



# 2025 ANNUAL REPORT



**\$16.1** BILLION  
in Loans

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**\$2.9** BILLION  
in Members'  
Equity

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**\$246.9** MILLION in  
Net Income

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**\$131.8** MILLION  
in Patronage

Financial Highlights	2025	2024	2023
Loans	\$16.1 billion	\$14.7 billion	\$13.2 billion
Members' Equity	\$2.9 billion	\$2.8 billion	\$2.6 billion
Net Income	\$246.9 million	\$264.6 million	\$254.3 million
Patronage	\$131.8 million	\$104.5 million	\$125.0 million

# Letter To Shareholders

While every production season brings its own set of challenges and opportunities, this past year stood apart. If there was any doubt, 2025 confirmed what many in agriculture have long known – the future will not mirror the past.

Trade disputes and tariffs disrupted markets, policy shifts reshaped the food supply chain, and high input costs and low commodity prices led to another year of tightened margins for grain operators.

Being a dependable lender – in good and tough times – has never been more important. In 2025, AgCountry Farm Credit Services (AgCountry) delivered another strong year, with solid loan growth and earnings.

**Our Board of Directors returned \$131.8 million in patronage to eligible customer-owners – equal to 1% of the average daily balance of eligible loans – effectively reducing borrowing costs.**

We have shared our financial success every year since 2013, putting more than \$771 million back in the pockets of farmers and ranchers. This is an example of the value of doing business with a financial cooperative.

**Our financial strength also ensures we can fulfill our vision: evolving to be agriculture’s most valued financial partner. We reinvest retained earnings in the products, services, and expertise you expect.**

In 2025, this included continued investments in digital capabilities that make it easier to do business with us. We also completed the integration of management, technology, and processes through our tri-Association collaboration with Farm Credit Services of America and Frontier Farm Credit. These efficiencies improve security, streamline loan applications, and provide more ways to do business with us – when and where it works for you.

Agriculture’s future will continue to evolve. But what will not change is the value of a strong, dependable lender that understands your business and has the capital to grow alongside you. We are built for the long term, and we look forward to continuing our partnership for generations to come.

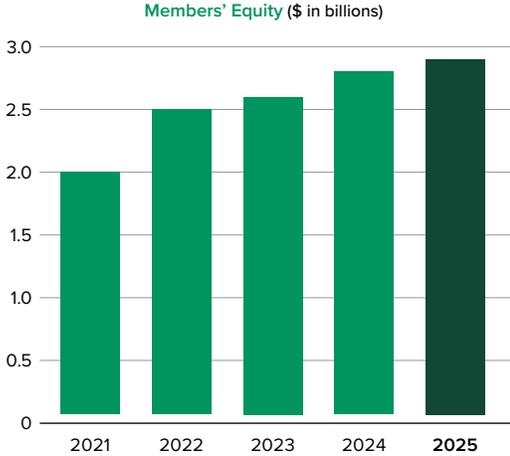
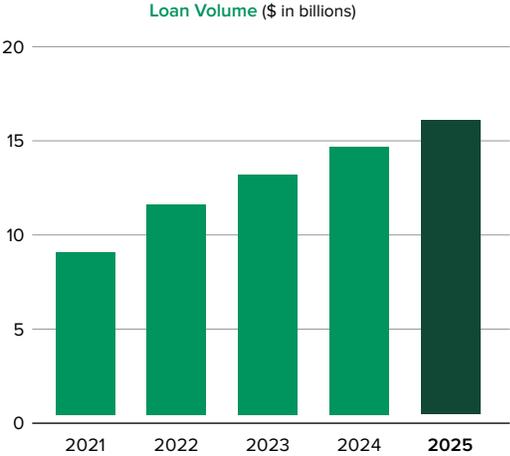


**Mark Jensen**  
President and CEO



**Steve Perdue**  
2025 Board Chair

# Financial Results



## Loan Volume

AgCountry Farm Credit Services' loan volume in 2025 increased \$1.4 billion, or 9.3%. We ended the year with loan volume of \$16.1 billion.

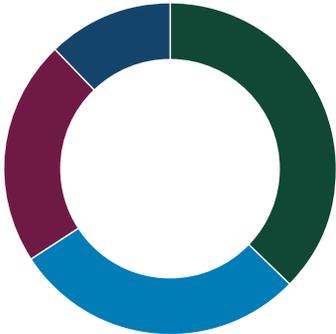
We experienced solid growth led by strong originations in the retail real estate portfolio and elevated utilization in the retail operating portfolio, with the grain and beef portfolios contributing the strongest growth. Within corporate lending, the protein portfolio saw strong growth primarily driven by beef, where customers continued to face higher replacement costs while rebuilding the supply to keep up with demand.

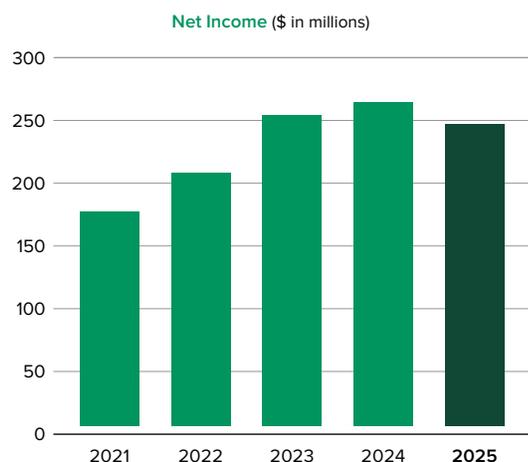
## Capital and Members' Equity

AgCountry Farm Credit Services' capital levels remained well in excess of regulatory minimums. At year-end, members' equity was \$2.9 billion compared to \$2.8 billion at the close of 2024. Members' equity as a percentage of total assets decreased to 16.8% from 17.6% the previous year.

2025 Loans by Category

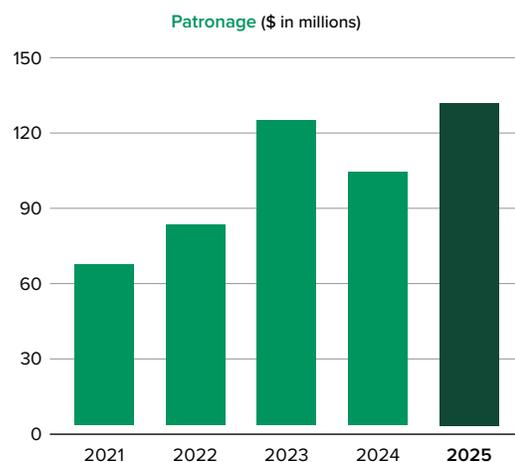
- Real estate mortgage / 37.4%
- Production and intermediate term / 28.7%
- Agribusiness / 21.9%
- Other / 12%





### Net Income

Net income decreased \$17.7 million, or 6.7%, to \$246.9 million in 2025. While net interest income increased, driven by higher loan volume, this was offset by higher provision for credit losses and higher noninterest expenses. Our net interest as a percentage of average earning assets, or net interest margin, was 2.6% compared to 2.7% in 2024.



### Patronage

We have returned a portion of our net income to eligible customer-owners every year since 2013. In the past 13 years, we have returned more than \$771 million to farmers, ranchers, and agribusinesses. Our 2025 patronage of \$131.8 million represented a return of 1% of customers' eligible average daily balance, effectively reducing the cost of borrowing from AgCountry Farm Credit Services.

Our patronage program is part of the value of doing business with AgCountry Farm Credit Services. Your Board has approved the 2026 patronage program; the amount of our 2026 patronage will be determined in December.



## AgCountry Farm Credit Services, ACA Directors

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**Leif Aakre** / Stephen, Minnesota

Aakre farms with his son and raises soybeans, wheat, and corn. Aakre serves as chairman of the Minnesota Farm Credit Legislative Committee. Aakre was elected to the AgCountry Board in 2011; his current term ends August 31, 2027.



**Suzanne Allen** / Duluth, Minnesota

An appointed Director, Allen is president of Allen CFO Services, a fractional CFO consulting business. Allen also serves on the Board of Directors for American Transmission Company. She currently serves as the AgCountry Board Audit Committee Chairperson. Allen was appointed to the AgCountry Board in 2011; her current term ends August 31, 2027.



**Bryan Ankenbauer** / Bowbells, North Dakota

Ankenbauer manages and operates a small grain farm raising wheat, canola, flax, barley, corn, and soybeans. Ankenbauer is a partner in EG Acres, LLC, a farm management company and serves on the North Dakota Farm Credit Council. He currently serves as the AgCountry Board Vice-Chairperson and the AgCountry Board Governance Committee Chairperson. Ankenbauer was elected to the AgCountry Board in 2005; his current term ends August 31, 2029.



**Justin Dagen** / Karlstad, Minnesota

Dagen farms with his two sons, who represent the sixth generation to operate Dagen Heritage Farms. He has a diversified cash crop operation that specializes in seed potatoes. Dagen also serves as the chairperson for the Spring Brook Township Board of Supervisors and on his church board. Dagen was elected to the AgCountry Board in 2018; his current term ends August 31, 2026.



**Kurt Elliott** / Blanchard, North Dakota

Elliott raises corn and soybeans, is a part of Tri-E Simmentals (purebred operation), and feeds cattle in his family's feedlot. Elliott currently serves as a commissioner for Trail County Commission and is a member of the Lake Agassiz Regional Development Board. Elliott was elected to the AgCountry Board in 2016; his current term ends August 31, 2028.



**Ed Hegland** / Appleton, Minnesota

Hegland is owner and manager of Hegland Farms of Appleton, Inc., a cash grain farm in Lac qui Parle County. Hegland raises corn, soybeans, and wheat using no-till, cover crops, and other conservation methods. Hegland currently serves on the national Farm Credit Council, the AgriBank District Farm Credit Council, and the FCCS board. Hegland was elected to the AgCountry Board in 2012; his current term ends August 31, 2029.



**Karen Kerner** / Phillips, Wisconsin

Kerner, along with her husband, is the managing owner of a Black Angus cow-calf to finishing operation, which provides direct-to-consumer beef under Deer Creek Angus, LLC. The farm grows oats, grass-hay-forage mix, soybeans, and corn. Kerner was elected to the AgCountry Board in 2021; her current term ends August 31, 2029.



**Ryan Klussendorf** / Medford, Wisconsin

Klussendorf operates Broadlands Grass Farm, where he manages a rotational grazing dairy operation and grows hay, winter rye, and corn. He is a member of the AgriBank District Farm Credit Council and serves as Vice-Chairperson of the Wisconsin Farm Credit Legislative Committee. Klussendorf has held leadership roles with the Medford Cooperative Board of Directors and the Taylor County Farm Bureau. He previously served on the Wisconsin Farm Bureau Federation Board of Directors and the Rural Mutual Insurance Company Board. Klussendorf was elected to the AgCountry Board in 2023; his current term ends August 31, 2027.



**Shawn Murphy** / Carpio, North Dakota

Murphy is a fifth-generation farmer growing wheat, canola, durum, peas, and soybeans. Murphy serves as a director for Northern Canola Growers, as a treasurer/clerk for White Ash Township, and as a director for Berthold Farmers Elevator. He was previously employed as a credit officer for Farm Credit Services of North Dakota. He is a member of the North Dakota Farm Credit Council. Murphy was elected to the AgCountry Board in 2024; his current term ends August 31, 2028.



**Greg Nelson** / Milnor, North Dakota

Nelson is the fourth generation on their family farm and raises wheat, soybeans, and corn. Nelson also serves on the AgriBank District Farm Credit Council and as an elder for his church. Nelson was elected to the AgCountry Board in 2008; his current term ends August 31, 2026.



**William (Bill) Oemichen** / New Glarus, Wisconsin

An appointed Director, Oemichen is a professor of practice-law at the University of Wisconsin-Madison's Division of Extension and Law School. He also serves as an adjunct professor in cooperative law at the University of Saskatchewan College of Law. In addition to his academic work, Oemichen is a partner at Oemichen Bridgewater, LLP, and a national security researcher currently writing his Ph.D. dissertation on Food Systems Risk. He serves as chair of the board of trustees for Wisconsin College Savings Program and president of the New Glarus Board of Education. He also is a fellow of the Canadian Centre for the Study of Cooperatives and a research principal at the University of Saskatchewan. Oemichen serves on the boards of FCCS, Farm Land Title, and the Green County Leaders. He currently serves as the AgCountry Board Business Risk Committee Chairperson. Oemichen was appointed to the AgCountry Board in 2009; his current term ends August 31, 2029.



**Steve Perdue** / Ray, North Dakota

Perdue manages and operates a small grain farm raising wheat, canola, flax, barley, corn, and soybeans. Perdue serves as director on the Dickinson State University Heritage Foundation, the North Dakota Farm Credit Council, and the Ray Farmers Union Elevator Board. He currently serves as the AgCountry Board Chairperson. Perdue was elected to the AgCountry Board in 2009; his current term ends August 31, 2026.



**Lynn Pietig** / Morgan, Minnesota

Pietig and her husband operate Pietig Farms, a fifth-generation farm where they raise corn and soybeans. She owns and operates Pietig Book-Works, a tax and accounting business. Pietig also serves as treasurer for Morgan Memorial Foundation, Inc., a nursing home and assisted living facility. Pietig was elected to the AgCountry Board in 2015; her current term ends August 31, 2027.



**Richard Price** / Stanley, Wisconsin

Price owns and operates a crop farm with his wife. Price previously served on the United Farm Credit Services Board from 2008 to 2017 and the AgriBank Board from 2017 to 2021. Price was elected to the AgCountry Board in 2022; his current term ends August 31, 2026.



**Greg Sabolik** / Kensington, Minnesota

Sabolik is the president of Bred & Butter Dairy, LLC, a dairy and row crop farm, and 709, LLC, a land ownership entity. Sabolik serves as a member of the Policy and Engagement Committee for the Minnesota Milk Producers Association, as board member for the Minnesota Dairy Initiative, the Douglas County Chapter of the American Dairy Association, the AgriBank District Farm Credit Council, and the AgriBank District Nominating Committee. Sabolik was elected to the AgCountry Board in 2013; his current term ends August 31, 2029.



**Curt Trost** / Wabasso, Minnesota

Trost and his wife own and operate a grain operation raising corn and soybeans, and Trost is president of Curtis Trost Farming, Inc. Trost also serves as Board Vice-Chairperson for Serenity Suites Senior Living. Trost was elected to the AgCountry Board in 2020; his current term ends August 31, 2028.



**Dale Zahradka** / Lankin, North Dakota

Zahradka and his wife raise a combination of cash grains with assistance from their children. He also owns a grain elevator that does custom drying of local crops. He is the vice chairperson on the North Dakota Farm Credit Council. Zahradka was elected to the AgCountry Board in 2002; his current term ends August 31, 2026.



**Mike Zenker** / Gackle, North Dakota

Zenker farms with his brother raising corn, soybeans, and barley. Zenker also owns and operates a seed dealership. Zenker serves as a board member for Finn Township and president of the Gackle Future Development Company Board. He currently serves as the AgCountry Board Human Capital Committee Chairperson. Zenker was elected to the AgCountry Board in 2015; his current term ends August 31, 2027.

## **Financial Information**

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# CONSOLIDATED FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

AgCountry Farm Credit Services, ACA

(dollars in thousands)

As of December 31,	2025	2024	2023	2022	2021
<b>Condensed Consolidated Statement of Condition Data</b>					
Loans	\$ 16,053,824	\$ 14,684,491	\$ 13,179,771	\$ 11,644,302	\$ 9,103,774
Allowance for credit losses on loans	62,000	31,155	34,987	30,068	22,946
Net loans	15,991,824	14,653,336	13,144,784	11,614,234	9,080,828
Investment in AgriBank, FCB	527,194	489,970	414,736	336,682	227,709
Investment securities	366,165	313,604	--	--	--
Other assets	473,362	436,815	359,713	288,619	224,795
Total assets	\$ 17,358,545	\$ 15,893,725	\$ 13,919,233	\$ 12,239,535	\$ 9,533,332
Obligations with maturities of one year or less	\$ 341,898	\$ 355,886	\$ 302,754	\$ 221,083	\$ 141,150
Obligations with maturities greater than one year	14,098,898	12,734,981	10,974,200	9,521,014	7,379,556
Total liabilities	14,440,796	13,090,867	11,276,954	9,742,097	7,520,706
Capital stock and participation certificates	14,118	13,354	13,158	13,144	11,755
Capital stock and participation certificates receivable	(14,118)	(13,354)	(13,158)	(13,144)	(11,755)
Additional paid-in capital	662,638	662,638	662,638	662,638	304,385
Unallocated retained earnings	2,262,103	2,147,265	1,987,117	1,843,363	1,718,268
Accumulated other comprehensive loss	(6,992)	(7,045)	(7,476)	(8,563)	(10,027)
Total members' equity	2,917,749	2,802,858	2,642,279	2,497,438	2,012,626
Total liabilities and members' equity	\$ 17,358,545	\$ 15,893,725	\$ 13,919,233	\$ 12,239,535	\$ 9,533,332
For the year ended December 31,	2025	2024	2023	2022	2021
<b>Condensed Consolidated Statement of Income Data</b>					
Net interest income	\$ 403,676	\$ 383,013	\$ 346,333	\$ 279,942	\$ 210,704
Provision for credit losses	62,371	48,933	33,841	4,946	974
Other expenses, net	94,379	69,432	58,154	66,487	32,274
Net income	\$ 246,926	\$ 264,648	\$ 254,338	\$ 208,509	\$ 177,456
<b>Key Financial Ratios</b>					
<b>For the Year</b>					
Return on average assets	1.5%	1.8%	2.0%	1.8%	2.0%
Return on average members' equity	8.4%	9.7%	9.8%	8.6%	9.1%
Net interest income as a percentage of average earning assets	2.6%	2.7%	2.8%	2.5%	2.4%
Net charge-offs (recoveries) as a percentage of average loans	0.2%	0.4%	0.1%	(0.0%)	(0.0%)
<b>At Year End</b>					
Members' equity as a percentage of total assets	16.8%	17.6%	19.0%	20.4%	21.1%
Allowance for credit losses on loans as a percentage of loans	0.4%	0.2%	0.3%	0.3%	0.3%
Common equity tier 1 ratio	13.3%	13.8%	15.1%	16.6%	17.6%
Tier 1 capital ratio	13.3%	13.8%	15.1%	16.6%	17.6%
Total regulatory capital ratio	13.6%	14.2%	15.3%	16.8%	17.9%
Permanent capital ratio	13.4%	13.9%	15.1%	16.6%	17.7%
Tier 1 leverage ratio	15.2%	15.8%	17.7%	19.2%	20.3%
<b>Net Income Distributed</b>					
Patronage distributions payable to members <sup>1</sup>	\$ 131,750	\$ 104,500	\$ 125,000	\$ 83,500	\$ 67,500

<sup>1</sup>The patronage distribution to members accrued for the years ended December 31, 2025, 2024, 2022, and 2021, were distributed in cash during the first quarter of the subsequent year. The patronage distribution accrued for the year ended December 31, 2023, was distributed in the first and second quarters of 2024.

The merger between AgCountry Farm Credit Services, ACA and Farm Credit Services of North Dakota, ACA (FCS ND) was effective January 1, 2022. The effects of the merger with FCS ND are included in our financial position and results of operations beginning January 1, 2022. Prior year results have not been restated to reflect the impact of the merger.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## AgCountry Farm Credit Services, ACA

The following commentary reviews the consolidated financial condition and consolidated results of operations of AgCountry Farm Credit Services, ACA (AgCountry) (the Association) and its subsidiaries, AgCountry Farm Credit Services, FLCA and AgCountry Farm Credit Services, PCA, and provides additional specific information. The accompanying Consolidated Financial Statements and Notes to the Consolidated Financial Statements also contain important information about our financial condition and results of operations.

The Farm Credit System (System) is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture. As of January 1, 2026, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 55 borrower-owned cooperative lending institutions (associations). The System serves all 50 states, Washington D.C., and Puerto Rico. This network of financial cooperatives is owned and governed by the customers the System serves – the American farmer and rancher.

AgriBank, FCB (AgriBank), a system bank, and its affiliated associations are collectively referred to as the AgriBank Farm Credit District (AgriBank District or the District). We are one of the affiliated associations in the District.

The Farm Credit Administration (FCA) is authorized by Congress to regulate the System. The Farm Credit System Insurance Corporation (FCSIC) administers the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is used to ensure the timely payment of principal and interest on Systemwide debt obligations, to ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes.

Due to the nature of our financial relationship with AgriBank, the financial condition and results of operations of AgriBank materially impact our stockholders' investment. To request a free copy of AgriBank financial reports, contact either:

AgCountry Farm Credit Services, ACA  
Post Office Box 6020  
Fargo, ND 58108-6020  
(800) 531-3905  
agcountry.com  
sr@AgCountry.com

AgriBank, FCB  
30 East 7th Street, Suite 1600  
St. Paul, MN 55101  
(651) 282-8800  
AgriBank.com  
FinancialReporting@AgriBank.com

Our Annual Report is available on our website no later than 75 days after the end of the calendar year and members are provided a copy of such report no later than 90 days after the end of the calendar year. The Quarterly Reports are available on our website no later than 40 days after the end of each calendar quarter. To request free copies of our Annual or Quarterly Reports, contact us as stated above.

### NOTICE OF SIGNIFICANT OR MATERIAL EVENTS

In 2024, AgCountry, Farm Credit Services of America, ACA (FCSAmerica), and Frontier Farm Credit, ACA (Frontier Farm Credit) (the Associations) entered into a collaboration agreement. Under this agreement, the Associations operate with common management while maintaining separate Boards of Directors. In October 2025, we successfully implemented common technology platforms to support our unified business strategy for product and service development and delivery, while continuing to accommodate differences in local marketplace conditions. Refer to Note 1 to the accompanying Consolidated Financial Statements for more information.

### FORWARD-LOOKING INFORMATION

This Annual Report includes forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Words such as "anticipate", "believe", "estimate", "may", "expect", "intend", "outlook", and similar expressions are used to identify such forward-looking statements. These statements reflect our current views with respect to future events. However, actual results may differ materially from our expectations due to a number of risks and uncertainties beyond our control. The information in this report is based on current knowledge and is subject to many risks and uncertainties including, but not limited to:

- political (including trade policies, environmental policies, and civil unrest), legal, regulatory, financial markets, and economic conditions, or other conditions and developments in the United States (U.S.) and abroad,
- economic fluctuations, including inflationary indicators, in the agricultural, international, rural, and farm-related business sectors,
- weather-related, disease, and other adverse climatic or biological conditions that periodically occur and can impact agricultural productivity and income,
- changes in U.S. government support of the agricultural industry (including government support payments) and the System as a government-sponsored enterprise (GSE), as well as investor and rating agency reactions to events involving the U.S. government, other GSEs, and other financial institutions,
- actions taken by the Federal Reserve and U.S. Treasury in implementing monetary policy,
- cybersecurity risks, including a failure or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers,
- credit, interest rate, and liquidity risks inherent in our lending activities,
- disruptive technologies impacting the banking and financial services industries or implemented by our competitors which negatively impact our ability to compete in the marketplace,

- length and severity of an epidemic or pandemic,
- changes in our assumptions for determining the allowance for credit losses and fair value measurements,
- industry outlooks for agricultural conditions, and
- availability and timing of periodic loan participations or asset transfer strategies involving other Farm Credit System entities.

## COMMODITY REVIEW AND OUTLOOK UPDATE

Most indicators suggest the United States (U.S.) economy has remained resilient throughout 2025. The December estimate for real gross domestic product was 4.3% on an annualized basis, the strongest expansion since 2023 driven by robust consumer spending and strong exports. Yet inflation remains persistent at around 3.0% and unemployment was 4.6% in December, the highest level in the last four years.

At its last meeting of the year, the Federal Reserve lowered its benchmark interest rate by 25 basis points, bringing total cuts for 2025 to 75 basis points. Despite the easing in short-term rates, long-term yields have declined only modestly.

Inflation adjusted net farm income (\$179.8 billion) is forecast to increase by \$48.8 billion (37.2%) from 2024 to 2025. This increase was bolstered by strong livestock cash receipts along with a \$30.4 billion increase in government farm payments, a result of supplemental assistance from the American Relief Act, 2025. Crop cash receipts declined \$6.1 billion (2.5%) from 2024 levels.

Generally favorable weather through the growing season led to a record national corn yield of 186 bushels per acre (bu/ac). Exports remain one of the positive factors supporting corn prices with 2025 export commitments 45% above the five-year average. As of the December 2025 World Agricultural Supply and Demand Estimates, the U.S. Department of Agriculture (USDA) projects the season average farm price to be \$4.00/bushel (bu), up from a projected \$3.90/bu in September 2025 but lower than last year's \$4.24/bu.

Soybeans also saw record yields forecast at 53 bu/ac. Stronger domestic crush and lower planted acres offset weaker exports driven by a larger global supplies and trade tensions between the U.S. and China. The USDA currently forecasts a national average price of \$10.50/bu up from last year's \$10.00/bu.

Just before the start of the fourth quarter of 2025, final 2025 spring wheat (including durum) production estimates were released by the USDA in its Small Grains 2025 Summary report, totaling 583 million bushels, down 6.6% from last year. However, stronger production increased global wheat supplies creating downward price pressure. The USDA 2025/2026 all-wheat season average price is projected to be \$5.00/bu, down from \$5.10/bu projected in September and \$5.52/bu last year.

For most grain producers, tighter profit margins driven by weaker grain prices will be partially offset by strong yields and additional government-assistance payments.

U.S. sugar beet production is currently forecast to decline 0.5% from last year to 35.1 million tons, as lower planted areas outweighed higher yields. Meanwhile, sugar consumption is decreasing to a 10-year low, resulting in an oversupply that is impacting prices. Additionally, input costs for sugar beet production reached record highs, narrowing operational margins for many producers.

The U.S. beef market in 2025 was characterized by record-high prices, driven by tightening cattle supplies and sustained, robust consumer demand. Additional volatility was experienced in the fourth quarter of 2025 with a sharp \$30.00 per hundredweight (cwt) drop in fed cattle prices from near record-high prices in early October, followed by a \$20.00/cwt recovery at year's end. The drop was precipitated by the U.S. presidential administration's effort to lower retail beef prices by reducing tariffs on South American countries and promoting lean-trimmings imports. Underlying market trends are still being shaped by tightening cattle supplies and sustained, robust consumer demand.

The 2025 calf crop was historically small, limiting downward pressure on both feeder and calf markets. The closure of the U.S.-Mexico border to feeder and calf imports from Mexico has further restricted cattle supply, with year-to-date imports down 82%, or 1 million head. Feeder cattle prices were fueled by this momentum. Profit margins for both feedlot and cow-calf producers are expected to be strong in 2025.

Moderate profits are expected in the dairy industry for 2025. Feed prices have been favorable, milk prices were solid through mid-2025, and beef values for cull cows and beef-cross calves have been exceptional. However, stronger domestic and global production coupled with weaker butter and cheese prices have led to weaker milk prices in the latter part of the year.

Positive margins across the hog sectors were driven by stronger prices and lower feed costs in 2025. According to Iowa State University, farrow-to-finish margins ended October 2025 with a \$33.77 per head profit, marking 19 consecutive months of profitability. Steady export demand, particularly from Mexico and Latin America, continues to support the U.S. hog market. As of November 2025, pork stocks in cold storage totaled approximately 371.3 million pounds, 5.2% below year-ago levels, and 10.8% below the five-year average. This represents the lowest end-of-November 2025 inventory since 1997, underscoring the tight supply environment that has helped sustain elevated price levels.

We monitor, compile, and report real estate sales information for our loan service area in North Dakota, Minnesota, and Wisconsin. We also value 23 benchmark farms that are updated each January and July.

For 2025, the benchmark farms across the Association indicate a fairly stable market. During the last six months of 2025, the average benchmark value increased 2.8%, and the 12-month average increased 1.8%. The major factors affecting the agricultural real estate market are lower commodity prices, profitability in the cattle market, and a limited supply of agricultural real estate for sale. Farmers and ranchers continue to be the predominant buyers.

The two benchmark farms in Wisconsin increased an average of 22.8% over the past six months and 26.6% over the past 12 months. Regional variation exists across the state with the strongest competition in areas with dairy production or in specialized markets such as vegetable crops and potatoes. The Wisconsin benchmarks are included in the overall Association averages.

The following table reflects average value changes for each state during the past six-month, one-year, five-year, and ten-year periods as of January 1, 2026. The current number of benchmark farms is shown in parentheses after each state.

State	Six-Month	One-Year	Five-Year	Ten-Year
Minnesota (10)	4.8%	0.5%	60.8%	72.3%
North Dakota (11)	(2.7%)	(1.5%)	60.9%	78.2%
Wisconsin (2)	22.8%	26.6%	65.4%	78.6%

Refer to [agcountry.com/resources/terrain](http://agcountry.com/resources/terrain) for valuable insights on economic factors, trends, and agricultural markets.

## LOAN PORTFOLIO

### Loan Portfolio

Total loans were \$16.1 billion at December 31, 2025, an increase of \$1.4 billion from December 31, 2024.

#### Components of Loans

(in thousands)

As of December 31,	2025	2024	2023
Accrual loans:			
Real estate mortgage	\$ 5,984,095	\$ 5,560,112	\$ 4,893,120
Production and intermediate-term	4,581,938	3,449,989	3,097,503
Agribusiness	3,482,229	3,669,071	3,335,278
Other	1,909,251	1,941,146	1,808,030
Nonaccrual loans	96,311	64,173	45,840
Total loans	\$ 16,053,824	\$ 14,684,491	\$ 13,179,771

The "Other" category is primarily composed of rural infrastructure related loans.

The increase in total loans from December 31, 2024, was primarily due to 33% growth in our production and intermediate-term volume combined with solid growth in real estate mortgage, partially offset by net reductions in the agribusiness and other portfolios.

We may purchase or sell participation interests with other parties to diversify risk, manage principal and accrued interest on loans, or comply with the requirements of the FCA regulations or our General Financing Agreement (GFA) with AgriBank.

#### Loan Participations Purchased and Sold

(in thousands)

As of December 31,	2025	2024	2023
Participations purchased	\$ 6,886,404	\$ 6,257,171	\$ 6,049,492
Participations sold	2,021,762	2,937,017	3,505,636

We have no loans sold with recourse, retained subordinated participation interests in loans sold, or interests in pools of subordinated participation interests that are held in lieu of retaining a subordinated participation interest in the loans sold.

We participate in asset pool programs to effectively leverage District capital and other cooperative benefits, as well as manage concentration risk and portfolio growth. The total outstanding participation interests in loans sold to AgriBank as part of asset pool programs were \$342.7 million, \$341.4 million, and \$529.2 million at December 31, 2025, 2024, and 2023, respectively.

A high percentage of real estate loan installments are due in the December-to-March period. Most operating loans mature and are refinanced after the fall harvest and before spring planting. Operating loan volume tends to peak late in the fall, decline toward January, and trend upward during the remainder of the year. Equipment loans generally have annual installments that correlate to customer commodity sales. Federal regulations state that long-term real estate loans are not to exceed 85% of the property's appraised value (97% if guaranteed by a government agency). However, internal lending procedures require a more conservative loan-to-value ratio, which results in an average loan-to-value ratio in the real estate portfolio of less than 50% of current market values.

We offer variable, fixed, indexed, and adjustable interest rate loan programs to our borrowers. We determine interest rate margins charged on each lending program based on cost of funds, credit risk, market conditions, and the need to generate sufficient earnings.

### Portfolio Distribution

We are chartered to serve 35 counties in Minnesota, 35 counties in North Dakota, and 12 counties in Wisconsin. Based upon amortized cost, approximately 26.4%, 24.9%, and 5.7% of our loans are to borrowers in the states of Minnesota, North Dakota, and Wisconsin, respectively as of December 31, 2025. We participate in and purchase the remainder of our portfolio outside of Minnesota, North Dakota, and Wisconsin to support rural America and to diversify our portfolio risk.

### Agricultural Industry Concentrations

As of December 31,	2025	2024	2023
Cash grains	44.8%	44.3%	42.8%
Livestock	10.1%	8.1%	8.2%
Sugar beets	6.3%	7.2%	7.2%
Dairy	6.1%	6.2%	6.9%
Rural electric and utilities	5.6%	4.6%	5.1%
Fertilizer and farm supply	4.6%	4.4%	5.0%
Forestry	4.3%	4.7%	4.8%
Food and beverage	4.2%	4.7%	5.0%
Telecom	2.9%	4.0%	2.9%
Other	11.1%	11.8%	12.1%
Total	100.0%	100.0%	100.0%

Industry categories are based on the borrower's primary intended industry at the time of loan origination and may change over time due to borrower business decisions as a result of changes in weather patterns, commodity prices, input costs, and other circumstances.

### Portfolio Credit Quality

The credit quality of our portfolio declined from December 31, 2024, but remains within our risk tolerance. Adversely classified loans increased to 3.1% of the portfolio at December 31, 2025, from 2.4% of the portfolio at December 31, 2024. Adversely classified loans are loans that we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans. Additional credit quality information is included in Note 3 to the accompanying Consolidated Financial Statements.

In certain circumstances, the Federal Agricultural Mortgage Corporation (Farmer Mac) and other government-agency guarantee programs are used to reduce the risk of loss. At December 31, 2025, \$327.2 million of our loans were substantially guaranteed under these government programs.

### Nonperforming Assets

#### Components of Nonperforming Assets

(dollars in thousands)

As of December 31,	2025	2024	2023
Loans:			
Nonaccrual	\$ 96,311	\$ 64,173	\$ 45,840
Accruing loans 90 days or more past due	1,985	5,239	2,103
Total nonperforming loans	98,296	69,412	47,943
Other property owned	957	3,545	77
Total nonperforming assets	\$ 99,253	\$ 72,957	\$ 48,020
Total nonperforming loans as a percentage of total loans	0.6%	0.5%	0.4%
Nonaccrual loans as a percentage of total loans	0.6%	0.4%	0.3%
Current nonaccrual loans as a percentage of total nonaccrual loans	80.0%	52.6%	24.5%
Total delinquencies as a percentage of total loans <sup>1</sup>	0.2%	0.4%	0.3%

<sup>1</sup>Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

Our nonperforming assets have increased from December 31, 2024 but remained at acceptable levels. Despite the increase in nonperforming assets, nonperforming loans as a percentage of total loans were well within our established risk management guidelines.

The increase in nonaccrual loans was primarily due to a few large production and intermediate-term loans, communication loans, and real estate mortgage loans that transferred to nonaccrual in 2025. Nonaccrual loans remained at an acceptable level at December 31, 2025, 2024, and 2023.

The decrease in accruing loans 90 days or more past due was primarily due to the reduction in past due status of real estate mortgage loans, partially offset by an increase related to production and intermediate-term loan portfolio. Our accounting procedure requires loans past due 90 days or more to be transferred into nonaccrual status unless adequately secured and in the process of collection.

The decrease in total delinquencies as a percentage of total loans was primarily due to a decrease in delinquencies in the agribusiness portfolio.

### Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates an estimate of expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions.

### Allowance for Credit Losses on Loans and Coverage Ratios

(dollars in thousands)

As of December 31,	2025	2024	2023
Allowance for credit losses on loans	\$ 62,000	\$ 31,155	\$ 34,987
Allowance for credit losses on loans as a percentage of:			
Loans	0.4%	0.2%	0.3%
Nonaccrual loans	64.4%	48.5%	76.3%
Total nonperforming loans	63.1%	44.9%	73.0%
Net charge-offs as a percentage of average loans	0.2%	0.4%	0.1%
Adverse assets to capital and allowance for credit losses on loans	17.0%	12.8%	9.4%

The increase in allowance for credit losses on loans from December 31, 2024, was primarily related to the assignment of several new specific reserves on large capital markets customers, with increases in other specific reserves, as well as downgrades in credit quality. The increase was partially offset by charge-off activity on capital markets customers, many of whom did not have specific reserves prior to 2025.

Additional loan information is included in Notes 3, 13, 14, and 15 to the accompanying Consolidated Financial Statements.

### INVESTMENT SECURITIES

In addition to loans, we hold investment securities. We had held-to-maturity investment securities of \$366.2 million and \$313.6 million at December 31, 2025, and 2024, respectively. There were no investment securities held at December 31, 2023. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA). All of our investment securities were fully guaranteed by the SBA at December 31, 2025, and 2024. Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income. The amount of unamortized premiums was \$26.5 million and \$24.6 million at December 31, 2025, and 2024, respectively.

Quarterly, we evaluate our held-to-maturity investment portfolio to determine whether an allowance for credit losses on investment securities should be recorded. There was no allowance for credit losses on investment securities at December 31, 2025, or 2024, as all of our investment portfolio carried a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies and have an immaterial risk of credit loss.

Additional investment securities information is included in Note 6 to the accompanying Consolidated Financial Statements.

### RESULTS OF OPERATIONS

#### Profitability Information

(dollars in thousands)

For the year ended December 31,	2025	2024	2023
Net income	\$ 246,926	\$ 264,648	\$ 254,338
Return on average assets	1.5%	1.8%	2.0%
Return on average members' equity	8.4%	9.7%	9.8%

Changes presented in the profitability information table relate directly to:

- Changes in net income discussed in this section,
- Changes in assets discussed in the "Loan Portfolio" and "Investment Securities" sections, and
- Changes in capital discussed in the "Capital Adequacy" section.

#### Changes in Significant Components of Net Income

(in thousands)	For the year ended December 31,			Increase (decrease) in net income	
	2025	2024	2023	2025 vs 2024	2024 vs 2023
Net interest income	\$ 403,676	\$ 383,013	\$ 346,333	\$ 20,663	\$ 36,680
Provision for credit losses	62,371	48,933	33,841	(13,438)	(15,092)
Non-interest income	119,574	118,367	128,234	1,207	(9,867)
Non-interest expense	208,729	191,613	190,990	(17,116)	(623)
Provision for (benefit from) income taxes	5,224	(3,814)	(4,602)	(9,038)	(788)
Net income	\$ 246,926	\$ 264,648	\$ 254,338	\$ (17,722)	\$ 10,310

## Net Interest Income

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### Changes in Net Interest Income

(in thousands)

For the year ended December 31,	2025 vs 2024	2024 vs 2023
Changes in volume	\$ 32,769	\$ 35,751
Changes in interest rates	(15,514)	3,849
Changes in nonaccrual interest income and other	3,408	(2,920)
Net change	<u>\$ 20,663</u>	<u>\$ 36,680</u>

Net interest margin (net interest income as a percentage of average earning assets) was 2.6%, 2.7%, and 2.8% in 2025, 2024, and 2023, respectively. Our net interest margin is sensitive to portfolio composition, the interest rate environment, and competition. The increase in net interest income is due to higher loan volume and income earned on our earning assets that are funded by our noninterest-bearing source (capital).

## Provision for Credit Losses

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The "Provision for credit losses" in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The current period provision primarily relates to an increase in specific reserves in the capital markets portfolio. Additional information is included in Note 3 to the accompanying Consolidated Financial Statements.

## Non-Interest Income

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**Patronage Income:** We may receive patronage from AgriBank and other Farm Credit institutions. Patronage is declared solely at the discretion of each institution's Board of Directors. AgriBank may distribute patronage in the form of cash or stock. All other patronage from other Farm Credit institutions is typically distributed in cash.

### Patronage Income

(in thousands)

For the year ended December 31,	2025	2024	2023
Patronage from AgriBank	\$ 49,567	\$ 50,193	\$ 66,304
AgDirect partnership distribution	2,091	1,910	1,435
Other patronage	7,684	258	114
Total patronage income	<u>\$ 59,342</u>	<u>\$ 52,361</u>	<u>\$ 67,853</u>
Form of patronage distributions:			
Cash	\$ 59,342	\$ 37,554	\$ 52,418
Stock	--	14,807	15,435
Total patronage income	<u>\$ 59,342</u>	<u>\$ 52,361</u>	<u>\$ 67,853</u>

Patronage from AgriBank primarily includes:

- wholesale patronage, which includes patronage on our note payable with AgriBank, and
- pool program patronage based on net earnings of loan participation interests sold to AgriBank.

See the "Relationship With AgriBank" section for further discussion on patronage income. In addition, see the "Unincorporated Business Entities" subsection (within the "Other Relationships and Programs" section) for further discussion on AgDirect, LLP (AgDirect) and the partnership distribution.

The increase in other patronage was primarily related to patronage from other Farm Credit institutions due to changes in the 2025 patronage program.

## Non-Interest Expense

### Components of Non-Interest Expense

(dollars in thousands)

For the year ended December 31,	2025	2024	2023
Salaries and employee benefits	\$ 126,284	\$ 131,004	\$ 111,542
Other operating expense:			
Purchased and vendor services	23,992	22,756	19,228
Communications	1,847	1,836	1,892
Occupancy and equipment	22,677	16,373	17,079
Advertising and promotion	5,718	4,659	4,536
Examination	3,011	3,130	3,145
Farm Credit System insurance	12,765	11,657	17,926
Collaboration redistribution	(5,942)	(26,701)	--
Other	18,124	22,578	14,214
Other non-interest expense	253	4,321	1,428
Total non-interest expense	\$ 208,729	\$ 191,613	\$ 190,990
Operating rate <sup>1</sup>	1.3%	1.3%	1.6%

<sup>1</sup>Salaries and employee benefits and other operating expense divided by average earning assets.

### Collaboration Redistribution

(dollars in thousands)

For the year ended December 31,	2025	2024*
Total collaboration net income	\$ 1,159,277	\$ 1,187,553
AgCountry share of net income	246,926	264,648
AgCountry net income (before redistribution)	240,984	237,947
Collaboration redistribution	\$ (5,942)	\$ (26,701)

\*The collaboration effective date was 4/15/24. Accordingly, the 21.3% allocation did not apply for the full year.

Redistribution of net income or expense is recorded monthly for AgCountry to achieve its 21.3% contractual proportion under the collaboration agreement for the initial period ending in 2027. The cumulative net redistribution was income for AgCountry in 2025 and 2024. Refer to "Relationships With Other Farm Credit Institutions" section for more information on the collaboration agreement.

### Provision for (Benefit from) Income Taxes

The change in provision for (benefit from) income taxes was primarily related to recording a valuation allowance for our estimate of the usability of the deferred tax asset. Additional disclosure is included in Note 11 to the accompanying Consolidated Financial Statements.

## FUNDING AND LIQUIDITY

We borrow from AgriBank, under a note payable, in the form of a line of credit, as described in Note 9 to the accompanying Consolidated Financial Statements. This line of credit is our primary source of liquidity and is used to fund operations and meet current obligations. At December 31, 2025, we had \$2.8 billion available under our line of credit. We generally apply excess cash to this line of credit. Due to the cooperative structure of the System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. We also fund our portfolio from equity.

### Note Payable Information

(dollars in thousands)

For the year ended December 31,	2025	2024	2023
Average balance	\$ 13,360,091	\$ 11,735,952	\$ 10,033,326
Average interest rate	4.2%	4.5%	4.0%

Our average cost of funds is variable and may fluctuate based on the current interest rate environment.

AgriBank manages interest rate risk through its direct loan pricing and asset/liability management processes. The direct loan pricing mechanism simulates matching the cost of underlying debt with substantially the same terms as the anticipated terms of our loans to customers.

The risks we manage include lag risk, pipeline risk, and basis risk. Lag risk occurs when there are differences in timing between the repricing of variable rate loans and the repricing of the funding costs for those loans. Pipeline risk occurs when we commit a fixed interest rate to a customer in advance of the loan's closing date and is effectively mitigated through the use of rate-lock agreements. Basis risk occurs when the interest rate on a loan reprices according to one index, while the debt supporting that loan reprices according to another index.

On May 16, 2025, Moody's Ratings lowered the U.S. sovereign's long-term issuer rating to Aa1 from Aaa. The outlook on the long-term debt rating of the U.S. was revised to stable from negative. On May 19, 2025, Moody's Ratings lowered the long-term senior unsecured debt rating for the System to Aa1 from Aaa; the Prime-1 short-term rating was affirmed. The outlook on the long-term debt rating was revised to stable from negative. As a GSE, the System benefits from the implicit government support and, therefore, the ratings are directly linked to the U.S. sovereign rating.

Moody's Ratings also affirmed AgriBank's long-term issuer rating of Aa3, and affirmed the stable long-term issuer rating outlook.

The reduction in the credit rating by Moody's Ratings for the System, including AgriBank, could result in higher funding costs which could impact our costs and, ultimately, retail loan rates. However, to date we have noticed no significant impact as a result of this rating change.

We have entered into a Standby Commitment to Purchase Agreement with Farmer Mac, to help manage credit risk. If a loan covered by the agreement goes into default, subject to certain conditions, we have the right to sell the loan to Farmer Mac. This agreement remains in place until the loan is paid in full. The guaranteed principal of loans subject to the purchase agreement was \$66.3 million, \$74.0 million, and \$81.5 million at December 31, 2025, 2024, and 2023, respectively. We paid Farmer Mac commitment fees totaling \$0.2 million, \$0.3 million, and \$0.3 million in 2025, 2024, and 2023, respectively. These amounts are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income. No loans have been sold to Farmer Mac under this agreement during 2025, 2024, or 2023.

## CAPITAL ADEQUACY

Total members' equity was \$2.9 billion, \$2.8 billion, and \$2.6 billion at December 31, 2025, 2024, and 2023, respectively. Total members' equity increased \$114.9 million from December 31, 2024, primarily due to net income for the year partially offset by patronage distribution accruals. Our equity structure is described in Note 10 to the accompanying Consolidated Financial Statements.

FCA regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total regulatory capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents (UREE) leverage.

### Regulatory Capital Requirements

As of December 31,	2025	2024	2023	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	13.3%	13.8%	15.1%	4.5%	2.5%	7.0%
Tier 1 capital ratio	13.3%	13.8%	15.1%	6.0%	2.5%	8.5%
Total regulatory capital ratio	13.6%	14.2%	15.3%	8.0%	2.5%	10.5%
Permanent capital ratio	13.4%	13.9%	15.1%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	15.2%	15.8%	17.7%	4.0%	1.0%	5.0%
UREE leverage ratio	15.2%	15.8%	17.7%	1.5%	N/A	1.5%

Our capital plan is designed to maintain an adequate amount of retained earnings and allowance for credit losses which represents our reserve for adversity prior to impairment of stock. We manage our capital to allow us to meet member needs and protect member interests, both now and in the future.

Capital ratios are directly impacted by changes in capital, assets, and off-balance sheet commitments. Refer to the "Loan Portfolio" and the "Investment Securities" sections for further discussion of the changes in assets. Additional information on regulatory ratios and members' equity information is included in Note 10 to the accompanying Consolidated Financial Statements and information on off-balance sheet commitments is included in Note 14 to the accompanying Consolidated Financial Statements.

In addition to these regulatory requirements, we establish an optimum total regulatory capital target range. This target allows us to maintain a capital base adequate for future growth and investment in new products and services. The target range is subject to revision as circumstances change. Our optimum total regulatory capital target range is 13% to 15%, as defined in our 2026 - 2028 Financial Plan.

If the capital ratios fall below the total 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. We do not foresee any events that would result in this prohibition in 2026.

## **Patronage Program**

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Our Board has adopted a patronage program annually since 2013. The 2025, 2024, and 2023 programs were based on each customer's average daily balance of eligible loans outstanding during the year. The 2025 program included eligible originations, participations purchased, and participations sold. The 2024 and 2023 programs included eligible originations and participations purchased. The patronage program is a distribution of earnings to our eligible stockholders and is a qualified (cash) distribution. We recorded a patronage liability of \$131.8 million, \$104.5 million, and \$125.0 million in December 2025, 2024, and 2023, respectively.

Our Board has adopted a patronage program for 2026. The 2026 patronage program will be based on each customer's average daily balance of eligible loans outstanding during 2026, to be paid in 2027, on eligible originations, participations purchased, and participations sold.

## **RELATIONSHIP WITH AGRIBANK**

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### **Borrowing**

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We borrow from AgriBank to fund our lending operations in accordance with the Farm Credit Act of 1971, as amended. Approval from AgriBank is required for us to borrow elsewhere. Our GFA, as described in Note 9 to the accompanying Consolidated Financial Statements, governs this lending relationship.

The components of cost of funds under the GFA include:

- A marginal cost of debt component,
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit, and
- A risk premium component, if applicable,

In the periods presented, we were not subject to the risk premium component. Certain factors may impact our cost of funds, which primarily include market interest rate changes impacting marginal cost of debt as well as changes to pricing methodologies impacting the spread components described above.

The marginal cost-of-debt approach simulates matching the cost of underlying debt with similar terms as the anticipated terms of our loans to borrowers. This approach substantially protects us from market interest rate risk. We may occasionally engage in funding strategies that result in limited interest rate risk with approval by AgriBank's Asset/Liability Committee.

### **Investment**

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We are required to invest in AgriBank capital stock as a condition of borrowing. This investment may be in the form of purchased stock or stock representing distributed AgriBank retained earnings. As of December 31, 2025, we were required by AgriBank to maintain an investment equal to 3.1% of the average quarterly balance of our note payable. The required investment will remain unchanged for 2026 at 3.1%.

In addition to the required investment based on the note payable, we also are required to hold additional investment in AgriBank for asset pool programs we participate in, which are typically capitalized at a higher rate that is mutually agreed upon in the asset pool program agreements. All District associations had an initial opportunity to participate in the sale of asset pools to AgriBank at a base level of 10.0% of our loan volume in 2023 and 2024 or to utilize an alternative in place of the asset pool participation. Beginning in 2024, in lieu of selling participations to AgriBank we purchased additional stock in AgriBank and pay additional spread on a portion of our note payable to AgriBank.

As an AgDirect partnering Association, we are required to purchase stock in AgDirect, which purchases an equivalent amount of stock in AgriBank.

### **Patronage**

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AgriBank's capital plan is intended to provide for adequate capital at AgriBank under capital regulations as well as to create a path to long-term capital optimization within the AgriBank District. The plan optimizes capital at AgriBank. Distributing available AgriBank earnings in the form of patronage, either cash or AgriBank stock, is at the sole discretion of the AgriBank Board of Directors. The plan is designed to maintain capital adequacy such that sufficient earnings will be retained in the form of unallocated retained earnings and allocated stock to meet the leverage ratio target and other regulatory or policy constraints prior to any cash patronage distributions.

### **Purchased Services**

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We purchase certain business services, primarily financial reporting, from AgriBank. Additional related party information is included in Note 13 to the accompanying Consolidated Financial Statements.

### **Impact on Members' Investment**

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Due to the nature of our financial relationship with AgriBank, the financial condition and results of operations of AgriBank materially impact our members' investment.

## OTHER RELATIONSHIPS AND PROGRAMS

### Relationships With Other Farm Credit Institutions

**Farm Credit Services of America, ACA and Frontier Farm Credit, ACA:** In 2024, we entered into a collaboration agreement with FCSAmerica and Frontier Farm Credit. The collaboration is designed to benefit the farmers and ranchers who own and support the three financial services cooperatives by ensuring that the Associations have the strength and capacity to serve agricultural customers' needs for years to come. The collaboration became effective April 15, 2024.

The Associations continue to exist as separate associations while integrating their day-to-day business operations, technology systems, and leadership teams. While each Association continues to have its own independent Board, the Boards meet jointly to enhance coordination and collaboration among the three organizations.

Under the collaboration agreement, the Associations have agreed to share net income and losses based on a formula derived from the average net income and losses of each Association from the previous five years, currently 2019 through 2023. Therefore, the net income and losses are allocated as follows: AgCountry (21.3%), FCSAmerica (73.8%), and Frontier Farm Credit (4.9%). Given such allocation methodology, income and losses that are specific to each of the Associations will effectively be shared in proportion to the allocation formula. The allocation methodology in effect will continue to be applied until the Boards mutually agree to any changes in the methodology to be used for the next allocation period starting on January 1, 2028.

AgCountry has \$17.4 billion in assets and serves multiple counties in the states of North Dakota, Minnesota, and Wisconsin. FCSAmerica has \$51.3 billion in assets and serves the states of Iowa, Nebraska, South Dakota, and Wyoming. Frontier Farm Credit has \$3.6 billion in assets and serves multiple counties in eastern Kansas.

**ProPartners Financial:** We participate in ProPartners Financial (ProPartners) with certain System institutions to provide producer financing through agribusinesses that sell crop inputs. ProPartners is directed by representatives from participating associations through their representation on the ProPartners Board of Directors. We sell to AgriBank our entire interest in the loans associated with ProPartners. As part of this program, we receive patronage income at the sole discretion of the AgriBank Board of Directors. For further discussion on our relationship with ProPartners, see Note 13 to the accompanying Consolidated Financial Statements.

**Rural 1st®:** We are a participant in the Rural 1st® referral program to provide rural home lending to customers. The program is facilitated and loans are serviced by another association in the AgriBank District. We receive origination fees from the facilitating association on loans they originate in our territory. We received \$0.1 million in origination fees for the year ended December 31, 2025. For further discussion on our relationship with Rural 1st®, see Note 13 to the accompanying Consolidated Financial Statements.

**Agri-Access:** We participate in the Agri-Access asset pool program which focuses on providing financing for agricultural real estate loans and leases through a network of non-Farm Credit lenders across the U.S. The program is facilitated by another AgriBank District association where all loans and leases in the program are originated and serviced. We pay the facilitating association fees to originate and service the loans. We sell to AgriBank our entire interest in the loans associated with Agri-Access. As part of this program, we receive patronage income at the sole discretion of the AgriBank Board of Directors.

**Federal Agricultural Mortgage Corporation:** We have entered into a Standby Commitment to Purchase Agreement with Farmer Mac. This agreement allows us to sell loans identified under the agreement to Farmer Mac. Refer to the "Funding and Liquidity" section for further discussion of this agreement.

**Farm Credit Leasing Services Corporation:** We have an agreement with Farm Credit Leasing Services Corporation (FCL), a System service corporation, which specializes in leasing products and provides industry expertise. Leases are originated and serviced by FCL and we purchase a participation interest in the cash flows of the transaction. This arrangement provides our members with a broad selection of product offerings and enhanced lease expertise. For further discussion on our relationship with FCL, see Note 2 and Note 13 to the accompanying Consolidated Financial Statements.

**CoBank, ACB:** We have a relationship with CoBank, ACB (CoBank), a System bank, which involves purchasing and selling participation interests in loans. As part of this relationship, our equity investment in CoBank was \$1.8 million, \$1.7 million, and \$1.6 million at December 31, 2025, 2024, and 2023, respectively. For further discussion on our relationship with CoBank, see Note 13 to the accompanying Consolidated Financial Statements.

**SunStream Business Services:** We have a relationship with SunStream Business Services (SunStream), a System service corporation, which involves purchasing the following services: tax reporting, insurance, and collateral. For further discussion on our relationship with SunStream, see Note 13 to the accompanying Consolidated Financial Statements.

**Farm Credit Foundations:** We have a relationship with Farm Credit Foundations (Foundations), a System service corporation, which involves purchasing human resource, benefit, payroll, and workforce management services. As of December 31, 2025, 2024, and 2023, our investment in Foundations was \$0.1 million. For further discussion on our relationship with Foundations, see Note 13 to the accompanying Consolidated Financial Statements.

**Farm Credit Financial Partners, Inc.:** We had a relationship with Farm Credit Financial Partners, Inc. (FPI), a System service corporation, which provides technology and other operational services to its owners and customers. FPI provided customer relationship, reporting, internet, network security, loan accounting, loan origination, and general ledger systems, until we transitioned each of these functions to the collaboration technology systems. We terminated our Services Agreement with FPI effective December 2025. Pursuant to a divestiture agreement dated August 5, 2024, we sold our interest in FPI to another FPI stockholder at par. We had an investment in FPI of \$3.9 million as of December 31, 2023. For further discussion on our relationship with FPI, see Note 13 to the accompanying Consolidated Financial Statements.

**Rural Business Investment Companies:** We and other System institutions are among the limited partners invested in Rural Business Investment Companies (RBICs). The RBICs facilitate equity and debt investments in agriculture-related businesses that create growth and job opportunities in rural America. Certain commitments may have an option to extend under specific circumstances. For further discussion on our relationship with RBICs, see Note 14 to the accompanying Consolidated Financial Statements.

#### **Unincorporated Business Entities**

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In certain circumstances we may establish separate entities to acquire and manage complex collateral, primarily for legal liability purposes in accordance with FCA regulations.

**AgDirect, LLP:** We participate in the AgDirect trade credit financing program, which includes origination and refinancing of agricultural equipment loans through independent equipment dealers. The program is facilitated by FCSAmerica through a limited liability partnership in which we are a partial owner. Our investment in AgDirect was \$22.9 million, \$16.8 million, and \$12.6 million at December 31, 2025, 2024, and 2023, respectively. AgDirect is an unincorporated business entity. We also receive a partnership distribution resulting from our participation in the program, which is included in "Patronage income" in the Consolidated Statements of Comprehensive Income.

**PW PropCo Holdings, LLC:** As of December 31, 2025, we held a minority non-controlling interest in a limited liability company (LLC) established for the purpose of acquiring and selling collateral acquired through the loan collection process, primarily for legal liability purposes. The name of this LLC is PW PropCo Holdings, LLC.

# REPORT OF MANAGEMENT

AgCountry Farm Credit Services, ACA



We prepare the Consolidated Financial Statements of AgCountry Farm Credit Services, ACA (the Association) and are responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Consolidated Financial Statements, in our opinion, fairly present the financial condition of the Association. Other financial information included in the Annual Report is consistent with that in the Consolidated Financial Statements.

To meet our responsibility for reliable financial information, we depend on accounting and internal control systems designed to provide reasonable but not absolute assurance that assets are safeguarded and transactions are properly authorized and recorded. Costs must be reasonable in relation to the benefits derived when designing accounting and internal control systems. Financial operations audits are performed to monitor compliance. PricewaterhouseCoopers LLP, our independent auditors, audit the Consolidated Financial Statements. They also consider internal controls to the extent necessary to design audit procedures that comply with auditing standards generally accepted in the United States of America. The Farm Credit Administration also performs examinations for safety and soundness as well as compliance with applicable laws and regulations.

The Board of Directors has overall responsibility for our system of internal control and financial reporting. The Board of Directors and its Audit Committee consults regularly with us and meets periodically with the independent auditors and other auditors to review the scope and results of their work. The independent auditors have direct access to the Board of Directors, which is composed solely of directors who are not officers or employees of the Association.

The undersigned certify we have reviewed the Association's Annual Report, which has been prepared in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Steve Perdue  
Chairperson, Board of Directors  
AgCountry Farm Credit Services, ACA



Mark Jensen  
President and CEO  
AgCountry Farm Credit Services, ACA



Jon C. Peterson  
Executive Vice-President CFO  
AgCountry Farm Credit Services, ACA

March 6, 2026

# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

AgCountry Farm Credit Services, ACA

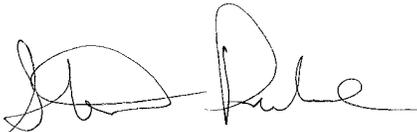


The AgCountry Farm Credit Services, ACA (the Association) principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining effective internal control over financial reporting for the Association's Consolidated Financial Statements. 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 and correction, of unauthorized acquisition, use, or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. In making the assessment, management used the 2013 framework in *Internal Control — Integrated Framework*, 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 concluded that as of December 31, 2025, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association determined that there were no material weaknesses in the internal control over financial reporting as of December 31, 2025.



Steve Perdue  
Chairperson, Board of Directors  
AgCountry Farm Credit Services, ACA



Mark Jensen  
President and CEO  
AgCountry Farm Credit Services, ACA



Jon C. Peterson  
Executive Vice-President CFO  
AgCountry Farm Credit Services, ACA

March 6, 2026

# REPORT OF AUDIT COMMITTEE

AgCountry Farm Credit Services, ACA



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The Consolidated Financial Statements were prepared under the oversight of the Audit Committee. The Audit Committee is composed of a subset of the Board of Directors of AgCountry Farm Credit Services, ACA (the Association). The Audit Committee oversees the scope of the Association's internal audit program, the approval and independence of PricewaterhouseCoopers LLP (PwC) as independent auditors, the adequacy of the Association's system of internal controls and procedures, and the adequacy of management's actions with respect to recommendations arising from those auditing activities. The Audit Committee's responsibilities are described more fully in the Internal Control Policy and the Audit Committee Charter.

Management is responsible for internal controls and the preparation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Consolidated Financial Statements in accordance with auditing standards generally accepted in the United States of America and to issue their report based on their audit. The Audit Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Audit Committee reviewed and discussed the audited Consolidated Financial Statements for the year ended December 31, 2025, with management. The Audit Committee also reviewed with PwC the matters required to be discussed by Statement on Auditing Standards AU-C 260, *The Auditor's Communication with Those Charged with Governance*, and both PwC and the internal auditor directly provided reports on any significant matters to the Audit Committee.

The Audit Committee had discussions with and received written disclosures from PwC confirming its independence. The Audit Committee also reviewed the non-audit services provided by PwC, if any, and concluded these services were not incompatible with maintaining PwC's independence. The Audit Committee discussed with management and PwC any other matters and received any assurances from them as the Audit Committee deemed appropriate.

Based on the foregoing review and discussions, and relying thereon, the Audit Committee recommended the audited Consolidated Financial Statements be included in the Annual Report for the year ended December 31, 2025.



Suzanne Allen  
Chairperson of the Audit Committee  
AgCountry Farm Credit Services, ACA

Members of the Audit Committee:

Leif Aakre, Vice Chair  
Ryan Klussendorf  
Shawn Murphy

March 6, 2026



## Report of Independent Auditors

To the Board of Directors of AgCountry Farm Credit Services, ACA:

### **Opinion**

We have audited the accompanying consolidated financial statements of AgCountry Farm Credit Services, ACA, and its subsidiaries (the "Association"), which comprise the consolidated statements of condition as of December 31, 2025, 2024, and 2023, and the related consolidated statements of comprehensive income, of changes in members' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

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

### **Basis for Opinion**

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

### **Emphasis of Matter**

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

### **Responsibilities of Management for the Consolidated Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

**Other Information**

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

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

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Minneapolis, Minnesota  
March 6, 2026

# CONSOLIDATED STATEMENTS OF CONDITION

AgCountry Farm Credit Services, ACA

(in thousands)

As of December 31,	2025	2024	2023
<b>ASSETS</b>			
Loans	\$ 16,053,824	\$ 14,684,491	\$ 13,179,771
Allowance for credit losses on loans	62,000	31,155	34,987
Net loans	15,991,824	14,653,336	13,144,784
Investment in AgriBank, FCB	527,194	489,970	414,736
Investment securities	366,165	313,604	--
Accrued interest receivable	267,714	219,573	170,941
Premises and equipment, net	54,343	53,127	46,898
Other assets	151,305	164,115	141,874
<b>Total assets</b>	<b>\$ 17,358,545</b>	<b>\$ 15,893,725</b>	<b>\$ 13,919,233</b>
<b>LIABILITIES</b>			
Note payable to AgriBank, FCB	\$ 14,098,898	\$ 12,734,981	\$ 10,974,200
Accrued interest payable	143,962	136,752	115,426
Patronage distribution payable	131,750	104,500	125,000
Other liabilities	66,186	114,634	62,328
<b>Total liabilities</b>	<b>14,440,796</b>	<b>13,090,867</b>	<b>11,276,954</b>
Contingencies and commitments (Note 14)			
<b>MEMBERS' EQUITY</b>			
Capital stock and participation certificates	14,118	13,354	13,158
Capital stock and participation certificates receivable	(14,118)	(13,354)	(13,158)
Additional paid-in capital	662,638	662,638	662,638
Unallocated retained earnings	2,262,103	2,147,265	1,987,117
Accumulated other comprehensive loss	(6,992)	(7,045)	(7,476)
<b>Total members' equity</b>	<b>2,917,749</b>	<b>2,802,858</b>	<b>2,642,279</b>
<b>Total liabilities and members' equity</b>	<b>\$ 17,358,545</b>	<b>\$ 15,893,725</b>	<b>\$ 13,919,233</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

AgCountry Farm Credit Services, ACA

(in thousands)

For the year ended December 31,	2025	2024	2023
<b>Interest income</b>	\$ 966,306	\$ 910,213	\$ 752,186
<b>Interest expense</b>	562,630	527,200	405,853
Net interest income	403,676	383,013	346,333
Provision for credit losses	62,371	48,933	33,841
Net interest income after provision for credit losses	341,305	334,080	312,492
<b>Non-interest income</b>			
Patronage income	59,342	52,361	67,853
Financially related services income	46,161	37,050	44,546
Fee income	16,172	26,326	15,568
Other non-interest income, net	(2,101)	2,630	267
Total non-interest income	119,574	118,367	128,234
<b>Non-interest expense</b>			
Salaries and employee benefits	126,284	131,004	111,542
Other operating expense	82,192	56,288	78,020
Other non-interest expense	253	4,321	1,428
Total non-interest expense	208,729	191,613	190,990
Income before income taxes	252,150	260,834	249,736
<b>Provision for (benefit from) income taxes</b>	5,224	(3,814)	(4,602)
Net income	\$ 246,926	\$ 264,648	\$ 254,338
<b>Other comprehensive income</b>			
Employee benefit plans activity	\$ 53	\$ 431	\$ 1,087
Total other comprehensive income	53	431	1,087
Comprehensive income	\$ 246,979	\$ 265,079	\$ 255,425

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

AgCountry Farm Credit Services, ACA

(in thousands)

	Capital Stock and Participation Certificates and Receivable, Net	Additional Paid-in Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance as of December 31, 2022	\$ --	\$ 662,638	\$ 1,843,363	\$ (8,563)	\$ 2,497,438
Cumulative effect of change in accounting principle	--	--	14,416	--	14,416
Net income	--	--	254,338	--	254,338
Other comprehensive income	--	--	--	1,087	1,087
Unallocated retained earnings designated for patronage distributions	--	--	(125,000)	--	(125,000)
Capital stock and participation certificates issued	874	--	--	--	874
Capital stock and participation certificates retired	(859)	--	--	--	(859)
Additions to capital stock and participation certificates receivable, net	(15)	--	--	--	(15)
Balance as of December 31, 2023	--	662,638	1,987,117	(7,476)	2,642,279
Net income	--	--	264,648	--	264,648
Other comprehensive income	--	--	--	431	431
Unallocated retained earnings designated for patronage distributions	--	--	(104,500)	--	(104,500)
Capital stock and participation certificates issued	878	--	--	--	878
Capital stock and participation certificates retired	(776)	--	--	--	(776)
Additions to capital stock and participation certificates receivable, net	(102)	--	--	--	(102)
Balance as of December 31, 2024	--	662,638	2,147,265	(7,045)	2,802,858
Net income	--	--	246,926	--	246,926
Other comprehensive income	--	--	--	53	53
Unallocated retained earnings designated for patronage distributions	--	--	(131,750)	--	(131,750)
Patronage accrual adjustment	--	--	(338)	--	(338)
Capital stock and participation certificates issued	3,151	--	--	--	3,151
Capital stock and participation certificates retired	(2,318)	--	--	--	(2,318)
Additions to capital stock and participation certificates receivable, net	(833)	--	--	--	(833)
<b>Balance as of December 31, 2025</b>	<b>\$ --</b>	<b>\$ 662,638</b>	<b>\$ 2,262,103</b>	<b>\$ (6,992)</b>	<b>\$ 2,917,749</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

AgCountry Farm Credit Services, ACA

(in thousands)

For the year ended December 31,	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net income	\$ 246,926	\$ 264,648	\$ 254,338
Depreciation on premises and equipment	3,689	2,692	2,639
Loss on sale of premises and equipment, net	777	744	96
Write down of prepaid assets	1,105	--	--
Net amortization of premiums (discounts) on loans and investment securities	4,670	751	(188)
Amortization of yield related to loans and notes payable acquired in merger, net	1,403	(585)	(1,035)
Provision for credit losses	62,371	48,933	33,841
Stock patronage received from Farm Credit institutions	(100)	(14,879)	(15,473)
Loss on other property owned, net	--	24	--
Changes in operating assets and liabilities:			
Increase in accrued interest receivable	(48,141)	(52,262)	(48,554)
Decrease (increase) in other assets	15,280	(18,544)	(26,114)
Increase in accrued interest payable	7,210	21,326	43,518
(Decrease) increase in other liabilities	(50,220)	52,737	(2,840)
Net cash provided by operating activities	244,970	305,585	240,228
<b>Cash flows from investing activities</b>			
Increase in loans, net	(1,399,034)	(1,566,670)	(1,542,048)
Purchases of investment in AgriBank, FCB, net	(37,224)	(60,423)	(62,619)
Purchases of investment in other Farm Credit institutions, net	(6,063)	(263)	(2,923)
Purchases of investment securities	(90,348)	(318,284)	--
Proceeds from investment securities	33,117	3,468	--
Proceeds from sales of other property owned	2,588	10,981	12
Purchases of premises and equipment, net	(5,682)	(9,665)	(1,530)
Net cash used in investing activities	(1,502,646)	(1,940,856)	(1,609,108)
<b>Cash flows from financing activities</b>			
Increase in note payable to AgriBank, FCB, net	1,362,514	1,760,169	1,452,365
Patronage distributions paid	(104,500)	(125,000)	(83,500)
Patronage accrual adjustment	(338)	--	--
Capital stock and participation certificates issued, net	--	102	15
Net cash provided by financing activities	1,257,676	1,635,271	1,368,880
Net change in cash	--	--	--
Cash at beginning of year	--	--	--
Cash at end of year	\$ --	\$ --	\$ --
<b>Supplemental information</b>			
Interest paid	\$ 554,017	\$ 505,262	\$ 361,514
Taxes paid (refunded), net	465	(63)	--

The accompanying notes are an integral part of these Consolidated Financial Statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AgCountry Farm Credit Services, ACA

## NOTE 1: ORGANIZATION AND OPERATIONS

### Farm Credit System and District

The Farm Credit System (System) is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture. As of January 1, 2026, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 55 borrower-owned cooperative lending institutions (associations). The System serves all 50 states, Washington, D.C., and Puerto Rico. This network of financial cooperatives is owned and governed by the rural customers the System serves – the American farmer and rancher.

The AgriBank Farm Credit District (AgriBank District or the District) is primarily comprised of AgriBank, FCB (AgriBank), a System Bank, and its District associations. The AgriBank District associations consist of Agricultural Credit Associations (ACA) that each have wholly-owned Federal Land Credit Association (FLCA) and Production Credit Association (PCA) subsidiaries.

FLCAs are authorized to originate long-term real estate mortgage loans. PCAs are authorized to originate short-term and intermediate-term loans. ACAs are authorized to originate long-term real estate mortgage loans and short-term and intermediate-term loans either directly or through their subsidiaries. Associations are authorized to provide lease financing options for agricultural purposes and also are authorized to purchase and hold certain types of investments. AgriBank provides funding to all associations chartered within the District.

Associations are authorized to provide, either directly or in participation with other lenders, credit and related services to eligible borrowers. Eligible borrowers may include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm-related service businesses. In addition, associations can participate with other lenders in loans to similar entities. Similar entities are parties that are not eligible for a loan from a System lending institution, but have operations that are functionally similar to the activities of eligible borrowers.

The Farm Credit Administration (FCA) is authorized by Congress to regulate the System banks and associations. The Association is examined by the FCA and certain Association actions are subject to the prior approval of the FCA and/or AgriBank.

The Farm Credit System Insurance Corporation (FCSIC) administers the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is used to ensure the timely payment of principal and interest on Systemwide debt obligations, to ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes.

At the discretion of the FCSIC, the Insurance Fund also is available to provide assistance to certain troubled System institutions and for the operating expenses of the FCSIC. Each System bank is required to pay premiums into the Insurance Fund until the assets in the Insurance Fund reach the "secure base amount", which is defined in the Farm Credit Act of 1971, as amended (Farm Credit Act) as 2.0% of the aggregate outstanding insured obligations adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments.

This percentage of aggregate obligations can be changed by the FCSIC, at its sole discretion, to a percentage it determines to be actuarially sound. When the amount in the Insurance Fund exceeds the secure base amount, the FCSIC is required to reduce premiums and, under certain circumstances, is required to transfer excess funds to establish Allocated Insurance Reserves Accounts (AIRAs). The FCSIC also may distribute all or a portion of the AIRAs to the System banks, which AgriBank passes on as income to the associations. The basis for assessing premiums is insured debt. Nonaccrual loans and impaired investment securities are assessed a surcharge, while guaranteed loans and investment securities are deductions from the premium base. AgriBank, in turn, assesses premiums to District associations each year based on similar factors.

### Association

AgCountry Farm Credit Services, ACA (ACA) and its subsidiaries, AgCountry Farm Credit Services, FLCA (FLCA) and AgCountry Farm Credit Services, PCA (PCA), collectively referred to as AgCountry, are lending institutions of the System. We are a customer-owned cooperative providing credit and credit-related services to, or for the benefit of, eligible members for qualified agricultural purposes in the counties of Becker, Beltrami, Big Stone, Chippewa, Clay, Clearwater, Douglas, Grant, Hubbard, Kandiyohi, Kittson, Koochiching, Lake of the Woods, Lac qui Parle, Lincoln, Lyon, Mahnomon, Marshall, Meeker, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Redwood, Renville, Roseau, Stevens, Swift, Todd, Traverse, Wadena, Wilkin, and Yellow Medicine in the state of Minnesota; Barnes, Benson, Bottineau, Burke, Cass, Cavalier, Dickey, Divide, Eddy, Foster, Grand Forks, Griggs, LaMoure, McHenry, McKenzie, northern McLean, Mountrail, Nelson, Pembina, Pierce, Ramsey, Ransom, Renville, Richland, Rolette, Sargent, northern Sheridan, Steele, Stutsman, Towner, Traill, Walsh, Ward, Wells, and Williams in the state of North Dakota; and Clark, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Taylor, Vilas, Waushara, and Wood in the state of Wisconsin.

We borrow from AgriBank and provide financing and related services to our members. Our ACA holds all the stock of the FLCA and PCA subsidiaries and certain types of investments. The FLCA makes secured long-term agricultural real estate loans and holds certain types of investments. The PCA makes short-term and intermediate-term loans for agricultural production or operating purposes. We also facilitate lease financing options through our alliance partner, Farm Credit Leasing.

We offer credit life, term life, credit disability, crop, crop hail, multi-peril, and livestock insurance to borrowers and those eligible to borrow. We also offer farm accounting, fee appraisals, income tax planning and preparation services, retirement and succession planning, and producer education services to our members.

## Relationship with Farm Credit Services of America, ACA and Frontier Farm Credit, ACA

---

The Boards of Directors of AgCountry, Farm Credit Services of America, ACA (FCSAmerica), and Frontier Farm Credit, ACA (Frontier Farm Credit) (the Associations) entered into an agreement with an effective date of December 29, 2023. Beginning April 15, 2024, the Associations are jointly managed and share income and losses. The Associations have deployed a common business approach to the development and delivery of products and services and use common technology platforms which accommodate differences in local marketplace conditions. While the Associations are jointly managed and operate under jointly developed strategic business plans and support plans, we each remain separate organizations with strong, local representation through independent Boards of Directors and distinct patronage programs. The collaboration is designed to benefit the farmers and ranchers who own and support the three financial services cooperatives by ensuring that the Associations have the strength and capacity to serve agricultural customers' needs for years to come.

Under the collaboration agreement, the Associations have agreed to share net income and losses based on a formula derived from the average net income and losses of each of the Associations from the previous five years, currently including 2019 through 2023. Therefore, the net income and losses will be allocated as follows: AgCountry (21.3%), FCSAmerica (73.8%), and Frontier Farm Credit (4.9%). Given such allocation methodology, income and losses that are generally specific to each of the Associations will effectively be shared in proportion to the allocation formula. The allocation methodology in effect will continue to be applied until the Boards mutually agree to any changes in the methodology to be used for the next allocation period starting on January 1, 2028.

AgCountry has \$17.4 billion in assets and serves multiple counties in the states of North Dakota, Minnesota, and Wisconsin. FCSAmerica has \$51.3 billion in assets and serves the states of Iowa, Nebraska, South Dakota, and Wyoming. Frontier Farm Credit has \$3.6 billion in assets and serves multiple counties in eastern Kansas.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### Accounting Principles and Reporting Policies

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Our accounting and reporting policies conform to Generally Accepted Accounting Principles (GAAP) in the United States of America and the prevailing practices within the financial services industry. Preparing financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements as well as the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### Principles of Consolidation

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The Consolidated Financial Statements present the consolidated financial results of AgCountry Farm Credit Services, ACA and its subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

### Significant Accounting Policies

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**Loans:** Loans are carried at their principal amount outstanding, net of any unearned income, cumulative net charge-offs, unamortized deferred fees and costs on originated loans, unamortized premiums or discounts on purchased loans, and unamortized adjustments to fair value on loans acquired through merger. Loan interest is accrued and credited to interest income based upon the daily principal amount outstanding. Prior to April 2024, origination fees, net of direct loan origination fees, were deferred and recognized over the life of the loan as an adjustment to net interest income. We discontinued deferral of fees beginning in April 2024 to align practices with the Associations. The net amount of loan fees and related origination costs are not material to the Consolidated Financial Statements taken as a whole.

A loan is considered contractually past due when any principal repayment or interest payment required by the loan instrument is not received on or before the due date. A loan remains contractually past due until certain modifications are completed or until the entire amount past due, including principal, accrued interest and penalty interest incurred as the result of past due status is collected or otherwise discharged in full.

Generally, loans are placed in nonaccrual status when:

- principal or interest is delinquent for 90 days or more (unless adequately secured and in the process of collection), or
- circumstances indicate that full collection is not expected.

When a loan is placed in nonaccrual status, we immediately reverse current year accrued interest. When we deem a loan to be uncollectible, we charge the loan principal and prior year(s) accrued interest against the allowance for credit losses on loans. Subsequent recoveries, if any, are added to the allowance for credit losses on loans. Any cash received on nonaccrual loans is applied to reduce the carrying amount of the loan, except in those cases where the collection of the carrying amount is fully expected and certain other criteria are met. In these circumstances, interest is credited to income when cash is received. Loans are charged-off at the time they are determined to be uncollectible. Nonaccrual loans may be returned to accrual status when principal and interest are current, the customer's ability to fulfill the contractual payment terms is fully expected, and, if the loan was past due when placed in nonaccrual status, the loan has evidence of sustained performance in making on-time contractual payments (typically based on payment frequency).

Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as extensions greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. In situations when more than two types of modifications are granted on the same loan we only report the two most material modification types.

Loans that are sold as participations are transferred as entire financial assets, groups of entire financial assets, or participating interests in the loans. The transfers of such assets or participating interests are structured such that control over the transferred assets or participating interests have been surrendered and all the conditions have been met to be accounted for as a sale.

**Purchased Credit Deteriorated (PCD) Loans:** Purchased loans are recorded at their fair value at the acquisition date. All PCD loans were acquired through merger. An allowance for credit loss is recorded on the purchased loans at the purchase date through a provision for credit losses. Any loans that have experienced a more-than-insignificant deterioration in credit quality since origination are identified as PCD assets and we are required to estimate and record an allowance for credit losses for these assets at the time of purchase. This allowance is then added to the purchase price to establish the initial amortized cost basis of the PCD assets, rather than being reported as a credit loss expense. The difference between the unpaid principal balance and the amortized cost basis is recorded into interest income over the life of the loan. Any subsequent changes in expected credit losses are recorded through the Consolidated Statements of Comprehensive Income with a provision for credit losses.

**Loans Held for Sale:** Loans are classified as held for sale when there is the intent and ability to sell the loans. Loans held for sale are carried at lower of cost or fair value. Loans held for sale are included in "Other assets" in the Consolidated Statements of Condition and gains or losses are recorded in "Other operating expense" in the Consolidated Statements of Comprehensive Income.

**Allowance for Credit Losses:** Effective January 1, 2023, we adopted Accounting Standards Update 2016-13 "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The allowance for credit losses utilizes a framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures and replaced the incurred loss guidance. This framework requires that management's estimate reflects credit losses over the asset's remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses comprises the allowance for credit losses on loans, unfunded commitments, and investment securities.

#### *Allowance for Credit Losses on Loans*

The allowance for credit losses on loans (ACL) represents the estimated current expected credit losses on the loan portfolio over the remaining contractual life of the loan portfolio adjusted for expected prepayments. The ACL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are not unconditionally cancellable.

The ACL is increased through provisions for credit losses on loans and loan recoveries and is decreased through reversals of provision for credit losses on loans and loan charge-offs. The provision activity is included as part of the "Provision for credit losses" in the Consolidated Statements of Comprehensive Income. See Note 3 to the accompanying Consolidated Financial Statements in this Annual Report for further information.

Determining the appropriateness of the ACL is complex and requires judgment by management about the effect of matters that are inherently uncertain. Loans are evaluated on the amortized cost basis, which includes unamortized premiums and discounts on purchased loans and unamortized adjustments to fair value on loans acquired through merger.

We employ a disciplined process and methodology to establish the ACL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics. When a loan does not share risk characteristics with other loans, expected credit loss is measured as the difference between the amortized cost basis in the loan and the present value of expected future cash flows discounted at the loan's effective interest rate except that, for collateral-dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. If the calculated expected credit loss is determined to be permanent, fixed or non-recoverable, the credit loss portion of the loan will be charged-off against the ACL. For more information see the Collateral Dependent Loans policy in the significant accounting policies section of this report.

In estimating the pooled component of the ACL that share common risk characteristics, loans are pooled and segregated into loan classes based on loan type. We utilize a model to calculate an expected life-of-loan loss percentage for each loan pool by considering the probability of default, based on the migration of loans from performing to loss by internal risk rating, and the loss given default, based on historical experience. Loan borrower characteristics are also utilized and include internal risk ratings, and the remaining term of the loan, adjusted for expected prepayments.

Effective January 1, 2024, AgCountry transitioned to a different model to estimate allowance for credit losses on loans. The model utilized during the year ended December 31, 2023, utilized a weighted average of three economic scenarios and the macroeconomic variables used included unemployment rates, United States (U.S.) corporate credit ratings, and stock market volatility and performance. The model utilized beginning January 1, 2024, uses a single economic scenario and the macroeconomic variables include net farm income, unemployment rates, real gross domestic product levels, housing price index, and agricultural land values. The quarterly economic forecast and reasonable and supportable forecast period of three years continue to be used. Subsequent to the forecast period, our model applies a smoothed reversion to historical loss experience to estimate losses for the remaining estimated contractual life of the portfolio.

The final credit loss estimate also considers factors not reflected in the economic forecast and historical loss experience due to the unique aspects of current conditions and expectations. These factors may include but are not limited to: lending policies and procedures, experience and depth of lending staff, credit quality and delinquency trends, individual borrower and industry concentrations, national, regional, and local economic business conditions and developments, collateral value trends, and expected performance of specific industry sectors not reflected in the economic forecast. Consideration of these factors, as well as the imprecision inherent in the process and methodology may lead to a management adjustment to the modeled ACL results. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

#### *Allowance for Credit Losses on Unfunded Commitments*

Under CECL, we evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Consolidated Statements of Condition. The related provision is included as part of the "Provision for credit losses" in the Consolidated Statements of

Comprehensive Income. The amount of expected losses is determined by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Association and applying the loss factors used in the ACLL methodology to the results of the usage calculation.

**Collateral Dependent Loans:** Collateral dependent loans are loans secured by collateral, including but not limited to real estate, equipment, inventory, livestock, and income-producing property. We measure the expected credit losses based on the fair value of collateral at the reporting date when we determine that foreclosure is probable. Under the fair value practical expedient measurement approach, the expected credit losses are based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan.

The fair value of the collateral is adjusted for the estimated costs to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral. In accordance with our appraisal policy, the fair value of collateral-dependent loans is based upon in-house or independent third-party appraisals or on in-house collateral valuations. When an updated appraisal or collateral valuation is received, management reassesses the need for adjustments to the loan's expected credit loss measurements and, where appropriate, records an adjustment.

Additionally, when a borrower is experiencing financial difficulty, we apply the fair value practical expedient measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral.

**Accrued Interest Receivable:** Accrued interest receivable is presented separately in the Consolidated Statements of Condition and includes accrued interest on loans and investment securities.

**Investment in AgriBank:** Our stock investment in AgriBank is on a cost plus allocated equities basis.

**Investment in AgDirect, LLP:** Our stock investment in AgDirect, LLP (AgDirect) is on a cost basis.

**Investment Securities:** We are authorized by the FCA to purchase and hold certain types of investments. As we have the positive intent and ability to hold these investments to maturity, they have been classified as held-to-maturity and are carried at amortized cost, net of allowance for credit losses on investment securities. Purchased premiums and discounts are amortized or accreted using the interest method over the terms of the respective securities.

Quarterly, we evaluate the investment portfolio for credit losses. For securities that are guaranteed by the United States government or other governmental agencies, we have not recognized an allowance for credit losses on investments. However, premiums on those investments are not guaranteed. Therefore, we evaluate them for credit losses and have not recognized an allowance for credit losses on them.

**Investment in Rural Business Investment Companies:** The carrying amount of the investments in the Rural Business Investment Companies (RBI-Cs), in which we are a limited partner and hold noncontrolling interests, is accounted for under the equity method. The investments are assessed for impairment. If impairment exists, losses are included in gains or losses in the Consolidated Statements of Comprehensive Income in the year of impairment. The investments are included in "Other assets" in the Consolidated Statements of Condition.

**Leases:** We operate under an agreement with CoBank, ACB (CoBank) through which we purchase a participation in loans made by CoBank to Farm Credit Leasing Services Corporation (FCL) to fund capital-markets leases, agricultural-equipment leases, and agricultural-facilities leases that we originate. Under provisions of this agreement, FCL participates approximately 50% funding for these leases to CoBank, and CoBank participates a similar amount to us as loan participations. The loan participations purchased under this agreement are included in "Loans" in the Consolidated Statements of Condition. Additional information is included in Note 13 to the accompanying Consolidated Financial Statements.

**Advance Conditional Payments:** We are authorized under the Farm Credit Act to accept advance conditional payments from customers. We net the advance conditional payments against the customer's related loan balance to the extent that the real estate customer's loan balance exceeds the advance conditional payments. The amount of commercial advance conditional payments accepted cannot exceed the commitment amount of the customer's note. We classify commercial advance conditional payments as "Other liabilities" in the Consolidated Statements of Condition because the limit on commercial advance conditional payments is based on note commitments. We pay interest on advance conditional payments and they are not insured. Advance conditional payments are primarily for customers who are required to maintain them as part of their loan agreement. These advance conditional payments do not have a material impact on our financial statements.

**Other Property Owned:** We record other property owned, consisting of real and personal property acquired through a collection action, at fair value, less estimated selling costs upon acquisition. Other property owned is included in "Other assets" in the Consolidated Statements of Condition. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the allowance for credit losses on loans. Revised estimates to the fair value less costs to sell are reported as adjustments to the carrying amount of the asset, provided that such adjusted value is not in excess of the carrying amount at acquisition. Related income, expenses, and gains or losses from operations and carrying value adjustments are included in "Other non-interest expense" in the Consolidated Statements of Comprehensive Income.

**Premises and Equipment:** The carrying amount of premises and equipment is at cost, less accumulated depreciation. Calculation of depreciation is generally on the straight-line method over the estimated useful lives of the assets. Depreciation and maintenance and repair expenses are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income and improvements are capitalized.

**Post-Employment Benefit Plans:** The District has various post-employment benefit plans in which our employees participate. Expenses related to these plans, except for the AgriBank District Pension Restoration Plan, are included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income.

We participate in the AgriBank District Retirement Plan (qualified plan). The plan is comprised of two benefit formulas. At their option, employees hired prior to October 1, 2001, are on the cash balance formula or on the final average pay formula. Benefits for eligible employees hired between October 1,

2001, and December 31, 2006, are on the cash balance formula. Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. The AgriBank District Retirement Plan utilizes the "Projected Unit Credit" actuarial method for financial reporting and funding purposes.

We participate in the AgriBank District Pension Restoration Plan. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above certain Internal Revenue Code limits. The pension liability attributable to the Pension Restoration Plan at the Association and the related accumulated other comprehensive loss are included in the Consolidated Statements of Condition. The components of the net periodic cost other than the service cost component, are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income. Service costs are included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income.

Our employees participate in a defined contribution plan. Benefit plans are described in Note 12. The costs of the defined contribution plan are funded as accrued. Additionally, we provide access to retiree health care benefits to retired employees who met specific age and service requirements.

The defined contribution plan allows eligible employees to save for their retirement either pre-tax, post-tax, or both, with an employer match on a percentage of the employee's contributions. In addition to the employer match, we provide benefits under this plan for those employees that do not participate in the AgriBank District Retirement Plan in the form of a fixed percentage of salary contribution. Employer contributions are expensed when incurred.

We participate in the Nonqualified Deferred Compensation Plan. Eligible participants must meet one of the following criteria: certain salary thresholds as determined by the Internal Revenue Service (IRS), are either a Chief Executive Officer or President of a participating employer, or have previously elected pre-tax deferrals in 2006 under predecessor nonqualified deferred compensation plans. Under this plan the employee may defer a portion of his/her salary, bonus, and other compensation. Additionally, the plan provides for supplemental employer matching contributions related to any compensation deferred by the employee that would have been eligible for a matching contribution under the retirement savings plan if it were not for certain IRS limitations.

**Income Taxes:** The ACA and PCA accrue federal and state income taxes. The ACA and PCA are exempt from Minnesota state income tax. Deferred tax assets and liabilities are recognized for future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. Net deferred tax assets are included in "Other assets" in the Consolidated Statements of Condition and net deferred tax liabilities are included in "Other liabilities" in the Consolidated Statements of Condition. Deferred tax assets are recorded if the deferred tax asset is more likely than not to be realized. If the realization test cannot be met, the deferred tax asset is reduced by a valuation allowance. The expected future tax consequences of uncertain income tax positions are accrued.

The FLCA is exempt from federal and other taxes to the extent provided in the Farm Credit Act.

**Patronage Program:** We accrue an estimated patronage payable after it is declared by the Board of Directors, normally in December of each year. After year-end eligible average daily balances are calculated, we record a patronage accrual adjustment in the year of payment. We generally pay the accrued patronage in the first quarter of the subsequent year. Cash patronage distributions are referred to as patronage.

**Off-Balance Sheet Credit Exposures:** Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the loan contract. The commitments to extend credit generally have fixed expiration dates or other termination clauses. Standby letters of credit are agreements to pay a beneficiary if there is a default on a contractual arrangement. We evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Consolidated Statements of Condition. For more information see the allowance for credit losses on unfunded commitments policy in the significant accounting policies section of this report.

**Cash:** For purposes of reporting cash flows, cash includes deposits in banks. Cash is recorded in "Other assets" or "Other liabilities" in the Consolidated Statements of Condition.

**Fair Value Measurement:** The Financial Accounting Standards Board (FASB) guidance on "Fair Value Measurements" describes three levels of inputs that may be used to measure fair value.

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in markets that are not active so that they are traded less frequently than exchange-traded instruments, quoted prices that are not current, or principal market information that is not released publicly,
- Inputs that are observable such as interest rates and yield curves, prepayment speeds, credit risks, and default rates, and
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

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

## Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the FASB and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the System. Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted.	This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association include enhancements to the rate reconciliation disclosure and adding an income taxes paid (refunded) disclosure.	We early adopted this standard for the year ended December 31, 2025. The adoption of this guidance did not have a material impact on our financial statements, but modified certain disclosures beginning in our 2025 Annual Report on a prospective basis.
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." This guidance is effective for all entities for annual and interim periods beginning after December 15, 2025. Early adoption is permitted.	The standard provides all entities with a practical expedient and entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and contract assets arising from transactions accounted for under Topic 606. The practical expedient allows entities to assume that current conditions as of the date of the statement of condition do not change for the remaining life of the asset. The accounting policy election allows entities to consider collection activity after the date of the statement of condition when estimating expected credit losses.	We adopted this standard as of January 1, 2026. The adoption of this guidance will not have a material impact on our financial statements or disclosures.
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." This guidance is effective for all entities for annual and interim periods beginning after December 15, 2027. Early adoption is permitted.	The standard includes several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs, and (4) modifies the disclosure requirements for capitalized software costs.	We expect to adopt the standard as of January 1, 2028. The adoption of this guidance is not expected to have a material impact on our financial statements or disclosures.
In November 2025, the FASB issued ASU 2025-08, "Financial Instruments – Credit Losses (Topic 326) – Purchased Loans". This guidance is effective for annual and interim periods beginning after December 15, 2026. Early adoption is permitted.	The standard simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans (PSLs)". This eliminates Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility.	We expect to adopt the standard as of January 1, 2027. We are currently assessing the impact of this standard on our financial statements and disclosures.
In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements". This guidance is effective for annual and interim periods beginning after December 15, 2028. Early adoption is permitted.	The standard provides narrow-scope improvements to interim reporting guidance (Topic 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements.	We expect to adopt the standard as of January 1, 2029. We are currently assessing the impact of this standard on our financial statements and disclosures.

## NOTE 3: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

### Loans by Type

(dollars in thousands)

As of December 31,

	2025		2024		2023	
	Amortized Cost	%	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	\$ 5,989,850	37.4%	\$ 5,565,125	37.9%	\$ 4,895,569	37.1%
Production and intermediate-term	4,608,654	28.7%	3,451,042	23.5%	3,119,147	23.7%
Agribusiness	3,521,563	21.9%	3,710,169	25.3%	3,347,974	25.4%
Other	1,933,757	12.0%	1,958,155	13.3%	1,817,081	13.8%
Total	\$ 16,053,824	100.0%	\$ 14,684,491	100.0%	\$ 13,179,771	100.0%

The other category is primarily composed of rural infrastructure related loans.

## Portfolio Concentrations

Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities or within close geographic proximity, which could cause them to be similarly impacted by economic or other conditions. We lend primarily within agricultural industries.

As of December 31, 2025, amortized cost on loans plus commitments, reduced by government-guaranteed portions of loans, to our 10 largest borrowers totaled an amount equal to 4.1% of total loans and commitments.

Total loans plus any unfunded commitments represent a proportionate maximum potential credit risk. However, substantial portions of our lending activities are collateralized. Accordingly, the credit risk associated with lending activities is generally less than the recorded loan principal. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies, but may include real estate, equipment, inventory, livestock, and income-producing property.

## Participations

We may purchase or sell participation interests with other parties to diversify risk, manage portfolio size, or comply with the limitations of the FCA regulations or General Financing Agreement (GFA) with AgriBank.

### Participations Purchased and Sold

(in thousands)	AgriBank		Other Farm		Non-Farm		Total	
	Participations		Credit Institutions		Credit Institutions		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
<b>As of December 31, 2025</b>								
Real estate mortgage	\$ --	\$ 109,081	\$ 541,039	\$ 304,097	\$ --	\$ 20,119	\$ 541,039	\$ 433,297
Production and intermediate-term	--	297,027	2,016,180	269,739	379	36,241	2,016,559	603,007
Agribusiness	--	153,454	2,105,838	681,965	162,384	--	2,268,222	835,419
Other	--	39,692	2,060,584	110,347	--	--	2,060,584	150,039
<b>Total</b>	<b>\$ --</b>	<b>\$ 599,254</b>	<b>\$ 6,723,641</b>	<b>\$ 1,366,148</b>	<b>\$ 162,763</b>	<b>\$ 56,360</b>	<b>\$ 6,886,404</b>	<b>\$ 2,021,762</b>

As of December 31, 2024	AgriBank		Other Farm		Non-Farm		Total	
	Participations		Credit Institutions		Credit Institutions		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$ --	\$ 113,122	\$ 484,975	\$ 326,515	\$ --	\$ 18,219	\$ 484,975	\$ 457,856
Production and intermediate-term	--	291,806	1,058,324	262,504	682	29,684	1,059,006	583,994
Agribusiness	--	198,197	2,037,670	1,141,751	182,753	28	2,220,423	1,339,976
Other	--	58,094	2,492,767	497,097	--	--	2,492,767	555,191
<b>Total</b>	<b>\$ --</b>	<b>\$ 661,219</b>	<b>\$ 6,073,736</b>	<b>\$ 2,227,867</b>	<b>\$ 183,435</b>	<b>\$ 47,931</b>	<b>\$ 6,257,171</b>	<b>\$ 2,937,017</b>

As of December 31, 2023	AgriBank		Other Farm		Non-Farm		Total	
	Participations		Credit Institutions		Credit Institutions		Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$ --	\$ 241,693	\$ 446,207	\$ 324,821	\$ --	\$ 16,704	\$ 446,207	\$ 583,218
Production and intermediate-term	--	358,902	1,096,317	325,973	26,020	16,478	1,122,337	701,353
Agribusiness	--	246,817	1,816,235	1,307,451	189,877	340	2,006,112	1,554,608
Other	--	55,190	2,474,836	611,267	--	--	2,474,836	666,457
<b>Total</b>	<b>\$ --</b>	<b>\$ 902,602</b>	<b>\$ 5,833,595</b>	<b>\$ 2,569,512</b>	<b>\$ 215,897</b>	<b>\$ 33,522</b>	<b>\$ 6,049,492</b>	<b>\$ 3,505,636</b>

## Credit Quality and Delinquency

Credit risk arises from the potential inability of a borrower to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. We manage credit risk associated with our lending activities through an analysis of the credit risk profile of an individual borrower based on management established underwriting standards and board approved lending policies. The evaluation of the borrower's credit risk profile may include analysis of several factors including, but not limited to, credit history, repayment capacity, financial position, and collateral. Real estate mortgage loans must be secured by first liens on the real estate. As required by the FCA regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

We use a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate 6-point scale addressing loss given default.

Probability of default is our assumption of the probability that a borrower will experience a default during the next twelve months. Borrowers within each probability of default rating category are expected to experience similar rates of default occurrences across geographic areas and industries. Each of the 14 probability of default rating categories carries a distinct percentage of default probability and is associated with a FCA Uniform Classification System credit quality category. The loss given default is our assumption as to the anticipated principal loss on a specific loan assuming default occurs. A default is considered to have occurred if the lender believes the borrower will not be able to pay their obligation in full or the borrower or the loan is classified as nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. We review the probability of default category periodically in accordance with our policy, or when a credit action is taken.

One credit quality indicator is the FCA Uniform Classification System, which categorizes loans into five categories. The categories define loans as:

- Acceptable – loans are non-criticized loans representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default.
- Other assets especially mentioned (special mention) – loans are currently collectible but exhibit some potential weakness. These loans involve increased credit risk, but not to the point of justifying a substandard classification.
- Substandard – loans exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – loans exhibit similar weaknesses as substandard loans. Doubtful loans have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – loans are considered uncollectible.

We had no loans categorized as loss at December 31, 2025, 2024, or 2023.

The probability of default rate of the acceptable category reflects almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to special mention and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain.

#### Credit Quality of Loans at Amortized Cost

(dollars in thousands)	Acceptable		Special Mention		Substandard/ Doubtful		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>As of December 31, 2025</b>								
Real estate mortgage	\$ 5,773,111	96.3%	\$ 111,149	1.9%	\$ 105,590	1.8%	\$ 5,989,850	100.0%
Production and intermediate-term	4,348,217	94.4%	190,262	4.1%	70,175	1.5%	4,608,654	100.0%
Agribusiness	2,935,863	83.4%	300,767	8.5%	284,933	8.1%	3,521,563	100.0%
Other	1,879,244	97.2%	17,407	0.9%	37,106	1.9%	1,933,757	100.0%
Total	<u>\$ 14,936,435</u>	<u>93.0%</u>	<u>\$ 619,585</u>	<u>3.9%</u>	<u>\$ 497,804</u>	<u>3.1%</u>	<u>\$ 16,053,824</u>	<u>100.0%</u>

As of December 31, 2024	Acceptable		Special Mention		Substandard/ Doubtful		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Real estate mortgage	\$ 5,364,779	96.4%	\$ 97,910	1.8%	\$ 102,436	1.8%	\$ 5,565,125	100.0%
Production and intermediate-term	3,316,271	96.1%	89,437	2.6%	45,334	1.3%	3,451,042	100.0%
Agribusiness	3,350,749	90.3%	185,658	5.0%	173,762	4.7%	3,710,169	100.0%
Other	1,891,549	96.6%	36,433	1.9%	30,173	1.5%	1,958,155	100.0%
Total	<u>\$ 13,923,348</u>	<u>94.8%</u>	<u>\$ 409,438</u>	<u>2.8%</u>	<u>\$ 351,705</u>	<u>2.4%</u>	<u>\$ 14,684,491</u>	<u>100.0%</u>

As of December 31, 2023	Acceptable		Special Mention		Substandard/ Doubtful		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Real estate mortgage	\$ 4,759,254	97.2%	\$ 69,098	1.4%	\$ 67,217	1.4%	\$ 4,895,569	100.0%
Production and intermediate-term	3,030,201	97.1%	49,415	1.6%	39,531	1.3%	3,119,147	100.0%
Agribusiness	3,122,759	93.3%	106,782	3.2%	118,433	3.5%	3,347,974	100.0%
Other	1,739,900	95.8%	55,214	3.0%	21,967	1.2%	1,817,081	100.0%
Total	<u>\$ 12,652,114</u>	<u>96.0%</u>	<u>\$ 280,509</u>	<u>2.1%</u>	<u>\$ 247,148</u>	<u>1.9%</u>	<u>\$ 13,179,771</u>	<u>100.0%</u>

### Aging Analysis of Loans at Amortized Cost

(in thousands)	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	Accruing Loans 90 Days or More Past Due
<b>As of December 31, 2025</b>						
Real estate mortgage	\$ 9,890	\$ 1,337	\$ 11,227	\$ 5,978,623	\$ 5,989,850	\$ 638
Production and intermediate-term	4,122	1,534	5,656	4,602,998	4,608,654	1,347
Agribusiness	--	579	579	3,520,984	3,521,563	--
Other	11,008	8,527	19,535	1,914,222	1,933,757	--
<b>Total</b>	<b>\$ 25,020</b>	<b>\$ 11,977</b>	<b>\$ 36,997</b>	<b>\$ 16,016,827</b>	<b>\$ 16,053,824</b>	<b>\$ 1,985</b>

(in thousands)	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	Accruing Loans 90 Days or More Past Due
<b>As of December 31, 2024</b>						
Real estate mortgage	\$ 7,420	\$ 6,398	\$ 13,818	\$ 5,551,307	\$ 5,565,125	\$ 5,239
Production and intermediate-term	7,157	903	8,060	3,442,982	3,451,042	--
Agribusiness	26,688	14,882	41,570	3,668,599	3,710,169	--
Other	773	--	773	1,957,382	1,958,155	--
<b>Total</b>	<b>\$ 42,038</b>	<b>\$ 22,183</b>	<b>\$ 64,221</b>	<b>\$ 14,620,270</b>	<b>\$ 14,684,491</b>	<b>\$ 5,239</b>

(in thousands)	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	Accruing Loans 90 Days or More Past Due
<b>As of December 31, 2023</b>						
Real estate mortgage	\$ 5,345	\$ 418	\$ 5,763	\$ 4,889,806	\$ 4,895,569	\$ 148
Production and intermediate-term	33,006	2,549	35,555	3,083,592	3,119,147	1,955
Agribusiness	--	1,327	1,327	3,346,647	3,347,974	--
Other	44	--	44	1,817,037	1,817,081	--
<b>Total</b>	<b>\$ 38,395</b>	<b>\$ 4,294</b>	<b>\$ 42,689</b>	<b>\$ 13,137,082</b>	<b>\$ 13,179,771</b>	<b>\$ 2,103</b>

### Nonperforming Assets

#### Nonperforming Assets at Amortized Cost

(in thousands)	2025	2024	2023
<b>As of December 31,</b>			
<b>Nonaccrual loans:</b>			
Real estate mortgage	\$ 5,755	\$ 5,013	\$ 2,449
Production and intermediate-term	26,716	1,053	21,644
Agribusiness	39,334	41,098	12,696
Other	24,506	17,009	9,051
<b>Total nonaccrual loans</b>	<b>96,311</b>	<b>64,173</b>	<b>45,840</b>
<b>Accruing loans 90 days or more past due:</b>			
Real estate mortgage	638	5,239	148
Production and intermediate-term	1,347	--	1,955
<b>Total accruing loan 90 days or more past due</b>	<b>1,985</b>	<b>5,239</b>	<b>2,103</b>
<b>Total nonperforming loans</b>	<b>98,296</b>	<b>69,412</b>	<b>47,943</b>
<b>Other property owned</b>	<b>957</b>	<b>3,545</b>	<b>77</b>
<b>Total nonperforming assets</b>	<b>\$ 99,253</b>	<b>\$ 72,957</b>	<b>\$ 48,020</b>

## Nonaccrual Loans

### Nonaccrual Loans Information

(in thousands)	As of December 31, 2025		For the year ended December 31, 2025	
	Amortized Cost Without Specific Allowance		Interest Income Recognized	
Nonaccrual loans:				
Real estate mortgage	\$	5,755	\$	--
Production and intermediate-term		10,394		3,159
Agribusiness		742		--
Other		1,934		--
Total nonaccrual loans	\$	18,825	\$	3,159

(in thousands)	As of December 31, 2024		For the year ended December 31, 2024	
	Amortized Cost Without Specific Allowance		Interest Income Reversed	
Nonaccrual loans:				
Real estate mortgage	\$	5,013	\$	(502)
Production and intermediate-term		416		233
Agribusiness		31,556		18
Other		--		2
Total nonaccrual loans	\$	36,985	\$	(249)

(in thousands)	As of December 31, 2023		For the year ended December 31, 2023	
	Amortized Cost Without Specific Allowance		Interest Income Recognized	
Nonaccrual loans:				
Real estate mortgage	\$	2,449	\$	2,498
Production and intermediate-term		693		170
Agribusiness		764		--
Other		--		3
Total nonaccrual loans	\$	3,906	\$	2,671

At the time loans transfer to nonaccrual status, we reverse current year accrued interest. Reversals of interest income on loans that moved to nonaccrual status were not material for the years ended December 31, 2025, 2024, or 2023.

### Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Loans that both modify and are paid off or charged-off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the modification disclosures.

#### Loan Modifications at Amortized Cost

(dollars in thousands)	Interest		Payment Deferral	Principal Forgiveness	Combination - Interest Rate		Percentage of Total Loans
	Rate Reduction	Term Extension			Reduction and Term Extension	Total	
<b>For the year ended December 31, 2025</b>							
Real estate mortgage	\$ 1,737	\$ 1,701	\$ 78	\$ --	\$ 5,065	\$ 8,581	0.1%
Production and intermediate-term	389	14,921	--	--	865	16,175	0.1%
Total	\$ 2,126	\$ 16,622	\$ 78	\$ --	\$ 5,930	\$ 24,756	0.2%
Loan modifications granted as a percentage of total loans	0.0%	0.1%	0.0%	--	0.1%	0.2%	

For the year ended December 31, 2024	Interest	Term	Payment	Principal	Combination -	Total	Percentage of Total Loans
	Rate Reduction	Extension	Deferral	Forgiveness	Interest Rate Reduction and Term Extension		
Real estate mortgage	\$ --	\$ 841	\$ 5,427	\$ --	\$ 1,277	\$ 7,545	0.1%
Production and intermediate-term	--	11,655	--	--	--	11,655	0.1%
Agribusiness	3,425	13,527	--	--	--	16,952	0.1%
<b>Total</b>	<b>\$ 3,425</b>	<b>\$ 26,023</b>	<b>\$ 5,427</b>	<b>\$ --</b>	<b>\$ 1,277</b>	<b>\$ 36,152</b>	<b>0.3%</b>

Loan modifications granted as a percentage of total loans

0.0% 0.2% 0.1% -- 0.0% 0.3%

For the year ended December 31, 2023	Interest	Term	Payment	Principal	Combination -	Total	Percentage of Total Loans
	Rate Reduction	Extension	Deferral	Forgiveness	Interest Rate Reduction and Term Extension		
Real estate mortgage	\$ 1,447	\$ 25	\$ --	\$ --	\$ --	\$ 1,472	0.0%
Production and intermediate-term	--	1,027	--	9	7,210	8,246	0.1%
Agribusiness	--	29,680	--	--	--	29,680	0.2%
<b>Total</b>	<b>\$ 1,447</b>	<b>\$ 30,732</b>	<b>\$ --</b>	<b>\$ 9</b>	<b>\$ 7,210</b>	<b>\$ 39,398</b>	<b>0.3%</b>

Loan modifications granted as a percentage of total loans

0.0% 0.2% -- 0.0% 0.1% 0.3%

#### Financial Effect of Loan Modifications

For the year ended December 31, 2025	Weighted	Weighted	Weighted	Principal
	Average Interest Rate Reduction (%)	Average Term Extension (months)	Average Payment Deferral (months)	Forgiveness (\$ in thousands)
Real estate mortgage				
Interest rate reduction	2.5%			
Term extension		24		
Payment deferral			6	
Combination - interest rate reduction and term extension	0.5%	255		
Production and intermediate-term				
Interest rate reduction	0.1%			
Term extension		7		
Combination - interest rate reduction and term extension	0.4%	53		
For the year ended December 31, 2024				
Real estate mortgage				
Term extension		274		
Payment deferral			12	
Combination - interest rate reduction and term extension	0.4%	349		
Production and intermediate-term				
Term extension		14		
Agribusiness				
Interest rate reduction	0.5%			
Term extension		26		

For the year ended December 31, 2023	Weighted Average Interest Rate Reduction (%)	Weighted Average Term Extension (months)	Weighted Average Payment Deferral (months)	Principal Forgiveness (\$ in thousands)
Real estate mortgage				
Interest rate reduction	1.3%			
Term extension		60		
Production and intermediate-term				
Term extension		13		
Principal forgiveness				601
Combination - interest rate reduction and term extension	1.0%	12		
Agribusiness				
Term extension		22		

There were no loans to borrowers experiencing financial difficulty that defaulted during the year ended December 31, 2025, 2024, or 2023, in which the modifications were within twelve months preceding the default.

The following table presents the payment status at amortized cost of loans that have been modified for borrowers experiencing financial difficulty within twelve months of the respective reporting period.

#### Payment Status of Loan Modifications

(in thousands)	Not Past Due or Less than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
<b>As of December 31, 2025</b>				
Real estate mortgage	\$ 8,049	\$ 532	\$ --	\$ 8,581
Production and intermediate-term	16,175	--	--	16,175
Total	\$ 24,224	\$ 532	\$ --	\$ 24,756
<b>As of December 31, 2024</b>				
Real estate mortgage	\$ 7,545	\$ --	\$ --	\$ 7,545
Production and intermediate-term	9,711	1,944	--	11,655
Agribusiness	16,952	--	--	16,952
Total	\$ 34,208	\$ 1,944	\$ --	\$ 36,152
<b>As of December 31, 2023</b>				
Real estate mortgage	\$ 125	\$ 1,347	\$ --	\$ 1,472
Production and intermediate-term	8,237	--	9	8,246
Agribusiness	29,680	--	--	29,680
Total	\$ 38,042	\$ 1,347	\$ 9	\$ 39,398

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at December 31, 2025, 2024, or 2023.

Additional commitments to lend to borrowers experiencing financial difficulty whose loans were modified during the years ended December 31, 2025, 2024, and 2023 were \$5.1 million, \$11.0 million, and \$16.7 million, respectively.

#### Allowance for Credit Losses

Our loan portfolio is divided into groups primarily based on loan type which are the categories used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio groups includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage group, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering various macroeconomic variables. Our forecasts of U.S. net farm income, U.S. real gross domestic product, and U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

#### Changes in Allowance for Credit Losses

(in thousands)

As of December 31,	2025	2024	2023
<b>Allowance for Credit Losses on Loans</b>			
Balance at beginning of year	\$ 31,155	\$ 34,987	\$ 30,068
Cumulative effect of change in accounting principle	--	--	(14,996)
Provision for credit losses on loans	60,546	45,821	33,916
Loan recoveries	3,873	44	1,045
Loan charge-offs	(33,574)	(49,697)	(15,046)
Balance at end of year	\$ 62,000	\$ 31,155	\$ 34,987
<b>Allowance for Credit Losses on Unfunded Commitments</b>			
Balance at beginning of year	\$ 4,175	\$ 1,063	\$ 2,192
Cumulative effect of change in accounting principle	--	--	(1,054)
Provision for credit losses on unfunded commitments	1,825	3,112	(75)
Balance at end of year	\$ 6,000	\$ 4,175	\$ 1,063
Total allowance for credit losses	\$ 68,000	\$ 35,330	\$ 36,050

The change in the allowance for credit losses on loans from December 31, 2024, was primarily driven by the assignment of several new specific reserves on large capital markets customers, with increases in other specific reserves, as well as downgrades in credit quality. The increase was partially offset by charge-off activity on capital markets customers, many of whom did not have specific reserves prior to 2025.

#### Changes in Allowance for Credit Losses on Loans by Loan Type

(in thousands)	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for credit losses on loans:					
Balance as of December 31, 2024	\$ 2,546	\$ 3,448	\$ 14,746	\$ 10,415	\$ 31,155
Provision for credit losses on loans	(247)	8,114	38,510	14,169	60,546
Loan recoveries	1	3	3,869	--	3,873
Loan charge-offs	(29)	(5,449)	(14,753)	(13,343)	(33,574)
Balance as of December 31, 2025	\$ 2,271	\$ 6,116	\$ 42,372	\$ 11,241	\$ 62,000
Allowance for credit losses on loans:					
Balance as of December 31, 2023	\$ 2,017	\$ 7,619	\$ 18,618	\$ 6,733	\$ 34,987
Provision for credit losses on loans	518	373	36,948	7,982	45,821
Loan recoveries	11	--	33	--	44
Loan charge-offs	--	(4,544)	(40,853)	(4,300)	(49,697)
Balance as of December 31, 2024	\$ 2,546	\$ 3,448	\$ 14,746	\$ 10,415	\$ 31,155
Allowance for credit losses on loans:					
Balance as of December 31, 2022	\$ 1,464	\$ 7,634	\$ 16,738	\$ 4,232	\$ 30,068
Cumulative effect of change in accounting principle	(287)	(6,110)	(6,438)	(2,161)	(14,996)
Provision for credit losses on loans	(120)	13,944	14,846	5,246	33,916
Loan recoveries	960	85	--	--	1,045
Loan charge-offs	--	(7,934)	(6,528)	(584)	(15,046)
Balance as of December 31, 2023	\$ 2,017	\$ 7,619	\$ 18,618	\$ 6,733	\$ 34,987

**NOTE 4: LOANS HELD FOR SALE**

Loans held for sale as of December 31, 2025, and 2024 totaled \$2.2 million and \$26.9 million, respectively, and were related to the sale of certain loans. Loans held for sale are included in "Other assets" in the Consolidated Statements of Condition. As a result of the loans held for sale, we recognized a loss of \$2.8 million and \$9.5 million for the year ended December 31, 2025, and 2024, respectively. There were no loans held for sale as of December 31, 2023.

**NOTE 5: INVESTMENT IN AGRIBANK**

Our investment in AgriBank was \$527.2 million, \$490.0 million, and \$414.7 million at December 31, 2025, 2024, and 2023, respectively. As of December 31, 2025, we were required by AgriBank to maintain an investment equal to 3.1% of the average quarterly balance of our note payable. We are also required to hold AgriBank stock based on a contractual agreement under any asset pool program in which we participate. The required investment amount varies by asset pool program and is generally a percentage of the loan balance in the pool. All District associations had an initial opportunity to participate in the sale of asset pools to AgriBank at a base level of 10.0% of our loan volume in 2023 and 2024 or to utilize an alternative in place of the asset pool participation. Beginning in 2024, in lieu of selling participations to AgriBank we purchase additional stock in AgriBank and pay additional spread on a portion of our note payable to AgriBank.

AgriBank's capital plan provides for annual retirement of AgriBank stock and optimizes capital at AgriBank by distributing all available AgriBank earnings in the form of patronage, either in cash or stock. The plan is designed to maintain capital adequacy such that sufficient earnings will be retained in the form of unallocated retained earnings and allocated stock to meet the leverage ratio target and other regulatory or policy constraints prior to any cash patronage distributions.

**NOTE 6: INVESTMENT SECURITIES**

We held investment securities of \$366.2 million and \$313.6 million at December 31, 2025, and 2024, respectively. We held no investment securities at December 31, 2023. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA). All of our investment securities were fully guaranteed by the SBA at December 31, 2025, and 2024.

Premiums paid to purchase investments are not guaranteed and are amortized as a reduction of interest income. The amount of unamortized premiums was \$26.5 million and \$26.4 million at December 31, 2025, and 2024, respectively.

The investment securities have been classified as held-to-maturity and are evaluated for an allowance for credit losses. There was no allowance for credit losses on investment securities at December 31, 2025, and 2024.

Prior to June 30, 2025, we classified a portion of our SBA pool investments as mortgage-backed securities (MBS) as these are longer-term investments. To conform with industry practice, as of June 30, 2025 we changed the classification of these SBA pool investments to asset-backed securities (ABS).

**Additional Investment Securities Information at Amortized Cost**

(in thousands)

As of December 31,	2025	2024
MBS	\$ --	\$ 198,927
ABS	<u>366,165</u>	<u>114,677</u>
Total	<u>\$ 366,165</u>	<u>\$ 313,604</u>

Accrued interest receivable on investment securities is presented in "Accrued interest receivable" in the Consolidated Statements of Condition. Accrued interest receivable was not material at December 31, 2025, 2024, or 2023.

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled \$17.9 million and \$5.0 million in 2025, and 2024, respectively.

**Contractual Maturities of Investment Securities**

(in thousands)

As of December 31, 2025	Amortized Cost
Five to ten years	\$ 109,310
More than ten years	<u>256,855</u>
Total	<u>\$ 366,165</u>

Actual maturity of the investment securities may be less than contractual maturity due to prepayments.

**NOTE 7: INVESTMENT IN AGDIRECT, LLP**

We participate in the AgDirect trade credit financing program, which includes origination and refinancing of agricultural-equipment loans and leases through independent equipment dealers. The program is facilitated by FCSAmerica through a limited liability partnership (LLP) in which we are a partial owner. Our investment in AgDirect was \$22.9 million, \$16.8 million, and \$12.6 million at December 31, 2025, 2024, and 2023, respectively and is included in "Other Assets" in the Consolidated Statements of Condition. AgDirect is an unincorporated business entity.

**NOTE 8: PREMISES AND EQUIPMENT****Premises and Equipment**

(in thousands)

As of December 31,	2025	2024	2023
Land, buildings, and improvements	\$ 73,108	\$ 68,946	\$ 64,835
Furniture and equipment	8,260	13,257	12,817
Subtotal	81,368	82,203	77,652
Less: accumulated depreciation	27,025	29,076	30,754
Premises and equipment, net	\$ 54,343	\$ 53,127	\$ 46,898

**NOTE 9: NOTE PAYABLE TO AGRIBANK**

Our note payable to AgriBank represents borrowings, in the form of a line of credit, to fund our loan portfolio. The line of credit is at a variable rate as governed by a GFA and substantially all of our assets serve as collateral.

**Note Payable Information**

(dollars in thousands)

As of December 31,	2025	2024	2023
Line of credit	\$ 17,000,000	\$ 15,000,000	\$ 15,000,000
Outstanding principal under the line of credit <sup>1</sup>	14,100,185	12,737,671	10,977,502
Interest rate	4.0%	4.2%	4.4%

<sup>1</sup>Excludes merger related fair value adjustments.

Our note payable was scheduled to mature on June 30, 2026. However, it was renewed early for \$17.0 billion with an origination date of July 1, 2025, and a maturity date of June 30, 2028. We intend to renegotiate the note payable no later than the maturity date. As disclosed in Note 5, beginning in 2024, we agreed to pay an additional spread on a portion of our note payable in lieu of selling participations to AgriBank through an asset pool program.

The GFA provides for limitations on our ability to borrow funds based on specified factors or formulas relating primarily to outstanding balances, credit quality, and financial condition. Additionally, we have requirements to maintain an effective program of internal controls over financial reporting. At December 31, 2025, and throughout the year, we were not declared in default under any GFA covenants or provisions.

**NOTE 10: MEMBERS' EQUITY****Capitalization Requirements**

In accordance with the Farm Credit Act, each member is required to invest in AgCountry as a condition of obtaining a loan. As authorized by the Agricultural Credit Act of 1987 and our capital bylaws, the Board of Directors has adopted a capital plan that establishes a stock-purchase requirement for obtaining a loan of 2% of the customer's total loan(s) or \$1 thousand dollars, whichever is less, or such greater amount of such member's aggregate outstanding loan balance as may be determined by the Board of Directors from time to time. The Board of Directors has established a stock requirement for loans of one thousand dollars at a customer level. The ACA and its subsidiaries, PCA and FLCA, are also authorized by FCA to offer approved financial services to persons eligible to borrow from the System. The investment requirement for each purchaser of crop insurance that is not a stock or participation certificate holder is a single \$5.00 participation certificate in the ACA. The Board of Directors may increase the amount of required investment to the extent authorized in our capital bylaws.

The member acquires ownership of capital stock or participation certificates at the time the loan is made. Members are not currently required to make a cash investment to acquire capital stock or participation certificates. However, their obligation to pay for the capital stock or participation certificates is maintained as an interest free obligation with AgCountry, which is reflected in the Consolidated Statements of Condition as a contra line item titled "Less capital stock and participation certificates receivable". The capital stock and participation certificates are at-risk investments as described in the AgCountry capital bylaws. AgCountry retains a first lien on common stock or participation certificates owned by its members. Stock is retired in accordance with AgCountry bylaws. Members are responsible for payment of the cash investment upon demand by AgCountry.

**Additional Paid-In Capital**

Additional paid-in capital represents the excess value received over the par value of capital stock and participation certificates issued in connection with mergers.

## Regulatory Capitalization Requirements

### Regulatory Capital Requirements

As of December 31,	2025	2024	2023	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	13.3%	13.8%	15.1%	4.5%	2.5%	7.0%
Tier 1 capital ratio	13.3%	13.8%	15.1%	6.0%	2.5%	8.5%
Total regulatory capital ratio	13.6%	14.2%	15.3%	8.0%	2.5%	10.5%
Permanent capital ratio	13.4%	13.9%	15.1%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	15.2%	15.8%	17.7%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	15.2%	15.8%	17.7%	1.5%	N/A	1.5%

Risk-adjusted assets have been defined by the FCA regulations as the Statement of Condition assets and off-balance-sheet commitments adjusted by various percentages, depending on the level of risk inherent in the various types of assets.

Risk-adjusted assets are calculated differently for the permanent capital ratio (referred herein as PCR risk-adjusted assets) compared to the other risk-based capital ratios. The primary difference is the inclusion of the allowance for credit losses on loans and the allowance for credit losses on investment securities, if applicable, as a deduction to risk-adjusted assets for the permanent capital ratio.

These ratios are based on a three-month average daily balance in accordance with the FCA regulations and are calculated as follows (not all items below may be applicable to our Association):

- Common equity tier 1 ratio is statutory minimum purchased member stock, other required member stock held for a minimum of 7 years, allocated equities held for a minimum of 7 years or not subject to retirement, unallocated retained earnings as regulatorily prescribed, paid-in capital, less certain regulatory required deductions including the amount of allocated investments in other System institutions, and the amount of purchased investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- Tier 1 capital ratio is common equity tier 1 plus non-cumulative perpetual preferred stock, divided by average risk-adjusted assets.
- Total regulatory capital is tier 1 capital plus other required member stock held for a minimum of 5 years, allocated equities held for a minimum of 5 years, subordinated debt, and limited-life preferred stock greater than 5 years to maturity at issuance subject to certain limitations, allowance for credit losses on loans, unfunded commitments, and investment securities subject to certain limitations, less certain investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- Permanent capital ratio is all at-risk borrower stock, any allocated excess stock, unallocated retained earnings as regulatorily prescribed, paid-in capital, subordinated debt, and preferred stock subject to certain limitations, less certain allocated and purchased investments in other System institutions divided by PCR risk-adjusted assets.
- Tier 1 leverage ratio is tier 1 capital, including regulatory deductions, divided by average assets less regulatory deductions subject to tier 1 capital.
- Unallocated retained earnings and equivalents leverage ratio is unallocated retained earnings as regulatorily prescribed, paid-in capital, allocated retained earnings not subject to retirement less certain regulatory required deductions including the amount of allocated investments in other System institutions divided by average assets less regulatory deductions subject to tier 1 capital.

If the capital ratios fall below the total 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.

### Description of Equities

The following represents information regarding classes and number of shares of stock and participation certificates outstanding. All shares and participation certificates are stated at a \$5.00 par value.

As of December 31,	Number of Shares		
	2025	2024	2023
Class B common stock (at-risk)	2,774,315	2,622,097	2,584,034
Class E participation certificates (at-risk)	49,354	48,748	47,496

Under our bylaws, we are also authorized to issue Class C and Class D common stock. Each of these classes of common stock is at-risk and nonvoting with a \$5.00 par value per share. Currently, no stock of these classes has been issued.

Only holders of Class B common stock, whether held jointly or individually, have voting rights. Our bylaws do not prohibit us from paying dividends on any classes of stock. However, no dividends have been declared to date.

Our bylaws generally permit stock and participation certificates to be retired at the discretion of our Board of Directors and in accordance with our capitalization plans, provided prescribed capital standards have been met. At December 31, 2025, we exceeded the prescribed standards. We do not anticipate any significant changes in capital that would affect the normal retirement of stock.

In the event of our liquidation or dissolution, according to our bylaws, any assets remaining after payment or retirement of all liabilities shall be distributed pro rata to all holders of stock.

In the event of stock impairment, losses will be absorbed by concurrent impairment of all classes of stock.

All classes of stock are transferable to other customers who are eligible to hold such class as long as we meet the regulatory minimum capital requirements.

### Patronage Distributions

For 2025, the Board of Directors declared cash patronage distributions, based on each customer's average daily balance of eligible loans outstanding during the year. Our Board of Directors may authorize a distribution of earnings provided we meet all statutory and regulatory requirements. Our patronage program is a distribution of earnings to our eligible stockholders and is a qualified (cash) distribution. We accrued patronage distributions of \$131.8 million, \$104.5 million, and \$125.0 million at December 31, 2025, 2024, and 2023, respectively. The patronage distributions are paid in cash, generally during the first quarter after year end.

## NOTE 11: INCOME TAXES

### Provision for (Benefit from) Income Taxes

Provision for (Benefit from) Income Taxes			
(dollars in thousands)			
For the year ended December 31,	2025	2024	2023
Current:			
Federal	\$ 2,992	\$ (1,336)	\$ (1,903)
State	397	(167)	(235)
Total current	\$ 3,389	\$ (1,503)	\$ (2,138)
Deferred:			
Federal	\$ (6,276)	\$ (2,038)	\$ (2,213)
State	(255)	(273)	(251)
Increase in valuation allowance	8,366	--	--
Total deferred	1,835	(2,311)	(2,464)
Provision for (benefit from) income taxes	\$ 5,224	\$ (3,814)	\$ (4,602)
Effective tax rate	2.1%	(1.5%)	(1.8%)

### Reconciliation of Taxes at Federal Statutory Rate to Provision for (Benefit from) Income Taxes

(in thousands)	
For the year ended December 31,	2025
Income before income taxes	\$ 252,150
Federal tax at statutory rates	\$ 52,952
State and local income taxes, net of federal income tax effect	602
Changes in valuation allowance	7,875
Nontaxable or nondeductible items:	
Patronage distributions	(910)
Effect of non-taxable entity	(55,964)
Other	137
Other adjustments	532
Provision for (benefit from) income taxes	\$ 5,224

We had no foreign income or foreign provision for (benefit from) income taxes during the years ended December 31, 2025, 2024, or 2023.

Refer to the income taxes policy in Note 2 for information on exemptions related to our non-taxable entity.

For the year ended December 31, 2025, we adopted ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The information in the following table was required prior to the adoption of ASU 2023-09 and is no longer required prospectively.

**Reconciliation of Taxes at Federal Statutory Rate to Benefit from Income Taxes**

(in thousands)			
For the year ended December 31,		2024	2023
Federal tax at statutory rates	\$	54,775	\$ 52,445
State tax, net		(154)	(403)
Patronage distributions		(5,865)	--
Effect of non-taxable entity		(50,413)	(56,151)
Other		(2,157)	(493)
Benefit from income taxes	\$	(3,814)	\$ (4,602)

Our federal and state income taxes paid or refunded for the year ended December 31, 2025, were immaterial.

We had no foreign taxes paid during the years ended December 31, 2025, 2024, or 2023.

**Deferred Income Taxes**

Tax laws require certain items to be included in our tax returns at different times than the items are reflected on our Consolidated Statements of Comprehensive Income. Some of these items are temporary differences that will reverse over time. We record the tax effect of temporary differences as deferred tax assets and liabilities netted on our Consolidated Statements of Condition.

**Deferred Tax Assets and Liabilities**

(in thousands)			
As of December 31,	2025	2024	2023
Allowance for credit losses on loans	\$ 2,097	\$ 1,448	\$ 3,324
Accrued incentive	716	255	384
Accrued patronage income not received	(648)	(293)	(724)
Accrued pension asset	(5,513)	(5,912)	(6,221)
Net operating loss carryforward	9,368	4,126	224
Other assets	3,633	3,594	3,877
Other liabilities	(1,287)	(1,383)	(1,340)
Total deferred tax assets (liabilities)	8,366	1,835	(476)
Valuation allowance	(8,366)	--	--
Deferred tax assets (liabilities), net	\$ --	\$ 1,835	\$ (476)
Gross deferred tax assets	\$ 15,814	\$ 9,423	\$ 7,809
Gross deferred tax liabilities	\$ (7,448)	\$ (7,588)	\$ (8,285)

At December 31, 2025, deferred tax assets were fully offset by a valuation allowance based on our assessment that they are not realizable. We will continue to evaluate the realizability of deferred tax assets and adjust the valuation allowance as appropriate. A valuation allowance for the deferred tax assets was not necessary at December 31, 2024, or 2023.

We have not provided for deferred income taxes on patronage allocations received from AgriBank prior to 1993. Such allocations, distributed in the form of stock, are subject to tax only upon conversion to cash. Our intent is to permanently maintain this investment in AgriBank. Our total permanent investment in AgriBank is \$39.9 million. Additionally, we have not provided deferred income taxes on accumulated FLCA earnings of \$2.2 billion as it is our intent to permanently maintain this equity in the FLCA or to distribute the earnings to members in a manner that results in no additional tax liability to us.

Our income tax returns are subject to review by various U.S. taxing authorities. We record accruals for items that we believe may be challenged by these taxing authorities. However, we had no uncertain income tax positions at December 31, 2025. In addition, we believe we are no longer subject to income tax examinations for years prior to 2022.

**NOTE 12: EMPLOYEE BENEFIT PLANS**

**Pension and Post-Employment Benefit Plans**

Complete financial information for the pension and post-employment benefit plans may be found in the AgriBank 2025 Annual Report.

The Farm Credit Foundations Plan Sponsor and Trust Committees provide oversight of the benefit plans for which AgriBank and District associations are participating employers. These governance committees are comprised of elected or appointed representatives (senior leadership and/or Board of Director members) from the participating organizations. The Plan Sponsor Committee is responsible for employer decisions regarding all benefit plans including retirement benefits. These decisions could include plan design changes, vendor changes, determination of employer subsidies (if any), and termination of specific benefit plans. Any action to change or terminate the retirement plan can only occur at the direction of the AgriBank District participating employers. The Trust Committee is responsible for fiduciary and plan administrative functions.

**Pension Plan:** We participate in the AgriBank District Retirement Plan (qualified plan), a District-wide multi-employer defined benefit retirement plan. The Department of Labor has determined the plan to be a governmental plan; therefore, the plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As the plan is not subject to ERISA, the plan's benefits are not insured by the Pension Benefit Guaranty Corporation. Accordingly, the amount of accumulated benefits that participants would receive in the event of the plan's termination is contingent on the sufficiency of the plan's net assets to provide benefits at that time. This plan is noncontributory and covers certain eligible District employees. The assets, liabilities, and costs of the plan are not segregated by participating entities. As such, plan assets are available for any of the participating employers' retirees at any point in time. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Further, if we choose to stop participating in the plan, we may be required to pay an amount based on the underfunded status of the plan. Because of the nature of the plan, any individual employer is not able to unilaterally change the provisions of the plan. If an employee transfers to another employer within the same plan, the employee benefits under the plan transfer. Benefits are based on salary and years of service. There is no collective bargaining agreement in place as part of this plan.

**AgriBank District Retirement Plan Information**

(in thousands)

As of December 31,	2025	2024	2023
Funded (unfunded) status	\$ 106,922	\$ 55,397	\$ (31,065)
Projected benefit obligation	1,092,018	1,096,604	1,245,052
Fair value of plan assets	1,198,940	1,152,001	1,213,987
Accumulated benefit obligation	1,026,265	1,011,357	1,140,936
<b>For the year ended December 31,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Total plan expense	\$ 23,889	\$ 41,090	\$ 55,535
Our allocated share of plan expenses	3,798	6,555	8,853
Contributions by participating employers	14,872	40,000	45,000
Our allocated share of contributions	2,321	6,380	7,138

The funded (unfunded) status reflects the net of the fair value of the plan assets and the projected benefit obligation at December 31. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date based on assumed future compensation levels. The accumulated benefit obligation is the actuarial present value of the benefits attributed to employee service rendered before the measurement date and based on current employee service and compensation. The funding status is subject to many variables including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

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

Benefits paid to participants in the District were \$91.1 million in 2025. While the plan is a governmental plan and is not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plan with sufficient assets to meet the benefits to be paid to participants. The amount of the total District employer contributions expected to be paid into the pension plan during 2026 is \$13.3 million. Our allocated share of these pension contributions is expected to be \$1.8 million. The amount ultimately to be contributed and the amount ultimately recognized as expense as well as the timing of those contributions and expenses, are subject to many variables including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than the amounts reflected in the District financial statements.

**Nonqualified Retirement Plan:** We participate in the District-wide nonqualified defined benefit Pension Restoration Plan. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above certain Internal Revenue Code limits.

**Pension Restoration Plan Information**

(in thousands)

As of December 31,	2025	2024	2023
Our unfunded status	\$ (15,833)	\$ (13,817)	\$ (12,757)
<b>For the year ended December 31,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Our cash contributions	\$ 482	\$ 383	\$ 448

The nonqualified plan is funded as the benefits are paid; therefore, there are no assets in the plan and the unfunded status is equal to the projected benefit obligation. The amount of the pension benefits funding status is subject to many variables including interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their participants in the plan. The Pension Restoration Plan is unfunded and we make annual contributions to fund benefits paid to our retirees covered by the plan. Our cash contributions are equal to the benefits paid. There were no benefits paid under the Pension Restoration Plan to our senior officers who were actively employed during the year.

**Retiree Medical Plans:** District employers also provide certain health insurance benefits to eligible retired employees according to the terms of the benefit plans. The anticipated costs of these benefits are accrued during the period of the employee's active status. Net periodic benefit cost is included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income. Postretirement benefit costs related to the retiree medical plans were not considered material for any of the years presented. Our cash contributions were equal to the benefits paid.

### Defined Contribution Plans

We participate in a District-wide defined contribution plan. For employees hired before January 1, 2007, employee contributions are matched dollar for dollar up to 2.0% and 50 cents on the dollar on the next 4.0% on both pre-tax and post-tax contributions. The maximum employer match is 4.0%. For employees hired after December 31, 2006, we contribute 3.0% of the employee's compensation and will match employee contributions dollar for dollar up to a maximum of 6.0% on both pre-tax and post-tax contributions. The maximum employer contribution is 9.0%.

We also participate in a District-wide Nonqualified Deferred Compensation Plan. Eligible participants must meet one of the following criteria: certain salary thresholds as determined by the IRS, are either a Chief Executive Officer or President of a participating employer, or have previously elected pre-tax deferrals in 2006 under predecessor nonqualified deferred compensation plans. Under this plan the employee may defer a portion of his/her salary, bonus, and other compensation. Additionally, the plan provides for supplemental employer matching contributions related to any compensation deferred by the employee that would have been eligible for a matching contribution under the defined contribution plan if it were not for certain IRS limitations.

Employer contribution expenses for these plans, included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income, were \$4.6 million, \$6.5 million, and \$5.7 million in 2025, 2024, and 2023, respectively. These expenses were equal to our cash contributions for each year.

### NOTE 13: RELATED PARTY TRANSACTIONS

In the ordinary course of business, we may enter into loan transactions with our officers, directors, their immediate family members, and other organizations with which such persons may be associated. Such transactions may be subject to special approval requirements contained in the FCA regulations and are made on the same terms, including interest rates, amortization schedules, and collateral, as those prevailing at the time for comparable transactions with other persons. In our opinion, none of these loans outstanding at December 31, 2025, involved more than a normal risk of collectability. There were no material related party transactions other than the loan transactions disclosed in the following related party loans information table.

#### Related Party Loans Information

(in thousands)

As of December 31,	2025	2024	2023
Total related party loans	\$ 70,854	\$ 54,999	\$ 56,392
For the year ended December 31,	2025	2024	2023
Advances to related parties	\$ 112,255	\$ 122,669	\$ 130,321
Repayments by related parties	106,278	110,909	110,373

The related parties can be different each year-end primarily due to changes in the composition of the Board of Directors and the mix of organizations with which such persons may be associated. Advances and repayments on loans in the preceding table are related to those considered related parties at each respective year end.

As described in Note 9, we borrow from AgriBank, in the form of a line of credit, to fund our loan portfolio. All interest expense, as shown in the Consolidated Statements of Comprehensive Income, was paid to AgriBank.

Total patronage from AgriBank, which includes a partnership distribution from AgDirect and pool program patronage, was \$51.7 million, \$52.1 million, and \$67.7 million in 2025, 2024, and 2023, respectively. Patronage income for 2025 was received in cash. Patronage income for 2024 and 2023 was received in cash and AgriBank stock.

In addition, we earned compensation of \$0.4 million, \$0.6 million, and \$0.8 million in 2025, 2024, and 2023, respectively, from AgriBank for servicing loans.

Refer to Note 3 for information on participations sold to AgriBank and Note 5 for stock investment in AgriBank information.

We purchase certain business services, primarily financial reporting, from AgriBank. We also purchase certain business services from SunStream Business Services (SunStream), including tax reporting, insurance, and collateral services; customer, travel and expense credit card programs; and expense and invoice reporting tools. In addition, we purchase human resource information systems, and benefit, payroll, and workforce management services from Farm Credit Foundations (Foundations). SunStream and Foundations are both System service corporations within the AgriBank District and the costs incurred are included in the following table in AgriBank District purchased services. We also hold an investment in AgriBank and Foundations.

We have a relationship with CoBank that involves purchasing and selling participation interests in loans. Total patronage earned from CoBank was \$0.4 million, \$68 thousand, and \$38 thousand in 2025, 2024, and 2023, respectively.

We participate in the AgDirect trade credit financing program, which includes origination and refinancing of agricultural-equipment loans and leases through independent equipment dealers. The program is facilitated by FCSAmerica through an LLP in which we are a partial owner. Additional information is included in Note 7 to the accompanying Consolidated Financial Statements.

Beginning in 2025, we are a participant in the Rural 1st<sup>®</sup> referral program to provide rural home lending to our customers. The program is facilitated and loans are serviced by an association in the AgriBank District. We receive noninterest income from the facilitating association on loan volume originated in our territories via Rural 1st<sup>®</sup>. We received noninterest income for these originations, totaling \$0.1 million in 2025.

We participate in ProPartners Financial (ProPartners) with certain System institutions to provide producer financing through agribusinesses that sell crop inputs. ProPartners is directed by representatives from participating associations. We sell to AgriBank our entire interest in the loans associated with ProPartners. As part of this program, we receive patronage income at the sole discretion of the AgriBank Board of Directors. We received patronage income of \$4.3 million, \$6.5 million, and \$9.4 million in 2025, 2024, and 2023, respectively.

We have an agreement with Farm Credit Leasing Services Corporation (FCL), a System service corporation, which specializes in leasing products and provides industry expertise. Leases are originated and serviced by FCL, and we purchase a participation interest in the loans for the leases. This arrangement provides our customers with a broad selection of product offerings and enhanced lease expertise. Additional information is included in Note 2 to the accompanying Consolidated Financial Statements.

We had a relationship with Farm Credit Financial Partners, Inc. (FPI), a System service corporation, which provides technology and other operational services to its owners and customers. FPI provided customer relationship, reporting, internet, network security, loan accounting, loan origination, and general ledger systems, until we transitioned each of these functions to the collaboration. We terminated our Services Agreement with FPI effective December 2025. Pursuant to a divestiture agreement dated August 5, 2024, we sold our interest in FPI to another FPI stockholder at par.

#### Additional Related Party Information

(in thousands)

As of December 31,	2025	2024	2023
Investment in AgriBank	\$ 527,194	\$ 489,970	\$ 414,736
Investment in AgDirect, LLP	22,896	16,833	12,630
Investment in Foundations	96	96	96
Investment in FPI	--	--	3,940
<b>For the year ended December 31,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
AgriBank District purchased services	\$ 1,272	\$ 2,784	\$ 2,084
FPI purchased services	12,172	14,102	12,080

#### NOTE 14: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be subject to a variety of legal matters that may result in contingencies. Actions are pending against us in which claims for money damages are asserted. In our opinion, based on current information, the ultimate liability, if any, would not have a material impact on our financial position.

We have commitments to extend credit and letters of credit to satisfy the financing needs of our borrowers. These financial instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the loan contract. Standby letters of credit are agreements to pay a beneficiary if there is a default on a contractual arrangement. At December 31, 2025, we had commitments to extend credit and unexercised commitments related to standby letters of credit of \$5.9 billion. We had \$106.4 million of issued standby letters of credit as of December 31, 2025.

Commitments to extend credit and letters of credit generally have fixed expiration dates or other termination clauses and we may require payment of a fee. If commitments to extend credit and letters of credit remain unfulfilled or have not expired, they have off-balance sheet credit risk because their contractual amounts are not reflected on the balance sheet until funded or drawn upon. Many of the commitments to extend credit and letters of credit will expire without being fully drawn upon. Therefore, the total commitments do not necessarily represent future cash requirements. Certain letters of credit may have recourse provisions that would enable us to recover from third parties, amounts paid under guarantees, thereby limiting our maximum potential exposure. The credit risk involved in issuing these financial instruments is essentially the same as that involved in extending loans to borrowers and we apply the same credit policies. The amount of collateral obtained, if deemed necessary by us upon extension of credit, is based on management's credit evaluation of the borrower.

We and other System institutions are among the limited partners invested in Rural Business Investment Companies (RBICs). Our total current commitment is \$27.0 million with varying commitment dates through April 2035. Certain commitments may have an option to extend under specific circumstances. Our unfunded totals were \$10.4 million, \$8.0 million, and \$0.5 million at December 31, 2025, 2024, and 2023, respectively. The investments were evaluated for impairment. No impairments were recognized on this investment during 2025 and 2024. Impairments were immaterial for 2023.

**NOTE 15: FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 for a more complete description of the three input levels.

**Recurring Basis**

The following represents a summary of the assets, valuation techniques, and inputs used to measure fair value on a recurring basis:

**Loans Held for Sale:** The loans held for sale are held at fair value. We had loans held for sale of \$2.8 million and \$26.9 million as of December 31, 2025, and 2024, respectively, which were valued using Level 3 inputs. There were no loans held for sale as of December 31, 2023. Gains and losses related to these loans are recognized in "Other operating expense" in the Consolidated Statements of Comprehensive Income.

**Non-Recurring Basis**

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

**Assets Measured at Fair Value on a Non-Recurring Basis**

(in thousands)

As of December 31, 2025	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 41,041	\$ 41,041
Other property owned	--	--	995	995

As of December 31, 2024	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 14,649	\$ 14,649
Other property owned	--	--	3,687	3,687

As of December 31, 2023	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans	\$ --	\$ --	\$ 28,179	\$ 28,179
Other property owned	--	--	80	80

**Valuation Techniques**

**Loans:** Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

**Other Property Owned:** Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3 fair value measurements.

**NOTE 16: SUBSEQUENT EVENTS**

We have evaluated subsequent events through March 6, 2026, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our 2025 Consolidated Financial Statements or disclosure in the Notes to Consolidated Financial Statements.

# DISCLOSURE INFORMATION REQUIRED BY REGULATIONS

AgCountry Farm Credit Services, ACA  
(Unaudited)

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## Description of Business

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General information regarding the Association is incorporated herein by reference from Note 1 to the Consolidated Financial Statements in this Annual Report.

The description of significant business developments, if any, is incorporated herein by reference from the Management's Discussion and Analysis section of this Annual Report.

## Description of Property

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Our corporate office is located in Fargo, North Dakota, and is owned. The locations of our retail offices are incorporated herein by reference to the last page in this Annual Report. All retail office locations are owned except for the following leased offices:

- Bowbells, ND
- Minneapolis, MN
- Thief River Falls, MN
- 

Additionally, Bowbells, ND is the Bowbells Crop Insurance Office, and Minot, ND is the Ward County Crop Insurance office.

The office located in Litchfield, MN was leased. The leased space was no longer available after the expiration of our lease period on January 16, 2026. We consolidated the Litchfield retail location with our office in Wilmar, MN, effective January 20, 2026.

## Legal Proceedings

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Information regarding legal proceedings is included in Notes 11 and 14 to the Consolidated Financial Statements in this Annual Report. We were not subject to any enforcement actions as of December 31, 2025.

## Description of Capital Structure

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Information regarding our capital structure is included in Note 10 to the Consolidated Financial Statements in this Annual Report.

## Description of Liabilities

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Information regarding liabilities is included in Notes 9, 10, 11, 12, and 14 to the Consolidated Financial Statements in this Annual Report. All debt and other liabilities in the financial statements are uninsured.

The description of contingent liabilities required to be disclosed in this section is incorporated herein by reference from Note 14 to the accompanying Consolidated Financial Statements in this Annual Report.

## Selected Financial Data

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The selected financial data for the five years ended December 31, 2025, required to be disclosed in this section is incorporated herein by reference from the "Consolidated Five-Year Summary of Selected Financial Data" included in this Annual Report.

## Management's Discussion and Analysis

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Information regarding any material aspects of our financial condition, changes in financial condition, and results of operations are discussed in the Management's Discussion and Analysis section of this Annual Report.

## Directors and Compensation of Directors

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The listing of directors, term of office, business experience during the past five years, principal occupation and employment during the past five years, and any other business interests, which are required to be disclosed in this section, are incorporated herein by reference from the "AgCountry, ACA Directors" section included in this Annual Report to stockholders.

Our bylaws permit compensation of directors for service on the Board. Compensation is provided for attendance at meetings, special assignments, training and development, and travel time associated with these responsibilities. The per diem rate for 2025 was \$600. The annual director retainer for 2025 was \$55,500, paid monthly. Additional annual retainers paid for leadership positions held during 2025, paid monthly included:

- Board Chairperson - \$12,540
- Board Vice Chairperson and Audit Committee Chairperson - \$8,910
- Business Risk, Human Capital, and Governance Committee Chairperson - \$5,600

- Joint Meeting Committee Chairperson - \$10,000
- Joint Executive Committee Vice Chairperson - \$5,000
- Audit Committee Member - \$1,980

Committee assignments as of December 31, 2025, and compensation information for each director who served in 2025 follows:

Director	2025 Committee	Board Days	Other Days	Total 2025 Compensation
Leif Aakre	Audit	11.5	31.5	\$ 83,280
Suzanne Allen <sup>1</sup>	Audit	9.0	29.0	87,240
Bryan Ankenbauer <sup>2</sup>	Governance	11.5	42.0	94,780
Justin Dagen	Governance	11.5	20.0	74,460
Kurt Elliott	Business Risk	11.5	18.5	73,560
Edward Hegland	Governance	11.5	51.5	93,360
Karen Kerner	Business Risk	11.5	21.0	75,060
Ryan Klussendorf	Audit	11.5	35.5	85,680
Michael Long <sup>3</sup>		8.0	27.0	59,320
Shawn Murphy	Audit	11.5	34.0	84,780
Greg Nelson <sup>4</sup>	Business Risk	11.5	28.0	85,085
William Oemichen <sup>5</sup>	Business Risk	11.5	48.5	107,160
Steven Perdue <sup>6</sup>		11.5	56.5	106,680
Lynn Pietig	Human Capital	11.5	79.0	120,260
Richard Price	Governance	11.5	39.5	86,160
Greg Sabolik	Governance	11.0	41.0	86,760
Curtis Trost	Business Risk	11.5	25.0	77,460
Dale Zahradka	Human Capital	11.5	42.0	87,660
Michael Zenker <sup>5</sup>	Human Capital	11.5	18.5	80,860
				\$ 1,649,605

<sup>1</sup>Audit Committee Chairperson

<sup>2</sup>Board Vice-Chairperson and Committee Chairperson

<sup>3</sup>Board position closed effective September 1, 2025

<sup>4</sup>Compensation includes \$4,625 in retainer and \$1,200 in per diem earned in 2024 but paid in 2025

<sup>5</sup>Committee Chairperson and Joint Committee Meeting Chairperson

<sup>6</sup>Board Committee Chairperson and Joint Executive Committee Vice Chairperson

Total compensation is rounded to the nearest dollar and includes retainer and per diem paid in 2025.

## Senior Officers

Senior Officers as of December 31, 2025, including business experience and other business affiliations, during the last five years.

Name and Position	Business experience and other business affiliations
<b>Mark Jensen</b> President and Chief Executive Officer	<b>Business experience:</b> President and Chief Executive Officer since November 2017 <b>Other business affiliations:</b> Board member of Greater Omaha Chamber of Commerce Member of Advisory Council of University of Nebraska Clayton Yeutter Institute of International Trade and Finance
<b>Jessica Fyre</b> EVP Chief Administrative Officer	<b>Business experience:</b> EVP Chief Administrative Officer since April 2024 Chief Operations Officer and General Counsel from October 2020 to April 2024 <b>Other business affiliations:</b> Board member of Grand Farm, a nonprofit focused on helping solve problems in agriculture through ag tech and innovation Board of Directors and Plan Sponsor Committee, Farm Credit Foundations, a provider of benefits and payroll services for Farm Credit System organizations

Name and Position	Business experience and other business affiliations
<b>Timothy Koch</b> EVP Business Development	<b>Business experience:</b> EVP Business Development since July 2022 EVP Chief Credit Officer from January 2020 to June 2022 <b>Other business affiliations:</b> Trust Committee, Farm Credit Foundations, a provider of benefits and payroll services for Farm Credit System organizations Member of TDT Property, LLC, a real estate holding company Manager of LWK Investments, LLC, an investment company Trustee for Sanitary and Improvement District No. 351 of Sarpy County, Nebraska
<b>Jackie Martinie</b> EVP Chief Operations Officer	<b>Business experience:</b> EVP Chief Operations Officer since April 2024 EVP Chief Credit and Operations Officer from August 2022 to April 2024 SVP Chief Credit Officer, Farm Credit Illinois from January 2019 to August 2022 <b>Other business affiliations:</b> Managing member of MLIF, LLC, a residential real estate holding company
<b>Krista McDonald</b> EVP Chief Strategy Officer	<b>Business experience:</b> EVP Chief Strategy Officer since January 2020 <b>Other business affiliations:</b> Board of Visitors, Wheaton College (IL), an advisory board for the college's Board of Trustees
<b>John Morrow</b> EVP General Counsel	<b>Business experience:</b> EVP General Counsel since February 2025 SVP and General Counsel, AgriBank from November 2024 to February 2025 Senior Counsel, AgriBank from November 2021 to October 2024 Associate General Counsel from August 2014 to November 2021
<b>Jon Peterson</b> EVP Chief Financial Officer	<b>Business experience:</b> EVP Chief Financial Officer since November 2024 SVP Financial Planning and Analysis from June 2023 to November 2024 SVP Corporate Finance, HealthEquity from February 2022 to May 2023 Chief Financial Officer, Hudl from April 2021 to November 2021 VP Central Planning, Charles Schwab from October 2020 to April 2021 <b>Other business affiliations:</b> Board of Directors, Papillion La Vista Community Schools Foundation
<b>Greg Salton</b> EVP Chief Risk and Credit Officer	<b>Business experience:</b> EVP Chief Risk and Credit Officer since April 2024 SVP Chief Risk Officer from January 2018 to April 2024 <b>Other business affiliations:</b> Managing Member, Boji Lakecation LLC, a short-term rental real estate management company
<b>Mark Vetter</b> EVP Business Development AgCountry	<b>Business experience:</b> EVP Business Development AgCountry since March 2025 RVP Lending (Retail) from September 2024 to February 2025 SVP Producer Market, AgCountry Farm Credit Services from June 2022 to August 2024 Market Vice President, AgCountry Farm Credit Services from July 2018 to May 2022 <b>Other business affiliations:</b> Member of North Dakota State University AgriBusiness Advisory Board
<b>Russell Wagner</b> EVP Chief Information Officer	<b>Business experience:</b> EVP Chief Information Officer since January 2020 <b>Other business affiliations:</b> Board of Directors, Food Bank for the Heartland, a non-profit organization focused on food insecurity for 93 counties across Nebraska and western Iowa

## Senior Officer Compensation

**Compensation Overview:** Our compensation programs are market-based and designed to provide competitive compensation, including base salary, incentives, and benefits that attract, retain, motivate, and reward an engaged and talented workforce while achieving business results aligned with the best interests of our stockholders.

The design and governance of our chief executive officer and senior officer compensation program are consistent with prudent risk management standards and provide total compensation that promotes our mission to ensure a safe, sound, and dependable source of credit and related services for agriculture and rural America. The design of the compensation program supports our risk management goals and includes (1) a competitive mix of base salary and variable pay, (2) a pay-for-performance process that allocates individual awards based on individual performance and contributions, (3) a balanced use of short-term variable pay performance measures that are risk-adjusted where appropriate, and (4) a long-term portion of variable pay to align with the strategic direction of the Association, which provide for competitive market-based compensation and align with stockholder interests.

Compensation for the chief executive officer and senior officers includes base salary, short-term incentive plan opportunity, long-term incentives, and retirement plans generally available to all eligible employees of AgCountry Farm Credit Services, ACA (AgCountry), Farm Credit Services of America, ACA (FCSAmerica), and Frontier Farm Credit, ACA (Frontier Farm Credit) (the Associations). The chief executive officer and senior officers also participate in benefit plans generally available to all of the Associations' employees. The 2025 compensation and benefits expense for the chief executive officer and senior officers was shared among the Associations on a 21.3%, 73.8%, and 4.9% basis, respectively (under the collaboration agreement described in Note 1 to the accompanying Consolidated Financial Statements). The chief executive officer, Mr. Mark Jensen, does not have an employment agreement. A chief executive officer employment agreement is at the discretion of the Board of Directors.

**Base Salaries:** Base salaries for all employees, including the chief executive officer and senior officers, are based on position, experience and responsibilities, performance and market-based compensation data. The chief executive officer's base salary is reviewed and approved by the Board of Directors. The base salaries for other senior officers are subject to the terms of the compensation program approved by the Board of Directors.

**Short-Term Incentive:** The Board of Directors approves the annual short-term incentive plan, including the performance measures. The 2025 short-term incentive plan performance measures included combined results for the Associations. Eligible Association employees participate in the annual short-term incentive plan. Select employees must sign an assignment, nonsolicitation, and nondisclosure agreement to participate in the short-term incentive plan. Payouts under the short-term incentive plan are based on financial and business results, and credit performance measures and are approved by the Board of Directors. Payouts are not provided unless specific levels of performance are achieved.

The first award payout of the short-term incentive plan may be paid in the fourth quarter of the plan year, and the remainder of the award payout (final award payout) is paid no later than March 15 after the end of the plan year. The first award payout is based on a Board approved score and occurred in November 2025. The second and final payout is based on year end results and will occur in March 2026 and will be net of the November 2025 payout.

The chief executive officer's short-term incentive opportunity is established by the Board of Directors. The Board has full discretion as to the amount of any payout to the chief executive officer under the short-term incentive plan and has historically used the results from the short-term incentive plan to determine the payout amount.

The accrued expense for the annual short-term incentive plan was \$79.7 million, plus accrued costs of \$11.0 million for a total of \$90.7 million for 2025, which was shared by the Associations as part of the overall allocation of salaries and benefits.

**Long-Term Incentive:** The chief executive officer, senior officers, and senior vice presidents are eligible for long-term incentive plans. The long-term incentive plans were approved by the Board of Directors to align eligible employees' compensation with our strategic business plan and goals while providing the opportunity for competitive market-based compensation at a level that will attract, retain, and reward key staff for the accomplishment of our goals. The chief executive officer, senior officers, and senior vice presidents must sign an assignment, nonsolicitation, and nondisclosure agreement to participate. The plans are nonqualified performance unit plans that are effective January 1, 2023, through December 31, 2025; January 1, 2024, through December 31, 2026; and January 1, 2025, through December 31, 2027. One senior officer was in the existing AgCountry long-term incentive plan.

The plans have independent performance goals measured over the three-year term of the plans that include core return on assets, customer experience index, employee engagement, loan growth, adverse assets to risk funds, and nonaccrual loans to total classified assets. The results included in the 2023-2025 plan were combined results for the Associations. For the one senior officer in the AgCountry plan, their results were based on AgCountry performance.

The Board of Directors approves the total dollars available for the long-term incentive plans, which are then converted into units. The value of each unit is determined by the results achieved toward the established goals. The chief executive officer has discretion as to the distribution of the units to the senior officers and senior vice presidents for each three-year plan, which is based on consideration of market compensation and individual contributions and performance. The chief executive officer's long-term incentive opportunity is established by the Board of Directors. The Board has full discretion as to the amount of any payout to the chief executive officer under the long-term incentive plan and has historically used the results from the long-term senior officer incentive plan to determine the unit value for the payout amount.

Payments are made no later than March 15 after the end of each three-year plan's term. The payout for the 2023–2025 plan will occur in March 2026 and is reflected in the Summary Compensation Table in the "Long-Term Incentive" column for the calendar year 2025. The payouts for the 2021–2023 and 2022–2024 plans were paid in the first quarter of 2024 and the first quarter of 2025, respectively, and are reflected in the Summary Compensation Table in the "Long-Term Incentive" column for the calendar years 2023 and 2024.

The accrued expense for salary and benefits of \$8.5 million was recorded in 2025 for the long-term incentive plans. The expense was shared by the Association, FCSAmerica, and Frontier Farm Credit as part of the overall allocation of salaries and benefits.

The following Summary Compensation Table includes compensation earned by the chief executive officer and senior officers during fiscal years 2025, 2024, and 2023. For the fiscal year of 2024, earned compensation for senior officers reflects the effective date of the collaboration agreement.

### Compensation to the CEO and Senior Officers

(in thousands)								
Name of CEO	Year <sup>(1)</sup>	Salary <sup>(2)</sup>	Short-Term Incentive <sup>(3)</sup>	Long-Term Incentive <sup>(4)</sup>	Deferred <sup>(5)</sup>	Other <sup>(6)</sup>	Total	
Mark Jensen, CEO	2025	\$ 1,035	\$ 1,667	\$ 1,184	\$ 535	\$ 8	<b>4,429</b>	
Mark Jensen, CEO	2024	708	1,300	843	238	9	3,098	
Marc Knisely, CEO	2024	254	151	220	47	348	1,020	
Marc Knisely, CEO	2023	830	501	366	65	1,353	3,115	
Aggregate Number of Senior Officers, excluding CEO <sup>(7)</sup>								
11	2025	\$ 3,806	\$ 3,355	\$ 2,293	\$ 1,057	\$ 5,121	<b>15,632</b>	
18	2024	3,810	3,291	2,133	658	4,566	14,458	
9	2023	2,840	1,144	648	269	1,779	6,680	

(1) In 2025, we paid 21.3% of the compensation expense, FCSAmerica paid 73.8% and Frontier Farm Credit paid 4.9%. Up to the collaboration effective date in 2024, we paid all of the compensation expense.

(2) Salary earned in the fiscal year.

(3) Short - Term Incentive earned in the fiscal year.

(4) Long - Term Incentive earned at the end of the respective three-year, long-term incentive plan. Two senior officers were in the AgCountry 2022-2024 plan, their results were based on AgCountry performance. One officer was in the AgCountry 2023-2025 plan, their results were based on AgCountry performance.

(5) Association contributions to the Defined Contribution Plan and Nonqualified Deferred Compensation Plan during the fiscal year.

(6) Executive physicals, sign-on bonus, special recognition bonus, retirement gift, severance, taxable moving expense, vacation-leave payout, recognition and referral awards, health and fitness account payouts, health incentives, taxable vehicle use, long-term disability premiums, cell phone reimbursements and group life insurance imputed income incurred during the fiscal year. For 2024, this number includes severance payouts for executive departure. Also included are the changes in the value of pension benefits for one senior officer that is part of the District-wide Pension Plan and the Pension Restoration Plan, as applicable.

(7) Employees designated as senior officers during the fiscal year. In 2025, there were nine senior officers at the end of the year and two senior officers who retired earlier in 2025.

The Farm Credit Administration (FCA) regulations require the disclosure of the total compensation paid during the last fiscal year to all senior officers included in the above table be available and disclosed to our members upon request.

No tax reimbursements are made to the CEO and senior officers.

Generally, pension benefits increase annually as a result of an additional year of credited service and related compensation for plan participants. The value of the pension benefits can also be significantly impacted by changes in interest rates as of the measurement date.

#### Pension Benefits Attributable to the Senior Officers

(dollars in thousands)

2025	Plan	Years of Credited Service	Present Value of Accumulated Benefits	Payments Made During the Reporting Period
One	AgriBank District Retirement Plan	46.9	\$ 13,392	\$ 1,755

Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. Therefore, any employee starting employment at an Association within the AgriBank District after that date is not eligible to be in the plan.

#### Transactions With Senior Officers and Directors

Directors and certain employees may obtain loans from us, provided they meet all eligibility requirements and provided that such loans are made on the same terms available to other customers. Approval of AgriBank, FCB is required for loans to our directors and employees, and for loans to any customer if a director or employee is to receive more than \$100 thousand of the loan proceeds, has a significant personal interest in the loan or its security, may exercise control over the customer, or guarantees or cosigns a loan in excess of \$100 thousand. Further, directors and employees are required to refrain from taking any part in the consideration or decision on any loan in which they or their family members have an interest.

Our bylaws and policies require that directors' loans be maintained at a high level of credit quality. Any director whose loan is classified "substandard" must prepare and obtain approval of a plan to improve and upgrade the loan within a specified period of time. For directors, failure to comply with our bylaws and policies would result in the director's position being vacated. Directors whose loans are classified "doubtful" or "loss," or have any portion of a loan charged off, must resign immediately.

The Farm Credit Act of 1971, as amended (Farm Credit Act) and FCA regulations require certain disclosures to stockholders concerning loans to directors and employees, their family members, organizations with which they are affiliated or entities that they may control. Disclosure is required where such loans were made on terms other than those available to other customers, or where such loans are considered to have more than a normal risk of collectability. None of our loans made to directors or employees, their family members, affiliated organizations or entities they may control were made on terms other than those available to all customers, nor were any such loans considered to have more than a normal risk of collectability.

Director, senior officer, and employee non-loan transactions with us are regulated by our policy.

Concerning property that was mortgaged or pledged as security for Farm Credit System debt within the preceding 12 months, the policy requires that senior officers and employees obtain approval from the Standards of Conduct officer for purchase of the property.

Concerning property acquired within the preceding 12 months in satisfaction of Farm Credit System debt, this policy:

- prohibits lease, purchase or acquisition except through inheritance by senior officers and employees; and
- prohibits lease, purchase or acquisition except through inheritance, public auction or other open competitive bidding process by directors.

The policy does permit directors, senior officers, and employees to purchase furniture and equipment owned by us provided that any item having a value of greater than \$5 thousand must be purchased through an open, competitive bidding process.

The Farm Credit Act and FCA regulations also require certain disclosures to stockholders concerning non-loan transactions a director or senior officer, or any of their family members, affiliated organizations or entities they may control, have with us. Such disclosure is required if such transactions did not involve competitive bidding, involved amounts in excess of \$5 thousand or provided a special benefit to the director or senior officer. No such transactions took place during 2025.

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### **Travel, Subsistence, and Other Related Expenses**

Director and employee reimbursements for travel, subsistence, and other related expenses are set forth in the Board's Governance Guidelines and Human Resources Manual, respectively. Each provides authority for and control over reimbursement of travel and subsistence expenses for authorized individuals traveling on official business. Copies of the related Board Governance Guidelines and Human Resources Manual provisions are available to our stockholders upon written request to AgCountry Farm Credit Services, PO Box 2409, Omaha, NE 68103-2409. The aggregate amount of reimbursement for travel, subsistence, and other related expenses for all our directors was \$310 thousand in 2025, \$470 thousand in 2024, and \$636 thousand in 2023.

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### **Involvement in Certain Legal Proceedings**

No events occurred during the past five years that are material to evaluating the ability or integrity of any person who served as a director or senior officer on January 1, 2026, or at any time during 2025.

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### **Member Privacy**

The FCA regulations protect members' nonpublic financial and other personal financial information. Our directors and employees are restricted from disclosing information about the Association or our customers not normally contained in published reports or press releases. We do not sell or trade customers' personal information to marketing companies, or information brokers for their use. See our Privacy Statement at [agcountry.com/privacystatement](http://agcountry.com/privacystatement) for complete details. Additional information can be obtained by visiting [fca.gov](http://fca.gov) or contacting our Privacy Compliance Officer at PO Box 2409, Omaha, NE 68103-2409.

FCA regulations also require us to provide a list of current stockholders to any stockholder who requests such information for defined purposes. Contact our Corporate Governance Team by calling 800-531-3905 or emailing [sr@agcountry.com](mailto:sr@agcountry.com) regarding stockholder lists.

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### **Relationship with Qualified Public Accountant**

There were no changes in the independent auditors since the prior Annual Report, and we are in agreement with the opinion expressed by the independent auditors. The total financial statement audit fees paid during 2025 were \$328 thousand. Our engagement letter commits to reimbursing the external auditor for reasonable out-of-pocket expenses as incurred. In addition, we incurred \$9 thousand for tax services, and \$36 thousand for work related to our collaboration system conversions which was pre-approved by the Audit Committee.

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### **Financial Statements**

The Report of Management, Report on Internal Control over Financial Reporting, Report of Audit Committee, Report of Independent Auditors, Consolidated Financial Statements, and Notes to Consolidated Financial Statements are presented prior to this portion of the Consolidated Financial Statements in this Annual Report.

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### **Credit and Services to Young, Beginning, and Small Producers**

Information regarding credit and services to young, beginning, and small producers is included in an addendum to this Annual Report.

# CREDIT AND SERVICES TO YOUNG, BEGINNING, AND SMALL PRODUCERS

AgCountry Farm Credit Services, ACA  
(Unaudited)

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We have specific programs in place to serve the credit and related needs of young, beginning, and small producers (YBS) in our territory. Programs focus on providing sound financial services, education, and networking opportunities. The definitions of young, beginning, and small producers follow:

## Definitions

- Young - farmer, rancher, or producer or harvester of aquatic products who is 35 or younger as of the date the loan is originally made.
- Beginning - farmer, rancher, or producer or harvester of aquatic products who has 10 years or less of experience in farming, ranching, or producing or harvesting aquatic products as of the date the loan is originally made.
- Small - farmer, rancher, or producer or harvester of aquatic products who normally generates less than \$350,000 in annual gross-cash farm income of agricultural or aquatic products as of the date the loan is originally made.

## Program Elements

Our program for serving young, beginning, and small producers includes the following:

**Conventional Loans:** Producers 35 or younger, or with 10 years or less of farming or ranching experience, may have sufficient capacity, credit history or financial backing to meet our traditional loan-approval standards.

**Development Fund:** This program assists young, beginning, and small producers who are beginning, growing, or enhancing an agricultural-based operation by providing them with business-planning assistance and includes three loan products: Working Capital Loan, Breeding Livestock Loan, and Contract Finish Loan.

**Education and Finance Sponsorships:** We provide donations and sponsor state and local Future Farmers of America (FFA) activities and conventions, state 4-H activities and conventions, and agricultural leadership programs.

**Related Services:** Succession and retirement planning and consultative services were provided to 212 young and beginning customers. Tax services were provided to 607 customers, and 259 customers utilized our Farm Accounting service.

**Scholarships:** In 2025, we funded \$1,000 scholarships to 10 qualified upperclassmen college students attending universities and colleges in Wisconsin, North Dakota, South Dakota, and Minnesota. Additionally, we offered funding \$1,000 scholarships to 50 high school students attending colleges in North Dakota, South Dakota, Wisconsin, Minnesota, Montana, and Texas.

**Small Producer Financing:** Small producers are served primarily through three loan programs: Rural 1st<sup>®</sup> Home Loans, AgDirect, and the full line of products and services offered through our retail marketplaces. All these programs are designed to meet the needs of small producers, part-time farmers, or rural residents with a convenient and efficient delivery of financial services. Small producers who also meet the definition of young or beginning are eligible for our young and beginning program.

## Credit Underwriting Standards

Young and beginning producers who do not meet traditional credit standards are considered outreach loans. Through these loans, applicants' requests are analyzed and assessed based primarily on character and capacity credit factors. Farm Service Agency guarantees are used as deemed necessary, with additional support provided by our payment of the first \$2,500 of external fees.

## Results and Goals

As of December 31, 2025, we had 3,138 young, beginning, and small customers, with total loan volume of \$1.1 billion. These include:

1,922 customers who qualify as young, with total loan volume of \$716.9 million.

2,394 customers who qualify as beginning, with total loan volume of \$711.8 million.

3,261 customers who qualify as small, with total loan volume of \$819.5 million.

**Young and Beginning:** The 2022 U.S. Department of Agriculture (USDA) Census of Agriculture reports operators who meet the criteria for young, beginning, and small, as well as farms with any operators meeting the criteria, including farms with debt. In our territory, there are 4,065 farms with debt with a young operator. There are 6,133 farms with debt with a beginning operator. As of December 31, 2025, we had 1,922 young customers and 2,394 beginning customers, some of whom are counted in both categories. This equates to a young market share of 47.3% and a beginning market share of 39.0%. Total loan volume to young and beginning customers was \$969.7 million.

**Small Producer:** According to 2022 USDA Census of Agriculture data, there are 7,407 small farms with debt in our territory. As of December 31, 2025, we had 3,261 customers who qualify as small, which equates to 44.0% market share. The 2022 Census of Agriculture includes any operation with farm income in its definition of a farm.

	Potential Customers*	AgCountry Customers	Market Share**
Young	4,065	1,922	47.2%
Beginning	6,133	2,394	39.0%
Small	7,407	3,261	44.0%

\* 2022 USDA Census of Agriculture data of farms with debt.

\*\*Market share was computed by comparing the number of producers in the young, beginning or small categories maintaining a loan relationship with AgCountry Farm Credit to the total number of producers with debt in those categories.

#### Young, Beginning and Small Producer New Customer Growth

	2026 Goals	2027 Goals	2028 Goals
Young	158	163	168
Beginning	277	286	295
Small	277	288	299

Outreach loans positively affect all three young, beginning, and small producer categories. Use of these loan options serves as a critical component of long-term success in the marketplace.

#### Related Services

**Education:** AgCountry, Frontier Farm Credit, and FCSAmerica held their annual Side by Side Conference in Omaha, Nebraska, on July 30 - August 1, 2025, for young and beginning producers. There were 31 AgCountry young and beginning customers and prospects in attendance. Additionally, a two-day Side by Side Conference was held in Kearney, Nebraska on January 29-30, 2025. Moreover, workshops were hosted throughout the year on topics tailored to young and beginning producers. These educational programs and events provide producers with the opportunity to network with one another, learn from speakers, learn more about AgCountry, and become better-informed business managers.

**Outreach:** We collaborate with other associations from across the Farm Credit System to provide educational and networking opportunities to customers from multiple associations. As part of that collaboration, we participated with our YBS customers in the 2025 Farm Credit Fly-In in Washington D.C. Moreover, we have a YB Advisory Committee which consists of 16 total young and beginning operations across the AgCountry, FCSAmerica, and Frontier Farm Credit territory. Four of the operations are AgCountry Farm Credit customers. The YB Advisory Committee meets twice a year in person and virtually as needed. This group provides guidance on the YB programs, products, and services, by identifying the needs and challenges in the YB segment. The committee will increase to 20 operations and evolve as members serve a three-year term.

**Education and Finance Sponsorships:** We awarded \$60,000 in college scholarships to 60 students in 2025. We donated more than \$31,000 for state and local FFA and 4-H activities and provided additional funding and resources for young and beginning producer education, leadership programs, and community grants.

#### Awareness

**Young, Beginning and Small Producer Team:** We implemented an enhanced strategy to serve young, beginning, and small producers. This strategy includes specialized roles dedicated to directly serving our customers, as well as a program-management role for designing and implementing education and lending programs. A standing cross-functional team guides the ongoing focus on supporting the credit and related needs of young, beginning, and small producers.

**AgCountry Farm Credit Services, ACA**

**Disclosure Information**

**Required by Farm Credit Administration Regulations (Unaudited)**

**AgCountry Farm Credit Services Retail Office Locations**

901 West 1st Avenue South <b>Ada, MN 56510</b>	208 Third Avenue NW <b>Roseau, MN 56751</b>	200 1st Street SW <b>LaMoure, ND 58458</b>
1022 Broadway St <b>Alexandria, MN 56308</b>	1701 W Lincoln Ave <b>Olivia, MN 56277</b>	604 Main Street <b>Lisbon, ND 58054</b>
530 Fisher Ave <b>Crookston, MN 56716</b>	2044 State Highway 1 NE <b>Thief River Falls, MN 56701</b>	2974 Hwy 2 East <b>Rugby, ND 58368</b>
873 Hwy 10 East <b>Detroit Lakes, MN 56501</b>	406 North McKinley Street <b>Warren, MN 56762</b>	1400 31st Ave SW <b>Minot, ND 58701</b>
610 Industrial Park Blvd <b>Elbow Lake, MN 56531</b>	4401 Highway 71 S <b>Willmar, MN 56201</b>	1820 13th St SE, Suite B <b>Minot, ND 58701</b>
311 North Tower Road <b>Fergus Falls, MN 56537</b>	1308 Hwy 5 NE <b>Bottineau, ND 58318</b>	2506 3rd Ave. SW <b>Jamestown, ND 58401</b>
907 Prairie Pines Dr <b>Fosston, MN 56542</b>	115 Main St NE <b>Bowbells, ND 58721</b>	2974 Hwy 2 East <b>Rugby, ND 58368</b>
316 East 1st Street <b>Graceville, MN 56240</b>	385 Hwy 281 NE <b>Carrington, ND 58421</b>	220 Winter Show Road SW <b>Valley City, ND 58072</b>
224 North Atlantic Avenue <b>Hallock, MN 56728</b>	300 Main S W <b>Cavalier, ND 58220</b>	1982 Two Ten Drive <b>Wahpeton, ND 58075</b>
1725 US Hwy 12E, Suite 200 <b>Litchfield, MN 55355</b>	11802 Hwy 5 NW <b>Crosby, ND 58730</b>	<b>1802 13th Ave W</b> <b>Williston, ND 58801</b>
112 5th Ave <b>Madison, MN 56256</b>	707 Highway 2 East <b>Devils Lake, ND 58301</b>	1207 North Central Ave <b>Marshfield, WI 54449</b>
302 S O'Connell Street <b>Marshall, MN 56258</b>	1005 Hill Avenue <b>Grafton, ND 58237</b>	600 S 8th Street <b>Medford, WI 54451</b>
600 S Hwy 169 Suite 850 <b>Minneapolis, MN 55426</b>	4350 32nd Avenue South <b>Grand Forks, ND 58201</b>	1216 Wildwood Drive <b>Stevens Point, WI 54482</b>
103 S Atlantic Ave <b>Morris, MN 56267</b>	802 West Caledonia Avenue <b>Hillsboro, ND 58045</b>	204 E Liberty Drive <b>Thorp, WI 54771</b>
161 County Hwy 101 <b>Redwood Falls, MN 56283</b>	2506 3rd Ave. SW <b>Jamestown, ND 58401</b>	611 S 32nd Avenue <b>Wausau, WI 54401</b>

AgCountry Farm Credit Services strives to be environmentally conscious. If you would like to receive an additional copy of our 2025 annual report, please contact us at 800-450-9858.



PO Box 6020  
Fargo, ND 58108

# 2025 SUSTAINABILITY REPORT:

Scan the QR code to learn more about increased access to capital, partnerships, educational opportunities, and how your cooperative supports stewardship activities.

