25/26 ANNUAL REPORT



AGRICULTURE FINANCIAL
SERVICES CORPORATION

AFSC



At AFSC, we work with producers and industry to grow and sustain agriculture in Alberta.

It starts with **our people, our foundation**—and continues with **our clients, our focus**.

We are determined to **pursue excellence** that supports the success of industry and producers.

We will be here this growing season and for growing seasons to come.

AFSC

TABLE OF CONTENTS

Letter of Transmittal	5
Message from the Minister of Agriculture and Irrigation	6
Message from the Board Chair	7
Who We Are	8
Fulfilling Our Purpose	11
Finding the Way Forward	12
Building Growing Businesses Together	14
Strengthening Communities Together	16
Empowering Our Team	20
Our Work at a Glance	22
Income Stabilization	24
Insurance	27
Lending	35
Whistleblower Protection Program	37
Financials at a Glance	38
Management's Responsibility for Financial Reporting	41
Financial Statements	44
Independent Auditor's Report	45

Land Acknowledgment

As we commit to advancing reconciliation, we acknowledge that AFSC is located on the traditional territories and gathering places of many First Nations, as well as the Métis and Inuit whose footsteps have marked these lands for generations and whose presence continues to enrich our communities.

We express gratitude and respect for the land we live and work on and commit to advancing reconciliation. In the spirit of learning, we encourage our team members and producers to take time to find out whose traditional territories you are on.

LETTER OF TRANSMITTAL

May 30, 2026

The Honourable RJ Sigurdson
Minister of Agriculture and Irrigation
131 Legislature Building
10800 97 Avenue
Edmonton, Alberta T5K 2B6

Dear Minister Sigurdson:

On behalf of the Board of Directors, we are pleased to submit the 2025-26 annual report of Agriculture Financial Services Corporation (AFSC).

As required by Section 15 of the *Agriculture Financial Services Act (RSA 2000, c.A-12)*, the report contains a summary of the transactions and affairs of the Corporation, its revenues and expenditures for the fiscal year ended March 31, 2026.

The report also contains audited financial statements, comprising the statement of financial position, statement of operations, statement of cash flows, and notes to the financial statements.

Yours truly,

[Original signed by Kelly Smith-Fraser]

Chair of the Board of Directors

[Original signed by Darryl Kay]

Chief Executive Officer

MESSAGE FROM THE MINISTER OF AGRICULTURE AND IRRIGATION



Alberta is an agriculture province and the industry is essential to our culture and economy. Our agriculture and agri-food sectors thrive because of the hard work and dedication of producers across the province. Thousands of proud, passionate and hardworking Albertans work in ag, contributing to food security at home and around the globe.

While the ag sector continues to grow, working in it comes with significant challenges. Producers face risks such as drought, extreme weather, market fluctuations and supply chain disruptions. To help manage these challenges, Alberta's government continues to invest in Agriculture Financial Services Corporation (AFSC), supporting the sustainability of the industry through risk management.

AgriInsurance and AgriStability play an important role in helping producers manage risks that can threaten their operations and livelihoods. In 2025-2026, AFSC insured more than 18 million acres of annual crops and 11 million acres of perennial crops. That same period, AgriStability enrolment made up more than two-thirds of Alberta's farm cash receipts.

Beyond risk management, AFSC also supports producers and agribusinesses in their work to establish or expand operations. In 2025-2026, AFSC approved $673 million in loans through 1,535 loan transactions, helping Alberta's producers and agribusinesses succeed and thrive.

Some of these included loans granted through the Next Generation Loan Program, which provides new and returning farmers with low-interest capital to help them establish their operations. We will continue working to reduce barriers for new entrants to the ag industry and support future generations of producers on their path to success.

Meanwhile, our government continues to advocate for enhancements to business risk management programs to make them more responsive, equitable and timely. We know the work is never over and we are committed to engaging with producers to understand how to best meet their needs.

We are thankful for our province's producers and admire their strength and resiliency. We will continue to work with other provinces, the federal government and industry partners to advance our agricultural interests and ensure Alberta's producers can keep feeding the world.

Honourable RJ Sigurdson
Minister of Agriculture and Irrigation

MESSAGE FROM THE BOARD CHAIR



As we reflect on the past year, Alberta's agriculture sector has continued to demonstrate resilience and adaptability in the face of evolving challenges and opportunities. From market volatility and tariffs to unpredictable weather and shifting global demand, producers have navigated a complex and changing landscape with determination and innovation.

Through it all, AFSC has remained firmly focused on its core purpose—growing and sustaining Alberta's agriculture industry. With a commitment to continuous improvement fueling innovation, curiosity and problem-solving, we continue to adapt and strengthen our programs to meet the evolving needs of producers while ensuring we are easy to do business with.

At the heart of this work are our people. Guided by deep sector knowledge and strong connections to the communities we serve, our team delivers reliable support and practical solutions across the province. Their experience and dedication help clients navigate uncertainty and move forward with confidence.

Supporting our people has also remained a key priority. Over the past year, AFSC has continued to strengthen its workplace culture by advancing our people promise and reinforcing the values that shape how we work together and serve our clients.

We are committed to creating an environment where team members feel supported, included and empowered to do their best work. By fostering open communication, investing in development and encouraging collaboration, we are building a culture that strengthens both our organization and the support we provide.

This strong foundation positions us well to support an industry that remains central to Alberta's identity. Agriculture continues to underpin our economy and connect communities across the province. While conditions will continue to shift, the resilience of Alberta's producers remains a constant—their ability to adapt and seize new opportunities continues to move the industry forward.

I would like to extend my sincere appreciation to the entire AFSC team, including our executive leadership, for their ongoing dedication to the clients and industry we serve. Our success is built on the strength of our relationships, and it is inspiring to see our people consistently step forward to support producers with commitment and care.

I also thank my fellow Board members for their insight, experience and continued commitment to AFSC's purpose. While the year ahead will bring both challenges and opportunities, we remain confident in the future of agriculture in Alberta and steadfast in our role—supporting producers every step of the way.

Kelly Smith-Fraser
Chair, Agriculture Financial Services Corporation Board of Directors



WHO WE ARE

Agriculture Financial Services Corporation (AFSC) is a provincial Crown corporation that works with producers to develop risk management plans that fit their operations, providing Alberta's farmers and agribusinesses with annual, perennial and hail insurance; farm and agribusiness loans; livestock price insurance; and farm income stabilization options.

With team members across Alberta, AFSC serves over 22,000 clients across all product lines and delivers insurance products that cover approximately 29 million acres in Alberta, covering approximately $8.2 billion in crops and pasture. Further, AFSC supports clients by offering lending products, with a portfolio exceeding $3 billion.

AFSC's sole focus on agriculture allows for an in-depth understanding of clients, their challenges, and solutions for their operations.

This focus, strongly supported by the pursuit of operational excellence, positions us as an organization that wants to be easy to do business with—and an organization whose teams are dedicated to improving their experiences with one another and with our clients.

> Great services that have been essential to our farm for 35 years. Thank you!
>
> AFSC Client

Board of Directors

The AFSC Board of Directors provides leadership and direction to our organization, overseeing management and performance.

On March 31, 2026 the Board of Directors consisted of eight board members appointed by the Minister of Agriculture and Irrigation. The board has a variety of skills and experience as professionals, entrepreneurs, primary agricultural producers and agribusiness owners/operators.



Kelly Smith-Fraser, Board Chair



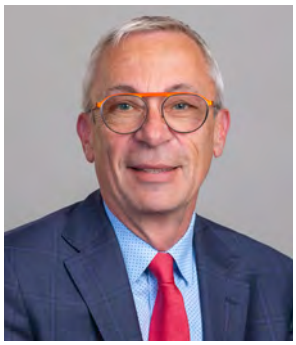
Rodney Bradshaw



Ross Bricker



Ron Greidanus



Andre Harpe



Michael Howden



Chioma Ufodike



Shelley Vandenberg

Executive Leadership Team

As of March 31, 2026 the Executive Leadership Team consisted of six Chief Officers.



Darryl Kay
Chief Executive Officer



Kevin Chanut
Chief Client Officer



Melanie Ducholke
Chief People Officer



Steve Lappin
Chief Financial
& Risk Officer



Scott McDonald
Chief Information
& Digital Officer



Mark Prefontaine
Chief Strategy &
Innovation Officer



FULFILLING OUR PURPOSE



FINDING THE WAY FORWARD TOGETHER

Finding the right path forward in agriculture starts with working together. At AFSC, collaboration helps us stay closely connected to the realities facing Alberta's producers and the broader industry.

By engaging with producers, industry organizations, and stakeholders, we gain valuable insight into evolving needs, emerging risks and new opportunities—insight that guides how we design and deliver our products and programs.

Listening, learning, and collaborating help bring diverse perspectives together to inform innovation and drive practical solutions. This shared approach helps us develop programs that remain relevant, responsive, and rooted in the needs of Alberta's producers.

AgriStability further enhanced for 2025 amid trade and market uncertainty

In response to ongoing trade and market uncertainty, AgriStability was further enhanced for the 2025 program year to provide greater financial protection for Alberta producers. Approved by Canada's agriculture ministers, the changes included an increased payment rate of 90 per cent and a higher maximum benefit of up to $6 million.

These enhancements strengthen the program's capacity to help producers manage income volatility driven by market disruptions, price fluctuations, and rising input costs. The improvements followed the introduction of a streamlined optional reference margin calculation, making participation more accessible while ensuring support remains responsive.

> (AgriStability) keeps you farming for next year. It doesn't make you rich, but it keeps you going – that's our mentality on it. It's a good tool to limit your risk. It just puts a floor on how much risk you're exposed to today.
>
> AFSC Client

Making AgriStability more responsive for livestock producers in 2026

Updates announced for the 2026 program year will make AgriStability more responsive to the needs of livestock producers. One key enhancement is an adjustment to feed inventory pricing, ensuring feed used on-farm is more accurately valued.

This change better reflects livestock production practices and improves how farm margins are captured. Additional enhancements include recognizing rented pasture as an allowable expense, helping better account for the cost of feeding livestock.

Together, these changes are intended to strengthen AgriStability's responsiveness—particularly during challenging conditions such as dry years—and provide more relevant risk-management support for livestock operations.

Pilot project explores how soil organic carbon boosts resilience

In 2025, AFSC launched a pilot project to explore how improving soil organic carbon can reduce production risks and boost drought resilience on farms.

The project is one part of a national initiative focused on best management practices that could influence how crop insurance evolves and is part of the Sustainable Canadian Agricultural Partnership between the federal and provincial government.

This work reaffirms AFSC's commitment to fostering innovation and sustainability. By integrating environmental data into risk assessment, we continue to examine more equitable and precise premium structures that reward sustainable practices.

From a tough crop year to livestock feed gains

In response to poor growing conditions and ongoing dry weather in parts of Alberta, particularly in the Peace region, AFSC adjusted the low yield allowance threshold under crop insurance for the 2025 crop year.

Approved by the governments of Canada and Alberta, the one-time adjustment doubled the low yield threshold for eligible cereal and pulse crops, allowing producers to more easily salvage poor quality crops for livestock feed rather than abandon fields.

This temporary enhancement helped producers make timely decisions during challenging conditions, supported feed availability for livestock operations, and ensured crop insurance coverage remained responsive to on-the-ground realities during the 2025 growing season.

Renewing our commitment to advance smart agriculture with Olds College

In 2025, AFSC renewed our memorandum of understanding with Olds College of Agriculture & Technology, extending a long-standing strategic partnership for the next five years. The agreement reinforces a shared commitment to advancing smart agriculture through applied research, innovation, and technology development.

Through this collaboration, AFSC and Olds College continue to support the development, testing, and demonstration of emerging smart agriculture technologies, with a focus on practical, producer-focused outcomes. Joint initiatives include applied research projects, field trials at the Olds College Smart Farm, and the use of data and analytics to enhance business risk management tools and programs.

The partnership also creates meaningful opportunities for student engagement and skills development, helping prepare the next generation of agriculture professionals.



BUILDING GROWING BUSINESSES TOGETHER

AFSC is guided by a clear purpose: working together to grow and sustain Alberta's agriculture industry. We focus on building trusted, long-term relationships with producers by understanding their needs, reducing complexity, and delivering flexible support that fits the realities of their businesses.

By collaborating across our organization, our entire team aims to make every interaction straightforward, responsive, and centered on what matters most to the clients we serve.

AFSC Connect improvements enhance user experience

AFSC continued to enhance our client platform, AFSC Connect, to give producers greater flexibility, control, and convenience in managing their insurance online.

Guided by client feedback, improvements focused on expanding self-service options, simplifying navigation, and aligning digital tools more closely with the insurance business cycle.

These enhancements allow clients to access information, complete applications, and manage their coverage when it works best for them. Continuing to strengthen AFSC Connect as a reliable, client-focused platform supports producers informed decision-making and reduces reliance on paper-based processes.

Online solutions make AFSC easy to do business with

With a focus on digital innovation, we continued to develop online solutions that provide enhanced access for clients to conduct their business. The number of clients managing their business through AFSC Connect, our client interaction platform, continues to rise, with 68 per cent submitting Land Reports, Harvest Production Reports, and hail and wildlife claims through the platform.

The increased use of AFSC's self-service channels allowed us to process claims more efficiently, getting funds to our clients sooner. With the expansion of our direct deposit functionality across product lines, we issued 39 per cent of insurance and AgriStability payments through direct deposit this year, up from 35 per cent last year, delivering money to our clients faster than ever before.

Supporting producers to do business their way

Farming doesn't follow a clock—and neither should the services producers rely on. Throughout 2025–26, clients connected with our team in the ways that worked best for them, using a range of channels including AFSC Connect, live chat, email, phone, and in-person service.

AFSC team members continued to support their neighbouring branches during peak call volumes from wherever they were located.

> Your team members were extremely knowledgeable and helpful and let me know about opportunities for in the future to secure funding through your company as I grow the farm and expand.
>
> AFSC Client

CLIENTS SATISFIED WITH AFSC'S PRODUCTS AND SERVICES

80%

CLIENTS THAT FIND AFSC EASY TO DO BUSINESS WITH

86%

CLIENTS SATISFIED WITH THE ASSISTANCE THEY RECEIVE FROM AFSC TEAM MEMBERS

93%

CLIENTS SATISFIED WITH AFSC'S ONLINE TRANSACTIONS

83%



STRENGTHENING COMMUNITIES TOGETHER

Strong communities are essential to a strong agriculture sector. AFSC invests where it matters most—supporting people, ideas and initiatives that help rural Alberta thrive today and into the future.

Our community investment efforts are grounded in three strategic pillars:

- Agriculture
- Education, outreach & training
- Community well-being

By supporting established partners and local, grassroots initiatives, AFSC helps strengthen connections across the agriculture community. These investments create opportunities for learning, collaboration and shared understanding, while reinforcing the resilience of Alberta's producers and the rural communities they support.

Celebrating women advancing agriculture in Alberta

In 2026, the International Year of the Woman Farmer, AFSC's Women in Ag Awards continued to elevate the voices, leadership, and impact of women shaping agriculture across Alberta.

From nominations to national stages, the Women in Ag Awards have created space not only to celebrate achievement, but to share stories of innovation, challenge, and growth. They have become a platform to elevate leadership and inspire future generations.

This year, we received 74 nominations, an 80 per cent increase in nominations received from the previous year. Nine award categories represented different strengths within the industry, and award nominees and winners were honoured at The Notables Gala, an evening of celebration, connection, and storytelling.

In addition to AFSC's Women in Ag Award and The Notables, our commitment to elevating women in the agriculture industry extended to our continued support of the Advancing Women in Agriculture West Conference, which included a number of AFSC team members who presented or served as panelists in panel discussions.

Partnering with agricultural societies to build stronger rural communities

Agricultural societies play a vital role in Alberta's rural communities, serving as hubs for connection, leadership development, and community well-being.

Through our partnership with the Alberta Association of Agricultural Societies, AFSC proudly supported the 2025 annual conference, reinforcing the essential role ag societies play in building resilient rural communities and a strong future for agriculture across the province.

We demonstrated our support for agricultural societies in several ways:

- We hosted an Under 45 reception, creating a space for younger members to connect with peers and AFSC team members. This was supported by discounted registration, helping reduce barriers to participation and strengthen the future leadership pipeline within agricultural societies.
- We delivered a breakout session that provided practical insight into sponsorship decision-making and how agricultural societies can strengthen partnerships and improve funding outcomes.
- We hosted a session featuring the Buddy Up program and the Rural Mental Health Network, reinforcing the importance of mental health awareness and early intervention in rural Alberta.
- We supported the launch and expansion of Empowering Minds: The First Identifiers Initiative—a provincewide rural mental health program, delivered through local agricultural societies. This program equips community members to act as "first identifiers" to help recognize early signs of mental health challenges and connect individuals to support before a crisis occurs.

Helping grow the understanding of agriculture in our province

Improving public knowledge and understanding of agriculture is essential to the long-term strength of one of Alberta's most vital industries.

AFSC's partnership with Ag for Life helped support programs that inspire students, educators and families to connect with the people and processes that feed our province. Key initiatives included:

- **Why I Chose Ag Video Series** - A series featuring young professionals sharing their career journeys in agriculture. AFSC nominated emerging team members (under 35), amplifying authentic stories.
- **Ag Career Bingo** - An interactive classroom resource introduced students to diverse careers in agriculture. The game incorporated video clues from the career series, creating an engaging and educational experience.
- **ThinkAg Career Fairs** - AFSC team members engaged directly with students across Alberta, sharing career pathways in lending, insurance, risk management and client services.
- **Harvest Gala | Post-Secondary Student Tables** - AFSC sponsored and hosted post-secondary students at the annual gala, connecting them with AFSC leaders for mentorship and networking.
- **Classroom Agriculture Program** - AFSC team members also volunteered through Ag for Life's Classroom Agriculture Program, visiting classrooms throughout the province to promote the importance of agriculture.

Rooted in the next generation of agriculture

AFSC remains committed to helping the next generation of agricultural leaders thrive. From hands-on learning to mentorship, our investments supported young people in building their skills, confidence, and networks.

- **Bridging the Gap: Farm Transition Workshops** - AFSC hosted three events in three Alberta locations, attended by approximately 443 participants. These workshops provided practical tools that help facilitate important and often challenging conversations about succession planning.
- **4-H Ag Next Gen Tour** - AFSC partnered on the 4-H Ag Next Gen Tour, hosting five branch stops across Alberta and connecting senior members with producers, agribusinesses and AFSC programs — reinforcing career awareness and agricultural leadership development.
- **4-H Alberta Grassroots Fund** - Our 4-H Alberta Grassroot Fund allowed us to connect with 4-H members in local communities in ways that clubs find meaningful by funding activities, programs, events or initiatives that aligned with our community investment pillars.
- **Ongoing support for 4-H Alberta** - AFSC continues to support 4-H Alberta as a Gold Clover sponsor, helping to support the next generation of agriculture through the development of life-long skills in cooperation, leadership, critical thinking, decision-making, public speaking, and community service. Alongside provincial post-secondary scholarships, we support key programs such as Multi-Species Judging, Senior Symposium, Beef Heifer Show, and Cleaver Kids.
- **Outstanding Young Farmers** - AFSC continued as a Platinum sponsor of the Outstanding Young Farmers of Alberta Regional Awards, a program recognizing agricultural leaders aged 18–39 who demonstrate excellence in farm management, innovation, sustainability and community leadership.
- **Young Agrarians Business Bootcamp** - AFSC supported the Young Agrarians Central Alberta Mixer, an event that brought new farmers together to support entrepreneurship, business planning and peer connection. In addition, we supported the Business Bootcamp for New Farmers, an 11-week online program that helps participants develop comprehensive farm business plans and strengthen financial readiness.

> As someone who is going through farm transition with their own family, the Bridging the Gap event is so valuable. Building relationships with clients and having conversations with them as though we are two producers really helped them to see AFSC is here to support them.
>
> AFSC Team Member

Supporting mental health and community well-being

AFSC's role in rural Alberta extends beyond business—it includes supporting the health and well-being of the people who sustain the agriculture industry.

- **Do More Agriculture Foundation** – Through our partnership with the Do More Agriculture Foundation, we supported three key mental health events across Alberta that focused on embedding mental wellness into agricultural programming, supporting producers, families and rural communities across the province.
- **Canadian Agricultural Safety Association** – As a BeGrainSafe Week sponsor, we supported ongoing farm safety education, raising awareness about grain entrapment risks and delivering hands-on safety training to firefighters, producers and farm families.
- **Canadian Foodgrains Bank Projects** – Through sponsorship of 26 community growing projects across Alberta, representing 33 insured sites and 3,602 acres in production, AFSC helped strengthen local food systems and reinforce food security efforts across Alberta.
- **National Farmer Mental Health Alliance** – AFSC contributed to support the training of 10 therapists in Alberta, expanding access to agriculture-informed mental health services.
- **Men's health initiatives** - AFSC provided support to the MAN VAN®, Canada's first mobile men's health clinic offering free PSA testing and mental wellness screening across rural Alberta. In addition, we supported Movember Canada's community-based early intervention programs, with funding directed toward advancing men's mental health initiatives in Alberta.

Community Investment Highlights

4-H ALBERTA GRASSROOTS FUND	
$53,000	INVESTMENT
SUPPORTED 4-H CLUBS	96
5,881	ALBERTA YOUTH SUPPORTED

CANADIAN FOODGRAINS BANK PROJECTS SPONSORSHIP	
REGISTERED PROJECTS	26
33	LOCATIONS
ACRES	3,602
$42,925	IN STRAIGHT HAIL INSURANCE

WOMEN IN AGRICULTURE AWARD	
74	NOMINATIONS
RECIPIENTS AWARDED	9

AFSC TEAM MEMBER SUPPORT	
809	HOURS SPENT BY TEAM MEMBERS ON CHARITABLE PROJECTS



EMPOWERING OUR TEAM

At the heart of AFSC's success is a team of dedicated and talented individuals who drive innovation, foster collaboration, and make meaningful contributions every day to Alberta's producers.

With people as our foundation, we remain focused on empowering our team by investing in professional growth, nurturing a positive and inclusive workplace culture, and supporting overall well-being. Through new initiatives, the development of our people plan, and a culture of support, we are creating an environment where everyone can thrive, grow, and reach their full potential.

Our People Promise

People choose where they work for many reasons—but they stay when they feel valued, supported, and connected to a meaningful purpose. At AFSC, our employee value proposition brings that experience to life. It reflects what makes working here distinctive and why our organization continues to be a place where people can grow, contribute, and succeed.

Grounded in insights from team member focus groups, engagement surveys, and input from our senior leadership team, our value proposition was shaped by the voices and experiences of our people.

We call it *Our People Promise* because it represents a clear and intentional commitment to our team members—a promise of the kind of workplace they can expect at AFSC.

As we continue to enhance the team member experience at AFSC, *Our People Promise* serves as both our foundation and our guide.

> I believe AFSC truly exemplifies our People Promise. In my role, I feel empowered, included, accepted, and trusted—qualities that inspire me to contribute my best every day.
>
> AFSC Team Member

Building a future-ready workforce

Building the skills our team members need for the future starts with understanding where we are today. In 2025-26, we used an industry-standard skills benchmarking tool to assess current capabilities across our workforce. This initiative aligns with our broader goal of proactively developing the skills required for long-term organizational success and supports our digital-first approach.

Through this process, team members completed skills benchmarks focused on the top 10 skills of the future, including data literacy, analytical and critical thinking, and the ability to adapt and embrace change.

Looking ahead, the insights gained from this assessment will guide targeted training and development opportunities, helping ensure our team is well-equipped to grow, evolve, and succeed in an increasingly complex and digital environment.

Enhancing health and safety at AFSC

A strong safety culture depends on systems that are effective, accessible, and easy for everyone to engage with. This year, we enhanced our health and safety management system to improve participation, strengthen awareness, and support our team across the organization.

Key improvements included the implementation of a digital platform that streamlines data collection, strengthens reporting, and improves access to safety information.

In addition, we introduced leader-facilitated quarterly safety meetings to encourage open dialogue, increase awareness, and reinforce shared accountability for workplace safety. A new psychosocial hazard and near-miss reporting form was also launched to improve education and reporting related to hazards that may cause psychological harm.

To support sustained progress, we also developed our 2025-2030 Health and Safety Strategic Plan. This comprehensive plan provides clear direction for strengthening our safety culture and advancing long-term, sustainable health and safety practices across the organization.

Supporting well-being and belonging for our team

AFSC's Culture Committee, employee resource groups, and Diversity, Equity, and Inclusion Council continue to play an important role in shaping a positive, inclusive, and connected workplace.

Together, these groups provide opportunities for professional development, networking, and shared learning that support both individual growth and organizational success.

Over the past year, these teams have strengthened their programs and collaboration, expanding learning opportunities, increasing engagement, and fostering open dialogue and diverse perspectives.



OUR WORK AT A GLANCE

At AFSC, our people are proud to support Alberta farmers. Many of us are farmers too, and we understand the late nights and early mornings spent in the fields and barns throughout the province.

For over 85 years, we've been partners in the agriculture industry, working alongside producers and agribusinesses to build a strong, growing and diverse industry with support through our loan, crop insurance, livestock price insurance and farm income disaster programs.

Our risk management programs are delivered in partnership by the federal and provincial governments through the Sustainable Canadian Agricultural Partnership.

This agreement is Canada's and Alberta's commitment to agriculture, reflecting input from across the sector and focuses on delivering programs that are responsive to the needs of producers.

> AFSC has been a great partner in risk management on my farm.
>
> AFSC Client

Programs at a Glance

Income Stabilization	2024*	2023	2022
Total Claims Processed	5,580	7,185	7,623
Total Payments ($ million)	$134.5	$75.9	$72.7
Per cent Alberta Farm Cash Receipts covered through AgriStability	70%	67%	55%
Insurance	**2025-26**	**2024-25**	**2023-24**
Annual and Perennial			
Total Insured Acres (million)	29.2	28.9	26.3
Total Coverage ($ billion, liability)	$8.2	$9.1	$10.2
Total Premium ($ billion)	$1.3	$1.3	$1.3
Total Indemnities paid to date ($ billion)	$0.8	$1.3	$1.9
Livestock Price Insurance			
Total Policies	951	2,528	1,669
Total Premium ($ million)	$10.1	$33.7	$10.8
Total Liability ($ million)	$423.4	$1,662.1	$522.0
Total Indemnities paid to date ($ million)	$1.4	$0.1	$0.6
Loss to Premium	14%	0.3%	5.9%
Lending	**2025-26**	**2024-25**	**2023-24**
Total Loans Authorized	1,535	1,508	1,369
Total Loan Authorizations ($ million)	$672.6	$587.6	$503.6
Loans Outstanding ($ billion)	$3.3	$3.2	$3.0

*AgriStability results reported on one year delay

** Policies still set to expire at time of publishing.



INCOME STABILIZATION

AgriStability

Producers who participate in the AgriStability program receive compensation and support for their whole farming operation when they experience significant margin declines. These declines can include production shortfalls, falling commodity prices, and/or rising input costs.

Key Program Details

- AgriStability is funded under the Sustainable Canadian Agricultural Partnership agreement.
- The Government of Canada covers 60 per cent of AgriStability claim payments and administrative costs and the Government of Alberta funds the remaining 40 per cent.
- Eligible participants receive compensation when their program margin declines by more than 30 per cent of their support level in a fiscal year.
- The support level is based on the production margins selected from three of the previous five years with the highest and lowest years removed from the average. To participate, eligible applicants must report farming income (including losses) in Canada for income tax purposes.
- Participants must also have a minimum of six months of continuous farming activity, along with the completion of a production cycle. Enrolment is required by April 30 of the program year, and participants must pay an enrolment fee.

The election deadline for the 2025 program year was extended to July 31, 2025, from April 30, 2025, due to increasing trade uncertainties. Temporary program enhancements were also made that included increasing the payment rate to 90 percent, up from 80 percent, and raising the maximum potential benefit payment to $6 million, up from $3 million.

The 2025 program year also added a permanent program feature, allowing participants the option to have their support level based on how they report farm income for tax purposes. Known as the optional reference margin, this feature eliminates the need for participants to report historical accruals and inventories for the calculation of their support level.

2025-26 Program Year Review

Producer tax information is required to process an AgriStability claim, which means reporting under this program is a year behind other programs reported in the 2025-26 AFSC Annual Report. In this year's annual report, the AgriStability information is based on the 2024 production year.

As of March 31, 2026, participants in the 2024 program year had received $134.5 million in benefits, with 81 per cent of claims processed. Of completed claims, 17 per cent of participants received payments, compared to the nine per cent of claims paid in 2023.

In terms of the number of applications received, participation in AgriStability continued to decline slightly this past year. As of March 31, 2026, 6,913 claims were received for the 2024 program, compared to 7,266 claims for the 2023 program year.

Producers who participated in the 2024 AgriStability program year represented 70 per cent of Alberta's farm cash receipts, up from 67 per cent for the 2023 program year. The average support level for producers increased from $608,858 to $609,373 in 2024.

AgriStability Highlights

CLAIMS PROCESSED	
5,580	7,185
2024	2023

AVERAGE SUPPORT LEVEL	
$609,373	$608,858
2024	2023

CLAIMS WITH PAYMENT	
970	651
2024	2023

AVERAGE PAYMENT	
$138,704	$116,564
2024	2023

TOTAL PAYMENT	
$134.5M	$75.9M
2024	2023

AgriInvest

AgriInvest is a matching deposit-based program for producers to access when they face margin declines. The program is simple, responsive, predictable, and bankable. It allows participants to predict government contributions to producer-managed accounts each year. AgriInvest funds, including the government contribution, can be withdrawn at any time with no pre-existing requirements.

Key Program Details

- Under Sustainable Canadian Agricultural Partnership guidelines, federal and provincial governments match each eligible producer's contributions by up to one per cent of their allowable net sales (ANS) to a maximum of $10,000 per year.
- The maximum account balance is limited to 400 per cent of the ANS of the current and prior two program years.
- Producers can open AgriInvest accounts at participating financial institutions.
- Eligible producers have 90 days from the date of notification to make a deposit in AgriInvest accounts.
- The matching government contributions and administrative costs are shared between the federal (60 per cent) and provincial (40 per cent) governments.

2024-25 Results

As of March 31, 2026, 16,694 Alberta producers deposited $66.5 million in AgriInvest accounts for the 2024 program year. The total value of 21,355 account balances with $10 or more in their account is $770.8 million. The average account balance is $36,095.

AgriInvest Highlights

ELIGIBLE PRODUCERS	
21,799	22,230
2024	2023

CONTRIBUTION BY PRODUCERS	
$66.5M	$73.0M
2024	2023

MAXIMUM MATCHABLE DEPOSITS	
$81.6M	$84.7M
2024	2023

CONTRIBUTION BY GOVERNMENTS	
$66.5M	$73.0M
2024	2023

NUMBER OF PRODUCER DEPOSITS	
16,694	17,613
2024	2023



INSURANCE

Annual Crop Insurance

AFSC provides a full suite of business risk management insurance programs for clients to insure their annual crops. There is production-based coverage under Crop Insurance and Honey Insurance, area-based coverage under Silage Greenfeed Insurance Lack of Moisture and Corn Heat Unit Insurance, proxy-based programs under New Crop Insurance Initiative and Silage Greenfeed Barley Proxy, as well as coverage for processing crops contracted under Processing Vegetable Insurance and bee mortality losses under Bee Overwintering Insurance.

Key Program Details

- Crops are insured and clients are compensated in different ways under AFSC's various insurance programs.
- Crop Insurance and Honey Insurance protect clients for production losses when their reported production for a crop is below the client's individual coverage level for the same crop due to a list of designated perils.
- Area-based Silage Greenfeed Lack of Moisture Insurance and Corn Heat Unit Insurance look at events that happen off the farm, such as precipitation and/or heat measured at a specific weather station(s). When the precipitation and/or heat are lower than the long term normal for the weather station(s), the clients are compensated accordingly.
- Proxy-based New Crop Insurance Initiative (NCII) offers coverage on new and non-traditional crops that are not insurable under other insurance programs. NCII compensates clients when the reported production of crops insured by the client under their Crop Insurance program is less than coverage. Silage Greenfeed Barley Proxy Insurance compensates clients when the combined production of feedgrain crops (barley, oats, mixed grain, spring rye, and spring triticale) insured by clients across the province under the Crop Insurance program is below coverage.
- Processing Vegetable Insurance insures processing crops, currently peas and corn, that are contracted to a licensed processor and compensates clients when the crop's production is less than the coverage due to a designated peril, or if the crop is by-passed and not harvested by the processor.
- Bee Overwintering Insurance protects clients against mortality losses for bees overwintered in Alberta in excess of normal losses caused by designated perils specific to this insurance program.

Annual Crop Insurance Highlights

CONTRACTS	
12,360	12,412
2025	2024

ACRES	
18.3M	18.1M
2025	2024

PREMIUM	
$761.2M	$767.3M
2025	2024

LIABILITY	
$7.5B	$8.3B
2025	2024

CONTRACTS WITH INDEMNITY	
4,025	7,007
2025	2024

INDEMNITY	
$345.6M	$831.7M
2025	2024

LOSS/PREMIUM	
45.4%	108.4%
2025	2024

Hail Endorsement Highlights

CONTRACTS	
10,695	10,739
2025	2024

ACRES	
15.7M	15.5M
2025	2024

PREMIUM	
$397.1M	$417.8M
2025	2024

LIABILITY	
$6.7B	$7.3B
2025	2024

CONTRACTS WITH INDEMNITY	
2,149	2,277
2025	2024

INDEMNITY	
$238.1M	$274.4M
2025	2024

LOSS/PREMIUM	
60.0%	65.7%
2025	2024

2025-26 Year in Review

The highest participation for Alberta producers is under the Crop Insurance program, with 12,360 subscriptions and 18.3 million acres insured in 2025. There was a lower claim rate this year, when compared to 2024, with only 33 per cent of clients in a claim situation.

Hail Endorsement

Hail Endorsement provides spot-loss coverage to producers for damage to insurable crops caused by hail, accidental fire, or fire by lightning. Hail Endorsement can be purchased on a crop-by-crop basis along with annual crop insurance policies and insured clients pay less than half of the base township hail rate for the spot-loss coverage. Coverage is limited to the dollar coverage for the crop within the annual crop program.

Key Program Details

- Hail Endorsement is important to Alberta producers as thunderstorms that bring hail are abundant. Each summer, Alberta producers experience a larger quantity, and more severe hail, than all prairie provinces combined.
- Mountains and elevation are the perfect combination to create hail. For hail to form, there needs to be plenty of cold air aloft, not too high off the ground. As Alberta has a higher elevation than other prairie provinces, the freezing layer of moisture is lower to the ground, leading to a greater chance of hail not melting before making it to the ground.

2025-26 Year in Review

In 2025, 75 per cent of producers took Hail Endorsement on their annual crop subscriptions, down from 85 per cent in 2024. The southern part of the province had the highest level of subscriptions at 87 per cent, followed by the central and parkland areas at 77 and 74 per cent, whereas in the Peace region, not having proximity to the Rocky Mountains, had only 47 per cent of producers adding Hail Endorsement coverage to their annual crop programs.



Perennial Crop Insurance Highlights

CONTRACTS	
7,005	7,047
2025	2024

ACRES	
11.0M	10.7M
2025	2024

PREMIUM	
$142.2M	$118.6M
2025	2024

LIABILITY	
$660.2M	$754.9M
2025	2024

CONTRACTS WITH INDEMNITY	
5,926	6,284
2025	2024

INDEMNITY	
$194.3M	$198.1M
2025	2024

LOSS/PREMIUM	
136.6%	167.1%
2025	2024

Perennial Crop Insurance

AFSC perennial crop insurance consists of three programs: Hay Insurance, Moisture Deficiency Insurance, and Export Timothy Hay Insurance. Hay Insurance provides a production guarantee on alfalfa, legume and grass hay. Moisture Deficiency Insurance compensates producers for loss of pasture forage in periods of drought or extreme heat. Export Timothy Hay Insurance provides a production guarantee on timothy hay harvested for export markets.

Key Program Details

- Perennial crop insurance is offered as part of the Sustainable Canadian Agricultural Partnership between the province and the federal government.
- These programs provide:
  - a production guarantee for hay crops based on average historical yields and the coverage option selected; or
  - coverage for pasture based on conditions in the area, determined by an indicator of production loss, such as precipitation. This coverage is not directly related to losses to insured fields.

2025-26 Year in Review

Insured acres for perennial crops grew by two per cent from 2024 to 2025.

The perennial crop year began slowly due to early season dryness, but spring and early-summer rains improved pasture and tame hay growth in many areas. Moisture remained inconsistent across the province, leading to below-average conditions in several northern and eastern regions of the province, while central and southern regions fared better.

By late summer, hotter and drier weather reduced pasture growth again, resulting in a season that was mixed overall, with periodic improvements but persistent moisture-related challenges.

In the 2025 crop year, perennial insurance products covered nearly 11 million acres, with a total liability of $660 million. Producers received just over $194 million in losses, predominantly attributed to drought, resulting in a loss/premium ratio of 137 per cent.

Straight Hail Insurance

Straight Hail Insurance provides producers with spot-loss crop protection from hail damage, accidental fire, and fire by lightning.

Key Program Details

- Anyone with a vested interest in the seeded crop can purchase a policy, whether that's a producer, tenant or crop share landlord.
- Coverage can be purchased from the time the crop emerges and is viable until July 31.
- Straight Hail Insurance is fully funded by producer premiums.

2025-26 Year in Review

Straight Hail contracts decreased slightly in 2025 over the previous year, which naturally resulted in lower acres covered and less premiums collected. Straight Hail claims were also down slightly over the previous year. However, an increase of over $33,000 in total indemnities coupled with a two per cent increase in the loss-to-premium ratio indicates a slight increase in the severity of 2025's hail events compared to the previous year. Overall, over $28 million was paid to 591 producers.

Straight Hail Insurance Highlights

CONTRACTS	
2,727	2,845
2025	2024

ACRES	
3.7M	3.9M
2025	2024

PREMIUM	
$52.3M	$54.1M
2025	2024

LIABILITY	
$728.3M	$742.5M
2025	2024

CONTRACTS WITH INDEMNITY	
591	655
2025	2024

INDEMNITY	
$28.8M	$28.8M
2025	2024

LOSS/PREMIUM	
55.1%	53.2%
2025	2024

Wildlife Damage Compensation Program

Damage to crops from wildlife and waterfowl is a risk in agriculture. On behalf of the provincial and federal governments, AFSC compensates producers for this type of damage through the Wildlife Damage Compensation Program.

Key Program Details

The Wildlife Damage Compensation Program provides producers with access to the following:

- Spot-loss coverage for unharvested crops damaged by waterfowl, big game animals, or upland game birds. The program applies to all commercially grown annual crops and hay that can be insured under AgriInsurance and Straight Hail Insurance programs. Crops grown for pasture are not eligible.
- Excreta market-loss cleaning, which compensates producers for reduced market value or for the cost of grain cleaning due to wildlife excreta.
- Compensation for damage from bears to honey and hive equipment.
- Compensation for crops and silage in pits and tubes that are contaminated or eaten by wildlife.
- Damage to swath grazing, bale grazing and corn grazing, up to October 31.

Producers who wish to make a claim under the Wildlife Damage Compensation Program are not required to have crop insurance. This program is cost-shared in Alberta by the federal (60 per cent) and provincial (40 per cent) governments. Compensation is provided for losses incurred up to a maximum of 80 per cent.

Wildlife Damage Compensation Program Highlights

WILDLIFE CLAIMS	
723	740
2025	2024

WILDLIFE INDEMNITY	
$8.8M	$10.3M
2025	2024

WATERFOWL CLAIMS	
67	125
2025	2024

WATERFOWL INDEMNITY	
$0.4M	$1.2M
2025	2024

TOTAL CLAIMS	
790	865
2025	2024

TOTAL INDEMNITY	
$9.2M	$11.5M
2025	2024



Livestock Price Insurance Program

Livestock Price Insurance (LPI) is a risk management program where producers can purchase price protection on livestock in the form of an insurance policy. LPI is available in British Columbia, Alberta, Saskatchewan and Manitoba. The program provides producers with protection against unexpected drops in prices on cattle and hogs over a defined period of time.

2025-26 Year in Review

The 2025-26 program year saw strong prices with continued limited supply in North America, pushing prices to record levels once again. Producers forwarded sold calves in record volumes and earlier in the year than is typical. Records were set in the fall on fed, feeder, and calf prices with strong demand for meat products supporting these record prices.

Futures markets saw high volatility throughout the year with a noticeable volatile drop in the fall, which put pressure on feeder and fed markets. However, the market was able to rebound and gain back almost all losses.

Livestock Price Insurance Program Highlights

POLICIES	
951	2,528
2025	2024

PREMIUMS	
$10.1M	$33.7M
2025	2024

LIABILITY	
$423.4M	$1.7B
2025	2024

INDEMNITY	
$1.4M	$0.1M
2025	2024

LOSS TO PREMIUM	
14%	0.3%
2025	2024

*Policies still set to expire at the time of publishing

While producers continued to use LPI as a tool in their broader risk management strategies, participation in 2025-26 declined due to high optimism in the fundamentals to hold the cash prices strong and limit losses.

- Producers purchased price protection on 11,301 fed cattle, 62,238 feeders, 47,684 calves, and 450 hogs. Compared to the previous year, these head totals equaled about 89 per cent fewer fed cattle, 79 per cent fewer feeders, 65 per cent fewer calves insured, and 82 per cent fewer hogs.
- Cumulatively, liability coverage amounted to $423.4 million, premiums totaled $10.1 million, and indemnities totaling approximately $1.4 million (as of March 31, 2026) were paid to participating producers. Total indemnities at the end of the fiscal year paid to participants in feeder (91.2 per cent), fed (8.6 per cent), and hog (0.2 per cent) programs*.
- We continue to work on strategic initiatives to make LPI more relevant for Alberta producers and ensure its longevity within the industry. Multiple concurrent projects are underway, carried forward from the previous fiscal year, to capitalize on industry changes and producer feedback.



LENDING

AFSC's suite of lending programs continues to assist Alberta's agriculture industry, with a focus on providing financial assistance to new, young, and returning producers, developing producers, and agribusinesses. We remain committed to supporting Alberta businesses by providing access to essential capital to diversify and grow the province's economy and in turn, create jobs and build infrastructure.

Our lending programs support growth in the agriculture and food-processing sectors, addressing funding gaps in the market to provide access to capital for producers and agribusinesses.

AFSC's $30 million lending limit allows us to support larger agribusiness transactions and agricultural producers who want to start, grow, or develop their operations.

2025-26 Year in Review

In the 2025-26 fiscal year, we authorized 1,535 new direct loans and increases from amendments, totaling $673 million, better than the $588 million reported in 2024-25.

This generated $816 million in investments in the province's agriculture and agribusiness sectors. In addition, AFSC's lending portfolio increased to over $3.3 billion.

Lending Portfolio Performance

In 2025-26, we authorized 882 Next Generation loans and amendment increases totaling over $430 million in financing to assist new, young and returning producers establish and grow their operations and to support succession of farming operations from one generation to the next.

Under the expanded eligibility criteria for the Next Generation loan program, introduced in fall 2024 to include individuals over the age of 40 and increase lifetime principal eligible for incentivized payments from $1 million to $1.5 million per individual, we authorized 167 loans totaling $113 million.

Our support for this target market assists Next Generation producers' access capital to establish and grow their operations at lower interest rates, allowing them to retain working capital and improve their equity positions.

Lending Highlights

NEXT GENERATION LOAN AUTHORIZATIONS	
882	$430M
LOANS	LENDING

DEVELOPING PRODUCER LOAN AUTHORIZATIONS	
446	$168M
LOANS	LENDING

ALBERTA PRODUCER LOAN AUTHORIZATIONS	
0	0
LOANS	LENDING

AGRIBUSINESS LOAN AUTHORIZATIONS	
15	$40M
LOANS	LENDING

REVOLVING LOAN AUTHORIZATIONS	
192	$35M
LOANS	LENDING

*Includes increases from amendments

Additionally, we authorized over $39 million in loans to the agribusiness sector. Significant opportunities exist for agribusiness and agri-foods industries in our province, and we remain committed to supporting these initiatives to help grow a strong and diversified Alberta.

The lending portfolio balance grew 5 per cent in 2025-26 to over $3.3 billion. Next Generation loans account for 57 per cent of the portfolio, demonstrating AFSC's commitment to this key market segment. Total funds disbursed trended 10 per cent ahead of last fiscal year. This is a positive result demonstrating AFSC's commitment to being a steady, trusted partner in delivering financial assistance to producers and agribusinesses across the province.

Portfolio arrears of 2.4 per cent at fiscal year-end are lower compared to the same period last fiscal year, demonstrating the effectiveness of AFSC's due diligence and risk management practices.



WHISTLEBLOWER PROTECTION PROGRAM

Purpose of the Program

On January 1, 2016, AFSC launched the Whistleblower Protection Program. It provides a confidential and anonymous mechanism for AFSC staff and members of the public to disclose actions or events that they believe may constitute a form of wrongdoing as it concerns the affairs of AFSC.

Disclosures of alleged wrongdoing are assessed by the program's Designated Officer against the definition of "wrongdoing" found in the Public Interest Disclosure (Whistleblower Protection) Act. It is important to note that what constitutes a wrongdoing under the Act may be significantly different than what a person unfamiliar with the Act may believe is a wrongdoing.

2025-26 in review

Disclosures Received	Disclosures Acted Upon	Disclosures Not Acted Upon	Investigations Commenced	Findings of Wrongdoing	Disclosures Closed
4	4	0	0	0	4



FINANCIALS AT A GLANCE

Overall, we recorded revenue of $1.8 billion and expenses of $1.3 billion, resulting in a net surplus of $483 million. The surplus was primarily driven by higher premiums relative to losses within the AgriInsurance program. This was due to improved moisture conditions during the growing season, which supported stronger crop production and lower commodity prices, which led to fewer claims from producers.

Our assets increased from $3.7 billion to $4.2 billion, of which $3.3 billion represents loans receivable (79 per cent of all assets). Our liabilities remained consistent with prior year at $3.9 billion.

The accumulated surplus is $318 million, after recognizing the carryforward of the prior year's accumulated deficit of $165 million.

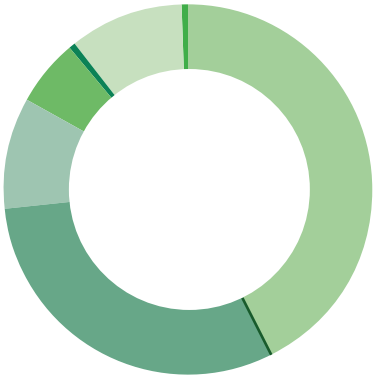
AgriStability Statistical Summaries

Program Year	Claims Processed	Average Support Level	Claims with Payment	Total Payment
2024	5,580	$609,373	970	$134.5M
2023	7,185	$608,858	651	$75.9M
2022	7,623	$524,642	722	$72.7M
2021	8,096	$456,182	480	$63.5M
2020	8,504	$431,524	1,544	$172.7M

AgriInsurance Statistical Summaries

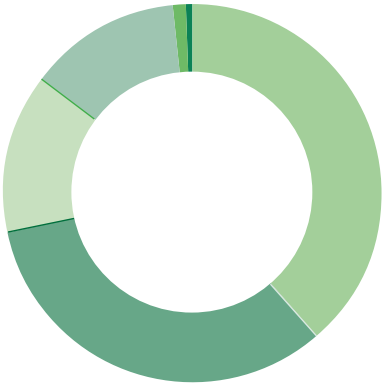
Crop Year	Contracts	Acres	Liability	Premium	Indemnity	Loss/ Premium
2025	19,365	29.2M	$8.2B	$1.3B	$778.0M	59.8%
2024	19,459	28.9M	$9.1B	$1.3B	$1.3B	100.0%
2023	17,598	26.3M	$10.2B	$1.3B	$1.9B	148.5%
2022	17,506	25.9M	$10.9B	$1.0B	$1.3B	129.0%
2021	16,477	23.7M	$9.1B	$623M	$2.8B	449.4%

2025 Risk



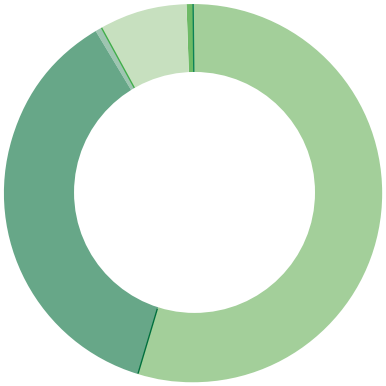
- Cereal, 42.60%
- Oilseed, 30.92%
- Forage, 10.04%
- Pulse, 9.72%
- Vegetables, 5.65%
- Honey, 0.57%
- Sugar Beets, 0.46%
- Essential Oils, Herbs & Spices, 0.04%

2025 Loss



- Forage, 38.73%
- Cereal, 32.93%
- Oilseed, 13.79%
- Pulse, 13.11%
- Honey, 1.07%
- Vegetables, 0.32%
- Unseeded/Reseeded, 0.02%
- Sugar Beets, 0.02%
- Essential Oils, Herbs & Spices, 0.01%

2025 Cause of Loss

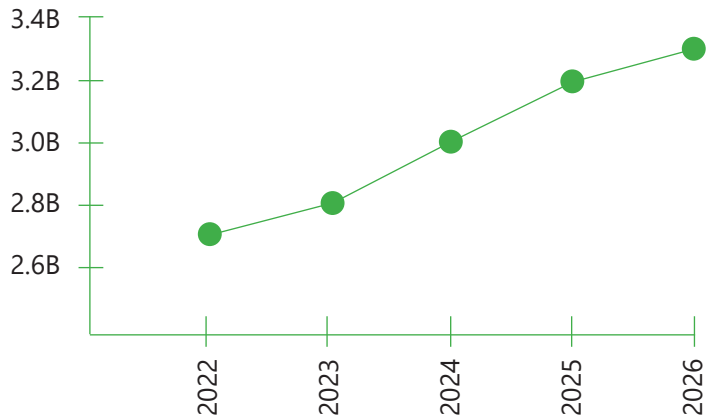


- Drought, 54.72%
- Hail, 36.67%
- Other, 7.60%
- Excess moisture, 0.49%
- Plant Disease, 0.41%
- Wind, 0.06%
- Frost, 0.03%
- Insect Infestation, 0.02%

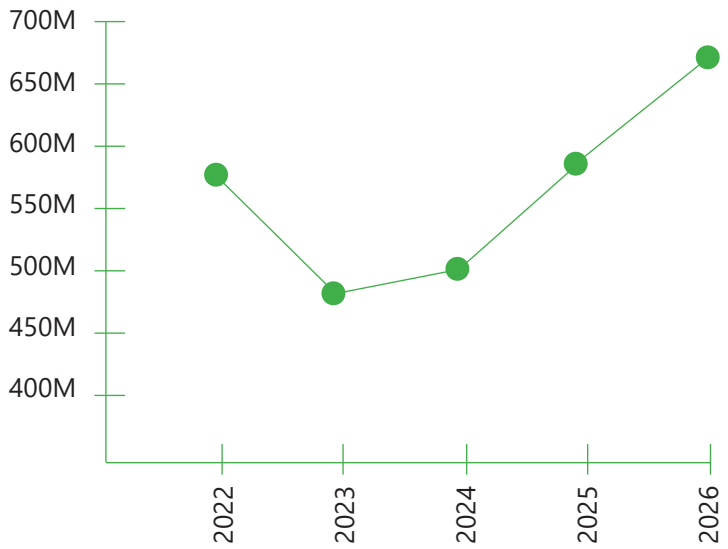
Lending Statistical Summaries

March 31	New Loan Approvals	Outstanding Balance
2026	$672.6M	$3.3B
2025	$587.6M	$3.2B
2024	$503.6M	$3.0B
2023	$487.5M	$2.8B
2022	$577.9M	$2.7B

Loans Outstanding



New Loan Approvals



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Agriculture Financial Services Corporation (the Corporation) and all other information relating to the Corporation contained in this annual report have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian generally accepted accounting standards. The financial statements necessarily include some amounts that are based on informed judgments and best estimates of management. The financial information contained elsewhere in this annual report is consistent with that in the financial statements.

Management is responsible for maintaining a system of internal controls designed to provide reasonable assurance as to the reliability of financial information, and to ensure corporate assets are safeguarded and liabilities are recognized. The internal control systems are augmented by periodic reviews by the Corporation's internal and external auditors.

The Auditor General of Alberta has carried out an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards, and has expressed his opinion in the accompanying Auditor's Report.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Directors exercises this responsibility through the Board Finance and Audit Committee, composed of Directors who are not employees of the Corporation. The Board Finance and Audit Committee meets with the internal auditors and the external auditors — both in the presence and in the absence of management to discuss their audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The internal and external auditors have full and unrestricted access to the Board Finance and Audit Committee.



25
26

FINANCIAL STATEMENTS



Agriculture Financial Services Corporation

Financial Statements and Notes

For the year ended March 31, 2026

Table of Contents

Financial Statements

Statement of Financial Position
Statement of Operations
Statement of Change in Net Financial Assets (Debt)
Statement of Cash Flows

Notes and Supporting Schedules to the Financial Statements

Note 1 Authority and Purpose
Note 2 Summary of Significant Accounting Policies and Reporting Practices
Note 3 Future Changes in Accounting Standards
Note 4 Accounts Receivable
Note 5 Loans Receivable
Note 6 Accounts Payable and Other Accrued Liabilities
Note 7 Due to Other Provincial Governments
Note 8 Indemnities Payable
Note 9 Borrowing from Government of Alberta
Note 10 Deferred Revenue and Spent Deferred Capital Contributions
Note 11 Tangible Capital Assets
Note 12 Pensions
Note 13 Contingencies, Contractual Obligations and Commitments
Note 14 Financial Instruments and Financial Risk Management
Note 15 Related Party Transactions
Note 16 Crop Reinsurance Funds
Note 17 Reinsurance Expense
Note 18 Budget
Note 19 Approval of Financial Statements
Schedule of Operations (Schedule 1)
Schedule of Salaries and Benefits (Schedule 2)

Auditor General OF ALBERTA

Independent Auditor's Report

To the Board of Directors of the Agriculture Financial Services Corporation

Report on the Financial Statements

Opinion

I have audited the financial statements of the Agriculture Financial Services Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, change in net financial assets (debt), and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations, its change from net debt to net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by Phillip D. Peters FCPA, FCA, KC]

Auditor General of Alberta

May 28, 2026
Edmonton, Alberta

Agriculture Financial Services Corporation

Statement of Financial Position

As at March 31, 2026 | In Thousands of Dollars

	2026	2025
Financial assets		
Cash and cash equivalents	$ 602,622	$ 322,138
Accounts receivable (Note 4)	32,951	17,245
Due from Government of Alberta	54,991	13,061
Due from Government of Canada	176,543	193,868
Loans receivable (Note 5)	3,302,269	3,155,782
	4,169,376	3,702,094
Liabilities		
Accounts payable and other accrued liabilities (Note 6)	16,842	25,776
Due to other Provincial Governments (Note 7)	21,456	18,994
Indemnities payable (Note 8)	324,979	461,617
Borrowing from Government of Alberta (Note 9)	3,483,013	3,340,136
Deferred revenue (Note 10)	24,102	38,464
	3,870,392	3,884,987
Net financial assets (debt)	298,984	(182,893)
Non-financial assets		
Tangible capital assets (Note 11)	26,861	25,188
Prepaid expenses	8,280	7,872
	35,141	33,060
Net assets (liabilities) before spent deferred capital contributions	334,125	(149,833)
Spent deferred capital contributions (Note 10)	16,370	15,099
Net assets (liabilities)	$ 317,755	$ (164,932)
Net assets (liabilities)		
Accumulated surplus (deficit)	$ 317,755	$ (164,932)

Contingencies, Contractual Obligations and Commitments (Note 13)

The accompanying notes and schedules are part of these financial statements.

[Original signed by Kelly Smith-Fraser]

Chair of the Board of Directors

[Original signed by Michael Howden]

Board Finance & Audit Chair

[Original signed by Darryl Kay]

Chief Executive Officer

[Original signed by Steve Lappin]

Chief Finance & Risk Officer

Agriculture Financial Services Corporation

Statement of Operations

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026 Budget (Note 18)	2026 Actual (Schedule 1)	2025 Actual
Revenues (Note 2a)			
Premiums from insured persons	$ 673,660	$ 641,501	$ 638,913
Interest	131,696	142,362	130,756
Contribution from Government of Alberta	460,320	473,788	437,687
Contribution from Government of Canada	490,961	510,305	450,714
Fees and other income	33,003	34,757	41,168
	1,789,640	1,802,713	1,699,238
Expenses (Note 2b and Schedule 1)			
AgriInsurance	446,687	927,281	1,432,370
Agriculture Income Support	92,856	213,084	125,855
Lending	133,050	124,915	129,809
Hail Insurance	35,949	38,296	37,257
Livestock Insurance	12,802	6,295	13,060
Wildlife Damage Compensation	10,414	10,155	12,966
	731,758	1,320,026	1,751,317
Annual surplus (deficit)	$ 1,057,882	482,687	(52,079)
Accumulated deficit at beginning of year		(164,932)	(112,853)
Accumulated surplus (deficit) at end of year		$ 317,755	$ (164,932)

The accompanying notes and schedules are part of these financial statements

Agriculture Financial Services Corporation

Statement of Change in Net Financial Assets (Debt)

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026 Budget (Note 18)	2026 Actual	2025 Actual
Annual surplus (deficit)	$ 1,057,882	$ 482,687	$ (52,079)
Acquisition of tangible capital assets (Note 11)	(4,954)	(10,155)	(13,331)
Amortization of tangible capital assets (Note 11)	3,625	8,450	3,225
Gain on disposal of tangible capital assets	-	(105)	(298)
Proceeds on sale tangible capital assets	-	137	362
(Increase) decrease in prepaid expenses	-	(408)	550
Increase in spent deferred capital contributions (Note 10)	-	1,271	7,941
Increase (decrease) in financial assets	1,056,553	481,877	(53,630)
Net debt at beginning of year	(182,893)	(182,893)	(129,263)
Net financial assets (debt) at end of year	$ 873,660	$ 298,984	$ (182,893)

The accompanying notes and schedules are part of these financial statements

Agriculture Financial Services Corporation

Statement of Cash Flows

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026	2025
Operating Transactions		
Annual surplus (deficit)	$ 482,687	$ (52,079)
Non-cash items included in annual surplus (deficit):		
Amortization of tangible capital assets (Note 11)	8,450	3,225
Deferred capital contribution recognized as revenue (Note 10)	(6,292)	(1,843)
Amortization of premiums and discounts	(11,109)	2,775
Allowance for doubtful accounts and for losses	9,308	6,230
Net gain on disposal of capital assets	(105)	(298)
(Decrease) increase in net deferred revenue	(14,362)	22,835
(Increase) decrease in prepaid expenses	(408)	550
Increase in accounts receivable	(17,513)	(15,331)
Increase in environment liabilities	174	501
(Decrease) increase in indemnities payable	(136,638)	7,228
Decrease in accounts payable and other accrued liabilities	(5,122)	(57,373)
(Increase) decrease in due from provincial and federal governments	(22,142)	103,684
Cash provided by operating transactions[1]	286,928	20,104
Capital Transactions		
Acquisition of tangible capital assets (Note 11)	(10,155)	(13,331)
Proceeds on sale/disposal of tangible capital assets (Note 11)	137	362
Cash applied to capital transactions	(10,018)	(12,969)
Investing Transactions		
Proceeds from repayments of loans receivable	478,039	422,315
Loan disbursements	(632,028)	(576,590)
Cash applied to investing activities	(153,989)	(154,275)
Financing Transactions		
Borrowing from the Government of Alberta	3,931,432	4,943,432
Contributions restricted for capital (Note 11)	7,563	9,784
Repayment of borrowing from the Government of Alberta	(3,781,432)	(4,743,432)
Cash provided by financing activities	157,563	209,784
Increase in cash and cash equivalents	280,484	62,644
Cash and cash equivalents at beginning of year	322,138	259,494
Cash and cash equivalents at end of year	$ 602,622	$ 322,138

The accompanying notes and schedules are part of these financial statements.

[1] Net cash provided by operating activities includes $56,846 (2025 $54,459) of interest paid. The difference between the interest reported on Schedule 1 and interest paid of $39,706 (2025 $51,199) is as a result of upfront interest paid that is netted out of our short-term borrowing.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 1 Authority and Purpose

The Agriculture Financial Services Corporation (AFSC, the "Corporation") operates under the authority of the *Agriculture Financial Services Act*, Chapter A-12 RSA 2000. The Corporation is exempt from income taxes under the *Income Tax Act.*

The Corporation provides income stabilization, disaster assistance, AgriInsurance, livestock price insurance and loans and guarantees to primary agriculture producers in Alberta. Loans and guarantees are also provided to commercial Alberta businesses.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis of Financial Reporting:

(a) Revenues

All revenues are reported on the accrual basis of accounting.

Premiums from Insured Persons

Revenues from transactions with performance obligations are recognized when the Corporation provides the promised goods and/or services to a payor. For the Corporation, insurance premiums from persons are recognized over the period of coverage of the respective insurance product.

Revenues from transactions with no performance obligations are recognized at their realizable value when the Corporation has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. For the Corporation, this typically includes fees from Lending program activities or AgriStability administrative cost sharing.

Cash received for goods and/or services not yet provided before year end is recognized as unearned revenue and recorded in deferred revenue or accounts payable and other accrued liabilities.

Government Transfers

Transfers from all governments are referred to as government transfers.

Government transfers and associated externally restricted investment income are recognized as deferred contributions when the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers. Transfers received that are restricted for the acquisition of tangible capital assets are recognized as deferred revenue when received and recognized as revenue over the useful life of the acquired tangible capital assets.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized, and the Corporation meets the eligibility criteria (if any).

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(a) Revenues (continued)

Interest on Loans Receivable

Interest income on loans receivable is recognized as it is earned over the period of the loan, except when impaired. At the date of impairment, interest no longer accrues until the loan reverts to performing status or is terminated. When an impaired loan is reverted to performing status, interest is accrued and recognized from the date of change in status of the loan. Interest previously unrecognized is recognized only when payment is received.

(b) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums and issuance costs.

Identifiable administrative expenses for all the programs administered by the Corporation are charged directly to the specific program. Where the direct charging of the administrative expenses to specific programs is not possible, these expenses are allocated to each program on a basis approved by management.

(c) Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Due from Government of Alberta	Cost
Due from Government of Canada	Cost
Loans receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost
Due to other provincial governments	Cost
Indemnities payable	Cost
Borrowing from the Government of Alberta	Amortized cost
Deferred revenue	Cost

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost.

Since no financial assets or liabilities are recorded at fair value and there were no material foreign currency transactions, these statements do not present a Statement of Remeasurement Gains and Losses as the Corporation has no remeasurement gains or losses.

(d) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course or operations. Financial assets are the Corporations' financial claims on external organizations and individuals, as well as cash.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(d) Financial Assets (continued)

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits in the Consolidated Liquidity Solution (CLS), the Province's cash pooling structure.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Loans Receivable and Allowances for Doubtful Accounts and for Losses

Loans receivable are recognized at the lower of cost or net recoverable value. Amounts included in the cost of loan receivable include principal not due, arrears of principal and interest, accrued interest and other capitalized costs.

The Corporation records valuation allowances to reduce the cost of impaired loans to their net realizable value. A loan is classified as impaired when collection of principal and interest is no longer reasonably assured. Two types of allowances are established for loans receivable.

- Specific allowance: This allowance is established after a loan-by-loan review of accounts meeting prescribed criteria indicative of a potential deterioration in the credit quality of debt. The specific allowance for each loan is determined as the difference between the loan principal amount outstanding and the discounted net present value of the related security net of the cost of realization. Changes in net realizable value of security subsequent to the recording of the initial allowance are adjusted through the specific allowance.

- General allowance: Two types of general allowance are recorded. The first type is for estimated probable losses relating to deterioration in the full recoverability of individual loan accounts which have not yet met management's criteria for setting up a specific allowance at the Statement of Financial Position date. A methodology is applied to determine the Corporation's risk exposure to probable losses on individual loan accounts not subject to a specific allowance. The second type is for the aggregate amount owing for individual loans under a specific program or industry sector or a geographical area. In determining the allowance, management considers economic and market conditions and uncertainties affecting recoverability of such loans.

Loans are written off against the related allowance for doubtful accounts and losses if there is no realistic prospect of future recovery. Any recovery of amounts previously written off is recognized on receipt of proceeds.

A loan is considered to have concessionary terms when at inception of the loan, the net present value of expected future cash flows is less than present book value. Book values of concessionary loans are reduced to their net present values by loan discounts that are expensed in the year the loans are disbursed. They are amortized to interest revenue over the period of the concessionary term in proportion to loan repayments received.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(e) Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Borrowing from the Government of Alberta

Borrowing is recognized at amortized cost. Premiums and discounts on borrowing are amortized to interest expense using the effective interest rate method over the period to maturity.

(f) Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities. Instead, non-financial assets are employed to deliver government services, consumed in the normal course of operations, and are not for sale in the normal course of operations. The Corporation's non-financial assets include tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets. Cost includes overhead directly attributed to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Work in progress, which includes facilities and improvements projects and development of information systems is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	25 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Computer equipment and software	2 - 10 Years
Leasehold improvements	Lesser of lease term or useful life

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(g) Measurement Uncertainty

There is an inherent degree of uncertainty associated with the measurement of certain amounts recognized or disclosed in the financial statements. In the preparation of the financial statements, management is required to make estimates and assumptions that affect the reported amount of assets, liabilities, net assets, net debt and related disclosures. Estimates of material amounts relate to indemnities payable, allowances for doubtful accounts, losses on accounts receivable and loans receivable, and liabilities for contaminated sites. Accordingly, actual results could differ from these and other estimates thereby impacting future financial statements. Disclosure of the nature and circumstances giving rise to the uncertainty, have been included in the relevant notes in the financial statements (See Accounts receivable (Note 4), Loans receivable (Note 5), Indemnities payable (Note 8), and Contingencies, Contractual Obligations, and Commitments (Note 13).

(h) Agriculture Income Support (AgriStability, AgriInvest and AgriRecovery)

Payments under the programs to participants, administration expenses and corresponding contributions from the Governments of Canada and Alberta are recorded at 100% for AgriStability and AgriRecovery programs because the programs are delivered by the Corporation and at 40% for AgriInvest program because the program is delivered by Agriculture and Agri-Food Canada.

(i) Reinsurance

The Corporation carries reinsurance to cover AgriInsurance risks through two levels of government. Two crop reinsurance funds were established with the Government of Canada and Government of Alberta. On behalf of the Province, the Corporation administers the provincial fund called the Crop Reinsurance Fund of Alberta. The Government of Canada holds the federal fund called the Crop Reinsurance Fund of Canada for Alberta. The Crop Reinsurance Fund of Alberta is included as part of the AgriInsurance net debt of the Corporation. Contributions to and withdrawals from the Funds are made in accordance with terms and conditions of the agreement between the Governments of Canada and Alberta (see Note 16).

In addition, the Corporation carries two different types of reinsurance through private reinsurance companies for the Hail and Livestock insurance programs. This includes both Excess of loss and Quota share reinsurance.

Excess of loss is a type of reinsurance in which the reinsurer indemnifies the ceding company for losses that exceed a specified limit.

Quota share is a type of pro rata reinsurance contract in which the insurer and reinsurer share premiums and indemnities according to a fixed percentage. To reflect the objective of reinsurance as cost recovery, all reinsurance transactions, including brokerage commissions, ceded premiums and indemnities recovered, are disclosed in Schedule 1 as net reinsurance expenses or fees and other income if the indemnities recovered are greater than the ceded premiums. Disclosure of the actual amounts relating to brokerage fees, ceded premiums and indemnity recoveries have been disclosed in the financial statement notes (see Note 17).

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(j) AgriInsurance Accumulated Surplus Restriction

In accordance with the Federal/Provincial Agricultural Policy Framework, the AgriInsurance accumulated surpluses or deficit is restricted for AgriInsurance purposes only (see Schedule 1).

(k) Transactions with Related Parties

The Government of Alberta (the Government) significantly influences the programs delivered by the Corporation and is a major contributor to the funding of the programs. Therefore, the Government is considered a related party. All related party transactions with the Government of Alberta have been recorded at the exchange amount which is the consideration paid or received as agreed to by the related party (see Note 15).

(l) Pensions

The corporation participates in multi-employer pension plans with related government entities. Pension costs included in these statements are comprised of the cost of employer contributions for the current year service of employees.

Note 3 Future Changes in Accounting Standards

On April 1, 2026, the Corporation will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**
  The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The Conceptual Framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- **PS 1202 Financial Statement Presentation**
  Section PS1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

On April 1, 2029, the Corporation will adopt PS 3251 Employee Benefits.

- **PS 3251 Employee Benefits**
  This standard will replace and consolidate two old standards, PS 3250 Retirement Benefits and PS 3255 Post-employment Benefits, Compensated Absences and Termination Benefits. The application of the standard will improve the understandability of the financial reporting of employee benefits and provide better information for accountability purposes.

On April 1, 2030, the Corporation will adopt the amendments to PS 3150 Tangible Capital Assets.

- **PS 3150 Tangible Capital Assets**
  The amendments standardize capital asset accounting by incorporating Government Not for Profit standards, clarifying recognition and disclosure requirements related to collections, works of art and historical treasures.

Management is currently assessing the impact of the conceptual framework and these standards on the financial statements.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 4 Accounts Receivable

Accounts receivable are comprised of the following:

	2026	2025
Premiums from insured persons		
AgriInsurance program	$ 6,921	$ 5,366
Livestock Insurance program	2,933	11,619
Hail Insurance program	535	511
AgriStability & Agriculture Income Support programs		
Overpayments	23,367	526
Administration fees	283	440
Other	44	80
	34,083	18,542
Allowances for doubtful accounts		
At beginning of year	(1,297)	(1,179)
Increase for the year	(213)	(103)
Write offs (recoveries)	378	(15)
At end of year	(1,132)	(1,297)
	$ 32,951	$ 17,245

Note 5 Loans Receivable

Loans receivable are comprised of the following:

	2026			2025
	Farm	Commercial	Total	Total
Performing loans - non concessionary	$ 3,141,787	$ 120,011	$ 3,261,798	$ 3,108,171
Performing loans - concessionary	101	-	101	142
Impaired loans	871	21,022	21,893	23,765
	3,142,759	141,033	3,283,792	3,132,078
Accrued interest	45,097	580	45,677	42,097
Loan discount	(1)	-	(1)	(1)
	3,187,855	141,613	3,329,468	3,174,174
Allowances for doubtful accounts	(12,514)	(14,685)	(27,199)	(18,392)
Net carrying value	$ 3,175,341	$ 126,928	$ 3,302,269	$ 3,155,782

All loans have fixed interest rates for the loan term or renewal period.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 5 Loans Receivable (continued)

Loans have blended repayments during the term. A significant number of loans in the portfolio can be repaid in full or part during the term without any penalty.

Allowances for doubtful accounts for loans are as follows:

	2026			2025
	Farm	Commercial	Total	Total
At beginning of year	6,214	12,178	18,392	14,264
Increase for the year	6,304	3,547	9,851	6,097
Write offs	(4)	(1,040)	(1,044)	(1,969)
At end of year	$ 12,514	$ 14,685	$ 27,199	$ 18,392
Specific allowance	25	13,787	13,812	11,758
General allowance	12,489	898	13,387	6,634
	$ 12,514	$ 14,685	$ 27,199	$ 18,392

Valuation allowances of loans receivable are based on management's best estimate. Actual losses realized may vary significantly from management's estimate.

Loans receivable are secured by tangible assets consisting predominantly of land followed by buildings, equipment and other assets. The estimated values of such assets are $7,083,917 (2025 $6,635,336).

The composition of the Loans receivable balance by range of effective annual interest rates is as follows:

	2026	2025
Effective annual interest rate		
Less than or equal to 2%	$ 58,729	$ 186,801
2.01% to 3.00%	241,766	404,596
3.01% to 4.00%	603,727	496,924
4.01% to 5.00%	1,447,980	1,140,526
5.01% to 6.00%	760,787	709,672
6.01% to 7.00%	151,324	160,552
7.01% to 8.00%	13,450	20,749
Over 8%	6,028	12,257
	3,283,791	3,132,077
Accrued interest	45,677	42,097
Allowance for doubtful accounts for loans	(27,199)	(18,392)
	$ 3,302,269	$ 3,155,782
Weighted average annual interest rate	4.51%	4.34%

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 6 Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities are comprised of the following:

	2026	2025
Supplies and services	$ 8,310	7,547
Salaries, wages, and employee benefits	5,661	5,187
Reinsurance premiums to Government of Canada	2,026	2,010
Environmental liability	735	561
Due to reinsurers Livestock & Hail Insurance programs	110	10,471
	$ 16,842	$ 25,776

For contaminated sites where the Corporation has accepted responsibility for future monitoring and remediation, a provision for future costs of $735 (2025 $561) is accrued based on environmental assessments.

Note 7 Due to Other Provincial Governments

Due to provincial governments represents amounts collected from and owed to other provincial governments relating to the Livestock Price Insurance program. The program provides producers with protection against an unexpected drop in prices on cattle and hogs. The Corporation entered into an agreement with the other provincial governments to deliver this program to producers in British Columbia, Saskatchewan and Manitoba. In April 2024, the Corporation entered into an additional agreement for two years beginning May 28, 2024, through to March 31, 2026, with New Brunswick, Nova Scotia and Prince Edward Island. There was an amendment to the April 2024 agreement in 2026 to extend the program to March 31, 2028. Any premiums, indemnities or expenses collected on behalf of producers outside of Alberta are recorded as Due to provincial governments in the financial statements.

The Corporation's Statement of Operations includes premiums, indemnities and administration expenses for Alberta producers only.

Due to other provincial governments are comprised of the following amounts owing:

	2026	2025
Premiums collected	$ 74,118	$ 69,114
Reinsurance recoveries and ceded losses	13,798	14,126
Administration costs receivable	(617)	(334)
Reinsurance premiums	(28,169)	(25,625)
Indemnities paid	(37,674)	(38,287)
	$ 21,456	$ 18,994

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 8 Indemnities Payable

Indemnities payable are comprised of the following amounts:

	2026	2025
AgriStability, AgriInvest, AgriRecovery and related programs		
Current claim year	$ 203,581	$ 234,820
Prior claim years	92,067	61,620
	295,648	296,440
AgriInsurance	27,655	160,812
Wildlife Compensation	877	936
Hail Insurance	794	138
Livestock Price Insurance	5	3,291
	$ 324,979	$ 461,617

Estimated indemnities payable of $324,979 (2025 $461,617) and corresponding contributions and receivables from the Governments of Canada and Alberta are subject to measurement uncertainty. This is because they could change materially in the future, if factors and assumptions considered by management in establishing the estimates were to change significantly.

Estimated indemnities for the current claim year for the AgriStability and AgriInvest programs are based on a variety of factors such as the number of participants, estimated reference margins, estimated claim year margins based on projected forecast commodity prices, crop yields, inventory changes and forecast changes in eligible income and expenses on an aggregate basis for different types of agriculture industry.

There are some inherent limitations to the model such as the intrinsic uncertainty in agriculture market forecasts as well as uncertainty in forecasting participation. Applying macro adjustments may not be reflective of the sample of participants and the model cannot forecast disasters as it is biased to prior year results.

Based on the above key assumptions and using a statistical model for projections, estimated indemnities for the current year would be in the range of $196,032 to $244,563. In four out of the past five years, actual indemnities have fallen outside the range.

Estimated indemnities for prior claim years under AgriStability, AgriInvest and AgriRecovery programs are based on probable payments for claims not yet processed.

Estimated indemnities payable for the AgriInsurance program are based upon the number of claims remaining to be paid and average claim payment amounts. The indemnities payable also includes claims deferred by producers. Based on that information the projected estimated indemnities would be in the range of $23,064 to $32,246.

Indemnities for Livestock Price Insurance program are based on estimated payments using forward contract prices applicable to policies sold during the fiscal year with settlement dates beyond the end of fiscal year.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 9 Borrowing from Government of Alberta

All borrowings from the Government of Alberta bear interest rates which are fixed for the term of the borrowing.

The composition of outstanding borrowing from the Government of Alberta by range of effective annual interest rate is as follows:

	2026	2025
Effective annual interest rate		
Less than or equal to 2%	$ 215,000	$ 215,000
2.01% to 3.00%	2,690,432	1,665,000
3.01% to 4.00%	417,152	1,292,584
4.01% to 5.00%	174,431	174,431
	3,497,015	3,347,015
Accrued interest[1]	17,035	13,049
Unamortized discount[2]	(31,037)	(19,928)
	$ 3,483,013	$ 3,340,136
Weighted average annual interest rate	2.56%	2.94%

[1] Accrued interest includes interest payable on long-term borrowings. Comparative figures have been reclassified to exclude amounts related to short-term debt instruments that do not bear periodic interest.

[2] Unamortized discount includes long-term bond premiums/discounts and unamortized discounts on short-term debt instruments. As these instruments are issued at a discount and do not bear periodic interest, the discount is recorded as unamortized discount rather than accrued interest and amortized over the term. Comparative figures have been reclassified.

Principal repayments due in each of the next five years and thereafter are as follows:

Year ending March 31,	2027	$ 1,322,153
	2028	160,000
	2029	258,000
	2030	304,000
	2031	931,431
	Thereafter	521,431
		$ 3,497,015

The estimated fair value of borrowings as at March 31, 2026 is $3,467,223 (2025 $3,340,771). Fair value is an approximation of market value to the holder.

Borrowing from Government of Alberta includes $250 million borrowing to the Government of Alberta from the AgriInsurance Reinsurance Fund of Alberta.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 10 Deferred Revenue and Spent Deferred Capital Contributions

Deferred revenue represents premiums received from producers for AgriInsurance and Livestock Price Insurance programs and fees collected for the AgriStability program relating to the next fiscal year. Spent deferred capital contributions represent contributions received from the federal and provincial governments that are restricted for the acquisition of tangible capital assets.

	2026	2025
Deferred revenue	$ 24,102	$ 38,464
Spent deferred capital contributions	16,370	15,099
	$ 40,472	$ 53,563

	2026				2025
	Government of Canada	Non-government	Government of Alberta	Total	Total
Deferred revenue					
Balance at beginning of year	$ -	$ 38,464	$ -	$ 38,464	$ 15,629
Cash received during year	-	24,102	-	24,102	38,464
Amount recognized as revenue	-	(38,464)	-	(38,464)	(15,629)
Balance at end of year	$ -	$ 24,102	$ -	$ 24,102	$ 38,464
Spent deferred capital contributions					
Balance at beginning of year	$ 9,020	$ 25	$ 6,054	$ 15,099	$ 7,158
Contributions received for capital	4,410	198	2,955	7,563	9,784
Amount recognized as revenue	(3,763)	(7)	(2,522)	(6,292)	(1,843)
Balance at end of year	$ 9,667	$ 216	$ 6,487	$ 16,370	$ 15,099

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 11 Tangible Capital Assets

	Land	Buildings	Furniture & Fixtures	Vehicles	Computer Equipment & Software	2026	2025
Estimated useful life	Indefinite	25-40 yrs	5-10 yrs	5-10 yrs	2-10 yrs	Total	Total
Historical cost							
Beginning of year	$ 2,427	$ 10,470	$ 10,455	$ 6,501	$112,088	$141,941	$ 131,427
Additions	280	320	106	1,455	7,994	10,155	13,331
Disposals and writedowns	-	-	(1,896)	(178)	(4,288)	(6,362)	(2,817)
	2,707	10,790	8,665	7,778	115,794	145,734	141,941
Accumulated amortization							
Beginning of year	-	7,479	9,641	3,863	95,770	116,753	116,281
Amortization expense	-	207	182	866	7,195	8,450	3,225
Disposals and writedowns	-	-	(1,896)	(145)	(4,289)	(6,330)	(2,753)
	-	7,686	7,927	4,584	98,676	118,873	116,753
Net book value at March 31, 2026	$ 2,707	$ 3,104	$ 738	$ 3,194	$ 17,118	$ 26,861	
Net book value at March 31, 2025	$ 2,427	$ 2,991	$ 814	$ 2,638	$ 16,318		$ 25,188

Computer equipment, vehicles, software costs, furniture and fixtures include $2,015 (2025 $12,493) of costs incurred for assets under development. Furniture and fixtures includes leasehold improvements with net book value $421 (2025 $463) amortized over the life of the lease.

Note 12 Pensions

The Corporation participates in the multi-employer Alberta Management Employees Pension Plan and the Alberta Public Service Pension Plan. The Corporation also participates in the multi-employer Supplementary Retirement Plan for Alberta Public Service Managers.

The Corporation does not have sufficient plan information to follow the standards for defined benefit accounting, and therefore, follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the plans is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits. The expense for these pension plans is equivalent to the annual contributions of $4,673 for the year ended March 31, 2026 (2025 $4,609).

At December 31, 2025, the Alberta Management Employees Pension Plan reported a surplus of $2,101,798 (2024 surplus $1,865,997), the Alberta Public Service Pension Plan reported a surplus of $7,706,238 (2024 surplus $6,473,956) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $61,574 (2024 deficiency $25,325). The Corporation's share of these pension plans' is not determinable. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 13 Contingencies, Contractual Obligations and Commitments

Contingent Liability

The Corporation is involved in legal matters where damages are being sought. The Corporation has been named in two (2025 two) claims. The specified total is $2,256 (2025 $1,087). The resolution of any indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

The Corporation has also entered into agreements with financial institutions guaranteeing loan repayment. These matters and guarantees may give rise to contingent liabilities.

The Alberta Farm Development Loan program provided producers with guarantees on financing obtained from other institutions. The program was discontinued in 2007 and there are no outstanding loan guarantees.

	2026	2025
Loan guarantees	$ -	$ 22

Contractual Obligations

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2026	2025
Other contracts	$ 22,883	$ 18,823
Reinsurance	7,867	10,148
Operating leases	7,057	6,185
	$ 37,807	$ 35,156

Reinsurance, operating leases and contracts due in each of the next five years and thereafter are as follows:

Year ending March 31,	2027	$ 24,556
	2028	7,177
	2029	4,780
	2030	1,033
	2031	261
	Thereafter	-
		$ 37,807

The Corporation entered into a quota share reinsurance contract which is a pro rata reinsurance.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 13 Contingencies, Contractual Obligations and Commitments (continued)

contract in which the insurer and the reinsurer share in premiums and indemnities according to a fixed percentage. The fixed percentages are 48% for Livestock insurance and15% for Hail insurance.

The operating lease contractual obligations are for accommodations with terms up to seven years.

Commitments

Commitments are obligations the Corporation has agreed to undertake which have not yet been recognized. The Corporation has entered into lending contracts with producers that may result in the disbursement of funds in the future.

	2026	2025
Approved, undisbursed loans	$ 326,015	$ 262,776

Note 14 Financial Instruments and Financial Risk Management

Financial instruments comprise the majority of the Corporation's assets and liabilities. The Corporation is exposed to credit, interest and liquidity risks in respect to its use of financial instruments.

Credit Risk

Credit risk is the possibility that a debtor will not pay amounts owing to the Corporation, resulting in a loss to the Corporation.

The Corporation's maximum possible exposure to credit risk is as follows:

	2026	2025
Loans receivable	$ 3,302,269	$ 3,155,782
Due from Government of Canada	176,543	193,868
Due from Government of Alberta	54,991	13,061
Accounts receivable	32,951	17,245
Loan guarantees	-	22
	$ 3,566,754	$ 3,379,978

Loans receivable - Security requirements for a loan or guarantee depend on the risk involved in each individual operation. Adequate security is required for new and emerging businesses as well as for enterprises needing specialized or customized equipment. To mitigate credit risk, lending staff monitor loan accounts continually to ensure prompt response to any financial difficulties customers may encounter. Interest rates for loans and interest rates for borrowing are both set by the Government of Alberta. In order to mitigate the exposure of interest rate fluctuations, the Corporation maintains a balance of short-term funds.

Due from the Government of Alberta and the Government of Canada – the Corporation is not exposed to significant credit risk as payment in full is typically collected when due.

Accounts receivable - Payments to some AgriStability/Agriculture Income Support program participants resulted in overpayments when information provided by the Corporation to participants proved to be

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 14 Financial Instruments and Financial Risk Management (continued)

incorrect. This creates a risk of potential non-repayment of the overpayments. The Corporation may offset overpayments against any payments to customers.

The Corporation provides insurance coverage on crops, effective at the acceptance of the customer's application for insurance, with or without payment of premiums in full. Non-collection of outstanding insurance premiums is a risk. To minimize this risk, a discount is offered for early payment of insurance premiums and arrangements are made for a payment schedule for all customers not taking advantage of the discount. Insurance staff closely monitors outstanding premiums and promptly take collection action when required.

The following breakdown of the Loans receivable provides an indication of the concentration of credit risk in the loan portfolio. Further information is provided throughout these statements which disclose other concentrations of credit risk.

	2026		2025	
	Dollar	Percentage	Dollar	Percentage
Loans receivable by individual sector				
Grain and oilseeds	$ 1,906,585	58%	$ 1,804,968	57%
Cattle	1,092,952	33%	1,029,607	32%
Other livestock	90,069	3%	81,834	2%
Manufacturing	49,292	1%	51,308	2%
Accommodations and other services	28,797	1%	36,189	1%
Trade - retail and wholesale	15,003	0%	18,865	1%
Other	146,770	4%	151,403	5%
Allowance	(27,199)	0%	(18,392)	0%
	$ 3,302,269	100%	$ 3,155,782	100%

Interest Rate Risk

Interest rate risk is the impact future changes in interest rates have on cash flows and fair values of financial assets and liabilities. The Corporation's interest rate exposure relates to loans receivable and borrowing from the Government of Alberta.

Loans receivables – Loans receivable balances consist of loans with interest rates fixed either until maturity date or for a term with a renewable option. In prior years, the Corporation has allowed customers to prepay their loans without any prepayment penalty. On most new loans, customers now can pay a maximum of 25% of the loan balance without prepayment penalty. In the normal course of business, loan customers prepay their loans in part or in full prior to the contractual maturity date. Impact of interest rate changes on performance of loan portfolio and cash flows could be significant because of changes in market interest rates and borrower's repayment preferences.

Borrowing from the Government of Alberta - The interest rates on borrowings are fixed until maturity. For a vast majority of borrowings, principal repayments are due in full on maturity date with no prepayment option. Cash inflows are matched with outflows through additional borrowing as required from the Government of Alberta. Management has assessed that the interest rate risk related to borrowing is not significant.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 14 Financial Instruments and Financial Risk Management (continued)

The following position of the Corporation's loan portfolio and borrowing provides additional information on interest rate risk.

	Scheduled Repayment [1]						
	Within 1 Year	1 to 5 Years	6 to 10 Years	Over 10 Years	Not Interest Rate Sensitive[2]	2026 Total	2025 Total
Loan balances	$ 189,518	$ 715,769	$ 740,217	$ 1,609,516	$ 47,249	$ 3,302,269	$ 3,155,782
Yield	4.58%	4.75%	4.97%	5.09%	0.00%	4.87%	4.72%
Borrowing from the Government of Alberta	1,322,153	1,653,431	435,000	86,431	(14,002)	3,483,013	3,340,136
Yield [3]	2.71%	2.41%	6.50%	4.53%	0.00%	2.76%	2.80%
Net gap	$(1,132,635)	$ (937,662)	$ 305,217	$ 1,523,085	$ 61,251	$ (180,744)	$ (184,354)

(1) For loan balances, scheduled repayments of principal are based on amortization of loans for the remaining term up to maturity at applicable interest rates. For borrowing from the Government of Alberta, scheduled repayments reflect contractual repayment of principal.
(2) Includes impaired loans, specific and general allowance, accrued interest and unamortized loan discount.
(3) Yield represents the rate which discounts future cash receipts to the carrying amount.

Liquidity Risk

Liquidity risk relates to the Corporation's ability to access sufficient funds to meet its financial commitments.

The Corporation's primary liquidity risk relates to its liability for insurance claims. Insurance claims are funded firstly with current year premiums collected, which normally exceeds cash requirements. In addition, the investment portfolio of surplus funds in insurance operations is structured in such a way that a portion of the portfolio is accessible at short notice to fund claim payments. The Corporation also carries private sector reinsurance for Livestock Price Insurance and Hail Insurance providing significant protection against catastrophic losses. If all the above are exhausted, the AgriInsurance program has a reinsurance agreement with the Government of Canada and the Government of Alberta to provide additional funding for claim payments. Additionally, the Corporation has access to advances from the Government of Alberta to meet short-term cash flow needs.

Note 15 Related Party Transactions

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's consolidated financial statements. Related parties also include key management personnel and their close family members.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 15 Related Party Transactions (continued)

The Corporation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2026	2025
Revenues		
Grants	$ 473,788	$ 437,687
Interest income	15,934	23,565
	$ 489,722	$ 461,252
Expenses		
Interest	$ 96,552	$ 105,658
Other services	1,340	1,017
Accommodation	491	502
	$ 98,383	$ 107,177
Payable to		
Ministry of Treasury Board and Finance	$ 3,483,013	$ 3,340,136
Ministry of Agriculture and Irrigation	650	650
Post-secondary institutions	24	-
	$ 3,483,687	$ 3,340,786
Receivable from		
Ministry of Agriculture and Irrigation	$ 54,991	$ 13,061
Ministry of Treasury Board and Finance	1,205	866
	$ 56,196	$ 13,927
Deferred revenues		
Ministry of Agriculture and Irrigation	$ 6,487	$ 6,054
	$ 6,487	$ 6,054

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 16 Crop Reinsurance Funds

The contributions, withdrawals and accumulated net (debt) asset positions of the AgriInsurance Reinsurance Fund of Alberta and the AgriInsurance Reinsurance Fund of Canada for Alberta are as follows (see Note 2(i)):

	AgriInsurance Reinsurance Fund of Alberta		AgriInsurance Reinsurance Fund of Canada for Alberta	
	2026	2025	2026	2025
Opening (deficit) surplus	$ (300,676)	$ (206,448)	$ 68,315	$ 73
Contributions	68,372	62,556	79,767	68,242
	(232,304)	(143,892)	148,082	68,315
Withdrawals	(7,946)	(156,784)	-	-
Closing (deficit) surplus	$ (240,250)	$ (300,676)	$ 148,082	$ 68,315

AgriInsurance Reinsurance Fund of Alberta

Contributions to and withdrawals from the AgriInsurance Fund of Alberta are consolidated with the AgriInsurance Fund in the Corporation. The transactions and balances are calculated according to the Sustainable Canadian Agriculture Partnership Agreement. The deficit of $240,250 in the AgriInsurance Fund of Alberta is funded by the Government of Alberta. Borrowing from the Government of Alberta on the Corporation's Statement of Financial Position includes $250 million in amounts owing to the Government of Alberta from the AgriInsurance Reinsurance Fund of Alberta to fund the current net debt. Withdrawals consist of $7,946 (2025 $8,423) of interest resulting from the notes payable owed to the Government of Alberta.

AgriInsurance Reinsurance Fund of Canada for Alberta

Contributions to the AgriInsurance reinsurance Fund of Canada for Alberta are recorded as reinsurance expense by the Corporation. The Government of Canada holds the AgriInsurance Fund of Canada for Alberta.

Agriculture Financial Services Corporation

Notes to the Financial Statements

For the Year Ended March 31, 2026 | In Thousands of Dollars

Note 17 Reinsurance Expense

	Hail Insurance	Livestock Insurance	2026	2025
Brokerage				
Brokerage rebate	$ (176)	$ (78)	$ (254)	$ (492)
Excess loss				
Reinsurance expense	2,661	1,430	4,091	6,106
Quota share				
Ceded premiums and commissions	11,717	4,024	15,741	20,900
Ceded losses	(7,891)	703	(7,188)	(9,561)
Net reinsurance expense	$ 6,311	$ 6,079	$ 12,390	$ 16,953

Note 18 Budget

The full financial plan was submitted to the Minister of Agriculture and Irrigation. The budget reported in the Statement of Operations reflects the original $1,057,882 surplus.

Note 19 Approval of Financial Statements

The Board of Directors approved the financial statements of Agriculture Financial Services Corporation.

Agriculture Financial Services Corporation

Schedule of Operations

For the Year Ended March 31, 2026 | In Thousands of Dollars

	AgriInsurance		Agriculture Income Support		Lending	
	2026	2025	2026	2025	2026	2025
	Note 2(j)	Note 2(j)				
Revenues						
Premiums from insured persons	$ 562,772	$ 568,843	$ -	$ -	$ -	$ -
Interest	1,387	1,830	58	111	140,601	128,514
Contribution from Government of Alberta	372,581	370,858	95,993	60,796	-	-
Contribution from Government of Canada	401,272	393,909	101,311	47,907	-	-
Fees and other income	10,357	14,851	15,681	17,032	4,912	4,956
	1,348,369	1,350,291	213,043	125,846	145,513	133,470
Expenses						
Indemnities	787,541	1,309,698	196,177	110,351	-	-
Salaries, wages and employee benefits	31,133	30,587	12,395	11,025	18,927	18,901
Supplies and services	15,060	13,556	4,680	4,365	6,987	6,530
Amortization of tangible capital assets	5,874	1,640	334	286	544	1,045
Interest	7,946	8,423	-	-	88,606	97,235
Reinsurance (Note 16 & 17)	79,767	68,242	-	-	-	-
Allowance for doubtful accounts and losses	(40)	224	(502)	(172)	9,851	6,098
	927,281	1,432,370	213,084	125,855	124,915	129,809
Annual surplus (deficit)	421,088	(82,079)	(41)	(9)	20,598	3,661
Accumulated deficit at beginning of year	(394,655)	(312,576)	2,806	2,815	109,155	105,494
Accumulated surplus (deficit) at end of year	$ 26,433	$ (394,655)	$ 2,765	$ 2,806	$ 129,753	$ 109,155

Schedule 1

Hail Insurance		Livestock Insurance		Wildlife Damage Compensation		Total	
2026	2025	2026	2025	2026	2025	2026	2025
$ 51,680	$ 53,446	$ 27,049	$ 16,624	$ -	$ -	$ 641,501	$ 638,913
168	221	145	77	3	3	142,362	130,756
-	-	633	709	4,581	5,324	473,788	437,687
-	-	911	1,029	6,811	7,869	510,305	450,714
2,435	3,123	1,224	1,065	148	141	34,757	41,168
54,283	56,790	29,962	19,504	11,543	13,337	1,802,713	1,699,238
28,795	28,811	(1,311)	1,482	8,491	11,466	1,019,693	1,461,808
455	386	1,071	1,098	600	466	64,581	62,463
1,081	723	447	612	1,030	952	29,285	26,738
1,654	217	9	9	35	28	8,450	3,225
-	-	-	-	-	-	96,552	105,658
6,311	7,118	6,079	9,835	-	-	92,157	85,195
-	2		24	(1)	54	9,308	6,230
38,296	37,257	6,295	13,060	10,155	12,966	1,320,026	1,751,317
15,987	19,533	23,667	6,444	1,388	371	482,687	(52,079)
85,088	65,555	29,168	22,724	3,506	3,135	(164,932)	(112,853)
$ 101,075	$ 85,088	$ 52,835	$ 29,168	$ 4,894	$ 3,506	$ 317,755	$ (164,932)

Agriculture Financial Services Corporation

Schedule of Salaries and Benefits

Schedule 2

For the Year Ended March 31, 2026 | In Thousands of Dollars

	2026				2025
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Chair of Board	$ 26	$ -	$ 1	$ 27	$ 23
Board Members [4]	77	-	2	79	76
Executive Members					
Chief Executive Officer	304	16	83	403	401
Chief Strategy & Innovation Officer	265	1	63	329	314
Chief Financial & Risk Officer	260	2	61	323	307
Chief Information & Digital Officer[5]	250	1	61	312	27
Chief People Officer	246	3	56	305	295
Chief Client Officer - A[6]	216	19	50	285	326
Chief Client Officer - B[7]	51	-	14	65	-
Chief Information Officer[8]	21	25	5	51	315

(1) Base salaries include remuneration for the Chair and Board Members for attendance at meetings and base pay for employees.

(2) Other cash benefits include vacation payments and lump sum payments including severance. There were no bonuses paid during the year.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental, medical and vision care, group life insurance benefits, pension and supplementary retirement plan, employment insurance, accidental death/dismemberment and long-term disability insurance, workers' compensation and professional memberships.

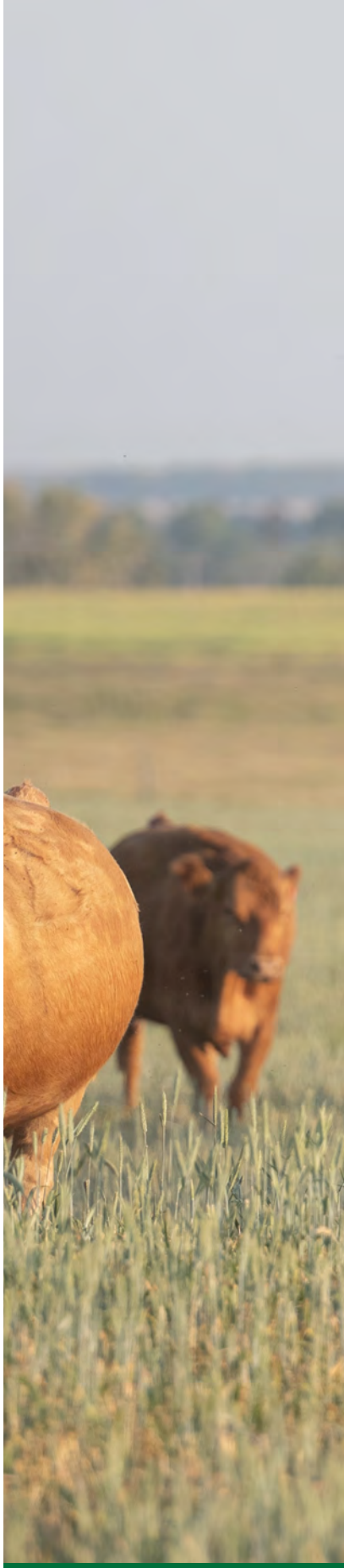
(4) There were eight (8) Board Members for 2024/25 and eight (8) Board Members for 2025/26.

(5) The Chief Information & Digital Officer position is a newly titled position taking over for the Chief Information Officer. The individual was in place for one month in 2024/25 and twelve (12) months in 2025/26.

(6) The Chief Client Officer – A resigned effective January 16, 2026. The individual was in place for nine and a half (9.5) months in 2025/26 and twelve months in 2024/25.

(7) The Chief Client Officer–- B took office on January 16, 2026. The individual was in place for two and a half (2.5) months in 2025/26.

(8) The 2025/26 Chief Information Officer retired on April 30, 2025. The individual was in place for one (1) month in 2025/26.



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