
AgCredit Agricultural Credit Association

FIRST QUARTER 2026

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CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2026 quarterly report of AgCredit Agricultural Credit Association, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ Brian J. Ricker
Chief Executive Officer

/s/ Daniel J. Lucke
Chief Financial Officer

/s/ Dustin J. Sonnenberg
Chairman of the Board

May 8, 2026

AgCredit Agricultural Credit Association

Report on Internal Control Over Financial Reporting

The Association’s principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association’s Consolidated Financial Statements. For purposes of this report, “internal control over financial reporting” is defined as a process designed by, or under the supervision of the Association’s principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- 1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association,
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association’s assets that could have a material effect on its Consolidated Financial Statements.

The Association’s management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2026. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the “COSO” criteria.

Based on the assessment performed, the Association’s management concluded that as of March 31, 2026, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association’s management determined that there were no material changes to or weaknesses in the internal control over financial reporting as of March 31, 2026.

/s/ Brian J. Ricker
Chief Executive Officer

/s/ Daniel J. Lucke
Chief Financial Officer

May 8, 2026

AgCredit Agricultural Credit Association

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of AgCredit, ACA (Association) for the period ended March 31, 2026, with comparisons to prior periods. These comments should be read in conjunction with the accompanying financial statements, notes to the financial statements, and the 2025 Annual Report of the Association. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners, and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio consists predominantly of grains (primarily soybeans, corn, and wheat), livestock, and landlords, which constitute 65 percent of the entire portfolio as of March 31, 2026. The Association recognizes the commodity concentration risk exceeds normally accepted industry standards. This risk, along with the risk associated with large loans, is reduced by members' off-farm income, utilization of crop insurance, and the use of FSA, USDA, Business and Industry, SBA, and Farmer Mac loan guarantees. As of March 31, 2026, the Association had \$977,545 of guaranteed loan volume, which is 26.34 percent of loans as compared to \$999,508 of guaranteed volume or 28.43 percent of the portfolio at March 31, 2025. Loan guarantees reduce the potential loss in the Association's loan portfolio and help to leverage the Association's capital.

The total loan volume of the Association as of March 31, 2026, was \$3,710,852, a decrease of \$30,004 as compared to \$3,740,856 at December 31, 2025. The decrease in loan volume primarily relates to decreases in production and intermediate (PRIT) and other partially offset by increases in communication, wastewater & disposal, and processing & marketing.

ASSET QUALITY AND LOAN LOSS RESERVES

There is an inherent risk in the extension of any type of credit. Portfolio credit quality continues to be maintained at an acceptable level and credit administration remains satisfactory. Nonaccrual loans decreased to \$16,343 at March 31, 2026, from \$18,829 at December 31, 2025. As a percent of total loans, nonaccrual loans were 0.44% and 0.50% at March 31, 2026, and December 31, 2025, respectively.

Association management maintains an allowance for credit losses (ACL) in an amount considered sufficient to absorb estimated current and expected credit losses over the financial assets expected life. The most significant component of the Association's ACL is the allowance for credit losses on loans (ACL). The ACL at March 31, 2026, was \$11,233 or 0.30% of total loans compared to \$10,992 or 0.29% of total loans at December 31, 2025, and is considered by management to be adequate to cover estimated current and expected losses within the loan portfolio. See further detail on the Association's ACL within the Association's Annual Report and discussion of significant provision for credit loss within the *Results of Operations* below.

RESULTS OF OPERATIONS

The Association's primary source of funding is provided by AgFirst Farm Credit Bank (the Bank) in the form of notes payable. See *Funding Sources* section below for additional details on this relationship.

For the three months ended March 31, 2026

Net income for the three months ended March 31, 2026, was \$19,767, an increase of \$2,467 as compared to net income of \$17,300 for the same period ended in 2025. Major changes in the components of net income when comparing Q1 2026 to Q1 2025 are identified below in the commentary for net interest income, provision for credit losses, noninterest income, and noninterest expense.

For the three months ended March 31, 2026, net interest income was \$24,362, an increase of \$1,627, and the net interest margin was 2.69%, an increase of 4 basis points as compared to the same period ended in 2025. The increase in net interest income was primarily the result of improved spreads as well as overall loan growth.

The provision for credit losses for the three months ended March 31, 2026, was \$437, a decrease of \$513 from the provision for credit losses of \$950 for the same period ended during the prior year primarily related to a reduction in specific reserves and changes to the economic factors utilized in the allowance calculation.

Noninterest income increased \$1,413 to \$8,241 during the first three months of 2026 compared with the first three months of 2025 primarily due to an increase to the general patronage accrual from AgFirst for 2026, an increase in the amount of patronage received from other FC associations as well as strong patronage returns from the Agri-Access program. We also saw a larger FCSIC refund partially offset by losses on the non-qualified 401k.

For the three months ended March 31, 2026, noninterest expense increased \$1,090 to \$12,391 compared with the first three months of 2025 primarily due to the bank's charge for technology costs under purchased services increasing from 50 bps to 60 bps for 2026 partially offset by a decrease in personnel costs.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at March 31, 2026, was \$3,274,904 as compared to \$3,340,030 at December 31, 2025.

CAPITAL RESOURCES

Total members' equity at March 31, 2026, was \$615,166, an increase of \$18,686 from a total of \$596,480 at December 31, 2025. The increase is due primarily to 2026 year-to-date earnings. Total capital stock and participation certificates were \$13,119 on March 31, 2026, compared to \$13,673 on December 31, 2025.

The Farm Credit Administration (FCA) sets minimum regulatory capital requirements with a capital conservation buffer for System banks and associations. Capital adequacy is evaluated using a number of regulatory ratios.

The following sets forth the regulatory capital ratios:

	Regulatory Minimum Including Buffer*	March 31, 2026	December 31, 2025	March 31, 2025
Permanent Capital Ratio	7.00%	18.32%	18.48%	18.73%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	18.04%	18.23%	18.41%
Tier 1 Capital Ratio	8.50%	18.04%	18.23%	18.41%
Total Regulatory Capital Ratio	10.50%	18.48%	18.63%	18.82%
Tier 1 Leverage Ratio**	5.00%	13.65%	13.67%	13.70%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	13.43%	13.44%	13.47%

**Include full capital conservation buffers.*

***The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE equivalents.*

If the capital ratios fall below the minimum regulatory requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval. For all periods presented, the Association exceeded minimum regulatory requirements for all of the ratios.

REGULATORY MATTERS

On February 27, 2026, the FCA published a proposed rule on Permanent Capital Revisions in the Federal Register. The proposed rule would reduce the role of permanent capital as a measure of capital adequacy, simplify the permanent capital ratio calculation, eliminate permanent capital disclosure requirements from shareholder and investor reporting, and make other clarifications, corrections, and updates to capital-related regulations. The comment period ended on April 28, 2026.

On December 5, 2025, the FCA published a proposed rule on loan performance categories and financial reporting in the Federal Register. The proposed rule would amend the regulations for high-risk loan performance categories due to changes in GAAP, clarify expectations for vintage disclosures and disclosures of loan modifications to borrowers experiencing financial difficulties. The comment period ended on February 3, 2026.

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk weightings for High Volatility Commercial Real Estate (HVCRE) exposures by assigning a 150% risk-weighting to such exposures, instead of the current 100%, to reflect increased risk characteristics. The rule further ensures comparability between the FCA's risk-weightings and the federal banking regulators, with deviations as appropriate to accommodate the different regulatory, operational, and credit considerations of the System. The final rule excludes certain acquisition, development and construction loans that do not present as much risk and therefore do not warrant the risk weight for HVCRE. In addition, the final rule adds an exclusion for loans originated with a balance for less than \$500,000. The rule became effective on January 1, 2026 and did not have a material impact on the Association's capital ratios.

Note: The Association obtains funding from AgFirst Farm Credit Bank (the Bank). The Association is materially affected, and shareholder investment could be materially affected by the financial condition and results of operations of the Bank. Copies of the Bank's Annual and Quarterly Reports are on the AgFirst website, www.agfirst.com or may be obtained at no charge by calling 1-800-845-1745, extension 2764, or writing Matthew Miller, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202.

Copies of the Association's Quarterly and Annual Reports are available on the Association's website, www.agcredit.net, or may be obtained upon request free of charge by calling 1-800-837-3678, extension 2206, or writing Daniel J. Lucke, Chief Financial Officer, AgCredit, ACA, 610 W Lytle Street, Fostoria, OH 44830. The Association prepares an electronic version of the Quarterly Report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the Association.

AgCredit Agricultural Credit Association
Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31, 2026 <i>(unaudited)</i>	December 31, 2025 <i>(audited)</i>
Assets		
Cash	\$ 35	\$ 41
Investments in debt securities:		
Held to maturity	81,518	81,639
Loans	3,710,852	3,740,856
Allowance for credit losses on loans	(11,233)	(10,992)
Net loans	3,699,619	3,729,864
Other equity investments	9,414	11,068
Accrued interest receivable	52,071	56,766
Equity investments in other Farm Credit institutions	77,226	74,648
Premises and equipment, net	7,405	7,367
Other property owned	169	169
Accounts receivable	7,729	25,727
Other assets - fair value	3,629	3,764
Other assets	732	765
Total assets	\$ 3,939,547	\$ 3,991,818
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 3,274,904	\$ 3,340,030
Accrued interest payable	10,858	10,798
Patronage refunds payable	520	26,846
Accounts payable	1,655	2,496
Advanced conditional payments	1,844	1,531
Other liabilities	34,600	13,637
Total liabilities	3,324,381	3,395,338
Commitments and contingencies (Note 5)		
Members' Equity		
Capital stock and participation certificates	13,119	13,673
Retained earnings		
Allocated	424,551	424,871
Unallocated	177,496	157,936
Total members' equity	615,166	596,480
Total liabilities and members' equity	\$ 3,939,547	\$ 3,991,818

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

AgCredit Agricultural Credit Association
**Consolidated Statements of
Comprehensive Income**

(unaudited)

<i>(dollars in thousands)</i>	For the Three Months Ended March 31,	
	2026	2025
Interest Income		
Loans	\$ 54,615	\$ 51,235
Investments	948	707
Total interest income	55,563	51,942
Interest Expense		
	31,201	29,207
Net interest income	24,362	22,735
Provision for credit losses	437	950
Net interest income after provision for credit losses	23,925	21,785
Noninterest Income		
Loan fees	458	651
Fees for financially related services	42	39
Patronage refunds from other Farm Credit institutions	6,628	5,687
Gains (losses) on other transactions	(207)	(22)
Insurance Fund refunds	1,239	399
Other noninterest income	81	74
Total noninterest income	8,241	6,828
Noninterest Expense		
Salaries and employee benefits	4,747	5,088
Occupancy and equipment	364	339
Insurance Fund premiums	589	545
Guarantee fees	500	325
Purchased services	4,578	3,431
Data processing	125	146
Other operating expenses	1,488	1,418
(Gains) losses on other property owned, net	—	9
Total noninterest expense	12,391	11,301
Income before income taxes	19,775	17,312
Provision for income taxes	8	12
Net income	\$ 19,767	\$ 17,300
Other comprehensive income	—	—
Comprehensive income	\$ 19,767	\$ 17,300

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

AgCredit Agricultural Credit Association

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)

	Capital Stock and Participation Certificates	Retained Earnings		Total Members' Equity
		Allocated	Unallocated	
Balance at December 31, 2024	\$ 13,945	\$ 396,760	\$ 141,313	\$ 552,018
Comprehensive income			17,300	17,300
Capital stock/participation certificates issued/(retired), net	(173)			(173)
Dividends declared/paid			(34)	(34)
Patronage distribution adjustment		415	(414)	1
Balance at March 31, 2025	\$ 13,772	\$ 397,175	\$ 158,165	\$ 569,112
Balance at December 31, 2025	\$ 13,673	\$ 424,871	\$ 157,936	\$ 596,480
Comprehensive income			19,767	19,767
Capital stock/participation certificates issued/(retired), net	(554)			(554)
Dividends declared/paid			(27)	(27)
Patronage distribution adjustment		(320)	(180)	(500)
Balance at March 31, 2026	\$ 13,119	\$ 424,551	\$ 177,496	\$ 615,166

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

AgCredit Agricultural Credit Association

Notes to the Consolidated Financial Statements

*(dollars in thousands, except as noted)
(unaudited)*

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization

The accompanying financial statements include the accounts of AgCredit Agricultural Credit Association and its Production Credit Association (PCA) and Federal Land Credit Association (FLCA) subsidiaries (collectively, the Association). Descriptions of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations for the Association as of and for the year ended December 31, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited interim consolidated financial statements should be read in conjunction with the latest Annual Report to Shareholders.

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

Certain amounts in the prior period's consolidated financial statements have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies

The Association's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for credit losses (Note 2, *Loans and Allowance for Credit Losses*) and financial instruments (Note 4, *Fair Value Measurement*). Actual results could differ from those estimates.

For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

Recently Issued or Adopted Accounting Pronouncements

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

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

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient which 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 receivables and current contract assets arising from transactions accounted for under Topic 606. The amendments were effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The impact of adoption did not have a significant impact on the Association’s financial condition, results of operations, and cash flows.

In December 2023, the FASB issued ASU 2023-09 – Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this standard require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. The amendments are effective for annual periods beginning after December 15, 2025. The adoption of this guidance is not expected to have a material impact on the Association’s financial condition, results of operations or cash flows but will impact the income tax disclosures.

Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding at period end follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Real estate mortgage	\$ 2,017,553	\$ 2,017,236
Production and intermediate-term Agribusiness:	753,684	815,097
Loans to cooperatives	10,290	12,004
Processing and marketing	398,413	380,581
Farm-related business	39,185	36,942
Rural infrastructure:		
Communication	83,261	73,663
Power and water/waste disposal	37,995	25,980
Rural residential real estate	151,998	153,178
Other:		
Lease receivables	1,935	2,171
Other (including Mission Related)	216,538	224,004
Total loans	<u>\$ 3,710,852</u>	<u>\$ 3,740,856</u>

A substantial portion of the Association’s lending activities is collateralized, and exposure to credit loss associated with lending activities is reduced accordingly. The Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with FCA regulations.

The following table shows loans, classified under the FCA Uniform Loan Classification System, as a percentage of total loans by loan type as of:

	March 31, 2026	December 31, 2025
Real estate mortgage:		
Acceptable	95.16%	96.19%
OAEM	2.63	1.88
Substandard/doubtful/loss	2.21	1.93
	<u>100.00%</u>	<u>100.00%</u>
Production and intermediate-term:		
Acceptable	87.90%	89.85%
OAEM	6.95	5.85
Substandard/doubtful/loss	5.15	4.30
	<u>100.00%</u>	<u>100.00%</u>
Agribusiness:		
Acceptable	91.04%	92.25%
OAEM	3.86	3.03
Substandard/doubtful/loss	5.10	4.72
	<u>100.00%</u>	<u>100.00%</u>
Rural infrastructure:		
Acceptable	100.00%	100.00%
OAEM	-	-
Substandard/doubtful/loss	-	-
	<u>100.00%</u>	<u>100.00%</u>
Rural residential real estate:		
Acceptable	97.99%	97.98%
OAEM	1.45	1.45
Substandard/doubtful/loss	0.56	0.57
	<u>100.00%</u>	<u>100.00%</u>
Other:		
Acceptable	100.00%	100.00%
OAEM	-	-
Substandard/doubtful/loss	-	-
	<u>100.00%</u>	<u>100.00%</u>
Total loans:		
Acceptable	93.75%	94.76%
OAEM	3.36	2.70
Substandard/doubtful/loss	2.89	2.54
	<u>100.00%</u>	<u>100.00%</u>

Accrued interest receivable on loans of \$51,182 and \$55,845 at March 31, 2026, and December 31, 2025, respectively, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets.

The following tables provide an aging analysis of past due loans as of:

	March 31, 2026				
	30 Through 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
Real estate mortgage	\$ 9,679	\$ 6,110	\$ 15,789	\$ 2,001,764	\$ 2,017,553
Production and intermediate-term	10,188	3,506	13,694	739,990	753,684
Agribusiness	8,146	-	8,146	439,742	447,888
Rural infrastructure	-	-	-	121,256	121,256
Rural residential real estate	644	29	673	151,325	151,998
Other	15,974	8,075	24,049	194,424	218,473
Total	<u>\$ 44,631</u>	<u>\$ 17,720</u>	<u>\$ 62,351</u>	<u>\$ 3,648,501</u>	<u>\$ 3,710,852</u>

	December 31, 2025				
	30 Through 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
Real estate mortgage	\$ 8,623	\$ 5,845	\$ 14,468	\$ 2,002,768	\$ 2,017,236
Production and intermediate-term	6,304	1,428	7,732	807,365	815,097
Agribusiness	8,165	—	8,165	421,362	429,527
Rural infrastructure	—	—	—	99,643	99,643
Rural residential real estate	609	167	776	152,402	153,178
Other	18,633	13,125	31,758	194,417	226,175
Total	\$ 42,334	\$ 20,565	\$ 62,899	\$ 3,677,957	\$ 3,740,856

Accruing loans greater than 90 days past due as of March 31, 2026, and December 31, 2025, were \$11,798 and \$15,411, respectively.

The following tables provide the amortized cost for nonaccrual loans with and without a related allowance for credit losses on loans as of:

	March 31, 2026		
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans:			
Real estate mortgage	\$ 570	\$ 7,998	\$ 8,568
Production and intermediate-term	2,518	4,838	7,356
Agribusiness	—	87	87
Rural residential real estate	—	332	332
Total	\$ 3,088	\$ 13,255	\$ 16,343

	December 31, 2025		
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans:			
Real estate mortgage	\$ 570	\$ 9,862	\$ 10,432
Production and intermediate-term	2,552	5,423	7,975
Agribusiness	—	93	93
Rural residential real estate	—	329	329
Total	\$ 3,122	\$ 15,707	\$ 18,829

The Association recognized \$183 and \$61 of interest income on nonaccrual loans during the three months ended March 31, 2026, and 2025, respectively.

Reversals of interest income on loans that moved to nonaccrual status were not material for the three months ended March 31, 2026, and 2025.

A summary of changes in the allowance for credit losses is as follows:

	Three Months Ended March 31,	
	2026	2025
Allowance for Credit Losses on Loans:		
Balance at beginning of period	\$ 10,992	\$ 8,942
Charge-offs	(95)	(4)
Recoveries	—	—
Provision for credit losses on loans	336	953
Balance at end of period	\$ 11,233	\$ 9,891
Allowance for Credit Losses on Unfunded Commitments:		
Balance at beginning of period	\$ 707	\$ 571
Provision for unfunded commitments	101	(3)
Balance at end of period	\$ 808	\$ 568
Total allowance for credit losses	\$ 12,041	\$ 10,459

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one, or a combination of, principal forgiveness, interest rate reduction, or an other-than-insignificant payment delay or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

Modified loans to borrowers experiencing financial difficulty and activity on these loans were not material during the three months ended March 31, 2026, and 2025. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at March 31, 2026, and 2025. There were no material modifications to distressed borrowers that occurred during the previous twelve months and for which there was a subsequent payment default during the period.

The Association had no loans held for sale at March 31, 2026, and December 31, 2025.

Note 3 — Investments

Investments in Debt Securities

The Association’s investments consist of asset-backed securities (ABSs). These ABSs are issued through the Small Business Administration and are guaranteed by the full faith and credit of the United States government. They are held for managing overall risk including concentration through diversification. These securities meet the applicable FCA regulatory guidelines related to government agency guaranteed investments.

The Association’s investments also consist of Rural America Bonds (RABs), which are private placement securities purchased under the Mission Related Investment (MRI) program approved by the FCA. In its Conditions of Approval for the program, the FCA generally considers a RAB ineligible if its investment rating, based on the internal 14-point probability of default scale used to also grade loans, falls below 9. The FCA requires System institutions to provide notification to FCA when a security becomes ineligible. Any other bonds purchased under the MRI program, approved on a case-by-case basis by FCA, may have different eligibility requirements. At March 31, 2026, the Association held no RABs whose credit quality had deteriorated beyond the program limits.

A summary of the amortized cost of investment securities held-to-maturity follows:

	Amortized Cost	
	March 31, 2026	December 31, 2025
RABs	\$ 2,543	\$ 2,565
ABSs	78,975	79,074
Total	<u>\$ 81,518</u>	<u>\$ 81,639</u>

A summary of the contractual maturity and amortized cost of investment securities follows:

	Amortized Cost
	March 31, 2026
In one year or less	\$ —
After one year through five years	6,172
After five years through ten years	30,261
After ten years	45,085
Total	<u>\$ 81,518</u>

For the securities listed above, expected maturities can differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

The Association evaluates investment securities with unrealized losses for impairment on a quarterly basis. As part of this assessment, it was concluded that the Association does not intend to sell the security and is not likely that the Association would be required to sell the security prior to recovery of the amortized cost basis. The Association also evaluates whether credit impairment exists by comparing the present value of expected cash flows to the amortized cost basis of the security. Credit impairment, if any, is recorded as an ACL for debt securities. At March 31, 2026, and December 31, 2025, the Association does not consider any credit-related unrealized losses to be material and an allowance for credit losses on investments is not necessary.

Equity Investments in Other Farm Credit Institutions

Equity investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA. These investments are carried at cost and evaluated for impairment based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

Associations are required to maintain ownership in AgFirst (AgFirst or the Bank) in the form of Class B or Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association owned 10.05% of the issued stock and allocated retained earnings of the Bank as of March 31, 2026, net of any reciprocal investment. As of that date, the Bank's assets totaled \$50.5 billion and shareholders' equity totaled \$2.3 billion. The Bank's earnings were \$117 million for the first three months of 2026. In addition, the Association held investments of \$5,483 related to other Farm Credit institutions.

Note 4 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 2, *Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders for additional information.

Fair values are estimated at each period end date for assets and liabilities measured at fair value on a recurring basis. The following tables summarize assets measured at fair value at period end.

	March 31, 2026					Total Fair Value
	Fair Value Measurement Using			Level 3		
	Level 1	Level 2	Level 3			
Recurring assets						
Assets held in trust funds	\$ 3,629	\$ —	\$ —	\$ —	\$ 3,629	
Nonrecurring assets						
Nonaccrual loans	\$ —	\$ —	\$ 1,540	\$ —	\$ 1,540	
Other property owned	\$ —	\$ —	\$ 169	\$ —	\$ 169	
Other equity investments	\$ —	\$ —	\$ 9,414	\$ —	\$ 9,414	

	December 31, 2025					Total Fair Value
	Fair Value Measurement Using			Level 3		
	Level 1	Level 2	Level 3			
Recurring assets						
Assets held in trust funds	\$ 3,764	\$ —	\$ —	\$ —	\$ 3,764	
Nonrecurring assets						
Nonaccrual loans	\$ —	\$ —	\$ 1,143	\$ —	\$ 1,143	
Other property owned	\$ —	\$ —	\$ 169	\$ —	\$ 169	
Other equity investments	\$ —	\$ —	\$ 11,068	\$ —	\$ 11,068	

Valuation Techniques

As more fully discussed in Note 2, *Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair values of financial instruments represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability in active markets among willing participants at the reporting date. Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain of the estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction. The following represent a brief summary of the valuation techniques used by the System institution for assets and liabilities:

Assets held in trust funds

Assets held in trust funds, related to deferred compensation plans, are classified as Level 1. The trust funds include investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

Nonaccrual loans

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

Other property owned

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

Other equity investments

There are no observable market values for the Association's Rural Business Investment Company (RBIC) investments. These investments are measured at cost, adjusted for any observable sales and impairment.

Note 5 — Commitments and Contingent Liabilities

From time to time, legal actions may be pending against the Association in which claims for damages are asserted. At the date of these Financial Statements, the Association is not aware of any material actions. However, the Association cannot ensure that such actions or other contingencies will not arise in the future.

Note 6 — Subsequent Events

The Association evaluated subsequent events through May 8, 2026, which was the date the financial statements were issued and noted there were none requiring disclosure.