FIRST QUARTER 2025 QUARTERLY INFORMATION STATEMENT OF THE FARM CREDIT SYSTEM

Federal Farm Credit Banks Funding Corporation
101 Hudson Street, Suite 3505 • Jersey City, New Jersey 07302 • 201-200-8000

MAY 9, 2025

This quarterly information statement provides important information for investors in the debt securities jointly issued by the four Farm Credit System Banks — AgFirst Farm Credit Bank, AgriBank, FCB, CoBank, ACB and Farm Credit Bank of Texas (collectively, the Banks). These debt securities, which we refer to as Systemwide Debt Securities, include:

- Federal Farm Credit Banks Consolidated Systemwide Bonds,
- Federal Farm Credit Banks Consolidated Systemwide Discount Notes,
- Federal Farm Credit Banks Consolidated Systemwide Medium-Term Notes, and
- any other debt securities that the Farm Credit System Banks may jointly issue from time to time.

This quarterly information statement does not constitute an offer to sell or a solicitation of an offer to buy Systemwide Debt Securities. Systemwide Debt Securities are offered by the Federal Farm Credit Banks Funding Corporation (Funding Corporation) on behalf of the Banks pursuant to offering circulars for each type of debt offering. The relevant offering circular as of this date is the Federal Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes Offering Circular dated December 4, 2024.

The offering circular may be amended or supplemented from time to time and a new offering circular may be issued. Before purchasing Systemwide Debt Securities, you should carefully read the relevant offering circular and related supplements, the most recent annual and quarterly information statements and other current information released by the Funding Corporation regarding the Banks and/or Systemwide Debt Securities. At this time, no Systemwide Debt Securities are being offered under the Federal Farm Credit Banks Consolidated Systemwide Medium-Term Notes Offering Circular dated July 19, 1993, as amended by supplements dated February 26, 1997 and June 11, 1999.

Systemwide Debt Securities are the joint and several obligations of the Banks and are not obligations of or guaranteed by the United States government. Systemwide Debt Securities are not required to be registered and have not been registered under the Securities Act of 1933. In addition, the Banks are not required to file and do not file periodic reports under the Securities Exchange Act of 1934. Systemwide Debt Securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of any offering material used in connection with the sale of such Systemwide Debt Securities.

Certification

The undersigned certify that (1) we have reviewed this quarterly information statement, (2) this quarterly information statement has been prepared in accordance with all applicable statutory or regulatory requirements, and (3) the information contained in this quarterly information statement is true, accurate, and complete to the best of the signatories' knowledge and belief.

Matthew D. Walther Chair of the Board	Theresa E. McCabe President and CEO	Karen R. Brenner Managing Director — Financial Management Division

TABLE OF CONTENTS

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Farm Credit System quarterly and annual information statements and press releases relating to financial results or other developments affecting the System issued by the Funding Corporation, as well as offering circulars relating to Systemwide Debt Securities and links to each Bank's website, are available on the Funding Corporation's website located at farmcreditfunding.com. Other information regarding the System can be found at farmcredit.com.

Copies of quarterly and annual reports of each Bank may be obtained, by request, from each respective Bank. In addition, reports of each Bank combined with its affiliated Associations may be obtained from each individual Bank. Bank addresses and telephone numbers are listed on page S-5 of this quarterly information statement. These documents and further information on each Bank or each Bank combined with its affiliated Associations and links to a Bank's affiliated Associations' websites are also available on each Bank's website as follows:

- AgFirst Farm Credit Bank — agfirst.com
- AgriBank, FCB — agribank.com
- CoBank, ACB — cobank.com
- Farm Credit Bank of Texas — farmcreditbank.com

Information contained on these websites is not incorporated by reference into this quarterly information statement and you should not consider information contained on these websites to be part of this quarterly information statement.

BUSINESS

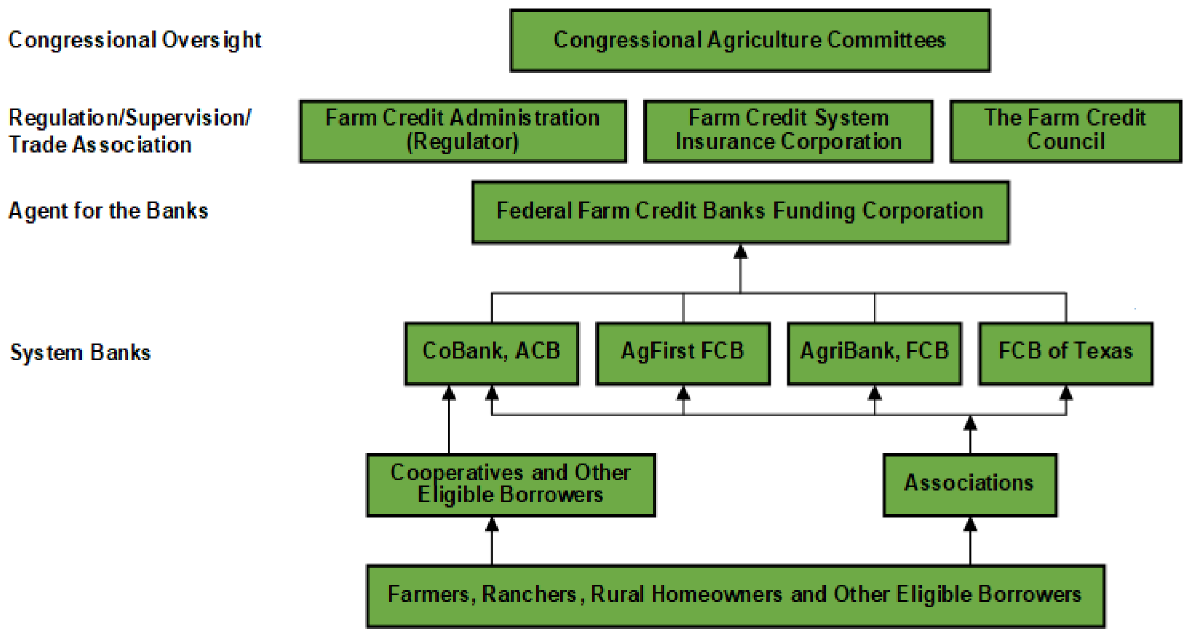
Overview of the Farm Credit System

The Farm Credit System is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations. Cooperatives are organizations that are owned and controlled by their members who use the cooperatives' products or services. The U.S. Congress authorized the creation of the first System institutions in 1916. The System's mission is to support rural communities and agriculture with reliable, consistent credit and financial services. This is accomplished by making appropriately structured loans to qualified individuals and businesses at competitive rates and providing financial services to those individuals and businesses. Consistent with the mission of supporting rural America, the System also makes rural residential real estate loans, finances rural power, communication and water infrastructures and makes loans to support agricultural exports and to finance other eligible entities. System institutions are federal instrumentalities.

Congress established the Farm Credit Administration as the System's independent federal regulator to examine and regulate System institutions, including their safety and soundness. Congress also established the Farm Credit System Insurance Corporation to enhance the financial integrity of the System by insuring the timely payment of principal and interest on Systemwide Debt Securities purchased by investors.

Structure/Ownership of the Farm Credit System

The following chart depicts the current overall structure and ownership of the System.



The Associations are cooperatives owned by their borrowers, and the Farm Credit Banks (AgFirst, AgriBank and Texas) are cooperatives primarily owned by their affiliated Associations. The Agricultural Credit Bank (CoBank) is a cooperative principally owned by cooperatives, other eligible borrowers and its affiliated Associations. The Banks and Associations each have their own board of directors and are not commonly owned. Each Bank and Association manages and controls its own business activities, operations and financial performance.

The Banks jointly own the Funding Corporation. The Funding Corporation, as agent for the Banks, issues and markets Systemwide Debt Securities in order to raise funds for the lending activities and operations of the Banks and Associations. The Funding Corporation also provides the Banks with certain accounting and financial reporting services, including the preparation of the System's quarterly and annual information statements and the System's combined financial statements contained in those information statements. As the System's financial spokesperson, the Funding Corporation is primarily responsible for financial disclosure and the release of public information concerning the financial condition and performance of the System.

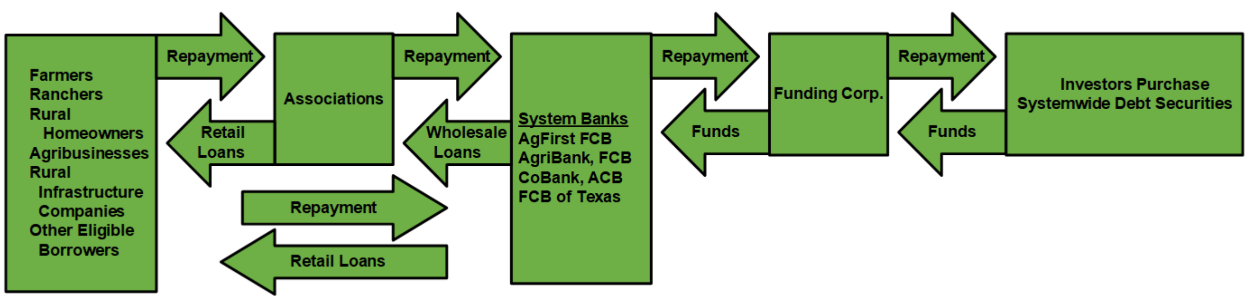
Systemwide Debt Securities are the general unsecured joint and several obligations of the Banks. Systemwide Debt Securities are not obligations of and are not guaranteed by the United States government. In addition, Systemwide Debt Securities are not the direct obligations of the Associations and, as a result, the capital of the Associations may not be available to support principal or interest payments on Systemwide Debt Securities.

Business Model

A Bank and its affiliated Associations are financially and operationally interdependent as the Bank is statutorily required to serve as an intermediary between the financial markets and the retail lending activities of its affiliated Associations. The Banks are the primary source of funds for the Associations. Associations are not legally authorized to accept deposits and may not borrow from other financial institutions without the approval of their affiliated Bank. The Banks are not legally authorized to accept deposits and they principally obtain their funds through the issuance of Systemwide Debt Securities. Other less significant sources of funding for the Banks and the Associations include internally generated earnings, the issuance of common and preferred stock and subordinated debt. As a result, the loans made by the Associations are primarily funded by the issuance of Systemwide Debt Securities by the Banks. In addition, CoBank makes retail loans and leases directly to agricultural and rural infrastructure cooperatives and businesses and other eligible entities. The Banks and Associations also purchase loan participations from other System entities and non-System lenders. Therefore, the repayment of Systemwide Debt Securities is dependent upon the ability of these borrowers to repay their loans.

Preferred stock and subordinated debt are the sole obligation of the issuing entity and are not guaranteed by any other System institution. Such obligations are not Systemwide Debt Securities and therefore are not subject to the joint and several obligations of the Banks and are not guaranteed or insured by the Insurance Fund.

The chart below illustrates the flow of funds from investors in Systemwide Debt Securities to the System's borrowers and the ultimate repayment of funds to investors resulting from borrower loan repayments.



Overview of the Business

As required by the Farm Credit Act, as amended (Farm Credit Act), the System specializes in providing financing and related services to eligible, creditworthy borrowers in the agricultural and rural sectors, to certain related entities, and to domestic or foreign parties in connection with the export of U.S. agricultural products. The System makes credit available in all 50 states, the Commonwealth of Puerto Rico, and, under conditions set forth in the Farm Credit Act, U.S. territories.

System institutions may also provide a variety of financially-related services to their borrowers designed to enhance their business, including acting as agent or broker for credit and mortgage-life insurance, disability insurance, various types of crop insurance and livestock risk protection. The insurance is made available through private insurers.

Other services offered by System institutions include estate planning, record keeping, tax planning and preparation, fee appraisal and cash management products and services. In addition, some System institutions provide leasing and related services to their customers.

Government-Sponsored Enterprise Status

In order to better accomplish its mission, Congress has granted the System certain attributes that result in government-sponsored enterprise status for the System. As a government-sponsored enterprise, the System has historically been able to raise funds at competitive rates and terms, in varying economic environments. This ability to raise funds has generally allowed the System to make competitively priced loans to eligible borrowers through all economic cycles and thus accomplish its mission.

Agricultural Industry Overview

The agricultural sector has been and remains a key economic force in the U.S. economy and is strongly affected by domestic and global economic conditions, government policies and changing weather patterns. Global and domestic adverse weather events, food safety, disease, pandemics, geopolitical events and other unfavorable conditions also directly affect the agricultural sector.

The System was created to provide consistent support for the agricultural sector because of its significance to the well-being of the U.S. economy and the U.S. consumer. The U.S. agricultural sector is heavily influenced by domestic and world demand for agricultural products, and impacted by government policies and support programs, including crop insurance, which is available to producers of certain agricultural commodities. Further, off-farm income is important to the repayment ability of many agricultural producers. Accordingly, our business also may be impacted by the health of the general U.S. economy.

System Lending Institutions

The two types of entities through which the System conducts the lending business are the Banks and the Associations.

Banks

At March 31, 2025, the System had four Banks (three Farm Credit Banks and one Agricultural Credit Bank). The Banks' lending operations include wholesale loans to their affiliated Associations and loan participations in eligible loans purchased from Associations, other Banks and non-System lenders. CoBank, as the Agricultural Credit Bank, also has additional nationwide authority to make retail loans directly to agricultural and rural infrastructure cooperatives and businesses and other eligible entities.

The Banks obtain a substantial majority of funds for their lending operations through the issuance of Systemwide Debt Securities, but also obtain some of their funds from internally generated earnings and from the issuance of common and preferred stock.

Associations

At March 31, 2025, the System was comprised of 55 Associations throughout the United States and the Commonwealth of Puerto Rico. There were 54 Agricultural Credit Associations with Production Credit Association and Federal Land Credit Association subsidiaries, and one Federal Land Credit Association. The Federal Land Credit Association makes real estate mortgage loans, including rural residential real estate loans. Agricultural Credit Associations may, directly or through their subsidiaries, make real estate mortgage loans, production and intermediate-term loans, agribusiness loans (processing and marketing loans, and certain farm-related business loans) and rural residential real estate loans. These retail loans are made to farmers, ranchers, producers or harvesters of aquatic products, farm-related businesses and rural homeowners. Associations may also purchase eligible loan participations from other System entities and non-System lenders.

The Associations obtain a substantial majority of the funds for their lending operations from borrowings from their affiliated Bank, but also obtain some of their funds from internally generated earnings, from the issuance of common and preferred stock and subordinated debt.

Farm Credit Insurance Fund

As more fully discussed on page 22 in the *2024 Annual Information Statement*, the Farm Credit System Insurance Corporation's primary purpose is to insure the timely payment of principal and interest on Systemwide Debt Securities. The Insurance Corporation maintains the Insurance Fund for this purpose and for certain other mandatory and discretionary purposes. In the event a Bank is unable to timely pay principal or interest on any insured debt obligation for which that Bank is primarily liable, the Insurance Corporation must expend amounts in the Insurance Fund to the extent available to insure the timely payment of principal and interest on the debt obligation. The provisions of the Farm Credit Act providing for joint and several liability of the Banks on the debt obligation cannot be invoked until the Insurance Fund is exhausted. The insurance provided through use of the Insurance Fund is not an obligation of and is not a guarantee by the U.S. government.

Disclosure Obligations

The Farm Credit Administration has promulgated regulations intended to ensure the appropriate disclosure of financial and other information concerning the System to investors in Systemwide Debt Securities and other interested parties. These disclosures are the responsibility of the System Disclosure Entities, which consist of the Banks and the Funding Corporation. For a description of the responsibilities of the System Disclosure Entities, see pages 17 and 18 of the *2024 Annual Information Statement*.

Governance — Code of Ethics

Each System institution is required by regulation to adopt a standards of conduct program, including a code of ethics that applies to every director and employee. The code of ethics reaffirms the high standards of business conduct required of, and provides guidance to, directors and employees.

In addition, each Bank and the Funding Corporation have either adopted a separate code of ethics or incorporated additional requirements in its code of ethics that apply to their chief executive officers, certain other executives, and finance and accounting senior professionals who are involved with the preparation of the System's financial statements and the maintenance of the financial records supporting the financial statements.

The Funding Corporation will disclose material amendments to or any waivers from a required provision of the codes of ethics for any individual involved in the financial statements covered by the Banks' or the Funding Corporation's codes of ethics by including that information in future information statements. No such amendments or waivers were made during the first quarter of 2025. The Funding Corporation's and each of the Bank's codes of ethics are available and can be accessed through each respective website as listed on page 2.

Risk Factors

There have been no material changes to the risk factors previously disclosed in the System's *2024 Annual Information Statement*.

OTHER BUSINESS MATTERS

Legal Proceedings

At March 31, 2025, various lawsuits were pending or threatened against System institutions. Each System institution to which a pending or threatened lawsuit relates intends to vigorously defend against such action. In the opinion of management, based on information currently available and taking into account the advice of legal counsel, the ultimate liability, if any, of pending or threatened legal actions will not have a material adverse impact on the System's combined results of operations or financial condition.

SELECTED COMBINED FINANCIAL DATA AND KEY FINANCIAL RATIOS

The following selected combined financial data for each of the three years in the period ended December 31, 2024 has been derived from the audited combined financial statements of the Farm Credit System. The selected combined financial data and combined financial statements of the System combine the financial condition and operating results of each of the Banks, their affiliated Associations, the Funding Corporation, and the Farm Credit Insurance Fund, and reflect the investments in, and allocated earnings of, certain service organizations owned by the Banks or Associations. All significant intra-System transactions and balances have been eliminated in combination. Because System entities are financially and operationally interdependent, we believe providing the combined financial information is more meaningful to investors in Systemwide Debt Securities than financial information relating to the Banks on a stand-alone basis (i.e., without the Associations).

While this quarterly information statement reports on the combined financial condition and results of operations of the Banks, Associations, and other System entities specified above, only the Banks are jointly and severally liable for the repayment of Systemwide Debt Securities. See Note 14 to the accompanying condensed combined financial statements for combining Bank-only financial condition and results of operations. Also, copies of quarterly and annual reports of each Bank are available on each of their respective websites; see page 2 for a listing of their websites.

The selected combined financial data for the three months ended March 31, 2025 and 2024 has been derived from the System's unaudited condensed combined financial statements appearing elsewhere herein, which include all adjustments necessary for a fair statement of the results for these interim periods.

Combined Statement of Condition Data

	March 31,		December 31,		
	2025	2024	2024	2023	2022
	(unaudited)				
			(in millions)		
Loans	$ 432,691	$ 400,524	$ 428,913	$ 398,176	$ 373,266
Allowance for credit losses on loans[1]	(2,001)	(1,575)	(1,799)	(1,617)	(1,576)
Net loans	430,690	398,949	427,114	396,559	371,690
Cash, Federal funds sold, securities purchased under resale agreements and investments	99,603	88,021	98,773	93,487	89,896
Accrued interest receivable	4,775	4,416	5,264	4,726	3,572
Other property owned	56	60	72	58	28
Total assets	548,520	504,528	544,365	507,836	477,063
Systemwide bonds	430,487	396,521	428,454	396,348	362,562
Systemwide medium-term notes	61	61	61	61	62
Systemwide discount notes	21,664	17,280	19,346	19,124	27,353
Subordinated debt	398	398	398	398	398
Other bonds	5,546	5,677	5,139	6,288	5,599
Total liabilities	467,970	429,913	465,533	434,507	408,462
Capital	80,550	74,615	78,832	73,329	68,601

1 Effective January 1, 2023, the System adopted Financial Accounting Standards Board (FASB) ASU 2016-13 - Financial Instruments: Credit Losses: Measurement of Credit Losses on Financial Instruments, commonly referred to as the Current Expected Credit Losses (CECL) standard and other subsequently issued accounting standards updates related to credit losses. The amounts as of December 31, 2022 reflect the prior measurement methodology for the allowance for credit losses based on management's estimate of probable and estimable incurred credit losses in the loan portfolio.

Combined Statement of Income Data

	For the Three Months Ended March 31,		For the Year Ended December 31,		
	2025	2024	2024	2023	2022
	(unaudited)				
			(in millions)		
Net interest income	$ 3,107	$ 2,946	$ 12,035	$ 11,433	$ 10,542
Provision for credit losses	(250)	(40)	(569)	(614)	(40)
Net noninterest expense	(858)	(845)	(3,508)	(3,194)	(3,068)
Income before income taxes	1,999	2,061	7,958	7,625	7,434
Provision for income taxes	(43)	(66)	(160)	(180)	(166)
Net income	$ 1,956	$ 1,995	$ 7,798	$ 7,445	$ 7,268

Combined Key Financial Ratios

Certain combined key financial ratios of the System are set forth below:

	For the Three Months Ended March 31,		For the Year Ended December 31,		
	2025	2024	2024	2023	2022
Return on average assets	1.43%	1.59%	1.51%	1.53%	1.59%
Return on average capital	9.81	10.78	10.12	10.41	10.45
Net interest income as a percentage of average earning assets	2.35	2.42	2.41	2.43	2.39
Operating expense as a percentage of net interest income and noninterest income	33.8	34.1	35.3	34.9	35.1
Annualized net loan charge-offs as a percentage of average loans	0.04	0.09	0.10	0.08	0.01

	March 31,		December 31,		
	2025	2024	2024	2023	2022
Nonperforming assets[1] as a percentage of loans and other property owned	0.96%	0.56%	0.81%	0.45%	0.47%
Allowance for credit losses on loans as a percentage of loans outstanding	0.46	0.39	0.42	0.41	0.42
Capital as a percentage of total assets	14.7	14.8	14.5	14.4	14.4
Capital as a percentage of total assets (excluding restricted assets and capital — Insurance Fund)	13.4	13.5	13.2	13.2	13.2
Capital and allowance for credit losses on loans as a percentage of loans outstanding	19.1	19.0	18.8	18.8	18.8
Debt to capital	5.81:1	5.76:1	5.91:1	5.93:1	5.95:1

[1] Prior to the adoption of CECL on January 1, 2023, nonperforming assets included accruing restructured loans and were presented with accrued interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND QUARTERLY RESULTS OF OPERATIONS

The System's *2024 Annual Information Statement* contains the December 31, 2024 audited combined financial statements together with commentary that explains the principal aspects of the System's combined financial position and results of operations. The following commentary represents a quarterly supplement to that information statement and includes a discussion of significant financial developments for the three months ended March 31, 2025. This commentary should be read in conjunction with the *2024 Annual Information Statement* and with the condensed combined financial statements of the System beginning on page F-1 of this quarterly information statement.

Basis of Presentation

The accompanying condensed combined financial statements and related financial information contained in this quarterly information statement present the combined assets, liabilities, capital, income and expenses of the Banks, the Associations, the Federal Farm Credit Banks Funding Corporation and the Farm Credit Insurance Fund, and reflect the investments in and allocated earnings of certain service organizations owned by the Banks or Associations. All significant intra-System transactions and balances have been eliminated in combination. (See Note 1 to the accompanying condensed combined financial statements for additional information on organization and significant accounting policies and the Supplemental Combining Information on pages F-51 through F-57). This quarterly information statement has been prepared under the oversight of the System Audit Committee.

The System's financial statements are presented on a combined basis due to the financial and operational interdependence of System entities as discussed in the "Business" section in this quarterly information statement.

Each Bank is primarily liable for the payment of principal and interest on Systemwide Debt Securities issued to fund its respective operations. (See Note 8 to the accompanying condensed combined financial statements for information about the capital of the Banks, Note 14 for information related to the financial condition and results of operations of the Banks, and the Supplemental Combining Information on pages F-51 through F-53 for information related to the financial condition and results of operations of the combined Banks.) Because the Associations are not directly liable for the payment of principal or interest on Systemwide Debt Securities, their capital may not be available to support those payments. Under the Farm Credit Act, the timely payment of the principal and interest on Systemwide Debt Securities is insured by the Farm Credit System Insurance Corporation to the extent funds are available in the Insurance Fund. (See Note 6 to the accompanying condensed combined financial statements.)

Forward-Looking Information

Certain sections of this quarterly information statement contain forward-looking statements concerning financial information and statements about future economic performance and events, plans and objectives and assumptions underlying these projections and statements. These projections and statements are not based on historical facts but instead represent current assumptions and expectations regarding the System's business, the economy and other future conditions. However, actual results and developments may differ materially from these expectations and forecasts due to a number of risks and uncertainties, many of which are beyond the System's control. Forward-looking statements can be identified by words such as "anticipates," "believes," "could," "estimates," "may," "should," "will," or other variations of these terms or other similar expressions that are intended to reference future periods.

These statements are not guarantees of future performance and involve certain risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various factors. These risks and uncertainties include, but are not limited to:

- political, legal, regulatory, financial market and economic conditions and/or developments in the United States and abroad, including wars and conflicts, inflation, labor conditions, changes to tariffs and global trade agreements and policies;
- economic fluctuations in the agricultural, rural infrastructure, international, and farm-related business sectors;
- global and domestic adverse weather-related events, food safety, disease, pandemics and other unfavorable conditions that periodically occur that impact agricultural productivity and income;
- changes in/and measures to address climate risk;

- changes in U.S. government support of the agricultural industry and the System as a government-sponsored enterprise;
- investor and rating agency reactions to events involving the System, the U.S. government, other government-sponsored enterprises and other financial institutions;
- actions taken by the Federal Reserve System in implementing monetary policy;
- credit, interest rate and liquidity risks inherent in System institutions lending activities;
- changes in the interest rate environment;
- changes in assumptions for determining the allowance for credit losses and fair value measurements; and
- outlooks for agricultural conditions.

Overview

Business Outlook

The initial 2025 outlook for the U.S. and global economies showed near-term resiliency despite elevated interest rates, rising consumer and government debt and ongoing geopolitical tensions. However, the increased tariff actions taken during the first few months of 2025, changes in U.S. trade, immigration and other governmental policies have disrupted and are likely to continue to disrupt the U.S. and global economies. The economic situation remains fluid and volatile, the outcome of which will most likely depend on numerous factors, including the extent and length of time tariffs remain in place.

The recent retaliatory tariffs by some countries are directly impacting U.S. farmers who were already experiencing narrowing margins, credit quality deterioration and competition for agricultural exports. Uncertainty about the long-term outlook for broader U.S. and global economies could also negatively impact our borrowers and our operating results.

General

The System's combined net income was $1.956 billion for the first quarter of 2025, as compared with combined net income of $1.995 billion for the same period of 2024. The decrease was due to increases in the provision for credit losses of $210 million and noninterest expense of $61 million, partially offset by increases in net interest income of $161 million and noninterest income of $48 million and a decrease in the provision for income taxes of $23 million.

The System's net interest income increased $161 million to $3.107 billion for the first quarter of 2025, as compared to the same period of 2024, primarily from a higher level of average earning assets driven by increased loan volume, and to a lesser extent growth in investments held for liquidity. The net interest margin decreased seven basis points to 2.35% for the quarter ended March 31, 2025, as compared to the same period of the prior year. The decrease in net interest margin resulted from a five-basis point decrease in income earned on earning assets funded by noninterest-bearing sources (principally capital) as interest rates declined during the first quarter of 2025, as compared with the first quarter of 2024. The net interest margin was also negatively impacted by a decrease in the net interest spread of two basis points to 1.84%, as compared to the first quarter of 2024. The decrease in the net interest spread was primarily driven by loan spread compression due to competitive market pressures and greater levels of investments in the liquidity portfolio, which have lower spreads generally commensurate with lower risk.

The System's loan portfolio increased $3.778 billion or 0.9% to $432.691 billion since year-end 2024. The increase primarily resulted from increases in loans to cooperatives, processing and marketing loans, and power loans, offset in part by a decrease in production and intermediate-term loans.

The System's nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) increased $663 million to $4.142 billion at March 31, 2025 and represented 0.96% of loans and other property owned, as compared with nonperforming assets of $3.479 billion at December 31, 2024, representing 0.81% of total loans and other property owned.

Climate and Weather-Related Conditions

On April 10, 2025, the U.S. National Oceanic and Atmospheric Administration (NOAA) reported that March 2025 was the Earth's third warmest March and January through March 2025 ranked second warmest since global records began in 1850. For the contiguous U.S., March 2025 was the sixth warmest March on record. The NOAA's 2025 U.S. spring outlook predicts above-average temperatures for the East and Gulf Coast regions, while drought conditions continue in the Southwest and parts of the Rocky Mountains. It also predicts a lower-than-average flood risk across the entire country given the above-average temperatures, combined with well-below-average snowpack over the Northern Plains, Midwest and Ohio Valley.

According to the U.S. Drought Monitor, as of March 31, 2025, approximately 43% of the United States was experiencing moderate to exceptional drought, concentrated mainly in the West (predominately New Mexico and Arizona), South and High Plains regions. Conditions degraded in several regions compared to December 31, 2024 when approximately 38% of the United States was experiencing moderate to exceptional drought conditions. The impact from weather volatility will vary depending on commodities produced in the areas most affected by extreme conditions. Disaster assistance, crop insurance and advances in production practices have provided some relief from recent extreme weather events and may help to mitigate some of the impacts of future severe weather.

Agricultural Outlook

Overview

Production agriculture is a cyclical business that is heavily influenced by commodity prices, weather, government policies (including, among other things, tax, trade, tariffs, immigration, crop insurance and ad hoc aid), interest rates, input costs and various other factors that affect supply and demand. The System utilizes the U.S. Department of Agriculture's (USDA) analysis to provide a general understanding of the U.S. agricultural economic outlook; however, this outlook does not take into account all aspects of our business or events that occur subsequent to its issuance. References to USDA information in this section refer to U.S. agricultural market data and not System data.

The USDA's most recent forecast (February 2025) estimates net farm income (income after expenses from production; a broader measure of profits) of $180.1 billion, a $41.0 billion or 29.5% increase from 2024 and $75.0 billion above the 10-year average in nominal dollars. The forecasted increase in net farm income for 2025 is primarily due to anticipated increases in direct government payments of $33.1 billion and cash receipts for animals and animal products of $3.8 billion as well as a decrease in cash expenses of $3.2 billion, partially offset by a decrease in cash receipts for crops of $5.6 billion. The overall increase in direct government payments reflects higher anticipated payments from supplemental ad hoc disaster aid and economic assistance, mainly from the funding authorized in the Disaster Relief Supplemental Appropriations Act, 2025 contained in the American Relief Act, 2025. Approximately, $21 billion in aid will go to farmers who suffered natural disasters in 2023 and 2024 and an additional $10 billion in economic assistance to crop producers to address financial losses during the 2024 production year. The increase in cash receipts for animals and animal products are predicted for hogs, broilers and milk, while receipts for cattle and eggs are expected to decline modestly but are still elevated from historical levels. The expected decline in cash receipts for crops is primarily driven by decreases in corn and soybean prices, while receipts for vegetables and melons are expected to increase. Many production expenses are expected to continue to decrease from 2024 levels, representing the second year of projected declines in total farm sector production expenses. If realized, these expenses would fall to their lowest level in real terms since 2021.

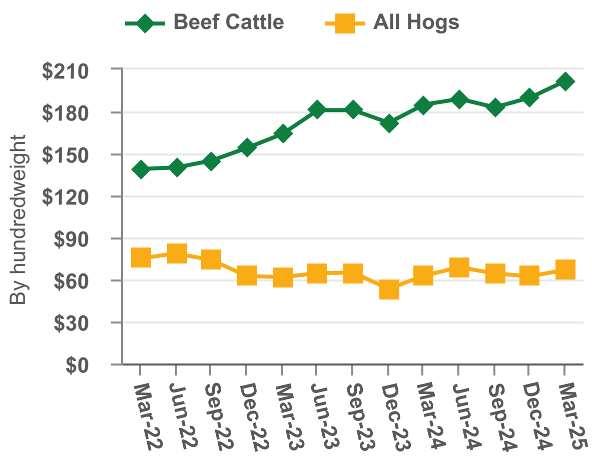
Commodity Review

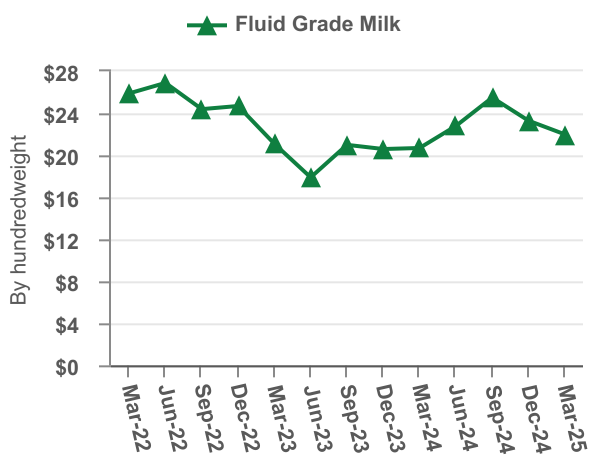
Expected agricultural commodity prices can influence the production decisions of farmers and ranchers, including planted acreage and marketing of crops and livestock inventories, and therefore affect the supply of agricultural commodities. Actual production levels are sensitive to weather and other conditions that may impact production yields. Livestock and dairy profitability are influenced by crop prices as feed is a significant input to animal agriculture.

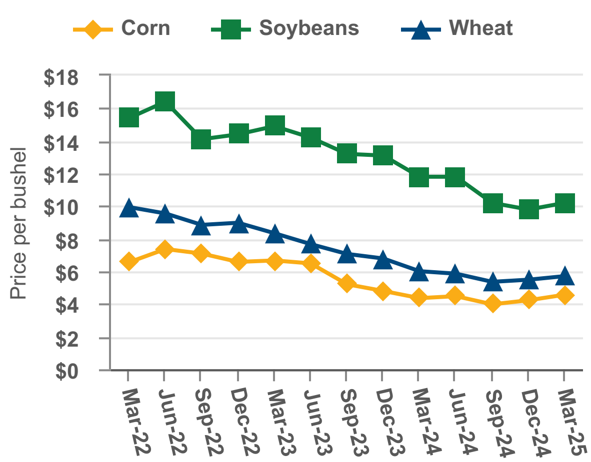
The high path avian influenza (HPAI) outbreak has cause significant harm to U.S. agriculture since the virus was detected in 2022. HPAI has negatively impacted egg layer populations by reducing egg supply and causing a spike in egg prices but USDA programs to assist farmers who were forced to depopulate poultry barns infected by HPAI have helped offset a portion of the financial impact on egg producers. More recently, the HPAI virus has been found in some dairy herds. Although the mortality rate in dairy cattle is low, infected cattle experience a significant reduction in milk production but the dairy industry has generally been able to generate positive margins.

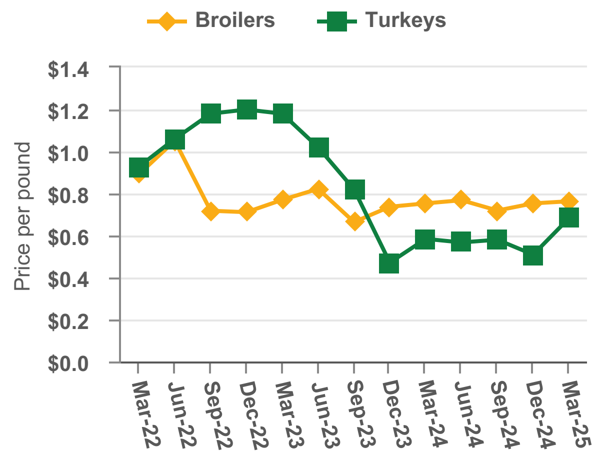
Global economic conditions, government actions (including tariffs) and weather volatility in key agricultural production regions can influence export and import flows of agricultural products between countries. U.S. exports and imports may periodically shift to reflect short-term disturbances to trade patterns and long-term trends in world population demographics. Also impacting U.S. agricultural trade are global agricultural commodity supplies and demand, changes in the value of global currencies relative to the U.S. dollar and domestic government support for agriculture.

The following charts set forth certain agricultural commodity prices, utilizing the average monthly price for the last month of each quarter by hundredweight for beef cattle, hogs and milk, per bushel for corn, soybeans and wheat and by pound for poultry, on certain dates during the period from March 31, 2022 to March 31, 2025:









Many factors, including weather, trade, government, and monetary policy, global agricultural production levels, and pathogenic outbreaks in livestock and poultry, may keep agriculture market volatility elevated for the next few years. Implementation of cost-saving technologies, marketing methods, and risk management strategies will continue to cause a wide range of results among the respective agricultural producers. If less favorable agriculture conditions persist, the System's financial performance and credit quality measures will likely be negatively impacted. Some of the near-term impact for crop producers may be mitigated to some extent by existing government safety net programs and supplemental ad hoc disaster aid and economic assistance, crop insurance carried by most crop producers, and the influence of off-farm income sources supporting agricultural-related debt. However, due to the geographic territories served by Banks and Associations, most institutions have higher geographic, commodity and borrower concentrations than does the System as a whole. In addition, agricultural producers who are more reliant on off-farm income sources may be more adversely impacted by a weakened general economy.

Results of Operations

Net Interest Income

Net interest income increased $161 million or 5.5% to $3.107 billion for the three months ended March 31, 2025, as compared with $2.946 billion for the same period of the prior year. 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 of the prior year, are presented in the following table. The table distinguishes between the changes in interest income and interest expense related to average outstanding balances and the levels of average interest rates. The change in the benefit derived from funding earning assets with noninterest-bearing sources (principally capital) is reflected solely in volume.

	For the Three Months Ended March 31, 2025 vs. 2024		
	Increase (decrease) due to		
	Volume	Rate	Total
		(in millions)	
Interest income:			
Loans	$ 506	$ (278)	$ 228
Investments	98	(56)	42
Total interest income	604	(334)	270
Interest expense:			
Systemwide Debt Securities and other	373	(264)	109
Changes in net interest income	$ 231	$ (70)	$ 161

The changes in rates earned on interest-earning assets and rates paid on interest-bearing funds are further illustrated in the following presentation of interest rate spreads:

	Three Months Ended					
	March 31, 2025			March 31, 2024		
	Average Balance	Interest	Annualized Rate	Average Balance	Interest	Annualized Rate
	($ in millions)					
Assets						
Real estate mortgage loans	$186,803	$ 2,624	5.62%	$176,631	$ 2,424	5.49%
Production and intermediate-term loans	75,706	1,286	6.79	69,427	1,279	7.37
Agribusiness loans	86,391	1,430	6.62	74,528	1,378	7.40
Rural infrastructure loans	59,144	860	5.82	54,950	878	6.39
Agricultural export finance loans	7,906	105	5.31	8,795	133	6.05
Rural residential real estate loans	7,547	92	4.88	7,223	82	4.54
Lease receivables	4,681	60	5.13	4,636	55	4.75
Loans to other financing institutions	917	9	3.93	1,359	14	4.12
Nonaccrual loans	3,185	25	3.14	1,595	20	5.02
Total loans	432,280	6,491	6.01	399,144	6,263	6.28
Federal funds sold, investments and other interest-earning assets	96,674	963	3.98	86,994	921	4.23
Total earning assets	528,954	7,454	5.64	486,138	7,184	5.91
Allowance for credit losses on loans	(1,808)			(1,584)		
Other noninterest-earning assets	19,624			18,495		
Total assets	$546,770			$503,049		
Liabilities and Capital						
Systemwide bonds and medium-term notes	$430,004	$ 4,025	3.74%	$395,246	$ 3,897	3.94%
Systemwide discount notes	19,844	216	4.35	16,148	212	5.25
Other interest-bearing liabilities	7,504	106	5.65	7,673	129	6.72
Total interest-bearing liabilities	457,352	4,347	3.80	419,067	4,238	4.05
Noninterest-bearing liabilities	9,627			9,982		
Capital	79,791			74,000		
Total liabilities and capital	$546,770			$503,049		
Net interest spread(1)			1.84			1.86
Impact of noninterest-bearing sources			0.51			0.56
Net interest margin(2)		$ 3,107	2.35%		$ 2,946	2.42%

(1) Net interest spread is the difference between the rate earned on total earning assets and the rate paid on total interest-bearing liabilities.

(2) Net interest margin is net interest income divided by average earning assets.

As illustrated in the preceding tables, net interest income increased in the three months ended March 31, 2025, as compared with the same period of the prior year. The increase primarily resulted from a higher level of average earning assets, driven by increased loan volume, and to a lesser extent, growth in investments held for liquidity. Average earning assets increased $42.816 billion or 8.8% to $528.954 billion for the first quarter of 2025, as compared with the first quarter of 2024.

The net interest margin was 2.35% for the quarter ended March 31, 2025, as compared with 2.42% for the quarter ended March 31, 2024. The decrease in net interest margin resulted from a five-basis point decrease in income earned on earning assets funded by noninterest-bearing sources (principally capital) as interest rates declined during the first quarter of 2025, as compared with the first quarter of 2024. The net interest margin was also negatively impacted by a decrease in the net interest spread of two basis points to 1.84%, as compared to the first quarter of 2024. The decrease in the net interest spread was primarily driven by loan spread compression due to competitive market pressures and greater levels of investments in the liquidity portfolio, which have lower spreads generally commensurate with lower risk.

Provision for Credit Losses

The System recognized a provision for credit losses of $250 million for the first quarter of 2025, as compared with a provision for credit losses of $40 million for the first quarter of 2024. During the first quarter of 2025, the provision for credit losses primarily reflected specific reserves associated with a limited number of customers, a modest deterioration in credit quality and weakening macroeconomic forecasts impacting modeled credit losses and, to a lesser extent, higher loan volume. The provision for credit losses for the first quarter of 2024 primarily reflected specific reserves associated with a limited number of customers and a modest deterioration in credit quality in certain sectors of the loan portfolio, partially offset by credit loss reversals related to improvements in macroeconomic forecasts resulting in lower modeled credit losses.

Noninterest Income

Noninterest income consisted of the following:

	For the Three Months Ended March 31, 2025	2024
	(in millions)	
Loan-related fee income	$ 120	$ 108
Income earned on Insurance Fund assets	73	57
Financially-related services income	61	56
Mineral income	22	27
Operating lease income	9	8
Net losses on rural business investment companies	(15)	(13)
Losses on extinguishment of debt	(3)	(5)
Net gains (losses) on derivative, investment and other transactions	6	(8)
Other noninterest income	19	14
Total noninterest income	$ 292	$ 244

Noninterest income increased $48 million or 19.7% to $292 million for the three months ended March 31, 2025, as compared with the same period of the prior year. The increase was primarily due to increases in income earned on Insurance Fund assets of $16 million and loan-related fee income of $12 million due to increased arrangement and transaction-related lending fees. Also positively impacting noninterest income were net gains on derivative, investment and other transactions of $6 million for the first quarter of 2025, as compared to net losses of $8 million for the first quarter of 2024. The net gains on derivative, investment and other transactions were due to the decrease in interest rates during the period.

Noninterest Expense

Noninterest expense consisted of the following:

	For the Three Months Ended March 31, 2025	2024
	(in millions)	
Salaries and employee benefits	$ 713	$ 680
Occupancy and equipment expense	94	89
Purchased services	76	68
Other operating expense	266	251
Total operating expense	1,149	1,088
Net losses on other property owned	1	1
Total noninterest expense	$ 1,150	$ 1,089

Noninterest expense increased $61 million or 5.6% to $1.150 billion for the three months ended March 31, 2025, as compared with the same period of the prior year. Salaries and employee benefits expense increased $33 million primarily from annual merit increases and higher staffing levels at certain System institutions. Other operating expense increased $15 million primarily due to increases in technology, member relations, travel, and other miscellaneous expenses.

Operating expense statistics are as follows:

	For the Three Months Ended March 31, 2025	2024
	($ in millions)	
Excess of net interest income over operating expense	$ 1,958	$ 1,858
Operating expense as a percentage of net interest income and noninterest income	33.8%	34.1%
Annualized operating expense as a percentage of average earning assets	0.87%	0.90%

Provision for Income Taxes

The provision for income taxes was $43 million for the first quarter of 2025 and $66 million for the first quarter of 2024. The effective tax rate decreased to 2.2% for the first quarter of 2025 from 3.2% for the first quarter of 2024 due to decreased earnings attributable to taxable business activities.

Risk Management

Overview

The System is in the business of making agricultural and other loans that require us to take certain risks. Management of risks inherent in our business is essential for our current and long-term financial performance. Prudent and disciplined risk management includes an enterprise risk management structure to identify emerging risks and evaluate risk implications of decisions and actions taken. Each System institution's goal is to mitigate risk, where appropriate, and to properly and effectively identify, measure, price, monitor and report risks in our business activities. Stress testing represents a component of each institution's risk management process. Each System institution is required by regulation to perform stress tests; however, the depth and frequency of these stress tests may vary by institution size and complexity.

The major types of risk for which we have exposure are structural risk, credit risk, interest rate risk, liquidity risk, operational risk, reputational risk and political risk.

Structural Risk Management

Structural risk results from the fact that the System is comprised of Banks and Associations that are cooperatively owned, directly or indirectly, by their borrowers. While System institutions are financially and operationally interdependent, they are not commonly owned. Each System institution is responsible for its own risk management and there are no formal processes or procedures in place to mandate Systemwide risk mitigation actions, including, but not limited to, reducing credit risk concentration, interest rate and counterparty credit risk across the System. This structure at times requires action by consensus or contractual agreement. Further, there is structural risk in that only the Banks are jointly and severally liable for the payment of principal and interest on Systemwide Debt Securities. Although capital at the Association level reduces a Bank's credit exposure with respect to its wholesale loans to its affiliated Associations, this capital may not be available to support the payment of principal and interest on Systemwide Debt Securities. (See Notes 8 and 14 to the accompanying condensed combined financial statements for additional information.)

In order to monitor the financial strength of each Bank and mitigate the risks of non-performance by each Bank of its obligations under the Systemwide Debt Securities, we utilize two integrated intra-System financial performance agreements — the Amended and Restated Contractual Interbank Performance Agreement, or CIPA, and the Third Amended and Restated Market Access Agreement, or MAA. Under provisions of the CIPA, a score (CIPA score) is calculated quarterly to measure the financial condition and performance of each District (a Bank and its affiliated Associations) using various ratios that take into account the District's and Bank's capital, asset quality, earnings, interest-rate risk and liquidity. The CIPA score is then compared against the agreed-upon standard of financial condition and performance that each District must achieve and maintain. The measurement standard established under the CIPA is intended to provide an early-warning mechanism to assist in monitoring the financial condition of each District. The performance standard under the CIPA is based on the average CIPA score over a four-quarter period.

The MAA is designed to provide for the timely identification and resolution of individual Bank financial issues and establishes performance criteria and procedures for the Banks that provide operational oversight and control over a Bank's access to System funding. The performance criteria set forth in the MAA are as follows:

- the defined CIPA scores,
- the Tier 1 Leverage ratio of a Bank, and
- the Total Capital ratio of a Bank.

For additional information on the regulatory capital ratios, see page 32.

If a Bank fails to meet the MAA performance criteria, it will be placed into one of three categories. Each category gives the other System Banks and the Funding Corporation (collectively, the MAA Committee) progressively more control over a Bank that has declining financial performance under the MAA performance criteria. A "Category I" Bank is subject to additional monitoring and reporting requirements; a "Category II" Bank's ability to participate in issuances of Systemwide Debt Securities may, subject to the discretion of the MAA Committee, be limited to refinancing maturing debt obligations; and a "Category III" Bank may, subject to the discretion of the MAA Committee, not be permitted to participate in issuances of Systemwide Debt Securities. Decisions by the MAA Committee to permit, limit or prohibit a “Category II” or “Category III” Bank to participate in the issuance of Systemwide Debt Securities are subject to oversight and override by the Farm Credit Administration. A Bank exits these categories by returning to compliance with the agreed-upon performance criteria.

The criteria for the Tier 1 Leverage ratio and the Total Capital ratio are:

	Tier 1 Leverage Ratio	Total Capital Ratio
Category I	<5.0%	<10.5%
Category II	<4.0%	<8.0%
Category III	<3.0%	<7.0%

During the first three months of 2025, all Banks met the agreed-upon standards of financial condition and performance required by the CIPA and none of the Banks were placed in any of the three categories designated for Banks failing to meet MAA’s specified financial criteria. (See Note 14 for each Bank’s Tier 1 Leverage and Total Capital ratios.) For additional information regarding the CIPA or the MAA, see pages 22, 23, 48 and 49 in the *2024 Annual Information Statement.*

Credit Risk Management

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, unfunded loan commitments, investment portfolios and derivative counterparty credit exposures. (See pages 26 and 27 for a discussion regarding derivative counterparty exposure.)

System institutions manage credit risk associated with their retail lending activities through an analysis of the credit risk profile of an individual borrower. Each Bank and Association has its own set of underwriting standards and lending policies, approved by its board of directors, that provides direction to its loan officers. Underwriting standards include, among other things, an evaluation of:

- character — borrower integrity and credit history,
- capacity — repayment capacity of the borrower based on cash flows from operations or other sources of income,
- collateral — protects the lender in the event of default and represents a potential secondary source of loan repayment,
- capital — ability of the operation to survive unanticipated risks, and
- conditions — intended use of the loan funds.

The retail credit risk management process begins with an analysis of the borrower’s credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for certain loans. Repayment capacity focuses on the borrower’s ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income.

Although System institutions monitor credit risk individually, the System has established a quarterly process to report System large loan exposures (outstanding loan amounts plus any unfunded loan commitments). A System risk management committee reviews and monitors large loan exposures to existing individual customers. The threshold for monitoring large loan exposures is $1.75 billion and reflects the System’s risk-bearing capacity. In certain limited circumstances, a threshold of $2.25 billion for monitoring large loan exposures may be considered. Because it is possible that one or more System institutions may simultaneously make credit available to a customer that may, in the aggregate, exceed these limits, the process provides for quarterly data to be compiled on existing large loan exposures with notice provided to the Banks and Associations of the largest loan exposures, including all loan exposures to a borrower greater than 75% of the $1.75 billion level or $1.313 billion. While this process captures information regarding large loan exposures, any credit decision resides with the individual System institutions. At March 31, 2025 and at December 31, 2024, no exposure was above $1.75 billion. Additionally, six exposures at both March 31, 2025 and December 31, 2024 exceeded $1.313 billion.

For a detailed discussion of our credit risk management practices, see pages 49 through 51 in the *2024 Annual Information Statement.*

Loan Portfolio

The System's loan portfolio consists only of retail loans. For additional information on the types of loans we make, see pages 8 and 9 in the *2024 Annual Information Statement*. Bank loans to affiliated Associations have been eliminated in the condensed combined financial statements. Loans outstanding consisted of the following:

	March 31, 2025	December 31, 2024
	(in millions)	
Real estate mortgage	$ 188,759	$ 187,948
Production and intermediate-term	76,294	81,209
Agribusiness:		
Processing and marketing	54,655	53,127
Loans to cooperatives	23,656	19,678
Farm-related business	7,957	7,510
Rural infrastructure:		
Power	38,487	37,418
Communication	15,784	15,325
Water/waste facilities	5,884	5,779
Agricultural export finance	8,017	7,612
Rural residential real estate	7,614	7,567
Lease receivables	4,685	4,782
Loans to other financing institutions	899	958
Total loans	$ 432,691	$ 428,913

Loan volume increased $3.778 billion or 0.9% to $432.691 billion at March 31, 2025, as compared with $428.913 billion at December 31, 2024, primarily as a result of increases in loans to cooperatives, processing and marketing loans, and power loans, offset in part by a decrease in production and intermediate-term loans.

Production and intermediate-term loans decreased $4.915 billion or 6.1%, as compared with December 31, 2024, primarily from seasonal repayments.

Processing and marketing loans increased $1.528 billion or 2.9%, as compared with December 31, 2024, primarily due to loans to both new and existing customers across various industries.

Loans to cooperatives increased $3.978 billion or 20.2%, during the first quarter of 2025, primarily due to higher seasonal lending at grain and farm supply cooperatives.

Power loans increased $1.069 billion or 2.9% during the first quarter of 2025, primarily due to financing higher levels of infrastructure spending and investments in the electric cooperative and regulated utility sectors.

System institutions reduce credit risk through certain federal government guarantee programs, such as the Farm Service Agency, Small Business Administration and General Sales Manager Program of the USDA. As of March 31, 2025, $11.439 billion of loans had varying levels of federal government guarantees, as compared with $10.981 billion of loans as of December 31, 2024. System institutions also limit, to some extent, the credit risk of certain real estate mortgage loans by entering into agreements with others that provide long-term standby commitments to purchase System loans and other credit guarantees. The amount of loans under these other credit guarantees was $3.213 billion at March 31, 2025, of which $2.797 billion was provided by Farmer Mac, as compared with total credit guarantees of $3.154 billion at December 31, 2024, of which $2.727 billion was provided by Farmer Mac. For additional information on Farmer Mac, see page 12 in the *2024 Annual Information Statement*.

Nonperforming Assets

Nonperforming assets and related credit quality statistics are as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Nonaccrual loans:		
Real estate mortgage	$ 1,387	$ 1,248
Production and intermediate-term	1,045	893
Agribusiness	1,085	845
Rural infrastructure	103	104
Rural residential real estate	50	49
Lease receivables	40	32
Total nonaccrual loans	3,710	3,171
Accruing loans 90 days or more past due:		
Real estate mortgage	317	173
Production and intermediate-term	51	56
Agribusiness	2	
Rural residential real estate	2	2
Lease receivables	4	5
Total accruing loans 90 days or more past due	376	236
Total nonperforming loans	4,086	3,407
Other property owned	56	72
Total nonperforming assets	$ 4,142	$ 3,479

	March 31, 2025	December 31, 2024
Nonaccrual loans as a percentage of total loans	0.86%	0.74%
Nonperforming assets as a percentage of total loans and other property owned	0.96	0.81
Nonperforming assets as a percentage of capital	5.14	4.41

The following table presents the nonaccrual loan activity:

	For the Three Months Ended March 31, 2025	2024
	(in millions)	
Balance at beginning of period	$ 3,171	$ 1,606
Additions:		
Gross amounts transferred into nonaccrual	928	425
Recoveries	38	7
Advances	69	29
Other, net		4
Reductions:		
Charge-offs	(81)	(92)
Transfers to other property owned (book value)	(2)	(7)
Returned to accrual status	(98)	(31)
Repayments	(280)	(147)
Other, net	(35)	
Balance at end of period	$ 3,710	$ 1,794

Nonaccrual loans increased $539 million or 17.0% during the first quarter of 2025, primarily due to credit quality deterioration impacting a limited number of borrowers in the farm-related business services, nuts and hogs sectors. Nonaccrual loans that were current as to principal and interest were 44.8% of total nonaccrual loans at March 31, 2025, as compared with 51.9% at December 31, 2024. Accruing loans 90 days or more past due increased $140 million to $376 million at March 31, 2025. These loans, which are considered well secured and in the process of collection, are traditionally at their highest level at the end of the first quarter due to the seasonal payment pattern of the System's real estate mortgage and production and intermediate-term loans.

Loan delinquencies (accruing loans 30 days or more past due) as a percentage of accruing loans was 0.55% at March 31, 2025, as compared with 0.48% at March 31, 2024. Loans classified under the Farm Credit Administration's Uniform Loan Classification System as a percentage of total loans are as follows:

	March 31, 2025	December 31, 2024
Acceptable	94.2%	94.7%
Other assets especially mentioned	3.0	2.9
Substandard/doubtful	2.8	2.4
Total	100.0%	100.0%

Allowance for Credit Losses

The System's combined allowance for credit losses (ACL) was $2.180 billion at March 31, 2025, as compared with $1.973 billion at December 31, 2024. The increase was due to provision for credit losses of $250 million, offset by net charge-offs of $43 million during the first quarter of 2025.

As previously described, production agriculture is a cyclical business and therefore System borrowers will face challenges from time to time due to reduced net farm income and volatility in commodity prices. During the past few years, the farm sector financial performance generally has been favorable. As a result, many System borrowers' financial positions are relatively strong, positioning them to continue to manage their businesses if the farm sector enters a period of lower net farm income and reduced commodity prices. System underwriting standards require strong collateral support for real estate mortgage loans. By regulation, real estate mortgage loans must have a loan-to-value ratio of 85% or less at origination or up to 97% if guaranteed by federal, state or other governmental agency. Most of the System's real estate mortgage loans at origination had a loan-to-value ratio below the statutory maximum of 85%. These factors help to mitigate the System's exposure to loan losses. At March 31, 2025, $1.752 billion of the System's $3.710 billion of nonaccrual loans had specific reserves. The remaining $1.958 billion of nonaccrual loans were evaluated and determined not to need a specific reserve.

The following table presents the activity in the allowance for credit losses:

	For the Three Months Ended March 31,	
	2025	2024
	($ in millions)	
Allowance for credit losses on loans - beginning of period	$ 1,799	$ 1,617
Charge-offs:		
Real estate mortgage	(10)	(7)
Production and intermediate-term	(47)	(20)
Agribusiness	(10)	(70)
Rural infrastructure	(15)	(1)
Lease receivables	(1)	(1)
Total charge-offs	(83)	(99)
Recoveries:		
Real estate mortgage	1	2
Production and intermediate-term	32	6
Agribusiness	6	3
Rural infrastructure	1	
Total recoveries	40	11
Net charge-offs	(43)	(88)
Provision for credit losses on loans	245	46
Allowance for credit losses on loans - end of period	$ 2,001	$ 1,575
Allowance for credit losses on unfunded commitments - beginning of period	$ 173	$ 206
Provision for credit losses (credit loss reversal) on unfunded commitments	5	(6)
Allowance for credit losses on unfunded commitments - end of period	$ 178	$ 200
Allowance for credit losses on investments - beginning of period	$ 1	$ 3
Provision for credit losses on investments		
Allowance for credit losses on investments - end of period	$ 1	$ 3
Total allowance for credit losses	$ 2,180	$ 1,778

Allowance for credit losses on loans are as follows:

	March 31, 2025		December 31, 2024	
	Amount	%	Amount	%
	($ in millions)			
Real estate mortgage	$ 445	22.2%	$ 413	23.0%
Production and intermediate-term	482	24.1	393	21.8
Agribusiness	642	32.1	568	31.6
Rural infrastructure	353	17.7	350	19.4
Agricultural export finance	19	0.9	17	0.9
Rural residential real estate	16	0.8	16	0.9
Lease receivables	43	2.1	41	2.3
Loans to other financing institutions	1	0.1	1	0.1
Total	$ 2,001	100.0%	$ 1,799	100.0%

The allowance for credit losses on loans as a percentage of total loans outstanding and as a percentage of certain other credit quality indicators are shown below:

	March 31, 2025	December 31, 2024
Allowance for credit losses on loans as a percentage of:		
Total loans	0.46%	0.42%
Nonperforming assets	48.3	51.7
Nonaccrual loans	53.9	56.7

	March 31, 2025	March 31, 2024
Annualized net charge-offs as a percentage of average loans outstanding during the quarter ended	0.04%	0.09%

Interest Rate Risk Management

Interest rate risk is the risk of loss of future earnings or long-term market value of equity that may result from changes in interest rates. This risk can produce variability in the System's net interest income and the long-term value of the System's capital position. The System actively manages the following risks:

- Yield curve risk — results from changes in the level, shape, and implied volatility of the yield curve. Changes in the yield curve often arise due to the market's expectation of future interest rates at different points along the yield curve.
- Repricing risk — results from the timing differences (mismatches) between interest-bearing assets and liabilities that limit the ability to alter or adjust the rates earned on assets or paid on liabilities in response to changes in market interest rates.
- Option risk — results from "embedded options" that are present in many financial instruments, including the right to prepay loans before the contractual maturity date. Loan features that provide the borrower with flexibility frequently introduce a risk exposure to the lender. For example, a fixed-rate loan may provide a potential borrower with a rate guarantee, an option to lock-in the loan rate for a period of time prior to closing, which protects the borrower from an increase in interest rates between the time loan terms are negotiated and the loan closes. If interest rates increase while the rate guarantee is in effect and no measures are taken to hedge the rate guarantee, System institutions may realize a lower spread than expected when the loan is funded.

  Borrowers may also have the option to repay a loan's principal ahead of schedule. If interest rates fall, System institutions may be forced to reinvest principal repaid from higher rate loans at a lower rate, which may reduce the interest rate spread unless the underlying debt can be similarly refinanced.

  Interest rate caps are another form of embedded options that may be present in certain investments and floating- and adjustable-rate loans. Interest rate caps typically prevent the investment or loan rate from increasing above a defined limit. In a rising interest rate environment, the spread may be reduced if caps limit upward adjustments to floating investment or loan rates while debt costs continue to increase.

  Interest rate floors are also embedded options that may be present in certain investments and floating- and adjustable-rate loans. Interest rate floors prevent the loan or investment rate from decreasing below a certain defined limit. In a declining rate environment, the spread may be widened if the floor limits the downward adjustments to a floating-rate investment or loan rate as underlying debt costs continue to decrease below the floor rate.
- Basis risk — results from unexpected changes in the relationships among interest rates and interest rate indexes. Basis risk can produce volatility in the spread earned on a loan or an investment relative to its cost of funds. This risk arises when the floating-rate index tied to a loan or investment differs from the index on the Systemwide Debt Security issued to fund the loan or investment.

The goal in managing interest rate risk is to maintain stable earnings and preserve the long-term market value of equity. In most cases, the wholesale funding provided by a Bank to an Association matches the terms and embedded options of the Association's retail loans. This funding approach shifts the majority of the interest rate risk associated with retail loans from the Association to its funding Bank where interest rate risk is generally managed centrally. The Banks manage the District interest rate risk through its direct loan pricing and funding processes. However, a limited number of Associations are managing their own interest rate risk associated with their retail loans and investments as part of the Associations' asset/liability management (ALM) processes. These Associations order and manage the desired mix of debt from their funding Bank and are referred to herein as ALM Associations. As of March 31, 2025, ALM Associations had combined assets of approximately 10% of System total assets.

All Banks and Associations are responsible for developing ALM policies and strategies to manage interest rate risk that are commensurate with the complexity of their business activities and for monitoring and reporting this risk on a regular basis. These policies include guidelines for measuring and evaluating exposures to interest rate risk. In addition, the policies establish limits for interest rate risk and define the role of the board of directors in delegating day-to-day responsibility for interest rate risk management to Bank or Association management. That authority generally is delegated to an ALM committee, made up of senior Bank or Association managers. The policies define the composition of the committee and its responsibilities. Interest rate risk management is also subject to certain intra-System agreements, including the CIPA and MAA, and regulatory oversight by the Farm Credit Administration.

One of the primary benefits of our status as a government-sponsored enterprise debt issuer is that, through the Funding Corporation and its selling group, the System has daily access to the debt markets and, under normal market conditions, significant flexibility in structuring the maturity and types of debt securities we issue to match asset cash flows. This ability to access the debt markets helps us minimize the risk that interest rates might change between the time loan commitments are made and the time they are funded.

Flexibility in structuring debt enables us to issue Systemwide Debt Securities that offset most of the primary interest rate risk exposures embedded in our loans. For example, by issuing floating-rate Systemwide Debt Securities we are able to minimize the basis risk exposure presented by similarly-indexed, floating-rate loans. As discussed above, some of our fixed-rate loans may provide borrowers with the option to prepay their loans. In most interest rate environments, we are able to significantly offset the risk created by a prepayment option by funding prepayable fixed-rate loans with callable debt. Callable debt provides us with the option to retire debt early to offset prepayment risk in earning assets or refinance debt in a declining interest rate environment.

Approximately 74% of our fixed-rate loans at March 31, 2025 provide the borrowers with the option to prepay their loan at any time without fees, and the remainder of the System's fixed-rate loans contain provisions requiring prepayment fees to partially or fully compensate the System for the cost of retiring the debt prior to the maturity date, some of which may be non-callable.

The Banks participate in the derivatives markets to manage interest rate risk. Our use of derivatives is detailed later in this section.

Interest Rate Risk Measurements

Each Bank and Association is required to assess and manage interest rate risk. For Banks and ALM Associations, the primary approaches to managing interest rate risk are interest rate gap analysis, net interest income sensitivity analysis, market value of equity sensitivity analysis and duration gap analysis. These measures are calculated using sophisticated simulation models that are periodically back tested and reviewed by third parties for reasonableness. On a monthly basis, the asset/liability models are updated with information on loans, investment securities, Systemwide debt securities and derivatives. This "current position" is the starting point for all interest rate risk measurements. The current position is then combined with assumptions and market implied forward rates to derive the estimates of future net interest income. Generally, the assumptions on pricing, maturity characteristics and funding mix are set using trend analysis of actual asset and liability data. Balance sheets can be repositioned as a result of anticipated interest rate changes as necessary.

Interest Rate Risk Management Results

Interest Rate Gap Analysis

The interest rate gap analysis is a static indicator, which does not reflect the dynamics of balance sheet, cash flows, interest rate and spread changes and financial instrument optionality, and may not necessarily indicate the sensitivity of net interest income in a changing interest rate environment. Within the gap analysis, gaps are created when an institution uses its capital to fund assets. Capital serves as a noninterest-bearing source of funding for the balance sheet and thus requires the Banks and Associations to make decisions about the maturity mix of assets funded by it. Using capital to fund short-term assets results in increased volatility of net interest income, whereas using capital to fund long-term assets results in increased volatility in the market value of equity. Capital reduces the amount of debt that otherwise would be required to fund a certain level of assets. The quantity of earning assets will exceed the quantity of interest-bearing liabilities in any repricing interval where capital provides part of the funding. The gap table includes anticipated cash flows on interest sensitive assets and liabilities given the current level of interest rates. The interest rate gap analysis below presents a comparison of interest-sensitive assets and liabilities in defined time segments as of March 31, 2025.

	Repricing Intervals				
	0-6 Months	6 Months to 1 Year	1-5 Years	Over 5 Years	Total
	($ in millions)				
Floating-rate loans:					
Indexed/adjustable-rate loans	$ 97,420	$ 155	$ 704	$ 731	$ 99,010
Administered-rate loans	74,716				74,716
Fixed-rate loans:					
Fixed-rate with prepayment or conversion fees	6,985	6,213	28,757	21,217	63,172
Fixed-rate without prepayment or conversion fees	41,511	19,476	77,125	53,971	192,083
Nonaccrual loans				3,710	3,710
Total gross loans	220,632	25,844	106,586	79,629	432,691
Federal funds sold, securities purchased under resale agreements, investments and other interest-earning assets	40,236	5,574	34,944	17,105	97,859
Total earning assets	260,868	31,418	141,530	96,734	530,550
Interest-bearing liabilities:					
Callable bonds and notes	50,832	21,334	48,887	48,745	169,798
Noncallable bonds and notes	193,062	17,737	56,991	14,624	282,414
Subordinated debt				398	398
Other interest-bearing liabilities	6,564			880	7,444
Total interest-bearing liabilities	250,458	39,071	105,878	64,647	460,054
Effect of interest rate swaps and other derivatives	(7,183)	(2,595)	(302)	10,080	
Total interest-bearing liabilities adjusted for swaps and other derivatives	243,275	36,476	105,576	74,727	460,054
Interest rate sensitivity gap (total earning assets less total interest-bearing liabilities adjusted for swaps and other derivatives)	$ 17,593	$ (5,058)	$ 35,954	$ 22,007	$ 70,496
Cumulative gap	$ 17,593	$ 12,535	$ 48,489	$ 70,496	
Cumulative gap as a percentage of total earning assets	3.32%	2.36%	9.14%	13.29%	

As illustrated above, the System had a positive gap position between its earning assets and interest-bearing liabilities for the zero to six months repricing interval as measured on March 31, 2025 and reflects the System's asset-sensitive position during this time period.

Typically, the net interest income of an institution that is asset sensitive will be favorably impacted in a rising rate environment and unfavorably impacted in a declining rate environment. However, the System's net interest income benefits in a declining interest rate environment due to its ability to exercise call options on callable debt.

The System's net interest spread, a component of its net interest margin, may also react in a different manner due to certain conditions at the time an earning asset or interest-bearing liability reprices. These conditions include competitive pressures on spreads or rates, the shape of the yield curve and how capital is deployed to fund earning assets. In addition, a significant portion of the System's floating-rate loans are administered-rate loans that, unlike indexed loans, require definitive action by management to change the interest rate. The interest rates charged on administered-rate loans may reflect managements' assessments of whether rate changes are feasible or warranted in view of market conditions. Therefore, the actual interest rates charged on administered-rate loans may not reflect the movement of interest rates in the markets, thereby creating volatility in net interest income.

The System's cumulative gap position in the zero to six months repricing interval decreased to 3.32% at March 31, 2025 from 4.92% at December 31, 2024.

Sensitivity Analysis

In addition to the static view of interest rate sensitivity shown by the gap analysis, each Bank and ALM Association conducts simulations of net interest income and market value of equity under different interest rate scenarios. Market value of equity is the net present value of all future cash flows discounted to a valuation date, using discounting factors derived from observed market rates on the same valuation date. In all cases, the underlying assumptions are held constant so that results are comparable from scenario to scenario. However, actual results would differ to the extent that changes in strategy were undertaken to mitigate the unfavorable impact of interest rate changes.

The sensitivity analysis incorporates the effects of leverage and the optionality of interest sensitive assets and liabilities due to interest rate changes. The two primary scenarios used for the analysis reflect the impact of interest rate shocks upward and downward (i.e., immediate, parallel changes upward and downward in the yield curve) on projected net interest income and on market value of equity. The Banks and ALM Associations also use other types of measures to manage interest rate risk including rate ramps (gradual change in rates) and yield curve slope changes.

The upward and downward shocks are generally based on movements of 100 and 200 basis points in interest rates, which are considered significant enough to capture the effects of embedded options and convexity within the assets and liabilities so that underlying risk may be revealed. Under these simulations, based on the aggregate District changes in net interest income and market value of equity, the System's aggregate sensitivity to interest rate changes are as follows:

	March 31, 2025			
	-200	**-100**	**+100**	**+200**
Change in net interest income	-0.97%	-0.44%	2.18%	3.37%
Change in market value of equity	6.29%	3.38%	-3.28%	-6.35%

	December 31, 2024			
	-200	**-100**	**+100**	**+200**
Change in net interest income	-1.49%	-0.80%	2.06%	3.13%
Change in market value of equity	9.07%	4.30%	-3.99%	-7.64%

Each Bank's and ALM Association's interest rate risk management policy establishes limits for changes in interest rate sensitivity under these simulations in accordance with its asset/liability management policies. District measurements are presented in the Supplemental Financial Information on page F-59.

In addition to the interest rate scenarios required for reporting and regulatory purposes, the Banks and ALM Associations periodically perform additional scenario analyses to study the effects of changes in critical modeling assumptions — for example, the impact of increased/decreased prepayments, changes in the relationship of the System's funding cost to other benchmark interest rates, additional non-parallel shifts in the yield curve, and changes in market volatility. (For a more detailed discussion of sensitivity analysis and prepayment modeling assumptions, see pages 68 and 69 in the *2024 Annual Information Statement*.)

Duration Gap Analysis

Another risk measurement is duration, which we calculate using a simulation model. Duration is the weighted average maturity (typically measured in months or years) of an instrument's cash flows, weighted by the present value of those cash flows. As such, duration provides an estimate of an instrument's sensitivity to small changes in market interest rates. The duration gap is the difference between the estimated durations of assets and liabilities. All else being equal, an institution with a small duration gap has less exposure to interest rate risk than an institution with a large duration gap.

The System's aggregate duration gap was a positive 2.4 months at March 31, 2025 and a positive 4.1 months at December 31, 2024. Generally, a duration gap within the range of a positive six months to a negative six months indicates a small exposure to changes in interest rates.

Duration gap provides a relatively concise and static measure of the interest rate risk inherent in the balance sheet, but it is not directly linked to expected future earnings performance. An institution's overall exposure to interest rate risk is a function not only of the duration gap, but also of the financial leverage inherent in the institution's capital structure. For the same duration gap, an institution with more capital will have a lower overall percentage exposure to interest rate risk than one with less capital and more leverage.

There are some limitations to duration analysis as balance sheets are dynamic. Durations change over time and as the composition of a portfolio changes.

Derivative Products

Derivative products are a part of our interest rate risk management process and supplement our issuance of debt securities in the capital markets. Derivative financial instruments are used as hedges to manage interest rate and liquidity risks and to lower the overall cost of funds. System institutions do not hold or enter into derivative transactions for trading purposes. Derivative products are subject to regulatory compliance obligations, including, among other things, accounting, reporting, clearing and margining. Clearing and margining are discussed in more detail below.

The primary types of derivative products used and hedging strategies employed are described on page 70 of the *2024 Annual Information Statement*. For additional information on derivative products and hedging activities, see Note 11 to the accompanying condensed combined financial statements.

The aggregate notional amount of the System's derivative products, most of which consisted of interest rate swaps, increased $63.470 billion to $150.768 billion at March 31, 2025, as compared with $87.298 billion at December 31, 2024. The increase in the notional amount was primarily due to one Bank's execution of short-term interest rate swaps to manage its exposure in certain floating-rate loans. The aggregate notional amount of these instruments, which is not included in the Condensed Combined Statement of Condition, is indicative of the System's activities in derivative financial instruments, but is not an indicator of the level of credit risk associated with these instruments. The exposure to credit risk is a small fraction of the aggregate notional amount.

By using derivative instruments, System institutions are exposed to counterparty credit risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, the credit risk exposure will equal the fair value gain in a derivative. When the fair value of a derivative is positive, the counterparty would owe us money on early termination of the derivative, thus creating credit risk. When the fair value of the derivative is negative, we would owe the counterparty money on early termination of the derivative, and, therefore, assume no credit risk.

System institutions clear a significant portion of derivative transactions through a futures commission merchant, with a clearinghouse (i.e. a central counterparty). Cleared derivatives require the payment of initial and variation margin as a protection against default. To minimize the risk of credit losses for non-cleared derivatives, credit standing and levels of exposure to individual counterparties are monitored and derivative transactions are almost exclusively entered into with non-customer counterparties that have an investment grade or better credit rating from a major rating agency. Nonperformance by any of these counterparties is not anticipated. System institutions typically enter into master agreements that govern all derivative transactions with a counterparty and contain netting provisions. These provisions require the net settlement of covered contracts with the same counterparty in the event of default by the counterparty on one or more contracts and also include bilateral collateral agreements requiring the exchange of collateral to offset credit risk exposure. In some instances, the bilateral exchange of collateral is required by regulation, whereas in other instances it is based on dollar thresholds of exposure that consider a counterparty's creditworthiness. For additional information related to derivatives, see pages 71 through 73 in the *2024 Annual Information Statement*.

The Banks may enter into derivatives with their customers, including Associations, as a service to enable customers to transfer, modify or reduce their interest rate risk by transferring this risk to the Banks. The Banks substantially offset the interest rate risk by concurrently entering into offsetting agreements with non-System institutional derivative counterparties.

The exposure on derivatives by counterparty credit rating (Moody's) that would be owed to us due to a default or early termination by our counterparties at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025					December 31, 2024				
	Number of Counterparties	Notional Principal	Credit Exposure	Collateral Held	Exposure, Net of Collateral	Number of Counterparties	Notional Principal	Credit Exposure	Collateral Held	Exposure, Net of Collateral
	($ in millions)									
Cleared derivatives(1)	2	$122,215				2	$54,794	$ 3		$ 3
Bilateral derivatives:										
Aa1	1	462	$ 11	$ 2	$ 9	1	338	16	$ 3	13
Aa2	3	6,983	119	123	9	3	7,154	153	152	11
Aa3	1	15	1	1		1	15	1	1	
A1	2	3,162	49	52		2	7,016	69	71	
A2	1	1,924	39	40		1	2,328	50	51	
A3	1	1,341	27	30		1	1,729	46	48	
Total	11	$136,102	$ 246	$ 248	$ 18	11	$73,374	$ 338	$ 326	$ 27

(1) Represents derivative transactions cleared with central counterparties, which are not rated. Excluded from the table is initial margin posted by three Banks totaling $668 million and $621 million at March 31, 2025 and December 31, 2024 related to cleared derivative transactions.

Note: Due to grouping of counterparties by credit rating, exposure, net of collateral may not represent the difference between credit exposure and collateral held. The above table excludes $14.666 billion and $13.924 billion in notional amount of derivative financial instruments at March 31, 2025 and December 31, 2024 related to interest rate swaps that two Banks entered into with certain of their customers.

At March 31, 2025, the Banks' counterparties posted $248 million of cash as collateral with us, as compared with $326 million of cash at December 31, 2024. None of the Banks had posted collateral with respect to their obligations under these agreements at both March 31, 2025 and December 31, 2024.

Liquidity Risk Management

General

Liquidity risk management is necessary to ensure our ability to meet our financial obligations. These obligations include the repayment of Systemwide Debt Securities as they mature, the ability to fund new and existing loans and other funding commitments, and the ability to fund operations all within a cost-effective manner. A primary objective of liquidity risk management is to plan for unanticipated changes in the capital markets. The Banks and Funding Corporation have established a Contingency Funding Program to provide for contingency financing mechanisms and procedures to address potential disruptions in the System's communications, operations and payments systems, as well as the ability to handle events that threaten continuous market access by the Banks or disrupt the Funding Corporation's normal operations. Under this Contingency Funding Program, the Funding Corporation has the option to finance maturing Systemwide Debt Securities through the issuance of Systemwide discount notes either directly to institutional investors or through the selling group. In addition, the Funding Corporation, in consultation with the Banks, may also issue Systemwide bonds directly to institutional investors. The Funding Corporation, on behalf of the Banks, may also incur other obligations, such as Federal funds purchased, that would be the joint and several obligations of the Banks and would be insured by the Insurance Corporation to the extent funds are available in the Insurance Fund.

In addition, each Bank maintains contingency funding plans that address actions each Bank would consider in the event that there is not ready access to traditional funding sources. These potential actions include drawing on existing uncommitted lines of credit with various financial institutions, borrowing overnight via federal funds, using investment securities as collateral to borrow cash, selling investment securities under repurchase agreements, using the proceeds from maturing investments and selling liquid investments.

The System does not have a guaranteed line of credit from the U.S. Treasury or the Federal Reserve. However, the Insurance Corporation has an agreement with the Federal Financing Bank, a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the Federal Financing Bank would advance funds to the Insurance Corporation under certain limited circumstances. Under its existing statutory authority, the Insurance Corporation may use these funds to provide assistance to the System Banks in exigent market circumstances that threaten the Banks' ability to pay maturing debt obligations. The agreement provides for advances of up to $10 billion and will remain in full force and effect until terminated by either the Insurance Corporation or the Federal Financing Bank. The decision whether to seek funds from the Federal Financing Bank is at the discretion of the Insurance Corporation, and each funding obligation of the Federal Financing Bank is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by the System.

Funding Sources

Our primary source of liquidity is from the ability to issue Systemwide Debt Securities, which are the general unsecured joint and several obligations of the Banks. The Banks continually raise funds to support the mission to provide credit and related services to the agricultural and rural sectors, repay maturing Systemwide Debt Securities, build liquidity and meet other obligations. As government-sponsored enterprises, the Banks have had access to the global capital markets. This access has traditionally provided a dependable source of competitively priced debt that is critical to support our mission of providing funding to the agricultural and rural sectors. The U.S. government does not guarantee, directly or indirectly, the payment of principal or interest on any Systemwide Debt Securities issued by the Banks.

Federal Funds and Available-for-Sale Investments

As more fully described on page 74 in the *2024 Annual Information Statement*, by regulation a Bank is authorized to hold eligible investments in an amount not to exceed 35% of a Bank's average loans outstanding for the quarter. Investments are utilized for the purposes of maintaining a diverse source of liquidity, managing short-term surplus funds and managing interest rate risk and, in so doing, they may enhance profitability. At March 31, 2025, no Bank exceeded the 35% limit.

In addition, the Associations are authorized to hold securities as eligible risk management investments that are issued by, or are unconditionally guaranteed or insured as to the timely payment of principal and interest by, the U.S. government or its agencies with the approval of its affiliated Bank. Associations may also hold the guaranteed portions of USDA Guaranteed Loans purchased in the secondary market as eligible risk management investments. Aggregated eligible risk management investments may not exceed 10% of an Association's total average 90-day outstanding loan balance. At March 31, 2025, no Association exceeded the 10% limit.

Bank eligible investments (carried at fair value) must comply with the regulatory eligibility criteria to be included in the liquidity investment portfolio and for reporting purposes are shown by credit ratings issued by Moody's Investors Service, S&P Global Ratings, or Fitch Ratings as follows:

	Eligible Investments				
March 31, 2025	**AAA/Aaa**	**A1/P1/F1**	**Split Rated(1)**	**A/A**	**Total**
			(in millions)		
Federal funds sold and securities purchased under resale agreements		$ 2,265	$ 725		$ 2,990
Commercial paper, bankers' acceptances, certificates of deposit and other securities		5,297	2,727	$ 22	8,046
U.S. Treasury securities			28,650		28,650
U.S. agency securities			2,532		2,532
Mortgage-backed securities:					
Agency collateralized			36,576		36,576
Agency whole-loan pass through			1,910		1,910
Private label-FHA/VA			15		15
Asset-backed securities	$ 1,048		4,841		5,889
Total	$ 1,048	$ 7,562	$ 77,976	$ 22	$ 86,608

	Eligible Investments				
December 31, 2024	**AAA/Aaa**	**A1/P1/F1**	**Split Rated(1)**	**A/A**	**Total**
			(in millions)		
Federal funds sold and securities purchased under resale agreements(2)		$ 4,475	$ 910		$ 5,385
Commercial paper, bankers' acceptances, certificates of deposit and other securities		7,251	1,019	$ 52	8,322
U.S. Treasury securities			26,234		26,234
U.S. agency securities			2,504		2,504
Mortgage-backed securities:					
Agency collateralized			35,793		35,793
Agency whole-loan pass through			1,958		1,958
Private label-FHA/VA			16		16
Asset-backed securities	$ 877		4,956		5,833
Total	$ 877	$ 11,726	$ 73,390	$ 52	$ 86,045

(1) Investment that received the highest credit rating from at least one rating organization.
(2) Includes $110 million of securities purchased under resale agreements that are unrated.

As noted in the tables above, the split rating on investments in U.S. Treasury, U.S. agency and agency mortgage-backed securities is the result of S&P Global Ratings and Fitch Ratings maintaining the U.S. government's long-term sovereign credit rating of AA+, while Moody's Investors Service maintains a rating of Aaa for U.S. government and agency securities.

If a Bank held investment no longer meets the regulatory eligibility criteria referred to above, the investment becomes ineligible for regulatory liquidity calculation purposes. Under Farm Credit Administration regulations, if an investment held by a Bank is eligible when purchased but no longer satisfies the eligibility criteria referred to above, the Bank may continue to hold it subject to the following requirements:

- the Bank must notify the Farm Credit Administration within 15 calendar days after such determination,
- the Bank must not use the investment to satisfy its liquidity requirement,

- the Bank must continue to include the investment in the investment portfolio limit calculation,
- the Bank may continue to include the investment as statutory collateral at lower of cost or market, and
- the Bank must develop a plan to reduce the risk posed by the investment.

The Farm Credit Administration has the authority to require a Bank to divest of any investment at any time for failure to comply with its regulation or for safety and soundness reasons. As of March 31, 2025, the Farm Credit Administration has not required disposition of any of these securities. Bank managements do not believe that events will occur that would require them to dispose of any of these securities.

Ineligible securities (carried at fair value) held by the Banks totaled $421 million at March 31, 2025 and $429 million at December 31, 2024 and represented 0.5% of Federal funds and available-for-sale investments at both March 31, 2025 and December 31, 2024.

The types of mortgage-backed and asset-backed securities that are included in the Banks' investment portfolio are as follows:

	March 31, 2025			December 31, 2024		
	Amortized Cost	Fair Value	Unrealized Gains/(Losses)	Amortized Cost	Fair Value	Unrealized Gains/(Losses)
	(in millions)					
Mortgage-backed securities:						
Agency collateralized	$ 38,358	$ 36,576	$ (1,782)	$ 37,963	$ 35,793	$ (2,170)
Agency whole-loan pass through	2,251	1,910	(341)	2,344	1,958	(386)
Private label-FHA/VA	66	58	(8)	67	60	(7)
Total mortgage-backed securities	$ 40,675	$ 38,544	$ (2,131)	$ 40,374	$ 37,811	$ (2,563)
Asset-backed securities:						
Small business loans	$ 5,185	$ 4,841	$ (344)	$ 5,390	$ 4,956	$ (434)
Equipment loans	427	430	3	446	448	2
Auto loans	311	313	2	84	86	2
Credit card receivables	233	233		289	290	1
Other	72	72		53	53	
Total asset-backed securities	$ 6,228	$ 5,889	$ (339)	$ 6,262	$ 5,833	$ (429)

Other Investments

As mentioned above, Associations are permitted to hold investments but they are limited to securities that are issued by, or are unconditionally guaranteed or insured as to the timely payment of principal and interest, the U.S. government or its agencies. Mortgage-backed securities issued by Farmer Mac are also considered allowable investments for both Banks and Associations but are excluded from the Banks' eligible investment limitation and the Banks' liquidity calculations. These Farmer Mac securities are backed by farm and ranch loans or USDA-guaranteed portions of loans.

Other investments outstanding that are classified as held-to-maturity (carried at amortized cost) are as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Small Business Administration and other government guaranteed securities	$ 6,471	$ 5,996
Farmer Mac securities	610	596
Rural America bonds and Agricultural Rural Community bonds	28	28
Total	$ 7,109	$ 6,620

Other investments outstanding that are classified as available-for-sale (carried at fair value) are as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
U.S. Treasury securities	$ 2,042	$ 1,845
Small Business Administration and other government guaranteed securities	220	216
Rural home loan securities	99	99
Farmer Mac securities	6	7
Other securities	8	8
Total	$ 2,375	$ 2,175

Liquidity Standard

The Farm Credit Administration regulations on liquidity set forth requirements for the Banks to:

- maintain board policies and management procedures to monitor, measure, manage and mitigate liquidity and other related risks;
- maintain a three-tiered liquidity reserve. The first tier of the liquidity reserve must consist of a sufficient amount of cash and/or cash-like instruments to cover each Bank's principal portion of maturing obligations and other borrowings for 15 days. The second and third tiers of the liquidity reserve must contain cash, cash-like instruments, and/or eligible highly liquid instruments that are sufficient to cover the Bank's obligations for the next 15 and subsequent 60 days, respectively;
- establish a supplemental liquidity buffer, in addition to the three tiers set forth immediately above, that would provide a longer term, stable source of funding beyond the 90-day minimum and is comprised of cash and eligible investments; and
- maintain a Contingency Funding Plan to ensure sources of liquidity are sufficient to fund normal operations under a variety of stress events.

The number of days of liquidity is calculated by comparing the principal portion of maturing Systemwide Debt Securities and other borrowings of each Bank with the total amount of cash, cash equivalents and eligible investments maintained by that Bank. For purposes of calculating liquidity, liquid assets are reflected at fair value discounted for potential exposure to adverse market value changes that might be recognized upon liquidation or sale and include only the eligible investments of the Banks.

At March 31, 2025, each Bank met the individual tiers' regulatory minimums of the liquidity reserve and exceeded the aggregate regulatory minimum 90 days of liquidity. Each Bank's aggregate liquidity position, which includes the liquidity reserve plus the supplemental buffer, ranged from 160 to 199 days at March 31, 2025. The Banks' aggregate liquidity position was 177 days at both March 31, 2025 and December 31, 2024. (See Note 14 to the accompanying condensed combined financial statements for each Bank's liquidity position at March 31, 2025 and December 31, 2024.)

Cash provided by the System's operating activities (primarily generated from net interest income in excess of operating expenses) of $2.301 billion and $2.889 billion for the first three months of 2025 and 2024 provides an additional source of liquidity for the System that is not reflected in the individual Bank's calculation of days of liquidity under the standard. Further, funds in the Insurance Fund would be used to repay maturing Systemwide Debt Securities, to the extent available, if no other sources existed to repay the debt.

Capital Adequacy and the Ability to Repay Systemwide Debt Securities

Capital serves to support asset growth and provide protection against unexpected credit and interest rate risk and operating losses. Capital is also needed for future growth and investment in new products and services. We believe a sound capital position is critical to providing protection to investors in Systemwide Debt Securities and our long-term financial success.

The primary source of capital formation in the System is net income earned and retained. Capital accumulated through earnings has been partially offset by cash patronage distributions to stockholders. Retained earnings and additional paid-in-capital are the most significant components of capital. As of March 31, 2025, retained earnings and additional paid-in-capital totaled $70.2 billion and represented 87.2% of capital, as compared with $68.8 billion and 87.3% at December 31, 2024. Capital as a percentage of assets increased to 14.7% at March 31, 2025, as compared with 14.5% at December 31, 2024.

Farm Credit Administration Capital Requirements

The following sets forth the regulatory capital ratio requirements and ratios at March 31, 2025:

Ratio	Primary Components of Numerator	Denominator	Minimum Requirement	Minimum with Buffer	Banks*	Associations
Common Equity Tier 1 (CET1) Capital	Unallocated retained earnings (URE) and common cooperative equities (qualifying capital stock and allocated equity)[1]	Risk-weighted assets	4.5%	7.0%	8.3% - 16.6%	10.2% - 32.8%
Tier 1 Capital	CET1 Capital and non-cumulative perpetual preferred stock	Risk-weighted assets	6.0%	8.5%	12.6% - 16.6%	11.6% - 32.8%
Total Capital	Tier 1 Capital, adjusted allowance for credit losses[2], other common cooperative equities[3], and term preferred stock and subordinated debt[4]	Risk-weighted assets	8.0%	10.5%	12.9% - 16.6%	11.9% - 33.3%
Tier 1 Leverage	Tier 1 Capital (at least 1.5% must be URE and URE equivalents (UREE))	Total assets	4.0%	5.0%	5.2% - 6.6%	10.9% - 32.5%
Permanent Capital	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	Risk-weighted assets	7.0%	N/A	12.7% - 16.6%	11.6% - 33.0%
Unallocated Retained Earnings and UREE Leverage	URE and UREE	Total assets	1.5%	N/A	1.8% - 4.3%	3.8% - 32.2%

* See Note 14 to the accompanying condensed combined financial statements for each Bank's Total Capital ratio and Tier 1 Leverage ratio at March 31, 2025 and December 31, 2024.

1 Equities subject to a minimum redemption or revolvement period of 7 or more years.

2 Capped at 1.25% of risk-weighted assets and includes allowance for credit losses on loans and unfunded commitments.

3 Equities subject to a minimum redemption or revolvement period of 5 or more, but less than 7 years.

4 Equities subject to a minimum redemption or revolvement period of 5 or more years.

Interdependency of the Banks and the Associations

Understanding the System's structure and the interdependent nature of the Banks and the Associations is critical to understanding our capital adequacy.

As previously discussed, each Bank is primarily liable for the repayment of Systemwide Debt Securities issued on its behalf, as well as being liable for Systemwide Debt Securities issued on behalf of the other Banks. The Banks, through the issuance of Systemwide Debt Securities, generally finance the wholesale loans to their affiliated Associations who lend the proceeds to their customers. CoBank, as an Agricultural Credit Bank, makes loans to agricultural and rural infrastructure cooperatives and businesses, and other eligible borrowers, as well as Associations. Each Bank's ability to repay Systemwide Debt Securities is due, in large part, to each of its Association's ability to repay its loan from the Bank. As a result, the Banks continually monitor the risk-bearing capabilities of each affiliated Association through various mechanisms, including testing the reliability of each Association's credit classifications and prior-approval of certain Association loan transactions. Capital, allowance for credit losses on loans and earnings at the Association level also reduce the credit exposure that each Bank has with respect to the loans between the Bank and its affiliated Associations.

Since an Association's ability to obtain funds from sources other than its affiliated Bank is significantly limited, the financial well-being of the Bank and its ability to continue to provide funds is very important to the Association. In addition to the equity the Associations are required to purchase in connection with their direct loans from their affiliated Bank, under each Bank's bylaws, the Bank is authorized, under certain circumstances, to require its affiliated Associations and certain other equity holders to purchase additional Bank equity subject to certain limits or conditions. Further, the Banks generally possess indirect access to certain financial resources of their affiliated Associations through loan-pricing provisions and through Bank-influenced operating and financing policies and agreements for its District. (See Notes 8 and 14 to the accompanying condensed combined financial statements for further discussion of Bank and Association capital.)

Notwithstanding the foregoing, only the Banks, and not the Associations, are jointly and severally liable for the repayment of Systemwide Debt Securities. Other than as described above, and subject to various regulatory and contractual conditions and limitations, the Banks do not have direct access to the capital of their affiliated Associations. In addition, any indirect access that the Banks may have to the capital of the Associations may be limited during stressed conditions in a deteriorating agricultural economic environment. Moreover, capital in one Association is not typically available to address capital needs of another Association or of a non-affiliated Bank.

Insurance Fund

An additional layer of protection for Systemwide Debt Security holders is the Insurance Fund that insures the timely payment of principal and interest on these securities.

The primary sources of funds for the Insurance Fund are:

- premiums paid by the Banks, the cost of which may be passed on to the Associations, and
- earnings on assets in the Insurance Fund.

In the event a Bank is unable to timely pay Systemwide Debt Securities for which the Bank is primarily liable, the Insurance Corporation must expend amounts in the Insurance Fund to the extent available to insure the timely payment of principal and interest on the debt obligations. However, because of other mandatory and discretionary uses of the Insurance Fund, all of which benefit the Banks and Associations, or the magnitude of the default, there is no assurance that amounts in the Insurance Fund will be available and sufficient to fund the timely payment of principal and interest on Systemwide Debt Securities in the event of a default by a Bank.

Due to the restricted use of funds in the Insurance Fund as set forth in the Farm Credit Act, the assets of the Insurance Fund have been included as a restricted asset and the capital of the Insurance Fund as restricted capital in the System's condensed combined financial statements. As of March 31, 2025, the assets in the Insurance Fund totaled $8.054 billion. (See Note 6 to the accompanying condensed combined financial statements and the Supplemental Combining Information on pages F-51 and F-53 for condensed combining statements of condition and income that illustrate the impact of including the Insurance Fund in the System's condensed combined financial statements.)

The Insurance Corporation assesses premiums to ensure the amounts in the Insurance Fund for which no specific use has been identified or designated are maintained at the "secure base amount." The Farm Credit Act, requires the secure base amount to be maintained at 2% of aggregate outstanding insured debt (adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments) or such other percentage of aggregate outstanding insured debt as the Insurance Corporation in its sole discretion determines to be actuarially sound. Insurance premiums are established by the Insurance Corporation with the objective of maintaining the secure base amount at the level required by the Farm Credit Act.

As required by the Farm Credit Act, if at the end of any calendar year, the aggregate amount in the Insurance Fund exceeds the secure base amount, the Insurance Corporation is required to transfer the excess funds above the secure base, less the Insurance Corporation's projected annual operating expenses and estimated insurance obligations, to the Allocated Insurance Reserves Accounts for each Bank. At December 31, 2024, the Insurance Fund exceeded the secure base amount by $77 million (after deduction of prospective operating expenses for 2025) and the excess was transferred to the Allocated Insurance Reserves Accounts. In March 2025, the Insurance Corporation's board of directors approved and distributed the $77 million of excess funds to System institutions.

At March 31, 2025, as determined by the Insurance Corporation, the Insurance Fund for which no specific use has been identified or designated was 2.03% of adjusted insured obligations, as compared with 2.00% at December 31, 2024. The Insurance Fund with the allocated amount was 2.02% of the adjusted insured obligations at December 31, 2024. No amounts were allocated as of March 31, 2025.

Joint and Several Liability

The provisions of joint and several liability of the Banks with respect to Systemwide Debt Securities would be invoked if the available amounts in the Insurance Fund were exhausted. Once joint and several liability is triggered, the Farm Credit Administration 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 the aggregate of the Bank's 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. On making a call on non-defaulting Banks with respect to a Systemwide Debt Security issued on behalf of a defaulting Bank, the Farm Credit Administration is required to appoint the Insurance Corporation as the receiver for the defaulting Bank, and the receiver must expeditiously liquidate the Bank.

System Capitalization

The changes in capital for the three months ended March 31, 2025 are as follows:

	Capital				
	Combined Banks	**Combined Associations**	**Insurance Fund**	**Combination Entries**	**System Combined**
			(in millions)		
Balance at December 31, 2024	$ 25,500	$ 56,230	$ 7,960	$ (10,858)	$ 78,832
Net income	706	1,538	171	(459)	1,956
Change in accumulated other comprehensive loss	477	36		4	517
Preferred stock issued		4			4
Preferred stock retired	(300)	(3)			(303)
Preferred stock dividends	(42)	(8)			(50)
Capital stock and participation certificates issued	167	18		(166)	19
Capital stock, participation certificates and retained earnings retired	(49)	(22)		9	(62)
Distributions by Insurance Fund to System institutions			(77)	77	
Additional paid-in-capital		6			6
Patronage	(333)	(347)		311	(369)
Balance at March 31, 2025	$ 26,126	$ 57,452	$ 8,054	$ (11,082)	$ 80,550

Note: System combined capital reflected eliminations of approximately $10.2 billion and $10.0 billion of Bank equities held by Associations as of March 31, 2025 and December 31, 2024. System combined capital also reflected net eliminations of transactions between System entities, primarily related to accruals, and retained earnings allocations by certain Banks to their Associations. (See Notes 8 and 14 to the accompanying condensed combined financial statements.)

During the first quarter of 2025, one Bank retired $300 million of preferred stock. (See Note 8 of the accompanying condensed combined financial statements for additional information.)

Preferred stock is the sole obligation of the issuing entity and is not guaranteed by any other System institution. Such obligations are not Systemwide Debt Securities and therefore are not subject to the joint and several obligations of the Banks and are not guaranteed or insured by the Insurance Fund.

Combined Bank-only information is considered meaningful because only the Banks are jointly and severally liable for payment of principal and interest on Systemwide Debt Securities. Amounts in the Insurance Fund are included in the System's combined financial statements because, under the Farm Credit Act, these amounts can only be used for the benefit of the Banks and Associations. Before joint and several liability can be invoked, available amounts in the Insurance Fund would be used to make principal and interest payments on Systemwide Debt Securities. Combined Bank capital and the Insurance Fund increased $720 million since December 31, 2024 to $34.180 billion at March 31, 2025, primarily due to income earned and retained. Combined Bank-only capital as a percentage of combined Bank-only assets was 5.3% at March 31, 2025 and 5.2% at December 31, 2024.

Combined Bank-only net income was $706 million and $724 million for the three months ended March 31, 2025 and 2024. The combined Bank-only net income reflects the earnings from investments, Bank wholesale loans to Associations, and retail loans, the majority of which consist of

CoBank's loans to cooperatives and other eligible borrowers and loans to finance agricultural export transactions. The Banks' wholesale loans to Associations represented 56% of the assets on the combined Bank-only balance sheet at both March 31, 2025 and December 31, 2024. These loans carry less risk than retail loans because the Associations operate under General Financing Agreements with their affiliated Banks and a regulatory framework that includes maintaining certain minimum capital standards, adequate reserves, and prudent underwriting standards. Based on the lower risk of loans to the Associations, the Banks typically operate with more leverage and lower earnings than would be expected from a retail bank.

Combined Association capital increased $1.222 billion since December 31, 2024 to $57.452 billion at March 31, 2025. The growth in Association capital resulted primarily from income earned and retained. Combined Association capital as a percentage of combined Association assets was 17.0% at March 31, 2025 and 16.7% at December 31, 2024. Capital at the Association level reduces the Banks' credit exposure with respect to wholesale loans between the Banks and each of their affiliated Associations.

Accumulated other comprehensive loss, net of tax, at March 31, 2025 and December 31, 2024 was comprised of the following components:

	March 31, 2025	December 31, 2024
	(in millions)	
Unrealized losses on investments available-for-sale, net	$ (2,629)	$ (3,428)
Unrealized gains on cash flow hedges, net	124	422
Pension and other benefit plans	(791)	(807)
	$ (3,296)	$ (3,813)

Accumulated other comprehensive loss decreased $517 million during the first three months of 2025 as a result of a decrease in interest rates, which increased the fair value of existing fixed-rate investment securities. Investment securities are primarily comprised of securities issued by the U.S. government or its agencies.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events, including the execution of unauthorized transactions by employees, errors relating to transaction processing and technology, breaches of the internal control system and the risk of fraud by employees or persons outside the System. Each Bank's and Association's board of directors is required, by regulation, to adopt an internal control policy that provides adequate direction to the institution in establishing effective control over and accountability for operations, programs and resources. The policy must include, at a minimum, the following items:

- direction to management that assigns responsibility for the internal control function to an officer of the institution,
- adoption of internal audit and control procedures,
- direction for the operation of a program to review and assess its assets,
- adoption of loan, loan-related assets and appraisal review standards, including standards for scope of review selection and work papers and supporting documentation,
- adoption of asset quality classification standards,
- adoption of standards for assessing credit administration, including the appraisal of collateral, and
- adoption of standards for the training required to initiate a program.

In general, System institutions address operational risk through the organization's internal control framework. Exposure to operational risk is typically identified by senior management with the assistance of internal audit, and higher risk areas receive more scrutiny.

However, no control system, no matter how well designed and operated, can provide absolute assurance that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or errors can be detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and the breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by individual acts, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may be inadequate because of changes in conditions, or the compliance with the policies or procedures may deteriorate.

Reputational Risk Management

Reputation risk is defined as the negative impact resulting from events, real or perceived, that shape the image of the System or any of its entities. The System could be harmed if its reputation were impacted by negative publicity about the System as a whole, an individual System entity, the agricultural industry in general, or government sponsored enterprises.

Given the unique structure of the System, managing reputational risk is the direct responsibility of each System entity. (See "Structural Risk Management" on pages 16 and 17 of this Quarterly Information Statement for a discussion on the structure of the System).

Committees or entities that serve the System at the national level, including the Presidents' Planning Committee and The Farm Credit Council, will communicate guidance to the System for reputational issues that have broader consequences for the System as a whole. These committees and entities support those business and other practices that are consistent with our mission. (See pages 12, 14 and 15 in the *2024 Annual Information Statement* for additional information).

Political Risk Management

Political risk to the System is the risk that actions taken by the U.S. government may negatively impact the System or the agriculture industry. System institutions are instrumentalities of the federal government and are intended to further governmental policy concerning the extension of credit to or for the benefit of agriculture and rural America. The System may be significantly affected by federal legislation, such as changes to the Farm Credit Act, or indirectly, such as agricultural appropriations bills. In addition, our borrowers may also be significantly affected by changes in federal farm policy, agricultural appropriations bills and U.S. trade and tax policies.

We manage political risk by actively supporting The Farm Credit Council, which is a full-service, federated trade association located in Washington, D.C. representing the System before Congress, the Executive Branch, and others. The Farm Credit Council provides the mechanism for grassroots involvement in the development of System positions and policies with respect to federal legislation and government actions that impact the System. In addition, each District has a District Farm Credit Council that is a regional trade association dedicated to promoting the interests of cooperative farm lending institutions and their borrowers in their respective Districts.

Regulatory Matters

On November 29, 2024, the Farm Credit Administration published a proposed rule on internal control over financial reporting (ICFR) 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 an 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 Farm Credit Administration approved a final rule to amend its regulatory capital requirements to define and establish risk-weightings for High Volatility Commercial Real Estate (HVCRE) exposures by assigning a 150% risk-weighting to such exposures, instead of the current 100% to reflect their increased risk characteristics. The rule further ensures comparability between the Farm Credit Administration'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 for less than $500,000. The final rule will become effective on January 1, 2025, however, on October 16, 2024, the Farm Credit Administration extended the implementation date 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 institution board reporting requirements. The final rule became effective on January 1, 2025.

Recently Adopted or Issued Accounting Pronouncements

See pages F-8 and F-9 to the accompanying condensed combined financial statements for the recently adopted or issued accounting pronouncements.

INDEX TO CONDENSED COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTAL COMBINING AND FINANCIAL INFORMATION
March 31, 2025

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF CONDITION
(in millions)

	March 31, 2025 (unaudited)	December 31, 2024
ASSETS		
Cash	$ 3,090	$ 3,504
Federal funds sold and securities purchased under resale agreements	2,990	5,385
Investments (Note 2)		
Available-for-sale (amortized cost of $86,725 and $84,607, respectively)	84,039	81,089
Other investments held-to-maturity (fair value of $6,974 and $6,512, respectively)	7,109	6,620
Other investments available-for-sale (amortized cost of $2,400 and $2,225, respectively)	2,375	2,175
Loans (Note 3)	432,691	428,913
Less: allowance for credit losses on loans (Note 4)	(2,001)	(1,799)
Net loans	430,690	427,114
Accrued interest receivable	4,775	5,264
Premises and equipment	1,931	1,922
Other assets (Note 5)	3,467	3,332
Restricted assets (Note 6)	8,054	7,960
Total assets	$ 548,520	$ 544,365
LIABILITIES AND CAPITAL		
Systemwide Debt Securities		
Due within one year:		
Systemwide discount notes	$ 21,664	$ 19,346
Systemwide bonds and medium-term notes	137,300	137,608
	158,964	156,954
Due after one year:		
Systemwide bonds and medium-term notes	293,248	290,907
Total Systemwide Debt Securities (Note 7)	452,212	447,861
Subordinated debt	398	398
Other bonds	5,546	5,139
Notes payable and other interest-bearing liabilities	1,898	1,534
Accrued interest payable	2,941	3,118
Other liabilities (Note 5)	4,975	7,483
Total liabilities	467,970	465,533
Commitments and contingencies (Note 13)		
Capital (Note 8)		
Preferred stock	3,381	3,680
Capital stock and participation certificates	2,187	2,201
Additional paid-in-capital	7,385	7,379
Restricted capital (Note 6)	8,054	7,960
Accumulated other comprehensive loss, net of tax	(3,296)	(3,813)
Retained earnings	62,839	61,425
Total capital	80,550	78,832
Total liabilities and capital	$ 548,520	$ 544,365

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

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF INCOME
(in millions)

	For the Three Months Ended March 31, 2025	2024
	(unaudited)	
Interest income		
Investments, Federal funds sold and securities purchased under resale agreements	$ 963	$ 921
Loans	6,491	6,263
Total interest income	7,454	7,184
Interest expense		
Systemwide bonds and medium-term notes	4,025	3,897
Systemwide discount notes	216	212
Other interest-bearing liabilities	106	129
Total interest expense	4,347	4,238
Net interest income	3,107	2,946
Provision for credit losses	250	40
Net interest income after provision for credit losses	2,857	2,906
Noninterest income		
Loan-related fee income	120	108
Income earned on Insurance Fund assets	73	57
Financially-related services income	61	56
Losses on extinguishment of debt	(3)	(5)
Net gains (losses) on derivative, investment and other transactions	6	(8)
Other income	35	36
Total noninterest income	292	244
Noninterest expense		
Salaries and employee benefits	713	680
Occupancy and equipment expense	94	89
Purchased services	76	68
Other expense	267	252
Total noninterest expense	1,150	1,089
Income before income taxes	1,999	2,061
Provision for income taxes	43	66
Net income	$ 1,956	$ 1,995

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

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	For the Three Months Ended March 31,	
	2025	2024
	(unaudited)	
Net income	$ 1,956	$ 1,995
Other comprehensive income (loss), net of tax:		
Change in unrealized gains/losses on investments available-for-sale, including reclassification adjustments	799	(221)
Change in unrealized gains/losses on cash flow hedges, including reclassification adjustments	(298)	187
Change in net periodic pension benefit cost, including reclassification adjustments	16	3
Total other comprehensive income (loss)	517	(31)
Comprehensive income	$ 2,473	$ 1,964

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

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF CHANGES IN CAPITAL
(in millions)

	For the Three Months Ended March 31						
	Preferred Stock	Capital Stock and Participation Certificates	Additional Paid-in-Capital	Restricted Capital Farm Credit Insurance Fund	Accumulated Other Comprehensive Loss, Net of Tax	Retained Earnings	Total Capital
				(unaudited)			
Balance at December 31, 2023	$ 3,327	$ 2,141	$ 7,286	$ 7,458	$ (4,517)	$ 57,634	$ 73,329
Comprehensive income					(31)	1,995	1,964
Transfer of Insurance Fund premiums and other income from retained earnings to restricted capital				149		(149)	
Preferred stock retired by Banks	(250)						(250)
Preferred stock issued by Associations	6						6
Preferred stock retired by Associations	(2)						(2)
Preferred stock dividends						(47)	(47)
Capital stock and participation certificates issued		21					21
Capital stock and participation certificates retired		(58)					(58)
Patronage:							
Cash						(348)	(348)
Capital stock, participation certificates and retained earnings allocations		24				(24)	
Balance at March 31, 2024	$ 3,081	$ 2,128	$ 7,286	$ 7,607	$ (4,548)	$ 59,061	$ 74,615
Balance at December 31, 2024	$ 3,680	$ 2,201	$ 7,379	$ 7,960	$ (3,813)	$ 61,425	$ 78,832
Comprehensive income					517	1,956	2,473
Transfer of Insurance Fund premiums and other income from retained earnings to restricted capital				171		(171)	
Distributions by Insurance Fund to System institutions				(77)		77	
Preferred stock retired by Banks	(300)						(300)
Preferred stock issued by Associations	4						4
Preferred stock retired by Associations	(3)						(3)
Preferred stock dividends						(50)	(50)
Capital stock and participation certificates issued		19					19
Capital stock and participation certificates retired		(62)					(62)
Additional paid-in-capital			6				6
Patronage:							
Cash						(369)	(369)
Capital stock, participation certificates and retained earnings allocations		29				(29)	
Balance at March 31, 2025	$ 3,381	$ 2,187	$ 7,385	$ 8,054	$ (3,296)	$ 62,839	$ 80,550

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

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF CASH FLOWS
(in millions)

	For the Three Months Ended March 31, 2025	2024
	(unaudited)	
Cash flows from operating activities		
Net income	$ 1,956	$ 1,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	250	40
Depreciation and amortization on premises and equipment	52	50
Net (gains) losses on derivative, investment and other transactions	(6)	8
Decrease in accrued interest receivable	489	310
(Decrease) increase in accrued interest payable	(177)	29
Other, net	(263)	457
Net cash provided by operating activities	2,301	2,889
Cash flows from investing activities		
Increase in loans, net	(3,824)	(2,445)
Decrease in Federal funds sold and securities purchased under resale agreements, net	2,395	3,401
Investments available-for-sale:		
Purchases	(6,493)	(4,890)
Proceeds from maturities and payments	4,159	5,902
Proceeds from sales	353	150
Other investments held-to-maturity:		
Purchases	(831)	(859)
Proceeds from maturities and payments	314	226
Other investments available-for-sale:		
Purchases	(383)	(137)
Proceeds from maturities and payments	209	111
Increase in investments held in the Insurance Fund, net	(376)	(626)
Distributions by Insurance Fund to System institutions	77	
Other, net	(44)	(76)
Net cash (used in) provided by investing activities	(4,444)	757
Cash flows from financing activities		
Systemwide bonds issued	46,102	37,514
Systemwide bonds and medium-term notes retired	(44,148)	(37,262)
Systemwide discount notes issued	23,018	52,544
Systemwide discount notes retired	(20,712)	(54,377)
Other bonds issued (retired), net	407	(611)
Increase in notes payable and other interest-bearing liabilities, net	364	134
(Decrease) increase in collateral held from derivative counterparties	(78)	36
Preferred stock retired by Banks	(300)	
Preferred stock issued by Associations	4	6
Preferred stock retired by Associations	(3)	(2)
Capital stock and participation certificates issued	19	21
Capital stock, participation certificates and retained earnings retired	(89)	(58)
Preferred stock dividends paid	(47)	(39)
Cash patronage paid	(2,808)	(2,677)
Net cash provided by (used in) financing activities	1,729	(4,771)
Net decrease in cash	(414)	(1,125)
Cash at beginning of period	3,504	3,760
Cash at end of period	$ 3,090	$ 2,635

FARM CREDIT SYSTEM

CONDENSED COMBINED STATEMENT OF CASH FLOWS - (continued)
(in millions)

	For the Three Months Ended March 31,	
	2025	2024
	(unaudited)	
Supplemental schedule of non-cash investing and financing activities:		
Loans transferred to other property owned	$ 1	$ 10
Patronage and dividends distributions payable	503	526
Investments available-for-sale (purchased) sold but not yet settled, net	(97)	326
Preferred stock retired by Banks		(250)
Supplemental non-cash fair value changes related to hedging activities:		
Increase (decrease) in Systemwide bonds and medium-term notes	76	(84)
Other, net	(191)	199
Supplemental disclosure of cash flow information:		
Cash paid during the quarter for:		
Interest	4,513	4,162
Taxes, net of refunds	6	18

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

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(unaudited)
(dollars in millions, except as noted)

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying Farm Credit System (System) condensed combined financial statements include financial information of: (1) three Farm Credit Banks (AgFirst Farm Credit Bank; AgriBank, FCB; and Farm Credit Bank of Texas) and their affiliated Associations, (2) one Agricultural Credit Bank (CoBank, ACB) and its affiliated Associations, (3) the Federal Farm Credit Banks Funding Corporation (Funding Corporation) and (4) various service and other organizations. Substantially all Associations are structured as Agricultural Credit Associations (ACA) parent companies, with Federal Land Credit Associations (FLCA) and Production Credit Associations (PCA) subsidiaries. ACA parent companies provide financing and related services to customers through their FLCA and PCA subsidiaries. Generally, FLCAs make long-term loans secured by agricultural real estate or rural home loans. PCAs make short- and intermediate-term loans for agricultural production or operating purposes.

The accompanying unaudited condensed combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, these statements should be read in conjunction with the audited combined financial statements for the year ended December 31, 2024, contained in the System's *2024 Annual Information Statement*, as these statements do not include all of the disclosures required by GAAP for annual financial statements.

The accompanying condensed combined financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operation of the System. All significant intra-System transactions and balances have been eliminated in combination. Certain amounts in prior years' condensed combined financial statements have been reclassified to conform to the current year presentation. Segment guidance and disclosures do not have an impact on the System's condensed combined statements of financial condition, results of operations or cash flows as there is no chief operating decision maker at the System level.

A more complete description of System institutions, the significant accounting policies followed by System entities, and the System's combined financial condition and combined results of operations as of and for the year ended December 31, 2024 are contained in the *2024 Annual Information Statement*.

Recently Adopted or Issued Accounting Pronouncements

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 current GAAP in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount 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 System is currently assessing the potential impact on disclosures;

however, the adoption of ASU 2024-03 will not have an impact on the System's combined financial condition, results of operations or cash flows.

In December 2023, the FASB issued ASU 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The enhanced rate reconciliation will require tabular reporting by amount and percentage for specifically defined reconciling items as well as additional information for reconciling items that meet a quantitative threshold of greater than five percent of the amount computed by multiplying pre-tax income by the applicable statutory income tax rate. Income taxes paid will require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid (net of refunds received). The guidance will also eliminate the requirement to disclose an estimate of the range of the reasonably possible change in the unrecognized tax benefits balances in the next 12 months. The amendments in this guidance are effective for public business entities for annual periods beginning after December 15, 2024 and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. Since ASU 2023-09 only requires additional disclosures, the adoption of this guidance will not have an impact on the System’s combined financial condition, results of operations or cash flows.

(dollars in millions, except as noted)

NOTE 2 — INVESTMENTS

Available-for-Sale

The following is a summary of available-for-sale investments held by the Banks for maintaining a liquidity reserve, managing short-term surplus funds and managing interest rate risk:

	March 31, 2025				
	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 8,432	$ 1	$ (9)	$ 8,424	4.66%
U.S. Treasury securities	28,827	120	(297)	28,650	3.71
U.S. agency securities	2,563	20	(51)	2,532	3.44
Mortgage-backed securities	40,675	91	(2,222)	38,544	3.66
Asset-backed securities	6,228	18	(357)	5,889	3.72
Total	$ 86,725	$ 250	$ (2,936)	$ 84,039	3.77

	December 31, 2024				
	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 8,719	$ 1	$ (13)	$ 8,707	4.86%
U.S. Treasury securities	26,673	39	(478)	26,234	3.68
U.S. agency securities	2,579	6	(81)	2,504	3.45
Mortgage-backed securities	40,374	35	(2,598)	37,811	3.70
Asset-backed securities	6,262	11	(440)	5,833	3.84
Total	$ 84,607	$ 92	$ (3,610)	$ 81,089	3.82

[1]Amortized cost is presented net of applicable allowance for credit losses (ACL) of $1 million at both March 31, 2025 and December 31, 2024.

(dollars in millions, except as noted)

A summary of the fair value and amortized cost of investments available-for-sale at March 31, 2025 by contractual maturity is as follows:

	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	
	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 7,994		$ 404		$ 26				$ 8,424	4.66%
U.S. Treasury securities	6,473		17,931		4,246				28,650	3.71
U.S. agency securities	381		876		1,252		$ 23		2,532	3.44
Mortgage-backed securities	275		10,125		12,738		15,406		38,544	3.66
Asset-backed securities			1,109		2,505		2,275		5,889	3.72
Total fair value	$15,123	4.21%	$30,445	3.64%	$20,767	4.24%	$17,704	3.09%	$84,039	3.77
Total amortized cost	$15,138		$30,897		$21,104		$19,586		$86,725	

A large portion of mortgage-backed securities have contractual maturities in excess of ten years. However, expected and actual maturities for mortgage-backed securities will typically be shorter than contractual maturities because borrowers generally have the right to prepay the underlying mortgage obligations with or without prepayment penalties.

Other Investments Held-to-Maturity

The Banks and Associations may hold other investments for managing risk. The following is a summary of other investments held-to-maturity:

	March 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
Mortgage-backed securities	$ 4,142	$ 19	$ (100)	$ 4,061	4.42%
Asset-backed securities	2,939	10	(63)	2,886	5.05
Other securities	28		(1)	27	6.16
Total	$ 7,109	$ 29	$ (164)	$ 6,974	4.69

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
Mortgage-backed securities	$ 3,942	$ 18	$ (97)	$ 3,863	5.14%
Asset-backed securities	2,650	11	(38)	2,623	5.51
Other securities	28		(2)	26	6.17
Total	$ 6,620	$ 29	$ (137)	$ 6,512	5.29

(dollars in millions, except as noted)

A summary of the fair value and amortized cost of other investments held-to-maturity at March 31, 2025 by contractual maturity is as follows:

	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	
	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
Mortgage-backed securities	$ 54		$ 8		$ 15		$ 4,065		$ 4,142	4.42%
Asset-backed securities			88		1,835		1,016		2,939	5.05
Other securities			3				25		28	6.16
Total amortized cost	$ 54	5.39%	$ 99	5.96%	$ 1,850	4.94%	$ 5,106	4.57%	$ 7,109	4.69
Total fair value	$ 53		$ 101		$ 1,818		$ 5,002		$ 6,974	

Other Investments Available-for-Sale

The following is a summary of other investments available-for-sale:

	March 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
U.S. Treasury securities	$ 2,049	$ 7	$ (14)	$ 2,042	3.77%
Mortgage-backed securities	120		(15)	105	2.86
Asset-backed securities	220	1	(1)	220	7.06
Other securities	11		(3)	8	4.54
Total	$ 2,400	$ 8	$ (33)	$ 2,375	4.04

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield
U.S. Treasury securities	$ 1,875		$ (30)	$ 1,845	3.71%
Mortgage-backed securities	123		(17)	106	2.83
Asset-backed securities	216	$ 1	(1)	216	7.59
Other securities	11		(3)	8	4.54
Total	$ 2,225	$ 1	$ (51)	$ 2,175	4.06

(dollars in millions, except as noted)

A summary of the fair value and amortized cost of other investments available-for-sale at March 31, 2025 by contractual maturity is as follows:

	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	
	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
U.S. Treasury securities	$ 496		$ 1,021		$ 525				$ 2,042	3.77%
Mortgage-backed securities			6				$ 99		105	2.86
Asset-backed securities			5		31		184		220	7.06
Other securities							8		8	4.54
Total fair value	$ 496	3.66%	$ 1,032	3.61%	$ 556	4.46%	$ 291	5.38%	$ 2,375	4.04
Total amortized cost	$ 497		$ 1,044		$ 551		$ 308		$ 2,400	

Impaired Investments Evaluation

The following tables show the gross unrealized losses and fair value of the System's available-for-sale investment securities that have been in a continuous unrealized loss position. An investment is considered impaired if its fair value is less than its cost. The continuous loss position is based on the date the impairment was first identified.

	Less Than 12 Months		12 Months or More	
March 31, 2025	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 6,193	$ (1)	$ 271	$ (11)
U.S. Treasury securities	6,442	(30)	7,147	(281)
U.S. agency securities	227	(1)	1,322	(50)
Mortgage-backed securities	5,234	(25)	23,343	(2,212)
Asset-backed securities	556	(2)	3,668	(356)
Total	$ 18,652	$ (59)	$ 35,751	$ (2,910)

	Less Than 12 Months		12 Months or More	
December 31, 2024	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 5,994	$ (2)	$ 282	$ (14)
U.S. Treasury securities	10,316	(136)	7,659	(372)
U.S. agency securities	771	(13)	1,318	(68)
Mortgage-backed securities	7,881	(76)	23,742	(2,539)
Asset-backed securities	1,140	(13)	3,679	(428)
Total	$ 26,102	$ (240)	$ 36,680	$ (3,421)

(dollars in millions, except as noted)

As more fully discussed in Note 2 — Summary of Significant Accounting Policies in the *2024 Annual Information Statement*, the Banks and Associations evaluate investment securities with unrealized losses for impairment on a quarterly basis. As part of the assessment, the Banks and Associations, on an individual security basis, evaluated and concluded that they do not intend to sell any impaired security or it is more likely than not that they would be required to sell the security, prior to recovery of the amortized cost basis. The Banks and Associations also evaluate whether credit impairment exists by comparing the present value of the expected cash flows to the security's amortized cost basis. Credit impairment, if any, is recorded as an ACL for debt securities. At March 31, 2025, Banks and Associations do not consider unrealized losses on U.S. Treasury, U.S. agency and mortgage-backed securities to be credit-related and therefore an ACL is not necessary.

NOTE 3 — LOANS

The System is limited by statute to providing credit and related services to farmers, ranchers, producers and harvesters of aquatic products, rural homeowners, certain farm-related businesses, agricultural and aquatic cooperatives (or to other entities for the benefit of the cooperatives) and their customers, rural infrastructure, other eligible borrowers, and entities engaging in certain agricultural export finance transactions.

Loans outstanding consisted of the following:

	March 31, 2025	December 31, 2024
Real estate mortgage	$ 188,759	$ 187,948
Production and intermediate-term*	80,979	85,991
Agribusiness	86,268	80,315
Rural infrastructure	60,155	58,522
Rural residential real estate	7,614	7,567
Other**	8,916	8,570
Total loans	$ 432,691	$ 428,913

* Includes lease receivables.

** Includes agricultural export finance loans and loans to other financing institutions.

Banks and Associations may purchase and sell loan participations with other System institutions or non-System lenders to diversify risk, manage loan volume or comply with the limitations of Farm Credit Administration regulations. Purchases and sales among System institutions are not captured in the following table as they offset one another in combination.

The table presents information regarding outstanding balances of loan participations purchased from non-System lenders:

	March 31, 2025	December 31, 2024
Real estate mortgage	$ 7,354	$ 7,223
Production and intermediate-term	7,012	7,835
Agribusiness	2,348	2,219
Rural residential real estate	225	231
Total loans	$ 16,939	$ 17,508

Outstanding balances of loan participations sold to non-System lenders at March 31, 2025 and December 31, 2024 were considered not significant to the overall portfolio.

Credit Quality

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

System institutions use a two-dimensional loan risk rating model based on internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default over a period of time. Probability of default is management's assumption of the probability that a borrower will experience a default within 12 months from the date of the determination of the risk rating. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a particular relationship. System institutions review, at least on an annual basis, or when a credit action is taken, the probability of default category.

The model's probability of default rating scale provides for nine acceptable, one other especially mentioned, two substandard, one doubtful and one loss category. These categories are defined as follows:

- acceptable — assets are expected to be fully collectible and represent the highest quality,
- other assets especially mentioned (OAEM) — assets are currently collectible but exhibit some potential weakness,
- substandard — assets exhibit some serious weakness in repayment capacity, equity, or collateral pledged on the loan. Substandard classification is divided between viable and non-viable based on extent of weaknesses and likelihood of collection in full,
- 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, and
- loss — assets are considered uncollectible.

Each of the probability of default rating categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) or doubtful rating indicates that the probability of default is almost certain.

(dollars in millions, except as noted)

The following table presents credit quality indicators by loan type at March 31, 2025:

	Term Loans at Amortized Cost by Origination Year								
	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans	Total
Real estate mortgage									
Acceptable	$ 6,427	$ 24,598	$ 17,877	$ 21,468	$ 28,549	$ 75,463	$ 4,523	$ 555	$ 179,460
OAEM	106	306	584	662	516	1,934	243	43	4,394
Substandard/doubtful	35	201	398	711	661	2,626	213	60	4,905
Total	$ 6,568	$ 25,105	$ 18,859	$ 22,841	$ 29,726	$ 80,023	$ 4,979	$ 658	$ 188,759
Gross charge-offs[1]			$ 1		$ 1	$ 5	$ 3		$ 10
Production and intermediate-term									
Acceptable	$ 3,840	$ 11,889	$ 6,804	$ 5,689	$ 3,714	$ 5,721	$ 36,140	$ 213	$ 74,010
OAEM	231	520	287	379	125	145	2,225	21	3,933
Substandard/doubtful	193	370	314	223	149	232	1,290	265	3,036
Total	$ 4,264	$ 12,779	$ 7,405	$ 6,291	$ 3,988	$ 6,098	$ 39,655	$ 499	$ 80,979
Gross charge-offs[1]	$ 7	$ 1	$ 28	$ 1	$ 1	$ 3	$ 7		$ 48
Agribusiness									
Acceptable	$ 2,434	$ 11,604	$ 9,508	$ 8,997	$ 5,774	$ 10,697	$ 29,873	$ 198	$ 79,085
OAEM	26	440	283	932	318	384	1,219	12	3,614
Substandard/doubtful	57	319	261	280	442	792	1,336	82	3,569
Total	$ 2,517	$ 12,363	$ 10,052	$ 10,209	$ 6,534	$ 11,873	$ 32,428	$ 292	$ 86,268
Gross charge-offs[1]		$ 2	$ 6	$ 2					$ 10
Rural infrastructure									
Acceptable	$ 2,061	$ 10,134	$ 13,072	$ 8,608	$ 5,044	$ 15,950	$ 3,937	$ 51	$ 58,857
OAEM	4	56	58	134	225	463	27		967
Substandard/doubtful		68	28	76	1	149	9		331
Total	$ 2,065	$ 10,258	$ 13,158	$ 8,818	$ 5,270	$ 16,562	$ 3,973	$ 51	$ 60,155
Gross charge-offs[1]					$ 13	$ 2			$ 15
Rural residential real estate									
Acceptable	$ 138	$ 1,010	$ 767	$ 903	$ 1,111	$ 3,513	$ 65		$ 7,507
OAEM		2	2	3	2	21	1		31
Substandard/doubtful		1	5	7	9	54			76
Total	$ 138	$ 1,013	$ 774	$ 913	$ 1,122	$ 3,588	$ 66	$ 0	$ 7,614
Gross charge-offs[1]									$ 0
Other									
Acceptable	$ 62	$ 179	$ 907	$ 287	$ 180	$ 162	$ 7,119	$ 20	$ 8,916
OAEM									
Substandard/doubtful									
Total	$ 62	$ 179	$ 907	$ 287	$ 180	$ 162	$ 7,119	$ 20	$ 8,916
Gross charge-offs[1]									$ 0
Total loans									
Acceptable	$ 14,962	$ 59,414	$ 48,935	$ 45,952	$ 44,372	$111,506	$ 81,657	$ 1,037	$ 407,835
OAEM	367	1,324	1,214	2,110	1,186	2,947	3,715	76	12,939
Substandard/doubtful	285	959	1,006	1,297	1,262	3,853	2,848	407	11,917
Total	$ 15,614	$ 61,697	$ 51,155	$ 49,359	$ 46,820	$118,306	$ 88,220	$ 1,520	$ 432,691
Total gross charge-offs[1]	$ 7	$ 3	$ 35	$ 3	$ 15	$ 10	$ 10		$ 83

[1]For the quarter ended March 31, 2025.

(dollars in millions, except as noted)

The following table presents credit quality indicators by loan type at December 31, 2024:

	Term Loans at Amortized Cost by Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans	Total
Real estate mortgage									
Acceptable	$ 24,948	$ 18,562	$ 22,440	$ 29,351	$ 23,395	$ 55,159	$ 4,956	$ 468	$ 179,279
OAEM	264	575	534	526	521	1,397	247	34	4,098
Substandard/doubtful	186	292	706	543	742	1,789	260	53	4,571
Total	$ 25,398	$ 19,429	$ 23,680	$ 30,420	$ 24,658	$ 58,345	$ 5,463	$ 555	$ 187,948
Gross charge-offs[1]			$ 9	$ 1	$ 4	$ 17	$ 1		$ 32
Production and intermediate-term									
Acceptable	$ 14,390	$ 7,795	$ 6,441	$ 4,067	$ 2,336	$ 4,011	$ 40,625	$ 162	$ 79,827
OAEM	571	357	260	128	82	85	2,150	15	3,648
Substandard/doubtful	334	280	177	145	110	138	1,090	242	2,516
Total	$ 15,295	$ 8,432	$ 6,878	$ 4,340	$ 2,528	$ 4,234	$ 43,865	$ 419	$ 85,991
Gross charge-offs[1]	$ 8	$ 20	$ 18	$ 6	$ 2	$ 38	$ 31	$ 11	$ 134
Agribusiness									
Acceptable	$ 12,172	$ 9,835	$ 9,266	$ 6,001	$ 3,514	$ 7,680	$ 25,045	$ 180	$ 73,693
OAEM	402	338	892	332	261	252	1,192	8	3,677
Substandard/doubtful	242	236	220	481	413	274	1,030	49	2,945
Total	$ 12,816	$ 10,409	$ 10,378	$ 6,814	$ 4,188	$ 8,206	$ 27,267	$ 237	$ 80,315
Gross charge-offs[1]	$ 24	$ 32	$ 37	$ 43	$ 5	$ 60	$ 60	$ 11	$ 272
Rural infrastructure									
Acceptable	$ 9,613	$ 12,899	$ 8,717	$ 5,338	$ 3,548	$ 12,808	$ 4,295	$ 55	$ 57,273
OAEM	55	53	123	203	279	194	14		921
Substandard/doubtful	85	29	76	14	38	77	9		328
Total	$ 9,753	$ 12,981	$ 8,916	$ 5,555	$ 3,865	$ 13,079	$ 4,318	$ 55	$ 58,522
Gross charge-offs[1]	$ 8	$ 12	$ 1		$ 4	$ 3	$ 4		$ 32
Rural residential real estate									
Acceptable	$ 922	$ 792	$ 927	$ 1,138	$ 688	$ 2,944	$ 53		$ 7,464
OAEM	2	2	3	3	2	19	1		32
Substandard/doubtful	1	2	6	8	5	49			71
Total	$ 925	$ 796	$ 936	$ 1,149	$ 695	$ 3,012	$ 54	$ 0	$ 7,567
Gross charge-offs[1]									$ 0
Other									
Acceptable	$ 179	$ 929	$ 345	$ 206	$ 93	$ 100	$ 6,699	$ 19	$ 8,570
OAEM									
Substandard/doubtful									
Total	$ 179	$ 929	$ 345	$ 206	$ 93	$ 100	$ 6,699	$ 19	$ 8,570
Gross charge-offs[1]									$ 0
Total loans									
Acceptable	$ 62,224	$ 50,812	$ 48,136	$ 46,101	$ 33,574	$ 82,702	$ 81,673	$ 884	$ 406,106
OAEM	1,294	1,325	1,812	1,192	1,145	1,947	3,604	57	12,376
Substandard/doubtful	848	839	1,185	1,191	1,308	2,327	2,389	344	10,431
Total	$ 64,366	$ 52,976	$ 51,133	$ 48,484	$ 36,027	$ 86,976	$ 87,666	$ 1,285	$ 428,913
Total gross charge-offs[1]	$ 40	$ 64	$ 65	$ 50	$ 15	$ 118	$ 96	$ 22	$ 470

[1]For the year ended December 31, 2024.

(dollars in millions, except as noted)

The following table reflects nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned):

	March 31, 2025	December 31, 2024
Nonaccrual loans:		
Real estate mortgage	$ 1,387	$ 1,248
Production and intermediate-term	1,085	925
Agribusiness	1,085	845
Rural infrastructure	103	104
Rural residential real estate	50	49
Total nonaccrual loans	3,710	3,171
Accruing loans 90 days or more past due:		
Real estate mortgage	317	173
Production and intermediate-term	55	61
Agribusiness	2	
Rural residential real estate	2	2
Total accruing loans 90 days or more past due	376	236
Total nonperforming loans	4,086	3,407
Other property owned	56	72
Total nonperforming assets	$ 4,142	$ 3,479

The following table reflects certain related credit quality statistics:

	March 31, 2025	December 31, 2024
Nonaccrual loans as a percentage of total loans	0.86%	0.74%
Nonperforming assets as a percentage of total loans and other property owned	0.96	0.81
Nonperforming assets as a percentage of capital	5.14	4.41

(dollars in millions, except as noted)

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

	March 31, 2025			For the Three Months Ended March 31, 2025
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized
Nonaccrual loans:				
Real estate mortgage	$ 264	$ 1,123	$ 1,387	$ 12
Production and intermediate-term	682	403	1,085	10
Agribusiness	702	383	1,085	2
Rural infrastructure	101	2	103	
Rural residential real estate	3	47	50	1
Total nonaccrual loans	$ 1,752	$ 1,958	$ 3,710	$ 25

	December 31, 2024			For the Three Months Ended March 31, 2024
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized
Nonaccrual loans:				
Real estate mortgage	$ 265	$ 983	$ 1,248	$ 9
Production and intermediate-term	554	371	925	9
Agribusiness	458	387	845	2
Rural infrastructure	102	2	104	
Rural residential real estate	3	46	49	
Total nonaccrual loans	$ 1,382	$ 1,789	$ 3,171	$ 20

Accrued interest receivable on loans of $4.268 billion at March 31, 2025 and $4.763 billion at December 31, 2024 have been excluded from the amortized cost of loans and reported separately in the Condensed Combined Statement of Condition. The System wrote-off accrued interest receivable of $5 million during the three months ended March 31, 2025 by reversing interest income, as compared with $9 million during the three months ended March 31, 2024.

(dollars in millions, except as noted)

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

	March 31, 2025					
	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	$ 1,164	$ 1,057	$ 2,221	$ 186,538	$ 188,759	$ 317
Production and intermediate-term	858	586	1,444	79,535	80,979	55
Agribusiness	370	232	602	85,666	86,268	2
Rural infrastructure	41	27	68	60,087	60,155	
Rural residential real estate	69	21	90	7,524	7,614	2
Other				8,916	8,916	
Total	$ 2,502	$ 1,923	$ 4,425	$ 428,266	$ 432,691	$ 376

	December 31, 2024					
	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	$ 872	$ 755	$ 1,627	$ 186,321	$ 187,948	$ 173
Production and intermediate-term	517	432	949	85,042	85,991	61
Agribusiness	175	177	352	79,963	80,315	
Rural infrastructure	10	3	13	58,509	58,522	
Rural residential real estate	74	25	99	7,468	7,567	2
Other				8,570	8,570	
Total	$ 1,648	$ 1,392	$ 3,040	$ 425,873	$ 428,913	$ 236

(dollars in millions, except as noted)

The following tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during both the three months ended March 31, 2025 and 2024, disaggregated by loan type and type of modification granted:

	For the Three Months Ended March 31, 2025							
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Extension	Combination - Term Extension and Payment Extension	Total	Percentage of Total by Loan Type
Real estate mortgage	$ 27	$ 8	$ 204	$ 4	$ 2	$ 4	$ 249	0.13%
Production and intermediate-term	1	127	45	4		91	268	0.33
Agribusiness		117	14		17	19	167	0.19
Total	$ 28	$ 252	$ 263	$ 8	$ 19	$ 114	$ 684	0.16

	For the Three Months Ended March 31, 2024							
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Interest Rate Reduction and Payment Extension	Combination - Term Extension and Payment Extension	Total	Percentage of Total by Loan Type
Real estate mortgage	$ 12	$ 13	$ 142		$ 2	$ 1	$ 170	0.10%
Production and intermediate-term	9	114	11	$ 2		46	182	0.24
Agribusiness	10	59	68			42	179	0.24
Rural infrastructure			2				2	0.00
Rural residential real estate		1					1	0.01
Total	$ 31	$ 187	$ 223	$ 2	$ 2	$ 89	$ 534	0.13

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty during both the three months ended March 31, 2025 and 2024 were $14 million and $10 million.

(dollars in millions, except as noted)

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

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 8.06% to 7.14%
Production and intermediate-term	Reduced weighted average contractual interest rate from 12.00% to 11.06%

	Term Extension
	Financial Effect
Real estate mortgage	Added a weighted average 12.0 years to the life of loans
Production and intermediate-term	Added a weighted average 10.8 months to the life of loans
Agribusiness	Added a weighted average 1.3 years to the life of loans

	Payment Extension
	Financial Effect
Real estate mortgage	Provided a weighted average 1.4 years of payment deferrals
Production and intermediate-term	Provided a weighted average 1.3 years of payment deferrals
Agribusiness	Provided a weighted average 1.0 year of payment deferrals

	Combination - Interest Rate Reduction and Term Extension
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 4.37% to 4.21% and added a weighted average 10.8 years to the life of loans
Production and intermediate-term	Reduced weighted average contractual interest rate from 11.33% to 8.51% and added a weighted average 3.8 years to the life of loans

	Combination - Interest Rate Reduction and Payment Extension
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 12.88% to 7.88% and added a weighted average 9.4 months of payment deferrals
Agribusiness	Reduced weighted average contractual interest rate from 8.44% to 7.44% and added a weighted average 8.3 years of payment deferrals

	Combination - Term Extension and Payment Extension
	Financial Effect
Real estate mortgage	Added a weighted average 7.9 years to the life of loans and provided a weighted average 4.5 years of payment deferrals
Production and intermediate-term	Added a weighted average 1.0 year to the life of loans and provided a weighted average 1.3 years of payment deferrals
Agribusiness	Added a weighted average 1.6 years to the life of loans and provided a weighted average 1.6 years of payment deferrals

(dollars in millions, except as noted)

The following table describes the financial effects of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2024:

	Interest Rate Reduction
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 8.44% to 7.53%
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.31% to 8.53%
Agribusiness	Reduced weighted average contractual interest rate from 9.96% to 9.73%

	Term Extension
	Financial Effect
Real estate mortgage	Added a weighted average 6.3 years to the life of loans
Production and intermediate-term	Added a weighted average 8.5 months to the life of loans
Agribusiness	Added a weighted average 10.0 months to the life of loans
Rural residential real estate	Added a weighted average 7.9 years to the life of loans

	Payment Extension
	Financial Effect
Real estate mortgage	Provided a weighted average 10.3 months of payment deferrals
Production and intermediate-term	Provided a weighted average 5.6 months of payment deferrals
Agribusiness	Provided a weighted average 11.4 months of payment deferrals
Rural infrastructure	Provided a weighted average 1.0 month of payment deferrals

	Principal Forgiveness
	Financial Effect
Production and intermediate-term	Reduced the amortized cost basis of the loans by $2 million
Agribusiness	Reduced the amortized cost basis of the loans by $53 million

	Combination - Interest Rate Reduction and Term Extension
	Financial Effect
Production and intermediate-term	Reduced weighted average contractual interest rate from 9.20% to 7.78% and added a weighted average 3.7 years to the life of loans

	Combination - Interest Rate Reduction and Payment Extension
	Financial Effect
Real estate mortgage	Reduced weighted average contractual interest rate from 14.65% to 10.09% and provided a weighted average 10.6 months of payment deferrals

	Combination - Term Extension and Payment Extension
	Financial Effect
Real estate mortgage	Added a weighted average 4.3 years to the life of loans and provided a weighted average 6.0 months of payment deferrals
Production and intermediate-term	Added a weighted average 1.0 year to the life of loans and provided a weighted average 9.9 months of payment deferrals
Agribusiness	Added a weighted average 7.9 months to the life of loans and provided a weighted average 6.8 months of payment deferrals

(dollars in millions, except as noted)

The following tables set forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2025 and 2024, and received a modification in the twelve months before default:

	Modified Loans that Subsequently Defaulted				
	For the Three Months Ended March 31, 2025				
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Extension
Real estate mortgage		$ 2	$ 4		
Production and intermediate-term	$ 1	10	11	$ 7	$ 5
Agribusiness		1			
Total	$ 1	$ 13	$ 15	$ 7	$ 5

	Modified Loans that Subsequently Defaulted				
	For the Three Months Ended March 31, 2024				
	Interest Rate Reduction	Term Extension	Payment Extension	Combination - Interest Rate Reduction and Term Extension	Combination - Term Extension and Payment Extension
Real estate mortgage	$ 2	$ 5	$ 8		
Production and intermediate-term	1	16	1	$ 8	$ 1
Agribusiness		15			
Total	$ 3	$ 36	$ 9	$ 8	$ 1

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

	Payment Status of Loans Modified in the Past Twelve Months			
March 31, 2025	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Real estate mortgage	$ 327	$ 50	$ 47	$ 424
Production and intermediate-term	405	32	46	483
Agribusiness	490	34	13	537
Rural infrastructure	28		3	31
Rural residential real estate	3	1	1	5
Total	$ 1,253	$ 117	$ 110	$ 1,480

(dollars in millions, except as noted)

	Payment Status of Loans Modified in the Past Twelve Months			
March 31, 2024	**Current**	**30-89 Days Past Due**	**90 Days or More Past Due**	**Total**
Real estate mortgage	$ 218	$ 34	$ 15	$ 267
Production and intermediate-term	334	68	26	428
Agribusiness	426		41	467
Rural infrastructure	33			33
Rural residential real estate	4		1	5
Total	$ 1,015	$ 102	$ 83	$ 1,200

Additional commitments to lend to borrowers experiencing financial difficulties whose loans have been modified during the three months ended March 31, 2025 were $163 million and during the year ended December 31, 2024 were $348 million.

Loans held for sale were $60 million and $65 million at March 31, 2025 and December 31, 2024. Such loans are included in other assets and are carried at the lower of cost or fair value.

NOTE 4 — ALLOWANCE FOR CREDIT LOSSES

A summary of changes in the ACL by portfolio segment for the three months ended March 31, 2025 follows:

	Real estate mortgage	Production and intermediate-term	Agribusiness	Rural infrastructure	Rural residential real estate	Other	Total
Allowance for Credit Losses on Loans:							
Balance at December 31, 2024	$ 413	$ 434	$ 568	$ 350	$ 16	$ 18	$ 1,799
Charge-offs	(10)	(48)	(10)	(15)			(83)
Recoveries	1	32	6	1			40
Provision for credit losses	41	107	78	17		2	245
Balance at March 31, 2025	$ 445	$ 525	$ 642	$ 353	$ 16	$ 20	$ 2,001
Allowance for Credit Losses on Unfunded Commitments:							
Balance at December 31, 2024	$ 11	$ 54	$ 77	$ 30		$ 1	$ 173
Provision for credit losses (credit loss reversal)		3	(2)	4			5
Balance at March 31, 2025	$ 11	$ 57	$ 75	$ 34	$ 0	$ 1	$ 178
Allowance for Credit Losses on Investments:							
Balance at December 31, 2024	N/A	N/A	N/A	N/A	N/A	N/A	$ 1
Provision for credit losses	N/A	N/A	N/A	N/A	N/A	N/A	
Balance at March 31, 2025	N/A	N/A	N/A	N/A	N/A	N/A	$ 1
Total Allowance for Credit Losses:							
Balance at March 31, 2025	$ 456	$ 582	$ 717	$ 387	$ 16	$ 21	$ 2,180

(dollars in millions, except as noted)

A summary of changes in the ACL by portfolio segment for the three months ended March 31, 2024 follows:

	Real estate mortgage	Production and intermediate-term	Agribusiness	Rural infrastructure	Rural residential real estate	Other	Total
Allowance for Credit Losses on Loans:							
Balance at December 31, 2023	$ 372	$ 321	$ 536	$ 332	$ 28	$ 28	$ 1,617
Charge-offs	(7)	(21)	(70)	(1)			(99)
Recoveries	2	6	3				11
Provision for credit losses (credit loss reversal)	10	27	25	(7)	(3)	(6)	46
Balance at March 31, 2024	$ 377	$ 333	$ 494	$ 324	$ 25	$ 22	$ 1,575
Allowance for Credit Losses on Unfunded Commitments:							
Balance at December 31, 2023	$ 13	$ 55	$ 102	$ 34		$ 2	$ 206
(Credit loss reversal) provision for credit losses	(1)	3	(9)	1			(6)
Balance at March 31, 2024	$ 12	$ 58	$ 93	$ 35	$ 0	$ 2	$ 200
Allowance for Credit Losses on Investments:							
Balance at December 31, 2023	N/A	N/A	N/A	N/A	N/A	N/A	$ 3
Provision for credit losses	N/A	N/A	N/A	N/A	N/A	N/A	
Balance at March 31, 2024	N/A	N/A	N/A	N/A	N/A	N/A	$ 3
Total Allowance for Credit Losses:							
Balance at March 31, 2024	$ 389	$ 391	$ 587	$ 359	$ 25	$ 24	$ 1,778

Discussion of Changes in Allowance for Credit Losses

The ACL increased $207 million to $2.180 billion at March 31, 2025, as compared to $1.973 billion at December 31, 2024. This increase was mainly due to specific reserves associated with deteriorating credit quality for a limited number of customers, a modest deterioration in credit quality and weakening macroeconomic forecasts impacting modeled credit losses.

The ACL takes into consideration relevant information about past events, current conditions and reasonable and supportable macroeconomic forecasts of future conditions. System institutions may utilize either a single economic scenario or multiple scenarios over their determined reasonable and supportable forecast period, generally between 12 and 36 months. All sources are from public published indices.

The following table sets forth certain significant macroeconomic variables by loan type:

Portfolio Segment	Macroeconomic Variable
Real estate mortgage	Net farm income, Cropland cash rents, Real disposable personal income, Home price index
Production and intermediate-term	Net farm income, Export of agricultural goods, Cropland cash rents, USDA year-over-year percentage change in total livestock cash receipts
Agribusiness	Unemployment rates, Net farm income, U.S. Real Gross Domestic Product (GDP), Export of agricultural goods
Rural infrastructure	Unemployment rates, GDP
Rural residential real estate	Unemployment rates, Net farm income, U.S. median house price, GDP, Home price index
Other	Unemployment rates, GDP, Real disposable personal income

(dollars in millions, except as noted)

NOTE 5 — OTHER ASSETS AND OTHER LIABILITIES

Other assets consisted of the following:

	March 31, 2025	December 31, 2024
Equipment held for lease	$ 651	$ 639
Investments in rural business investment companies	571	547
Interest rate swaps and other derivatives	460	481
Accounts receivable	427	404
Assets held in non-qualified benefits trusts	289	291
Prepaid expenses	200	155
Equity investments in other System institutions	135	128
Operating lease right-of-use assets	126	128
Pension assets	83	75
Loans held for sale	60	65
Other property owned	56	72
Net deferred tax assets	19	20
Other	390	327
Total	$ 3,467	$ 3,332

Other liabilities consisted of the following:

	March 31, 2025	December 31, 2024
Patronage and dividends payable	$ 688	$ 3,040
Interest rate swaps and other derivatives	652	723
Bank drafts payable	620	124
Net deferred tax liabilities	506	486
Pension and other postretirement benefit plan liabilities	487	509
Accounts payable	412	573
Accrued salaries and employee benefits	304	615
Collateral held from derivative counterparties	248	326
Liabilities held in non-qualified benefit trusts	207	208
Allowance for credit losses on unfunded commitments	178	173
Operating lease liabilities	140	142
Other	533	564
Total	$ 4,975	$ 7,483

NOTE 6 — FARM CREDIT INSURANCE FUND

The assets in the Insurance Fund are designated as restricted assets and the related capital is designated as restricted capital. The classification of the Insurance Fund as restricted assets (and as restricted capital) in the System's condensed combined financial statements is based on the statutory requirement that the amounts in the Insurance Fund are to be used solely for purposes specified in the Farm Credit Act of 1971, as amended (Farm Credit Act), all of which benefit the Banks and Associations. The Insurance Fund is under the direct control of the Farm Credit System Insurance Corporation (Insurance Corporation), an independent U.S. government-controlled corporation, and not under the control of any System institution. A board of directors consisting of the Farm Credit Administration Board directs the Insurance Corporation.

The System does not have a guaranteed line of credit from the U.S. Treasury or the Federal Reserve. However, the Insurance Corporation has an agreement with the Federal Financing Bank, a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the Federal Financing Bank would advance funds to the Insurance Corporation under certain limited circumstances. Under its existing statutory authority, the Insurance Corporation may use these funds to provide assistance to the System Banks in exigent market circumstances that threaten the Banks' ability to pay maturing debt obligations. The agreement provides for advances of up to $10 billion and will remain in full force and effect until terminated by either the Insurance Corporation or the Federal Financing Bank. The decision whether to seek funds from the Federal Financing Bank is at the discretion of the Insurance Corporation, and each funding obligation of the Federal Financing Bank is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by the System.

(dollars in millions, except as noted)

At March 31, 2025, assets in the Insurance Fund totaled $8.054 billion and consisted of cash, investments and related accrued interest receivable of $7.954 billion and of premiums receivable from System institutions of $100 million accrued on the basis of adjusted outstanding insured debt during the first three months of 2025. Investments held by the Insurance Fund must be obligations of the United States or obligations guaranteed as to principal and interest by the United States. During the first three months of 2025, income earned on assets in the Insurance Fund and premiums accrued by the Insurance Corporation totaled $171 million, net of administrative expenses.

As further discussed in the *2024 Annual Information Statement*, pursuant to the Farm Credit Act, as amended, the Insurance Corporation may distribute excess funds above the secure base amount to System institutions. At December 31, 2024, the Insurance Fund exceeded the secure base amount by $77 million (after deduction of prospective operating expenses for 2025) and the excess was transferred to the Allocated Insurance Reserves Accounts. In March 2025, the Insurance Corporation's board of directors approved and distributed the $77 million of excess funds to System institutions.

At March 31, 2025, as determined by the Insurance Corporation, the Insurance Fund for which no specific use has been identified or designated was 2.03% of adjusted insured obligations, as compared with 2.00% at December 31, 2024. The Insurance Fund with the allocated amount was 2.02% of the adjusted insured obligations at December 31, 2024. No amounts were allocated as of March 31, 2025.

NOTE 7 — SYSTEMWIDE DEBT SECURITIES

Aggregate maturities and the weighted average interest rate of Systemwide Debt Securities were as follows at March 31, 2025:

	Bonds		Medium-term Notes		Discount Notes		Total	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Due in 1 year or less	$ 137,300	3.95%			$21,664	4.09%	$ 158,964	3.97%
Due after 1 year through 2 years	137,881	4.07					137,881	4.07
Due after 2 years through 3 years	39,805	3.52					39,805	3.52
Due after 3 years through 4 years	24,928	3.35	$ 61	5.75%			24,989	3.36
Due after 4 years through 5 years	18,633	3.24					18,633	3.24
Due after 5 years	71,940	3.21					71,940	3.21
Total	$ 430,487	3.76	$ 61	5.75	$21,664	4.09	$ 452,212	3.78

The Farm Credit Act and Farm Credit Administration regulations require each Bank to maintain specified eligible assets (referred to in the Farm Credit Act as "collateral") at least equal in value to the total amount of debt securities outstanding for which it is primarily liable as a condition for participation in the issuance of Systemwide Debt Securities. The collateral must consist of notes and other obligations representing loans or real or personal property acquired in connection with loans made under the authority of the Farm Credit Act, obligations of the United States or any agency thereof direct or fully guaranteed, and other Farm Credit Administration approved Bank assets, including eligible marketable securities, or cash. Each Bank was in compliance with these requirements as of March 31, 2025 and December 31, 2024. At March 31, 2025, the combined Banks had specified eligible assets of $486.1 billion and $460.7 billion of Systemwide Debt Securities, other bonds and accrued interest payable, as compared with $482.3 billion of specified eligible assets and $456.1 billion of Systemwide Debt Securities, other bonds and accrued interest payable at December 31, 2024. The specified eligible asset requirement does not provide holders of the securities with a security interest in any assets of the Banks.

(dollars in millions, except as noted)

NOTE 8 — CAPITAL STRUCTURE

Capital consisted of the following at March 31, 2025:

	Combined Banks	Combined Associations	Combination Entries	System Combined
Preferred stock	$ 2,675	$ 706		$ 3,381
Capital stock and participation certificates	11,895	474	$ (10,182)	2,187
Additional paid-in-capital	64	7,321		7,385
Restricted capital — Farm Credit Insurance Fund			8,054	8,054
Accumulated other comprehensive loss	(2,547)	(57)	(692)	(3,296)
Retained earnings	14,039	49,008	(208)	62,839
Total capital	$ 26,126	$ 57,452	$ (3,028)	$ 80,550

Preferred stock issued and outstanding reflects the issuance by two Banks and five Associations. Combined System retained earnings reflected net eliminations of $208 million representing transactions between the Banks, the Associations and/or the Insurance Fund. Capital stock and participation certificates of the Banks amounting to $10.2 billion were owned by the Associations. These amounts have been eliminated in the accompanying condensed combined financial statements. Restricted capital is only available for statutorily authorized purposes and is not available for payment of dividends or patronage distributions.

During the first quarter of 2025, CoBank redeemed all outstanding shares of its $300 million 6.20% non-cumulative perpetual preferred stock at par.

During the first quarter of 2024, AgriBank redeemed all outstanding shares of its $250 million non-cumulative perpetual preferred stock at par.

Preferred stock is the sole obligation of the issuing entity and is not guaranteed by any other System institution and is not considered a Systemwide Debt Security subject to the provisions of joint and several liability. Preferred stock is not guaranteed or insured by the Insurance Fund.

Accumulated other comprehensive loss was comprised of the following components:

	March 31, 2025			December 31, 2024		
	Before Tax	Deferred Tax	Net of Tax	Before Tax	Deferred Tax	Net of Tax
Unrealized losses on investments available-for-sale, net	$ (2,709)	$ 80	$ (2,629)	$ (3,566)	$ 138	$ (3,428)
Unrealized gains on cash flow hedges, net	112	12	124	427	(5)	422
Pension and other benefit plans	(805)	14	(791)	(821)	14	(807)
Total	$ (3,402)	$ 106	$ (3,296)	$ (3,960)	$ 147	$ (3,813)

(dollars in millions, except as noted)

The following tables present the activity in the accumulated other comprehensive loss, net of tax by component:

	Unrealized losses on investments available-for-sale, net	Unrealized gains on cash flow hedges, net	Pension and other benefit plans	Accumulated other comprehensive loss
Balance at December 31, 2024	$ (3,428)	$ 422	$ (807)	$ (3,813)
Other comprehensive income (loss) before reclassifications	797	(291)		506
Amounts reclassified from accumulated other comprehensive loss to income	2	(7)	16	11
Net current period other comprehensive income (loss)	799	(298)	16	517
Balance at March 31, 2025	$ (2,629)	$ 124	$ (791)	$ (3,296)

	Unrealized losses on investments available-for-sale, net	Unrealized gains on cash flow hedges, net	Pension and other benefit plans	Accumulated other comprehensive loss
Balance at December 31, 2023	$ (3,632)	$ 72	$ (957)	$ (4,517)
Other comprehensive (loss) income before reclassifications	(221)	200	(18)	(39)
Amounts reclassified from accumulated other comprehensive loss to income		(13)	21	8
Net current period other comprehensive (loss) income	(221)	187	3	(31)
Balance at March 31, 2024	$ (3,853)	$ 259	$ (954)	$ (4,548)

Only the Banks are statutorily liable for the payment of principal and interest on Federal Farm Credit Banks Consolidated Systemwide Bonds, Federal Farm Credit Banks Consolidated Systemwide Discount Notes, Federal Farm Credit Banks Consolidated Systemwide Medium-Term Notes and other debt securities issued under Section 4.2(d) of the Farm Credit Act (collectively, Systemwide Debt Securities). Under each Bank's bylaws, the Bank is authorized under certain circumstances to require its affiliated Associations and certain other equity holders to purchase additional Bank equities. In most cases, the Banks are limited as to the amounts of these purchases that may be required, generally with reference to a percentage of the Association's or other equity holder's direct loan from the Bank, and calls for additional equity investments may be subject to other limits or conditions. However, the Banks also generally possess indirect access to certain financial resources of their affiliated Associations through loan-pricing provisions and through Bank-influenced District operating and financing policies and agreements.

(dollars in millions, except as noted)

Capital regulations issued by the System's regulator, the Farm Credit Administration, require that the Banks and Associations maintain regulatory minimums for the following capital ratios:

Ratio	Minimum Requirement	Minimum Requirement with Buffer
Common Equity Tier 1 Capital	4.5%	7.0%
Tier 1 Capital	6.0%	8.5%
Total Capital	8.0%	10.5%
Tier 1 Leverage*	4.0%	5.0%
Unallocated Retained Earnings (URE) and URE Equivalents (UREE) Leverage	1.5%	N/A
Permanent Capital	7.0%	N/A

* Must include the regulatory minimum requirement for the URE and UREE Leverage ratio.

At March 31, 2025, all System institutions complied with these standards.

NOTE 9 — EMPLOYEE BENEFIT PLANS

The Banks and substantially all Associations participate in defined benefit retirement plans. The Banks and Associations, except for CoBank and certain affiliated Associations, generally have governmental plans that cover many System institutions and as such cannot be attributed to any individual entity. Thus, these plans are generally recorded at the combined District level. Although these plans are aggregated in the System's combined financial statements, the plan assets are particular to each plan's obligations. These retirement plans are noncontributory and benefits are based on salary and years of service. The Banks and Associations have closed their defined benefit pension plans to new participants and offer defined contribution retirement plans to all employees hired subsequent to the close of their respective defined benefit pension plans. In addition, certain System institutions provide healthcare and other postretirement benefits to eligible retired employees. Employees of System institutions may become eligible for healthcare and other postretirement benefits if they reach normal retirement age while working for the System.

The following table summarizes the components of net periodic benefit cost for the three months ended March 31:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Service cost	$ 8	$ 10	$ 1	$ 1
Interest cost	43	44	4	3
Expected return on plan assets	(49)	(48)		
Net amortization and deferral	17	21	(1)	(1)
Net periodic benefit cost	$ 19	$ 27	$ 4	$ 3

The components of net periodic benefit cost other than the service cost component are included in the line item other expense in the Condensed Combined Statement of Income.

As of March 31, 2025, $55 million and $3 million of contributions have been made to pension and other postretirement benefit plans. System institutions presently anticipate contributing an additional $20 million to fund their pension plans and $11 million to fund their other postretirement benefit plans during the remainder of 2025.

NOTE 10 — FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 2 — Summary of Significant Accounting Policies in the *2024 Annual Information Statement* for additional information.

(dollars in millions, except as noted)

Assets and liabilities measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024 for each of the fair value hierarchy levels are summarized below:

March 31, 2025	Fair Value Measurement Using Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Federal funds sold and securities purchased under resale agreements		$ 2,990		$ 2,990
Commercial paper, bankers' acceptances, certificates of deposit and other securities		8,424	$ 8	8,432
U.S. Treasury securities		30,692		30,692
U.S. agency securities		2,532		2,532
Mortgage-backed securities		38,600	49	38,649
Asset-backed securities		6,109		6,109
Derivative assets		460		460
Assets held in non-qualified benefits trusts	$ 289			289
Total assets	$ 289	$ 89,807	$ 57	$ 90,153
Liabilities:				
Derivative liabilities		$ 652		$ 652
Collateral liabilities		248		248
Standby letters of credit			$ 25	25
Total liabilities	$ 0	$ 900	$ 25	$ 925

December 31, 2024	Fair Value Measurement Using Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Federal funds sold and securities purchased under resale agreements		$ 5,385		$ 5,385
Commercial paper, bankers' acceptances, certificates of deposit and other securities		8,707	$ 8	8,715
U.S. Treasury securities		28,079		28,079
U.S. agency securities		2,504		2,504
Mortgage-backed securities		37,866	51	37,917
Asset-backed securities		6,049		6,049
Derivative assets		481		481
Assets held in non-qualified benefits trusts	$ 291			291
Total assets	$ 291	$ 89,071	$ 59	$ 89,421
Liabilities:				
Derivative liabilities		$ 723		$ 723
Collateral liabilities	$ 2	324		326
Standby letters of credit			$ 25	25
Total liabilities	$ 2	$ 1,047	$ 25	$ 1,074

(dollars in millions, except as noted)

The tables below summarize the activity of all Level 3 assets and liabilities measured at fair value on a recurring basis for the first quarters of 2025 and 2024:

	Commercial paper, bankers' acceptances certificates of deposit and other securities	Mortgage-backed securities	Standby letters of credit
Balance at December 31, 2024	$ 8	$ 51	$ 25
Issuances			6
Settlements		(2)	(6)
Balance at March 31, 2025	$ 8	$ 49	$ 25
The amount of gains/losses for the period included in other comprehensive income/loss attributable to the change in unrealized gains or losses relating to assets or liabilities still held at March 31, 2025	$ 0	$ 0	$ 0

	Commercial paper, bankers' acceptances certificates of deposit and other securities	Mortgage-backed securities	Standby letters of credit
Balance at December 31, 2023	$ 118	$ 58	$ 21
Purchases	1		
Issuances			5
Settlements	(6)	(3)	(4)
Transfers from Level 3 into Level 2	(100)		
Balance at March 31, 2024	$ 13	$ 55	$ 22
The amount of gains/losses for the period included in other comprehensive income/loss attributable to the change in unrealized gains or losses relating to assets or liabilities still held at March 31, 2024	$ 0	$ 0	$ 0

There were no losses included in earnings during the first quarters of 2025 and 2024 that were attributable to the change in unrealized gains or losses relating to assets or liabilities still held at March 31, 2025 and 2024.

The transfers between Level 3 and Level 2 during the first quarter of 2024 were due to a change in the sources of pricing information. There were no transfers between levels during the first quarter of 2025.

Level 3 assets measured at fair value on a non-recurring basis included loans of $1.314 billion and other property owned of $61 million at March 31, 2025, as compared to $1.086 billion and $77 million at December 31, 2024.

(dollars in millions, except as noted)

Financial assets and financial liabilities measured at carrying amounts and not measured at fair value on the Condensed Combined Statement of Condition for each of the fair value hierarchy levels are summarized as follows:

	March 31, 2025				
	Total Carrying Amount	Fair Value Measurement Using			Total Fair Value
		Level 1	Level 2	Level 3	
Assets:					
Cash	$ 3,090	$ 3,090			$ 3,090
Other investments held-to-maturity	7,109		$ 4,040	$ 2,934	6,974
Net loans	430,690			425,200	425,200
Total assets	$ 440,889	$ 3,090	$ 4,040	$ 428,134	$ 435,264
Liabilities:					
Systemwide Debt Securities	$ 452,212			$ 442,724	$ 442,724
Subordinated debt	398			327	327
Other bonds	5,546			5,546	5,546
Other interest bearing liabilities	1,898		$ 27	1,818	1,845
Total liabilities	$ 460,054	$ 0	$ 27	$ 450,415	$ 450,442
Other financial instruments:					
Commitments to extend credit				$ 314	$ 314

	December 31, 2024				
	Total Carrying Amount	Fair Value Measurement Using			Total Fair Value
		Level 1	Level 2	Level 3	
Assets:					
Cash	$ 3,504	$ 3,504			$ 3,504
Other investments held-to-maturity	6,620		$ 3,687	$ 2,825	6,512
Net loans	427,114			419,979	419,979
Total assets	$ 437,238	$ 3,504	$ 3,687	$ 422,804	$ 429,995
Liabilities:					
Systemwide Debt Securities	$ 447,861			$ 435,457	$ 435,457
Subordinated debt	398			320	320
Other bonds	5,139			5,139	5,139
Other interest bearing liabilities	1,534		$ 36	1,424	1,460
Total liabilities	$ 454,932	$ 0	$ 36	$ 442,340	$ 442,376
Other financial instruments:					
Commitments to extend credit				$ 350	$ 350

Uncertainty of Fair Value Measurements

For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, the significant unobservable inputs used in the fair value measurement of the mortgage-backed securities are prepayment rates, probability of default, and loss severity in the event of default. Significant increases (decreases) in any of those inputs in isolation would have resulted in a significantly lower (higher) fair value measurement.

(dollars in millions, except as noted)

Generally, a change in the assumption used for the probability of default would have been accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates.

Quoted market prices are generally not available for the instruments presented below. Accordingly, fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Quantitative Information about Recurring and Nonrecurring Level 3 Fair Value Measurements

	Fair Value		Valuation Technique(s)	Unobservable Input	Range of Inputs	
	March 31, 2025	December 31, 2024			March 31, 2025	December 31, 2024
Commercial paper, bankers' acceptances, certificates of deposit and other securities	$ 8	$ 8	Discounted cash flow	Prepayment rate	0.0%	0.0%
Mortgage-backed securities	$ 6	$ 7	Discounted cash flow	Prepayment rate	4.9%-31.2%	3.5%-31.2%
	43	44	Vendor priced			
	$ 49	$ 51				
Standby letters of credit	$ 25	$ 25	Discounted cash flow	Rate of funding	50.0%	50.0%
				Risk-adjusted spread	0.1%-1.3%	0.1%-1.5%

With regard to nonrecurring measurements for impaired 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.

Information about Recurring and Nonrecurring Level 2 Fair Value Measurements

	Valuation Technique(s)	Input
Federal funds sold and securities purchased under resale agreements	Carrying value	Par/principal and appropriate interest yield
Investment securities available-for-sale	Discounted cash flow	Constant prepayment rate Probability of default Loss severity
	Quoted prices	Price for similar security
Interest rate swaps, caps and floors	Discounted cash flow	Annualized volatility Counterparty credit risk Company's own credit risk

Valuation Techniques

As more fully discussed in Note 2 — Summary of Significant Accounting Policies, in the *2024 Annual Information Statement*, FASB guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represents a brief summary of the valuation techniques used by the System for assets and liabilities measured at fair value:

Investment Securities

Where quoted prices are available in an active market, available-for-sale securities would be classified as Level 1. If quoted prices are not available in an active market, the fair value of securities is estimated using pricing models that utilize observable inputs, quoted prices for similar securities received from pricing services or discounted cash flows. Generally, these securities would be classified as Level 2. This would include, but not limited to, U.S. Treasury, U.S. agency and the substantial majority of mortgage-backed and asset-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 primarily consist of certain mortgage-backed securities including those issued by Farmer Mac and private label-FHA/VA securities.

To estimate the fair value of the majority of the investments held, the Banks and Associations obtain prices from third party pricing services. For the valuation of securities not actively traded, including certain mortgage-backed securities, the Banks and Associations utilize either a third party cash flow model or an internal model. The significant inputs for the valuation models include yields, probability of default, loss severity and prepayment rates.

Derivatives

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

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

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 market-place.

Standby Letters of Credit

The fair value of letters of credit approximate the fees currently charged for similar agreements or the estimated cost to terminate or otherwise settle similar obligations.

Loans Evaluated for Impairment

For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent 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.

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.

Collateral Liabilities

Derivative contracts are supported by bilateral collateral agreements with counterparties requiring the posting of collateral in the event certain dollar thresholds of credit exposure are reached or are cleared through a futures commission merchant, with a clearinghouse (i.e., a central counterparty). The market value of collateral liabilities is its face value plus accrued interest that approximates fair value.

NOTE 11 — DERIVATIVE PRODUCTS AND HEDGING ACTIVITIES

The Banks and Associations maintain an overall interest rate risk management strategy that incorporates the use of derivative products to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets and liabilities so that movements in interest rates do not adversely affect the net interest margin. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by the gains or losses on the derivative instruments that are linked to these hedged assets and liabilities. Another result of interest rate fluctuations is that the interest income and interest expense of hedged floating-rate assets and liabilities will increase or decrease. The effect of this variability in earnings is expected to be substantially offset by the gains and losses on the derivative instruments that are linked to these hedged assets and liabilities. The strategic use of derivatives is considered to be a prudent method of managing interest rate sensitivity, as it prevents earnings from being exposed to undue risk resulting from changes in interest rates.

In addition, derivative transactions, particularly interest rate swaps, are entered into to lower funding costs, diversify sources of funding, alter interest rate exposures arising from mismatches between assets and liabilities, or better manage liquidity. Interest rate swaps allow us to issue medium-term debt at fixed rates, which are then swapped to floating rates that are lower than those available if floating-rate debt was issued directly. Under interest rate swap arrangements, the parties agree to exchange, at specified intervals, payment streams calculated on a specified notional principal amount, with at least one stream based on a specified floating rate index.

The Banks may enter into derivatives with their customers, including Associations, as a service to enable customers to transfer, modify or reduce their interest rate risk by transferring this risk to the Bank. The Banks substantially offset the market risk by concurrently entering into offsetting agreements with non-System institutional counterparties.

A substantial amount of the System's assets are interest-earning assets (principally loans and investments) that tend to be medium-term floating-rate instruments, while a portion the related interest-bearing liabilities tend to be short- or medium-term fixed-rate obligations. Given the potential for an this asset-liability mismatch, interest rate swaps that pay floating rate and receive fixed rate (receive-fixed swaps) are used to reduce the impact of market fluctuations on net interest income. Because the size of swap positions needed to reduce the impact of market fluctuations varies over time, swaps that receive floating rate and pay fixed rate (pay-fixed swaps) are used to reduce net positions.

Interest rate options may be purchased in order to reduce the impact of rising interest rates on floating-rate debt (interest rate caps) or to reduce the impact of falling interest rates on floating-rate assets (interest rate floors).

(dollars in millions, except as noted)

The primary types of derivative instruments used and the amount of activity (notional amount of derivatives) during the three months ended March 31, 2025 and 2024 are summarized in the following tables:

	Receive-Fixed Swaps	Pay-Fixed and Amortizing Pay-Fixed Swaps	Floating-for-Floating and Amortizing Floating-for-Floating	Interest Rate Caps and Floors	Other Derivatives	Total
Balance at December 31, 2024	$ 26,665	$ 37,828	$ 5,950	$ 2,897	$ 13,958	$ 87,298
Additions	3,449	103,778	400	95	10,256	117,978
Maturities/amortization	(7,518)	(33,503)	(4,000)	(53)	(9,230)	(54,304)
Terminations		(102)			(102)	(204)
Balance at March 31, 2025	$ 22,596	$ 108,001	$ 2,350	$ 2,939	$ 14,882	$150,768

	Receive-Fixed Swaps	Pay-Fixed and Amortizing Pay-Fixed Swaps	Floating-for-Floating and Amortizing Floating-for-Floating	Interest Rate Caps and Floors	Other Derivatives	Total
Balance at December 31, 2023	$ 33,750	$ 38,211	$ 1,950	$ 2,888	$ 12,785	$ 89,584
Additions	9,612	26,153	8,000	215	1,286	45,266
Maturities/amortization	(6,550)	(26,169)	(4,000)	(146)	(801)	(37,666)
Terminations		(336)		(10)	(347)	(693)
Balance at March 31, 2024	$ 36,812	$ 37,859	$ 5,950	$ 2,947	$ 12,923	$ 96,491

Use of derivatives creates exposure to credit and market risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, credit risk will equal the fair value gain in a derivative. Generally, when the fair value of a derivative contract is positive, this indicates that the counterparty owes us, thus creating a repayment (credit) risk. When the fair value of the derivative contract is negative, we owe the counterparty and, therefore, assume no repayment risk.

System institutions clear a significant portion of derivative transactions through a futures commission merchant (FCM) with a clearinghouse (i.e., a central counterparty (CCP)). When the swap is cleared by the two parties, the single bilateral swap is divided into two separate swaps with the CCP becoming the counterparty to both of the initial parties to the swap. CCPs have several layers of protection against default including margin, member capital contributions, and FCM guarantees of their customers' transactions with the CCP. FCMs also pre-qualify the counterparties to all swaps that are sent to the CCP from a credit perspective, setting limits for each counterparty and collecting initial and variation margin for changes in the value of cleared derivatives. The initial margin and other amounts collected from both parties to the swap protects against credit risk in the event a counterparty defaults. The initial margin and other amounts are set by and held for the benefit of the CCP. Additional initial margin may be required and held by the FCM, due to its guarantees of its customers' trades with the CCP.

To minimize the risk of credit losses for non-cleared derivative transactions, credit standing and levels of exposure to individual counterparties are monitored and derivative transactions are almost exclusively entered into with non-customer counterparties that have an investment grade or better credit rating from a major rating agency. Nonperformance by any of these counterparties is not anticipated. System institutions typically enter into master agreements that govern all transactions with a counterparty, and contain netting provisions. These provisions require the net settlement of covered contracts with the same counterparty in the event of default by the counterparty on one or more contracts and also include bilateral collateral agreements requiring the exchange of collateral to offset credit risk exposure. In some instances, the bilateral exchange of collateral is required by regulation, whereas in other instances it is based on dollar thresholds of exposure that consider a counterparty's creditworthiness.

(dollars in millions, except as noted)

The System had a net exposure to counterparties of $18 million at March 31, 2025 and $27 million at December 31, 2024.

Derivative activities are monitored by an Asset-Liability Management Committee (ALCO) at the various System institutions as part of its oversight of asset/liability and treasury functions. Each ALCO is responsible for approving hedging strategies that are developed within parameters established by the board of directors through analysis of data derived from financial simulation models and other internal and industry sources. The resulting hedging strategies are then incorporated into the overall interest rate risk-management strategies.

Fair Value Hedges

For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item (principally, debt securities) attributable to the hedged risk are recognized in current earnings. The System includes the gain or loss on the hedged items in the same line item (interest expense) as the offsetting loss or gain on the related interest rate swaps.

As of March 31, 2025 and December 31, 2024, the following amounts were recorded on the Condensed Combined Statement of Condition related to cumulative basis adjustments for fair value hedges:

	Carrying Amount of the Hedged Item	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Item
	March 31, 2025	March 31, 2025
Systemwide Debt Securities	$ 21,945	$ 56*

	Carrying Amount of the Hedged Item	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Item
	December 31, 2024	December 31, 2024
Systemwide Debt Securities	$ 24,124	$ (18)*

* Excluded from these amounts are $(2) million at March 31, 2025 and $(3) million at December 31, 2024 of hedging adjustments on discontinued hedging relationships, which will be amortized over the remaining life of the original hedging relationships.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For cash flow hedges in which the forecasted transaction is not probable of occurring, the amounts reclassified from accumulated other comprehensive income (loss) are reflected in current period earnings. The gains/losses within other comprehensive income and the gains/losses reclassified to earnings from accumulated other comprehensive income/loss related to cash flow hedges are not expected to be material for the next twelve months.

(dollars in millions, except as noted)

Derivatives not Designated as Hedges

For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings in "Net gains (losses) on derivative, investment and other transactions" in the Condensed Combined Statement of Income.

Fair Values of Derivative Instruments

The following table represents the fair value of derivative instruments:

	Balance Sheet Classification Assets	Fair Value March 31, 2025	Fair Value December 31, 2024	Balance Sheet Classification Liabilities	Fair Value March 31, 2025	Fair Value December 31, 2024
Derivatives designated as hedging instruments:						
Receive-fixed swaps	Other assets	$ 89	$ 48	Other liabilities	$ 30	$ 63
Pay-fixed and amortizing pay-fixed swaps	Other assets	130	219	Other liabilities	35	9
Interest rate caps and floors	Other assets	43	56			
Floating-for-floating and amortizing floating-for-floating swaps	Other assets	1	3	Other liabilities	4	3
Foreign exchange contracts	Other assets	2				
Total derivatives designated as hedging instruments		265	326		69	75
Derivatives not designated as hedging instruments:						
Pay-fixed and amortizing pay-fixed swaps	Other assets	7	9			
Derivatives entered into on behalf of customers	Other assets	626	851	Other liabilities	583	648
Total derivatives not designated as hedging instruments		633	860		583	648
Variation margin settlement		(438)	(705)			
Total derivatives		$ 460	$ 481		$ 652	$ 723

The following table sets forth the effect of derivative instruments in cash flow hedging relationships:

	Amount of Gain or (Loss) Recognized in OCI on Derivatives		Location of Gain or (Loss) Reclassification from AOCI into Income	Amount of Gain or (Loss) Reclassified from AOCI into Income	
Derivatives — Cash Flow Hedging Relationships	**March 31, 2025**	**March 31, 2024**		**March 31, 2025**	**March 31, 2024**
Pay-fixed and amortizing pay-fixed swaps	$ (276)	$ 135	Interest expense	$ 10	$ 17
Floating-for-floating and amortizing floating-for-floating swaps	(4)	3	Interest expense		(2)
Interest rate caps and floors	(12)	6	Interest expense/ interest income	(3)	(3)
Foreign exchange contracts	1	56	Interest income		1
Total	$ (291)	$ 200		$ 7	$ 13

(dollars in millions, except as noted)

The following table sets forth the effect of fair value and cash flow hedge accounting on the Condensed Combined Statement of Income:

	Location and Amount of Gain or Loss Recognized in Income on Fair Value and Cash Flow Hedging Relationships			
	For the Three Months Ended March 31, 2025		For the Three Months Ended March 31, 2024	
	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amount of income and expense line items in which the effects of fair value or cash flow hedges are recorded	$ 7,454	$ 4,347	$ 7,184	$ 4,238
Effects of fair value and cash flow hedging:				
Fair value hedges:				
Receive-fixed swaps	1	(73)	(3)	83
Systemwide Debt Securities		74		(85)
Cash flow hedges:				
Pay-fixed and amortizing pay-fixed swaps		(10)		(17)
Floating-for-floating and amortizing floating-for-floating swaps				2
Interest rate caps and floors		3		3
Foreign exchange contracts			1	

The following table sets forth the amount of gains or losses recognized in the Condensed Combined Statement of Income related to derivatives not designated as hedging instruments:

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss)	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Receive-fixed swaps	Noninterest income		$ (2)
Pay-fixed and amortizing pay-fixed swaps	Noninterest income	$ (2)	1
Derivatives entered into on behalf of customers	Noninterest income	12	(9)
Total		$ 10	$ (10)

(dollars in millions, except as noted)

NOTE 12 — ASSET/LIABILITY OFFSETTING

The following tables represent the offsetting of financial assets and liabilities:

March 31, 2025	Gross Amounts Presented in the Condensed Combined Statement of Condition	Gross Amounts Not Offset in the Condensed Combined Statement of Condition			
		Securities Received/ Pledged	Cash Collateral Received/Pledged	Cleared Derivative Initial Margin Pledged	Net Amount
Assets:					
Interest rate swaps and other derivatives	$ 460		$ (248)	$ 193	$ 405
Federal funds sold and securities purchased under resale agreements	2,990	$ (1,430)			1,560
Liabilities:					
Interest rate swaps and other derivatives	652			(475)	177

December 31, 2024	Gross Amounts Presented in the Condensed Combined Statement of Condition	Gross Amounts Not Offset in the Condensed Combined Statement of Condition			
		Securities Received/ Pledged	Cash Collateral Received/Pledged	Cleared Derivative Initial Margin Pledged	Net Amount
Assets:					
Interest rate swaps and other derivatives	$ 481		$ (326)	$ 177	$ 332
Federal funds sold and securities purchased under resale agreements	5,385	$ (2,450)			2,935
Liabilities:					
Interest rate swaps and other derivatives	723			(444)	279

NOTE 13 — COMMITMENTS AND CONTINGENCIES

At March 31, 2025, various lawsuits were pending or threatened against System institutions. Each System institution to which a pending or threatened lawsuit relates intends to vigorously defend against such action. In the opinion of management, based on information currently available and taking into account the advice of legal counsel, the ultimate liability, if any, of pending or threatened legal actions will not have a material adverse impact on the System's combined results of operations or financial condition.

The Banks and Associations may participate in financial instruments with off balance-sheet risk to satisfy the financing needs of their borrowers and to manage their exposure to interest-rate risk. In the normal course of business, various commitments and contingent liabilities are made to customers, such as commitments to extend credit, letters of credit, which represent credit-related financial instruments with off-balance-sheet risk and equity investment commitments in rural business investment companies. Most of these commitments are expected to retire without being drawn upon and do not necessarily represent future cash requirements.

A summary of the contractual amount of credit-related instruments is as follows:

	March 31, 2025
Commitments to extend credit	$ 136,163
Standby letters of credit	4,088
Commercial and other letters of credit	140
Equity investment commitments	447

(dollars in millions, except as noted)

NOTE 14 — COMBINING BANK-ONLY INFORMATION

The following condensed combining statements include the statement of condition, statement of comprehensive income and statement of changes in capital for the combined Banks without the affiliated Associations or other System institutions.

Combining Bank-Only Statement of Condition

March 31, 2025

	AgFirst Farm Credit Bank	AgriBank, FCB	Farm Credit Bank of Texas	CoBank, ACB	Combination Entries	Combined Banks
Assets						
Cash	$ 702	$ 1,790	$ 98	$ 310		$ 2,900
Federal funds sold and securities purchased under resale agreements	930		385	1,675		2,990
Investments (Note 2)	7,889	24,040	6,846	45,388		84,163
Loans						
To Associations(1)	25,326	142,584	22,913	82,656		273,479
To others(2)	11,755	22,067	9,599	78,822	$ (300)	121,943
Less: allowance for credit losses on loans	(40)	(38)	(48)	(796)		(922)
Net loans	37,041	164,613	32,464	160,682	(300)	394,500
Accrued interest receivable	168	1,725	158	1,099		3,150
Other assets	408	455	368	1,465	(116)	2,580
Total assets	$ 47,138	$ 192,623	$ 40,319	$ 210,619	$ (416)	$ 490,283
Liabilities and Capital						
Systemwide Debt Securities (Note 7):						
Due within one year	$ 15,884	$ 52,402	$ 12,643	$ 78,035		$ 158,964
Due after one year	28,967	124,319	25,277	114,685		293,248
Total Systemwide Debt Securities	44,851	176,721	37,920	192,720		452,212
Accrued interest payable	281	1,177	252	1,224		2,934
Other liabilities	87	5,173	137	3,700	$ (86)	9,011
Total liabilities	45,219	183,071	38,309	197,644	(86)	464,157
Capital						
Preferred stock			750	1,925		2,675
Capital stock and participation certificates	598	6,536	765	4,340	(344)	11,895
Additional paid-in-capital	64					64
Accumulated other comprehensive loss	(774)	(441)	(428)	(892)	(12)	(2,547)
Retained earnings	2,031	3,457	923	7,602	26	14,039
Total capital	1,919	9,552	2,010	12,975	(330)	26,126
Total liabilities and capital	$ 47,138	$ 192,623	$ 40,319	$ 210,619	$ (416)	$ 490,283

(dollars in millions, except as noted)

Combining Bank-Only Statement of Condition

December 31, 2024

	AgFirst Farm Credit Bank	AgriBank, FCB	Farm Credit Bank of Texas	CoBank, ACB	Combination Entries	Combined Banks
Assets						
Cash	$ 817	$ 1,510	$ 41	$ 823		$ 3,191
Federal funds sold and securities purchased under resale agreements	1,040	400	455	3,490		5,385
Investments (Note 2)	8,002	23,161	6,642	43,407		81,212
Loans						
To Associations(1)	25,281	141,108	22,582	83,948		272,919
To others(2)	11,384	23,551	9,239	74,910	$ (312)	118,772
Less: allowance for credit losses on loans	(28)	(40)	(35)	(733)		(836)
Net loans	36,637	164,619	31,786	158,125	(312)	390,855
Accrued interest receivable	166	1,816	155	1,077		3,214
Other assets	370	425	417	1,652	(190)	2,674
Total assets	$ 47,032	$ 191,931	$ 39,496	$ 208,574	$ (502)	$ 486,531
Liabilities and Capital						
Systemwide Debt Securities (Note 7):						
Due within one year	$ 16,144	$ 51,897	$ 12,020	$ 76,893		$ 156,954
Due after one year	28,482	125,007	25,139	112,279		290,907
Total Systemwide Debt Securities	44,626	176,904	37,159	189,172		447,861
Accrued interest payable	321	1,202	237	1,355		3,115
Other liabilities	354	4,362	320	5,185	$ (166)	10,055
Total liabilities	45,301	182,468	37,716	195,712	(166)	461,031
Capital						
Preferred stock			750	2,225		2,975
Capital stock and participation certificates	600	6,530	612	4,352	(351)	11,743
Additional paid-in-capital	64					64
Accumulated other comprehensive loss	(898)	(434)	(466)	(1,215)	(11)	(3,024)
Retained earnings	1,965	3,367	884	7,500	26	13,742
Total capital	1,731	9,463	1,780	12,862	(336)	25,500
Total liabilities and capital	$ 47,032	$ 191,931	$ 39,496	$ 208,574	$ (502)	$ 486,531

(1) These loans represent direct loans to Associations, not retail loans to borrowers. Since the Associations operate under regulations that require maintenance of certain minimum capital levels, adequate reserves, and prudent underwriting standards, these loans are considered to carry less risk. Accordingly, these loans typically have little or no associated allowance for credit losses. The majority of the credit risk resides with the Banks' and Associations' retail loans to borrowers. Association retail loans are not reflected in the combining Bank-only financial statements.

Further, the loans to the Associations are risk-weighted at 20% of the loan amount in the computation of each Bank's regulatory risk-adjusted capital ratios. Based upon the lower risk-weighting of these loans to the Associations, the Banks, especially AgFirst, AgriBank and Texas, typically operate with more leverage and lower earnings than would be expected from a traditional retail bank. In the case of CoBank, approximately 50% of its loans are retail loans to cooperatives and other eligible borrowers.

(2) Loans to others represent retail loans held by the Banks. The Banks may purchase participations in loans to eligible borrowers made by Associations, other Banks and non-System lenders.

(dollars in millions, except as noted)

Combining Bank-Only
Statement of Comprehensive Income

For the Three Months Ended March 31,

	AgFirst Farm Credit Bank	AgriBank, FCB	Farm Credit Bank of Texas	CoBank, ACB	Combination Entries	Combined Banks
2025						
Interest income	$ 497	$ 1,914	$ 427	$ 2,451	$ (3)	$ 5,286
Interest expense	(405)	(1,644)	(333)	(1,929)	14	(4,297)
Net interest income	92	270	94	522	11	989
Provision for credit losses	(13)	(1)	(15)	(77)		(106)
Noninterest income	44	27	8	131	(43)	167
Noninterest expense	(57)	(53)	(35)	(147)	(13)	(305)
Provision for income taxes				(39)		(39)
Net income	66	243	52	390	(45)	706
Other comprehensive income (loss)	124	(7)	38	323	(1)	477
Comprehensive income	$ 190	$ 236	$ 90	$ 713	$ (46)	$ 1,183
2024						
Interest income	$ 469	$ 1,802	$ 395	$ 2,414	$ (2)	$ 5,078
Interest expense	(380)	(1,566)	(311)	(1,935)	14	(4,178)
Net interest income	89	236	84	479	12	900
Credit loss reversal (provision for credit losses)	1	(1)	(4)	37		33
Noninterest income	34	29	6	101	(40)	130
Noninterest expense	(58)	(52)	(37)	(129)	(13)	(289)
Provision for income taxes				(50)		(50)
Net income	66	212	49	438	(41)	724
Other comprehensive (loss) income	(57)	70	11	(42)		(18)
Comprehensive income	$ 9	$ 282	$ 60	$ 396	$ (41)	$ 706

FARM CREDIT SYSTEM

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS - (continued)
(unaudited)
(dollars in millions, except as noted)

Combining Bank-Only
Statement of Changes in Capital

For the Three Months Ended March 31

	AgFirst Farm Credit Bank	AgriBank, FCB	Farm Credit Bank of Texas	CoBank, ACB	Combination Entries	Combined Banks
Balance at December 31, 2023	$ 1,683	$ 8,583	$ 1,687	$ 11,193	$ (316)	$ 22,830
Comprehensive income	9	282	60	396	(41)	706
Preferred stock retired		(250)				(250)
Preferred stock dividends			(14)	(23)		(37)
Capital stock and participation certificates issued		24				24
Capital stock, participation certificates, and retained earnings retired		(47)	(2)	(46)	8	(87)
Patronage	(1)	(120)		(196)	34	(283)
Balance at March 31, 2024	$ 1,691	$ 8,472	$ 1,731	$ 11,324	$ (315)	$ 22,903
Balance at December 31, 2024	$ 1,731	$ 9,463	$ 1,780	$ 12,862	$ (336)	$ 25,500
Comprehensive income	190	236	90	713	(46)	1,183
Preferred stock retired				(300)		(300)
Preferred stock dividends			(13)	(29)		(42)
Capital stock and participation certificates issued		14	153			167
Capital stock, participation certificates, and retained earnings retired		(8)		(50)	9	(49)
Patronage	(2)	(153)		(221)	43	(333)
Balance at March 31, 2025	$ 1,919	$ 9,552	$ 2,010	$ 12,975	$ (330)	$ 26,126

(dollars in millions, except as noted)

Certain Bank-only ratios and other information is as follows:

	AgFirst Farm Credit Bank	AgriBank, FCB	Farm Credit Bank of Texas	CoBank, ACB
For the three months ended:				
March 31, 2025				
Return on average assets	0.57%	0.51%	0.52%	0.74%
Return on average capital	14.48%	10.15%	10.96%	12.17%
March 31, 2024				
Return on average assets	0.59%	0.48%	0.53%	0.92%
Return on average capital	15.53%	10.10%	11.40%	15.56%
For the period ended:				
March 31, 2025				
Nonperforming assets as a percentage of loans and other property owned	0.18%	0.14%	0.20%	0.28%
Allowance for credit losses on loans as a percentage of loans	0.11%	0.02%	0.15%	0.49%
Capital as a percentage of total assets	4.07%	4.96%	4.99%	6.16%
Tier 1 Leverage ratio	5.58%	5.19%	5.52%	6.56%
Total Capital ratio	14.3%	16.6%	12.9%	13.6%
Permanent Capital ratio	14.2%	16.6%	12.7%	12.9%
Liquidity in days	161	160	199	188
Average liquidity in days during 2025	168	157	192	188
December 31, 2024				
Nonperforming assets as a percentage of loans and other property owned	0.17%	0.13%	0.15%	0.24%
Allowance for credit losses on loans as a percentage of loans	0.08%	0.02%	0.11%	0.46%
Capital as a percentage of total assets	3.68%	4.93%	4.51%	6.17%
Tier 1 Leverage ratio	5.88%	5.15%	5.64%	6.90%
Total Capital ratio	15.3%	16.1%	13.3%	14.4%
Permanent Capital ratio	15.1%	16.0%	13.1%	13.7%
Liquidity in days	176	152	197	182
Average liquidity in days during 2024	190	156	207	187

Bank-only information is considered meaningful because only the Banks are jointly and severally liable for the payment of principal and interest on Systemwide Debt Securities. That means that each Bank is primarily liable for the payment of principal and interest on Systemwide Debt Securities issued to fund its lending activities and is also jointly and severally liable with respect to Systemwide Debt Securities issued to fund the other Banks.

The Associations are the primary owners of the Farm Credit Banks. The Agricultural Credit Bank (CoBank) is principally owned by cooperatives, other eligible borrowers and its affiliated Associations. Due to the financial and operational interdependence of the Banks and Associations, capital at the Association level reduces the Banks' credit exposure with respect to the direct loans between the Banks and each of their affiliated Associations. However, capital of the Associations may not be available if the provisions of joint and several liability were to be invoked. There are various limitations and conditions with respect to each Bank's access to the capital of its affiliated Associations, as more fully discussed in Note 8.

In the event a Bank is unable to timely pay principal or interest on an insured debt obligation for which the Bank is primarily liable, the Insurance Corporation must expend amounts in the Insurance Fund to the extent available to insure 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 is triggered, the Farm Credit Administration 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 the aggregate of the Bank's 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. On making a call on non-defaulting Banks with respect to a Systemwide Debt Security issued on behalf of a defaulting Bank, the Farm Credit Administration is required to appoint the Insurance Corporation as the receiver for the defaulting Bank. The receiver would be required to expeditiously liquidate the Bank.

NOTE 15 — SUBSEQUENT EVENTS

The Banks and Associations have evaluated subsequent events through May 9, 2025, which is the date the financial statements were issued and determined that there were no other events requiring disclosure.

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION
(unaudited)

The following condensed Combining Statements of Condition and Comprehensive Income present Combined Bank-only and Insurance Fund information, as well as information related to the other entities included in the System's combined financial statements.

As part of the combining process, all significant transactions between the Banks and the Associations, including loans made by the Banks to the Associations and the interest income/interest expense related thereto, and investments of the Associations in the Banks and the earnings related thereto, have been eliminated. These supplemental schedules have been prepared in accordance with the Farm Credit Administration regulations and are not intended to be presented in accordance with GAAP due to the exclusion of all required disclosures.

COMBINING STATEMENT OF CONDITION — (Condensed)
March 31, 2025
(in millions)

	Combined Banks	Combined Associations	Eliminations	Combined without Insurance Fund	Insurance Fund	System Combined
Cash and investments	$ 90,053	$ 9,592	$ (42)	$ 99,603		$ 99,603
Loans	395,422	310,672	(273,403)	432,691		432,691
Less: allowance for credit losses on loans	(922)	(1,079)		(2,001)		(2,001)
Net loans	394,500	309,593	(273,403)	430,690		430,690
Other assets	5,730	17,811	(13,368)	10,173		10,173
Restricted assets					$ 8,054	8,054
Total assets	$490,283	$ 336,996	$ (286,813)	$540,466	$ 8,054	$548,520
Systemwide Debt Securities and subordinated debt	$452,212	$ 398		$452,610		$452,610
Other liabilities	11,945	279,146	$ (275,731)	15,360		15,360
Total liabilities	464,157	279,544	(275,731)	467,970		467,970
Capital						
Preferred stock	2,675	706		3,381		3,381
Capital stock and participation certificates	11,895	474	(10,182)	2,187		2,187
Additional paid-in-capital	64	7,321		7,385		7,385
Restricted capital					$ 8,054	8,054
Accumulated other comprehensive loss	(2,547)	(57)	(692)	(3,296)		(3,296)
Retained earnings	14,039	49,008	(208)	62,839		62,839
Total capital	26,126	57,452	(11,082)	72,496	8,054	80,550
Total liabilities and capital	$490,283	$ 336,996	$ (286,813)	$540,466	$ 8,054	$548,520

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

COMBINING STATEMENT OF CONDITION — (Condensed)
December 31, 2024
(in millions)

	Combined Banks	Combined Associations	Eliminations	Combined without Insurance Fund	Insurance Fund	System Combined
Cash and investments	$ 89,788	$ 9,067	$ (82)	$ 98,773		$ 98,773
Loans	391,691	310,046	(272,824)	428,913		428,913
Less: allowance for credit losses on loans	(836)	(963)		(1,799)		(1,799)
Net loans	390,855	309,083	(272,824)	427,114		427,114
Other assets	5,888	18,820	(14,190)	10,518		10,518
Restricted assets					$ 7,960	7,960
Total assets	$486,531	$ 336,970	$ (287,096)	$536,405	$ 7,960	$544,365
Systemwide Debt Securities and subordinated debt	$447,861	$ 398		$448,259		$448,259
Other liabilities	13,170	280,342	$ (276,238)	17,274		17,274
Total liabilities	461,031	280,740	(276,238)	465,533		465,533
Capital						
Preferred stock	2,975	705		3,680		3,680
Capital stock and participation certificates	11,743	478	(10,020)	2,201		2,201
Additional paid-in-capital	64	7,315		7,379		7,379
Restricted capital					$ 7,960	7,960
Accumulated other comprehensive loss	(3,024)	(93)	(696)	(3,813)		(3,813)
Retained earnings	13,742	47,825	(142)	61,425		61,425
Total capital	25,500	56,230	(10,858)	70,872	7,960	78,832
Total liabilities and capital	$486,531	$ 336,970	$ (287,096)	$536,405	$ 7,960	$544,365

In the event a Bank is unable to timely pay principal or interest on an insured debt obligation for which the Bank is primarily liable, the Insurance Corporation must expend amounts in the Insurance Fund to the extent necessary to insure 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 timely pay the principal or interest on the insured debt obligation.

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

COMBINING STATEMENT OF COMPREHENSIVE INCOME — (Condensed)
For the Three Months Ended March 31, 2025
(in millions)

	Combined Banks	Combined Associations	Eliminations	Combined without Insurance Fund	Insurance Fund	Combination Entries	System Combined
Net interest income	$ 989	$ 2,120	$ (2)	$ 3,107			$ 3,107
Provision for credit losses	(106)	(144)		(250)			(250)
Noninterest income	167	626	(496)	297	$ 172	$(177) (a)(b)	292
Noninterest expense	(305)	(1,060)	116	(1,249)	(1)	100 (a)	(1,150)
Provision for income taxes	(39)	(4)		(43)			(43)
Net income	706	1,538	(382)	1,862	171	(77)	1,956
Other comprehensive loss	477	36	4	517			517
Comprehensive income	$ 1,183	$ 1,574	$ (378)	$ 2,379	$ 171	$ (77)	$ 2,473

For the Three Months Ended March 31, 2024
(in millions)

	Combined Banks	Combined Associations	Eliminations	Combined without Insurance Fund	Insurance Fund	Combination Entries	System Combined
Net interest income	$ 900	$ 2,036	$ 10	$ 2,946			$ 2,946
(Provision for credit losses) credit loss reversal	33	(73)		(40)			(40)
Noninterest income	130	581	(525)	186	$ 150	$ (92) (a)	244
Noninterest expense	(289)	(1,006)	115	(1,180)	(1)	92 (a)	(1,089)
Provision for income taxes	(50)	(16)		(66)			(66)
Net income	724	1,522	(400)	1,846	149	0	1,995
Other comprehensive loss	(18)	(19)	6	(31)			(31)
Comprehensive income	$ 706	$ 1,503	$ (394)	$ 1,815	$ 149	$ 0	$ 1,964

Combination entry (a) eliminates the Insurance Fund premiums expensed by the Banks in the first three months of 2025 and 2024 of $100 million and $92 million and the related income recognized by the Insurance Corporation.

Combination entry (b) eliminates $77 million of income recognized by System institutions for excess funds that were returned from the Insurance Corporation during the first quarter of 2025.

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

The Banks and their affiliated Associations are referred to as Districts. Each District operates in such an interdependent manner that we believe the financial results of the Banks combined with their affiliated Associations are more meaningful to investors in Systemwide Debt Securities than providing financial information of the Banks and Associations on a stand-alone basis. For the purpose of additional analysis, the following presentation reflects each District, the Insurance Fund and combination entries. These schedules are not intended to be presented in accordance with GAAP due to the exclusion of all required disclosures.

STATEMENT OF CONDITION — (Condensed)
March 31, 2025
(in millions)

	AgFirst District Combined	AgriBank District Combined	Texas District Combined	CoBank District Combined	Insurance Fund and Combination Entries	System Combined
Cash and investments	$ 9,699	$ 32,696	$ 7,605	$ 49,603		$ 99,603
Loans	44,082	180,015	40,409	174,410	$ (6,225)	432,691
Less: allowance for credit losses on loans	(172)	(469)	(155)	(1,205)		(2,001)
Net loans	43,910	179,546	40,254	173,205	(6,225)	430,690
Other assets	981	4,458	1,109	4,069	(444)	10,173
Restricted assets					8,054	8,054
Total assets	$ 54,590	$ 216,700	$ 48,968	$ 226,877	$ 1,385	$ 548,520
Systemwide Debt Securities and subordinated debt	$ 44,851	$ 176,921	$ 37,920	$ 192,918		$ 452,610
Other liabilities	2,362	7,237	5,057	6,623	$ (5,919)	15,360
Total liabilities	47,213	184,158	42,977	199,541	(5,919)	467,970
Capital						
Preferred stock		100	1,030	2,251		3,381
Capital stock and participation certificates	193	435	163	1,978	(582)	2,187
Additional paid-in-capital	517	2,668	348	3,852		7,385
Restricted capital					8,054	8,054
Accumulated other comprehensive loss	(949)	(790)	(444)	(1,089)	(24)	(3,296)
Retained earnings	7,616	30,129	4,894	20,344	(144)	62,839
Total capital	7,377	32,542	5,991	27,336	7,304	80,550
Total liabilities and capital	$ 54,590	$ 216,700	$ 48,968	$ 226,877	$ 1,385	$ 548,520

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

STATEMENT OF CONDITION — (Condensed)
December 31, 2024
(in millions)

	AgFirst District Combined	AgriBank District Combined	Texas District Combined	CoBank District Combined	Insurance Fund and Combination Entries	System Combined
Cash and investments	$ 10,024	$ 31,464	$ 7,390	$ 49,895		$ 98,773
Loans	43,432	180,570	39,797	171,392	$ (6,278)	428,913
Less: allowance for credit losses on loans	(148)	(408)	(131)	(1,112)		(1,799)
Net loans	43,284	180,162	39,666	170,280	(6,278)	427,114
Other assets	990	4,594	1,148	4,386	(600)	10,518
Restricted assets					7,960	7,960
Total assets	$ 54,298	$ 216,220	$ 48,204	$ 224,561	$ 1,082	$ 544,365
Systemwide Debt Securities and subordinated debt	$ 44,626	$ 177,104	$ 37,159	$ 189,370		$ 448,259
Other liabilities	2,554	7,240	5,235	8,364	$ (6,119)	17,274
Total liabilities	47,180	184,344	42,394	197,734	(6,119)	465,533
Capital						
Preferred stock		100	1,030	2,550		3,680
Capital stock and participation certificates	193	443	162	1,994	(591)	2,201
Additional paid-in-capital	517	2,662	348	3,852		7,379
Restricted capital					7,960	7,960
Accumulated other comprehensive loss	(1,077)	(791)	(481)	(1,440)	(24)	(3,813)
Retained earnings	7,485	29,462	4,751	19,871	(144)	61,425
Total capital	7,118	31,876	5,810	26,827	7,201	78,832
Total liabilities and capital	$ 54,298	$ 216,220	$ 48,204	$ 224,561	$ 1,082	$ 544,365

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

STATEMENT OF COMPREHENSIVE INCOME — (Condensed)
For the Three Months Ended March 31,
(in millions)

	AgFirst District Combined	AgriBank District Combined	Texas District Combined	CoBank District Combined	Insurance Fund and Combination Entries	System Combined
2025						
Net interest income	$ 337	$ 1,278	$ 306	$ 1,175	$ 11	$ 3,107
Provision for credit losses	(28)	(65)	(24)	(133)		(250)
Noninterest income	24	109	34	208	(83)	292
Noninterest expense	(184)	(480)	(138)	(433)	85	(1,150)
Provision for income taxes		(4)		(39)		(43)
Net income	149	838	178	778	13	1,956
Other comprehensive income	128	1	37	351		517
Comprehensive income	$ 277	$ 839	$ 215	$ 1,129	$ 13	$ 2,473
2024						
Net interest income	$ 327	$ 1,214	$ 291	$ 1,102	$ 12	$ 2,946
Provision for credit losses	(7)	(18)	(14)	(1)		(40)
Noninterest income	16	87	23	132	(14)	244
Noninterest expense	(180)	(456)	(135)	(396)	78	(1,089)
Provision for income taxes		(15)		(51)		(66)
Net income	156	812	165	786	76	1,995
Other comprehensive (loss) income	(51)	79	11	(53)	(17)	(31)
Comprehensive income	$ 105	$ 891	$ 176	$ 733	$ 59	$ 1,964

FARM CREDIT SYSTEM

SUPPLEMENTAL COMBINING INFORMATION - (continued)
(unaudited)

STATEMENT OF CHANGES IN CAPITAL — (Condensed)
For the Three Months Ended March 31
(in millions)

	AgFirst District Combined	AgriBank District Combined	Texas District Combined	CoBank District Combined	Insurance Fund and Combination Entries	System Combined
Balance at December 31, 2023	$ 6,809	$ 29,866	$ 5,497	$ 24,364	$ 6,793	$ 73,329
Comprehensive income	105	891	176	733	59	1,964
Preferred stock (retired) issued, net		(250)		4		(246)
Capital stock and participation certificates issued	6	14	2	2	(3)	21
Capital stock, participation certificates, and retained earnings retired	(6)	(11)	(2)	(47)	8	(58)
Patronage and dividends	13	(195)	(31)	(246)	64	(395)
Balance at March 31, 2024	$ 6,927	$ 30,315	$ 5,642	$ 24,810	$ 6,921	$ 74,615
Balance at December 31, 2024	$ 7,118	$ 31,876	$ 5,810	$ 26,827	$ 7,201	$ 78,832
Comprehensive income	277	839	215	1,129	13	2,473
Preferred stock retired, net				(299)		(299)
Capital stock and participation certificates issued	6	6	5	2		19
Capital stock, participation certificates, and retained earnings retired	(4)	(14)	(4)	(52)	12	(62)
Additional paid-in-capital		6				6
Patronage and dividends	(20)	(171)	(35)	(271)	78	(419)
Balance at March 31, 2025	$ 7,377	$ 32,542	$ 5,991	$ 27,336	$ 7,304	$ 80,550

FARM CREDIT SYSTEM

SUPPLEMENTAL FINANCIAL INFORMATION
(unaudited)

COMBINED BANK AND ASSOCIATION (DISTRICT)

SELECTED KEY FINANCIAL RATIOS

The following combined key financial ratios related to each District are intended for the purpose of additional analysis.

	AgFirst District Combined	AgriBank District Combined	Texas District Combined	CoBank District Combined
For the three months ended:				
March 31, 2025				
Return on average assets	1.11%	1.55%	1.47%	1.37%
Return on average capital	8.15%	10.39%	12.00%	11.51%
Net interest margin	2.54%	2.41%	2.58%	2.11%
Annualized net loan charge-offs as a % of average loans	0.02%	0.01%	0.00%	0.09%
Operating expense as a % of net interest income and noninterest income	50.81%	34.63%	40.56%	31.28%
March 31, 2024				
Return on average assets	1.22%	1.63%	1.44%	1.53%
Return on average capital	9.01%	10.84%	11.79%	12.75%
Net interest margin	2.60%	2.49%	2.59%	2.18%
Annualized net loan charge-offs as a % of average loans	0.00%	0.05%	0.09%	0.14%
Operating expense as a % of net interest income and noninterest income	52.36%	35.11%	42.45%	31.97%
At the period ended:				
March 31, 2025				
Nonperforming assets as a % of loans and other property owned	0.56%	0.97%	0.61%	1.09%
Allowance for credit losses on loans as a % of loans	0.39%	0.26%	0.38%	0.69%
Capital as a % of total assets	13.51%	15.02%	12.23%	12.05%
Capital and allowance for credit losses on loans as a % of loans	17.12%	18.34%	15.21%	16.36%
Debt to capital	6.40:1	5.66:1	7.17:1	7.30:1
December 31, 2024				
Nonperforming assets as a % of loans and other property owned	0.48%	0.86%	0.42%	0.91%
Allowance for credit losses on loans as a % of loans	0.34%	0.23%	0.33%	0.65%
Capital as a % of total assets	13.11%	14.74%	12.05%	11.95%
Capital and allowance for credit losses on loans as a % of loans	16.73%	17.88%	14.93%	16.30%
Debt to capital	6.63:1	5.78:1	7.30:1	7.37:1

The table below reflects the combined results of each District's measurement under market value of equity and net interest income sensitivity analysis in accordance with their respective asset/liability management policies and District limits. The upward and downward shocks are generally based on movements of 100 and 200 basis points in interest rates, which are considered significant enough to capture the effects of embedded options and convexity within the assets and liabilities so that underlying risk may be revealed.

	Change in Market Value of Equity				Change in Net Interest Income			
	March 31, 2025				March 31, 2025			
District	**-200**	**-100**	**+100**	**+200**	**-200**	**-100**	**+100**	**+200**
AgFirst	11.55%	4.92%	-3.17%	-5.53%	5.30%	2.85%	2.32%	4.67%
AgriBank	5.49	2.50	-2.45	-4.86	-4.18	-2.08	3.99	5.66
Texas	11.88	5.68	-4.41	-8.26	-1.51	-0.98	2.19	4.19
CoBank	6.29	3.38	-3.28	-6.35	0.86	0.55	0.15	0.30

	Change in Market Value of Equity				Change in Net Interest Income			
	December 31, 2024				December 31, 2024			
District	**-200**	**-100**	**+100**	**+200**	**-200**	**-100**	**+100**	**+200**
AgFirst	11.83%	4.77%	-3.11%	-5.46%	3.46%	1.45%	2.49%	4.90%
AgriBank	10.24	4.76	-4.75	-9.14	-4.80	-2.33	3.77	5.28
Texas	11.72	5.44	-4.24	-7.95	-2.67	-1.67	2.55	4.90
CoBank	6.88	3.54	-3.37	-6.55	0.99	0.45	-0.05	-0.19

FARM CREDIT SYSTEM

SUPPLEMENTAL FINANCIAL INFORMATION - (continued)
(unaudited)

SELECTED ASSOCIATION KEY FINANCIAL INFORMATION

The Banks serve as financial intermediaries between the capital markets and the retail lending activities of their affiliated Associations. Accordingly, in addition to the supplemental District information provided on pages F-54 to F-57, selected financial information regarding Associations with asset size greater than $2 billion is provided below for the purpose of additional analysis.

	At March 31, 2025					For the Three Months Ended March 31, 2025		
	Total Assets	Gross Loans	Allowance for Credit Losses on Loans as a % of Gross Loans	Nonperforming Assets as a % of Gross Loans and Other Property Owned	Total Capital Ratio	Return on Average Assets	Return on Average Capital	Net Interest Margin
	($ in millions)							
AgFirst District								
Horizon Farm Credit, ACA	$ 7,549	$ 7,367	0.32%	0.47%	15.14%	1.64%	9.47%	2.81%
AgSouth Farm Credit, ACA	4,813	4,652	0.53	0.72	16.22	1.93	11.10	3.66
AgCredit, ACA	3,709	3,516	0.28	0.50	18.82	1.90	12.48	2.58
First South Farm Credit, ACA	3,406	3,261	0.48	0.29	17.46	1.68	8.37	2.85
AgCarolina Farm Credit, ACA	2,890	2,794	0.61	0.63	16.29	1.95	10.78	3.49
Farm Credit of the Virginias, ACA	2,419	2,356	0.24	0.90	19.31	1.59	7.64	3.03
AgriBank District								
Farm Credit Services of America, ACA	48,058	43,601	0.20	0.77	13.39	1.83	10.86	2.44
Farm Credit Mid-America, ACA	39,782	35,305	0.20	1.33	14.13	1.45	8.82	2.36
Compeer Financial, ACA	34,849	30,640	0.43	1.36	13.12	1.60	10.67	2.37
AgCountry Farm Credit Services, ACA	16,102	14,915	0.23	0.45	13.68	1.58	8.86	2.60
GreenStone Farm Credit Services, ACA	13,902	13,224	0.40	0.90	15.12	2.04	10.80	2.72
FCS Financial, ACA	7,760	7,224	0.26	0.67	13.62	1.71	10.11	2.53
Farm Credit Illinois, ACA	6,984	6,122	0.22	0.46	15.43	1.58	8.40	2.44
AgHeritage Farm Credit Services, ACA	2,618	2,473	0.29	0.28	15.85	2.13	10.83	3.12
Farm Credit Services of Western Arkansas, ACA	2,107	1,989	0.21	0.49	17.11	1.44	7.33	3.07
Texas District								
Capital Farm Credit, ACA	13,634	13,086	0.40	0.92	11.90	2.08	14.60	2.80
AgTexas Farm Credit Services	3,331	2,955	0.38	0.31	13.08	2.13	15.21	2.55
Texas Farm Credit Services	3,217	3,084	0.27	0.75	13.17	1.85	14.26	2.90
AgTrust, ACA	3,161	3,048	0.19	0.41	13.85	2.11	13.55	2.96
CoBank District								
AgWest Farm Credit, ACA	34,724	31,172	0.62	1.70	15.02	2.30	13.32	2.75
American AgCredit, ACA	22,702	21,504	0.22	2.45	13.13	1.67	10.31	2.76
Farm Credit East, ACA	13,429	12,977	0.64	0.60	15.70	2.68	14.73	3.12
Yosemite Farm Credit, ACA	4,919	4,724	0.28	2.46	14.28	2.46	14.40	2.91
Frontier Farm Credit, ACA	3,438	3,188	0.32	1.39	14.77	1.70	9.33	2.55
Golden State Farm Credit, ACA	2,658	2,548	1.03	2.58	14.67	2.24	13.19	2.94
Oklahoma AgCredit, ACA	2,305	2,185	0.23	0.85	14.66	1.60	9.37	2.73
High Plains Farm Credit, ACA	2,104	1,948	0.43	0.93	13.65	2.30	12.97	3.05
Farm Credit of Western Oklahoma, ACA	2,069	1,949	0.23	0.15	16.26	1.89	10.98	3.01

FARM CREDIT SYSTEM

SUPPLEMENTAL FINANCIAL INFORMATION - (continued)
(unaudited)

SELECTED ASSOCIATION KEY FINANCIAL INFORMATION

	At December 31, 2024					For the Three Months Ended March 31, 2024		
	Total Assets	Gross Loans	Allowance for Credit Losses on Loans as a % of Gross Loans	Nonperforming Assets as a % of Gross Loans and Other Property Owned	Total Capital Ratio	Return on Average Assets	Return on Average Capital	Net Interest Margin
	($ in millions)							
AgFirst District								
Horizon Farm Credit, ACA	$ 7,486	$ 7,268	0.29%	0.40%	15.53%	1.94%	10.60%	2.91%
AgSouth Farm Credit, ACA	4,748	4,560	0.51	0.44	16.76	2.45	12.86	4.00
AgCredit, ACA	3,753	3,542	0.25	0.34	18.54	2.27	14.38	2.76
First South Farm Credit, ACA	3,356	3,189	0.49	0.21	17.61	1.87	9.27	2.85
AgCarolina Farm Credit, ACA	2,940	2,818	0.49	0.37	17.14	2.49	13.04	3.66
Farm Credit of the Virginias, ACA	2,399	2,327	0.22	1.16	20.19	1.76	7.93	3.06
AgriBank District								
Farm Credit Services of America, ACA	47,665	43,322	0.19	0.69	14.00	1.93	10.76	2.67
Farm Credit Mid-America, ACA	39,559	35,142	0.17	1.25	14.80	1.61	9.39	2.51
Compeer Financial, ACA	34,717	30,563	0.37	1.17	13.72	1.88	12.14	2.53
AgCountry Farm Credit Services, ACA	15,894	14,684	0.21	0.50	14.17	2.05	10.61	2.94
GreenStone Farm Credit Services, ACA	14,097	13,361	0.29	0.50	15.83	2.29	12.31	2.69
FCS Financial, ACA	7,536	7,018	0.23	0.58	14.50	1.94	10.45	2.73
Farm Credit Illinois, ACA	6,992	6,111	0.21	0.50	16.10	1.60	8.80	2.61
AgHeritage Farm Credit Services, ACA	2,591	2,435	0.29	0.23	16.14	2.05	9.87	2.95
Farm Credit Services of Western Arkansas, ACA	2,059	1,937	0.14	0.53	18.03	1.86	9.18	3.14
Texas District								
Capital Farm Credit, ACA	13,512	12,987	0.32	0.53	12.62	2.26	15.28	2.97
AgTexas Farm Credit Services	3,420	3,045	0.38	0.27	13.10	1.59	11.67	2.55
AgTrust, ACA	3,163	3,057	0.20	0.10	14.56	1.90	12.03	2.96
Texas Farm Credit Services	3,156	3,032	0.26	0.74	14.20	1.87	15.89	3.01
CoBank District								
AgWest Farm Credit, ACA	35,333	31,700	0.56	1.13	15.36	2.31	13.14	2.77
American AgCredit, ACA	23,174	21,779	0.18	2.11	13.66	1.71	10.41	2.80
Farm Credit East, ACA	13,417	12,918	0.61	0.53	16.51	2.46	13.35	3.07
Yosemite Farm Credit, ACA	5,015	4,743	0.28	1.87	14.45	2.53	14.99	3.16
Frontier Farm Credit, ACA	3,458	3,173	0.30	1.54	15.13	1.70	8.85	2.70
Golden State Farm Credit, ACA	2,803	2,639	0.93	2.31	14.44	2.92	16.95	3.26
Oklahoma AgCredit, ACA	2,235	2,109	0.19	0.85	15.32	1.63	9.33	2.81
High Plains Farm Credit, ACA	2,085	1,913	0.42	0.99	14.16	2.48	13.80	3.06
Farm Credit of Western Oklahoma, ACA	2,042	1,919	0.23	0.30	16.74	1.43	8.21	2.86

INDEX TO SUPPLEMENTAL INFORMATION

CONTROLS AND PROCEDURES

As of March 31, 2025, managements of System institutions carried out an evaluation with the participation of the Funding Corporation's management, including the President and CEO and the Managing Director — Financial Management Division, of the effectiveness of the design and operation of their respective disclosure controls and procedures[1] with respect to the System's quarterly information statement. This evaluation is based on testing of the design and effectiveness of key internal controls, certifications and other information furnished by the principal executive officer and principal financial officer of each System institution, as well as incremental procedures performed by the Funding Corporation over the combining process. Based upon and as of the date of the Funding Corporation's evaluation, the President and CEO and the Managing Director — Financial Management Division concluded that the disclosure controls and procedures are effective in alerting them on a timely basis of any material information relating to the System that is required to be disclosed by the System in the annual and quarterly information statements it files or submits to the Farm Credit Administration.

There have been no significant changes in the System's internal control over financial reporting[2] that occurred during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the System's internal control over financial reporting.

---

(1) For purposes of this discussion, "disclosure controls and procedures" are defined as controls and procedures of the System that are designed to ensure that the financial information required to be disclosed by the System in this quarterly information statement is recorded, processed, summarized and reported, within the time periods specified under the rules and regulations of the Farm Credit Administration.

(2) For purposes of this discussion, "internal control over financial reporting" is defined as a process designed by, or under the supervision of, the System's principal executive officers and principal financial officers, or persons performing similar functions, and effected by the System's boards of directors, managements and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the System's condensed combined financial statements for external purposes in accordance with generally accepted accounting principles and 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 System; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the System's condensed combined financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the System are being made only in accordance with authorizations of managements and directors of the System; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the System's assets that could have a material effect on the System's condensed combined financial statements.

CERTIFICATION

I, Theresa E. McCabe, certify that:

1. I have reviewed the *First Quarter 2025 Quarterly Information Statement of the Farm Credit System*.

2. Based on my knowledge, this quarterly information statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly information statement.

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly information statement, fairly present in all material respects the financial condition, results of operations and cash flows of the System as of, and for, the periods presented in this quarterly information statement.

4. The System's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures[(1)] and internal control over financial reporting[(2)] for the System and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the System, including its combined entities, is made known to us by others within those entities, particularly during the period in which this quarterly information statement is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the System's disclosure controls and procedures and presented in this quarterly information statement our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly information statement based on such evaluation; and

(d) disclosed in this quarterly information statement any change in the System's internal control over financial reporting that occurred during the System's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the System's internal control over financial reporting.

5. The System's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the System's registered public accounting firm and the System Audit Committee:

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the System's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the System's internal control over financial reporting.

Theresa E. McCabe

Theresa E. McCabe
President and CEO

Date: May 9, 2025

(1) See footnote 1 on page S-2.

(2) See footnote 2 on page S-2.

CERTIFICATION

I, Karen R. Brenner, certify that:

1. I have reviewed the *First Quarter 2025 Quarterly Information Statement of the Farm Credit System*.

2. Based on my knowledge, this quarterly information statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly information statement.

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly information statement, fairly present in all material respects the financial condition, results of operations and cash flows of the System as of, and for, the periods presented in this quarterly information statement.

4. The System's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures(1) and internal control over financial reporting(2) for the System and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the System, including its combined entities, is made known to us by others within those entities, particularly during the period in which this quarterly information statement is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the System's disclosure controls and procedures and presented in this quarterly information statement our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly information statement based on such evaluation; and

   (d) disclosed in this quarterly information statement any change in the System's internal control over financial reporting that occurred during the System's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the System's internal control over financial reporting.

5. The System's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the System's registered public accounting firm and the System Audit Committee:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the System's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the System's internal control over financial reporting.

Karen R. Brenner

Karen R. Brenner
Managing Director — Financial
Management Division

Date: May 9, 2025

(1) See footnote 1 on page S-2.

(2) See footnote 2 on page S-2.

FARM CREDIT SYSTEM ENTITIES (As of March 31, 2025)

BANKS

AgFirst Farm Credit Bank
P.O. Box 1499
Columbia, SC 29202-1499
(803) 799-5000

AgriBank, FCB
30 East 7th Street
Suite 1600
St. Paul, MN 55101-4914
(651) 282-8800

CoBank, ACB
P.O. Box 5110
Denver, CO 80217-5110
(303) 740-4000

Farm Credit Bank of Texas
P.O. Box 202590
Austin, TX 78720-2590
(512) 465-0400

CERTAIN OTHER ENTITIES

Farm Credit Leasing Services Corporation
1665 Utica Avenue South, Suite 400
Minneapolis, MN 55416
(952) 417-7800

Federal Farm Credit Banks
Funding Corporation
101 Hudson Street, Suite 3505
Jersey City, NJ 07302-3913
(201) 200-8000

FCS Building Association
1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4000

The Farm Credit Council
50 F Street, N.W., Suite 900
Washington, DC 20001-1530
(202) 626-8710

ASSOCIATIONS

AgFirst District

AgCarolina Farm Credit, ACA
636 Rock Spring Road
Greenville, NC 27834

AgCredit, ACA
610 W. Lytle Street
Fostoria, OH 44830-3422

AgGeorgia Farm Credit, ACA
468 Perry Parkway
Perry, GA 31069

AgSouth Farm Credit, ACA
146 Victory Lane
Statesville, NC 28625

ArborOne, ACA
800 Woody Jones Blvd.
Florence, SC 29501

Central Kentucky, ACA
2429 Members Way
Lexington, KY 40504

Colonial Farm Credit, ACA
7104 Mechanicsville Turnpike
Mechanicsville, VA 23111

Farm Credit of Central Florida, ACA
204 E. Orange Street, Suite 200
Lakeland, FL 33801

Farm Credit of Florida, ACA
11903 Southern Blvd.
Suite 200
West Palm Beach, FL 33411

Farm Credit of Northwest Florida, ACA
5052 Highway 90 East
Marianna, FL 32446

Farm Credit of the Virginias, ACA
102 Industry Way
Staunton, VA 24401

First South Farm Credit, ACA
574 Highland Colony Parkway,
Suite 100
Ridgeland, MS 39157

Horizon Farm Credit, ACA
300 Winding Creek Blvd
Mechanicsburg, PA 17050

Puerto Rico Farm Credit, ACA
URB Baldrich
213 Calle Manuel Domenech
San Juan, PR 00918

River Valley AgCredit, ACA
2731 Olivet Church Road
Paducah, KY 42001

Southwest Georgia Farm Credit, ACA
305 Colquitt Highway
Bainbridge, GA 39817

AgriBank District

AgCountry Farm Credit Services, ACA
1900 44th Street South, #6020
Fargo, ND 58108

AgHeritage Farm Credit Services, ACA
119 East Third Street, Suite 200
Little Rock, AR 72201

Compeer Financial, ACA
2600 Jenny Wren Trail
Sun Prairie, WI 53590

FCS Financial, ACA
1934 East Miller Street
Jefferson City, MO 65101

Farm Credit Illinois, ACA
1100 Farm Credit Drive
Mahomet, IL 61853

Farm Credit Mid-America, ACA
12501 Lakefront Place
Louisville, KY 40299

Farm Credit Services of America, ACA
5015 South 118th Street
Omaha, NE 68137

Farm Credit Services of Mandan, ACA
1600 Old Red Trail
Mandan, ND 58554

Farm Credit Services of Western Arkansas, ACA
5177 US Highway 64 W
Russellville, AR 72802

Farm Credit Southeast Missouri, ACA
1116 N. Main Street
Sikeston, MO 63801

GreenStone Farm Credit Services, ACA
3515 West Road
East Lansing, MI 48823

CoBank District

AgWest Farm Credit, ACA
2001 South Flint Road
Spokane, WA 99224

American AgCredit, ACA
4845 Old Redwood Hwy
Santa Rosa, CA 95403

Farm Credit East, ACA
240 South Road
Enfield, CT 06082

Farm Credit of Southern Colorado, ACA
5110 Edison Avenue
Colorado Springs, CO 80915

Farm Credit of Western Kansas, ACA
1190 South Range Avenue
Colby, KS 67701

Farm Credit of Western Oklahoma, ACA
3302 Williams Avenue
Woodward, OK 73801

Farm Credit Services of Colusa-Glenn, ACA
2970 Davison Court
Colusa, CA 95932

Fresno-Madera Farm Credit, ACA
4635 West Spruce Ave.
Fresno, CA 93722

Frontier Farm Credit, ACA
2009 Vanesta Place
Manhattan, KS 66503

Golden State Farm Credit, ACA
3013 Ceres Avenue
Chico, CA 95973

High Plains Farm Credit, ACA
605 Main
Larned, KS 67550

Idaho AgCredit, ACA
188 West Judicial Street
Blackfoot, ID 83221

Oklahoma AgCredit, ACA
3033 Progressive Drive
Edmond, OK 73034

Premier Farm Credit, ACA
202 Poplar Street
Sterling, CO 80751

Western AgCredit, ACA
10980 South Jordan Gateway
South Jordan, UT 84095

Yosemite Farm Credit, ACA
806 West Monte Vista Avenue
Turlock, CA 95382

Texas District

AgTexas Farm Credit Services
5004 N. Loop 289
Lubbock, TX 79416

AgTrust, ACA
5600 Clearfork Main Street, Suite 600
Fort Worth, TX 76109

Alabama Ag Credit, ACA
7480 Halcyon Pointe Drive, Suite 201
Montgomery, AL 36117

Alabama Farm Credit, ACA
300 2nd Avenue SW
Cullman, AL 35055

Capital Farm Credit, ACA
3902 South Traditions Drive
College Station, TX 77845

Central Texas Farm Credit, ACA
1026 Early Boulevard
Early, TX 76802

Legacy Ag Credit, ACA
303 Connally Street
Sulphur Springs, TX 75482

Louisiana Land Bank, ACA
2413 Tower Drive
Monroe, LA 71201

Mississippi Land Bank, ACA
5509 Highway 51 North
Senatobia, MS 38668

Plains Land Bank, FLCA
5625 Fulton Drive
Amarillo, TX 79109

Southern AgCredit, ACA
306 Commerce Center Drive
Ridgeland, MS 39157

Texas Farm Credit Services
545 South Highway 77
Robstown, TX 78380