



**REPORT TO SHAREHOLDERS
THIRD QUARTER
2025**

WESTERN AGCREDIT

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

Statement of Condition: As of September 30, 2025, total loan volume was \$1,461.4 million, an increase of \$64.1 million from the comparative period for 2024 primarily due to the Association's successful marketing efforts to obtain new good quality loan volume and purchases of loan participations. This compares to an increase of \$15.4 million from December 31, 2024 primarily due to new loan volume partially offset by repayments. The allowance for loan losses increased \$1.0 million since September 30, 2024 and decreased \$1.5 million since December 31, 2024. The increase from September 30, 2024 is due primarily to increases in the PD factor, loan volume, drought factor, specific allowance, and collateral factor partially offset by decreases in industry and LGD factors. The decrease from December 31, 2024 is due primarily to the decreases in specific reserves and industry and LGD factors partially offset by increases in PD factor, loan volume, and drought and collateral factors.

The Association's cash position decreased \$1.7 million compared to year-end 2024 due to a smaller deposit being made at the end of September 2025 than at year-end 2024. Accrued interest receivable increased \$86 thousand from September 2024, primarily due to increased loan volume offset by decreased interest rates. The Investment in CoBank increased \$1.8 million from September 2024 due to required stock purchases associated with higher loan volume and associated note payable during 2024. The \$514 thousand decrease in premises and equipment from September 2024 is due primarily to sale of land in South Jordan and normal depreciation partially offset by capital purchases. Other assets decreased \$68 thousand compared to September 2024, primarily due to decreased prepaid pension costs. The \$2.1 million decrease in other assets from year-end 2024 is largely due to the receipt CoBank patronage received in March 2025.

Note payable to CoBank increased \$36.0 million from a year earlier primarily due to increased loan volume, which is primarily funded by the note payable. Funds held at September 30, 2025 were \$4.2 million higher than year-end 2024 and \$5.4 million higher than the comparative period for 2024. Increases result from borrowers' deposit of funds into the Association's funds held account program. Accrued interest payable increased \$235 thousand or 5.8% from September 30, 2024 primarily as a result of the increased note payable and funds held offset by lower cost of funds. The Association accrues estimated member patronage each month, resulting in \$8.3 million of accrued patronage at September 30, 2025. The \$14.4 million of patronage distributions payable at December 31, 2024 is the accrued and declared 2024 patronage, subsequently paid to members in February 2025. Other liabilities increased \$158 thousand when compared to September 2024 primarily due to increased accruals for incentives, annual leave and FCSIC premium along with reserve for unfunded commitments. The \$608 thousand decrease in other liabilities from year-end 2024 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 \$10 thousand from year-end 2024 due to stock issuances exceeding retirements. Unallocated retained earnings increased \$22.1 million from year-end 2024, attributed to the Association's net income partially offset by accrued member patronage, while the \$22.8 million increase from September 2024 resulted from the Association's net income of \$37.8 million less the \$15.0 million in patronage distributions that were accrued during the period.

Statement of Income: Year-to-date net interest income for 2025 increased \$1.3 million or 3.60% when compared to the same period in 2024. Total interest income increased \$2.0 million primarily due to increased nonaccrual interest income and average loan volume offset by decreased interest rates while total interest expense increased \$680 thousand largely attributable to the increased note payable and funds held offset by lower average cost of funds. The 2025 year-to-date reversal of loan losses is due to decreased specific reserves and industry and LGD factors partially offset by increases in PD factor, loan volume, and drought and collateral factors. The Association's allowance for loan losses remained adequate at 0.18% of loans at September 30, 2025.

The \$260 thousand increase in 2025 year-to-date total noninterest income was primarily due to increased loan fee income and patronage from Farm Credit Institutions partially offset by decreases in other noninterest income and financially related services income. Other noninterest income in 2025 consists of return of excess FCSIC premium, rental income from a portion of South Jordan and Evanston buildings, allocated income from the Farm Credit Captive Insurance program, and mineral 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.

Total year-to-date noninterest expense increased \$712 thousand or 5.61%. The increase resulted from a \$306 thousand change in loss on sale of premises and equipment, \$216 thousand increase in salaries and employee benefits, \$167 thousand increase in other operating expenses, \$19 thousand increase in Farm Credit Insurance Fund premium, \$3 thousand increase in occupancy and equipment, and \$1 thousand decrease in gain on other property owned.

The Association's \$30.4 million 2025 year-to-date net income is \$4.5 million higher than projected in the Association's business plan primarily due to higher than projected net interest income, reversal of loan losses, and noninterest income and lower than projected operating expenses and Farm Credit Insurance Fund premium offset by higher than projected provision for income taxes.

Please refer to "Notes to the Association Consolidated Financial Statements" and the Association's 2024 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)

	September 30,		December 31,	
	2025	2024	2024	2023
ASSETS				
Loans	\$ 1,461,430	\$ 1,397,293	\$ 1,445,994	\$ 1,370,321
Less: Allowance for loan losses	(2,740)	(1,723)	(4,231)	(1,798)
Net loans	1,458,690	1,395,570	1,441,763	1,368,523
Cash	3,625	2,847	5,333	3,818
Accrued interest receivable	34,691	34,605	25,272	24,042
Investment in CoBank	33,352	31,579	33,337	31,560
Premises and equipment, net	10,352	10,866	10,694	11,090
Other property owned	2	2	2	702
Deferred tax assets, net	114	39	539	-
Other assets	14,645	14,713	16,762	16,725
Total assets	\$ 1,555,471	\$ 1,490,221	\$ 1,533,702	\$ 1,456,460
LIABILITIES				
Note payable to CoBank	\$ 1,149,900	\$ 1,113,880	\$ 1,148,990	\$ 1,095,016
Funds held	42,788	37,425	38,562	36,850
Accrued interest payable	4,273	4,038	3,056	2,850
Accrued member patronage	8,283	7,621	-	-
Patronage distributions payable	-	-	14,350	13,865
Deferred tax liabilities, net	-	-	-	39
Other liabilities	3,612	3,454	4,220	5,016
Total liabilities	1,208,856	1,166,418	1,209,178	1,153,636
Commitments and contingencies				
MEMBERS' EQUITY				
Capital stock and participation certificates	1,582	1,549	1,572	1,527
Unallocated retained earnings	345,033	322,254	322,952	301,297
Total members' equity	346,615	323,803	324,524	302,824
Total liabilities and members' equity	\$ 1,555,471	\$ 1,490,221	\$ 1,533,702	\$ 1,456,460

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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
INTEREST INCOME				
Loans	\$ 22,523	\$ 22,129	\$ 67,025	\$ 65,041
Total interest income	22,523	22,129	67,025	65,041
INTEREST EXPENSE				
Note payable to CoBank	9,712	9,471	28,061	27,597
Funds held	442	387	1,411	1,195
Total interest expense	10,154	9,858	29,472	28,792
Net interest income	12,369	12,271	37,553	36,249
(Provision for)/Reversal of loan losses	(563)	(39)	1,462	27
Net interest income after provision for loan losses	11,806	12,232	39,015	36,276
NONINTEREST INCOME				
Patronage distribution from Farm Credit Institutions	1,379	1,332	4,125	4,022
Financially related services income	37	41	114	122
Loan fees	264	121	574	261
Other noninterest income	26	25	369	517
Total noninterest income	1,706	1,519	5,182	4,922
NONINTEREST EXPENSE				
Salaries and employee benefits	2,981	2,924	8,911	8,695
Occupancy and equipment	163	160	529	526
Other operating expense	921	854	2,883	2,716
Farm Credit Insurance Fund premium	279	289	817	798
(Gain)/loss on sale of premises and equipment	(32)	2	268	(38)
Gain on other property owned, net	-	-	-	(1)
Total noninterest expense	4,312	4,229	13,408	12,696
Income before income taxes	9,200	9,522	30,789	28,502
(Provision)/Benefit for income taxes	103	(11)	(425)	76
Net income	\$ 9,303	\$ 9,511	\$ 30,364	\$ 28,578

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, 2023	\$ 1,527	\$ 301,297	\$ 302,824	
Comprehensive income		28,578	28,578	
Accrued member patronage		(7,621)	(7,621)	
Capital stock and participation certificates issued	85		85	
Capital stock and participation certificates retired	(63)		(63)	
Balance at September 30, 2024	\$ 1,549	\$ 322,254	\$ 323,803	
Balance at December 31, 2024	\$ 1,572	\$ 322,952	\$ 324,524	
Comprehensive income		30,364	30,364	
Accrued member patronage		(8,283)	(8,283)	
Capital stock and participation certificates issued	88		88	
Capital stock and participation certificates retired	(78)		(78)	
Balance at September 30, 2025	\$ 1,582	\$ 345,033	\$ 346,615	

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, 2024 are contained in the 2024 Annual Report to Shareholders. These unaudited third quarter 2025 financial statements should be read in conjunction with the 2024 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with 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, 2024 as contained in the 2024 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, 2025. Descriptions of the significant accounting policies are included in the 2024 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): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted. The Association is currently assessing the potential impact of this amendment on its disclosures.

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) 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 practical expedient 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 accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. 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. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. The Association is currently assessing the potential impact of this standard on its disclosures.

Improvements to Income Tax Disclosures (ASC 740)

In December 2023, the Financial Accounting Standards Board (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:

	September 30, 2025	December 31, 2024
Real estate mortgage	\$ 999,179	\$ 977,828
Production & intermediate-term	294,468	319,171
Agribusiness	136,666	121,791
Rural infrastructure	31,117	27,204
Total loans	\$ 1,461,430	\$ 1,445,994

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 September 30, 2025:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$ 49,404	\$ 79,692	\$ 192,537	\$ -	\$ 241,941	\$ 79,692
Production & intermediate-term	49,982	50,276	9,951	-	59,933	50,276
Agribusiness	86,306	26,114	34,674	-	120,980	26,114
Rural infrastructure	31,117	-	-	-	31,117	-
Total participations	\$ 216,809	\$ 156,082	\$ 237,162	\$ -	\$ 453,971	\$ 156,082

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. 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.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Real estate mortgage		
Acceptable	95.08%	94.52%
OAEM	1.87%	2.03%
Substandard	3.05%	3.45%
Total	100.00%	100.00%
Production & intermediate-term		
Acceptable	93.35%	92.58%
OAEM	0.94%	2.88%
Substandard	5.71%	4.54%
Total	100.00%	100.00%
Agribusiness		
Acceptable	90.49%	93.06%
Substandard	9.51%	6.94%
Total	100.00%	100.00%
Rural infrastructure		
Acceptable	97.42%	100.00%
OAEM	2.58%	0.00%
Total	100.00%	100.00%
Total Loans		
Acceptable	94.35%	94.07%
OAEM	1.52%	2.01%
Substandard	4.13%	3.92%
Total loans	100.00%	100.00%

Accrued interest receivable on loans of \$34.7 million and \$25.3 million at September 30, 2025 and December 31, 2024 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:

	September 30, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	\$ 6,022	\$ 6,774
Production & intermediate-term	1,788	4,664
Agribusiness	5,798	8,449
Total nonaccrual loans	13,608	19,887
Other property owned	2	2
Total nonperforming assets	\$ 13,610	\$ 19,889
Nonaccrual loans as a percentage of total loans		0.93%
Nonperforming assets as a percentage of total loans and other property owned		0.93%
Nonperforming assets as a percentage of capital		3.93%

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:

	September 30, 2025			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
	Nonaccrual loans:				
Real estate mortgage	\$ -	\$ 6,022	\$ 6,022	\$ 22	\$ 620
Production and intermediate-term	75	1,713	1,788	128	568
Agribusiness	-	5,798	5,798	(88)	(88)
Total nonaccrual loans	\$ 75	\$ 13,533	\$ 13,608	\$ 62	\$ 1,100

	December 31, 2024			Interest Income Recognized	
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
	Nonaccrual loans:				
Real estate mortgage	\$ 6,774	\$ -	\$ 6,774	\$ 2	\$ (60)
Production and intermediate-term	4,664	-	4,664	12	100
Agribusiness	8,449	-	8,449	-	-
Total nonaccrual loans	\$ 19,887	\$ -	\$ 19,887	\$ 14	\$ 40

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

September 30, 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	Recorded Investment >90 days and Accruing
Real estate mortgage	\$ 3,138	\$ 2,816	\$ 5,954	\$ 993,225	\$ 999,179	\$ -
Production and intermediate-term	5,860	108	5,968	288,500	294,468	-
Agribusiness	5,245	155	5,400	131,266	136,666	-
Rural infrastructure	-	-	-	31,117	31,117	-
Total	\$ 14,243	\$ 3,079	\$ 17,322	\$ 1,444,108	\$ 1,461,430	\$ -

December 31, 2024	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	Recorded Investment >90 days and Accruing
Real estate mortgage	\$ 1,995	\$ -	\$ 1,995	\$ 975,833	\$ 977,828	\$ -
Production and intermediate-term	199	3,084	3,283	315,888	319,171	-
Agribusiness	-	8,016	8,016	113,775	121,791	-
Rural infrastructure	-	-	-	27,204	27,204	-
Total	\$ 2,194	\$ 11,100	\$ 13,294	\$ 1,432,700	\$ 1,445,994	\$ -

As of September 30, 2025, the Association had \$12.7 million in nonaccrual loans that meet the Current Expected Credit Losses (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 September 30, 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	\$ 631	\$ -	\$ -	\$ -	\$ -	\$ -	0.06%
Production & intermediate-term	-	150	310	-	-	-	0.16%
Total	\$ 631	\$ 150	\$ 310	\$ -	\$ -	\$ -	

For the Three Months Ended September 30, 2024							
	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
Production & intermediate-term	\$ -	\$ 172	\$ -	\$ 78	\$ -	\$ -	0.09%
Total	\$ -	\$ 172	\$ -	\$ 78	\$ -	\$ -	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended September 30, 2025 and 2024 was \$54 thousand and \$8 thousand, respectively.

For the Nine Months Ended September 30, 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	\$ 631	\$ -	\$ 11,553	\$ -	\$ -	\$ -	1.22%
Production & intermediate-term	-	9,907	482	-	-	-	3.53%
Agribusiness	-	-	-	7,767	-	-	5.68%
Total	\$ 631	\$ 9,907	\$ 12,035	\$ 7,767	\$ -	\$ -	

For the Nine Months Ended September 30, 2024							
	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	\$ -	\$ -	\$ 7,248	\$ -	\$ -	\$ -	0.75%
Production & intermediate-term	-	1,973	474	153	-	-	0.94%
Total	\$ -	\$ 1,973	\$ 7,722	\$ 153	\$ -	\$ -	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the nine months ended September 30, 2025 and 2024 was \$717 thousand and \$278 thousand, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended September 30, 2025 and September 30, 2024:

	Weighted average interest rate pre-modification	Weighted average interest rate post-modification	Weighted average term extensions (months)	Weighted average payments deferred (months)
For the three months ended September 30, 2025				
Real estate mortgage	8.55%	8.07%	-	-
Production & intermediate-term	-	-	7	2
For the three months ended September 30, 2024				
Production & intermediate-term	10.35%	9.75%	12	-

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2025 and September 30, 2024:

	Weighted average interest rate pre-modification	Weighted average interest rate post-modification	Weighted average term extensions (months)	Weighted average payments deferred (months)
For the nine months ended September 30, 2025				
Real estate mortgage	8.55%	8.07%	-	3
Production & intermediate-term	-	-	6	5
Agribusiness	8.52%	7.50%	-	211
For the nine months ended September 30, 2024				
Production & intermediate-term	11.42%	10.80%	11	-

The Association did not have any modified loans with borrowers experiencing financial difficulty that defaulted during the three months ended September 30, 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 September 30, 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	\$ 12,184	\$ -	\$ -
Production & intermediate-term	4,784	5,605	-
Agribusiness	7,767	-	-
Total	\$ 24,735	\$ 5,605	\$ -

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to September 30, 2024:

	Payment Status of Loans Modified in Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	\$ 8,167	\$ -	\$ -
Production & intermediate-term	2,616	-	-
Total	\$ 10,783	\$ -	\$ -

At September 30, 2025, there were additional commitments to lend to borrowers of \$220 thousand whose loans were modified during the nine months ended September 30, 2025. At December 31, 2024, there were \$134 thousand of commitments to lend to borrowers whose loans were modified during the twelve months ended December 31, 2024.

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 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 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 June 30, 2025	\$ 1,369	\$ 326	\$ 416	\$ 80	\$ 2,191
Provision/(reversal) for loan losses	152	149	246	2	549
Balance at September 30, 2025	\$ 1,521	\$ 475	\$ 662	\$ 82	\$ 2,740
Allowance for unfunded commitments:					
Balance at June 30, 2025	\$ 24	\$ 40	\$ 50	\$ 18	\$ 132
Provision/(reversal) for unfunded commitments	5	23	(11)	(3)	14
Balance at September 30, 2025	\$ 29	\$ 63	\$ 39	\$ 15	\$ 146
Total allowance for credit losses at September 30, 2025	\$ 1,550	\$ 538	\$ 701	\$ 97	\$ 2,886

	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 loan losses	624	(2,435)	295	25	(1,491)
Balance at September 30, 2025	\$ 1,521	\$ 475	\$ 662	\$ 82	\$ 2,740
Allowance for unfunded commitments:					
Balance at December 31, 2024	\$ 6	\$ 63	\$ 45	\$ 3	\$ 117
Provision/(reversal) for unfunded commitments	23	-	(6)	12	29
Balance at September 30, 2025	\$ 29	\$ 63	\$ 39	\$ 15	\$ 146
Total allowance for credit losses at September 30, 2025	\$ 1,550	\$ 538	\$ 701	\$ 97	\$ 2,886

	Real estate mortgage	Production and intermediate-term	Agribusiness	Rural infrastructure	Total
Allowance for loan losses:					
Balance at June 30, 2024	\$ 764	\$ 440	\$ 421	\$ 51	\$ 1,676
Provision/(reversal) loan losses	85	(22)	(20)	4	47
Balance at September 30, 2024	\$ 849	\$ 418	\$ 401	\$ 55	\$ 1,723
Allowance for unfunded commitments:					
Balance at June 30, 2024	\$ 6	\$ 46	\$ 45	\$ 3	\$ 100
Provision for/(reversal of) Provision/(reversal) for unfunded commitments	(1)	3	(10)	-	(8)
Balance at September 30, 2024	\$ 5	\$ 49	\$ 35	\$ 3	\$ 92
Total allowance for credit losses at September 30, 2024	\$ 854	\$ 467	\$ 436	\$ 58	\$ 1,815

	Real estate mortgage	Production and intermediate-term	Agribusiness	Rural infrastructure	Total
Allowance for loan losses:					
Balance at December 31, 2023	\$ 522	\$ 985	\$ 238	\$ 53	\$ 1,798
Recoveries	-	43	-	-	43
Provision/(reversal) for loan losses	327	(610)	163	2	(118)
Balance at September 30, 2024	\$ 849	\$ 418	\$ 401	\$ 55	\$ 1,723
Allowance for unfunded commitments:					
Balance at December 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ -
Provision/(reversal) for unfunded commitments	5	48	35	3	91
Balance at September 30, 2024	\$ 5	\$ 48	\$ 35	\$ 3	\$ 91
Total allowance for credit losses at September 30, 2024	\$ 854	\$ 466	\$ 436	\$ 58	\$ 1,814

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 September 30, 2025
Risk-adjusted:				
Common Equity tier 1 capital ratio	4.5%	2.5%	7.0%	19.23%
Tier 1 capital ratio	6.0%	2.5%	8.5%	19.23%
Total capital ratio	8.0%	2.5%	10.5%	19.37%
Permanent capital ratio	7.0%	0.0%	7.0%	19.25%
Non-risk-adjusted:				
Tier 1 leverage ratio	4.0%	1.0%	5.0%	20.77%
UREE leverage ratio	1.5%	0.0%	1.5%	21.28%

The Association did not have any activity in the accumulated other comprehensive loss, net of tax during the nine months ended September 30, 2025

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 2024 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:

	<u>Total Fair Value</u>	
	September 30, 2025	December 31, 2024
LEVEL 3 - Assets:		
Impaired loans	\$ 13,608	\$ 19,887
Other property owned	2	2

Valuation Techniques

As more fully discussed in Note 2 to the 2024 Annual Report to Shareholders, 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 2024 Annual Report to Shareholders.

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 shareholder's investment in the Association is materially affected by the financial condition and results of operations of CoBank. CoBank's Third Quarter 2025 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 October 31, 2025, 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

October 31, 2025



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