



**REPORT TO SHAREHOLDERS
FIRST QUARTER
2026**

WESTERN AGCREDIT

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

Statement of Condition: As of March 31, 2026, total loan volume was \$1,493.5 million, an increase of \$60.7 million from the comparative period for 2025 primarily due to the Association's successful marketing efforts to obtain new good quality loan volume and purchase of loan participations. This compares to a decrease of \$32.9 million from December 31, 2025 primarily due to repayments partially offset by new loan volume. The allowance for loan losses decreased \$1.7 million since March 31, 2025 and increased \$182 thousand since December 31, 2025. The decrease from March 31, 2025 is due primarily to decreases in the specific allowance and industry factors partially offset by increases in loan volume, PD, drought, and LGD factors. The increase from December 31, 2025 is due primarily to the increases in loan volume, PD and drought factors, and specific allowance partially offset by decreases in LGD and industry factors.

The Association's cash position decreased \$1.6 million compared to year-end 2025 due to a smaller daily cash deposit being made at the end of March 2026 than at year-end 2025. Accrued interest receivable decreased \$51 thousand from March 2025, primarily due to decreased interest rates offset by increased loan volume. The Investment in CoBank increased \$1.2 million from March 2025 due to required purchases associated with higher loan volume and associated note payable during 2025. The \$162 thousand increase in premises and equipment from March 2025 is due primarily to capital purchases partially offset by normal depreciation. Other assets decreased \$1 thousand compared to March 2025, primarily due to decreased prepaid pension costs. The \$4.5 million decrease in other assets from year-end 2025 is largely due to the receipt of 2025 CoBank patronage paid in March 2026.

Note payable to CoBank increased \$31.0 million from a year earlier primarily due to increased loan volume, which is primarily funded by the note payable. Funds held at March 31, 2026 were \$3.1 million lower than year-end 2025 and \$4.6 million higher than the comparative period for 2025. Decreases result from borrowers' use of funds from the Association's fund held account program and increases result from borrowers' deposit of those funds. Accrued interest payable increased \$262 thousand or 7.6% from March 31, 2025 primarily as a result of the increased note payable and higher cost of funds. The Association accrues estimated member patronage each month, resulting in \$2.9 million of accrued patronage at March 31, 2026. The \$19.4 million of patronage distributions payable at December 31, 2025 is the accrued and declared 2025 patronage, subsequently paid to members in February 2026. Other liabilities increased \$1.9 million when compared to March 2025 primarily due to increased member patronage. The \$73 thousand decrease in other liabilities from year-end 2025 is largely due to the annual payments of Farm Credit Insurance Fund premiums and accrued employee incentives in the first quarter of each year.

Capital stock and participation certificates increased \$8 thousand from year-end 2025 due to stock issuances exceeding retirements. Unallocated retained earnings increased \$8.3 million from year-end 2025, attributed to the Association's net income partially offset by accrued member patronage, while the \$23.1 million increase from March 2025 resulted from the Association's net income of \$42.7 million less the \$19.6 million in patronage distributions that were accrued during the period.

Statement of Income: Year-to-date net interest income for 2026 increased \$1.7 million or 14.4% when compared to the same period in 2025. Total interest income increased \$2.4 million primarily due to higher interest income collected on nonaccrual loans and increased average loan volume offset by decreased interest rates while total interest expense increased \$645 thousand largely attributable to the increased note payable and higher average cost of funds. The 2026 year-to-date provision for loan losses is due to increases in loan volume, PD and drought factors, and specific allowance partially offset by decreases in LGD and industry factors. The Association's allowance for loan losses remained adequate at 0.19% of loans at March 31, 2026.

The \$543 thousand increase in 2026 year-to-date total noninterest income was primarily due to increased other noninterest income and patronage from Farm Credit Institutions partially offset by decreased loan fees and financially related services income. The increase in patronage distributions from Farm Credit Institutions resulted from the increased note payable to CoBank and increased participations purchased from other Farm Credit institutions. Other noninterest income in 2026 consists of return of excess FCSIC premiums, allocated income from the Farm Credit Captive Insurance Program, rental income from a portion of South Jordan and Evanston buildings, and mineral income.

Total year-to-date noninterest expense decreased \$92 thousand or 2.0%. The decrease resulted from \$300 thousand loss on sale of premises and equipment in 2025, \$3 thousand decrease in occupancy and equipment expense, and \$1 thousand gain on other property owned offset by \$108 thousand increase in other operating expenses, \$82 thousand increase in salaries and employee benefits, and \$22 thousand increase in Farm Credit Insurance Fund premium.

The Association's \$11.3 million 2026 year-to-date net income is \$3.1 million higher than projected in the Association's business plan primarily due to lower than projected operating expenses, Farm Credit Insurance Fund premium, and provision for loan losses and higher than projected noninterest income and net interest income.

Please refer to "Notes to the Association Consolidated Financial Statements" and the Association's 2025 Annual Report for additional information. The financial statements were prepared under the oversight of the Association's Audit Committee.

WESTERN AGCREDIT

CONSOLIDATED STATEMENTS OF CONDITION

(Unaudited)
(Dollars in thousands)

	March 31,		December 31,	
	2026	2025	2025	2024
ASSETS				
Loans	\$ 1,493,486	\$ 1,432,810	\$ 1,526,406	\$ 1,445,994
Less: Allowance for loan losses	(2,859)	(4,572)	(2,677)	(4,231)
Net loans	1,490,627	1,428,238	1,523,729	1,441,763
Cash	432	2,710	2,002	5,333
Accrued interest receivable	23,225	23,276	24,927	25,272
Investment in CoBank	34,558	33,337	34,547	33,337
Premises and equipment, net	10,257	10,095	10,188	10,694
Other property owned	-	2	2	2
Deferred tax assets, net	302	551	224	539
Other assets	11,995	11,996	16,532	16,762
Total assets	\$ 1,571,396	\$ 1,510,205	\$ 1,612,151	\$ 1,533,702
LIABILITIES				
Note payable to CoBank	\$ 1,150,466	\$ 1,119,438	\$ 1,180,501	\$ 1,148,990
Funds held	56,366	51,720	59,422	38,562
Accrued interest payable	3,710	3,448	3,224	3,056
Accrued member patronage	2,929	2,723	-	-
Patronage distributions payable	-	-	19,350	14,350
Other liabilities	4,206	2,348	4,279	4,220
Total liabilities	1,217,677	1,179,677	1,266,776	1,209,178
Commitments and contingencies				
MEMBERS' EQUITY				
Capital stock and participation certificates	1,583	1,557	1,575	1,572
Unallocated retained earnings	352,136	328,971	343,800	322,952
Total members' equity	353,719	330,528	345,375	324,524
Total liabilities and members' equity	\$ 1,571,396	\$ 1,510,205	\$ 1,612,151	\$ 1,533,702

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

**WESTERN AGCREDIT
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

(Unaudited)
(Dollars in thousands)

	For the quarter ended March 31,	
	2026	2025
INTEREST INCOME		
Loans	\$ 23,825	\$ 21,463
Total interest income	23,825	21,463
INTEREST EXPENSE		
Note payable to CoBank	9,588	9,069
Funds held	568	442
Total interest expense	10,156	9,511
Net interest income	13,669	11,952
Provision for loan losses	(258)	(364)
Net interest income after provision for loan losses	13,411	11,588
NONINTEREST INCOME		
Patronage distribution from Farm Credit Institutions	1,443	1,364
Financially related services income	17	27
Loan fees	151	208
Other noninterest income	810	279
Total noninterest income	2,421	1,878
NONINTEREST EXPENSE		
Salaries and employee benefits	3,022	2,940
Occupancy and equipment	190	193
Other operating expense	1,146	1,038
Farm Credit Insurance Fund premium	287	265
Loss on sale of premises and equipment	-	300
Gain on other property owned, net	(1)	-
Total noninterest expense	4,644	4,736
Income before income taxes	11,188	8,730
Benefit for income taxes	77	12
Net income	\$ 11,265	\$ 8,742
COMPREHENSIVE INCOME		
Total Comprehensive Income	\$ 11,265	\$ 8,742

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

WESTERN AGCREDIT
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(Unaudited)
(Dollars in thousands)

	At-Risk Equity			Total Members' Equity
	Capital Stock and Participation Certificates	Unallocated Retained Earnings		
Balance at December 31, 2024	\$ 1,572	\$ 322,952	\$ 324,524	
Comprehensive income		8,742	8,742	
Accrued member patronage		(2,723)	(2,723)	
Capital stock and participation certificates issued	26		26	
Capital stock and participation certificates retired	(41)		(41)	
Balance at March 31, 2025	\$ 1,557	\$ 328,971	\$ 330,528	
Balance at December 31, 2025	\$ 1,575	\$ 343,800	\$ 345,375	
Comprehensive income		11,265	11,265	
Accrued member patronage		(2,929)	(2,929)	
Capital stock and participation certificates issued	36		36	
Capital stock and participation certificates retired	(28)		(28)	
Balance at March 31, 2026	\$ 1,583	\$ 352,136	\$ 353,719	

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

WESTERN AGCREDIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited and \$ amounts in thousands)

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Western AgCredit, ACA and wholly-owned subsidiaries, Western AgCredit, PCA and Western AgCredit, FLCA (collectively called “the Association”), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2025 are contained in the 2025 Annual Report to Stockholders. These unaudited first quarter 2026 financial statements should be read in conjunction with the 2025 Annual Report to Stockholders.

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

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

Recently Issued or Adopted Accounting Pronouncements

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

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

Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)

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

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

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide all entities with a practical expedient and would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The impact of adoption did not have an impact on the Association’s financial condition, results of operations and cash flows.

Improvements to Income Tax Disclosures (ASC 740)

In December 2023, the FASB issued ASU 2023-09 – Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information.

The amendments in this standard require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Income taxes paid will require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid. The amendments are effective for annual periods beginning after December 15, 2025. The adoption of this guidance is not expected to have a material impact on the Association’s financial condition, results of operations, or cash flows.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loans by type follows:

	March 31, 2026	December 31, 2025
Real estate mortgage	\$ 1,031,085	\$ 1,004,661
Production & intermediate-term	287,695	346,194
Agribusiness	144,674	146,160
Rural infrastructure	30,032	29,391
Total loans	\$ 1,493,486	\$ 1,526,406

The Association purchases or sells participation interests with other parties to diversify risk, manage loan volume, and comply with Board Policy and Farm Credit Administration regulations. The following table presents information regarding participations purchased and sold as of the quarter ended March 31, 2026:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$ 52,329	\$ 134,228	\$ 178,730	\$ -	\$ 231,059	\$ 134,228
Production & intermediate-term	69,425	22,607	14,381	-	83,806	22,607
Agribusiness	96,536	25,317	35,802	-	132,338	25,317
Rural infrastructure	30,032	-	-	-	30,032	-
Total participations	\$ 248,322	\$ 182,152	\$ 228,913	\$ -	\$ 477,235	\$ 182,152

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit

risk associated with retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by the Board of Directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default within twelve months from the date of the determination of the PD rating. The loss given default is management's estimate as to the anticipated loss on a specific loan assuming a default has occurred or will occur within the next twelve months. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. The credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews the probability of default category at least on an annual basis, or when a credit action is taken.

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

- acceptable – assets are expected to be fully collectible and represent the highest quality,
- other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness,
- substandard – assets exhibit some serious weakness in repayment capacity, equity, or collateral pledged on the loan,
- doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing facts, conditions, and values make collection in full highly questionable, and
- loss – assets are considered uncollectible.

Accrued interest receivable on loans of \$23.2 million and \$24.9 million at March 31, 2026 and December 31, 2025 has been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition.

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

	March 31, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	\$ 10,740	\$ 11,460
Production & intermediate-term	9,058	7,585
Agribusiness	5,246	5,244
Total nonaccrual loans	25,044	24,289
Other property owned	-	2
Total nonperforming assets	\$ 25,044	\$ 24,291

Nonaccrual loans as a percentage of total loans 1.68%

Nonperforming assets as a percentage of total loans and other property owned 1.68%

Nonperforming assets as a percentage of capital 7.08%

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

	March 31, 2026			Interest Income Recognized For the Three Months Ended March 31, 2026
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	
Nonaccrual loans:				
Real estate mortgage	\$ -	\$ 10,740	\$ 10,740	\$ 770
Production and intermediate-term	88	8,970	9,058	437
Agribusiness	-	5,246	5,246	216
Total nonaccrual loans	\$ 88	\$ 24,956	\$ 25,044	\$ 1,423

	December 31, 2025			Interest Income Recognized For the Three Months Ended March 31, 2025
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	
Nonaccrual loans:				
Real estate mortgage	\$ -	\$ 11,460	\$ 11,460	\$ 20
Production and intermediate-term	85	7,500	7,585	1
Agribusiness	-	5,244	5,244	-
Total nonaccrual loans	\$ 85	\$ 24,204	\$ 24,289	\$ 21

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

March 31, 2026	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Recorded Investment in Loans Outstanding	Amortized Cost >90 days and Accruing
Real estate mortgage	\$ 3,795	\$ 2,939	\$ 6,734	\$ 1,024,351	\$ 1,031,085	\$ -
Production and intermediate-term	3,509	88	3,597	284,098	287,695	-
Agribusiness	7,202	5,246	12,448	132,226	144,674	-
Rural infrastructure	-	-	-	30,032	30,032	-
Total	\$ 14,506	\$ 8,273	\$ 22,779	\$ 1,470,707	\$ 1,493,486	\$ -

December 31, 2025	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Recorded Investment in Loans Outstanding	Amortized Cost >90 days and Accruing
Real estate mortgage	\$ 721	\$ 2,859	\$ 3,580	\$ 1,001,081	\$ 1,004,661	\$ -
Production and intermediate-term	197	1,450	1,647	344,547	346,194	-
Agribusiness	-	5,245	5,245	140,915	146,160	-
Rural infrastructure	-	-	-	29,391	29,391	-
Total	\$ 918	\$ 9,554	\$ 10,472	\$ 1,515,934	\$ 1,526,406	\$ -

As of March 31, 2026, the Association has \$21.2 million in nonaccrual loans that meet the CECL definition of collateral dependent. A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The collateral dependent loans are primarily real estate mortgages and production and intermediate-term loans.

Loan Modifications to Borrowers Experiencing Financial Difficulties

The following table shows the amortized cost basis at the end of the respective reporting period for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted.

	For the Three Months Ended March 31, 2026						
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate & Term Extension	Combination - Interest Rate & Payment Extension	Combination - Term Extension & Payment Extension	Percentage of Total by Loan Type
Real estate mortgage	\$ 189	\$ -	\$ 693	\$ -	\$ -	\$ -	0.06%
Production & intermediate-term	-	2,493	56	-	-	-	0.17%
Total	\$ 189	\$ 2,493	\$ 749	\$ -	\$ -	\$ -	0.23%

	For the Three Months Ended March 31, 2025						
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate & Term Extension	Combination - Interest Rate & Payment Extension	Combination - Term Extension & Payment Extension	Percentage of Total by Loan Type
Real estate mortgage	\$ -	\$ -	\$ 1,508	\$ -	\$ -	\$ -	0.11%
Production & intermediate-term	-	166	231	-	-	-	0.03%
Agribusiness	-	-	-	-	7,779	-	0.54%
Total	\$ -	\$ 166	\$ 1,739	\$ -	\$ 7,779	\$ -	0.68%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2026 and 2025 was \$0 and \$166 thousand, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2026:

For the three months ended March 31, 2026	Weighted average interest rate pre-modification	Weighted average interest rate post-modification	Weighted average term extensions (months)	Weighted average payments deferred (months)
Real estate mortgage	8.07%	7.90%	-	2
Production & intermediate-term	-	-	3	3

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025:

For the three months ended March 31, 2025	Weighted average interest rate pre-modification	Weighted average interest rate post-modification	Weighted average term extensions (months)	Weighted average payments deferred (months)
Real estate mortgage	-	-	-	4
Production & intermediate-term	-	-	2.5	4
Agribusiness	8.52%	7.50%	-	211

The Association did not have any modified loans with borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2026 or March 31, 2025 and received a modification in the twelve months before default.

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

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$ 12,883	\$ -	\$ -
Production & intermediate-term	8,683	2,980	-
Total	\$ 21,566	\$ 2,980	\$ -

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

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$ 8,220	\$ -	\$ -
Production & intermediate-term	2,392	-	-
Agribusiness	7,779	-	-
Total	\$ 18,391	\$ -	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026 were \$95 thousand and during the year ended December 31, 2025 were \$108 thousand.

Allowance for Credit Losses

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

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

	Real estate mortgage	Production and intermediate- term	Agribusiness	Rural infrastructure	Total
Allowance for loan losses:					
Balance at December 31, 2025	\$ 1,485	\$ 422	\$ 687	\$ 83	\$ 2,677
Provision/(reversal) for credit loss	(3)	72	15	98	182
Balance at March 31, 2026	\$ 1,482	\$ 494	\$ 702	\$ 181	\$ 2,859
Allowance for unfunded commitments:					
Balance at December 31, 2025	\$ 34	\$ 50	\$ 73	\$ 5	\$ 162
Provision/(reversal) for unfunded commitments	(1)	20	58	(1)	76
Balance at March 31, 2026	\$ 33	\$ 70	\$ 131	\$ 4	\$ 238
Total allowance for credit losses at March 31, 2026	\$ 1,515	\$ 564	\$ 833	\$ 185	\$ 3,097

	Real estate mortgage	Production and intermediate- term	Agribusiness	Rural infrastructure	Total
Allowance for loan losses:					
Balance at December 31, 2024	\$ 897	\$ 2,910	\$ 367	\$ 57	\$ 4,231
Provision/(reversal) for credit loss	627	(308)	18	4	341
Balance at March 31, 2025	\$ 1,524	\$ 2,602	\$ 385	\$ 61	\$ 4,572
Allowance for unfunded commitments:					
Balance at December 31, 2024	\$ 6	\$ 63	\$ 45	\$ 3	\$ 117
Provision/(reversal) for unfunded commitments	22	(17)	14	4	23
Balance at March 31, 2025	\$ 28	\$ 46	\$ 59	\$ 7	\$ 140
Total allowance for credit losses at March 31, 2025	\$ 1,552	\$ 2,648	\$ 444	\$ 68	\$ 4,712

NOTE 3 - CAPITAL

In accordance with the Farm Credit Act, each borrower is required to invest in capital stock (in the case of agricultural loans) or participation certificates (in the case of rural home and farm-related business loans) as a condition of borrowing. Borrowers purchase an amount of stock equal to the lesser of \$1,000 or 2% of the amount borrowed at the customer level. The borrower acquires ownership of the capital stock or participation certificates at the time the loan is made, but usually does not make a cash investment; the aggregate par value is added to the principal amount of the related loan obligation. The Association retains a first lien on the stock or participation certificates owned by borrowers. In accordance with the Farm Credit Act, such equities are unprotected and at risk.

Retirement of at-risk equities will be solely at the discretion of the Board of Directors at the lower of par or book value, and repayment of a loan cannot automatically result in retirement of the corresponding stock or participation certificates. The Board of Directors may adjust the required level of capitalization as necessary to meet the Association's long-term capital goals.

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

Capital ratios are depicted in the table below.

	Regulatory Minimums	Capital Conservation Buffer	Total	As of March 31, 2026
Risk-adjusted:				
Common Equity tier 1 capital ratio	4.5%	2.5%	7.0%	18.52%
Tier 1 capital ratio	6.0%	2.5%	8.5%	18.52%
Total capital ratio	8.0%	2.5%	10.5%	18.69%
Permanent capital ratio	7.0%	0.0%	7.0%	18.55%
Non-risk-adjusted:				
Tier 1 leverage ratio	4.0%	1.0%	5.0%	20.11%
UREE leverage ratio	1.5%	0.0%	1.5%	20.67%

The Association did not have any activity in accumulated other comprehensive loss, net of tax during the three months ended March 31, 2026.

NOTE 4 – FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 15 to the 2025 Annual Report for a more complete description.

Assets measured at fair value on a non-recurring basis for the applicable fair value hierarchy values are summarized below:

	Total Fair Value	
	March 31, 2026	December 31, 2025
LEVEL 3 - Assets:		
Impaired loans	\$ 25,044	\$ 24,289
Other property owned	\$ -	\$ 2

Valuation Techniques

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

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

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

NOTE 5 - INVESTMENT IN COBANK

The Association is required to maintain a minimum at-risk investment in CoBank stock based on a percentage of the Association's average borrowings from CoBank. The required stock investment in CoBank, which can change from time to time, is 3.00%.

The stockholder's investment in the Association is materially affected by the financial condition and results of operations of CoBank. CoBank's First Quarter 2026 Report to Shareholders can be obtained free of charge from their website (www.cobank.com) or by contacting us at 10980 South Jordan Gateway, South Jordan, UT 84095 or by calling 800-824-9198.

NOTE 6 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 1, 2026, the date the financial statements were available to be issued. No material subsequent events were identified.

CERTIFICATION

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



Kim D. Haws
Chairman of the Board of Directors



David G. Brown
President and Chief Executive Officer



Darren L. Haas
Senior Vice President and Chief Financial Officer

May 1, 2026



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Branch Offices:

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Tremonton	(435) 257-0179
Spanish Fork	(801) 798-7360
Richfield	(435) 896-8407
Cedar City	(435) 586-6575
Roosevelt	(435) 722-4076
Evanston, WY	(307) 789-9420