



2025 Quarterly Report

June 30, 2025

Quarterly Report

June 30, 2025

AgWest Farm Credit, ACA

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

The following commentary is a review of the consolidated financial condition and results of operations of AgWest Farm Credit, an Agricultural Credit Association (ACA) and its wholly-owned subsidiaries (collectively referred to as AgWest) for the three and six months ended June 30, 2025. These comments should be read in conjunction with the unaudited consolidated financial statements and related notes included in this report, as well as the 2024 AgWest Annual Report to Stockholders. Dollar amounts are in thousands unless otherwise stated.

Effective January 1, 2023, Farm Credit West, ACA (Farm Credit West) and its PCA and FLCA subsidiaries merged with and into Northwest Farm Credit Services, ACA (the continuing association) and its respective PCA and FLCA subsidiaries (Northwest FCS). Northwest FCS acquired 100 percent of the assets and liabilities of Farm Credit West. In connection with the merger, Northwest FCS and its PCA and FLCA subsidiaries changed their names to AgWest Farm Credit, ACA, AgWest Farm Credit, PCA and AgWest Farm Credit, FLCA, respectively.

AgWest and its predecessors' quarterly and annual reports to stockholders may be obtained free of charge on AgWest's website, www.AgWestFC.com, or upon request at AgWest Farm Credit, ACA, P.O. Box 2515, Spokane, Washington 99220-2515, by telephone at (509) 340-5300, or toll free at (866) 552-9172. Additionally, the financial condition and results of operations of CoBank, ACB (CoBank), may materially affect the risk associated with stockholder investments in AgWest. Stockholders of AgWest may obtain copies of CoBank's financial statements free of charge by accessing CoBank's website, www.cobank.com, or upon request at AgWest.

The consolidated financial statements were prepared under the oversight of the Audit Committee.

Forward-Looking Statements

Certain statements contained in this report that are not historical facts are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Words such as "believes," "could," "estimates," "anticipates," "may," "should," "will," or other variations of these terms or similar expressions are intended to identify forward-looking statements. These statements are based on assumptions and analyses made in light of experience, historical trend, current conditions and expected future developments. However, actual results and developments may differ materially from AgWest's expectations and predictions due to a number of risks and uncertainties that are beyond its control. These risks and uncertainties include, but are not limited to risks and uncertainty associated with the evolving domestic and international political environment, government trade policies in the United States and other countries, international territorial disputes, merger integration, fluctuations in the economy, the relative strengths and weaknesses in the agricultural credit sectors and real estate market, and the actions taken by the Federal Reserve in implementing monetary policy. Readers are cautioned not to place undue reliance on these forward-looking statements. AgWest will not update any forward-looking statements to reflect events or circumstances arising after they are made.

Results of Operations

Net income for the three months ended June 30, 2025, was \$160.3 million compared to \$186.5 million for the same period of the prior year. The decrease for the three month comparative period was primarily due to increases in the Provision for credit losses and Noninterest expense, and a decrease in Noninterest income, partially offset by an increase in Net interest income. Net income for the six months ended June 30, 2025, was \$361.1 million compared to \$372.7 million for the same period of the prior year. The decrease for the six month comparative periods was primarily due to increases in the Provision for credit losses and Noninterest expense, partially offset by increases in Net interest income and Noninterest income.

Net interest income was \$232.0 million for the three months ended June 30, 2025, compared to \$212.0 million for the same period of the prior year. Net interest income was \$460.9 million for the six months ended June 30, 2025, compared to \$424.5 million for the same period of the prior year. The increase in Net interest income for the three and six months ended comparative periods is presented in the following table:

<i>Change between the three months ended June 30, 2025 and 2024</i>	<i>Change in income/expense</i>	<i>Change in rate</i>	<i>Change in volume</i>
Interest income on total loans	\$ (4,484)	\$ (38,450)	\$ 33,966
Interest income on investment securities	3,865	812	3,053
Total interest income	\$ (619)	\$ (37,638)	\$ 37,019
Total interest expense	20,601	44,748	(24,147)
Net interest income	\$ 19,982	\$ 7,110	\$ 12,872

<i>Change between the six months ended June 30, 2025 and 2024</i>	<i>Change in income/expense</i>	<i>Change in rate</i>	<i>Change in volume</i>
Interest income on total loans	\$ (2,739)	\$ (78,610)	\$ 75,871
Interest income on investment securities	6,225	1,807	4,418
Total interest income	\$ 3,486	\$ (76,803)	\$ 80,289
Total interest expense	32,900	85,301	(52,401)
Net interest income	\$ 36,386	\$ 8,498	\$ 27,888

Net interest margin is a measure of the interest earned on assets compared to interest paid on interest-bearing liabilities. Information regarding the average daily balances and average rates earned and paid are presented in the following tables:

<i>For the three months ended June 30,</i>	<i>2025</i>	<i>2024</i>
Net interest income	\$ 231,959	\$ 211,977
Average balances:		
Total loans	\$ 31,364,456	\$ 29,462,579
Investment securities	2,114,586	1,778,013
Average interest earning assets	\$ 33,479,042	\$ 31,240,592
Note payable to CoBank, ACB	\$ 27,704,557	\$ 25,804,936
Advanced conditional payments and other interest bearing liabilities	757,699	718,862
Average interest bearing liabilities	\$ 28,462,256	\$ 26,523,798
Net interest margin	2.78%	2.73%

<i>For the six months ended June 30,</i>	2025	2024
Net interest income	\$ 460,884	\$ 424,498
Average balances:		
Total loans	\$ 31,355,357	\$ 29,216,725
Investment securities	2,020,374	1,771,631
Average interest earning assets	\$ 33,375,731	\$ 30,988,356
Note payable to CoBank, ACB	\$ 27,659,787	\$ 25,539,220
Advanced conditional payments and other interest bearing liabilities	723,162	725,793
Average interest bearing liabilities	\$ 28,382,949	\$ 26,265,013
Net interest margin	2.78%	2.75%

During the three and six months ended June 30, 2025, there were Provision for credit losses of \$44.0 million and \$58.4 million, respectively. These are compared to Provision for credit losses of \$6.0 million and \$14.4 million for the three and six months ended June 30, 2024, respectively. The increase in Provision for credit losses for the six month comparative periods was due to increases in the Allowance for credit losses (ACL) and net charge-offs in the current period compared to the prior period. The ACL is comprised of the Allowance for loan losses (ALL) and the reserve for unfunded commitments, which is presented on the Consolidated Balance Sheets in Other liabilities. Refer to Note 3 to the consolidated financial statements for additional discussion on the provision and allowance for credit losses.

Noninterest income for the three months ended June 30, 2025 and 2024, was \$70.5 million and \$76.0 million respectively, a decrease of \$5.5 million. Noninterest income for the six months ended June 30, 2025 and 2024, was \$151.0 million and \$143.0 million respectively, an increase of \$8.0 million. The decrease in Noninterest income between the three month comparative periods was primarily due to decreases in Other noninterest income and Financially related services, partially offset by an increase in Patronage and Loan and other fees. The increase in Noninterest income between the six month comparative periods was primarily due to increases in Patronage, Loan and other fees, and Financially related services, partially offset by a decrease in Other noninterest income.

Noninterest expense for the three months ended June 30, 2025 and 2024, was \$98.1 million and \$94.7 million, respectively, an increase of \$3.4 million. Noninterest expense for the six months ended June 30, 2025 and 2024, was \$192.2 million and \$178.7 million, respectively, an increase of \$13.5 million. The increase in Noninterest expense for the three and six month comparative periods was primarily due to an increase in Salaries and employee benefits, Information technology services and Insurance fund premiums. These increases were partially offset by a decrease in Other noninterest expenses.

Financial Condition

Loan Portfolio

Loans by type are presented in the following table:

	<i>June 30, 2025</i>	<i>December 31, 2024</i>	<i>Change</i>
Production agriculture:			
Real estate mortgage	\$ 14,750,264	\$ 14,669,504	\$ 80,760
Production and intermediate-term	7,921,553	8,530,753	(609,200)
Agribusiness:			
Processing and marketing	4,245,823	4,206,353	39,470
Farm-related business	1,090,190	894,606	195,584
Loans to cooperatives	997,455	884,443	113,012
Rural infrastructure:			
Energy	984,091	968,680	15,411
Communications	910,761	714,042	196,719
Water and waste disposal	266,639	321,950	(55,311)
Rural residential real estate	191,534	206,094	(14,560)
Financing leases	162,819	180,164	(17,345)
Other	143,677	123,803	19,874
Total	\$ 31,664,806	\$ 31,700,392	\$ (35,586)

The following table shows the primary agricultural commodities produced by AgWest members based on the Standard Industrial Classification System (SIC) published by the federal government. This system is used to assign commodity or industry categories based on the primary business of the customer. Further diversification exists within the identified commodities as most member operations produce more than one commodity.

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
Tree nuts	11.9%	12.2%
Dairy	10.7%	12.3%
Cattle and livestock	8.9%	8.2%
Agricultural processing	8.6%	8.3%
Tree fruit	7.6%	7.6%
Grains	7.1%	7.0%
Wine/Vineyard	6.7%	6.3%
Forest products	6.1%	5.9%
Agricultural services	4.7%	4.7%
Other concentrations in aggregate	27.7%	27.5%
Total	100.0%	100.0%

Agricultural processing includes the processing and preparation of agricultural products to be suitable for the market and consumption. Agricultural services includes equipment and input supply providers, ensuring the health and productivity of crops and livestock, and facilitation of the efficient production and distribution of food and other agricultural products.

For additional information on the industries served by AgWest, visit Industry Insights in the Education and Resources section of www.AgWestFC.com.

Nonperforming assets consist of nonaccrual loans, accrual loans 90 days or more past due, and other property owned. A summary of nonperforming assets is presented in the following table:

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
Nonperforming assets:		
Nonaccrual loans	\$ 463,793	\$ 322,914
Accrual loans 90 days or more past due	124,565	28,608
Other property owned, net	6,794	6,932
Total nonperforming assets	\$ 595,152	\$ 358,454

Total nonperforming assets at June 30, 2025, increased by \$236.7 million compared to December 31, 2024. Nonaccrual loans increased by \$140.9 million. The increase as compared to year-end is primarily due to transfers to nonaccrual during the current year. Accrual loans 90 days or more past due increased by \$96.0 million from December 31, 2024. These past due loans were believed to be fully collectible and are actively managed. The status of these loans will continue to be assessed until they are paid off, brought current, or a restructuring action has been finalized.

The ACL at June 30, 2025, was \$234.0 million compared to \$198.5 million at December 31, 2024. The increase as compared to year-end is primarily due to an increase in individually evaluated loan reserves, declining credit quality, and shifts in macroeconomic factors, partially offset by net charge-offs. For additional information, refer to Note 1 and Note 3 to the consolidated financial statements.

At June 30, 2025, Patronage receivable decreased by \$120.4 million compared to December 31, 2024, as a result of the receipt of prior year patronage, partially offset by accruals recorded related to the estimate of Patronage receivable for 2025.

At June 30, 2025, Patronage payable decreased by \$197.9 million compared to December 31, 2024, as a result of the disbursement of prior year patronage, partially offset by accruals recorded related to the estimate of Patronage payable for 2025.

Liquidity, Investment Securities and Funding Source

The primary source of AgWest liquidity and funding is a direct loan from CoBank that is reported as a Note payable to CoBank, ACB in the Consolidated Balance Sheets. The funding arrangement is governed by the General Financing Agreement. AgWest is currently in compliance with this agreement, including repayment, pursuant to the terms and conditions of each debt obligation to CoBank and does not foresee issues with obtaining funding or maintaining liquidity and sensitivity requirements. At June 30, 2025, AgWest's Note payable to CoBank, ACB was \$28.0 billion which is net of \$216.4 million in remaining unamortized net discounts related to the merger. For additional information, refer to Note 1 to the consolidated financial statements.

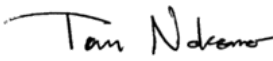
AgWest has two secondary sources of liquidity and funding, with the first being a liquidity investments portfolio managed by AgWest. The liquidity investments portfolio holds investment securities primarily to maintain a liquidity reserve and to assist with interest rate risk management. In accordance with Board-approved policies, AgWest purchases high credit quality investment securities to ensure the investment portfolio is readily marketable and available to serve as a source of liquidity in the event of disruption to AgWest's normal funding sources. Additional investment securities information is in Note 1 and Note 2 to the consolidated financial statements. AgWest's other secondary source of liquidity and funding is through an uncommitted federal funds line of credit with Wells Fargo Bank, N.A. The amount available through this line is \$125.0 million and is intended to provide liquidity for disaster recovery or other emergency situations. At June 30, 2025, no balance was outstanding on this line of credit.

Certification

The undersigned certify that they have reviewed this report and it has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate and complete to the best of their knowledge and belief. There were no material changes in the internal control over financial reporting during the three and six months ended June 30, 2025.



Bill Perry
President and CEO
August 8, 2025



Tom Nakano
Chief Financial Officer
August 8, 2025



Douglas C. Filippini
Chair of the Board
August 8, 2025

Consolidated Balance Sheets

(dollars in thousands) (unaudited)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Cash	\$ 19,238	\$ 76,566
Investment securities	2,182,789	1,845,064
Loans	31,664,806	31,700,392
Less: allowance for loan losses	206,000	179,000
Net loans	<u>31,458,806</u>	<u>31,521,392</u>
Accrued interest receivable	405,278	412,901
Investment in CoBank, ACB	896,846	889,490
Patronage receivable	106,996	227,409
Investment in other Farm Credit System entities	37,843	37,829
Premises and equipment, net	121,143	109,311
Other assets	<u>216,375</u>	<u>212,887</u>
Total assets	<u>\$ 35,445,314</u>	<u>\$ 35,332,849</u>
LIABILITIES		
Note payable to CoBank, ACB	\$ 27,989,915	\$ 28,003,456
Advance conditional payments and other interest bearing liabilities	797,814	616,202
Accrued interest payable	165,038	169,652
Patronage payable	216,489	414,435
Other liabilities	<u>138,801</u>	<u>174,139</u>
Total liabilities	<u>29,308,057</u>	<u>29,377,884</u>
MEMBERS' EQUITY		
Capital stock and participation certificates	39,097	38,706
Less: capital stock and participation certificates receivable	(39,097)	(38,706)
Additional paid-in-capital	2,149,282	2,149,282
Accumulated other comprehensive income (loss)	5,526	(32,317)
Unallocated retained earnings	<u>3,982,449</u>	<u>3,838,000</u>
Total members' equity	<u>6,137,257</u>	<u>5,954,965</u>
Total liabilities and members' equity	<u>\$ 35,445,314</u>	<u>\$ 35,332,849</u>

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

Consolidated Statements of Income and Comprehensive Income

(dollars in thousands) (unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
NET INTEREST INCOME				
Interest income	\$ 540,199	\$ 540,818	\$ 1,074,420	\$ 1,070,934
Interest expense	308,240	328,841	613,536	646,436
Net interest income	231,959	211,977	460,884	424,498
Provision for credit losses	44,033	5,974	58,413	14,399
Net interest income after provision for credit losses	187,926	206,003	402,471	410,099
NONINTEREST INCOME				
Patronage	54,057	50,737	108,294	101,991
Loan and other fees	10,374	8,459	17,560	14,476
Financially related services	4,405	5,607	12,595	11,583
Other noninterest income	1,662	11,205	12,566	14,936
Total noninterest income	70,498	76,008	151,015	142,986
NONINTEREST EXPENSE				
Salaries and employee benefits	53,181	49,718	105,576	95,086
Information technology services	18,861	12,853	35,638	25,227
Insurance fund premiums	6,301	5,737	12,669	11,537
Occupancy and equipment	3,955	3,840	7,952	7,977
Other noninterest expenses	15,792	22,586	30,377	38,885
Total noninterest expense	98,090	94,734	192,212	178,712
Income before income taxes	160,334	187,277	361,274	374,373
Provision for income taxes	27	825	204	1,640
Net income	\$ 160,307	\$ 186,452	\$ 361,070	\$ 372,733
OTHER COMPREHENSIVE INCOME				
Net pension adjustment	\$ —	\$ (72)	\$ (5)	\$ (144)
Net change in unrealized gains (losses) on investment securities	14,340	(2,343)	37,848	(18,172)
Other comprehensive income (loss)	14,340	(2,415)	37,843	(18,316)
Total comprehensive income	\$ 174,647	\$ 184,037	\$ 398,913	\$ 354,417

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

Consolidated Statements of Changes in Members' Equity

(dollars in thousands) (unaudited)

	<u>Capital stock and participation certificates and receivable</u>	<u>Unallocated retained earnings</u>	<u>Additional paid-in-capital</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Total members' equity</u>
Balance at December 31, 2023	\$ 4,680	\$ 3,490,909	\$ 2,149,282	\$ (23,946)	\$ 5,620,925
Comprehensive income (loss)	—	372,733	—	(18,316)	354,417
Capital stock and participation certificates issued	20,677	—	—	—	20,677
Capital stock and participation certificates retired	(827)	—	—	—	(827)
Less: capital stock and participation certificates receivable	(24,530)	—	—	—	(24,530)
Patronage	—	(210,881)	—	—	(210,881)
Balance at June 30, 2024	\$ —	\$ 3,652,761	\$ 2,149,282	\$ (42,262)	\$ 5,759,781
Balance at December 31, 2024	\$ —	\$ 3,838,000	\$ 2,149,282	\$ (32,317)	\$ 5,954,965
Comprehensive income (loss)	—	361,070	—	37,843	398,913
Capital stock and participation certificates issued	1,720	—	—	—	1,720
Capital stock and participation certificates retired	(1,328)	—	—	—	(1,328)
Less: capital stock and participation certificates receivable	(392)	—	—	—	(392)
Patronage	—	(216,621)	—	—	(216,621)
Balance at June 30, 2025	\$ —	\$ 3,982,449	\$ 2,149,282	\$ 5,526	\$ 6,137,257

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

AgWest Farm Credit, ACA

Notes to Consolidated Financial Statements (unaudited)

NOTE 1 – Organization and Significant Accounting Policies

Organization

A description of the organization and operations of AgWest Farm Credit, ACA (AgWest), the significant accounting policies followed, and the financial condition and results of operations for the year ended December 31, 2024, are contained in the 2024 AgWest Annual Report to Stockholders. These unaudited results for the three and six months ended June 30, 2025 should be read in conjunction with the 2024 AgWest Annual Report to Stockholders.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the financial services industry for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for the fair statement of results for the interim period. 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 Consolidated Statements of Income and Comprehensive Income 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 AgWest Annual Report to Stockholders and remain unchanged unless otherwise noted in this report. 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 financial services industry.

Effective January 1, 2023, Farm Credit West, ACA (Farm Credit West) and its PCA and FLCA subsidiaries merged with and into Northwest Farm Credit Services, ACA (the continuing association) and its respective PCA and FLCA subsidiaries (Northwest FCS). Northwest FCS acquired 100 percent of the assets and liabilities of Farm Credit West. In connection with the merger, Northwest FCS and its PCA and FLCA subsidiaries changed their names to AgWest Farm Credit, ACA, AgWest Farm Credit, PCA and AgWest Farm Credit, FLCA, respectively. The merger was accounted for as a business combination using the acquisition method of accounting. Pursuant to these rules, AgWest acquired the assets and assumed the liabilities of Farm Credit West at their acquisition-date fair value.

Principles of Consolidation

The consolidated financial statements present the financial results of AgWest Farm Credit, ACA and its subsidiaries AgWest Farm Credit, FLCA and AgWest Farm Credit, PCA. All intercompany transactions and balances have been eliminated in consolidation.

Recently Issued or Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 tax 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. The amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted. The adoption of this guidance is not expected to have a material impact on AgWest's financial condition, results of operations or cash flows.

NOTE 2 – Investment Securities

Investment balances are carried at fair value. See Note 1 to the consolidated financial statements for information regarding investments acquired through merger.

The following is a summary of investments held and classified as available-for-sale:

	U.S. Treasury debt securities			Fair value
	Amortized cost	Gross unrealized gains	Gross unrealized losses	
June 30, 2025	\$ 2,175,471	\$ 17,192	\$ (9,874)	\$ 2,182,789
December 31, 2024	\$ 1,875,595	\$ 131	\$ (30,662)	\$ 1,845,064

A summary of amortized cost, fair value and weighted average yield of investment securities by contractual maturity at June 30, 2025 follows:

June 30, 2025	Contractual Maturity			Total
	One year or less	One to five years	Five to ten years	
U.S. Treasury debt securities				
Amortized cost	\$ 471,997	\$ 1,085,930	\$ 617,544	\$ 2,175,471
Fair value	\$ 471,217	\$ 1,082,145	\$ 629,427	\$ 2,182,789
Weighted average yield	3.79%	3.59%	4.27%	3.83%

The following table shows gross unrealized losses and fair value, aggregated by the length of time the securities have been in a continuous unrealized loss position, where the length of continuous loss position is based on the date the unrealized loss was first identified:

June 30, 2025	Less than 12 months		Greater than 12 months	
	Fair value	Unrealized losses	Fair Value	Unrealized losses
U.S. Treasury debt securities	\$ 321,819	\$ (415)	\$ 352,527	\$ (9,459)

As of June 30, 2025, AgWest expects to collect all principal and interest on its investment securities. AgWest does not intend to sell the securities in significant unrealized loss positions nor is it likely that AgWest will be required to sell such securities for regulatory, liquidity or other purposes.

NOTE 3 – Loans and Allowance for Credit Losses

Loan balances are generally carried at their principal amount outstanding, adjusted for net business combination discounts, deferred loan fees net of costs, and charge-offs. The remaining net business combination discounts at June 30, 2025 and December 31, 2024, were \$392.9 million and \$428.4 million, respectively. A summary of loans follows:

	June 30, 2025	December 31, 2024
Real estate mortgage	\$ 14,750,264	\$ 14,669,504
Production and intermediate-term	7,921,553	8,530,753
Agribusiness	6,333,468	5,985,402
Rural infrastructure	2,161,491	2,004,672
Rural residential real estate	191,534	206,094
Financing leases	162,819	180,164
Other	143,677	123,803
Total loans	\$ 31,664,806	\$ 31,700,392

AgWest may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume and comply with FCA regulations. The following tables present information regarding participations purchased and sold.

Participations purchased volume in the tables excludes syndications:

	<i>Farm Credit institutions</i>		<i>Non- Farm Credit institutions</i>		<i>Total</i>	
	<i>Participations purchased</i>	<i>Participations sold</i>	<i>Participations purchased</i>	<i>Participations sold</i>	<i>Participations purchased</i>	<i>Participations sold</i>
<i>June 30, 2025</i>						
Real estate mortgage	\$ 838,048	\$ 3,128,723	\$ —	\$ 599	\$ 838,048	\$ 3,129,322
Production and intermediate-term	1,341,230	5,004,822	—	—	1,341,230	5,004,822
Agribusiness	2,517,860	2,201,044	2,143	—	2,520,003	2,201,044
Rural infrastructure	2,161,491	—	—	—	2,161,491	—
Financing leases	47,219	11,427	—	—	47,219	11,427
Other	110,458	—	32,133	—	142,591	—
Total	\$ 7,016,306	\$10,346,016	\$ 34,276	\$ 599	\$ 7,050,582	\$10,346,615

	<i>Farm Credit institutions</i>		<i>Non- Farm Credit institutions</i>		<i>Total</i>	
	<i>Participations purchased</i>	<i>Participations sold</i>	<i>Participations purchased</i>	<i>Participations sold</i>	<i>Participations purchased</i>	<i>Participations sold</i>
<i>December 31, 2024</i>						
Real estate mortgage	\$ 832,858	\$ 3,178,565	\$ —	\$ —	\$ 832,858	\$ 3,178,565
Production and intermediate-term	1,385,461	4,886,605	2,191	—	1,387,652	4,886,605
Agribusiness	2,345,350	2,022,983	—	—	2,345,350	2,022,983
Rural infrastructure	2,004,672	—	—	—	2,004,672	—
Financing leases	51,260	14,055	—	—	51,260	14,055
Other	90,370	—	32,134	—	122,504	—
Total	\$ 6,709,971	\$10,102,208	\$ 34,325	\$ —	\$ 6,744,296	\$10,102,208

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in AgWest's outstanding loans, letters of credit and unfunded loan commitments. AgWest manages credit risk associated with lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its lending staff.

The credit risk management process begins with an analysis of the borrower's credit history and, among other factors, includes the following:

- Character – borrower integrity, credit history and management capabilities,
- Capital – ability of the operation to survive unanticipated risks and support growth,
- Capacity – repayment capacity of the borrower based on cash flows from operations or other sources of income,
- Collateral – lender protection in the event of default and also to serve as a secondary source of loan repayment and,
- Conditions – intended use of the loan funds, terms and restrictions.

Differential analysis is applied to various loan requests based on the overall risk of the request in relation to the association's risk-bearing capacity.

AgWest uses a two-dimensional loan risk rating model based on internally generated combined Farm Credit System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default in the next 12 months and a separate scale addressing loss given default, defined as the economic loss the association would expect to have in a default event. 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 as nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a

particular relationship. AgWest generally reviews the probability of default category on an annual basis or when a credit action is taken.

AgWest classifies loans according to the FCA Uniform Loan Classification System (UCS). Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. The following are definitions of the five UCS classifications:

- 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 and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

The following tables show loans classified under the UCS as a percentage of total loans by loan type:

<i>June 30, 2025</i>	<i>Acceptable</i>	<i>OAEM</i>	<i>Substandard/ doubtful</i>	<i>Total</i>
Real estate mortgage	89.5%	4.0%	6.5%	100.0%
Production and intermediate-term	84.1%	8.8%	7.1%	100.0%
Agribusiness	90.7%	5.1%	4.2%	100.0%
Rural infrastructure	97.1%	1.8%	1.1%	100.0%
Rural residential real estate	97.6%	0.8%	1.6%	100.0%
Financing leases	83.2%	7.3%	9.5%	100.0%
Other	100.0%	0.0%	0.0%	100.0%
Total	88.9%	5.3%	5.8%	100.0%

<i>December 31, 2024</i>	<i>Acceptable</i>	<i>OAEM</i>	<i>Substandard/ doubtful</i>	<i>Total</i>
Real estate mortgage	89.8%	4.8%	5.4%	100.0%
Production and intermediate-term	86.0%	8.8%	5.2%	100.0%
Agribusiness	92.1%	4.7%	3.2%	100.0%
Rural infrastructure	98.5%	0.8%	0.7%	100.0%
Rural residential real estate	97.3%	0.8%	1.9%	100.0%
Financing leases	81.9%	13.0%	5.1%	100.0%
Other	100.0%	0.0%	0.0%	100.0%
Total	89.8%	5.6%	4.6%	100.0%

Nonperforming assets consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned as presented in the following table:

	June 30, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	\$ 265,022	\$ 131,918
Production and intermediate-term	151,423	173,619
Agribusiness	43,842	14,019
Rural infrastructure	2,396	2,396
Rural residential real estate	1,110	962
Total nonaccrual loans	\$ 463,793	\$ 322,914
Accrual loans 90 days or more past due:		
Real estate mortgage	\$ 65,776	\$ 12,903
Production and intermediate-term	26,717	15,705
Agribusiness	32,072	—
Total accrual loans 90 days or more past due	\$ 124,565	\$ 28,608
Total nonperforming loans	\$ 588,358	\$ 351,522
Other property owned, net	6,794	6,932
Total nonperforming assets	\$ 595,152	\$ 358,454
Nonaccrual loans as a percentage of total loans	1.5 %	1.0 %
Nonperforming assets as a percentage of total loans and other property owned	1.9 %	1.1 %
Nonperforming assets as a percentage of members' equity	9.7 %	6.0 %

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

June 30, 2025	Interest income recognized				
	Amortized cost with allowance	Amortized cost without allowance	Total amortized cost	three months ended June 30, 2025	six months ended June 30, 2025
Nonaccrual loans:					
Real estate mortgage	\$ 76,473	\$ 188,549	\$ 265,022	\$ 2,977	\$ 4,042
Production and intermediate-term	49,142	102,281	151,423	919	1,857
Agribusiness	20,401	23,441	43,842	1	2
Rural infrastructure	2,396	—	2,396	—	—
Rural residential real estate	—	1,110	1,110	13	62
Total nonaccrual loans	\$ 148,412	\$ 315,381	\$ 463,793	\$ 3,910	\$ 5,963

December 31, 2024	Interest income recognized			
	Amortized cost with allowance	Amortized cost without allowance	Total amortized cost	Interest income recognized
Nonaccrual loans:				
Real estate mortgage	\$ 2,202	\$ 129,716	\$ 131,918	\$ 6,422
Production and intermediate-term	88,071	85,548	173,619	1,061
Agribusiness	10,902	3,117	14,019	114
Rural infrastructure	2,396	—	2,396	—
Rural residential real estate	—	962	962	70
Total nonaccrual loans	\$ 103,571	\$ 219,343	\$ 322,914	\$ 7,667

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

<i>June 30, 2025</i>	<i>Current loans</i>	<i>30-89 days past due</i>	<i>90+ days past due</i>	<i>Total past due</i>	<i>Total loans</i>	<i>Loans > 90 days and accruing</i>
Real estate mortgage	\$ 14,408,342	\$ 104,172	\$ 237,750	\$ 341,922	\$ 14,750,264	\$ 65,776
Production and intermediate-term	7,682,776	139,908	98,869	238,777	7,921,553	26,717
Agribusiness	6,206,216	85,624	41,628	127,252	6,333,468	32,072
Rural infrastructure	2,161,491	—	—	—	2,161,491	—
Rural residential real estate	189,400	1,644	490	2,134	191,534	—
Financing leases	162,772	47	—	47	162,819	—
Other	143,677	—	—	—	143,677	—
Total	\$ 30,954,674	\$ 331,395	\$ 378,737	\$ 710,132	\$ 31,664,806	\$ 124,565

<i>December 31, 2024</i>	<i>Current loans</i>	<i>30-89 days past due</i>	<i>90+ days past due</i>	<i>Total past due</i>	<i>Total loans</i>	<i>Loans > 90 days and accruing</i>
Real estate mortgage	\$ 14,552,654	\$ 56,058	\$ 60,792	\$ 116,850	\$ 14,669,504	\$ 12,903
Production and intermediate-term	8,381,289	60,550	88,914	149,464	8,530,753	15,705
Agribusiness	5,950,184	21,351	13,867	35,218	5,985,402	—
Rural infrastructure	2,004,672	—	—	—	2,004,672	—
Rural residential real estate	204,875	509	710	1,219	206,094	—
Financing leases	180,164	—	—	—	180,164	—
Other	123,803	—	—	—	123,803	—
Total	\$ 31,397,641	\$ 138,468	\$ 164,283	\$ 302,751	\$ 31,700,392	\$ 28,608

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following tables show the amortized cost at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted:

<i>For the three months ended June 30, 2025</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>	<i>Total</i>	<i>Modification as a percentage of loan class</i>
Real estate mortgage	\$ —	\$ —	\$ 28,017	\$ —	\$ —	\$ 28,017	0.2%
Production and intermediate-term	—	7,958	54	600	28,417	37,029	0.5%
Agribusiness	—	1,052	—	—	27,858	28,910	0.5%
Total	\$ —	\$ 9,010	\$ 28,071	\$ 600	\$ 56,275	\$ 93,956	0.3%

<i>For the three months ended June 30, 2024</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>	<i>Total</i>	<i>Modification as a percentage of loan class</i>
Real estate mortgage	\$ 109	\$ —	\$ 2,124	\$ —	\$ —	\$ 2,233	0.0%
Production and intermediate-term	400	41,603	11,581	—	12,003	65,587	0.9%
Agribusiness	—	—	—	—	9,430	9,430	0.2%
Total	\$ 509	\$ 41,603	\$ 13,705	\$ —	\$ 21,433	\$ 77,250	0.3%

Accrued interest receivable, as of the reporting periods, related to loan modifications granted to borrowers experiencing financial difficulty during the three months ended June 30, 2025 and 2024, was \$2.6 million and \$0.8 million, respectively.

<i>For the six months ended June 30, 2025</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>	<i>Total</i>	<i>Modification as a percentage of loan class</i>
Real estate mortgage	\$ —	\$ —	\$ 34,039	\$ 3,148	\$ 350	\$ 37,537	0.3%
Production and intermediate-term	—	7,958	54	600	86,446	95,058	1.2%
Agribusiness	—	1,052	—	—	40,808	41,860	0.7%
Total	\$ —	\$ 9,010	\$ 34,093	\$ 3,748	\$ 127,604	\$ 174,455	0.6%

<i>For the six months ended June 30, 2024</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>	<i>Total</i>	<i>Modification as a percentage of loan class</i>
Real estate mortgage	\$ 2,125	\$ —	\$ 4,496	\$ —	\$ —	\$ 6,621	0.0%
Production and intermediate-term	400	46,574	11,949	—	17,750	76,673	1.0%
Agribusiness	—	—	—	—	9,430	9,430	0.2%
Total	\$ 2,525	\$ 46,574	\$ 16,445	\$ —	\$ 27,180	\$ 92,724	0.3%

Accrued interest receivable, as of the reporting periods, related to loan modifications granted to borrowers experiencing financial difficulty during the six months ended June 30, 2025 and 2024, was \$4.1 million and \$1.0 million, respectively.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended June 30, 2025 and June 30, 2024:

<i>For the three months ended June 30, 2025</i>	<i>Weighted average interest rate pre-modification for interest rate reductions</i>	<i>Weighted average interest rate post-modification for interest rate reductions</i>	<i>Weighted average term extensions (months)</i>	<i>Weighted average payments deferred (months)</i>
Real estate mortgage	— %	— %	—	7
Production and intermediate-term	3.96 %	3.45 %	14	14
Agribusiness	— %	— %	13	13

<i>For the three months ended June 30, 2024</i>	<i>Weighted average interest rate pre-modification for interest rate reductions</i>	<i>Weighted average interest rate post-modification for interest rate reductions</i>	<i>Weighted average term extensions (months)</i>	<i>Weighted average payments deferred (months)</i>
Real estate mortgage	3.60 %	3.35 %	—	12
Production and intermediate-term	4.15 %	3.04 %	14	15
Agribusiness	— %	— %	12	12

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during the six months ended June 30, 2025 and June 30, 2024:

<i>For the six months ended June 30, 2025</i>	<i>Weighted average interest rate pre-modification for interest rate reductions</i>	<i>Weighted average interest rate post-modification for interest rate reductions</i>	<i>Weighted average term extensions (months)</i>	<i>Weighted average payments deferred (months)</i>
Real estate mortgage	3.73 %	3.60 %	117	35
Production and intermediate-term	3.96 %	3.45 %	13	13
Agribusiness	— %	— %	15	15

<i>For the six months ended June 30, 2024</i>	<i>Weighted average interest rate pre-modification for interest rate reductions</i>	<i>Weighted average interest rate post-modification for interest rate reductions</i>	<i>Weighted average term extensions (months)</i>	<i>Weighted average payments deferred (months)</i>
Real estate mortgage	3.41 %	2.83 %	—	12
Production and intermediate-term	4.15 %	3.04 %	14	14
Agribusiness	— %	— %	12	12

The following tables present the amortized cost of loans to borrowers experiencing financial difficulty that have defaulted during the three months ended June 30, 2025 and 2024, and received a modification in the twelve months before default:

<i>For the three months ended June 30, 2025</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>
Real estate mortgage	\$ —	\$ 258	\$ 395	\$ —	\$ —
Production and intermediate-term	—	—	—	—	3,545
Agribusiness	—	—	—	—	—
Total	\$ —	\$ 258	\$ 395	\$ —	\$ 3,545

<i>For the three months ended June 30, 2024</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>
Real estate mortgage	\$ —	\$ —	\$ —	\$ —	\$ —
Production and intermediate-term	—	63	—	—	—
Agribusiness	—	—	—	—	—
Total	\$ —	\$ 63	\$ —	\$ —	\$ —

The following tables present the amortized cost of loans to borrowers experiencing financial difficulty that have defaulted during the six months ended June 30, 2025 and 2024, and received a modification in the twelve months before default:

<i>For the six months ended June 30, 2025</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>
Real estate mortgage	\$ —	\$ 258	\$ 395	\$ —	\$ —
Production and intermediate-term	—	—	—	—	5,825
Agribusiness	—	—	—	—	—
Total	\$ —	\$ 258	\$ 395	\$ —	\$ 5,825

<i>For the six months ended June 30, 2024</i>	<i>Interest rate reduction</i>	<i>Term extension</i>	<i>Payment deferral</i>	<i>Interest rate reduction and term extension</i>	<i>Term extension and payment deferral</i>
Real estate mortgage	\$ —	\$ —	\$ —	\$ —	\$ —
Production and intermediate-term	—	3,287	—	8,164	—
Agribusiness	—	—	—	—	—
Total	\$ —	\$ 3,287	\$ —	\$ 8,164	\$ —

The following table presents an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to June 30, 2025:

	<i>Payment status of loans modified in the past 12 months</i>		
	<i>Current loans</i>	<i>30-89 days past due</i>	<i>90+ days past due</i>
Real estate mortgage	\$ 32,718	\$ 13,172	\$ 653
Production and intermediate-term	69,485	48,112	5,825
Agribusiness	14,469	38,763	—
Rural infrastructure	1,840	—	—
Total	\$ 118,512	\$ 100,047	\$ 6,478

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

	<i>Payment status of loans modified in the past 12 months</i>		
	<i>Current loans</i>	<i>30-89 days past due</i>	<i>90+ days past due</i>
Real estate mortgage	\$ 12,464	\$ 2,899	\$ —
Production and intermediate-term	51,898	24,382	11,451
Agribusiness	9,430	—	—
Rural infrastructure	—	—	—
Total	\$ 73,792	\$ 27,281	\$ 11,451

Additional commitments to lend to borrowers experiencing financial difficulty whose loans were modified during the six months ended June 30, 2025 and 2024, were \$8.8 million and \$36.9 million, respectively.

Allowance for Credit Losses

The credit risk rating methodology is a key component of AgWest's ACL evaluation and is generally incorporated into its loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by AgWest to manage credit exposure. The regulatory limit to a single borrower or lessee is 15 percent of AgWest's lending and leasing limit base, although the board of directors have established more restrictive lending limits. The ACL is made up of the Allowance for loan losses on the Consolidated Balance Sheets and the reserve for unfunded commitments, reported in Other liabilities, on the Consolidated Balance Sheets. The provision for credit losses or credit loss reversal is related to both loans and the reserve for unfunded commitments reported in the Consolidated Statements of Income and Comprehensive Income.

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

	<i>Real estate mortgage</i>	<i>Production and intermediate-term</i>	<i>Agribusiness</i>	<i>Rural infrastructure</i>	<i>Rural residential real estate</i>	<i>Financing leases</i>	<i>Other</i>	<i>Total</i>
Allowance for loan losses:								
Balance at March 31, 2025	\$ 68,650	\$ 78,190	\$ 34,845	\$ 8,337	\$ 235	\$ 1,743	\$ 500	\$192,500
Charge-offs	(1,585)	(17,191)	(4,489)	—	—	—	—	(23,265)
Recoveries	145	5	82	—	—	—	—	232
Provision for loan losses	13,035	6,004	16,382	702	26	370	14	36,533
Balance at June 30, 2025	\$ 80,245	\$ 67,008	\$ 46,820	\$ 9,039	\$ 261	\$ 2,113	\$ 514	\$206,000
Reserve for unfunded commitments:								
Balance at March 31, 2025	\$ 2,500	\$ 8,859	\$ 8,081	\$ 1,021	\$ —	\$ —	\$ 39	\$ 20,500
Provision for unfunded lending commitments	722	759	5,391	627	—	—	1	7,500
Balance at June 30, 2025	\$ 3,222	\$ 9,618	\$ 13,472	\$ 1,648	\$ —	\$ —	\$ 40	\$ 28,000
Total allowance for credit losses at June 30, 2025	\$ 83,467	\$ 76,626	\$ 60,292	\$ 10,687	\$ 261	\$ 2,113	\$ 554	\$234,000

	<i>Real estate mortgage</i>	<i>Production and intermediate-term</i>	<i>Agribusiness</i>	<i>Rural infrastructure</i>	<i>Rural residential real estate</i>	<i>Financing leases</i>	<i>Other</i>	<i>Total</i>
Allowance for loan losses:								
Balance at December 31, 2024	\$ 61,630	\$ 71,727	\$ 34,869	\$ 8,030	\$ 262	\$ 1,976	\$ 506	\$179,000
Charge-offs	(1,599)	(17,197)	(4,490)	—	—	—	—	(23,286)
Recoveries	237	54	82	—	—	—	—	373
Provision for loan losses (loan loss reversal)	19,977	12,424	16,359	1,009	(1)	137	8	49,913
Balance at June 30, 2025	\$ 80,245	\$ 67,008	\$ 46,820	\$ 9,039	\$ 261	\$ 2,113	\$ 514	\$206,000
Reserve for unfunded commitments:								
Balance at December 31, 2024	\$ 2,417	\$ 7,632	\$ 8,335	\$ 1,081	\$ —	\$ —	\$ 35	\$ 19,500
Provision for unfunded lending commitments	805	1,986	5,137	567	—	—	5	8,500
Balance at June 30, 2025	\$ 3,222	\$ 9,618	\$ 13,472	\$ 1,648	\$ —	\$ —	\$ 40	\$ 28,000
Total allowance for credit losses at June 30, 2025	\$ 83,467	\$ 76,626	\$ 60,292	\$ 10,687	\$ 261	\$ 2,113	\$ 554	\$234,000

	<i>Real estate mortgage</i>	<i>Production and intermediate-term</i>	<i>Agribusiness</i>	<i>Rural infrastructure</i>	<i>Rural residential real estate</i>	<i>Financing leases</i>	<i>Other</i>	<i>Total</i>
Allowance for loan losses:								
Balance at March 31, 2024	\$ 62,399	\$ 51,103	\$ 30,201	\$ 7,428	\$ 316	\$ 2,479	\$ 574	\$154,500
Charge-offs	(11)	(1,535)	(3)	—	(1)	—	—	(1,550)
Recoveries	41	30	3	—	2	—	—	76
(Loan loss reversal) provision for loan losses	(17)	(161)	6,597	896	6	152	1	7,474
Balance at June 30, 2024	\$ 62,412	\$ 49,437	\$ 36,798	\$ 8,324	\$ 323	\$ 2,631	\$ 575	\$160,500
Reserve for unfunded commitments:								
Balance at March 31, 2024	\$ 3,277	\$ 13,673	\$ 8,065	\$ 914	\$ —	\$ —	\$ 71	\$ 26,000
(Reversal) provision for unfunded lending commitments	(371)	(2,320)	896	290	—	—	5	(1,500)
Balance at June 30, 2024	\$ 2,906	\$ 11,353	\$ 8,961	\$ 1,204	\$ —	\$ —	\$ 76	\$ 24,500
Total allowance for credit losses at June 30, 2024	\$ 65,318	\$ 60,790	\$ 45,759	\$ 9,528	\$ 323	\$ 2,631	\$ 651	\$185,000

	<i>Real estate mortgage</i>	<i>Production and intermediate-term</i>	<i>Agribusiness</i>	<i>Rural infrastructure</i>	<i>Rural residential real estate</i>	<i>Financing leases</i>	<i>Other</i>	<i>Total</i>
Allowance for loan losses:								
Balance at December 31, 2023	\$ 58,880	\$ 49,591	\$ 30,017	\$ 4,917	\$ 891	\$ 3,370	\$ 334	\$148,000
Charge-offs	(14)	(1,537)	(3)	—	(1)	—	—	(1,555)
Recoveries	61	90	3	—	2	—	—	156
Provision for loan losses (loan loss reversal)	3,485	1,293	6,781	3,407	(569)	(739)	241	13,899
Balance at								
Balance at June 30, 2024	\$ 62,412	\$ 49,437	\$ 36,798	\$ 8,324	\$ 323	\$ 2,631	\$ 575	\$160,500
Reserve for unfunded commitments:								
Balance at December 31, 2023	\$ 2,676	\$ 12,066	\$ 8,323	\$ 918	\$ —	\$ —	\$ 17	\$ 24,000
Provision (reversal) for unfunded lending commitments	230	(713)	638	286	—	—	59	500
Balance at June 30, 2024	\$ 2,906	\$ 11,353	\$ 8,961	\$ 1,204	\$ —	\$ —	\$ 76	\$ 24,500
Total allowance for credit losses at June 30, 2024	\$ 65,318	\$ 60,790	\$ 45,759	\$ 9,528	\$ 323	\$ 2,631	\$ 651	\$185,000

NOTE 4 – Members' Equity

Capital Stock and Participation Certificates

In accordance with the Farm Credit Act and AgWest's capitalization bylaws, each borrower is required to acquire capital stock or participation certificates in AgWest as a condition of borrowing. Borrowers acquire ownership of capital stock or participation certificates at the time a loan is made. Prior to June 2024, certain AgWest borrowers made a cash investment when acquiring capital stock or participation certificates. Other borrowers or participation certificate holders maintained an interest free obligation with AgWest. In June 2024, AgWest implemented an expanded customer-member stock program. All remaining legacy cash stock was converted to stock receivables. Borrowers are not currently required to make a cash investment to acquire capital stock or participations certificates; however, their obligation to pay for the capital stock or participation certificates is maintained as an interest free obligation with AgWest. In addition, the program expanded stock ownership to all promissory note signers and expanded voting eligibility due to the increase in customers who own voting stock. There were 3,790,108 Class A voting common stock shares issued and 152,613 units of Class A participation certificates issued with a total par value of \$19.7 million as a result of the expanded customer-member stock program.

The capital stock and participation certificates are at-risk investments as described in the AgWest capitalization bylaws. AgWest retains a first lien on common stock and participation certificates owned by its borrowers. Stock is retired in accordance with AgWest bylaws and only if AgWest is in compliance with its capital adequacy requirements. Borrowers are responsible for payment of the cash investment upon demand by AgWest. Capital stock and participation certificates receivable are included in Total members' equity on the Consolidated Balance Sheets under the contra account, "Less: capital stock and participation certificates receivable".

Capital Regulations

The FCA sets minimum regulatory capital requirements for Banks and Associations. AgWest exceeded the regulatory minimums and capital conservation buffer amounts, where applicable, for all ratios as noted below. The following table sets forth the regulatory capital ratio requirements and ratios:

	June 30, 2025	December 31, 2024	Regulatory minimums	Total regulatory minimums with buffer
Risk-adjusted:				
Common equity tier 1 ratio	14.8%	14.8%	4.5%	7.0%
Tier 1 capital ratio	14.8%	14.8%	6.0%	8.5%
Total capital ratio	15.3%	15.4%	8.0%	10.5%
Permanent capital ratio	14.8%	14.9%	7.0%	7.0%
Non-risk-adjusted:				
Tier 1 leverage ratio ¹	15.5%	15.6%	4.0%	5.0%
Unallocated retained earnings (URE) and URE equivalents (UREE) leverage ratio	15.5%	15.6%	1.5%	1.5%

¹Must include the regulatory minimum requirement of at least 1.5 percent UREE.

See Note 8 in the 2024 AgWest Annual Report to Stockholders for additional information.

Accumulated Other Comprehensive Income (Loss)

AgWest reports Accumulated other comprehensive income (loss) as a component of Total members' equity. The following tables present the activity in the Accumulated other comprehensive income (loss) by component:

	Pension and other benefit plans	Unrealized gains/ (losses) on investment securities	Total accumulated other comprehensive (loss) income
Balance at March 31, 2025	\$ (1,792)	\$ (7,022)	\$ (8,814)
Other comprehensive income before reclassifications	—	14,340	14,340
Balance at June 30, 2025	\$ (1,792)	\$ 7,318	\$ 5,526

	<i>Pension and other benefit plans</i>	<i>Unrealized gains/ (losses) on investment securities</i>	<i>Total accumulated other comprehensive (loss) income</i>
Balance at March 31, 2024	\$ (1,917)	\$ (37,929)	\$ (39,846)
Other comprehensive loss before reclassifications	(72)	(2,344)	(2,416)
Balance at June 30, 2024	\$ (1,989)	\$ (40,273)	\$ (42,262)

	<i>Pension and other benefit plans</i>	<i>Unrealized gains (losses) on investment securities</i>	<i>Accumulated other comprehensive income (loss), net of tax</i>
Balance at December 31, 2024	\$ (1,787)	\$ (30,530)	\$ (32,317)
Other comprehensive (loss) income before reclassifications	(5)	37,848	37,843
Balance at June 30, 2025	\$ (1,792)	\$ 7,318	\$ 5,526

	<i>Pension and other benefit plans</i>	<i>Unrealized gains (losses) on investment securities</i>	<i>Accumulated other comprehensive income (loss), net of tax</i>
Balance at December 31, 2023	\$ (1,845)	\$ (22,101)	\$ (23,946)
Other comprehensive loss before reclassifications	(144)	(18,172)	(18,316)
Balance at June 30, 2024	\$ (1,989)	\$ (40,273)	\$ (42,262)

NOTE 5 – 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 an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value measurement is not an indication of liquidity. Fair value measurements are determined on a recurring basis or a nonrecurring basis. See Note 2 of the 2024 AgWest Annual Report to Stockholders for a more complete description.

Assets and liabilities measured at fair value on a recurring basis for each of the fair value hierarchy values are summarized in the following tables:

<i>June 30, 2025</i>	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total fair value</i>
Assets:				
Investment securities	\$ —	\$ 2,182,789	\$ —	\$ 2,182,789
Derivative assets	—	393	—	393
Rural Business Investment Corporations (RBICs)	—	—	31,373	31,373
Total assets	\$ —	\$ 2,183,182	\$ 31,373	\$ 2,214,555
Liabilities:				
Derivative liabilities	\$ —	\$ 22	\$ —	\$ 22
Total liabilities	\$ —	\$ 22	\$ —	\$ 22

December 31, 2024	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Assets:				
Investment securities	\$ —	\$ 1,845,064	\$ —	\$ 1,845,064
Derivative assets	—	—	—	—
RBICs	—	—	28,934	28,934
Total assets	\$ —	\$ 1,845,064	\$ 28,934	\$ 1,873,998
Liabilities:				
Derivative liabilities	\$ —	\$ 55	\$ —	\$ 55
Total liabilities	\$ —	\$ 55	\$ —	\$ 55

Assets measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized in the following table:

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Assets:				
Nonaccrual loans				
June 30, 2025	\$ —	\$ —	\$ 88,333	\$ 88,333
December 31, 2024	\$ —	\$ —	\$ 60,368	\$ 60,368
Other property owned				
June 30, 2025	\$ —	\$ —	\$ 7,153	\$ 7,153
December 31, 2024	\$ —	\$ —	\$ 7,291	\$ 7,291

Valuation Techniques

As more fully discussed in Note 2 of the 2024 AgWest Annual Report to Stockholders, accounting 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 represents a brief summary of the valuation techniques used for AgWest's assets and liabilities.

Investment Securities

Where quoted prices are available in an active market, available-for-sale securities would be classified as level 1. If quoted prices are not available in an active market, the fair value of securities is estimated using quoted prices for similar securities received from pricing services or discounted cash flows. Generally, these securities would be classified as Level 2. This would include U.S. Treasury, U.S. agency and certain mortgage-backed-securities. Where there is limited activity or less transparency around inputs to the valuation, the securities are classified as Level 3. The estimated fair values of investment securities also appear in Note 2 to the consolidated financial statements.

Derivative Assets and Liabilities

Exchange-traded derivatives valued using quoted prices would be classified within the fair value Level 1 hierarchy. However, few classes of derivative contracts are listed on an exchange; thus, the derivative positions are valued using vendor-provided models that use readily observable market parameters as their basis and are classified within the fair value Level 2 hierarchy. Such derivatives include interest rate swaps.

The models used to determine the fair value of derivative assets and liabilities use an income approach based on observable market inputs, including the SOFR curves and volatility assumptions about future interest rate movements.

RBICs

The RBICs facilitate equity and debt investments in agriculture-related businesses that create growth and job opportunities in rural America. These investments are not publicly traded and book value approximates their fair value. As a result, RBICs are classified within fair value Level 3 hierarchy and are included in Other assets on the Consolidated Balance Sheets.

Nonaccrual Loans

Nonaccrual loans are evaluated for impairment under FASB impairment guidance and the fair value is based upon the underlying 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 collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

Other Property Owned

Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of 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.

NOTE 6 – Derivative Instruments and Hedging Activities

Risk Management Objectives and Strategies

AgWest maintains an overall risk management strategy that incorporates the use of derivative financial instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. See Note 15 of the 2024 AgWest Annual Report to Stockholders for additional information.

Accounting for Derivative Instruments and Hedging Activities

AgWest records derivatives as assets or liabilities at fair value on the Consolidated Balance Sheets. AgWest records changes in the fair value of a derivative in current period earnings. For fair value hedge transactions that hedge changes in the fair value of assets or liabilities, changes in the fair value of the derivative will generally be offset in the Consolidated Statements of Income and Comprehensive Income by changes in the hedged item's fair value attributable to the risk being hedged. For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings in Interest expense in the Consolidated Statements of Income and Comprehensive Income.

Uses of Derivatives

To achieve risk management objectives and satisfy the financing needs of its borrowers, AgWest executes derivative transactions with CoBank. Derivatives (interest rate swaps) are used to manage liquidity and the interest rate risk arising from maturity and repricing mismatches between assets and liabilities. Under interest rate swap arrangements, AgWest agrees to exchange with CoBank, at specified intervals, interest payment streams calculated on a specified notional amount, with at least one interest payment stream based on a specified floating-rate index. AgWest uses receive-fixed, pay-floating interest rate swaps and receive-floating, pay-fixed interest rate swaps with payment obligations tied to specific indices.

The notional amounts of derivatives and related activity of derivatives are shown in the following tables:

	<i>Receive-fixed swaps</i>	<i>Pay-fixed swaps</i>	<i>Total</i>
December 31, 2024	\$ 2,000	\$ 5,000,000	\$ 5,002,000
Additions	12,000	68,000,000	68,012,000
Maturities	—	(47,000,000)	(47,000,000)
Terminations	—	—	—
June 30, 2025	\$ 14,000	\$ 26,000,000	\$ 26,014,000

	<i>Receive-fixed swaps</i>	<i>Pay-fixed swaps</i>	<i>Total</i>
December 31, 2023	\$ 39,000	\$ —	\$ 39,000
Additions	150,000	500,000	650,000
Maturities	(7,000)	(300,000)	(307,000)
Terminations	(182,000)	—	(182,000)
June 30, 2024	\$ —	\$ 200,000	\$ 200,000

Fair Value Hedges

AgWest's fair value hedging activities involve entering into receive-fixed, pay floating interest rate swaps to either align its equity position within its overall risk management strategy (equity positioning), or to synthetically convert non-callable fixed-rate debt to floating-rate debt (liquidity management). AgWest includes the gain or loss on the hedged items in the same line item (interest expense) as the offsetting loss or gain on the related interest rate swaps.

The following amounts were recorded in the Consolidated Balance Sheets related to fair value hedges:

	<i>Carrying amount of the hedged item</i>	
	<i>June 30, 2025</i>	<i>December 31, 2024</i>
Note payable to CoBank, ACB	\$ 14,308	\$ 1,978
	<i>Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged item</i>	
	<i>June 30, 2025</i>	<i>December 31, 2024</i>
Note payable to CoBank, ACB	\$ 308	\$ (22)

Summary of Derivative Instruments and Hedging Activities

A summary of the impact of derivative financial instruments to the Consolidated Balance Sheets is shown in the following tables:

<i>June 30, 2025</i>	<i>Fair value of derivative financial instruments</i>	
	<i>Derivative assets¹</i>	<i>Derivative liabilities²</i>
Derivatives designated as hedging instruments:		
Receive fixed swaps	\$ 309	\$ —
Total derivatives designated as hedging instruments	\$ 309	\$ —
Derivatives not designated as hedging instruments:		
Pay-fixed swaps	\$ 84	\$ 22
Total derivatives not designated as hedging instruments	\$ 84	\$ 22
Total derivatives	\$ 393	\$ 22

¹Derivative assets are included in Other assets in the Consolidated Balance Sheets.

²Derivative liabilities are included in Other liabilities in the Consolidated Balance Sheets.

<i>December 31, 2024</i>	<i>Fair value of derivative financial instruments</i>	
	<i>Derivative assets¹</i>	<i>Derivative liabilities²</i>
Derivatives designated as hedging instruments:		
Receive fixed swaps	\$ —	\$ 22
Total derivatives designated as hedging instruments	\$ —	\$ 22
Derivatives not designated as hedging instruments:		
Pay-fixed swaps	\$ —	\$ 33
Total derivatives not designated as hedging instruments	\$ —	\$ 33
Total derivatives	\$ —	\$ 55

¹Derivative assets are included in Other assets in the Consolidated Balance Sheets.

²Derivative liabilities are included in Other liabilities in the Consolidated Balance Sheets.

A summary of the impact of derivative financial instruments in the Consolidated Statements of Income and Comprehensive Income is shown in the following tables:

<i>For the six months ended June 30, 2025</i>	<i>Effect of fair value hedge accounting on the Consolidated Statement of Income and Comprehensive Income</i>	
	<i>Interest income</i>	<i>Interest expense</i>
Total amount of line items presented in Consolidated Statement of Income and Comprehensive Income	\$ 1,074,420	\$ (613,536)
Gain (loss) on fair value hedge relationships:		
Receive fixed swaps:		
Recognized on derivatives	\$ —	\$ 331
Recognized on hedged items	—	(330)
Net income recognized on fair value hedges	\$ —	\$ 1

<i>For the six months ended June 30, 2024</i>	<i>Effect of fair value hedge accounting on the Consolidated Statement of Income and Comprehensive Income</i>	
	<i>Interest income</i>	<i>Interest expense</i>
Total amount of line items presented in Consolidated Statement of Income	\$ 1,070,934	\$ (646,436)
Gain (loss) on fair value hedge relationships:		
Receive fixed swaps:		
Recognized on derivatives	\$ —	\$ 298
Recognized on hedged items	—	(1,166)
Net expense recognized on fair value hedges	\$ —	\$ (868)

Interest expense on derivatives not designated as hedges for the six months ended June 30, 2025 and 2024, was \$256.8 thousand and \$1.7 thousand, respectively.

Counterparty Credit Risk

The use of derivatives for risk management introduces counterparty credit risk. Generally, when the fair value of a derivative contract is positive, AgWest is exposed to credit risk. AgWest has an International Swaps and Derivatives Association, Inc. agreement with CoBank, which meets the definition of a Qualifying Master Netting Agreement per FCA Regulations and requires the net settlement of covered contracts. Collateral is not exchanged between AgWest and CoBank. Notwithstanding netting provisions, derivative assets and liabilities are not offset in the accompanying Consolidated Balance Sheets.

NOTE 7 – Subsequent Events

AgWest has evaluated subsequent events through August 8, 2025, the date the financial statements were issued or available to be issued, and determined there are no other items to disclose.

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Operating Committee

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John Barcelos	Chief Risk Officer
Jeff Hennig	Chief Auditor
Tom McKeirnan	General Counsel
Tom Nakano	Chief Financial Officer
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Josh Siler	Chief Lending Officer
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