2025 FIRST QUARTER REPORT

ENDURING MISSION, RESILIENT FUTURE

AGFIRST

FIRST QUARTER 2025

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CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2025 quarterly report of AgFirst Farm Credit Bank, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ William T. Robinson
Chair of the Board

/s/ John P. Calhoun
Acting Chief Executive Officer and Chief Credit Officer

/s/ Stephen Gilbert
Executive Vice President and Chief Financial Officer

May 9, 2025

Report on Internal Control Over Financial Reporting

The Bank's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Bank's Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of, the Bank's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management, and other personnel. This process is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America (GAAP).

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Bank, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Bank, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on its Financial Statements.

The Bank's management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2025. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Bank's management concluded that as of March 31, 2025, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Bank's management determined that there were no material weaknesses in the internal control over financial reporting as of March 31, 2025.

/s/ John P. Calhoun
Acting Chief Executive Officer and Chief Credit Officer

/s/ Stephen Gilbert
Executive Vice President and Chief Financial Officer

May 9, 2025

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

The following discussion reviews the results of operations and financial condition of AgFirst Farm Credit Bank (AgFirst or Bank) as of and for the three months ended March 31, 2025. These comments should be read in conjunction with the accompanying financial statements, the Notes to the Financial Statements, and the 2024 Annual Report of AgFirst Farm Credit Bank. AgFirst and its related associations (Associations or District Associations) are collectively referred to as the District. The accompanying financial statements were prepared under the oversight of the Audit Committee of the AgFirst Board of Directors.

Key ratios and data reported below, and in the accompanying financial statements, address the financial performance of AgFirst. However, the results of operations for the three months may not be indicative of an entire year due to the seasonal nature of a portion of AgFirst's business and potential variability in interest rates and credit conditions.

FORWARD-LOOKING INFORMATION

This quarterly report contains 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 "anticipates," "believes," "could," "estimates," "may," "should," "will," or other variations of these terms are intended to identify the forward-looking statements. These statements are based on assumptions and analyses made in light of experience and other historical trends, current conditions, and expected future developments. However, actual results and developments may differ materially from AgFirst's expectations and predictions due to a number of risks and uncertainties, many of which are beyond AgFirst's control.

There have been no material changes to the risks described in the Bank's 2024 Annual Report. Terms not defined herein have the meaning set forth in the 2024 Annual Report.

FINANCIAL OVERVIEW

Net income for the three months ended March 31, 2025 increased 1.10% when compared to the prior year, primarily due to an increase in the core service fee from AgFirst Associations, higher net interest income and lower operating expenses. These were partially offset by higher provision expense for the Bank's Capital Markets portfolio as a result of increased asset-specific reserves and increased stress in the macroeconomic factors utilized in the pooled component. See further discussion within the *Results of Operations* section for other factors impacting the Bank's net income.

For the three months ended March 31, 2025, total loans outstanding increased by 1.13% primarily as a result of growth within the Bank's Capital Markets portfolio due to new relationships and extensions to existing borrowers primarily from increased capital expenditures. Year-over-year, the Bank's total loan balances grew by 8.86%. Refer to the *Loan Portfolio* section for further discussion.

Continued strong capital and liquidity levels ensure AgFirst is well-positioned to manage the cyclical characteristics of the agricultural market, as well as the challenges and uncertainty of the overall economic environment. Refer to the *Risk Management* and *Capital* sections for further discussion.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2025, was $66.4 million compared to $65.7 million for the three months ended March 31, 2024, an increase of $720 thousand, or 1.10%. See below for further discussion of the change in net income by major components.

Key Results of Operations Comparisons

	Annualized for the Three Months Ended March 31, 2025	For the Year Ended December 31, 2024	Annualized for the Three Months Ended March 31, 2024
Return on average assets	0.58 %	0.63 %	0.60 %
Return on average shareholders' equity	14.68 %	15.56 %	15.62 %
Net interest margin	0.81 %	0.82 %	0.82 %
Efficiency Ratio [1]	41.37 %	46.11 %	47.50 %
Net (charge-offs) recoveries to average loans	0.00 %	0.00 %	0.00 %

[1] The efficiency ratio is noninterest expense excluding gains or losses from other property owned divided by total revenue (net interest income and noninterest income)

Net income during 2025 was positively impacted by higher core service fee income from Associations and lower operating expenses which was mostly offset by the negative impact of higher provision for credit losses when compared to the prior year. Additionally, average total assets and total shareholders' equity increased by 3.07% and 0.88%, respectively. The net impact of these factors resulted in a slight decline in the return on average assets, return on average shareholders' equity, and net interest margin. The reduction in operating expenses and increase to total revenue resulted in an improved efficiency ratio. See further discussion in the sections below.

Net Interest Income

Net interest income for the three months ended March 31, 2025 was $91.7 million compared to $89.1 million for the three months ended March 31, 2024, an increase of $2.7 million, or 3.00%. Net interest margin was 0.81% compared to 0.82%, a decrease of one basis point.

The effects of changes in volume and interest rates on net interest income for the three months ended March 31, 2025, as compared with the corresponding period in 2024 are presented in the following table. The table distinguishes between the changes in interest income and interest expense related to average outstanding balances and to the levels of average interest rates. Accordingly, the benefit derived from funding earning assets with interest-free funds (principally capital) is reflected solely as a volume increase. As shown in the table below, the increase in net interest income is primarily the result of loan growth that exceeded growth in interest-bearing liabilities. See the *Loan Portfolio* below for further discussion on the factors impacting loan growth.

	For the Three Months Ended March 31, 2025 vs. March 31, 2024		
	Increase (decrease) due to changes in:		
(dollars in thousands)	Volume	Rate	Total
Interest Income:			
Loans	$ 28,031	$ 6,694	$ 34,725
Investments & Cash Equivalents	(4,585)	(2,730)	(7,315)
Other	325	(974)	(649)
Total Interest Income	$ 23,771	$ 2,990	$ 26,761
Interest Expense:			
Interest-Bearing Liabilities	19,929	4,161	24,090
Changes in Net Interest Income	$ 3,842	$ (1,171)	$ 2,671

Provision for Credit Losses

AgFirst measures risks inherent in its loan portfolio on an ongoing basis and, as necessary, recognizes provision for credit losses so that appropriate reserves are maintained. The provision for credit loss includes the provision for loan loss and the provision for unfunded commitments. The provision for loan losses is further broken down to include an asset-specific component involving individual loans that do not share common characteristics with other loans and a pooled component for loans that share common risk characteristics. This is shown in the following table separated by Capital Markets (loan participations/syndications purchased, net of sold) and Correspondent Lending loans (primarily first lien rural residential mortgages):

	For the three months ended					
(dollars in thousands)	March 31, 2025			March 31, 2024		
Provision for (reversal of) allowance for credit losses:	**Capital Markets**	**Correspondent Lending**	**Total**	**Capital Markets**	**Correspondent Lending**	**Total**
Asset-specific component	$ 7,955	$ 231	$ 8,186	$ (860)	$ 110	$ (750)
Pooled component	4,715	(676)	4,039	1,384	(1,453)	(69)
Unfunded commitments	799	—	799	—	—	—
Provision for credit losses	$ 13,469	$ (445)	$ 13,024	$ 524	$ (1,343)	$ (819)

For the three months ended March 31, 2025, the provision for credit loss was a $13.0 million expense due primarily to higher provision expense in the asset-specific and pooled components of the Bank's Capital Markets portfolio. The asset-specific provision was primarily related to one borrower in the nursery/greenhouse segment. The provision in the pooled component was primarily due to increased stress in the macroeconomic factors utilized in the calculation of current expected credit losses. The primary macroeconomic driver was the deterioration of the corporate credit spread scenarios. This indicator represents the potential for corporate defaults due to credit risk or market uncertainty. Credits with Other Assets Especially Mentioned (OAEM) and Substandard ratings showed heightened sensitivity to these economic changes.

For the three months ended March 31, 2024, there were largely offsetting provision expense and reversals within the pooled component of the Capital Markets and Correspondent Lending portfolios primarily as a result of changes in macroeconomic factors utilized in their respective allowance calculations resulting in an overall provision reversal of $819 thousand.

See the *Allowance for Credit Losses* section below and Note 2, *Loans and Allowance for Credit Losses,* in the Notes to the Financial Statements for further information.

Noninterest Income

The following table illustrates the changes in noninterest income:

Change in Noninterest Income	For the Three Months Ended March 31,		
(dollars in thousands)	**2025**	**2024**	**Increase/ (Decrease)**
Loan fees	$ 3,132	$ 2,930	$ 202
Losses on sale of investments	(5,890)	—	(5,890)
Gains (losses) on debt extinguishment	157	(4,492)	4,649
(Losses) gains on other transactions	(321)	1,307	(1,628)
Insurance premium refund	3,146	—	3,146
Patronage refunds from other Farm Credit institutions	10,400	13,008	(2,608)
Fees from other Farm Credit institutions	32,451	19,945	12,506
Other noninterest income	630	1,412	(782)
Total noninterest income	$ 43,705	$ 34,110	$ 9,595

Total noninterest income increased $9.6 million for the three months ended March 31, 2025 compared to the corresponding period in 2024.

Losses on debt extinguishment decreased $4.6 million for the three months ended March 31, 2025 compared to the corresponding period in 2024. In the first quarter of 2025, the Bank sold $38.8 million of available-for-sale (AFS) investment securities resulting in a loss on sale of $5.9 million and simultaneously extinguished Systemwide Debt Securities of $42.5 million resulting in a gain on debt extinguishment of $6.2 million. These economically offsetting transactions were executed as part of the Bank's strategy to reduce the unrealized losses in the Bank's AFS portfolio and corresponding price sensitivity and more efficiently deploy capital by lowering total investments. Excluding the $6.2 million gain on debt extinguishment discussed above, losses on debt extinguishment, which totaled $6.0 million during the first quarter of 2025, increased $1.5 million compared to the same period in 2024 due to increased called debt activity in 2025.

During 2025, the Bank received insurance premium refunds of $3.1 million from the Farm Credit System Insurance Corporation (FCSIC), which insures the System's debt obligations. These refunds are nonrecurring and resulted from FCSIC assets exceeding the secure base amount, as defined by the Farm Credit Act, at the end of the preceding year. A similar refund of $5.4 million was received in the second quarter of 2024.

Patronage refunds from other Farm Credit institutions decreased by $2.6 million primarily due to the timing of patronage receipts in 2024 compared to 2025.

Fees from other Farm Credit institutions increased by $12.5 million primarily due to higher core service fee received from AgFirst Associations.

Noninterest Expenses

The following table illustrates the changes in noninterest expenses:

Change in Noninterest Expenses	**For the Three Months Ended March 31,**		
(dollars in thousands)	**2025**	**2024**	**Increase/ (Decrease)**
Salaries and employee benefits	$ 24,427	$ 25,915	$ (1,488)
Occupancy and equipment	1,841	1,759	82
Insurance Fund premiums	3,770	3,550	220
Purchased services	6,895	9,977	(3,082)
Data processing	12,612	11,310	1,302
Other operating expenses	6,477	5,987	490
Gains from other property owned	—	(179)	179
Total noninterest expenses	$ 56,022	$ 58,319	$ (2,297)

Total noninterest expenses decreased $2.3 million for the three months ended March 31, 2025 compared to the corresponding period in 2024.

Purchased services decreased by $3.1 million for the three months ended March 31, 2025 when compared to the same period in 2024 as a result of reduced contractor and consultant expenses following the implementation of new loan systems.

FINANCIAL CONDITION

Loan Portfolio

AgFirst's loan portfolio consists of direct loans to District Associations (Direct Notes), Capital Markets loans, Correspondent Lending loans, and loans to Other Financing Institutions (OFIs) as shown below:

Loan Portfolio	March 31,	December 31,	March 31,	March 2025 Compared to December 2024		March 2025 Compared to March 2024	
(dollars in thousands)	2025	2024	2024	$ Change	% Change	$ Change	% Change
Direct Notes*	$ 25,325,905	$ 25,281,191	$ 22,959,228	$ 44,714	0.18 %	$2,366,677	10.31 %
Capital Markets*	8,209,772	7,841,431	7,637,015	368,341	4.70 %	572,757	7.50 %
Correspondent Lending	3,371,450	3,367,052	3,302,230	4,398	0.13 %	69,220	2.10 %
Loans to OFIs	173,705	175,122	163,804	(1,417)	(0.81)%	9,901	6.04 %
Total	$ 37,080,832	$ 36,664,796	$ 34,062,277	$ 416,036	1.13 %	$3,018,555	8.86 %

	Portfolio Distribution		
	March 31, 2025	December 31, 2024	March 31, 2024
Direct Notes*	68.30 %	68.95 %	67.40 %
Capital Markets*	22.14 %	21.39 %	22.42 %
Correspondent Lending	9.09 %	9.18 %	9.70 %
Loans to OFIs	0.47 %	0.48 %	0.48 %
Total	100.00 %	100.00 %	100.00 %

**Capital Markets and Direct Notes are presented net of participations sold*

Loans outstanding totaled $37.1 billion at March 31, 2025, an increase of $416.0 million, or 1.13%, compared to total loans outstanding at December 31, 2024 and an increase of $3.0 billion, or 8.86%, since March 31, 2024.

As noted in the table above, a significant portion of the Bank's loan portfolio is comprised of Direct Notes to District Associations. Since Direct Notes fund District Associations' lending activities, increases and decreases in the Direct Note portfolio are closely linked to the commodities and geographic distribution of the District Associations' loan portfolios.

The Bank's Direct Note portfolio, which is driven by the District Association's loan portfolio, has increased when compared to March 31, 2024 and, to a lesser extent, since December 31, 2024. The Direct Note portfolio growth percentage since December 31, 2024 is lower as a result of patronage paid to District Associations of $223.4 million which reduced the outstanding Direct Note balance by 0.88%. Growth in the Bank's Direct Note portfolio is primarily due to new client acquisition, higher input costs related to higher interest rates and inflationary pressures, and borrower needs due to merger and acquisition activity.

The Bank's Capital Markets portfolio has increased when compared to December 31, 2024 and March 31, 2024, with the majority of the growth being in the first quarter of 2025, primarily due to new relationships and extensions to existing borrowers primarily from increased capital expenditures and higher working capital needs. Recently, this trend has slowed, and market volatility and negative economic sentiment have stressed borrower capital expenditures plans and mergers and acquisitions (M&A) activity, both key drivers of Capital Markets loan growth.

Credit Quality

Credit quality of AgFirst's loans is shown below:

	Loan Portfolio Credit Quality as of:							
	March 31, 2025				December 31, 2024			
Classification	Direct Notes	Capital Markets	Correspondent Lending	Total Loans	Direct Notes	Capital Markets	Correspondent Lending	Total Loans
Acceptable	99.54 %	93.07 %	99.08 %	**98.07 %**	99.53 %	93.96 %	99.10 %	**98.30 %**
OAEM	— %	5.14 %	— %	**1.14 %**	— %	4.06 %	— %	**0.87 %**
Substandard/doubtful/loss	0.46 %	1.79 %	0.92 %	**0.79 %**	0.47 %	1.98 %	0.90 %	**0.83 %**

While credit quality is still considered strong overall, credit quality of the Bank's Capital Market's portfolio has declined slightly as a result of downgrades to several isolated borrowers. For both periods presented, one Direct

Note is classified as Substandard. Presently, collection of the full Direct Note amount due is expected from all Associations, including the Association classified as Substandard, in accordance with the contractual terms of the debt arrangements, and no allowance has been recorded for Direct Notes. Virtually all assets of the Associations are pledged as collateral for their respective Direct Notes. In the opinion of management, all Association Direct Notes are adequately collateralized. The earnings, capital and allowance for credit losses (ACL) of the Associations are available to absorb losses in their respective retail loan portfolios.

Credit quality may be impacted in future quarters as a result of potential changes in government support for agricultural sectors, inflationary input cost pressures, sustained high interest rates, and unforeseen impacts from geopolitical, trade (including tariffs), supply chain, weather, or animal- or human-related health events.

Direct Notes

AgFirst's primary business is to provide funding, operational support, and technology services to District Associations. Each Association, in addition to the Bank, is a federally chartered instrumentality of the United States and is regulated by the Farm Credit Administration (FCA). AgFirst provides a revolving line of credit, referred to as a Direct Note, to each of the District Associations. Each of the Associations funds its lending and general corporate activities primarily by borrowing under its Direct Note. Lending terms are specified in a separate General Financing Agreement (GFA) between AgFirst and each Association. Each GFA contains minimum borrowing base margin, capital, and earnings requirements that must be maintained by the Association. See *Note 1* for discussion on a proposed merger of two AgFirst Associations expected to occur on January 1, 2026.

At March 31, 2025, the total Direct Note volume outstanding was $25.3 billion, an increase of $44.7 million, or 0.18%, compared to December 31, 2024. Compared to March 31, 2024, Direct Note volume increased $2.4 billion, or 10.31%. See the *Loan Portfolio* section above for the primary reasons for the change in Direct Notes.

Capital Markets

The Capital Markets portfolio consists of loan participations and syndications purchased primarily from other System institutions. As of March 31, 2025, this portfolio totaled $8.2 billion, an increase of $368.3 million, or 4.70%, from December 31, 2024, and an increase of $572.8 million, or 7.50%, from March 31, 2024. See the *Loan Portfolio* section above for the primary reasons for the change in Capital Markets.

AgFirst employs a number of management techniques to limit credit risk, including underwriting standards, limits on the amounts of loans purchased from a single originator, and maximum hold positions to a single borrower and commodity. Although the Capital Markets portfolio is comprised of a small number of relatively large loans, it is diversified both geographically and on a commodity basis. Management makes adjustments to credit policy and underwriting standards when appropriate as a part of the ongoing risk management process.

Correspondent Lending

The Correspondent Lending portfolio consists primarily of purchased first lien residential mortgages. As of March 31, 2025, the Correspondent Lending portfolio totaled $3.4 billion, an increase of $4.4 million, or 0.13%, from December 31, 2024, and an increase of $69.2 million, or 2.10%, from March 31, 2024. The net increase in both periods resulted from the disbursement of previously committed construction-to-permanent financing loans. AgFirst ceased purchasing construction-to-permanent loans effective December 31, 2024 in part to minimize interest rate risk exposure. Committed amounts will continue to fund through the construction periods through 2025.

As of March 31, 2025, $470.7 million, or 13.96% of loans in the Correspondent Lending portfolio include a long-term standby commitment to purchase (LTSP). The LTSPs from Fannie Mae and/or Federal Agricultural Mortgage Corporation (Farmer Mac), give AgFirst the right to deliver delinquent loans to the guarantor at par. The remaining loans are included in the Bank's ACL methodology related to this portfolio.

Nonaccrual Loans

Nonaccrual loans are loans for which there is reasonable doubt as to the collection of principal and/or interest under the contractual terms of the loan. Nonaccrual loans for the Bank totaled $64.8 million at March 31, 2025 compared to $60.7 million at December 31, 2024. While nonaccrual loans increased during 2025, the balance remains low overall, representing 0.17% of total loans outstanding at March 31, 2025 and December 31, 2024. The increase in nonaccrual loans during the year corresponds with the slight decrease in credit quality as discussed in the *Loan Portfolio* section above. Additional detail regarding nonaccrual loans is provided in the table below:

Nonaccrual by Portfolio

	March 31, 2025		December 31, 2024	
	Total Amount	**% of Portfolio**	**Total Amount**	**% of Portfolio**
Capital Markets	$ 31,791	0.39 %	$ 27,388	0.35 %
Correspondent Lending	33,043	0.98 %	33,262	0.99 %
Total	$ 64,834	0.17 %	$ 60,650	0.17 %

Allowance for Credit Losses

The ACL is an estimate of expected credit losses in the Bank's portfolio. The Bank determines the appropriate level of ACL based on a disciplined process and methodology that incorporates expected probabilities of default, severity of loss based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. For further details on the methodology used to determine the ACL, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report. The ACL was $45.2 million at March 31, 2025, as compared with $32.1 million at December 31, 2024. Additional detail on the ACL is provided in the table below:

Allowance for Credit Losses by Portfolio

(dollars in thousands)	March 31, 2025			December 31, 2024		
	Capital Markets	**Correspondent Lending**	**Total**	**Capital Markets**	**Correspondent Lending**	**Total**
Asset-specific component	$ 11,306	$ 1,296	12,602	$ 3,351	$ 1,047	$ 4,398
Pooled component	21,994	5,800	27,794	17,278	6,477	23,755
Unfunded commitments	4,774	—	4,774	3,975	—	3,975
Allowance for Credit Losses	$ 38,074	$ 7,096	$ 45,170	$ 24,604	$ 7,524	$ 32,128

The allowance for credit losses was 0.12% and 0.09% of total loans outstanding for March 31, 2025 and December 31, 2024, respectively. A summary of changes in the ACL during the year are included in the table below:

(dollars in thousands)	**ACL**
Balance at December 31, 2024	$ 32,128
Charge-offs	(7)
Recoveries	25
Provision for credit losses	13,024
Balance at March 31, 2025	$ 45,170

See *Provision for Credit Losses* above for additional details regarding provision expense for the three months ended March 31, 2025. See Note 2, *Loans and Allowance for Credit Losses*, in the Notes to the Financial Statements for further information.

Liquidity and Funding Sources

One of AgFirst's primary responsibilities is to maintain sufficient liquidity to fund the lending operations of the District Associations, in addition to its own needs. Along with normal cash flows associated with lending operations, AgFirst has three primary sources of liquidity: cash; the capacity to issue Systemwide Debt Securities through the Federal Farm Credit Banks Funding Corporation; and the sale of high-quality liquid securities. The Bank can also pledge investment securities through repurchase agreements that are in place with twelve commercial banks, however, that liquidity source is highly dependent on market and financial conditions at that time. In addition, the

System has established lines of credit in the event contingency funding is needed to meet obligations of System banks.

FCA regulations require that the Bank have a liquidity policy that establishes a minimum total “coverage” level of 90 days and that short-term liquidity requirements must be met by certain high-quality investments or cash. “Coverage” is defined as the number of days that maturing debt could be funded with eligible cash, cash equivalents, and available-for-sale investments maintained by the Bank. At March 31, 2025, AgFirst had a total of 161 days of maturing debt coverage compared to 176 days at December 31, 2024. The decline is due to a shift in management's investment portfolio management strategy that reduces the size of the portfolio, and therefore days of debt coverage, to optimize capital usage and to reduce market value of equity at risk to higher market rates. Cash provided by the Bank’s operating activities is an additional source of liquidity for the Bank that is not reflected in the coverage calculation.

Systemwide Debt Securities

The principal source of liquidity for AgFirst, unlike commercial banks and other depository institutions, comes from its ability to issue Systemwide Debt Securities, which are the general unsecured joint and several obligations of the System banks. AgFirst continually raises funds in the debt markets to support its mission, to repay maturing Systemwide Debt Securities, and to meet other obligations.

The U.S. government does not guarantee, directly or indirectly, Systemwide Debt Securities. However, the Farm Credit System, as a government-sponsored enterprise (GSE), has benefited from broad access to the domestic and global capital markets. This access has provided the System with a dependable source of competitively priced debt which is critical for supporting the System’s mission of providing credit to agriculture and rural America.

The Farm Credit Act and Farm Credit Administration regulations require, as a condition for a Bank’s participation in the issuance of Systemwide Debt Securities, that the Bank maintain specified eligible assets, referred to in the Farm Credit Act as “collateral,” at least equal in value (100.00%) to the total amount of the Systemwide Debt Securities outstanding for which it is primarily liable. At March 31, 2025 and December 31, 2024, the statutory collateral ratio was 103.64% and 103.81%, respectively.

The System does not have a guaranteed line of credit from the U.S. Treasury or the Federal Reserve. However, FCSIC has an agreement with the Federal Financing Bank (FFB), a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the FFB may advance funds to the FCSIC. Under its existing statutory authority, the FCSIC may use these funds to provide assistance to the System banks in exigent market circumstances which threaten the System banks’ ability to repay maturing debt obligations. The agreement provides for advances of up to $10.0 billion and will remain in full force and effect until terminated by either the FCSIC or the FFB. The decision whether to seek funds from the FFB is at the discretion of the FCSIC. Each funding obligation of the FFB is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by AgFirst or the System.

As of March 31, 2025, Moody’s Investor Service (Moody’s) assigned long-term debt ratings for the System of Aaa and short-term debt ratings of P-1. The Moody’s rating is the highest rating available from the three leading rating agencies. S&P Global Ratings (S&P) and Fitch Ratings (Fitch) maintains the long-term debt rating of the System at AA+, which directly corresponds to its AA+ long-term sovereign credit rating of the U.S. government. S&P and Fitch have assigned short-term debt ratings for the System of A-1+ and F1+, respectively. These rating agencies base their ratings on many quantitative and qualitative factors, including the System’s status as a GSE.

At March 31, 2025, AgFirst had $44.9 billion in total debt outstanding compared to $44.6 billion at December 31, 2024, an increase of $224.3 million, or 0.50%, which coincides with changes in the loan and investment portfolio balances.

See Note 4, *Debt*, in the Notes to the Financial Statements for further information.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents, which decreased $225.4 million from December 31, 2024 to a total of $1.6 billion at March 31, 2025, consist primarily of cash on deposit, reverse repurchase agreements, and money market securities that are short-term in nature (maturities of overnight to 90 days).

Investments securities totaled $7.9 billion, or 16.73% of total assets at March 31, 2025, compared to $8.0 billion, or 17.01% of total assets as of December 31, 2024, a decrease of $113.4 million, or 1.42%. Nearly all investments are classified as being available-for-sale and include $342.3 million in U.S. Treasury securities, $3.2 billion in U.S. government guaranteed securities, $4.1 billion in U.S. government agency guaranteed securities, and $233.3 million in non-agency asset-backed securities. Since the majority of the portfolio is invested in U.S. government guaranteed and agency securities, the portfolio is highly liquid and potential credit loss exposure is limited. In 2025, $38.8 million of U.S. Government Agency Guaranteed securities were sold resulting in a loss on sale of $5.9 million in a transaction that was economically offset by the early extinguishment of $42.5 million of Systemwide Debt Securities resulting in a gain of $6.2 million. See further discussion in the *Results of Operations* section above.

At March 31, 2025, the Bank's eligible available-for-sale investments were 25.84% of its quarterly average daily balance of loans outstanding, which is within regulatory and policy guidelines.

At March 31, 2025, there were $776.3 million (8.96% of the book value of the available-for-sale portfolio) in net unrealized losses in investments, compared to $899.5 million (10.12%) at December 31, 2024. The net unrealized losses are the result of the significant increase in interest rates during 2022 and 2023 which reduced the fair value of existing available-for-sale fixed-rate investment securities held. The Bank evaluates investment securities with unrealized losses for impairment on a quarterly basis. No allowance for credit losses on investments was considered necessary for the periods presented. In the unlikely event the Bank could not access the capital markets to issue debt or raise cash through repurchase agreements, the Bank approximates it could cover 78 days of maturing debt through the sale of available-for-sale securities before recognizing a net loss on the sale.

See Note 3, *Investments*, in the Notes to the Financial Statements for further information.

Capital

Capital serves to support future asset growth, investment in new products and services, and to provide protection against credit, interest rate, and other risks, as well as operating losses. A sound capital position is critical to provide protection to investors in Systemwide Debt Securities and to ensure long-term financial success.

Total shareholders' equity increased $187.9 million from December 31, 2024 to $1.9 billion at March 31, 2025. This increase is primarily attributed to an improvement in the unrealized loss position of the Bank's available-for-sale investment portfolio of $123.2 million due to the lower, longer-term interest rate environment and an increase in retained earnings from net income of $66.4 million.

Regulatory Capital Ratios

The FCA sets minimum regulatory capital adequacy requirements for System banks and associations. The requirements are determined by regulatory ratios as defined by the FCA.

AgFirst's regulatory ratios are shown in the following table:

	Regulatory Minimum, Including Buffer*	3/31/25	12/31/24	3/31/24
Permanent Capital Ratio	7.00%	14.16%	15.12%	14.44%
Common Equity Tier 1 (CET1) Capital Ratio	7.00%	14.14%	15.10%	14.41%
Tier 1 Capital Ratio	8.50%	14.14%	15.10%	14.41%
Total Regulatory Capital Ratio	10.50%	14.31%	15.28%	14.66%
Tier 1 Leverage Ratio**	5.00%	5.58%	5.88%	5.73%
Unallocated Retained Earnings (URE) and URE Equivalents	1.50%	4.29%	4.65%	4.45%

** Includes full capital conservation buffers*
*** The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE Equivalents*

For all periods presented, AgFirst exceeded minimum regulatory requirements for all of the ratios. The Bank's capital ratios were lower at March 31, 2025 compared to December 31, 2024 primarily due to the declaration of cash patronage of $259.9 million on December 31, 2024 which represented 91.85% of 2024 income. The impact of this is fully recognized in the capital ratios, which use a three-month average daily balance, at March 31, 2025.

REGULATORY MATTERS

On November 29, 2024, the FCA proposed rule on internal control over financial reporting (ICFR) was published in the Federal Register. The proposed rule would amend the financial reporting regulations to require System Associations that meet certain asset thresholds or conditions, as well as the Banks, to obtain annual attestation reports from their external auditors that express an opinion on the effectiveness of ICFR (also known as integrated audit). Associations would meet the requirement for an integrated audit if it represents 1% or more of total System assets; 15% or more of its District Bank's direct loans to Associations or if the Farm Credit Administration's Office of Examination determines that a material weakness in the Association's ICFR exists. The comment period ended on March 31, 2025.

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk-weightings for High Volatility Commercial Real Estate (HVCRE) by assigning a 150% risk-weighting to such exposures, instead of the current 100% to reflect increased risk characteristics. The rule further ensures comparability between FCA's risk-weightings and the federal banking regulators, with deviations as appropriate to accommodate the different regulatory, operational, and credit considerations of the System. The final rule excludes certain acquisition, development, and construction loans that do not present as much risk and therefore do not warrant the risk weight for HVCRE. In addition, the final rule adds an exclusion for loans originated with a balance less than $500,000. On October 16, 2024, the FCA extended the implementation date of this rule from January 1, 2025 to January 1, 2026.

On October 5, 2023, the Farm Credit Administration approved a final rule on cyber risk management that requires each System institution to develop and implement a comprehensive, written cyber risk management program. Each institution's cyber risk plan must require the institution to take the necessary actions to assess internal and external risk factors, identify potential system and software vulnerabilities, establish a risk management program for the risks identified, develop a cyber risk training program, set policies for managing third-party relationships, maintain robust internal controls and establish board reporting requirements. The final rule became effective on January 1, 2025.

NOTE: Shareholder investment in a District Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's annual and quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2764, or writing Matthew Miller, Controller, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Combined information concerning AgFirst Farm Credit Bank and District Associations can also be obtained at the Bank's website, *www.agfirst.com*. AgFirst prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no quarterly report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Balance Sheets

(dollars in thousands)		March 31, 2025		December 31, 2024
		(unaudited)		**(audited)**
Assets				
Cash	**$**	**701,638**	$	817,000
Cash equivalents		**930,000**		1,040,000
Investments in debt securities:				
Available-for-sale (amortized cost of $8,655,138, and $8,891,544, respectively)		**7,878,822**		7,992,031
Held-to-maturity (fair value of $9,443, and $9,391, respectively)		**9,730**		9,890
Total investments in debt securities		**7,888,552**		8,001,921
Loans		**37,080,832**		36,664,796
Allowance for credit losses on loans		**(40,396)**		(28,153)
Net loans		**37,040,436**		36,636,643
Accrued interest receivable		**167,944**		165,597
Accounts receivable		**110,323**		85,486
Equity investments in other Farm Credit institutions		**92,465**		93,257
Premises and equipment, net		**157,996**		151,385
Other property owned		**1,948**		2,082
Other assets		**46,830**		39,011
Total assets	**$**	**47,138,132**	$	47,032,382
Liabilities				
Systemwide bonds payable	**$**	**42,072,112**	$	41,673,261
Systemwide notes payable		**2,778,568**		2,953,145
Accrued interest payable		**281,030**		320,658
Accounts payable		**47,986**		304,848
Other liabilities		**39,706**		49,673
Total liabilities		**45,219,402**		45,301,585
Commitments and contingencies (Note 10)				
Shareholders' Equity				
Capital stock and participation certificates		**598,329**		600,182
Additional paid-in-capital		**63,668**		63,668
Retained earnings				
Allocated		**413**		413
Unallocated		**2,031,471**		1,964,881
Accumulated other comprehensive loss		**(775,151)**		(898,347)
Total shareholders' equity		**1,918,730**		1,730,797
Total liabilities and equity	**$**	**47,138,132**	$	47,032,382

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

Statements of Comprehensive Income

(unaudited)

	For the Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Interest Income		
Investments & Cash Equivalents	**$ 79,563**	$ 86,878
Loans	**411,714**	376,989
Other	**4,960**	5,609
Total interest income	**496,237**	469,476
Interest Expense	**404,512**	380,422
Net interest income	**91,725**	89,054
Provision for (reversal of) credit losses	**13,024**	(819)
Net interest income after provision for (reversal of) credit losses	**78,701**	89,873
Noninterest Income		
Loan fees	**3,132**	2,930
Losses on sale of investments	**(5,890)**	—
Gains (losses) on debt extinguishment	**157**	(4,492)
(Losses) gains on other transactions	**(321)**	1,307
Insurance premium refund	**3,146**	—
Patronage refunds from other Farm Credit institutions	**10,400**	13,008
Fees from other Farm Credit institutions	**32,451**	19,945
Other noninterest income	**630**	1,412
Total noninterest income	**43,705**	34,110
Noninterest Expenses		
Salaries and employee benefits	**24,427**	25,915
Occupancy and equipment	**1,841**	1,759
Insurance Fund premiums	**3,770**	3,550
Purchased services	**6,895**	9,977
Data processing	**12,612**	11,310
Other operating expenses	**6,477**	5,987
Gains from other property owned	**—**	(179)
Total noninterest expenses	**56,022**	58,319
Net income	**$ 66,384**	$ 65,664
Other comprehensive income (loss):		
Unrealized gains (losses) on investments	**$ 123,197**	$ (57,009)
Employee benefit plans adjustments	**(1)**	5
Other comprehensive income (loss) (Note 5)	**123,196**	(57,004)
Comprehensive income	**$ 189,580**	$ 8,660

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

Statements of Changes in Shareholders' Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Additional Paid-In-Capital	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2023	$ 561,527	$ 63,668	$ 413	$ 1,950,133	$ (892,993)	$ 1,682,748
Comprehensive income (loss)				65,664	(57,004)	8,660
Cash patronage distribution				(713)		(713)
Balance at March 31, 2024	$ 561,527	$ 63,668	$ 413	$ 2,015,084	$ (949,997)	$ 1,690,695
Balance at December 31, 2024	$ 600,182	$ 63,668	$ 413	$ 1,964,881	$ (898,347)	$ 1,730,797
Comprehensive income				**66,384**	**123,196**	**189,580**
Capital stock/participation certificates issued/(retired), net	**255**					**255**
Stock dividends declared/paid	**(2,108)**					**(2,108)**
Patronage distribution adjustment				**206**		**206**
Balance at March 31, 2025	**$ 598,329**	**$ 63,668**	**$ 413**	**$ 2,031,471**	**$ (775,151)**	**$ 1,918,730**

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

Statements of Cash Flows

(unaudited)

(dollars in thousands)	For the Three Months Ended March 31, 2025	2024
Cash flows from operating activities:		
Net income	**$ 66,384**	$ 65,664
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation on premises and equipment	**5,677**	6,765
Amortization of net deferred loan fees and discount accretion	**(554)**	(697)
Discount (premium) amortization on investment securities	**364**	(80)
Discount accretion on bonds and notes	**29,916**	41,330
Provision for (reversal of) credit losses	**13,024**	(819)
Gains on other property owned	**—**	(179)
Losses on sales of investments	**5,890**	—
(Gains) losses on debt extinguishment	**(157)**	4,492
Losses (gains) on other transactions	**321**	(1,307)
Net change in loans held for sale	**—**	29,453
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	**(2,347)**	5,038
(Increase) decrease in accounts receivable	**(24,837)**	29,798
(Decrease) increase in accrued interest payable	**(39,628)**	59,212
Decrease in accounts payable	**(24,515)**	(62,804)
Change in other, net	**(18,847)**	(12,409)
Total adjustments	**(55,693)**	97,793
Net cash provided by operating activities	**10,691**	163,457
Cash flows from investing activities:		
Investment securities purchased	**(100,000)**	(52,000)
Proceeds from maturities and prepayments of investment securities	**297,658**	255,992
Proceeds from sales of investment securities	**32,654**	—
Net (increase) decrease in loans	**(415,812)**	265,144
Decrease (increase) in equity investments in other Farm Credit System institutions	**792**	(118)
Purchase of premises, software and equipment	**(12,352)**	(8,428)
Proceeds from sale of premises and equipment	**4**	—
Proceeds from sale of other property owned	**482**	439
Net cash (used) provided in investing activities	**(196,574)**	461,029
Cash flows from financing activities:		
Bonds and notes issued	**8,262,536**	6,498,567
Bonds and notes retired	**(8,068,021)**	(6,963,000)
Capital stock and participation certificates issued/(retired), net	**255**	—
Distribution to shareholders	**(234,249)**	(247,004)
Net cash used by financing activities	**(39,479)**	(711,437)
Net decrease in cash and cash equivalents	**(225,362)**	(86,951)
Cash and cash equivalents, beginning of period	**1,857,000**	1,490,814
Cash and cash equivalents, end of period	**$ 1,631,638**	$ 1,403,863
Supplemental schedule of non-cash activities:		
Receipt of property in settlement of loans	**$ 348**	$ (57,009)
Change in unrealized losses on investments, net	**123,197**	—
Employee benefit plans adjustments	**1**	(5)
Supplemental information:		
Interest paid	**$ 414,226**	$ 279,879

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

Notes to the Financial Statements

(unaudited)

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization

The accompanying financial statements include the accounts of AgFirst Farm Credit Bank (AgFirst or Bank). AgFirst and its related Agricultural Credit Associations (Associations or District Associations) are collectively referred to as the AgFirst District (District). Descriptions of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations of the Bank as of and for the year ended December 31, 2024 are contained in the 2024 Annual Report to Shareholders. These unaudited interim financial statements should be read in conjunction with the latest Annual Report to Shareholders.

On December 6, 2024, the boards of Farm Credit of Central Florida, ACA and Southwest Georgia Farm Credit, ACA signed a letter of intent to pursue a merger. These two Associations, with combined total assets of approximately $1.8 billion, or 5.4% of the combined Association total assets, as of March 31, 2025, anticipate a merger date of January 1, 2026, subject to receiving all regulatory and shareholder approvals required. This is not expected to have a material impact on the Bank's Balance Sheet and Results of Operations.

Basis of Presentation

In the opinion of management, the accompanying financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies and Estimates

The Bank's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for credit losses (Note 2, *Loans and Allowance for Credit Losses*), investment securities (Note 3, *Investments*), and financial instruments (Note 6, *Fair Value Measurement*). Actual results could differ from those estimates.

For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

Accounting Standards Updates (ASUs) Pending Effective Date

For a detailed description of the ASUs below, see the latest Annual Report.

Potential effects of ASUs issued in previous periods:

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
- Include certain amounts that are already required to be disclosed under GAAP in the same disclosure as other disaggregation requirements.
- Disclose a qualitative description of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total sum of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Bank is currently assessing the potential impact of this standard on its disclosures.

ASUs Effective During the Period
There were no changes in the accounting principles applied from the latest Annual Report.

Note 2 — Loans and Allowance for Credit Losses

A summary of loans outstanding follows:

(dollars in thousands)	**March 31, 2025**	**December 31, 2024**
Direct Notes	$ 25,325,905	$ 25,281,191
Rural residential real estate	3,275,787	3,268,500
Agribusiness:		
Loans to cooperatives	611,019	492,283
Processing and marketing	2,335,975	2,226,817
Farm-related business	110,358	134,837
Rural infrastructure:		
Communication	812,753	785,966
Power and water/waste disposal	1,935,842	1,758,602
Production and intermediate-term	1,296,394	1,284,618
Real estate mortgage	1,070,601	1,119,842
Other:		
International	126,821	131,365
Lease receivables	1,161	1,143
Loans to other financing institutions (OFIs)	173,705	175,122
Other (including Mission Related)	4,511	4,510
Total loans	$ 37,080,832	$ 36,664,796

A substantial portion of the Bank's loan portfolio consists of notes receivable from District Associations (Direct Notes). These notes are used by the Associations to fund their loan portfolios, which collateralize the notes. Therefore, the Bank's concentration of credit risk in various agricultural commodities associated with these notes approximates that of the District as a whole. Loan concentrations are considered to exist when there are amounts loaned to borrowers engaged in similar activities, which would cause them to be similarly impacted by economic or other conditions. A substantial portion of the Associations' lending activities is collateralized, and their exposure to credit loss associated with lending activities is reduced accordingly, which further mitigates credit risk to the Bank. The risk funds of an Association, including both capital and the allowance for credit losses, also protect the interest of the Bank.

The Bank may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration (FCA) regulations. During the first three months of 2025, the Bank purchased $79.5 million of residential mortgage loans from various Farm Credit System (System) associations and sold $1.1 million from that portfolio. These amounts are not included in the table below. The following tables present the principal balance of participation loans at periods ended:

	March 31, 2025					
	Within Farm Credit System		Outside Farm Credit System		Total	
(dollars in thousands)	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Direct Notes	$ —	$ 1,674,387	$ —	$ —	$ —	$ 1,674,387
Agribusiness	2,753,148	1,764,164	2,075,607	—	4,828,755	1,764,164
Rural infrastructure	3,364,451	621,150	—	—	3,364,451	621,150
Production and intermediate-term	2,469,502	1,294,139	124,152	857	2,593,654	1,294,996
Real estate mortgage	1,379,292	408,369	5,137	—	1,384,429	408,369
Other	206,790	74,074	—	—	206,790	74,074
Total	$ 10,173,183	$ 5,836,283	$ 2,204,896	$ 857	$ 12,378,079	$ 5,837,140

	December 31, 2024					
	Within Farm Credit System		Outside Farm Credit System		Total	
(dollars in thousands)	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Direct Notes	$ —	$ 1,657,875	$ —	$ —	$ —	$ 1,657,875
Agribusiness	2,480,797	1,679,724	2,058,705	—	4,539,502	1,679,724
Rural infrastructure	3,165,844	613,606	—	—	3,165,844	613,606
Production and intermediate-term	2,523,155	1,425,349	190,527	—	2,713,682	1,425,349
Real estate mortgage	1,466,688	449,406	5,137	—	1,471,825	449,406
Other	215,891	78,634	—	—	215,891	78,634
Total	$ 9,852,375	$ 5,904,594	$ 2,254,369	$ —	$ 12,106,744	$ 5,904,594

Loan Quality

Each loan in the District's portfolio is classified according to a Uniform Classification System, which is used by all System institutions. Below are the classification definitions:

- Acceptable – Assets are expected to be fully collectible and represent the highest quality. In addition, these assets may include loans with properly executed and structured guarantees that might otherwise be classified less favorably.
- 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 facts, conditions and values that make collection in full highly questionable.
- Loss – Assets are considered uncollectible.

The following table shows the amortized cost of loans classified under the Uniform Loan Classification System by origination year at March 31, 2025 and the gross charge-offs for the three months ended March 31, 2025:

	Term Loans Amortized Cost by Origination Year							
	2025	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Direct Notes								
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ 25,209,395	$ 25,209,395
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	—	—	—	—	—	—	116,510	116,510
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 25,325,905	$ 25,325,905
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural residential real estate								
Acceptable	$ 10,389	$ 302,364	$ 297,812	$ 514,190	$ 545,989	$ 1,575,225	$ —	$ 3,245,969
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	—	562	1,344	3,633	4,631	19,648	—	29,818
Total	$ 10,389	$ 302,926	$ 299,156	$ 517,823	$ 550,620	$ 1,594,873	$ —	$ 3,275,787
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 7	$ —	$ 7
Agribusiness								
Acceptable	$ 62,746	$ 468,840	$ 247,960	$ 349,067	$ 279,834	$ 399,618	$ 969,689	$ 2,777,754
OAEM	—	10,566	—	69,823	16,690	11,391	93,686	202,156
Substandard/Doubtful/Loss	6,037	5,668	6,905	282	296	19,965	38,289	77,442
Total	$ 68,783	$ 485,074	$ 254,865	$ 419,172	$ 296,820	$ 430,974	$ 1,101,664	$ 3,057,352
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural infrastructure								
Acceptable	$ 265,343	$ 455,438	$ 666,662	$ 497,901	$ 280,979	$ 412,243	$ 106,988	$ 2,685,554
OAEM	—	5,451	—	8,858	2,170	42,982	1,899	61,360
Substandard/Doubtful/Loss	—	—	1,681	—	—	—	—	1,681
Total	$ 265,343	$ 460,889	$ 668,343	$ 506,759	$ 283,149	$ 455,225	$ 108,887	$ 2,748,595
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Production and intermediate-term								
Acceptable	$ 73,668	$ 132,895	$ 130,771	$ 117,126	$ 60,819	$ 80,868	$ 530,322	$ 1,126,469
OAEM	—	—	25,424	27,923	—	7,802	69,690	130,839
Substandard/Doubtful/Loss	1,495	1,987	3,840	5,549	—	20	26,195	39,086
Total	$ 75,163	$ 134,882	$ 160,035	$ 150,598	$ 60,819	$ 88,690	$ 626,207	$ 1,296,394
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Real estate mortgage								
Acceptable	$ 35,651	$ 30,903	$ 105,415	$ 137,841	$ 231,101	$ 439,561	$ 34,123	$ 1,014,595
OAEM	—	4,818	4,764	3,608	11,572	2,514	2	27,278
Substandard/Doubtful/Loss	1,308	436	5,059	10,165	5,261	5,730	769	28,728
Total	$ 36,959	$ 36,157	$ 115,238	$ 151,614	$ 247,934	$ 447,805	$ 34,894	$ 1,070,601
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Acceptable	$ —	$ 16,805	$ 58,350	$ 16,889	$ 16,640	$ 19,507	$ 178,007	$ 306,198
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	—	—	—	—	—	—	—	—
Total	$ —	$ 16,805	$ 58,350	$ 16,889	$ 16,640	$ 19,507	$ 178,007	$ 306,198
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Loans								
Acceptable	$ 447,797	$ 1,407,245	$ 1,506,970	$ 1,633,014	$ 1,415,362	$ 2,927,022	$ 27,028,524	$ 36,365,934
OAEM	—	20,835	30,188	110,212	30,432	64,689	165,277	421,633
Substandard/Doubtful/Loss	8,840	8,653	18,829	19,629	10,188	45,363	181,763	293,265
Total	$ 456,637	$ 1,436,733	$ 1,555,987	$ 1,762,855	$ 1,455,982	$ 3,037,074	$ 27,375,564	$ 37,080,832
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 7	$ —	$ 7

The following table shows the amortized cost of loans classified under the Uniform Loan Classification System by origination year at December 31, 2024 and the gross charge-offs for the year ended December 31, 2024:

	Term Loans Amortized Cost by Origination Year							
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Direct Notes								
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ 25,162,248	$ 25,162,248
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	—	—	—	—	—	—	118,943	118,943
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 25,281,191	$ 25,281,191
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural residential real estate								
Acceptable	$ 245,713	$ 302,912	$ 523,960	$ 554,426	$ 278,019	$ 1,333,086	$ —	$ 3,238,116
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	411	1,337	3,198	4,374	1,830	19,234	—	30,384
Total	$ 246,124	$ 304,249	$ 527,158	$ 558,800	$ 279,849	$ 1,352,320	$ —	$ 3,268,500
Gross charge-offs	$ —	$ —	$ 58	$ 6	$ 17	$ 53	$ —	$ 134
Agribusiness								
Acceptable	$ 506,718	$ 257,986	$ 349,286	$ 292,680	$ 80,291	$ 349,776	$ 819,103	$ 2,655,840
OAEM	10,564	80	64,959	14,920	52	1,970	37,871	130,416
Substandard/Doubtful/Loss	5,666	7,168	282	327	17,996	2,415	33,827	67,681
Total	$ 522,948	$ 265,234	$ 414,527	$ 307,927	$ 98,339	$ 354,161	$ 890,801	$ 2,853,937
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural infrastructure								
Acceptable	$ 452,044	$ 664,457	$ 512,793	$ 304,064	$ 125,283	$ 281,182	$ 142,040	$ 2,481,863
OAEM	5,524	—	8,857	2,190	37,434	—	1,435	55,440
Substandard/Doubtful/Loss	—	1,717	—	—	—	5,548	—	7,265
Total	$ 457,568	$ 666,174	$ 521,650	$ 306,254	$ 162,717	$ 286,730	$ 143,475	$ 2,544,568
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Production and intermediate-term								
Acceptable	$ 148,974	$ 131,472	$ 148,364	$ 61,188	$ 6,628	$ 87,914	$ 554,703	$ 1,139,243
OAEM	—	26,028	324	—	—	8,064	69,068	103,484
Substandard/Doubtful/Loss	2,979	3,894	5,886	—	132	1,143	27,857	41,891
Total	$ 151,953	$ 161,394	$ 154,574	$ 61,188	$ 6,760	$ 97,121	$ 651,628	$ 1,284,618
Gross charge-offs	$ —	$ 446	$ —	$ —	$ —	$ 1,269	$ —	$ 1,715
Real estate mortgage								
Acceptable	$ 25,542	$ 107,544	$ 178,798	$ 234,871	$ 92,562	$ 378,404	$ 34,356	$ 1,052,077
OAEM	4,900	4,949	3,611	11,572	1,280	2,797	2	29,111
Substandard/Doubtful/Loss	6,749	5,073	12,887	5,259	—	5,417	3,269	38,654
Total	$ 37,191	$ 117,566	$ 195,296	$ 251,702	$ 93,842	$ 386,618	$ 37,627	$ 1,119,842
Gross charge-offs	$ —	$ —	$ 35	$ —	$ —	$ —	$ —	$ 35
Other								
Acceptable	$ 16,788	$ 58,344	$ 16,888	$ 16,636	$ —	$ 19,506	$ 183,978	$ 312,140
OAEM	—	—	—	—	—	—	—	—
Substandard/Doubtful/Loss	—	—	—	—	—	—	—	—
Total	$ 16,788	$ 58,344	$ 16,888	$ 16,636	$ —	$ 19,506	$ 183,978	$ 312,140
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Loans								
Acceptable	$ 1,395,779	$ 1,522,715	$ 1,730,089	$ 1,463,865	$ 582,783	$ 2,449,868	$ 26,896,428	$ 36,041,527
OAEM	20,988	31,057	77,751	28,682	38,766	12,831	108,376	318,451
Substandard/Doubtful/Loss	15,805	19,189	22,253	9,960	19,958	33,757	183,896	304,818
Total	$ 1,432,572	$ 1,572,961	$ 1,830,093	$ 1,502,507	$ 641,507	$ 2,496,456	$ 27,188,700	$ 36,664,796
Gross charge-offs	$ —	$ 446	$ 93	$ 6	$ 17	$ 1,322	$ —	$ 1,884

Accrued interest receivable on loans of $139.9 million and $136.3 million at March 31, 2025 and December 31, 2024, respectively, have been excluded from the amortized cost of loans and reported separately in the Balance Sheets.

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

	March 31, 2025					
(dollars in thousands)	**30 Through 89 Days Past Due**	**90 Days or More Past Due**	**Total Past Due**	**Not Past Due or Less Than 30 Days Past Due**	**Total Loans**	**Accruing Loans 90 Days or More Past Due**
Direct Notes	$ —	$ —	$ —	$ 25,325,905	$ 25,325,905	$ —
Rural residential real estate	43,725	12,409	56,134	3,219,653	3,275,787	—
Agribusiness	—	—	—	3,057,352	3,057,352	—
Rural infrastructure	8,728	—	8,728	2,739,867	2,748,595	—
Production and intermediate-term	3,219	20,093	23,312	1,273,082	1,296,394	—
Real estate mortgage	6,713	4,723	11,436	1,059,165	1,070,601	—
Other	—	—	—	306,198	306,198	—
Total	$ 62,385	$ 37,225	$ 99,610	$ 36,981,222	$ 37,080,832	$ —

	December 31, 2024					
(dollars in thousands)	**30 Through 89 Days Past Due**	**90 Days or More Past Due**	**Total Past Due**	**Not Past Due or Less Than 30 Days Past Due**	**Total Loans**	**Accruing Loans 90 Days or More Past Due**
Direct Notes	$ —	$ —	$ —	$ 25,281,191	$ 25,281,191	$ —
Rural residential real estate	45,299	17,510	62,809	3,205,691	3,268,500	—
Agribusiness	—	—	—	2,853,937	2,853,937	—
Rural infrastructure	—	—	—	2,544,568	2,544,568	—
Production and intermediate-term	19,487	1,771	21,258	1,263,360	1,284,618	—
Real estate mortgage	8,307	3,028	11,335	1,108,507	1,119,842	—
Other	—	—	—	312,140	312,140	—
Total	$ 73,093	$ 22,309	$ 95,402	$ 36,569,394	$ 36,664,796	$ —

The following tables provide the amortized cost for nonaccrual loans, as well as interest income recognized on nonaccrual loans during the period:

	March 31, 2025			Interest Income Recognized
Nonaccrual loans:	**Amortized Cost with Allowance**	**Amortized Cost without Allowance**	**Total**	**For the Three Months Ended March 31, 2025**
Rural residential real estate	$ 2,569	$ 29,911	$ 32,480	$ 332
Agribusiness	—	196	196	—
Rural infrastructure	1,681	—	1,681	—
Production and intermediate-term	21,460	1,987	23,447	112
Real estate mortgage	2,201	4,829	7,030	4
Total	$ 27,911	$ 36,923	$ 64,834	$ 448

Nonaccrual loans:	December 31, 2024 Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized For the Three Months Ended March 31, 2024
Rural residential real estate	$ 2,022	$ 30,690	$ 32,712	$ 248
Rural infrastructure	1,717	—	1,717	—
Production and intermediate-term	18,401	2,055	20,456	23
Real estate mortgage	2,210	3,555	5,765	19
Total	$ 24,350	$ 36,300	$ 60,650	$ 290

Loan Modifications to Borrowers Experiencing Financial Difficulty

Loan modifications may be granted to borrowers experiencing financial difficulty. Qualifying disclosable modifications are one, or a combination of, principal forgiveness, interest rate reduction, or a term or payment extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

The following tables show the amortized cost basis 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:

	For the Three Months Ended March 31, 2025		
(dollars in thousands)	Maturity Extension	Total	Percentage of Total by Loan Type
Rural residential real estate	$ 359	$ 359	0.01 %
Total	$ 359	$ 359	— %

	For the Three Months Ended March 31, 2024			
(dollars in thousands)	Maturity Extension	Payment Deferral	Total	Percentage of Total by Loan Type
Rural residential real estate	$ 592	$ —	$ 592	0.02 %
Agribusiness	7,721	6,841	14,562	0.54 %
Total	$ 8,313	$ 6,841	$ 15,154	0.04 %

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025 and March 31, 2024:

	Maturity Extension Financial Effect March 31, 2025	March 31, 2024
Rural residential real estate	Added a weighted average 19.3 years to the life of loans	Added a weighted average 7.9 years to the life of loans
Agribusiness		Added a weighted average 0.8 years to the life of loans

	Payment Deferral Financial Effect March 31, 2025	March 31, 2024
Agribusiness		Provided a weighted average 0.5 years of payment deferrals

Loans to borrowers experiencing financial difficulty that had a modification in the preceding 12 months and subsequently defaulted during the three months ended March 31, 2025 and March 31, 2024 had an amortized cost of $430 thousand and $267 thousand, respectively, and had received maturity extensions.

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2025 and March 31, 2024:

	Payment Status of Loan Modified During the 12 Months Prior to March 31, 2025			
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Rural residential real estate	$ 2,412	$ 701	$ 506	$ 3,619
Agribusiness	34,387	—	—	34,387
Production and intermediate-term	7,366	—	—	7,366
Real estate mortgage	8,154	—	—	8,154
Total	$ 52,319	$ 701	$ 506	$ 53,526

	Payment Status of Loan Modified During the 12 months ended March 31, 2024			
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Rural residential real estate	$ 3,885	$ 267	$ 469	$ 4,621
Agribusiness	30,004	—	—	30,004
Production and intermediate-term	2,775	—	—	2,775
Real estate mortgage	76	—	—	76
Total	$ 36,740	$ 267	$ 469	$ 37,476

There was no accrued interest receivable at the end of the reporting period related to loan modifications granted to borrowers experiencing financial difficulty during the three months ended March 31, 2025 and was $138 thousand for the three months ended March 31, 2024. There were no additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified at March 31, 2025 and $21.6 million at December 31, 2024.

Allowance for Credit Losses

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

(dollars in thousands)	Rural Residential Real Estate	Agribusiness	Rural Infrastructure	Production and Intermediate-term	Real Estate Mortgage	Other	Total
Allowance for credit losses on loans:							
Balance at December 31, 2024	$ 7,523	$ 8,398	$ 4,228	$ 5,713	$ 2,132	$ 159	$ 28,153
Charge-offs	(7)	—	—	—	—	—	(7)
Recoveries	25	—	—	—	—	—	25
Provision for (reversal of) credit losses on loans	(445)	3,149	1,345	7,991	77	108	12,225
Balance at March 31, 2025	$ 7,096	$ 11,547	$ 5,573	$ 13,704	$ 2,209	$ 267	$ 40,396
Allowance for unfunded commitments:							
Balance at December 31, 2024	$ —	$ 2,476	$ 445	$ 1,002	$ 23	$ 29	$ 3,975
Provision for (reversal of) unfunded commitments	—	410	188	193	9	(1)	799
Balance at March 31, 2025	$ —	$ 2,886	$ 633	$ 1,195	$ 32	$ 28	$ 4,774
Total allowance for credit losses	**$ 7,096**	**$ 14,433**	**$ 6,206**	**$ 14,899**	**$ 2,241**	**$ 295**	**$ 45,170**
Allowance for credit losses on loans:							
Balance at December 31, 2023	$ 18,758	$ 8,911	$ 3,840	$ 5,894	$ 2,002	$ 15	$ 39,420
Charge-offs	(6)	—	—	—	—	—	(6)
Recoveries	6	—	—	—	—	—	6
Provision for (reversal of) credit losses on loans	(1,462)	397	(26)	(443)	476	239	(819)
Balance at March 31, 2024	$ 17,296	$ 9,308	$ 3,814	$ 5,451	$ 2,478	$ 254	$ 38,601
Allowance for unfunded commitments:							
Balance at December 31, 2023	$ —	$ 2,862	$ 374	$ 732	$ 28	$ 43	$ 4,039
Provision for (reversal of) unfunded commitments	—	(80)	39	33	6	2	—
Balance at March 31, 2024	$ —	$ 2,782	$ 413	$ 765	$ 34	$ 45	$ 4,039
Total allowance for credit losses	**$ 17,296**	**$ 12,090**	**$ 4,227**	**$ 6,216**	**$ 2,512**	**$ 299**	**$ 42,640**

There was no allowance for credit loss for the Direct Note portfolio at March 31, 2025 or December 31, 2024.

Note 3 — Investments

Equity Investments in Other Farm Credit System Institutions

Equity investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA.

Investments in Debt Securities

The Bank's investments in debt securities consist primarily of mortgage-backed securities (MBSs) collateralized by U.S. government or U.S. agency guaranteed residential and commercial mortgages. Also included are asset-backed securities (ABSs) which are issued through the Small Business Administration and are guaranteed by the full faith and credit of the U.S. government. They are held to maintain a liquidity reserve, manage short-term surplus funds, and manage interest rate risk. These securities meet the applicable FCA regulatory guidelines related to government agency guaranteed investments.

Non-agency ABSs are included in available-for-sale (AFS) investments. These securities must meet the applicable FCA regulatory guidelines, which require them to be high quality, senior class, and rated in the top category (AAA/Aaa) by Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. To achieve these ratings, the securities may have a guarantee of timely payment of principal and interest, credit enhancements achieved through over-collateralization or other means, priority of payments for senior classes over junior classes, or bond insurance. All of the non-agency securities owned have one or more credit enhancement features. In 2025, $38.8 million of U.S. Government Agency Guaranteed securities were sold resulting in a loss of $5.9 million in a transaction that was economically offset by $42.5 million of Systemwide Debt Security extinguishment resulting in a gain of $6.2 million.

HTM investments in debt securities consist primarily of Mission Related Investments acquired primarily under the Rural America Bond (RAB) pilot programs. RABs are private placement securities which generally have some form of credit enhancement.

An agreement with a commercial bank requires AgFirst to maintain $50.0 million as a compensating balance. At March 31, 2025, the Bank held $42.1 million in U.S. Treasury securities for that purpose. The remainder of the compensating balance was held in cash in a demand deposit account. These securities are excluded when calculating the amount of eligible liquidity investments.

Available-for-sale

A summary of the amortized cost and fair value of debt securities held as available-for-sale investments at period end is as follows:

	March 31, 2025				
(dollars in thousands)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Yield**
U.S. Govt. Agency Guaranteed	$ 4,440,934	$ 2,948	$ (372,193)	$ 4,071,689	3.40 %
U.S. Govt. Guaranteed	3,639,573	3,890	(411,940)	3,231,523	2.73
U.S. Govt. Treasury Securities	342,279	248	(206)	342,321	4.37
Non-Agency ABSs	232,352	1,083	(146)	233,289	4.55
Total	$ 8,655,138	$ 8,169	$ (784,485)	$ 7,878,822	3.19 %

	December 31, 2024				
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
U.S. Govt. Agency Guaranteed	$ 4,608,697	$ 3,075	$ (420,832)	$ 4,190,940	3.61 %
U.S. Govt. Guaranteed	3,751,811	2,105	(484,264)	3,269,652	2.74
U.S. Govt. Treasury Securities	242,256	144	(515)	241,885	4.56
Non-Agency ABSs	288,780	1,292	(518)	289,554	4.30
Total	$ 8,891,544	$ 6,616	$ (906,129)	$ 7,992,031	3.29 %

Held-to-maturity

A summary of the amortized cost and fair value of debt securities held as held-to-maturity investments at period end is as follows:

	March 31, 2025				
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
RABs and Other	$ 9,579	$ 111	$ (396)	$ 9,294	5.82 %
U.S. Govt. Agency Guaranteed	151	—	(2)	149	5.78
Total	$ 9,730	$ 111	$ (398)	$ 9,443	5.82 %

	December 31, 2024				
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
RABs and Other	$ 9,732	$ 30	$ (527)	$ 9,235	5.82 %
U.S. Govt. Agency Guaranteed	158	—	(2)	156	5.77
Total	$ 9,890	$ 30	$ (529)	$ 9,391	5.82 %

A summary of the contractual maturity, estimated fair value and amortized cost of investment securities at March 31, 2025 follows:

Available-for-sale

	Due in 1 Year or Less		Due After 1 Year Through 5 Years		Due After 5 Years Through 10 Years		Due After 10 Years		Total	
(dollars in thousands)	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
U.S. Govt. Agency Guaranteed	$ 48,589	1.11 %	$1,042,334	4.64 %	$ 765,889	4.81 %	$2,214,877	2.51 %	$4,071,689	3.40 %
U.S. Govt. Guaranteed	—	—	96,521	2.21	318,107	2.45	2,816,895	2.77	3,231,523	2.73
U.S. Govt. Treasury Securities	14,936	3.57	327,385	4.41	—	—	—	—	342,321	4.37
Non-Agency ABSs	—	—	233,289	4.55	—	—	—	—	233,289	4.55
Total fair value	$ 63,525	1.68 %	$1,699,529	4.44 %	$1,083,996	4.08 %	$5,031,772	2.66 %	$7,878,822	3.19 %
Total amortized cost	$ 65,136		$1,710,618		$1,114,374		$5,765,010		$8,655,138	

Held-to-maturity

	Due in 1 Year or Less		Due After 1 Year Through 5 Years		Due After 5 Years Through 10 Years		Due After 10 Years		Total	
(dollars in thousands)	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
RABs and Other	$ —	— %	$ —	— %	$ —	— %	$ 9,579	5.82 %	$ 9,579	5.82 %
U.S. Govt. Agency Guaranteed	—	—	—	—	151	5.78	—	—	151	5.78
Total amortized cost	$ —	— %	$ —	— %	$ 151	5.78 %	$ 9,579	5.82 %	$ 9,730	5.82 %
Total fair value	$ —		$ —		$ 149		$ 9,294		$ 9,443	

A substantial number of these investments have contractual maturities in excess of ten years. However, expected maturities for these types of securities will differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

An investment is considered impaired if its fair value is less than its cost. The following tables show the fair value and gross unrealized losses for available-for-sale investments that have been in a continuous unrealized loss position aggregated by investment category at each reporting period. A continuous unrealized loss position for an investment is measured from the date the impairment was first identified.

	March 31, 2025					
	Less Than 12 Months		12 Months Or Greater		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Govt. Agency Guaranteed	$ 199,541	$ (409)	$ 3,018,541	$ (371,784)	$ 3,218,082	$ (372,193)
U.S. Govt. Guaranteed	3,357	(2)	2,955,326	(411,938)	2,958,683	(411,940)
U.S. Govt. Treasury Securities	127,126	(168)	14,936	(38)	142,062	(206)
Non-Agency ABSs	—	—	113,677	(146)	113,677	(146)
Total	$ 330,024	$ (579)	$ 6,102,480	$ (783,906)	$ 6,432,504	$ (784,485)

	December 31, 2024					
	Less Than 12 Months		12 Months Or Greater		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Govt. Agency Guaranteed	$ 174,403	$ (436)	$ 3,055,755	$ (420,396)	$ 3,230,158	$ (420,832)
U.S. Govt. Guaranteed	69,972	(1,452)	2,999,006	(482,812)	3,068,978	(484,264)
U.S. Govt. Treasury Securities	26,831	(454)	14,896	(61)	41,727	(515)
Non-Agency ABSs	—	—	169,734	(518)	169,734	(518)
Total	$ 271,206	$ (2,342)	$ 6,239,391	$ (903,787)	$ 6,510,597	$ (906,129)

The Bank evaluates investment securities with unrealized losses for credit loss on a quarterly basis. As part of this assessment, it was concluded that the Bank would not be required to sell the security prior to recovery of the amortized cost basis. The Bank also evaluates whether credit impairment exists by comparing the present value of expected cash flows to the amortized cost basis of the security. Credit impairment, if any, is recorded as an ACL for debt securities. At March 31, 2025, the Bank does not consider these unrealized losses to be credit-related and an allowance for credit losses is not necessary.

Note 4 — Debt

Bonds and Notes

AgFirst, unlike commercial banks and other depository institutions, obtains funds for its lending operations primarily from the sale of Systemwide Debt Securities issued jointly by the System banks through the Funding Corporation. Certain conditions must be met before AgFirst can participate in the issuance of Systemwide Debt Securities. As one condition of participation, AgFirst is required by the Farm Credit Act and FCA regulations to maintain specified eligible assets at least equal in value to the total amount of debt obligations outstanding for which it is primarily liable. This requirement does not provide holders of Systemwide Debt Securities with a security interest in any assets of the banks.

In accordance with FCA regulations, each issuance of Systemwide Debt Securities ranks equally with other unsecured Systemwide Debt Securities. Systemwide Debt Securities are not issued under an indenture, and no trustee is provided with respect to these securities. Systemwide Debt Securities are not subject to acceleration prior to maturity upon the occurrence of any default or similar event.

The following table provides a summary of AgFirst's participation in outstanding Systemwide Debt Securities by maturity.

	March 31, 2025					
(dollars in thousands)	Bonds		Discount Notes		Total	
Maturities	**Amortized Cost**	**Weighted Average Interest Rate**	**Amortized Cost**	**Weighted Average Interest Rate**	**Amortized Cost**	**Weighted Average Interest Rate**
One year or less	$ 13,105,152	3.62 %	$ 2,778,568	4.31 %	$ 15,883,720	3.74 %
Greater than one year to two years	8,621,307	3.67	—	—	8,621,307	3.67
Greater than two years to three years	3,963,281	3.00	—	—	3,963,281	3.00
Greater than three years to four years	3,078,775	3.02	—	—	3,078,775	3.02
Greater than four years to five years	2,510,555	3.26	—	—	2,510,555	3.26
Greater than five years	10,793,042	3.52	—	—	10,793,042	3.52
Total	$ 42,072,112	3.48 %	$ 2,778,568	4.31 %	$ 44,850,680	3.53 %

Discount notes are issued with maturities of one year or less. The weighted average maturity of discount notes at March 31, 2025 was 112 days.

Note 5 — Shareholders' Equity

Accumulated Other Comprehensive Income

The following tables present the activity related to accumulated other comprehensive income (AOCI):

Changes in Accumulated Other Comprehensive Income by Component *(a)*

	For the Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Investment Securities:		
Balance at beginning of period	$ (899,513)	$ (893,209)
Other comprehensive income before reclassifications	117,307	(57,009)
Amounts reclassified from AOCI	5,890	—
Net current period other comprehensive income (loss)	123,197	(57,009)
Balance at end of period	$ (776,316)	$ (950,218)
Cash Flow Hedges:		
Balance at beginning of period	$ —	$ —
Other comprehensive income before reclassifications	(78)	(33)
Amounts reclassified from AOCI	78	33
Net current period other comprehensive income	—	—
Balance at end of period	$ —	$ —
Employee Benefit Plans:		
Balance at beginning of period	$ 1,166	$ 216
Amounts reclassified from AOCI	(1)	5
Net current period other comprehensive (loss) income	(1)	5
Balance at end of period	$ 1,165	$ 221
Total Accumulated Other Comprehensive Loss:		
Balance at beginning of period	$ (898,347)	$ (892,993)
Other comprehensive income before reclassifications	117,229	(57,042)
Amounts reclassified from AOCI	5,967	38
Net current period other comprehensive income (loss)	123,196	(57,004)
Balance at end of period	$ (775,151)	$ (949,997)

	Reclassifications Out of Accumulated Other Comprehensive Income *(b)*		
	For the Three Months Ended March 31,		
(dollars in thousands)	**2025**	**2024**	**Income Statement Line Item**
Investment Securities:			
Sales gains & (losses)	$ (5,890)	$ —	Losses on sale of investments
Net amounts reclassified	(5,890)	—	
Cash Flow Hedges:			
Gains (losses) on other transactions	(78)	(33)	(Losses) gains on other transactions
Net amounts reclassified	(78)	(33)	
Employee Benefit Plans:			
Periodic pension costs	$ 1	$ (5)	See Note 8, *Employee Benefit Plans*
Net amounts reclassified	1	(5)	
Total reclassifications for period	$ (5,967)	$ (38)	

(a) Amounts in parentheses indicate reductions to AOCI
(b) Amounts in parentheses indicate reductions to net income

Note 6 — Fair Value Measurement

Fair value is defined 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. See Note 2, *Summary of Significant Accounting Policie*s of the most recent Annual Report to Shareholders for additional information.

Fair values are estimated at each period end date for assets and liabilities measured at fair value on a recurring basis. Other Financial Instruments are assets and liabilities not measured at fair value in the statement of financial position, but their fair values are estimated as of each period end date. The tables below include the carrying amount for assets and liabilities that are not measured at fair value in the *Balance Sheets*.

	March 31, 2025				
(dollars in thousands)	**Total Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Recurring Measurements					
Assets:					
Investments in debt securities available-for-sale:					
U.S. Govt. Agency guaranteed	$ 4,071,689	$ —	$ 4,071,689	$ —	$ 4,071,689
U.S. Govt. guaranteed	3,231,523	—	3,231,523	—	3,231,523
U.S. Govt. Treasury securities	342,321	—	342,321	—	342,321
Non-agency ABSs	233,289	—	233,289	—	233,289
Total investments in debt securities available-for-sale	7,878,822	—	7,878,822	—	7,878,822
Cash equivalents	930,000	—	930,000	—	930,000
Assets held in trust funds	18,329	18,329	—	—	18,329
Recurring Assets	$ 8,827,151	$ 18,329	$ 8,808,822	$ —	$ 8,827,151
Nonrecurring Measurements					
Assets:					
Nonaccrual loans	$ 15,309	$ —	$ —	$ 15,309	$ 15,309
Other property owned	1,948	—	—	1,948	1,948
Nonrecurring Assets	$ 17,257	$ —	$ —	$ 17,257	$ 17,257
Other Financial Instruments					
Assets:					
Cash	$ 701,638	$ 701,638	$ —	$ —	$ 701,638
Investments in debt securities held-to-maturity	9,730	—	149	9,294	9,443
Loans	37,025,127	—	—	35,658,104	35,658,104
Other Financial Assets	$ 37,736,495	$ 701,638	$ 149	$ 35,667,398	$ 36,369,185
Liabilities:					
Systemwide debt securities	$ 44,850,680	$ —	$ —	$ 43,882,420	$ 43,882,420
Other Financial Liabilities	$ 44,850,680	$ —	$ —	$ 43,882,420	$ 43,882,420

	December 31, 2024				
(dollars in thousands)	Total Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Recurring Measurements					
Assets:					
Investments in debt securities available-for-sale:					
U.S. Govt. agency guaranteed	$ 4,190,940	$ —	$ 4,190,940	$ —	$ 4,190,940
U.S. Govt. guaranteed	3,269,652	—	3,269,652	—	3,269,652
U.S. Govt. Treasury securities	241,885	—	241,885	—	241,885
Non-agency ABSs	289,554	—	289,554	—	289,554
Total investments in debt securities available-for-sale	7,992,031	—	7,992,031	—	7,992,031
Cash equivalents	1,040,000	—	1,040,000	—	1,040,000
Assets held in trust funds	20,515	20,515	—	—	20,515
Recurring Assets	$ 9,052,546	$ 20,515	$ 9,032,031	$ —	$ 9,052,546
Nonrecurring Measurements					
Assets:					
Nonaccrual loans	$ 19,952	$ —	$ —	$ 19,952	$ 19,952
Other property owned	2,082	—	—	2,082	2,082
Nonrecurring Assets	$ 22,034	$ —	$ —	$ 22,034	$ 22,034
Other Financial Instruments					
Assets:					
Cash	$ 817,000	$ 817,000	$ —	$ —	$ 817,000
Investments in debt securities held to maturity	9,890	—	156	9,235	9,391
Loans	36,616,691	—	—	34,924,865	34,924,865
Other Financial Assets	$ 37,443,581	$ 817,000	$ 156	$ 34,934,100	$ 35,751,256
Liabilities:					
Systemwide debt securities	$ 44,626,406	$ —	$ —	$ 43,323,884	$ 43,323,884
Other Financial Liabilities	$ 44,626,406	$ —	$ —	$ 43,323,884	$ 43,323,884

With regard to nonrecurring measurements for nonaccrual loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. System institutions utilize appraisals to value these loans and other property owned and take into account unobservable inputs such as income and expense, comparable sales, replacement cost and comparability adjustments.

Valuation Techniques

As more fully discussed in Note 2, *Summary of Significant Accounting Policie*s of the most recent Annual Report to Shareholders, 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. Fair values of financial instruments represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability in active markets among willing participants at the reporting date. Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain of the estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction. The following represent a brief summary of the valuation techniques used by the System institution for assets and liabilities:

Investments in Debt Securities

Where quoted prices for identical instruments are available in an active market, available-for-sale securities would be classified as Level 1. If quoted prices are not available for identical instruments 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. 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. Securities classified within Level 3 include a small portion of asset-backed securities and certain mortgage-backed securities, including private label-FHA/VA securities and those issued by Farmer Mac.

To estimate the fair value of the majority of the investments held, the Bank obtains prices from third party pricing services. For the valuation of securities not actively traded, including certain non-agency securities, the Bank utilizes either a third-party cash flow model or an internal model. Generally, the Bank averages the price obtained from the pricing service with the price generated by its third party or internal cash flow model. The significant unobservable inputs for the valuation models include yields, probability of default, loss severity and prepayment rates.

Cash Equivalents
This includes securities purchased under resale agreements where the carrying value approximates the fair value and is based upon observable inputs including the par/principal amount and appropriate interest yield and therefore classified as Level 2.

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

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

Loans
Fair value is estimated by discounting the expected future cash flows based on the observable loan origination rates. The Bank utilizes a third party for these nonrecurring fair value measurements and the third party's measurements includes unobservable inputs that are not developed by the Bank such as prepayment forecasts, probability of default, and loss severity.

For purposes of estimating the fair value of accruing loans, the loan portfolio is segregated into pools of loans with homogenous characteristics. Expected future cash flows, primarily based on contractual terms, and interest rates reflecting appropriate credit risk are separately determined for each individual pool.

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 held for sale
Loans held for sale are carried at fair value with changes in fair value recognized in current period earnings. The fair value is based upon commitments from investors with the secondary market for loans with similar characteristics. As such, the fair value measurements for loans held for sale are Level 2.

Note 7 — Revenue Recognition

The following table presents income from services provided to Farm Credit institutions, primarily to District Associations. Core services include areas such as accounting and reporting, loan operations, human resources, information technology and security.

	For the Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Core services	$ 31,250	$ 19,348
Expanded services	1,201	597
Total	$ 32,451	$ 19,945

Note 8 — Employee Benefit Plans

Following are retirement and other postretirement benefit expenses for the Bank:

	For the Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Pension	$ 592	$ 882
401k	1,403	1,319
Other postretirement benefits	268	276
Total	$ 2,263	$ 2,477

Expenses in the above table include allocated estimates of funding for multiemployer plans in which the Bank participates. These amounts may change when a total funding amount and allocation is determined by the respective Plans' Sponsor Committees. Also, market conditions could impact discount rates and return on plan assets which could change contributions necessary before the next plan measurement date of December 31, 2025.

Further details regarding employee benefit plans are contained in the most recent Annual Report to Shareholders.

Note 9 — Segment Reporting

AgFirst operates under a single operating segment. The Bank is engaged in a single line of business which, by regulation, lends and provides services to District Associations in addition to providing, in participation with other lenders and the secondary market, credit, credit commitments, and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents and farm-related businesses. As AgFirst activity either directly or indirectly provides service to eligible borrowers, AgFirst operates under a single operating segment.

The chief operating decision maker (CODM) is the Chief Executive Officer, who uses net income as the reportable measure of segment portfolio and loss, found in the accompanying financial statements, when assessing segment performance, resource allocation, and other operational decisions. Within the reportable measure, some of those key operational profit and loss measures include interest income and expense as well as non-interest expense found in the accompanying *Statements of Comprehensive Income.* The measure of segment assets is reported on the *Balance Sheets* as total assets. The accounting policies of this segment are the same as those disclosed in *Note 2 - Summary of Significant Accounting Policies* of the most recent Annual Report to Shareholders. There is no separate segment financial information as the entity has only one segment.

The Bank's major customers include members with revenue in excess of 10 percent of the Bank's total revenue, which includes interest income and noninterest income. For the three months ended March 31, 2025 and 2024, the Bank had one major customer (an Association) with total revenue of $74.0 million and $63.6 million, respectively.

Note 10 — Commitments and Contingencies

Under the Farm Credit Act of 1971, each System bank is primarily liable for its portion of Systemwide bond and discount note obligations. Additionally, the four banks are jointly and severally liable for the bonds and notes of the other System banks under the terms of the Joint and Several Liability Allocation Agreement. Published in the Federal Register, the agreement prescribes the payment mechanisms to be employed in the event one of the banks is unable to meet its debt obligations.

In the event a bank is unable to timely pay principal or interest on an insured debt obligation for which it is primarily liable, the Farm Credit System Insurance Corporation (FCSIC) must expend amounts in the Insurance Fund to the extent available to ensure the timely payment of principal and interest on the insured debt obligation. The provisions of the Farm Credit Act providing for joint and several liability of the banks on the obligation cannot be invoked until the amounts in the Insurance Fund have been exhausted. However, because of other mandatory and discretionary uses of the Insurance Fund, there is no assurance that there will be sufficient funds to pay the principal or interest on the insured debt obligation.

Once joint and several liability provisions are initiated, the FCA is required to make "calls" to satisfy the liability first on all non-defaulting banks in the proportion that each non-defaulting bank's available collateral (collateral in excess of collateralized obligations) bears to the aggregate available collateral of all non-defaulting banks. If these calls do not satisfy the liability, then a further call would be made in proportion to each non-defaulting bank's remaining assets. Upon making a call on non-defaulting banks with respect to a Systemwide Debt Security issued on behalf of a defaulting bank, the FCA is required to appoint FCSIC as the receiver for the defaulting bank. The receiver would be required to expeditiously liquidate assets of the bank.

AgFirst did not anticipate making any payments on behalf of its co-obligors under the Joint and Several Liability Allocation Agreement for any of the periods presented. The total amount of System debt outstanding is $452.2 billion and $447.9 billion at March 31, 2025 and December 31, 2024, respectively.

From time to time, legal actions are pending against the Bank in which claims for money damages are asserted. On at least a quarterly basis, the Bank assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. While the outcome of legal proceedings is inherently uncertain, on the basis of information presently available, management and legal counsel are of the opinion that the ultimate liability, if any, from these actions, would not be material in relation to the financial position of the Bank. Because it is remote that the Bank will incur a loss or the loss is not estimable, no liability has been recorded for any claims that may be pending.

Note 11 — Additional Financial Information

Offsetting of Financial Assets

(dollars in thousands)	March 31, 2025	December 31, 2024
Reverse repurchase and similar arrangements	$ 930,000	$ 1,040,000
Gross Amount of Recognized Assets	930,000	1,040,000
Reverse repurchase and similar arrangements	—	—
Gross Amounts Offset in the Balance Sheets	—	—
Net Amounts of Assets Presented in the Balance Sheets	$ 930,000	$ 1,040,000
Financial Instruments	(930,000)	(1,040,000)
Gross Amounts Not Offset in the Balance Sheets	(930,000)	(1,040,000)
Net Amount	$ —	$ —

There were no liabilities subject to master netting arrangements or similar agreements during the reporting periods.

The reverse repurchase agreements are accounted for as collateralized lending.

Combined Districtwide Financial Statements

The accompanying financial statements exclude financial information of the Bank's affiliated Associations. The Bank and its affiliated Associations are collectively referred to as the AgFirst District. The Bank separately publishes certain unaudited combined financial information of the AgFirst District, including a statement of condition and statement of comprehensive income, which can be found on the Bank's website at **www.agfirst.com**.

Note 12 — Subsequent Events

The Bank evaluated subsequent events and determined no subsequent events have occurred requiring disclosure through May 9, 2025, which was the date the financial statements were issued.

Additional Regulatory Information

(unaudited)

Overview

The following quantitative disclosures contain regulatory disclosures as required for the Bank under Regulation §628.62 and §628.63. These disclosures should be read in conjunction with our 2024 Annual Report, which includes additional qualitative disclosures. As required, these disclosures are made available for at least three years and can be accessed within the financial reports on AgFirst's website at www.agfirst.com.

SCOPE OF APPLICATION

AgFirst is one of the four banks of the Farm Credit System (System), a nationwide system of cooperatively owned banks and associations, established by Congress and subject to the provisions of the Farm Credit Act of 1971, as amended. The Bank prepares financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the financial services industry.

As of March 31, 2025, the AgFirst District consisted of the Bank and 16 District Associations. All Associations were structured as Agricultural Credit Association (ACA) holding companies, with Production Credit Association (PCA) and Federal Land Credit Association (FLCA) subsidiaries. AgFirst is owned jointly by these Associations, certain Other Financing Institutions (OFIs), and other System institutions. The Bank does not have any subsidiaries requiring consolidation; therefore, there are no consolidated entities for which the total capital requirement is deducted, there are no restrictions on transfer of funds or total capital with other consolidated entities and no subsidiary exists which is below the minimum total capital requirement individually or when aggregated at the Bank's level. In conjunction with other System entities, the Bank jointly owns certain service organizations: the Federal Farm Credit Banks Funding Corporation (Funding Corporation), the FCS Building Association (FCSBA), and the Farm Credit Association Captive Insurance Corporation (Captive). Certain of the Bank's investments in other System institutions, including the investment in the Funding Corporation and FCSBA, are deducted from capital as only the institution that issued the equities may count the amount as capital.

CAPITAL STRUCTURE

The table below outlines the Bank's capital structure for the capital adequacy calculations as of March 31, 2025:

(dollars in thousands)		3-Month Average Daily Balance
Common Equity Tier 1 Capital (CET1)		
Common cooperative equities:		
Statutory minimum purchased borrower stock	$	20
Other required member purchased stock		261,096
Allocated equities:		
Allocated stock subject to retirement		338,343
Nonqualified allocated surplus subject to retirement		413
Unallocated retained earnings		2,016,103
Paid-in capital		63,668
Regulatory adjustments and deductions made to CET1*		(88,859)
Total CET1 Capital	$	2,590,784
Additional Tier 1 Capital (AT1)		
Total AT1 Capital	$	—
Total Tier 1 Capital	$	2,590,784
Tier 2 Capital		
Allowance for credit losses on loans	$	28,290
Reserve for unfunded commitments		3,983
Total Tier 2 Capital	$	32,273
Total Regulatory Capital	$	2,623,057

**Primarily investments in other System institutions*

CAPITAL ADEQUACY AND CAPITAL BUFFERS

The table below outlines the Bank's risk-weighted assets, by exposure, calculated on a three-month average daily balance (including accrued interest of that exposure) as of March 31, 2025:

(dollars in thousands)		Risk-Weighted Assets
Exposures to:		
Government-sponsored entities, including Direct Notes to Associations	$	6,038,422
Depository institutions		98,915
Corporate exposures, including borrower loans and leases		8,022,603
Residential mortgage loans		1,596,284
Past due > 90 days and nonaccrual loans		77,090
Securitizations		59,983
Exposures to obligors and other assets		235,314
Off-balance sheet exposures		2,199,650
Total risk-weighted assets	$	18,328,261

As of March 31, 2025, the Bank exceeded all capital requirements to which it was subject, including applicable capital buffers. The risk-adjusted capital ratios exceeded the regulatory minimum levels, including the conservation buffer, by at least 3.81%. Additionally, the Bank's Tier 1 leverage ratio was 0.58% in excess of the required minimum leverage ratio, including the buffer. If the capital ratios fall below the minimum regulatory requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

The following sets forth the regulatory capital ratios as of March 31, 2025:

Ratio	Regulatory Minimum Requirement	Capital Conservation Buffer	Minimum Requirement, Including Buffer	Capital Ratios
Risk-adjusted ratios:				
CET1 Capital	4.50 %	2.50 %	7.00 %	14.14 %
Tier 1 Capital	6.00 %	2.50 %	8.50 %	14.14 %
Total Regulatory Capital	8.00 %	2.50 %	10.50 %	14.31 %
Permanent Capital	7.00 %	0.00 %	7.00 %	14.16 %
Non-risk-adjusted ratios:				
Tier 1 Leverage*	4.00 %	1.00 %	5.00 %	5.58 %
URE and URE Equivalents Leverage	1.50 %	0.00 %	1.50 %	4.29 %

**The Tier 1 Leverage Ratio must include a minimum of 1.5% of URE and URE Equivalents*

CREDIT RISK

System entities have specific lending authorities within their chartered territories. The Bank is subject to credit risk by lending to the District's FLCAs, PCAs, and ACAs as well as OFIs. The Bank also purchases participations and syndications and first lien residential mortgage loans. The allowance for credit losses is determined based on a periodic evaluation of the loan portfolio, which identifies loans that may be impaired based on characteristics such as probability of default (PD) and loss given default (LGD). Allowance needs by geographic region are only considered in rare circumstances that may not otherwise be reflected in the PD and LGD (flooding, drought, etc.). There was no allowance attributed to a geographic area as of March 31, 2025. See Note 2, *Loans and Allowance for Credit Losses*, and Note 3, *Investments*, in the Notes to the Financial Statements for quantitative disclosures related to the Bank's credit risk.

CREDIT RISK MITIGATION

Credit Risk Mitigation Related to Loans

The Bank uses various strategies to mitigate credit risk in its lending portfolio. As described in Note 1 of the Bank's Annual Report, a substantial portion of the loan balance is concentrated in notes receivable from the District Associations to fund their earning assets, which collateralize the notes. In addition, the earnings, capital and loan loss reserves of the Associations are available to absorb losses in their respective retail loan portfolios. Excluding accrued interest receivable, at March 31, 2025, the Bank's total loan portfolio totaled $37.1 billion which included the Direct Note portfolio that totaled $25.3 billion. The aggregate District Associations' loan portfolios totaled $32.4 billion.

The following table, which includes accrued interest, illustrates certain credit risk mitigants within AgFirst's loan portfolio, which reduce capital requirements as of March 31, 2025:

(dollars in thousands)	Ending Balance	3-Month Average Balance	Risk-Weighted Exposures	% of Total Loans
Loans with unconditional guarantee	$ 4,438	$ 4,655	$ —	— %
Loans with conditional guarantee	471,573	480,707	96,142	1 %
Direct Notes	25,413,250	25,158,546	5,031,709	69 %
Total	$ 25,889,261	$ 25,643,908	$ 5,127,851	70 %

The following table illustrates the geographic distribution of the aggregate loan portfolios for AgFirst District Associations which approximates the credit risk in the Direct Note portfolio as of March 31, 2025:

AgFirst Total District Associations
Loan Portfolios by State

	Percent of Portfolio
North Carolina	14 %
Pennsylvania	11
Georgia	11
Virginia	9
Ohio	8
Florida	8
South Carolina	6
Maryland	5
Alabama	5
Kentucky	3
Mississippi	3
Louisiana	2
All Other States	15
Total	100 %

The following table illustrates the various major commodity groups in the aggregate District Associations' loan portfolios based on borrower eligibility as a percentage of the aggregate outstanding District Associations' loan volume at March 31, 2025:

AgFirst Total District Associations
Loan Portfolios by Commodity Group
Based on Eligibility

	Percent of Portfolio
Forestry	17 %
Field Crops	12
Poultry	11
Cattle	8
Grains	8
Corn	5
Processing	5
Other Real Estate	5
Dairy	4
Nursery/Greenhouse	3
Tree Fruits and Nuts	3
Rural Home Loans	3
Utilities	2
Cotton	2
Swine	2
Other	10
Total	100 %

The following table illustrates the aggregate District Associations' loan portfolios based upon repayment dependency by commodity as a percentage of the aggregate outstanding District Associations' loan volume at March 31, 2025:

AgFirst Total District Associations Loan Portfolios by Commodity Group Based on Repayment Dependency

	Percent of Portfolio
Non-Farm Income	34 %
Poultry	11
Grains	6
Field Crops	6
Forestry	6
Processing	5
Corn	4
Dairy	4
Cattle	3
Nursery/Greenhouse	3
Utilities	2
Other Real Estate	2
Tree Fruits and Nuts	2
Cotton	2
Other	10
Total	100 %

The following table illustrates AgFirst's loan portfolio total exposure (includes outstanding balance and unfunded amounts) by geographic distribution at March 31, 2025. This table includes the Bank's Direct Notes in total and does not include accrued interest.

AgFirst Loan Portfolio's Total Exposure by State

	At Period End	Year-to-Date Average Balance
North Carolina	4 %	4 %
Georgia	4	4
Florida	3	3
Texas	2	2
South Carolina	2	2
All other states	22	21
Direct Note	63	64
Total loans	100 %	100 %

The following table shows the various major commodity groups total exposure (includes outstanding balance and unfunded amounts) in the portfolio based on borrower eligibility at March 31, 2025. This table includes the Bank's Direct Notes in total and does not include accrued interest.

AgFirst Loan Portfolio's Total Exposure by Commodity Group Based on Eligibility

	At Period End	Year-to-Date Average Balance
Utilities	8 %	8 %
Rural Home Loans	7	7
Processing	6	6
Forestry	4	3
Field Crops	2	2
Other	10	10
Direct Note	63	64
Total loans	100 %	100 %

The following table segregates the total exposure (outstanding balance and unfunded amounts) of loans based upon repayment dependency by commodity at March 31, 2025. This table includes the Bank's Direct Notes in total and does not include accrued interest.

AgFirst Loan Portfolio's Total Exposure by Commodity Group Based on Repayment Dependency

	At Period End	Year-to-Date Average Balance
Non-Farm Income	8 %	8 %
Utilities	8	7
Processing	6	6
Forestry	3	3
Field Crops	2	2
Other	10	10
Direct Note	63	64
Total loans	100 %	100 %

A significant source of liquidity for the Bank is the repayments of loans. The following table presents the contractual maturity distribution of loans by loan type at the latest period end. This table does not include accrued interest.

	March 31, 2025				
(dollars in thousands)	Due Less Than 1 Year	Due 1 Through 5 Years	Due 5 to 15 Years	Due After 15 Years	Total
Direct Notes*	$ 2,323,736	$ 5,966,908	$ 8,613,713	$ 8,421,548	$ 25,325,905
Real estate mortgage	33,243	230,320	533,328	273,710	1,070,601
Production and intermediate-term	191,373	847,045	257,976	—	1,296,394
Agribusiness	247,312	2,115,605	676,716	17,719	3,057,352
Rural infrastructure:	128,391	1,622,721	668,068	329,415	2,748,595
Rural residential real estate	159,602	20,499	340,973	2,754,713	3,275,787
Other:	193,018	68,847	44,333	—	306,198
Total loans	$ 3,276,675	$ 10,871,945	$ 11,135,107	$ 11,797,105	$ 37,080,832
Percentage	8.84 %	29.32 %	30.03 %	31.81 %	100.00 %

**Based on the underlying Association loans serving as collateral for the Direct Note which is a revolving line of credit.*

The following table illustrates AgFirst's nonperforming loans by geographic distribution at March 31, 2025. This table does not include accrued interest.

Total Outstanding Nonperforming Loans by State

(dollars in thousands)	At Period End	Year-to-Date Average Balance
Texas	$ 23,637	$ 23,206
North Carolina	16,552	16,456
Georgia	7,524	6,162
South Carolina	4,002	3,849
Maryland	3,687	495
Virginia	2,847	2,916
Florida	2,610	5,717
Nebraska	1,681	1,688
All other states	2,294	2,894
Total nonperforming loans	$ 64,834	$ 63,383

The Bank does not use credit default swaps as part of its credit risk management approach.

Credit Risk Mitigation Related to Investments

Credit risk in AgFirst's investment portfolio is largely mitigated by investing primarily in securities issued or guaranteed by the U.S. government or one of its agencies.

The following table shows the investment exposures covered by a guarantee as of March 31, 2025. This table does not include accrued interest.

(dollars in thousands)	Amortized Cost	Fair Value	% of Total Investments	Risk- Weighted Exposures
Unconditional Guarantee:				
U.S. Govt. Treasury Securities	$ 342,279	$ 342,321	4 %	$ —
U.S. Govt. Guaranteed	3,639,573	3,231,523	41 %	—
Conditional Guarantee:				
U.S. Govt. Agency Guaranteed	4,441,085	4,071,838	52 %	911,071
Total	$ 8,422,937	$ 7,645,682	97 %	$ 911,071

COUNTERPARTY CREDIT RISK

Counterparty credit risk exposures may consist of derivative instruments and repurchase-style transactions. By using derivative instruments, the Bank exposes itself to credit and market risk. The amount of this exposure depends on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. If a counterparty fails to fulfill its performance obligations under a derivative contract, the Bank's credit risk will equal the fair value gain in the derivative. Generally, when the fair value of a derivative contract is positive, this indicates that the Bank is exposed to an economic loss if the counterparty defaults. When the fair value of the derivative contract is negative, the counterparty is exposed to an economic loss in the event of a Bank default and the Bank has no credit risk exposure.

To minimize the risk of credit losses, the Bank transacts with counterparties that have an investment grade credit rating from a major rating agency and also monitors the credit standing of, and levels of exposure to, individual counterparties. The Bank typically enters into master agreements that contain netting provisions. These provisions allow the Bank to require the net settlement of covered contracts with the same counterparty in the event of default by the counterparty on one or more contracts.

Financial instruments qualifying as eligible collateral are specifically defined under individual counterparty credit support agreements, but generally include cash, U.S. Treasury debt obligations, debt obligations of certain federal agencies and mortgage-backed securities guaranteed by certain federal agencies. Federal agencies include the Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and the Federal Home Loan Banks. The value of the instrument when used as collateral may be discounted from its market price up to 10%, depending on the security type, issuer, and term. Such discounts are defined in the credit support agreement.

At March 31, 2025, the Bank had foreign currency forwards outstanding with a notional value of $621 thousand.

SECURITIZATION

The Bank has elected to utilize the simplified supervisory formula risk-based capital approach (SSFA) for securitization exposures. As such, the Bank's asset-backed securities (ABS) portfolio is risk weighted at an individual security level. As of March 31, 2025, the securities in this portfolio were risk weighted 20.11%, with a range of 20.00% to 20.48%. Total risk-weighted assets for these investment securities utilizing a three-month average daily balance were $56.2 million at March 31, 2025. At March 31, 2025, the Bank's ABS portfolio, which is risk weighted using the SSFA approach included, excluding accrued interest, $232.4 million of credit card ABSs.

As of March 31, 2025, the Bank did not hold any off-balance sheet securitization exposures nor were any securitization exposures deducted from capital. For the three months ended March 31, 2025, there were no sales of ABS securities that resulted in realized gains or losses.

Refer to Note 3, *Investments*, in the Notes to the Financial Statements for additional information related to purchases and sales of securitization exposures as well as the amortized cost, unrealized gains/(losses) and fair value of mortgage-backed securities (MBSs) and ABSs held in the Bank's investment portfolio.

EQUITIES

At March 31, 2025, the Bank had no equity investments other than equity investments in other Farm Credit institutions.

INTEREST RATE RISK

The following tables represent changes in AgFirst's market value of equity and projected change over the next twelve months in net interest income for various interest rate movements as of March 31, 2025 and December 31, 2024. The upward and downward shocks generally capture the effects of embedded options and convexity within the assets and liabilities based on movements in interest rates.

	March 31, 2025			
	-200	**-100**	**+100**	**+200**
Change in net interest income	36.3 %	18.6 %	1.6 %	3.5 %
Change in market value of equity	42.5 %	17.3 %	(9.2)%	(14.7)%

	December 31, 2024			
	-200	**-100**	**+100**	**+200**
Change in net interest income	28.7 %	12.9 %	2.3 %	4.6 %
Change in market value of equity	40.8 %	15.3 %	(8.0)%	(12.6)%