

AGTRUST, ACA

**2026
Quarterly Report**



AgTrustTM
FARM CREDIT

For the Quarter Ended March 31, 2026

REPORT OF MANAGEMENT

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

/s/ Joe H. Hayman
Joe H. Hayman, Chief Executive Officer

May 8, 2026

/s/ Nicholas Acosta
Nicholas Acosta, Chief Financial Officer

May 8, 2026

/s/ Brent Neuhaus
Brent Neuhaus, Chairman, Board of Directors

May 8, 2026

/s/ David Conrad
David Conrad, Chairman, Audit Committee

May 8, 2026

First Quarter 2026 Financial Report

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**AGTRUST, ACA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The following commentary reviews the financial performance of AgTrust, ACA, including its wholly owned subsidiaries AgTrust, FLCA and AgTrust, PCA, referred to as the Association, for the quarter ended March 31, 2026. These comments should be read in conjunction with the accompanying financial statements and the December 31, 2025, Annual Report to Stockholders.

The Association is a member of the Farm Credit System (System), a nationwide network of cooperatively owned financial institutions established by and subject to the provisions of the Farm Credit Act of 1971, as amended, and the regulations of the Farm Credit Administration (FCA) promulgated thereunder.

Since 1917, the Association and its predecessors have provided its members with quality financial services. The Board and management remain committed to maintaining the financial integrity of the Association while offering competitive loan products that meet the financial needs of agricultural producers.

The consolidated financial statements comprise the operations of the ACA and its wholly owned subsidiaries. The consolidated financial statements were prepared under the oversight of the Association’s Audit Committee.

Patronage Distributions by Association:

In December 2025, the Board declared a cash patronage in the amount of \$28,070,595 paid in March 2026, based on 2025 patronage-sourced earnings. Patronage was paid to eligible borrowers based on their net interest margin of all patronage transactions outstanding for the year ended December 31, 2025.

Patronage Distributions Received from the Farm Credit Bank of Texas (FCBT or Bank):

On a monthly basis, the Association accrues income for the direct loan earnings patronage it expects to receive in December of each year from the FCBT. The distribution of direct loan earnings patronage is at the discretion of the FCBT’s Board of Directors. The Association’s accrual rate is based on historical information and expectations set forth in the FCBT’s annual strategic business plan. Beginning in 2026, the FCBT is implementing a scorecard methodology intended to maintain its earnings and capital levels in alignment with Board established minimums. To meet the Board minimums established under this methodology, the FCBT is expected to distribute a direct note patronage of 22 basis points on the average daily balance of the Association’s direct loan with the FCBT for the year ended December 31, 2026.

The FCBT requires a minimum stock investment of the Association’s average outstanding balance of borrowings from the Bank. Historically, the FCBT has paid patronage on the Association’s stock investment to offset effective opportunity cost with the investment requirement. The Bank is no longer paying patronage on this investment, effectively reducing their patronage distribution to the Association. Effective March 2025, the minimum stock investment requirement was increased from 2.0 percent of the average outstanding balance of borrowings from the Bank as determined annually to 2.5 percent determined on a semi-annual basis.

The following table provides information on the patronage distribution received from the FCBT for the year ended December 31, 2025:

| | 2025 |
|--|----------------------------|
| Direct loan patronage | \$ 5,002,146 |
| Participation's patronage | 1,853,016 |
| Agricultural mortgage backed securities investment patronage | 32,612 |
| Total Patronage Received | <u>\$ 6,887,773</u> |

In January 2026, the Board of Directors of the FCBT declared the reduced direct note patronage of approximately 18 basis points on the average daily balance of the Association’s direct loan with the FCBT for the year ended December 31, 2025. This 18 basis point distribution of direct note patronage was less than planned levels set forth in the FCBT’s 2025 annual strategic business plan, which considered a distribution of between 33 basis points and 39 basis points. This reduced earnings available to the Association for its own patronage distribution.

Loan Portfolio:

The Association makes and services loans to farmers, ranchers, rural homeowners, and certain farm-related businesses. These loan products are available to eligible borrowers with competitive variable, fixed, and adjustable interest rates. Commercial loans primarily consist of operating loans and short-term loans for working capital, equipment, and livestock. Mortgage loans primarily consist of 5- to 30-year maturities. Loans serviced by the Association offer several installment payment cycles, the timing of which usually coincides with the seasonal cash-flow capabilities of the borrower. The Association's loan portfolio consists of long-term farm mortgage loans, production and intermediate-term loans, farm-related business loans, rural residential and rural infrastructure loans through purchased participations.

Total loans outstanding at March 31, 2026, including nonaccrual loans, were \$3,368,300,143 compared to \$3,341,132,695 at December 31, 2025, reflecting an increase of 0.8 percent. Nonaccrual loans as a percentage of total loans outstanding were 0.1 percent at March 31, 2026, compared to 0.1 percent at December 31, 2025.

The Association recorded \$92 in recoveries and \$13,744 in charge-offs for the three months ended March 31, 2026, and \$200 in recoveries and no charge-offs for the three months ended March 31, 2025. The Association's allowance for loan losses was 0.2 percent and 0.2 percent of total loans outstanding as of March 31, 2026, and December 31, 2025, respectively.

Risk Exposure:

Nonperforming assets include nonaccrual loans, loans that are past due 90 days or more and still accruing interest, formally restructured loans and other property owned. The following table illustrates the Association's components and trends of nonperforming assets.

| | March 31, 2026 | | December 31, 2025 | |
|--|----------------|--------|-------------------|--------|
| | Amount | % | Amount | % |
| Nonaccrual loans | \$ 4,621,200 | 93.9% | \$ 4,511,684 | 87.6% |
| 90 days past due and still accruing interest | - | 0.0% | 338,253 | 6.6% |
| Other property owned, net | 299,080 | 6.1% | 299,080 | 5.8% |
| Total | \$ 4,920,280 | 100.0% | \$ 5,149,017 | 100.0% |

There were no significant changes in nonperforming assets as compared to prior year end.

Results of Operations:

The Association had net income of \$17,599,281 for the three months ended March 31, 2026, as compared to net income of \$16,465,086 for the same period in 2025, reflecting an increase of \$1,134,195 or 6.9 percent. Net interest income was \$24,746,506 for the three months ended March 31, 2026, compared to \$22,335,114 for the same period in 2025.

| | Three Months Ended: | | | |
|-------------------------------|---------------------|---------------|------------------|---------------|
| | March 31, 2026 | | March 31, 2025 | |
| | Average Balance | Interest | Average Balance | Interest |
| Loans | \$ 3,357,781,310 | \$ 57,496,378 | \$ 3,059,360,785 | \$ 49,620,809 |
| Total interest-earning assets | 3,357,781,310 | 57,496,378 | 3,059,360,785 | 49,620,809 |
| Interest-bearing liabilities | 2,896,000,466 | 32,749,872 | 2,611,906,001 | 27,285,695 |
| Impact of capital | \$ 461,780,844 | | \$ 447,454,784 | |
| Net interest income | | \$ 24,746,506 | | \$ 22,335,114 |

| | 2026 | 2025 |
|--|---------------|---------------|
| | Average Yield | Average Yield |
| Yield on loans | 6.94% | 6.58% |
| Total yield on interest-earning assets | 6.94% | 6.58% |
| Cost of interest-bearing liabilities | 4.59% | 4.24% |
| Interest rate spread | 2.36% | 2.34% |

**Three Months Ended:
March 31, 2026 vs. March 31, 2025**

| | Increase due to | | |
|-------------------------|---------------------|-------------------|---------------------|
| | Volume | Rate | Total |
| Interest income - loans | \$ 4,840,152 | \$ 3,035,417 | \$ 7,875,569 |
| Interest expense | 2,967,838 | 2,496,339 | 5,464,177 |
| Net interest income | <u>\$ 1,872,314</u> | <u>\$ 539,078</u> | <u>\$ 2,411,392</u> |

Interest income for the three months ended March 31, 2026, increased by \$7,875,569, or 15.9 percent, from the same period of 2025, primarily due to increases in yields on interest-earning assets and an increase in average interest-earning assets. Interest expense for the three months ended March 31, 2026, increased by \$5,464,177, or 20.0 percent, from the same period of 2025 due to an increase in the cost of interest-bearing debt and an increase in average interest-bearing liabilities. Average interest-earning assets for the first quarter of 2026 was \$3,357,781,310, compared to \$3,059,360,785 in the first quarter of 2025. The average net interest rate spread on the loan portfolio for the first quarter of 2026 was 2.36 percent, compared to 2.34 percent in the first quarter of 2025.

The Association's return on average assets for the three months ended March 31, 2026, was 2.05 percent compared to 2.11 percent for the same period in 2025. The Association's return on average equity for the three months ended March 31, 2026, was 13.61 percent, compared to 13.55 percent for the same period in 2025.

Noninterest income for the three months ended March 31, 2026, increased by \$518,663, or 14.8 percent, from the same period in 2025. The increase was primarily due to the Association receiving \$1,444,423 of excess insured funds balances in the Allocated Insurance Reserve Accounts (AIRPs) from the Farm Credit System Insurance Corporation (FCSIC). The Association received \$491,473 from FCSIC during the first quarter of 2025. This increase was partially offset by a decrease of the direct loan earnings patronage accrual income from the FCBT of \$490,204 due to a reduction in the accrual rate based on expectations set forth in the FCBT's annual strategic business plan.

Noninterest expenses for the three months ended March 31, 2026, increased by \$1,082,261, or 11.1 percent, from the same period in 2025. The increase was primarily related to an increase in purchased services stemming from the implementation of the FCBT's 10-basis point IT service charge effective beginning in 2026.

Provision for credit losses for the three months ended March 31, 2026, increased by \$702,762, or 189.9 percent, from the same period in 2025 primarily due to an increase in general reserve and unfunded commitments as a result of an increase in loan volume and the adoption of a more punitive probability of default (PD) curve. The PD curve is updated on an annual basis to incorporate changes in internal default trends.

Liquidity and Funding Sources:

The Association secures the majority of its lendable funds from the FCBT, which obtains its funds through the issuance of System-wide obligations and with lendable equity. The following schedule summarizes the Association's borrowings.

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> |
|----------------------------------|---------------------------|------------------------------|
| Note payable to the FCBT | \$ 2,911,590,904 | \$ 2,881,347,414 |
| Accrued interest on note payable | 10,039,564 | 10,045,622 |
| Total | <u>\$ 2,921,630,468</u> | <u>\$ 2,891,393,036</u> |

The Association operates under a general financing agreement (GFA) with the Bank. The current GFA is effective through September 30, 2026. The primary source of liquidity and funding for the Association is a direct loan from the Bank. The outstanding balance of \$2,911,590,904 as of March 31, 2026, is recorded as a liability on the Association's consolidated balance sheet. The note carried a weighted average interest rate of 4.12 percent at March 31, 2026. The indebtedness is collateralized by a pledge of substantially all of the Association's assets to the Bank and is governed by the GFA. The increase in note payable to the FCBT since December 31, 2025, correlates directly with the overall increase in the Association's accrual loan volume for the period. The Association's own funds, which represent the amount of the Association's loan portfolio funded by the Association's equity, were \$460,337,402 at March 31, 2026. The maximum amount the Association may borrow from the Bank as of March 31, 2026, was \$3,421,568,434 as defined by the GFA. The indebtedness continues in effect until the expiration date of the GFA, which is September 30, 2026, unless sooner terminated by the Bank upon the occurrence of an event of default, or by the Association, in the event of a breach of this agreement by the Bank, upon giving the Bank 30 calendar days' prior written notice, or in all other circumstances, upon giving the Bank 120 days' prior written notice.

The Association is required to maintain an investment in the Bank in the form of Class A voting capital stock and allocated retained earnings. Historically, the investment required of the Association was 2.0 percent of its average borrowings from the Bank, which was equalized annually. Beginning in 2025, the investment requirement of the Association increased to 2.5 percent of the average borrowings from the Bank, annualized semi-annually. The first semi-annual equalization resulted in an increased investment in the Bank of \$15,115,590 and was recorded in the first quarter of 2025.

Capital Resources:

The Association's capital position increased by \$17,612,077, or 3.4 percent, at March 31, 2026, compared to December 31, 2025. The Association's debt as a percentage of members' equity was 5.54:1 as of March 31, 2026, compared to 5.73:1 as of December 31, 2025.

Farm Credit Administration regulations require the Association to maintain minimums for various regulatory capital ratios. As of March 31, 2026, the Association exceeded all regulatory capital requirements.

Economic Conditions:

The Association continues to fulfill its mission to support agriculture and rural communities by providing access to reliable and consistent credit. Persistent operating environment dynamics continue to present challenges. Driving factors such as geopolitical risk, commodity price volatility, elevated input and debt costs, and evolving trade policies are impacting performance across multiple sectors. Despite these challenges, the overall credit quality of the Association remains stable.

Trade conditions continue to evolve, driven by fluctuations in tariff measures. The Supreme Court ruled that current law does not authorize the administration to impose broad-based tariffs, invalidating a large set of reciprocal tariffs imposed by the administration since early 2025. Subsequently, the administration implemented a 10 percent temporary global surcharge under Section 122 of the Trade Act of 1974. The measure applies to most imports worldwide with key exceptions such as the United States, Mexico and Canada free trade agreement (USMCA)-compliant goods. The measure is legally limited to 150 days, expiring on July 24, 2026, unless replaced by longer-term actions. Additionally, the mandatory joint review of the USMCA is scheduled to begin on July 1, 2026. These events among others have led to tariff risk and policy uncertainty, with potential implications for inflation, supply chains, and U.S. trading partners.

After three consecutive 25 basis point cuts in the target federal funds rate in 2025, the Federal Open Market Committee (FOMC) voted to hold the target federal funds range constant at the 3.50-3.75 percent range during the March 2026 meeting. The FOMC considers that uncertainty about the economic outlook remains elevated, and the implications of developments in the Middle East for the U.S. economy are also uncertain. The FOMC stated that future assessments will continue to consider a wide range of information, including readings on labor market conditions, inflation pressures and expectations, and financial and international developments. The percentage change in the Consumer Price Index (inflation) for All Urban Consumers increased from 2.4 to 3.3 percent on both a month-over-month (MOM) and a year-over-year (YOY) basis in March 2026. The full extent of inflationary effects of trade and shipping disruptions through the Strait of Hormuz related to the conflict with Iran are unknown at this time; however, upward pressure on fertilizer prices is anticipated, given that approximately 15 percent of U.S. fertilizer imports originate from the Middle East per the American Farm Bureau Federation.

The Bureau of Labor Statistics reported that the U.S. unemployment rate was 4.3 percent in March 2026, marginally down MOM from 4.4 percent but ticked up from 4.2 percent in March 2025. February 2026 state unemployment rates were released on April 22, 2026, and showed state unemployment rates for Texas and New Mexico of 4.3 percent and 4.7 percent, respectively. The Texas unemployment rate increased YOY from 4.1 percent. The New Mexico unemployment rate increased YOY from 4.1 percent. The New Mexico unemployment rate was above the national average.

On April 9, 2026, the U.S. Bureau of Economic Analysis (BEA) released its third estimate of real gross domestic product (GDP) for the fourth quarter of 2025. U.S. real GDP increased at an annual rate of 0.5 percent, down from 4.4 percent in the prior quarter and from a 1.9 percent increase in the year-ago period. The higher U.S. real GDP in the fourth quarter of 2025 reflected increases in consumer spending and investment, partly offset by decreases in government spending and exports. Imports, which are a subtraction in the calculation of GDP, decreased. The annualized real GDP increased at an annual rate of 1.4 percent in Texas and decreased at an annual rate of 1.0 percent in New Mexico. Overall, real GDP growth decelerated compared to the same period a year ago.

The West Texas Intermediate (WTI) spot price (free on board) averaged about \$65 per barrel in 2025. The Energy Information Administration (EIA) indicated in its April 2026 edition of the Short-Term Energy Outlook that the WTI crude oil spot price is expected to average about \$87 per barrel in 2026 and \$73 per barrel in 2027, substantially higher compared to about \$54 per barrel and \$49 per barrel, respectively, that was expected in February 2026 (prior to the conflict in the Middle East). WTI prices in 2026 are expected to average well above the level needed to profitably drill a new well (\$65 per barrel). Following the onset of military action in the Middle East that began on February 28, there has been physical damage to oil infrastructure in key oil producing countries as well as very limited oil tanker traffic through the Strait of Hormuz. These events have translated into higher uncertainty and volatility, adding a large risk premium to oil prices as market participants assess disruptions to oil flows and weigh the potential for those

disruptions to persist. Nearly 20 percent of the global oil supply flows through the Strait of Hormuz. The U.S. benchmark Henry Hub natural gas spot price averaged \$3.53 per million British thermal units (MMBtu) in 2025, after increasing 61 percent YOY. EIA's forecast as of April 2026 indicates that the natural gas price is currently expected to continue to increase by about 4 percent in 2026 before declining by 2 percent in 2027.

The April 2026 edition of S&P Global Agricultural Commodity Price Watch indicated that U.S. average farm prices of crops such as corn, soybeans and wheat increased QOQ in the first quarter of 2026 while the quarterly average cotton farm price slightly declined. However, front-month cotton futures increased over the second half of March and in early April. Additionally, soybeans quarterly average farm prices increased YOY as of the first quarter 2026, while cotton, wheat and corn farm prices decreased YOY. Cattle and broilers quarterly average prices increased QOQ in the first quarter 2026, while hogs and farm-level milk prices declined QOQ. Cattle and hog prices increased YOY while broilers and dairy prices declined. High beef cattle demand persists while supply is tight. In terms of lumber, the quarterly average physical cash price increased QOQ by about 2 percent as of the first quarter of 2026 but declined by about 1 percent from the same period a year ago.

The USDA reported that payments under the Farmer Bridge Assistance (FBA) program will be issued as applications are approved and will be calculated using a flat payment rate for the eligible commodity multiplied by the eligible reported acres. The program is the largest component of the \$12 billion USDA bridge-aid package, with up to \$11 billion allocated to eligible row-crop producers nationwide. Rice and cotton have the top payment rates. An FBA payment calculator is available to help eligible producers estimate payments.

The combined Drought Monitor for Texas and New Mexico indicate that the drought area categorized as moderate, severe, extreme and exceptional (D1-D4) deteriorated from December 2025 and from the conditions experienced over the same period a year ago. The National Weather Service confirms that drought has expanded and intensified in the South region, which is typical for La Niña. The April-May-June outlook calls for equal chances of below, near, or above-normal precipitation for much of the South region but is leaning toward drier for the northern Texas Panhandle. The precipitation outlook and warmer-than-normal temperatures suggest that drought persistence is more likely across most of eastern Texas.

The Association's loan portfolio is well-supported by industry diversification and conservative advance rates. Additionally, a high percentage of the Association's borrowers primarily rely on non-farm sources of income to repay their loans.

Significant Recent Accounting Pronouncements:

Refer to Note 1 – "Organization and Significant Accounting Policies" in this quarterly report for disclosures of recent accounting pronouncements which may impact the Association's consolidated financial position and results of operations and for critical accounting policies.

Relationship With the Farm Credit Bank of Texas:

The Association's financial condition may be impacted by factors that affect the FCBT. The financial condition and results of operations of the FCBT may materially affect the stockholders' investment in the Association. The Management's Discussion and Analysis and Notes to Financial Statements contained in the 2025 Annual Report to stockholders more fully describe the Association's relationship with the Bank.

The annual and quarterly stockholder reports of the FCBT can be found at the FCBT's website at www.farmcreditbank.com.

The Association's annual and quarterly stockholder reports are available free of charge, upon request. The annual and quarterly stockholder reports are available approximately 75 days after year end and 40 days after quarter end, respectively, and can be obtained by writing to AgTrust, ACA, 5600 Clearfork Main Street, Suite 600, Fort Worth, Texas 76109 or calling (817) 332-6565. The annual and quarterly stockholder reports for the Association are also available on its website at www.AgTrustACA.com. Copies of the reports can also be requested by e-mailing ShareHolderRelations@AgTrustACA.com.

AGTRUST, ACA

CONSOLIDATED BALANCE SHEETS

| | March 31, 2026 (unaudited) | December 31, 2025 |
|--|---|--------------------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 44,387 | \$ 44,515 |
| Loans | 3,368,300,143 | 3,341,132,695 |
| Less: allowance for credit losses on loans | <u>(6,973,608)</u> | <u>(6,637,506)</u> |
| Net loans | 3,361,326,535 | 3,334,495,189 |
| Accrued interest receivable | 28,816,042 | 31,273,554 |
| Investment in and receivable from the FCBT: | | |
| Capital stock | 71,372,746 | 71,375,066 |
| Other | 3,243,372 | 9,508,122 |
| Other property owned, net | 299,080 | 299,080 |
| Premises and equipment | 7,026,588 | 6,911,327 |
| Other assets | <u>13,397,248</u> | <u>12,686,170</u> |
| Total assets | <u><u>\$ 3,485,525,998</u></u> | <u><u>\$ 3,466,593,023</u></u> |
| <u>LIABILITIES</u> | | |
| Note payable to the FCBT | \$ 2,911,590,904 | \$ 2,881,347,414 |
| Advance conditional payments | 42,254 | 118,172 |
| Accrued interest payable | 10,039,564 | 10,045,622 |
| Drafts outstanding | 112,369 | 145,033 |
| Patronage dividends payable | - | 28,070,595 |
| Other liabilities | <u>30,782,901</u> | <u>31,520,258</u> |
| Total liabilities | <u><u>\$ 2,952,567,992</u></u> | <u><u>\$ 2,951,247,094</u></u> |
| <u>MEMBERS' EQUITY</u> | | |
| Capital stock and participation certificates | \$ 6,377,555 | \$ 6,360,235 |
| Additional paid-in capital | 123,813,880 | 123,813,880 |
| Unallocated retained earnings | 402,322,736 | 384,721,349 |
| Accumulated other comprehensive income | <u>443,835</u> | <u>450,465</u> |
| Total members' equity | <u>532,958,006</u> | <u>515,345,929</u> |
| Total liabilities and members' equity | <u><u>\$ 3,485,525,998</u></u> | <u><u>\$ 3,466,593,023</u></u> |

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

AGTRUST, ACA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

| | Three Months Ended | |
|--|---------------------------|----------------------|
| | March 31, | |
| | 2026 | 2025 |
| <u>INTEREST INCOME</u> | | |
| Loans | \$ 57,496,378 | \$ 49,620,809 |
| Total interest income | <u>57,496,378</u> | <u>49,620,809</u> |
| <u>INTEREST EXPENSE</u> | | |
| Note payable to the FCBT | 32,749,574 | 27,273,239 |
| Advance conditional payments | 298 | 12,456 |
| Total interest expense | <u>32,749,872</u> | <u>27,285,695</u> |
| Net interest income | <u>24,746,506</u> | <u>22,335,114</u> |
| <u>PROVISION FOR (REVERSAL OF) CREDIT LOSSES</u> | | |
| Net interest income after provision for (reversal of) credit losses | <u>332,593</u> | <u>(370,169)</u> |
| | <u>24,413,913</u> | <u>22,705,283</u> |
| <u>NONINTEREST INCOME</u> | | |
| Income from the FCBT: | | |
| Patronage income | 2,124,599 | 2,614,803 |
| Loan fees | 199,438 | 150,347 |
| Refunds from Farm Credit System Insurance Corporation | 1,444,423 | 491,473 |
| Financially related services income | 288 | 490 |
| Gain on sale of premises and equipment, net | 10,633 | 35,015 |
| Other noninterest income | 254,082 | 222,672 |
| Total noninterest income | <u>4,033,463</u> | <u>3,514,800</u> |
| <u>NONINTEREST EXPENSES</u> | | |
| Salaries and employee benefits | 5,594,427 | 5,628,027 |
| Directors' expense | 167,281 | 190,606 |
| Purchased services | 1,299,162 | 602,273 |
| Travel | 259,939 | 231,010 |
| Occupancy and equipment | 1,096,335 | 1,139,861 |
| Communications | 77,957 | 85,050 |
| Advertising | 132,568 | 69,307 |
| Public and member relations | 617,196 | 567,709 |
| Supervisory and exam expense | 242,557 | 222,003 |
| Insurance fund premiums | 688,107 | 622,863 |
| Other components of net periodic postretirement benefit cost | 75,074 | 78,922 |
| Other noninterest expense | 575,334 | 306,045 |
| Total noninterest expenses | <u>10,825,937</u> | <u>9,743,676</u> |
| Income before income taxes | <u>17,621,439</u> | <u>16,476,407</u> |
| Provision for income taxes | <u>22,158</u> | <u>11,321</u> |
| NET INCOME | <u>17,599,281</u> | <u>16,465,086</u> |
| Other comprehensive income: | | |
| Change in postretirement benefit plans | <u>(6,630)</u> | <u>(6,630)</u> |
| COMPREHENSIVE INCOME | <u>\$ 17,592,651</u> | <u>\$ 16,458,456</u> |

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

AGTRUST, ACA

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(unaudited)

| | Capital Stock/ Participation Certificates | Additional Paid-in Capital | Retained Earnings | | Accumulated Other Comprehensive Income (Loss) | Total Members' Equity |
|--|---|-------------------------------|-------------------|-----------------------|--|-----------------------------|
| | | | Allocated | Unallocated | | |
| Balance at December 31, 2024 | \$ 6,245,530 | \$ 123,813,880 | \$ - | \$ 355,059,993 | \$ (277,778) | \$ 484,841,625 |
| Comprehensive income | - | - | - | 16,465,086 | (6,630) | 16,458,456 |
| Capital stock/participation certificates issued | 219,800 | - | - | - | - | 219,800 |
| Capital stock/participation certificates retired | (198,645) | - | - | - | - | (198,645) |
| Dividends declared | - | - | - | (129,668) | - | (129,668) |
| Balance at March 31, 2025 | <u>\$ 6,266,685</u> | <u>\$ 123,813,880</u> | <u>\$ -</u> | <u>\$ 371,395,411</u> | <u>\$ (284,408)</u> | <u>\$ 501,191,568</u> |
| Balance at December 31, 2025 | \$ 6,360,235 | \$ 123,813,880 | \$ - | \$ 384,721,349 | \$ 450,465 | \$ 515,345,929 |
| Comprehensive income | - | - | - | 17,599,281 | (6,630) | 17,592,651 |
| Capital stock/participation certificates issued | 205,435 | - | - | - | - | 205,435 |
| Capital stock/participation certificates retired | (188,115) | - | - | - | - | (188,115) |
| Dividends declared | - | - | - | 2,106 | - | 2,106 |
| Balance at March 31, 2026 | <u>\$ 6,377,555</u> | <u>\$ 123,813,880</u> | <u>\$ -</u> | <u>\$ 402,322,736</u> | <u>\$ 443,835</u> | <u>\$ 532,958,006</u> |

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

AGTRUST, ACA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

AgTrust, ACA, including its wholly owned subsidiaries, AgTrust, PCA and AgTrust, FLCA (collectively called the “Association”), is a member-owned cooperative that provides credit and credit-related services to, or for the benefit of, eligible borrowers/stockholders for qualified agricultural and rural purposes in the counties of Bell, Borden, Bosque, Bowie, Burnet, Camp, Cass, Cochran, Cooke, Coryell, Dallas, Delta, Denton, Eastland, Ellis, Erath, Falls, Fannin, Fisher, Freestone, Grayson, Hamilton, Hill, Hood, Johnson, Kent, Lamar, Lampasas, Limestone, McLennan, Milam, Mitchell, Morris, Navarro, Nolan, Palo Pinto, Parker, Red River, Scurry, Shackelford, Somervell, Stephens, Tarrant, Taylor, Throckmorton, Titus, Williamson, Wise and Young in the state of Texas, and all counties in the state of New Mexico with the exception of San Juan County and a portion of Rio Arriba County lying west of the Continental Divide. The Association is a lending institution of the Farm Credit System, which was established by Acts of Congress to meet the needs of American agriculture.

The Association and American AgCredit, ACA have entered a “Territorial Concurrence Agreement” (the TCA) that allows, on a statewide basis, the Association to make mortgage loans and American AgCredit, ACA to make production loans in New Mexico without obtaining territorial concurrence. The TCA has been in place since 2001 and is a result of the unique bifurcated charter in the New Mexico territory that authorized the Association to make production loans or mortgage loans, but not both, in certain counties.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025, as contained in the 2025 Annual Report to Stockholders.

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

Recently Adopted or Issued Accounting Pronouncements

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

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

In July 2025, the FASB issued ASU 2025-05 – Financial Instruments - Credit Losses - Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient, which allows all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The Association adopted this guidance on January 1, 2026,

under a prospective approach. The impact of adoption did not have an impact on the Associations financial condition, results of operations or cash flows.

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

NOTE 2 — LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS:

A summary of loans follows:

| <u>Loan Type</u> | <u>March 31,</u> <u>2026</u> | <u>December 31,</u> <u>2025</u> |
|----------------------------------|---------------------------------|------------------------------------|
| | <u>Amount</u> | <u>Amount</u> |
| Production agriculture: | | |
| Real estate mortgage | \$ 2,572,557,021 | \$ 2,551,782,373 |
| Production and intermediate-term | 392,165,815 | 385,569,067 |
| Agribusiness: | | |
| Loans to cooperatives | 15,041,422 | 10,560,229 |
| Processing and marketing | 228,395,383 | 234,193,397 |
| Farm-related business | 53,566,617 | 51,576,696 |
| Communication | 35,686,047 | 35,516,774 |
| Energy | 33,394,710 | 33,902,712 |
| Water and wastewater | 7,094,449 | 7,443,787 |
| Rural residential real estate | 14,520,130 | 14,690,146 |
| International | 15,139,182 | 15,127,258 |
| Lease receivables | 739,367 | 770,256 |
| Total | <u>\$ 3,368,300,143</u> | <u>\$ 3,341,132,695</u> |

The Association purchases or sells participation interests with other parties to diversify risk, manage loan volume and comply with Farm Credit Administration regulations.

The following table presents information regarding the balances of participations purchased and sold at March 31, 2026:

| | <u>Other Farm Credit Institutions</u> | | <u>Non-Farm Credit Institutions</u> | | <u>Total</u> | |
|----------------------------------|---------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>Participations</u> | <u>Participations</u> | <u>Participations</u> | <u>Participations</u> | <u>Participations</u> | <u>Participations</u> |
| | <u>Purchased</u> | <u>Sold</u> | <u>Purchased</u> | <u>Sold</u> | <u>Purchased</u> | <u>Sold</u> |
| Real estate mortgage | \$ 53,731,752 | \$ 222,193,796 | \$ 4,927,525 | \$ - | \$ 58,659,277 | \$ 222,193,796 |
| Production and intermediate-term | 112,385,688 | 164,188,194 | 16,314,061 | - | 128,699,749 | 164,188,194 |
| Agribusiness | 191,126,542 | 16,553,485 | 9,465,713 | 1,212,885 | 200,592,255 | 17,766,370 |
| Communication | 35,686,047 | - | - | - | 35,686,047 | - |
| Energy | 33,394,710 | - | - | - | 33,394,710 | - |
| Water and wastewater | 7,094,449 | - | - | - | 7,094,449 | - |
| International | 15,139,182 | - | - | - | 15,139,182 | - |
| Lease receivables | 739,367 | - | - | - | 739,367 | - |
| Total | <u>\$ 449,297,737</u> | <u>\$ 402,935,475</u> | <u>\$ 30,707,299</u> | <u>\$ 1,212,885</u> | <u>\$ 480,005,036</u> | <u>\$ 404,148,360</u> |

The Association is authorized under the Farm Credit Act to accept “advance conditional payments” (ACPs) from borrowers. To the extent the borrower’s access to such ACPs is restricted and the legal right of setoff exists, the ACPs are netted against the borrower’s related loan balance. The Association held \$27,163,508 and \$28,632,527 in funds which are netted against the loan balance at March 31, 2026, and December 31, 2025, respectively. Unrestricted advance conditional payments are included in liabilities. ACPs are not insured, and interest is generally paid by the Association on such balances. Balances of unrestricted ACPs were \$42,254 and \$118,172 at March 31, 2026, and December 31, 2025, respectively.

Credit Quality

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

The Association uses a two-dimensional 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 scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan, assuming default occurs during the remaining life of the loan. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category.

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

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

The following table shows the amortized cost of loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of March 31, 2026, and December 31, 2025:

| | March 31, 2026 | December 31, 2025 |
|----------------------------------|---------------------------|----------------------|
| Real estate mortgage | | |
| Acceptable | 99% | 99% |
| OAEM | 1% | 1% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Production and intermediate-term | | |
| Acceptable | 98% | 98% |
| OAEM | 1% | 2% |
| Substandard/doubtful | 1% | 0% |
| | 100% | 100% |
| Loan to cooperatives | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Processing and marketing | | |
| Acceptable | 87% | 91% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 13% | 9% |
| | 100% | 100% |
| Farm-related business | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Communication | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Energy | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Water and wastewater | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Rural residential real estate | | |
| Acceptable | 95% | 95% |
| OAEM | 3% | 3% |
| Substandard/doubtful | 2% | 2% |
| | 100% | 100% |
| International | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Lease receivables | | |
| Acceptable | 100% | 100% |
| OAEM | 0% | 0% |
| Substandard/doubtful | 0% | 0% |
| | 100% | 100% |
| Total loans | | |
| Acceptable | 98% | 98% |
| OAEM | 1% | 1% |
| Substandard/doubtful | 1% | 1% |
| | 100% | 100% |

Accrued interest receivable on loans of \$28,816,042 and \$31,273,554 at March 31, 2026, and December 31, 2025, have been excluded from the amortized cost of loans and reported separately in the consolidated balance sheet. The Association did not write off any accrued interest receivable during the three months ended March 31, 2026, and 2025.

The following table reflects nonperforming assets, which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned and related credit quality statistics:

| | March 31, 2026 | December 31, 2025 |
|--|---------------------------|----------------------|
| Nonaccrual loans: | | |
| Real estate mortgage | \$ 3,768,274 | \$ 3,621,442 |
| Production and intermediate-term | 556,205 | 590,772 |
| Rural residential real estate | 296,721 | 299,470 |
| Total nonaccrual loans | <u>4,621,200</u> | <u>4,511,684</u> |
| Accruing loans 90 days or more past due: | | |
| Real estate mortgage | - | 313,144 |
| Production and intermediate-term | - | 25,109 |
| Total accruing loans 90 days or more past due | <u>-</u> | <u>338,253</u> |
| Other property owned | 299,080 | 299,080 |
| Total nonperforming assets | \$ 4,920,280 | \$ 5,149,017 |
| Nonaccrual loans as a percentage of total loans | 0.1% | 0.1% |
| Nonperforming assets as a percentage of total loans and other property owned | 0.1% | 0.2% |
| Nonperforming assets as a percentage of capital | 0.9% | 1.0% |

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

| | March 31, 2026 | | | Interest Income Recognized |
|----------------------------------|----------------------------------|-------------------------------------|---------------------|--|
| | Amortized Cost with Allowance | Amortized Cost without Allowance | Total | For the Three Months Ended March 31, 2026 |
| Nonaccrual loans: | | | | |
| Real estate mortgage | \$ 113,738 | \$ 3,654,536 | \$ 3,768,274 | \$ 63,515 |
| Production and intermediate-term | 217,180 | 339,025 | 556,205 | 9,137 |
| Rural residential real estate | - | 296,721 | 296,721 | 1,375 |
| Total nonaccrual loans | <u>\$ 330,918</u> | <u>\$ 4,290,282</u> | <u>\$ 4,621,200</u> | <u>\$ 74,027</u> |
| | | | | |
| | December 31, 2025 | | | Interest Income Recognized |
| | Amortized Cost with Allowance | Amortized Cost without Allowance | Total | For the Three Months Ended March 31, 2025 |
| Nonaccrual loans: | | | | |
| Real estate mortgage | \$ 72,263 | \$ 3,549,179 | \$ 3,621,443 | \$ 15,196 |
| Production and intermediate-term | 218,500 | 372,272 | 590,772 | 14,596 |
| Rural residential real estate | - | 299,470 | 299,470 | 2,493 |
| Total nonaccrual loans | <u>\$ 290,763</u> | <u>\$ 4,220,921</u> | <u>\$ 4,511,685</u> | <u>\$ 32,285</u> |

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

| | 30-89 Days Past Due | 90 Days or More Past Due | Total Past Due | Not Past Due or Less Than 30 Days Past Due | Total Loans | Recorded Investment >90 Days and Accruing |
|----------------------------------|---------------------------|--------------------------------|----------------------|--|------------------|--|
| March 31, 2026 | | | | | | |
| Real estate mortgage | \$ 14,878,786 | \$ 2,879,131 | \$ 17,757,917 | \$ 2,554,799,104 | \$ 2,572,557,021 | \$ - |
| Production and intermediate-term | 437,840 | 477,654 | 915,494 | 391,250,321 | 392,165,815 | - |
| Loans to cooperatives | - | - | - | 15,041,422 | 15,041,422 | - |
| Processing and marketing | 3,022,018 | - | 3,022,018 | 225,373,365 | 228,395,383 | - |
| Farm-related business | 3,030,154 | - | 3,030,154 | 50,536,463 | 53,566,617 | - |
| Communication | - | - | - | 35,686,047 | 35,686,047 | - |
| Energy | - | - | - | 33,394,710 | 33,394,710 | - |
| Water and wastewater | - | - | - | 7,094,449 | 7,094,449 | - |
| Rural residential real estate | 24,619 | - | 24,619 | 14,495,511 | 14,520,130 | - |
| International | - | - | - | 15,139,182 | 15,139,182 | - |
| Lease receivables | - | - | - | 739,367 | 739,367 | - |
| Total | \$ 21,393,417 | \$ 3,356,785 | \$ 24,750,202 | \$ 3,343,549,941 | \$ 3,368,300,143 | \$ - |

| | 30-89 Days Past Due | 90 Days or More Past Due | Total Past Due | Not Past Due or Less Than 30 Days Past Due | Total Loans | Recorded Investment >90 Days and Accruing |
|----------------------------------|---------------------------|--------------------------------|----------------------|--|------------------|--|
| December 31, 2025 | | | | | | |
| Real estate mortgage | \$ 10,266,327 | \$ 2,902,312 | \$ 13,168,639 | \$ 2,538,613,734 | \$ 2,551,782,373 | \$ 313,144 |
| Production and intermediate-term | 1,372,744 | 314,624 | 1,687,368 | 383,881,699 | 385,569,067 | 25,109 |
| Loans to cooperatives | - | - | - | 10,560,229 | 10,560,229 | - |
| Processing and marketing | - | - | - | 234,193,397 | 234,193,397 | - |
| Farm-related business | - | - | - | 51,576,696 | 51,576,696 | - |
| Communication | - | - | - | 35,516,774 | 35,516,774 | - |
| Energy | - | - | - | 33,902,712 | 33,902,712 | - |
| Water and wastewater | - | - | - | 7,443,787 | 7,443,787 | - |
| Rural residential real estate | 341,811 | - | 341,811 | 14,348,335 | 14,690,146 | - |
| International | - | - | - | 15,127,258 | 15,127,258 | - |
| Lease receivables | - | - | - | 770,256 | 770,256 | - |
| Total | \$ 11,980,882 | \$ 3,216,936 | \$ 15,197,818 | \$ 3,325,934,877 | \$ 3,341,132,695 | \$ 338,253 |

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the sale of the collateral. The collateral dependent loans are primarily real estate mortgage and rural residential real estate loans.

Loan Modifications to Borrowers Experiencing Financial Difficulties

There were no loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2026. The Association had no loan modifications to borrowers experiencing financial difficulty during 2025 that have an active status or amortized cost greater than zero.

There was no accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2026, and 2025, respectively.

There were no loans to borrowers experiencing financial difficulties that subsequently defaulted and that received a modification in the twelve months before default during the three months ended March 31, 2026, and 2025, respectively.

The following table sets forth an aging analysis at March 31, 2026, of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2026, and 2025, respectively:

| | Three Months Ended March 31, 2026 | | |
|----------------------------------|---|---------------------|--------------------------|
| | Payment Status of Loans Modified in the Past 12 Months* | | |
| | Current | 30-89 Days Past Due | 90 Days or More Past Due |
| Production and intermediate-term | \$ - | \$ - | \$ 477,654 |
| Total | \$ - | \$ - | \$ 477,654 |

*Excludes loans that were modified during the period but paid off or sold as of the end of the reporting period.

Three Months Ended March 31, 2025
Payment Status of Loans Modified in the Past 12 Months*

| | Current | 30-89 Days Past Due | 90 Days or More Past Due |
|--------------|------------|---------------------|--------------------------|
| Agribusiness | \$ 339,727 | \$ - | \$ - |
| Total | \$ 339,727 | \$ - | \$ - |

*Excludes loans that were modified during the period but paid off or sold as of the end of the reporting period.

There were no additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026.

Allowance for Credit Losses

The credit risk rating methodology is a key component of the Association's allowance for credit losses evaluation and is generally incorporated into the Association's loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the Association to manage credit exposure. The regulatory limit to a single borrower or lessee is 15 percent of the Association's lending and leasing limit base but the Association's Boards of Directors have generally established more restrictive lending limits.

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

| | Real Estate Mortgage | Production and Intermediate-Term | Agribusiness | Communications | Energy | Water and wastewater | Rural Residential Real Estate | International | Lease Receivables | Total |
|---|-------------------------|-------------------------------------|--------------|----------------|-----------|-------------------------|-------------------------------------|---------------|----------------------|--------------|
| Allowance for credit losses on loans: | | | | | | | | | | |
| Balance at December 31, 2025 | \$ 4,533,798 | \$ 283,859 | \$ 1,669,477 | \$ 64,307 | \$ 15,869 | \$ 17,213 | \$ 43,029 | \$ 9,851 | \$ 103 | \$ 6,637,506 |
| Charge-offs | (13,279) | (465) | - | - | - | - | - | - | - | (13,744) |
| Recoveries | - | - | 92 | - | - | - | - | - | - | 92 |
| Provision for (reversal of) credit losses on loans | 249,684 | 128,418 | (46,836) | 25,121 | (474) | (1,600) | (3,518) | (1,010) | (31) | 349,754 |
| Balance at March 31, 2026 | \$ 4,770,203 | \$ 411,812 | \$ 1,622,733 | \$ 89,428 | \$ 15,395 | \$ 15,613 | \$ 39,511 | \$ 8,841 | \$ 72 | \$ 6,973,608 |
| Allowance for credit losses on unfunded commitments: | | | | | | | | | | |
| Balance at December 31, 2025 | \$ 139,244 | \$ 45,375 | \$ 137,246 | \$ 259 | \$ 226 | \$ 1,065 | \$ - | \$ 1,048 | \$ - | \$ 324,463 |
| (Reversal of) provision for credit losses on unfunded commitments | 8,267 | (4,720) | (31,630) | 11,256 | (66) | (170) | - | (98) | - | (17,161) |
| Balance at March 31, 2026 | \$ 147,511 | \$ 40,655 | \$ 105,616 | \$ 11,515 | \$ 160 | \$ 895 | \$ - | \$ 950 | \$ - | \$ 307,302 |
| Total allowance for credit losses: | \$ 4,917,714 | \$ 452,467 | \$ 1,728,349 | \$ 100,943 | \$ 15,555 | \$ 16,508 | \$ 39,511 | \$ 9,791 | \$ 72 | \$ 7,280,910 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Allowance for credit losses on loans: | | | | | | | | | | |
| Balance at December 31, 2024 | \$ 4,829,360 | \$ 306,224 | \$ 930,090 | \$ 71,891 | \$ 21,492 | \$ 9,415 | \$ 27,811 | \$ 9,797 | \$ 175 | \$ 6,206,255 |
| Recoveries | - | - | 200 | - | - | - | - | - | - | 200 |
| (Reversal of) provision for credit losses on loans | (205,167) | (65,784) | (52,239) | (5,155) | 11,200 | (124) | (1,225) | (895) | (33) | (319,422) |
| Balance at March 31, 2025 | \$ 4,624,193 | \$ 240,440 | \$ 878,051 | \$ 66,736 | \$ 32,692 | \$ 9,291 | \$ 26,586 | \$ 8,902 | \$ 142 | \$ 5,887,033 |
| Allowance for credit losses on unfunded commitments: | | | | | | | | | | |
| Balance at December 31, 2024 | \$ 73,752 | \$ 49,104 | \$ 121,740 | \$ 3,227 | \$ 992 | \$ 2,667 | \$ - | \$ 6,053 | \$ - | \$ 257,535 |
| (Reversal of) provision for credit losses on unfunded commitments | (1,149) | (7,200) | (36,663) | (2,960) | (663) | (844) | - | (1,268) | - | (50,747) |
| Balance at March 31, 2025 | \$ 72,603 | \$ 41,904 | \$ 85,077 | \$ 267 | \$ 329 | \$ 1,823 | \$ - | \$ 4,785 | \$ - | \$ 206,788 |
| Total allowance for credit losses: | \$ 4,696,796 | \$ 282,344 | \$ 963,128 | \$ 67,003 | \$ 33,021 | \$ 11,114 | \$ 26,586 | \$ 13,687 | \$ 142 | \$ 6,093,821 |

Discussion of Changes in Allowance for Credit Losses

The ACL increased \$318,941 to \$7,280,910 at March 31, 2026, as compared to \$6,961,969 at December 31, 2025. This is primarily due to an increase in general reserve and unfunded commitments as a result of the adoption of a more punitive probability of default (PD) curve. The PD curve is updated on an annual basis to incorporate changes in internal default trends.

The Association's macroeconomic forecasts include a weighted average selection of a third-party vendor's economic scenarios over a reasonable and supportable forecast period of two years. The economic scenarios utilized in the March 31, 2026, estimate for the allowance for credit losses were based on the following: a baseline scenario, which represents a relatively stable economic environment; a downside scenario reflecting an economic recession during the forecast period; and an upside scenario that considers the potential for economic improvement relative to the baseline scenario. The economic forecast incorporates macroeconomic variables, including the U.S. unemployment rate, Dow Jones Total Stock Market Index and U.S. corporate bond spreads.

NOTE 3 —LEASES:

The components of lease expense were as follows:

| Classification | For the Three Months Ended | |
|-----------------------|-----------------------------------|-----------------------|
| | March 31, 2026 | March 31, 2025 |
| Operating lease cost | \$ 424,661 | \$ 421,648 |
| Net lease cost | \$ 424,661 | \$ 421,648 |

Other information related to leases was as follows:

| | For the Three Months Ended | |
|---|-----------------------------------|-----------------------|
| | March 31, 2026 | March 31, 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | \$ 411,429 | \$ 310,357 |

Lease term and discount rate are as follows:

| | March 31, 2026 | December 31, 2025 |
|--|-----------------------|--------------------------|
| Weighted average remaining lease term in years | | |
| Operating leases | 8.3 | 8.4 |
| Weighted average discount rate | | |
| Operating leases | 3.9% | 3.9% |

Future minimum lease payments under non-cancellable leases as of March 31, 2026, were as follows:

| | Operating Leases |
|----------------------|-----------------------------|
| 2026 | 1,074,749 |
| 2027 | 1,346,317 |
| 2028 | 1,329,896 |
| 2029 | 1,226,765 |
| 2030 | 1,263,593 |
| Thereafter | 5,322,922 |
| Total lease payments | \$ 11,564,242 |

NOTE 4 — CAPITAL:

The Association's Board of Directors has established a Capital Adequacy Plan (Plan) that includes the capital targets that are necessary to achieve the Association's capital adequacy goals as well as the minimum permanent capital standards. The Plan monitors projected dividends, equity retirements and other actions that may decrease the Association's permanent capital. In addition to factors that must be considered in meeting the minimum standards, the Board of Directors also monitors the following factors: capability of management; quality of operating policies, procedures and internal controls; quality and quantity of earnings; asset quality and the adequacy of the allowance for losses to absorb potential loss within the loan and lease portfolios; sufficiency of liquid funds; needs of an Association's customer base; and any other risk-oriented activities, such as funding and interest rate risk, potential obligations under joint and several liability, contingent and off-balance-sheet liabilities or other conditions warranting additional capital. At least quarterly, management reviews the Association's goals and objectives with the Board.

Regulatory Capitalization Requirements

| <u>Risk-adjusted:</u> | Regulatory Minimums with Buffer | As of March 31, 2026 |
|----------------------------|--|---------------------------------|
| Common equity tier 1 ratio | 7.00% | 13.54% |
| Tier 1 capital ratio | 8.50% | 13.54% |
| Total capital ratio | 10.50% | 13.74% |
| Permanent capital ratio | 7.00% | 13.56% |
| <u>Non-risk-adjusted:</u> | | |
| Tier 1 leverage ratio | 5.00% | 13.26% |
| UREE leverage ratio | 1.50% | 13.08% |

Risk-adjusted assets have been defined by 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. The primary changes that generally have the impact of increasing risk-adjusted assets (decreasing risk-based regulatory capital ratios) were as follows:

- Inclusion of off-balance-sheet commitments less than 14 months.
- Increased risk-weighting of most loans 90 days past due or in nonaccrual status.

Risk-adjusted assets is 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 deduction of the allowance for credit losses from risk-adjusted assets for the permanent capital ratio.

The ratios are based on a three-month average daily balance in accordance with FCA regulations and are calculated as follows:

- Common equity tier 1 ratio is statutory minimum purchased borrower stock, other required borrower stock held for a minimum of 7 years, allocated equities held for a minimum of 7 years or not subject to revolvment, unallocated retained earnings, 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 capital is tier 1 capital plus other required borrower 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, and reserve for credit losses under certain limitations less certain investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- Permanent capital ratio (PCR) is all at-risk borrower stock, any allocated excess stock, unallocated retained earnings, paid-in capital, subordinated debt and preferred 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.
- UREE leverage ratio is unallocated retained earnings, paid-in capital, allocated surplus not subject to revolvment 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 minimum regulatory requirements, including the capital conservation and leverage buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary bonus payments to senior officers are restricted or prohibited without prior FCA approval.

The details for the amounts used in the calculation of the regulatory capital ratios as of March 31, 2026:

| | Common equity tier 1 ratio | Tier 1 capital ratio | Total capital ratio | Permanent capital ratio |
|--|----------------------------------|-------------------------|-------------------------|----------------------------|
| Numerator: | | | | |
| Unallocated retained earnings | \$ 326,946,017 | \$ 326,946,017 | \$ 326,946,017 | \$ 326,946,017 |
| Paid-in capital | 123,813,880 | 123,813,880 | 123,813,880 | 123,813,880 |
| Common Cooperative Equities: | | | | |
| Statutory minimum purchased borrower stock | 6,357,629 | 6,357,629 | 6,357,629 | 6,357,629 |
| Nonqualified allocated equities not subject to revolvement | 65,733,966 | 65,733,966 | 65,733,966 | 65,733,966 |
| Allowance for credit losses subject to certain limitations | - | - | 6,953,877 | - |
| Regulatory Adjustments and Deductions: | | | | |
| Amount of allocated investments in other System institutions | (71,376,041) | (71,376,041) | (71,376,041) | (71,376,041) |
| | <u>\$ 451,475,451</u> | <u>\$ 451,475,451</u> | <u>\$ 458,429,328</u> | <u>\$ 451,475,451</u> |
| Denominator: | | | | |
| Risk-adjusted assets excluding allowance | \$3,406,846,489 | \$ 3,406,846,489 | \$ 3,406,846,489 | \$ 3,406,846,489 |
| Regulatory Adjustments and Deductions: | | | | |
| Regulatory deductions included in total capital | (71,376,041) | (71,376,041) | (71,376,041) | (71,376,041) |
| Allowance for credit losses on loans | - | - | - | (6,629,604) |
| | <u>\$3,335,470,448</u> | <u>\$ 3,335,470,448</u> | <u>\$ 3,335,470,448</u> | <u>\$ 3,328,840,844</u> |

| | Tier 1 leverage ratio | UREE leverage ratio |
|--|--------------------------|-------------------------|
| Numerator: | | |
| Unallocated retained earnings | \$ 326,946,017 | \$ 326,946,017 |
| Paid-in capital | 123,813,880 | 123,813,880 |
| Common Cooperative Equities: | | |
| Statutory minimum purchased borrower stock | 6,357,629 | - |
| Nonqualified allocated equities not subject to revolvement | 65,733,966 | 65,733,966 |
| Amount of allocated investments in other System institutions | (71,376,041) | (71,376,041) |
| | <u>\$ 451,475,451</u> | <u>\$ 445,117,822</u> |
| Denominator: | | |
| Total Average Assets | 3,475,716,368 | 3,475,716,368 |
| Regulatory Adjustments and Deductions: | | |
| Regulatory deductions included in tier 1 capital | (72,149,564) | (72,149,564) |
| | <u>\$ 3,403,566,804</u> | <u>\$ 3,403,566,804</u> |

| | March 31, 2026 | December 31, 2025 |
|--|-----------------------|-----------------------|
| Capital stock and participation certificates | \$ 6,377,555 | \$ 6,360,235 |
| Additional paid-in capital | 123,813,880 | 123,813,880 |
| Retained earnings | 402,322,736 | 384,721,349 |
| Accumulated other comprehensive income | 443,835 | 450,465 |
| Total capital | <u>\$ 532,958,006</u> | <u>\$ 515,345,929</u> |

The Association's accumulated other comprehensive income relates entirely to its nonpension other postretirement benefits. The following table summarizes the change in accumulated other comprehensive income for the three months ended March 31, 2026:

| | 2026 | 2025 |
|---|-------------------|--------------------|
| Accumulated other comprehensive income (loss) at January 1 | \$ 450,465 | \$(277,778) |
| Amortization of prior service credits included in salaries and employee benefits | (6,630) | (6,630) |
| Other comprehensive loss | (6,630) | (6,630) |
| Accumulated other comprehensive income (loss) at March 31 | <u>\$ 443,835</u> | <u>\$(284,408)</u> |

NOTE 5 — INCOME TAXES:

AgTrust, ACA conducts its business activities through two wholly owned subsidiaries. Long-term mortgage lending activities are conducted through a wholly owned FLCA subsidiary which is exempt from federal and state income tax. Short- and intermediate-term lending activities are conducted through a wholly owned PCA subsidiary. The PCA subsidiary and the ACA holding company are subject to income tax. AgTrust, ACA operates as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, under specified conditions, AgTrust, ACA can exclude from taxable income amounts distributed as qualified patronage in the form of cash, stock or allocated retained earnings. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage. Deferred taxes are recorded at the tax effect of all temporary differences based on the assumption that such temporary differences are retained by the institution and will therefore impact future tax payments. A valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (more than 50 percent probability), based on management's estimate, that they will not be realized.

As of March 31, 2026, the deferred income tax valuation allowance was \$11,435,450.

NOTE 6 — FAIR VALUE MEASUREMENTS:

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 14 in the 2025 Annual Report to Stockholders for a more complete description.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

| <u>March 31, 2026</u> | <u>Fair Value Measurement Using</u> | | | <u>Total Fair Value</u> |
|--|-------------------------------------|----------------|----------------|-------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Assets: | | | | |
| Assets held in non-qualified benefits trusts | <u>\$ 1,601,530</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,601,530</u> |
| Total assets | <u>\$ 1,601,530</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,601,530</u> |
| December 31, 2025 | | | | |
| | | | | |
| Assets: | | | | |
| Assets held in non-qualified benefits trusts | <u>\$ 1,456,317</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,456,317</u> |
| Total assets | <u>\$ 1,456,317</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,456,317</u> |

Assets and liabilities measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized below:

| <u>March 31, 2026</u> | <u>Fair Value Measurement Using</u> | | | <u>Total Fair Value</u> |
|-----------------------|-------------------------------------|----------------|-------------------|-------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Assets: | | | | |
| Loans | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 303,860</u> | <u>\$ 303,860</u> |
| Other property owned | <u>-</u> | <u>-</u> | <u>299,080</u> | <u>299,080</u> |
| December 31, 2025 | | | | |
| | | | | |
| Assets: | | | | |
| Loans | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 264,898</u> | <u>\$ 264,898</u> |
| Other property owned | <u>-</u> | <u>-</u> | <u>299,080</u> | <u>299,080</u> |

Valuation Techniques

As more fully discussed in Note 2 to the 2025 Annual Report to Stockholders, authoritative guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a summary of the valuation techniques used for the Association's assets and liabilities. For a more complete description, see the 2025 Annual Report to Stockholders.

Assets Held in Nonqualified Benefits Trusts

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

Standby Letters of Credit

The fair value of standby letters of credit approximates the fees currently charged for similar agreements or the estimated cost to terminate or otherwise settle similar obligations.

Loans Evaluated for Impairment

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

Other Property Owned

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

NOTE 7 — EMPLOYEE BENEFIT PLANS:

The following table summarizes the components of net periodic benefit costs for other postretirement benefit costs for the three months ended March 31, 2026:

| | Other Benefits | |
|---------------------------------------|-----------------------|-------------------|
| | 2026 | 2025 |
| Service cost | \$ 20,179 | \$ 23,868 |
| Interest cost | 81,704 | 85,550 |
| Amortization of prior service credits | (6,630) | (6,630) |
| Net periodic benefit cost | <u>\$ 95,253</u> | <u>\$ 102,788</u> |

The Association's liability for the unfunded accumulated obligation for these benefits at March 31, 2026, was \$5,987,773 and is included in other liabilities on the balance sheet.

The components of net periodic benefit cost other than the service cost component are included in the line item "other components of net periodic postretirement benefit cost" in the income statement.

The structure of the district's defined benefit pension plan is characterized as multiemployer since the assets, liabilities and cost of the plan are not segregated or separately accounted for by participating employers (Bank and Associations). The Association recognizes its amortized annual contributions to the plan as an expense. As of March 31, 2026, \$461,384 of contributions have been made. As of March 31, 2026, the Association has expensed and recognized \$115,346.

NOTE 8 — COMMITMENTS AND CONTINGENT LIABILITIES:

The Association is involved in various legal proceedings in the normal course of business. In the opinion of legal counsel and management, there are no legal proceedings at this time that are likely to materially affect the Association.

NOTE 9 — SUBSEQUENT EVENTS:

The Association has evaluated subsequent events through May 8, 2026, which is the date the financial statements were issued. There are no other significant events requiring disclosure as of May 8, 2026.