tight, with meaningful beef cow herd expansion continuing to be delayed despite historically strong cattle prices. As of July 1, 2026, the beef cow herd totaled 28.5 million head, down 0.7% from a year earlier and well below the current cycle peak in 2019. Lower beef cow slaughter has slowed the pace of herd liquidation, however, declines in replacement heifer retention have continued to offset increases in herd rebuilding. Drought conditions, elevated replacement female costs, higher interest rates, labor availability constraints, an aging producer base, limited grazing resources, and uncertainty surrounding government and trade policy continue to discourage herd rebuilding, likely delaying significant expansion until 2027. Drought and abnormally dry conditions continue to constrain forage availability across many key cow-calf regions. Approximately 81% of beef cows remain in drought-affected or abnormally dry areas, limiting producers' willingness to retain replacement heifers. While weather associated with the developing Super El Niño may improve moisture levels, bringing much-needed rain to cow-calf operations in certain regions, many producers remain focused on rebuilding forage inventories and strengthening balance sheets rather than expanding herd numbers. Cross-border cattle movements between the U.S. and Mexico remain below historical levels despite the reopening of two border crossings. Import volumes have not been sufficient to materially increase feeder cattle and fed cattle supplies and continue to support tight feeder cattle availability. Concerns surrounding New World Screwworm outbreaks in Mexico and the southwestern United States also continue to create uncertainty regarding future cattle movements and feeder cattle supplies. Fed cattle supplies continue to tighten, particularly in the Southern Plains. Cattle slaughter remains constrained, down 6.8% year to date compared to the prior year, reflecting historically limited cattle inventories. Packers restored some processing capacity during the summer; however, stronger leverage has shifted toward cattle producers as available fed cattle supplies have tightened. Strong domestic beef demand, constrained cattle inventories, delayed herd expansion, and limited feeder cattle supplies are expected to support elevated fed cattle, feeder cattle, and calf prices through the remainder of 2026, although prices are expected to remain below record levels.

- **Tree fruit and nuts:** The 2026 almond crop is expected to be smaller than initially anticipated, with industry estimates currently centered around 2.6 billion pounds. In addition, kernel sizes appear smaller this year due to unusually warm spring weather in key

growing regions. Many handlers indicated that buyers are increasingly recognizing that total almond supplies are materially smaller than levels seen just a few years ago, reducing expectations for a return to historically low pricing. Demand has remained relatively stable, with shipments increasing approximately 1% year over year, driven primarily by export markets while domestic demand remains comparatively soft. The combination of tighter supply and steady demand has contributed to firmer pricing, which should support improved grower margins. Excess inventory levels have declined meaningfully in recent years, further supporting market fundamentals. However, elevated production costs continue to pressure profitability, and grower returns remain below inflation-adjusted levels achieved during previous market peaks. Looking ahead, declining bearing acreage and the continued reduction of excess inventories are expected to support a more balanced supply-demand environment.

The outlook for the 2026 walnut crop is relatively mixed. The U.S. Department of Agriculture (USDA) forecast California walnut production at 680,000 tons, a 16% decline from the 809,000-ton crop harvested in 2025, reflecting lighter nut set and lower yields across many orchards. Despite the smaller crop, quality has generally been reported as favorable. Market fundamentals have improved as shipments and existing sales commitments have absorbed a significant portion of the available inventory from the 2025 crop. Additionally, the USDA purchases under Section 32 have helped reduce excess supplies and support market balance. Although walnut prices remained pressured following the large 2025 harvest, early pricing indications for the 2026 crop have been stronger, supported by lower production and improving inventory conditions.

Expectations for the 2026 pistachio crop remain well below last year's record production levels. Following a record 2025 crop of approximately 1.6 billion pounds, unusually high temperatures during the spring bloom period reduced pollination success and increased blank nut formation, significantly lowering expected yields, with some market observers suggesting a crop as low as 550 million pounds. Despite lower production, pistachio demand remains strong due to the Dubai chocolate trend and the increasing use of pistachios as an ingredient. Year-to-date shipments have remained stable through the third quarter of 2026, while exports have seen significant growth from the prior year. Tight supplies and strong demand have prompted processors to increase initial minimum prices by approximately $1 per pound, benefiting growers with marketable production crops. Overall, market fundamentals for almonds, walnuts, and pistachios have improved compared to recent years, supported by tighter supplies, improving inventory balances, and continued export demand. While elevated production costs and broader economic uncertainty remain headwinds, current supply-demand dynamics have generally supported stronger pricing and improved margins.

- **Field crops:** Field crop markets strengthened during the third quarter of 2026 as favorable demand fundamentals, tighter global grain supplies, and ongoing geopolitical disruptions affecting agricultural trade flows supported higher commodity prices. Corn market conditions improved during the quarter. While U.S. corn production remains historically large, lower yield expectations, record export demand, and tightening inventories supported prices. As a result, the USDA World Agricultural Supply and Demand Estimates increased its 2026/27 season-average farm price forecast to $4.80 per bushel in September, up from $4.50 per bushel in August, reflecting stronger market fundamentals and improved revenue prospects for producers. Soybean fundamentals also remained favorable despite expectations for a record U.S. crop. The USDA projected the 2026/27 production at a record 4.53 billion bushels; however, record domestic crush demand and improving export sales, particularly to China, have largely offset the larger supply outlook. Additional support has come from limited acreage expansion in Brazil and uncertainty surrounding South American production prospects. As a result, soybean prices strengthened during the quarter, and the USDA increased its season-average farm price forecast to $12.00 per bushel in September, compared to $11.40 per bushel in the prior month. Wheat markets remained supported by reduced production and tighter global supplies. According to the USDA, winter wheat production declined 29% from the prior year, while spring wheat supplies also tightened due to lower production and reduced ending stocks. Wheat prices strengthened during the quarter amid disruptions to Black Sea export activity, prompting the USDA to increase its 2026/27 season-average farm price forecast to $6.40 per bushel, compared with $5.06 per bushel in the prior marketing year. The outlook for field crops remains generally favorable heading into 2027. Corn and soybean markets continue to benefit from strong demand, supportive pricing, and relatively tight inventories, while wheat prices remain supported by constrained global supplies. However, weather conditions, geopolitical developments, global trade flows, and South American crop performance remain key factors that could influence market conditions in the coming months.

- **Dairies:** Dairy market fundamentals remained generally balanced throughout the third quarter of 2026. While milk production continued to increase, domestic and export demand for dairy products generally kept pace with expanding supplies, helping to prevent significant inventory accumulation. Demand continued to benefit from resilient consumer spending and steady labor market conditions, although elevated interest rates and persistent inflationary pressures remained broader macroeconomic headwinds affecting household budgets and food purchasing decisions. As of August, the U.S. milk cow herd was 167,000 head above the prior-year level and 15,000 head higher than July, while milk production increased 1.7% year over year. Dairy product output also expanded, with July cheese production increasing 2.1% and butter production increasing 5.5% compared to the prior year. Despite higher production levels, inventories remained relatively stable, as cold storage butter stocks were down 3% from the prior year, and cheese inventories were essentially unchanged. Export demand continued to provide important support for the sector. U.S. cheese exports increased 25% year over year in July and were more than double 2020 levels, reflecting the growing importance of international markets in balancing domestic dairy supplies. As exports account for an increasingly significant share of demand, global dairy market conditions and international pricing have become more influential drivers of U.S. cheese and butter prices, which in turn affect producer milk checks. Milk prices remained below prior-year levels but improved from the lows experienced earlier in 2026. Class III milk prices averaged $15.95 per hundredweight through August, compared to $18.57 per hundredweight during the same period last year, while Class IV milk prices averaged $18.50 per hundredweight compared to $18.82 through August of the prior year. Profitability for dairy producers remained supported by historically strong cattle values. Although day-old beef-cross calf prices declined approximately 25% from peak levels, revenues from beef-cross calves and cull cows continued to provide meaningful cash flow support and partially offset pressure from lower milk prices. At the same time, feed costs remained relatively stable, while higher energy costs contributed to some margin compression compared to recent years. Overall, the outlook for the dairy sector remained stable as of the third quarter. Balanced supply and demand conditions, continued strength in dairy exports, and sustained demand for protein products should support market fundamentals. However, producer profitability will likely remain sensitive to milk price movements, feed and energy costs, export market conditions, and broader macroeconomic developments affecting consumer spending and food demand.

- **Forest products:** Forest product markets remained generally stable through the third quarter of 2026, although housing affordability challenges continued to weigh on demand. Elevated mortgage rates, persistent inflationary pressures, and modest real wage growth remained headwinds for homebuyers, builders, and remodeling activity. As a result, housing starts were down 12% from the prior year, while building permits were down 5%. Builder sentiment also remained weak, with the National Association of Home Builders/Wells Fargo Housing Market Index remaining below 50 throughout the third quarter of 2026. Readings below 50 indicate that more homebuilders view market conditions as unfavorable, reflecting continued caution toward residential construction activity. Lumber prices remained relatively stable throughout the summer, supported by mill curtailments and closures that have kept supply better aligned with consumption. The Random Lengths Framing Lumber Composite Price, a benchmark for North American lumber prices, was modestly higher at more than $500 per thousand board feet during the third quarter, suggesting a generally balanced market despite uncertain demand. Structural panel pricing also improved slightly to around $500 per thousand square feet, although prices remained below historical averages. Pulp and paper fundamentals remained comparatively stable. Packaging and containerboard markets continued to benefit from resilient consumer spending and e-commerce activity, while graphic paper remained subject to longer-term secular demand declines. Tissue demand also remained relatively steady. Pulp markets continued to navigate periodic price volatility in 2026, driven by global supply disruptions, maintenance outages, and uneven end-market demand, prompting selective pricing actions by producers in certain packaging and paper grades. Overall, the outlook for the forest products sector remained cautious but stable as of the end of the third quarter. Industry supply discipline and ongoing capacity rationalization continue to support market fundamentals; however, a more meaningful improvement in demand will likely depend on improved housing affordability, lower borrowing costs, and a sustained recovery in residential construction activity.

Management's Discussion and Analysis

Loan Portfolio

The total loan and lease balance was $21.8 billion at September 30, 2026, a decrease of $491.4 million from $22.3 billion at December 31, 2025. This decrease was due to loan repayments, partially offset by new loan originations, and loans purchased from other institutions during the normal course of business. On a year-over-year basis, loans increased from $21.5 million at September 30, 2025, to $21.8 billion at September 30,2026, resulting in a 1.40% growth rate. Credit quality, calculated based on principal and interest balances, was 93.28% as of September 30, 2026, compared to 94.57% as of December 31, 2025. The decline was primarily driven by the market headwinds previously noted within the Commodity Review and Outlook section above, as well as the negative operational impacts of elevated operating expenses resulting from ongoing inflationary pressures and higher interest rates. Credit quality is a measurement of loans classified as either "Acceptable" or "Other Assets Especially Mentioned" divided by total principal and interest under the Farm Credit Administration's Uniform Classification System.

In addition to the $21.8 billion of loans and leases reported on our balance sheet, we serviced an additional $12.3 billion of loans and syndicated balances for other institutions as of September 30, 2026, compared to $12.4 billion at December 31, 2025.

Nonaccrual Loans

Nonaccrual loans increased by $46.1 million to $481.4 million at September 30, 2026, compared to $435.3 million at December 31, 2025. The change in nonaccrual loans was primarily driven by transfers to nonaccrual status of $212.3 million and disbursements on nonaccrual loans of $20.3 million, partially offset by repayments of $111.3 million, charge-offs of $50.9 million, $20.7 million of loans transferred to other property owned, and $3.6 million of loans that were reinstated to accrual status.

As of September 30, 2026, nonaccrual loan activity was concentrated in the wine grapes and wine commodity sector. Nonaccrual loan volume continues to experience profitability challenges and elevated adversity, as noted above, within certain sectors of the Association's portfolio. Nonaccrual loans, as a percent of total principal, represented 2.20% of total loan volume at September 30, 2026, and 1.95% at December 31, 2025.

Allowance for Credit Losses

The allowance for credit losses (ACL) represents the estimated current expected credit losses (CECL) over the remaining estimated life of financial assets measured at amortized cost and certain off-balance sheet credit exposures. The ACL is comprised of the allowance for credit losses on loans (ACLL) and the reserve for unfunded commitments. Management evaluates the appropriate level of allowance for loan losses on a quarterly basis based on a periodic evaluation of factors that include loan loss history, portfolio quality, estimated collateral values, current market conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The total allowance for credit losses was $114.1 million at September 30, 2026, which included a $110.5 million allowance for credit losses on loans and a $3.6 million reserve for unfunded commitments. Total allowance for credit losses at December 31, 2025, was $91.8 million, which included an $87.5 million allowance for credit losses on loans and a $4.3 million reserve for unfunded commitments.

Financial Condition and Results of Operations

Net income for the nine months ending September 30, 2026, was $344.2 million compared to $312.9 million for the same period last year, an increase of $31.3 million. The change in net income was primarily due to the following reasons:

- Net interest income increased by $23.5 million year-over-year primarily due to a decrease in interest expense on notes payable to CoBank of $57.6 million caused by lower average interest rates and lower outstanding balances during the period, a $3.6 million increase in interest income from investment securities, additional interest income recovered on nonaccrual loan volume in the amount of $2.1 million, and a $1.3 million decrease in Funds Held interest expense, which more than offset the $41.0 million decrease in interest income from accrual loan volume. The Association's weighted average interest rate on interest-bearing liabilities was 3.60% and 3.72% as of September 30, 2026, and 2025, respectively. Net interest margin was 2.94% as of September 30, 2026, and 2.87% as of September 30, 2025.

- The Association recorded a provision for credit losses of $65.2 million for the nine months ending September 30, 2026, compared with $91.3 million for the same period in 2025, a decrease of $26.1 million. The higher provision in 2025 was primarily attributable to CECL model changes implemented during the third quarter of 2025, which increased provision expense by $20.5 million. Excluding the impact of the model change, the year-over-year decrease in provision expense was primarily driven by lower net charge-offs and a more moderate increase in the allowance for credit losses compared to the prior year. While certain sectors of the loan portfolio continue to experience pressure from commodity market conditions, the pace of credit quality deterioration has moderated. Accordingly, growth in the allowance for credit losses was lower than during the comparable period in 2025, further contributing to the decrease in provision expense.

- Non-interest income decreased $3.8 million to $154.0 million for the nine months ended September 30, 2026, compared to $157.8 million for the same period in 2025. The decrease was primarily attributable to a $10.0 million reduction in patronage income from other Farm Credit institutions, and a $6.8 million decrease in loan origination fee income, partially offset by a $7.7 million increase in the Farm Credit System Insurance Corporation FCSIC return of excess insurance funds, and a $2.0 million increase in patronage income from AgDirect.
- Overall, non-interest operating expenses increased by $14.5 million compared to the same period last year. The increase was primarily due to higher salaries and employee benefit costs, and an increase in purchased services and technology expenses driven by the Association's strategic initiatives.
- FCSIC insurance, a component of non-interest operating expense, remained relatively flat year over year. The FCSIC Board voted to leave the insurance premium assessment accrual rate on adjusted insured debt at 10 basis points for the first three quarters of 2026, consistent with the prior-year period, and reduced the fourth-quarter rate to 0 basis points. The Board continued to assess an additional 10 basis points on nonaccrual loans throughout 2026, unchanged from 2025.

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

	For the Nine Months Ended		Increase (Decrease) in
	September 30, 2026	**September 30, 2025**	**Net Income**
Net interest income	$488,496	$465,024	$23,472
Provision for credit losses	(65,216)	(91,309)	26,093
Patronage income	113,580	121,016	(7,436)
Other income, net	40,443	36,808	3,635
Non-interest expenses	(233,120)	(218,593)	(14,527)
Provision for income taxes	(7)	(8)	1
Net income	**$344,176**	**$312,938**	**$31,238**

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

	September 30,	
	2026	**2025**
Return on average assets	1.97%	1.83%
Return on common equity	12.22%	11.84%
Return on total equity	11.35%	10.91%
Net interest margin	2.94%	2.87%

Management's Discussion and Analysis

Liquidity and Funding

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

The Association manages an investment portfolio which currently holds U.S. Small Business Association (SBA) guaranteed debt securities primarily to diversify assets. As of September 30, 2026, the investment portfolio totaled $158.7 million and was comprised exclusively of held-to-maturity securities, which are not intended to serve as a source of liquidity or funding. More information can be found in Note 3 to the Consolidated Financial Statements.

Shareholders' Equity

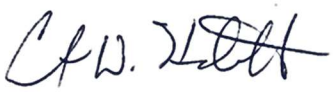
The Association's capital position remains strong. Total shareholders' equity was $4.0 billion at the end of the third quarter, an increase of $132.0 million from $3.9 billion at December 31, 2025. The increase in capital is primarily the result of the Association's year-to-date net income, net of the redemption of $200.0 million of Series A Preferred Stock in September 2026. The Association was in compliance with all capital ratio requirements at September 30, 2026. The Association's strong earnings and capital position enable us to effectively serve our mission and our customers and support our ability to maintain our cash patronage distribution program and pay preferred stock dividends.

Certification

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



Joe Alamo
Board Chair



Curt Hudnutt
Chief Executive Officer



Maryam Ghazi
Chief Financial Officer

November 5, 2026

Consolidated Statements of Condition *(dollars in thousands)*

	September 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
ASSETS		
Loans	$21,834,655	$22,326,071
Less: allowance for credit losses on loans	(110,547)	(87,461)
Net loans	21,724,108	22,238,610
Cash	22,245	52,767
Accrued interest receivable	290,473	272,677
Investment in CoBank	609,973	606,155
Investment securities	158,661	50,819
Investment in AgDirect	39,577	38,190
Premises and equipment, net	48,848	50,445
Other property owned	25,644	5,081
Assets held for sale	49,508	55,284
Other assets	298,633	324,227
Total assets	**$23,267,670**	**$23,694,255**
LIABILITIES		
Notes payable to CoBank	$18,368,650	$18,921,166
Subordinated debt	346,132	198,256
Funds Held accounts	272,646	222,618
Accrued interest payable	102,110	95,863
Cash patronage and preferred stock dividends payable	-	201,353
Reserve for unfunded commitments	3,583	4,358
Other liabilities	184,309	192,448
Total liabilities	**19,277,430**	**19,836,062**
SHAREHOLDERS' EQUITY		
Preferred stock	100,000	300,000
Common stock and participation certificates, net	11,174	11,554
Additional paid-in capital	935,386	935,386
Allocated retained surplus	239,507	239,507
Unallocated retained surplus	2,713,641	2,385,985
Accumulated other comprehensive loss	(9,468)	(14,239)
Total shareholders' equity	**3,990,240**	**3,858,193**
Total liabilities and shareholders' equity	**$23,267,670**	**$23,694,255**

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

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

(Unaudited)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
INTEREST INCOME				
Loans	$341,097	$360,590	$1,023,397	$1,062,296
Investment securities	2,054	734	4,676	1,103
Total interest income	**343,151**	**361,324**	**1,028,073**	**1,063,399**
INTEREST EXPENSE				
Notes payable to CoBank	176,694	197,156	528,942	586,567
Subordinated notes	1,851	1,729	5,309	5,187
Funds Held and other interest	1,919	2,057	5,326	6,621
Total interest expense	**180,464**	**200,942**	**539,577**	**598,375**
Net interest income	**162,687**	**160,382**	**488,496**	**465,024**
Provision for of credit losses	(21,225)	(38,032)	(65,216)	(91,309)
Net interest income after provision for credit losses	**141,462**	**122,350**	**423,280**	**373,715**
NON-INTEREST INCOME				
Patronage income from CoBank	24,152	24,496	73,937	73,321
Patronage income from other Farm Credit institutions	9,420	12,736	34,540	44,555
Patronage income from AgDirect	1,480	881	5,103	3,140
Loan origination fees	4,782	7,020	10,384	17,148
Servicing fees and late charges	938	916	5,810	5,328
Financially-related services	2,311	2,526	4,668	4,349
Miscellaneous	3,326	1,657	19,581	9,983
Total non-interest income	**46,409**	**50,232**	**154,023**	**157,824**
NON-INTEREST EXPENSES				
Salaries and employee benefits	56,859	50,807	161,476	154,096
Occupancy and equipment expense	1,444	1,635	3,778	4,074
Insurance fund premiums	4,529	4,531	13,738	13,618
Supervisory and examination expense	1,080	779	3,334	2,814
Other operating expenses	19,810	15,470	50,794	43,991
Total non-interest expenses	**83,722**	**73,222**	**233,120**	**218,593**
Income before income taxes	104,149	99,360	344,183	312,946
Provision for income taxes	-	-	(7)	(8)
Net income	**$104,149**	**$99,360**	**$344,176**	**$312,938**
COMPREHENSIVE INCOME				
Actuarial gain in retirement obligation	1,590	1,437	4,771	4,312
Total comprehensive income	**$105,739**	**$100,797**	**$348,947**	**$317,250**

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

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

(Unaudited)	Common Stock and Participation Certificates	Preferred Stock	Additional Paid-in Capital	Allocated Retained Surplus	Unallocated Retained Surplus	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at December 31, 2024	**$11,687**	**$300,000**	**$935,386**	**$239,507**	**$2,176,398**	**$(13,320)**	**$3,649,658**
Comprehensive income					312,938	4,312	317,250
Stock/participation certificates issued	577						577
Stock/participation certificates retired	(680)						(680)
Preferred stock dividends					(11,812)		(11,812)
Adjustment to prior period patronage accrual					(2,707)		(2,707)
Balance at September 30, 2025	**$11,584**	**$300,000**	**$935,386**	**$239,507**	**$2,474,817**	**$(9,008)**	**$3,952,286**
Balance at December 31, 2025	**$11,554**	**$300,000**	**$935,386**	**$239,507**	**$2,385,985**	**$(14,239)**	**$3,858,193**
Comprehensive income					344,176	4,771	348,947
Series A preferred stock redeemed		(200,000)					(200,000)
Stock/participation certificates issued	514						514
Stock/participation certificates retired	(894)						(894)
Preferred stock dividends					(14,434)		(14,434)
Adjustment to prior period patronage accrual					(2,086)		(2,086)
Balance at September 30, 2026	**$11,174**	**$100,000**	**$935,386**	**$239,507**	**$2,713,641**	**$(9,468)**	**$3,990,240**

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

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

(Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of American AgCredit, ACA (Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2025, are contained in the 2025 Annual Report to Shareholders (2025 Annual Report). The financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

The accompanying unaudited third quarter 2026 financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025, as contained in the 2025 Annual Report.

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

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2026. Descriptions of the significant accounting policies are included in the 2025 Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Recently Issued or Adopted Accounting Pronouncements

Interim Reporting (Topic 270): Narrow-Scope Improvements

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

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

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

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

In September 2025, the FASB issued ASU 2025-06 Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendment introduces several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where (a) capitalization occurs when management has authorized and committed to funding, and (b) it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. The Association is currently assessing the potential impact of adoption on the Association's financial condition, results of operations, cash flows and disclosures.

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

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient that 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 also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Top 606. The amendments became effective for annual and interim reporting periods beginning in January 2026 under a prospective approach. The impact of adoption did not have a material impact on the Association's consolidated financial statements, financial position, results of operations, cash flows or disclosures.

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

In November 2024, the FASB issued ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

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

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association meets the definition of public business entity as it has preferred stock and 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.

NOTE 2 – LOANS AND ALLOWANCE FOR LOAN LOSSES

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

	September 30, 2026		December 31, 2025	
	Amount	Percentage	Amount	Percentage
Real estate mortgage	$10,790,587	49.4%	$11,076,613	49.6%
Production and intermediate-term	4,678,882	21.4%	5,215,418	23.4%
Agribusiness	4,946,969	22.7%	4,894,818	21.9%
Rural infrastructure	1,336,971	6.1%	1,043,388	4.7%
Other	81,246	0.4%	95,834	0.4%
Total loans	**$21,834,655**	**100.0%**	**$22,326,071**	**100.0%**

PARTICIPATION INTERESTS

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

The following table presents information regarding participations purchased and sold at September 30, 2026.

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations		Participations		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$695,971	$1,616,478	$-	$-	$695,971	$1,616,478
Production and intermediate-term	1,369,198	2,876,852	26,161	21,305	1,395,359	2,898,157
Agribusiness	2,880,486	4,776,001	-	25,577	2,880,486	4,801,578
Rural infrastructure	1,307,832	161,652	-	-	1,307,832	161,652
Other	77,632	-	-	-	77,632	-
Total	**$6,331,119**	**$9,430,983**	**$26,161**	**$46,882**	**$6,357,280**	**$9,477,865**

CREDIT QUALITY

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit and unfunded loan commitments. The Association manages credit risk associated with its lending activities on an individual and portfolio basis through the application of sound lending and underwriting standards and policies, approved by its Board of Directors. The credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on real estate (collateral) and 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. As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures.

The Association utilizes a Combined System Risk Model (Model) in its loan and portfolio management process. The Model is a two-dimensional risk rating system based on an internally generated combined System risk rating guidance and actual Association loss history that incorporates a 14-point probability of default rating scale to identify and track the probability of a borrower default and a separate scale addressing loss given default over a period of time. The probability of default rating is management's assumption of the probability that a borrower will experience a default within twelve months from the date of the determination of the risk rating. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category and loss given default ratings.

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

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

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

The following table presents year-to-date gross charge-offs by year of origination or modification, where loan modifications are accounted for as new loans, as well as credit quality indicators by loan type and the related principal balance by year of origination as of September 30, 2026:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2026	2025	2024	2023	2022	Prior			
Real estate mortgage:									
Acceptable	$596,349	$935,547	$834,656	$689,162	$1,053,632	$4,695,799	$648,222	$84,170	$9,537,537
OAEM	6,604	18,911	17,442	19,899	93,123	240,235	14,150	5,583	415,947
Substandard/Doubtful	26,136	42,662	44,874	89,290	102,805	467,592	28,655	35,089	837,103
Total	**629,089**	**997,120**	**896,972**	**798,351**	**1,249,560**	**5,403,626**	**691,027**	**124,842**	**10,790,587**
Gross charge-offs [1]	644	-	1,903	368	66	8,587	-	-	11,568
Production and intermediate-term:									
Acceptable	531,446	559,436	289,544	145,595	85,922	197,440	2,462,306	3,419	4,275,108
OAEM	32,557	5,620	10,956	3,276	14,588	4,511	74,134	209	145,851
Substandard/Doubtful	9,292	38,593	16,480	15,796	28,205	26,483	86,138	36,936	257,923
Total	**573,295**	**603,649**	**316,980**	**164,667**	**128,715**	**228,434**	**2,622,578**	**40,564**	**4,678,882**
Gross charge-offs [1]	179	3,284	6,196	8,720	2,464	5,355	379	332	26,909
Agribusiness:									
Acceptable	604,649	773,111	796,072	551,971	489,654	623,291	546,874	8,229	4,393,851
OAEM	20,303	13,781	67,835	31,611	45,380	15,257	15,500	8,448	218,115
Substandard/Doubtful	54,621	33,717	13,678	14,945	34,572	127,454	42,467	13,549	335,003
Total	**679,573**	**820,609**	**877,585**	**598,527**	**569,606**	**766,002**	**604,841**	**30,226**	**4,946,969**
Gross charge-offs [1]	-	2,398	4,523	600	-	4,939	-	-	12,460
Rural infrastructure:									
Acceptable	325,217	332,187	234,823	140,178	42,184	96,120	42,107	-	1,212,816
OAEM	3,539	6,935	-	54,438	-	-	99	-	65,011
Substandard/Doubtful	-	-	-	59,144	-	-	-	-	59,144
Total	**328,756**	**339,122**	**234,823**	**253,760**	**42,184**	**96,120**	**42,206**	**-**	**1,336,971**
Other:									
Acceptable	-	2,614	40	46,024	-	13,085	8	19,475	81,246
Total	**-**	**2,614**	**40**	**46,024**	**-**	**13,085**	**8**	**19,475**	**81,246**
Total loans:									
Acceptable	2,057,661	2,602,895	2,155,135	1,572,930	1,671,392	5,625,735	3,699,517	115,293	19,500,558
OAEM	63,003	45,247	96,233	109,224	153,091	260,003	103,883	14,240	844,924
Substandard/Doubtful	90,049	114,972	75,032	179,175	165,582	621,529	157,260	85,574	1,489,173
Total loans	**$2,210,713**	**$2,763,114**	**$2,326,400**	**$1,861,329**	**$1,990,065**	**$6,507,267**	**$3,960,660**	**$215,107**	**$21,834,655**
Total gross charge-offs [1]	**$823**	**$5,682**	**$12,622**	**$9,688**	**$2,530**	**$18,881**	**$379**	**$332**	**$50,937**

(1) As of and for the nine months ended September 30, 2026.

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

The following table presents year-to-date gross charge-offs by year of origination or modification, where loan modifications are accounted for as new loans, as well as credit quality indicators by loan type and the related principal balance by year of origination as of December 31, 2025:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2025	2024	2023	2022	2021	Prior			
Real estate mortgage:									
Acceptable	$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.

Accrued interest receivable on loans of $288.8 million and $272.2 million at September 30, 2026, and December 31, 2025, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association reversed accrued interest receivable of $5.5 million as of September 30, 2026, and $7.8 million as of December 31, 2025, respectively, on loans transferred to non-accrual during the period.

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:

	September 30, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	$266,323	$294,920
Production and intermediate-term	118,772	88,047
Agribusiness	96,263	52,288
Other	-	20
Total nonaccrual loans	**481,358**	**435,275**
Accruing loans 90 days or more past due:		
Real estate mortgage	-	-
Production and intermediate-term	8,964	12,360
Agribusiness	-	3,709
Total accruing loans 90 days or more past due	**8,964**	**16,069**
Total nonperforming loans	**$490,322**	**$451,344**
Other property owned	25,644	5,081
Total nonperforming assets	**$515,966**	**$456,425**

	September 30, 2026	December 31, 2025
Nonaccrual loans as a percentage of total loans	2.20%	1.95%
Nonperforming assets as a percentage of total loans and other property owned	2.36%	2.04%
Nonperforming assets as a percentage of capital	12.93%	11.83%

The following tables provide the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans resulting from payoffs and loans reinstated to accrual status during the periods ending September 30, 2026, and December 31, 2025:

	At September 30, 2026			Interest Income Recognized	
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	For the Three Months Ended September 30, 2026	For the Nine Months Ended September 30, 2026
Nonaccrual loans:					
Real estate mortgage	$16,693	$249,630	$266,323	$3,310	$10,711
Production and intermediate-term	52,839	65,933	118,772	539	3,457
Agribusiness	60,126	36,137	96,263	-	525
Other	-	-	-	-	60
Total nonaccrual loans	**$129,658**	**$351,700**	**$481,358**	**$3,849**	**$14,753**

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

DELINQUENCY

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

September 30, 2026	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total Loans	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$6,710	$120,753	$127,463	$10,663,124	$10,790,587	$-
Production and intermediate-term	22,538	47,811	70,349	4,608,533	4,678,882	8,964
Agribusiness	-	30,930	30,930	4,916,038	4,946,968	-
Rural infrastructure	-	-	-	1,336,971	1,336,971	-
Other	1	-	1	81,246	81,247	-
Total	**$29,249**	**$199,494**	**$228,743**	**$21,605,912**	**$21,834,655**	**$8,964**

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**

LOAN MODIFICATIONS TO BORROWERS EXPERIENCING FINANCIAL DIFFICULTIES

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one or a combination of principal forgiveness, interest rate reduction, forbearance, or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Also included in the following disclosures are other-than-insignificant payment deferrals that may provide the borrower with a temporary payment deferral, which has been defined as cumulative or individual forbearance or payment delay greater than 6 months for monthly and semi-annual scheduled payments or greater than 12 months for annually scheduled payments. These deferred payments may be capitalized into the principal balance of the loan and amortized with no extension of maturity or with the deferred payment due at the time of original maturity.

The following tables show the amortized cost basis for loan modifications granted to borrowers experiencing financial difficulty during the three months ended September 30, 2026, and September 30, 2025, disaggregated by loan type, and type of modification granted.

	For the Three Months Ended September 30, 2026				
	Interest Rate Reduction	Term Extension	Combination – Term Extension & Payment Deferral	Total	Percentage of Total Loan Type
Real estate mortgage	$4,276	$987	$-	$5,263	0.05%
Production and intermediate-term	5,413	64,721	1,291	71,425	1.53%
Agribusiness	-	3,507	-	3,507	0.07%
Total	**$9,689**	**$69,215**	**$1,291**	**$80,195**	0.37%

	For the Three Months Ended September 30, 2025					
	Interest Rate Reduction	Term Extension	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total Loan Type
Real estate mortgage	$2,771	$-	$-	$-	$2,771	0.03%
Production and intermediate-term	54	8,779	699	83	9,615	0.21%
Agribusiness	1,266	474	-	526	2,266	0.05%
Total	**$4,091**	**$9,253**	**$699**	**$609**	**$14,652**	0.07%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended September 30, 2026, and September 30, 2025, was $0.2 million and $0.4 million, respectively.

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

The following tables show the amortized cost basis for loan modifications granted to borrowers experiencing financial difficulty during the nine months ended September 30, 2026, and September 30, 2025, disaggregated by loan type, and type of modification granted.

	For the Nine Months Ended September 30, 2026						
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Term Extension & Payment Deferral	Total	Percentage of Total Loan Type
Real estate mortgage	$4,442	$3,629	$1,553	$-	$-	$9,624	0.09%
Production and intermediate-term	5,413	67,769	-	2	1,393	74,577	1.59%
Agribusiness	-	5,907	-	-	-	5,907	0.12%
Total	**$9,855**	**$77,305**	**$1,553**	**$2**	**$1,393**	**$90,108**	0.41%

	For the Nine Months Ended September 30, 2025						
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total Loan Type
Real estate mortgage	$19,194	$1,156	$6,270	$2,588	$2,548	$31,756	0.29%
Production and intermediate-term	4,903	25,810	3,266	852	26,451	61,282	1.34%
Agribusiness	1,266	3,911	-	-	12,095	17,272	0.35%
Total	**$25,363**	**$30,877**	**$9,536**	**$3,440**	**$41,094**	**$110,310**	0.51%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the nine months ended September 30, 2026, and September 30, 2025, was $0.4 million and $2.2 million, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended September 30, 2026:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 10.26% to 5.26%
Production and intermediate-term	Reduced weighted average contractual interest rate from 11.82% to 6.82%

	Term Extension
	Financial Effect
Real estate mortgage	Increased weighted average maturities by 1.2 years
Production and intermediate-term	Increased weighted average maturities by 1.3 years
Agribusiness	Increased weighted average maturities by 2.0 years

	Combination - Term Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Increased weighted average maturities by 303 days and provided a weighted average 3.8 year payment deferral

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

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 11.94% to 7.47%
Production and intermediate-term	Reduced weighted average contractual interest rate from 12.50% to 7.50%
Agribusiness	Reduced weighted average contractual interest rate from 8.75% to 7.10%

	Term Extension
	Financial Effect
Production and intermediate-term	Increased weighted average maturities by 308 days
Agribusiness	Increased weighted average maturities by 354 days

	Combination - Interest Rate Reduction and Payment Deferral
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.75% to 9.25% and provided a weighted average 215 days payment deferral

	Combination - Term Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Increased weighted average maturities by 6.3 years and provided a weighted average 2.2 years payment deferral
Agribusiness	Increased weighted average maturities by 323 days and provided a weighted average 323 days payment deferral

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2026:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 10.23% to 5.44%
Production and intermediate-term	Reduced weighted average contractual interest rate from 11.75% to 6.82%

	Term Extension
	Financial Effect
Real estate mortgage	Increased weighted average maturities by 14.9 years
Production and intermediate-term	Increased weighted average maturities by 1.3 years
Agribusiness	Increased weighted average maturities by 1.7 years

	Payment Deferral
	Financial Effect
Real estate mortgage	Provided a weighted average 274 days payment deferral
Production and intermediate-term	Provided a weighted average 334 days payment deferral

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

	Combination - Term Extension and Payment Deferral
	Financial Effect
Production and intermediate-term	Increased weighted average maturities by 1.3 years and provided a weighted average 3.5 years payment deferral

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

	Interest Rate Reduction
	Financial Effect
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 9.90% to 8.17%
Agribusiness	Reduced weighted average contractual interest rate from 8.75% to 7.10%

	Term Extension
	Financial Effect
Real estate mortgage	Increased weighted average maturities by 181 days
Production and intermediate-term	Increased weighted average maturities by 333 days
Agribusiness	Increased weighted average maturities by 1.3 years

	Payment Deferral
	Financial Effect
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
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 12.42% to 7.42% and provided a weighted average 1.5 years payment deferral
Production and intermediate-term	Reduced weighted average contractual interest rate from 10.88% to 9.01% and provided a weighted average 339 days payment deferral

	Combination - Term Extension and Payment Deferral
	Financial Effect
Real estate mortgage	Increased weighted average maturities by 183 days and provided a weighted average 1.2 years payment deferral
Production and intermediate-term	Increased weighted average maturities by 1.0 years and provided a weighted average 3.7 years payment deferral
Agribusiness	Increased weighted average maturities by 1.9 years and provided a weighted average 3.2 years payment deferral

The following tables present the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the periods presented and had been modified within the twelve months prior to the default.

There were no loans to borrowers experiencing financial difficulty that subsequently defaulted during the three months ended September 30, 2026, that had received a modification within the twelve months preceding the default.

The following table presents the amortized cost of such loans that subsequently defaulted during the three months ended September 30, 2025.

	Modified Loans that Subsequently Defaulted		
	Interest Rate Reduction	**Term Extension**	**Combination - Interest Rate Reduction & Payment Deferral**
Real estate mortgage	$178	$-	$-
Production and intermediate-term	516	3,403	1
Total	**$694**	**$3,403**	**$1**

The following table presents the amortized cost of loans to borrowers experiencing financial difficulty that subsequently defaulted during the nine months ended September 30, 2026, and had received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted
	Term Extension
Production and intermediate-term	$988
Total	**$988**

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

	Modified Loans that Subsequently Defaulted				
	Interest Rate Reduction	**Term Extension**	**Payment Deferral**	**Combination - Interest Rate Reduction & Payment Deferral**	**Combination - Term Extension & Payment Deferral**
Real estate mortgage	$2,160	$-	$-	$9,191	$196
Production and intermediate-term	516	7,563	311	2	188
Total	**$2,676**	**$7,563**	**$311**	**$9,193**	**$384**

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 2026:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$14,878	$-	$3,795
Production and intermediate-term	89,230	884	3,777
Agribusiness	35,698	-	-
Total	**$139,806**	**$884**	**$7,572**

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 2025:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$44,245	$682	$28,154
Production and intermediate-term	61,181	214	2,098
Agribusiness	17,272	-	-
Total	**$122,698**	**$896**	**$30,252**

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the nine months ended September 30, 2026, were $11.1 million and $49.2 million during the year ended December 31, 2025.

ALLOWANCE FOR CREDIT LOSSES

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

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

A summary of changes in the allowance for credit losses by portfolio segment for the three months ending September 30, 2026, and September 30, 2025, are as follows:

	Real Estate Mortgage	Production and Intermediate-term	Agri-business	Rural Infra-structure	Other	Total
Allowance for loan losses:						
Balance at June 30, 2026	$41,010	$13,492	$45,643	$6,603	$27	$106,775
Charge-offs	(5,278)	(4,033)	(10,200)	-	-	(19,511)
Recoveries	298	1,477	96	-	-	1,871
Provision for loan losses	42	9,733	11,199	430	8	21,412
Balance at September 30, 2026	**$36,072**	**$20,669**	**$46,738**	**$7,033**	**$35**	**$110,547**
Allowance for unfunded commitments:						
Balance at June 30, 2026	$237	$646	$2,707	$170	$10	$3,770
Provision for/(Reversal of) unfunded commitments	226	127	(566)	26	-	(187)
Balance at September 30, 2026	**$463**	**$773**	**$2,141**	**$196**	**$10**	**$3,583**
Total allowance for credit losses	**$36,535**	**$21,442**	**$48,879**	**$7,229**	**$45**	**$114,130**

	Real Estate Mortgage	Production and Intermediate-term	Agri-business	Rural Infra-structure	Other	Total
Allowance for loan losses:						
Balance at June 30, 2025	$25,746	$11,773	$22,041	$822	$126	$60,508
Charge-offs	(9,942)	(3,373)	(6,392)	-	-	(19,707)
Recoveries	132	2,256	220	-	-	2,608
Provision for/(Reversal of) loan losses	15,181	2,926	17,103	96	(29)	35,277
Balance at September 30, 2025	**$31,117**	**$13,582**	**$32,972**	**$918**	**$97**	**$78,686**
Allowance for unfunded commitments:						
Balance at June 30, 2025	$208	$395	$591	$33	$-	$1,227
Provision for unfunded commitments	46	559	2,013	99	38	2,755
Balance at September 30, 2025	**$254**	**$954**	**$2,604**	**$132**	**$38**	**$3,982**
Total allowance for credit losses	**$31,371**	**$14,536**	**$35,576**	**$1,050**	**$135**	**$82,668**

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

A summary of changes in the allowance for credit losses by portfolio segment for the nine months ending September 30, 2026, and September 30, 2025, are as follows:

	Real Estate Mortgage	Production and Intermediate-term	Agri-business	Rural Infra-structure	Other	Total
Allowance for loan losses:						
Balance at December 31, 2025	$34,358	$14,775	$36,849	$1,364	$115	$87,461
Charge-offs	(11,568)	(26,909)	(12,460)	-	-	(50,937)
Recoveries	4,318	3,602	112	-	-	8,032
Provision for/(Reversal of) loan losses	8,964	29,201	22,237	5,669	(80)	65,991
Balance at September 30, 2026	**$36,072**	**$20,669**	**$46,738**	**$7,033**	**$35**	**$110,547**
Allowance for unfunded commitments:						
Balance at December 31, 2025	$248	$766	$3,174	$136	$34	$4,358
Provision for/(Reversal of) unfunded commitments	215	7	(1,033)	60	(24)	(775)
Balance at September 30, 2026	**$463**	**$773**	**$2,141**	**$196**	**$10**	**$3,583**
Total allowance for credit losses	**$36,535**	**$21,442**	**$48,879**	**$7,229**	**$45**	**$114,130**

	Real Estate Mortgage	Production and Intermedia te-term	Agri-business	Rural Infra-structure	Other	Total
Allowance for loan losses:						
Balance at December 31, 2024	$20,449	$7,426	$9,574	$652	$112	$38,213
Charge-offs	(16,966)	(26,444)	(9,394)	-	-	(52,804)
Recoveries	343	4,128	320	-	-	4,791
Provision for/(Reversal of) loan losses	27,291	28,472	32,472	266	(15)	88,486
Balance at September 30, 2025	**$31,117**	**$13,582**	**$32,972**	**$918**	**$97**	**$78,686**
Allowance for unfunded commitments:						
Balance at December 31, 2024	$247	$316	$588	$8	$-	$1,159
Provision for unfunded commitments	7	638	2,016	124	38	2,823
Balance at September 30, 2025	**$254**	**$954**	**$2,604**	**$132**	**$38**	**$3,982**
Total allowance for credit losses	**$31,371**	**$14,536**	**$35,576**	**$1,050**	**$135**	**$82,668**

DISCUSSION OF CHANGES IN ALLOWANCE FOR CREDIT LOSSES

The Association updates the quantitative and qualitative components of its allowance for credit losses each quarter to ensure the reserve remains responsive to changing credit conditions, emerging risks, and expected lifetime credit losses. Current and expected macroeconomic risks remain elevated due to uncertainty surrounding existing and potential tariffs, geopolitical conflicts, and increased input costs. These risks are reflected in both actual loss experience and credit deterioration, as well as future expected losses incorporated within the quantitative loss modeling process.

As of September 30, 2026, the allowance for credit losses, inclusive of loans and unfunded commitments, under the CECL methodology totaled $114.1 million, compared with $91.8 million at December 31, 2025, representing an increase of $22.3 million. Non-performing loan activity continued to increase during the period, contributing to $42.9 million of net charge-offs recorded during the nine months ended September 30, 2026. Specific reserves increased $16.1 million, largely driven by the transfer of stressed credits to nonaccrual status. These credit migrations reflect ongoing portfolio stress and weaker loan performance, contributing to higher overall reserve levels.

The Association estimates expected credit losses using a CECL framework that incorporates loan-level credit risk characteristics, historical loss experience, current conditions, and reasonable and supportable forecasts of future economic conditions over the contractual life of the loan portfolio. A significant component of the estimate is the Association's internal borrower risk rating system, which is used in conjunction with forecasted macroeconomic information to assess the likelihood of future credit losses. Macroeconomic forecasts obtained from an independent third-party provider are incorporated into the estimation process and include variables that are relevant to the Association's agricultural lending portfolio. These forecasts are intended to capture expected changes in agricultural commodity markets, borrower repayment capacity, farm profitability, collateral values, interest rates, and broader economic conditions. The specific variables utilized may differ across portfolio commodity segments based on their historical relationship to credit performance. Management regularly evaluates model assumptions, forecast inputs, portfolio performance, and prevailing economic conditions to ensure the allowance for credit losses remains reflective of the risk characteristics of the portfolio. As economic conditions, portfolio composition, and credit trends evolve, management may update modeling assumptions, forecast variables, and other qualitative considerations used in estimating expected credit losses.

NOTE 3 – INVESTMENT SECURITIES

A summary of the amortized cost of securities held-to-maturity by type as of September 30, 2026, and December 31, 2025, is as follows:

September 30, 2026	Amortized Cost	Gross Unrealized Gains/(Losses)	Fair Value	Weighted Average Yield
Asset-backed securities:				
Due after 10 years	$158,661	$(2,179)	$156,482	5.37%
Total	**$158,661**	**$(2,179)**	**$156,482**	

December 31, 2025	Amortized Cost	Gross Unrealized Gains/(Losses)	Fair Value	Weighted Average Yield
Asset-backed securities:				
Due after 10 years	$50,819	$(798)	$50,021	6.21%
Total	**$50,819**	**$(798)**	**$50,021**	

Accrued interest receivable of $1.5 million and $0.5 million as of September 30, 2026, and December 31, 2025, respectively, has been excluded from the amortized cost basis of total investment securities.

NOTE 4 – PREMISES, EQUIPMENT, AND LEASES

PREMISES AND EQUIPMENT

Premises and equipment consist of the following, excluding right-of-use assets:

	September 30, 2026	December 31, 2025
Buildings and improvements	$57,912	$58,459
Furniture and equipment	10,136	10,136
Land	6,400	6,010
Construction in progress	387	-
Vehicles	187	356
Premises and equipment at cost	75,022	74,961
Less: accumulated depreciation	(31,025)	(29,849)
Premises and equipment, net	**$43,997**	**$45,112**

LEASES

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

Future minimum lease payments under non-cancellable leases as of September 30, 2026, were as follows:

	Operating Leases	Finance Leases	Total
2026 (excluding the nine months ended 9/30/26)	$3,157	$492	$3,649
2027	648	1,358	2,006
2028	573	696	1,269
2029	384	336	720
2030	193	82	275
Thereafter	1,166	11	1,177
Total lease payments	**6,121**	**2,975**	**9,096**
Less: interest	-	(987)	(987)
Total	**$6,121**	**$1,988**	**$8,109**

Right-of-use assets, net of accumulated amortization, amounted to $4.9 million for the period ended September 30, 2026, and $5.3 million at December 31, 2025.

ASSETS HELD FOR SALE

As of September 30, 2026, assets held for sale totaled $49.5 million, compared to $55.3 million as of December 31, 2025. The balance primarily consisted of the former Santa Rosa, California headquarters building and land, along with other furniture and equipment. Certain assets previously classified as held for sale were disposed of during the first quarter, which included the Albuquerque, New Mexico office building and land held at $5.8 million.

NOTE 5 – SHAREHOLDERS' EQUITY

As previously disclosed in a letter to stockholders, in June of this year the Association discovered certain errors in the stockholder lists used for the mailing of the Association's 2026 Annual Meeting Information Statement, the 2025 Annual Report, and the ballots for the election of directors and nominating committee members. Specifically, the lists omitted certain categories of stockholders and included certain former borrowers. The Association promptly disclosed this matter to the Farm Credit Administration, and a determination was made to void the original 2026 director election. All ballots submitted in that election were declared to be void.

The Association undertook an extensive review of the root causes of all errors in the stockholder lists. The Association is in the process of remediating these errors to ensure the accuracy of future stockholder lists. The Association is conducting a new 2026 election for directors and nominating committee members utilizing stockholder lists that have been determined to be complete and accurate. Following the election process, the tabulation of the ballots is scheduled to be complete in November 2026, after which the Association will announce the election results. In addition, the Association mailed the 2025 Annual Report to those stockholders who were excluded from the original distribution. This matter did not impact the Association's day-to-day operations or affect its financial reporting, loan accounting, regulatory capital or patronage calculations.

The table below shows the Association's regulatory capital requirements and ratios as of September 30, 2026. The Association exceeded all regulatory minimum capital requirements as of September 30, 2026, and December 31, 2025.

	Regulatory Minimums	Capital Conservation Buffer	Total	Sep. 30, 2026	Dec. 31, 2025
Risk-adjusted:					
Common Equity Tier 1 capital	4.5%	2.5%	7.0%	**12.21%**	**11.69%**
Tier 1 capital	6.0%	2.5%	8.5%	**13.22%**	**12.85%**
Total capital	8.0%	2.5%	10.5%	**14.57%**	**13.94%**
Permanent capital	7.0%	0.0%	7.0%	**14.28%**	**13.77%**
Non-risk-adjusted:					
Tier 1 leverage	4.0%	1.0%	5.0%	**15.30%**	**14.83%**
URE and UREE leverage	1.5%	0.0%	1.5%	**14.08%**	**13.43%**

On June 14, 2021, the Association issued $300 million of Series A non-cumulative perpetual preferred stock at $1,000 par value per share. The issuance paid dividends at a fixed annual rate of 5.25%, payable quarterly, through the First Reset Date of June 15, 2026. Thereafter, the annual dividend rate resets to an amount equal to the sum of the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 4.50%. Effective June 15, 2026, the annual dividend rate reset to 8.746%. The issuance was callable June 15, 2026, and quarterly thereafter.

On September 14, 2026, the Association exercised its call option on a portion of its Series A preferred stock and redeemed $200.0 million at par value. The redemption was funded through a combination of proceeds from a new subordinated debt issuance, further discussed in Note 6, and internal capital. Following the redemption, $100.0 million of Series A preferred stock remained outstanding as of September 30, 2026.

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

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

Balance at December 31, 2025	Pension and Other Benefit Plans	Accumulated Other Comprehensive Loss
Other comprehensive loss before reclassifications	$(14,239)	$(14,239)
Amounts reclassified from accumulated other comprehensive loss	4,771	4,771
Net current period other comprehensive income	4,771	4,771
Balance at September 30, 2026	**$(9,468)**	**$(9,468)**

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

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

	For the Nine Months Ended		Location of Gain/(Loss) Recognized in Statement of Income
	Sep. 30, 2026	Sep. 30, 2025	
Pension and other benefit plans:			
Net actuarial gain	$4,771	$4,312	Salaries & Benefits
Total amounts reclassified	**$4,771**	**$4,312**	

NOTE 6 – SUBORDINATED NOTES (NOTES)

In June 2021, the Association issued $200.0 million of Notes, due in 2036, which may be redeemed in whole or in part on any interest payment date on or after June 2031. The Notes bear a fixed interest rate of 3.375% per annum, payable semi-annually until June 15, 2031, at which point the rate changes to a floating rate equal to the benchmark rate, expected to be three-month term SOFR, plus a spread of 212 basis points through maturity date or the date of earlier redemption. The Notes are presented net of unamortized issuance costs of approximately $1.6 million on the Consolidated Statements of Condition at September 30, 2026.

In September 2026, the Association issued $150.0 million of Notes, due in 2041, which may be redeemed in whole or in part on any interest payment date on or after September 2036. The Notes bear a fixed interest rate of 6.750% per annum, payable semi-annually until September 15, 2036, at which point the rate changes to a floating rate equal to the benchmark rate, expected to be three-month term SOFR, plus a spread of 335 basis points through the maturity date or the date of earlier redemption. A portion of the proceeds from the issuance was used to fund the partial redemption of the Association's Series A preferred stock, discussed in Note 5. The Notes are presented net of unamortized issuance costs of approximately $2.2 million on the Consolidated Statements of Condition at September 30, 2026.

The Notes are subordinate to all other creditor debt, including general creditors, and senior to all classes of stock. The Notes are not considered System debt and are not an obligation of, nor guaranteed by, any System entity. Further, payments on the Notes are not insured by the FCSIC.

NOTE 7 – FAIR VALUE MEASUREMENTS

Accounting standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 to the 2025 Annual Report.

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

	September 30, 2026 Fair Value Measurement Using		December 31, 2025 Fair Value Measurement Using	
	Level 1	Level 3	Level 1	Level 3
Measured at fair value on a recurring basis:				
Assets held in nonqualified benefits trusts	$45,083		$42,687	
Measured at fair value on a non-recurring basis:				
Loans		$138,913		$67,003
Other property owned		$25,644		$5,081
Assets held for sale		$49,508		$55,284

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying amounts, estimated fair values, and the level within the fair value hierarchy of the Association's financial instruments not carried at fair value. Receivables and payables due in one year or less, equity securities without readily determinable fair values, and other financial assets or liabilities with no defined or contractual maturities are excluded. There were no significant changes in the valuation techniques during the period ending September 30, 2026.

September 30, 2026	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$21,724,108	$21,003,024	Level 3
Cash	$22,245	$22,245	Level 1
Asset-backed securities, held to maturity	$158,661	$156,482	Level 2
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$18,368,650	$18,020,906	Level 3
Subordinated debt	$346,132	$314,264	Level 3

December 31, 2025	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$22,238,610	$21,799,078	Level 3
Cash	$52,767	$52,767	Level 1
Asset-backed securities, held to maturity	$50,819	$50,021	Level 2
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$18,921,166	$18,753,220	Level 3
Subordinated debt	$198,256	$176,706	Level 3

VALUATION TECHNIQUES

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

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

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

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

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

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

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

Cash: Fair value of cash approximates amortized cost.

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

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

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

NOTE 8 – SEGMENT REPORTING

The Association is engaged in a single line of business which, by regulation, provides, either directly or in participation with other lenders, credit, credit commitments and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm-related businesses. The chief operating decision maker (CODM) is the Chief Executive Officer (CEO), who uses net interest income and net income, provision for credit losses, salaries and benefits, purchased services and technology expenses along with regulatory capital ratios reported in the accompanying Financial Statements, to evaluate the Association's performance, and make operational decisions such as whether to reinvest profits. The Association's operations constitute a single operating segment and therefore, a single reportable segment, as the CODM manages the business activities using information of the Association as a whole. The accounting policies of the segment, including those used to measure the profit and loss of the segment, are the same as those disclosed in the summary of significant accounting policies disclosed in the Annual Report to Shareholders. The measure of segment assets is reported on the Statements of Condition as Total Assets. There is no separate segment financial information as the entity has only one segment.

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

NOTE 9 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 5, 2026, which is the date the financial statements were available to be issued.

Subsequent to September 30, 2026, the Association completed the sale of its former Santa Rosa, California headquarters building and land, which had a carrying value of approximately $49.5 million and was included in Assets Held for Sale in the Consolidated Statements of Condition as of September 30, 2026. The sale generated proceeds of approximately $47.8 million and resulted in a loss of approximately $1.7 million.