AgGeorgia Farm Credit

2024

ANNUAL REPORT

MESSAGE FROM THE CEO

2024 was a year of unprecedented challenges, punctuated by high input costs, lower commodity prices, interest rate volatility, and extreme weather events. I am proud to say that AgGeorgia's Board and staff met these unprecedented challenges with unprecedented responses- your financial partner, AgGeorgia, was built for times like these.

Our stated mission at AgGeorgia is to improve the lives of Georgia's farmers, families and rural communities. The pages in this report are filled with financial information, but at AgGeorgia we understand better than anyone that behind every number, metric or piece of information there is a face. There is an individual, a farm or family that represents a relationship, and it is our relationships that truly set us apart from other lenders.

On behalf of the team at AgGeorgia, I am pleased to share the 2024 financial report that follows. Below are a few highlights:

Total Assets:	$1.62 Billion	Record
Loans:	$1.55 Billion	Record
Core Earnings:	$32.9 Million	Record
Stockholder Equity:	$293.4 Million	Record
Cash Dividends Paid:	$28.3 Million	Record

When AgGeorgia does well financially, you benefit. Our Board of Directors is always excited to share our success with you, our member/owners, and approved the distribution of more than $28 million of cash dividends during 2024- a record amount. Since 2002 AgGeorgia has put more than $343 million of our profits in your pockets. It truly pays to be an owner.

AgGeorgia's solid financial performance means we can continue our strong commitment to providing support to agriculture and rural Georgia through our giving initiatives. Giving back to our communities is in our DNA. Community and ag related contributions in 2024 totaled more than $400,000, benefitting many groups through our Farmers Market Grant program, community service projects, financial support of organizations such as FFA and 4-H, and so much more. In addition, our Community Mission Fund provided grants totaling $53,800 to twelve non-profits, who like AgGeorgia, support the future of agriculture and change lives in rural Georgia.

Our young, beginning, and small farmer initiatives provided more than 1,200 loans to ensure that the agricultural industry and communities we serve will be here for generations. We provide continuing support those young, beginning, and small farmers through our AGAware workshop series, designed to provide support and education to young, beginning, and small farmers.

Our branch modernization project continued in 2024 with the opening of our newest branch in Calhoun. Next up is the replacement of our Waynesboro office, which we expect to complete in 2026. These branches are part of a seven-year plan our Board enacted to modernize and scale our branches to provide you with the highest level of service possible.

"WE UNDERSTAND THE CHALLENGES THAT OUR MEMBERS FACE MORE ACUTELY THAN OTHER LENDERS BECAUSE AGRICULTURE IS WHAT WE DO AND WHO WE ARE."

– AgGeorgia CEO Rob Crain

No recap of 2024 would be complete without addressing Hurricane Helene and the burden many of our members continue to shoulder as a result.

In communicating with members immediately after the storm, I was struck by the concerns that so many had about simply holding onto their farms and providing for their families...worries that no one should have to bear, particularly when trying to source basic necessities such as food, water, and shelter. Our goal was simply to do our part to help ease the minds of our members during such a challenging time.

To that end, AgGeorgia's Board approved an emergency loan program, payment deferrals for up to 90 days, enacted a foreclosure moratorium, and eliminated late charges through the end of 2024. Additionally, the Board also approved a $100,000 donation to the Weathered But Strong: Hurricane Relief Fund to assist Georgia agriculture at large.

We talk a lot around here about being here for agriculture through good times and bad. We understand the challenges that our members face more acutely than other lenders because agriculture is what we do and who we are. In this uncertain ag economy, AgGeorgia is singularly focused on working, day-in and day-out, to achieve the best possible outcome for you, our member-owners. AgGeorgia was built for times like these.

On behalf of AgGeorgia's Board of Directors and staff, I would like to express our sincere thanks and gratitude for your continued support, confidence and trust. Past and present generations of agricultural producers have been the foundation of our organization and we look forward to many more promising years of serving as your lender of choice.

Rob

AgGeorgia Chief Executive Officer, Rob Crain

OUR MISSION: TO IMPROVE THE LIVES OF GEORGIA'S FARMERS, FAMILIES, AND RURAL COMMUNITIES.

RECORD **SETTERS**

TOTAL ASSETS
$1.62 BILLION

LOANS
$1.55 BILLION

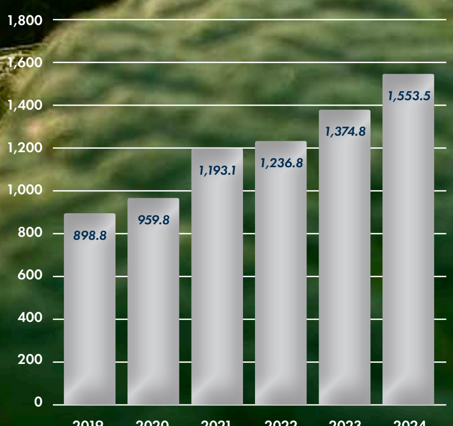
CORE EARNINGS
$32.9 MILLION

STOCKHOLDER EQUITY
$293.4 MILLION

CASH DIVIDENDS PAID
$28.3 MILLION

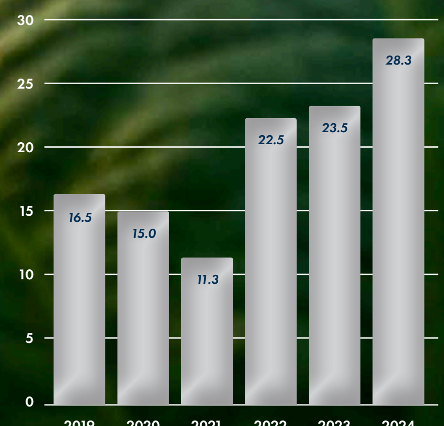
5 YEAR **TRENDS**

LOANS
$ In Millions



STOCKHOLDER EQUITY
$ In Millions

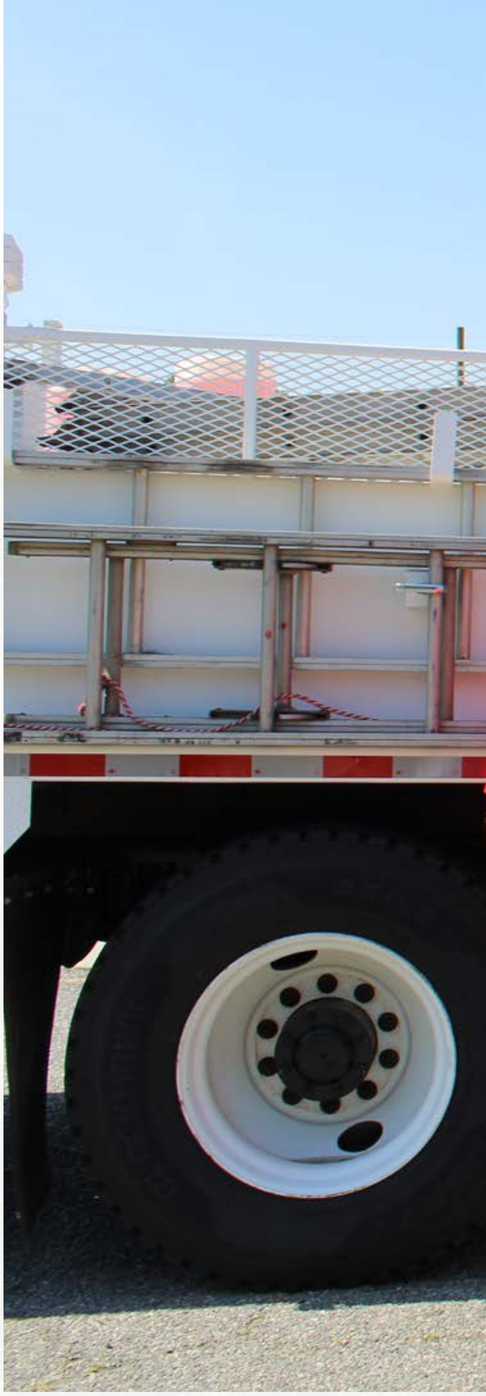
CASH DIVIDENDS PAID
$ In Millions



COMMUNITY MISSION FUND

AgGeorgia Farm Credit

SECOND YEAR PROGRAM AWARDS $53,800 IN 2024



AgGeorgia's Community Mission Fund was established in 2023 with the goal of supporting endeavors that further the future of agriculture and enhance life in rural Georgia. On the heels of a successful launch in 2023, AgGeorgia enjoyed increased interest in the program in 2024, resulting in more applications and another excellent crop of awardees. 2024 recipients were funded in the fourth quarter with grants of up to $5,000 each. AgGeorgia will reengage recipients in 2025 to share the results of their projects, with each group featured on social media.

"Word about the program has really begun to spread, particularly among organizations supporting military veterans and groups combating food insecurity," said AgGeorgia CEO Rob Crain. "As we move into 2025 and open the application period for our third year of the fund, we are excited to receive new applications and raise awareness of deserving organizations dedicated to improving the quality of life in rural Georgia."

The twelve organizations that received funding in 2024 were:

- **Ben Hill County 4-H**
  (Ben Hill County)

  Funds are being used to establish a teaching garden at the local University of Georgia Cooperative Extension Office, designed to be fully ADA accessible.

- **Boys & Girls Clubs of Jackson County**
  (Jackson County)

  Grant funds will be used to install a community garden at the Commerce location with raised garden beds, a labyrinth/walking circle for meditation, and a pollinator garden.

- **Byromville Community Food Pantry**
  (Dooly County)

  This new food pantry in Byromville was created to serve the rural community often overlooked by larger organizations. Funds will go towards purchasing and distributing food to feed an estimated 50 families per month.

> *"WORD ABOUT THE PROGRAM HAS REALLY BEGUN TO SPREAD, PARTICULARLY AMONG ORGANIZATIONS SUPPORTING MILITARY VETERANS AND GROUPS COMBATING FOOD INSECURITY."*
>
> *– AgGeorgia CEO Rob Crain*

- **C-Qul**
  (Bibb County)

  This organization will use grant funds to implement "Give what you can, take what you need" pantries at a local recreation center and church. These pantries will allow easy access to food for large areas that house lower-income families.

- **Doc's Healing Hives and Honey**
  (Fannin County)

  Grant funds will be used to create a suitable and accessible space for local beekeepers to process their honey using an electric extractor.

- **Georgia Envirothon**
  (Clarke County)

  The Georgia Envirothon is a natural resource education program designed to challenge students in an interactive, outdoor competition. Grant funds will go towards the State Competition that takes place in various State Parks around Georgia.

- **Hero Agriculture**
  (Gordon County)

  Funds will be used to develop a prototype and pilot a backyard farming startup kit for veterans.

- **Hickory Log Personal Care Home** *(Bartow County)*

  This organization will use grant funds to extend the fence around its chicken coop and add more chickens.

- **Sacred Roots Farm** *(Hall County)*

  Funds will be used to meet the permitting requirements to obtain a Department of Ag Food Sales Establishment License to sell farm-raised eggs commercially.

- **Teloga Volunteer Fire Department** *(Chattooga County)*

  Grant funds will be used to replace out-of-date tools for their woodland firefighting project.

- **Thomson Middle School FFA** *(Houston County)*

  This FFA Chapter will use funds to develop a Community Garden to educate students about agriculture, sustainability, and community service.

For more information and to apply for a 2025 Community Mission Fund grant, please visit the AgGeorgia Farm Credit Community Mission Fund page at www.aggeorgia.com/community-mission-fund, or reach out to a member of the team at marketing@aggeorgia.com.

AgGeorgia's Jeremy Register, center, pictured with representatives of the Vienna Volunteer Fire Department, the City of Vienna, and Dooly County. The department was a 2023 recipient of an AgGeorgia Community Mission Fund grant, using the funds to complete the fundraising necessary to purchase an off-road firetruck. The new truck allows firefighters to navigate through crop land, timber tracts, and limited access locations to quickly extinguish fires.

AGGEORGIA Serves

COMMUNITY SERVICE PROJECTS

The "AgGeorgia Serves" initiative launched in 2023 was not only well-received by the communities we serve, but also met by our employees with a commensurate level of excitement. When we say our employees love serving their communities, we really mean it! These projects were continued in 2024 with staff continuing to identify and meet needs present within their communities. Participating branches were provided with up to $5,000, along with a day off to complete hands-on work related to their project. The following are a selection of projects completed over the last year by branches with a description of their efforts.

- Our Calhoun Branch partnered with the Chattooga Area Food Bank and Helping Hands Ending Hunger to assemble and distribute much needed resources to families in the area. The branch also helped fund and pack lunches for kids in need in cooperation with the Gordon County school system, additionally setting up a food drop-off at the office to allow members to donate goods that could be delivered to the schools weekly.

- The Chatsworth Branch worked to complete much needed maintenance at Carters Lake, building two fence barricades in addition to picking up debris and trimming brush along the Tumbling Waters trail.

- AgGeorgia's Cordele Branch staff teamed up with the Dooly County Sheriff's Office to purchase and distribute nearly 70 kid's bikes through Open Hearts Ministries. The bikes were delivered for Christmas to families with limited resources.

- Our Gainesville Branch partnered with the Fraternal Order of Police Lodge 41 on the "Shop with a Cop" initiative, with staff and officers accompanying underprivileged children on shopping excursions to purchase Christmas presents and essential school supplies.

- The Moultrie Branch staff had the pleasure of working with Colquitt County FFA students to distribute fresh vegetables before Christmas. The branch purchased the produce from local farms, then boxed and gave the vegetables to anyone via drive through at the office.

- Employees from our Perry Branch assisted Macon County High School students with the building of raised bed gardens with drip irrigation, planted fall vegetables, and provided irrigation for the in-ground garden.

- AgGeorgia's Quitman Branch teamed up with the local animal shelter for an adoption day, in addition to volunteering to help clean the shelter and walk the animals. The branch also allocated funds to assist victims of Hurricane Helene.

- The Royston Branch worked with Aveta Community Partners in Hartwell to build raised bed gardens and plant vegetables and herbs. Aveta services adults with developmental disabilities, and the group used the produce grown not only in their cooking classes but also to teach about plant life cycles.

- Our Sandersville Branch purchased personal care items and packed essentials bags for the Sunshine House in Sandersville. The Sunshine House assists women and children affected by abuse.

- Staff from the Tifton Branch took on two projects in 2024, one in Tifton and one in Sylvester. The first project was in conjunction with the Salvation Army, distributing fresh turkeys and other food items Thanksgiving Week to senior citizens and those in need from Hurricane Helene. For the second, the staff put on their work gloves to construct raised bed gardens in the 4-H Village Community Garden in Sylvester.

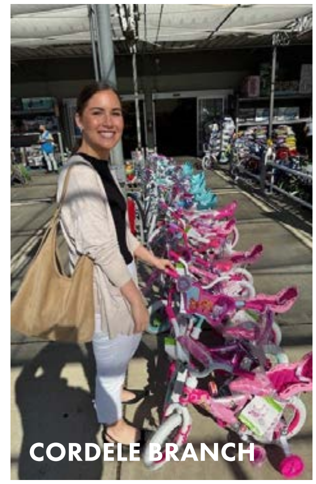
- The Washington Branch teamed with their local EMS during the Christmas season to bring smiles to local children through a Toys for Tots drive.

- Waynesboro Branch staff joined volunteers from Heaping Hands Ministry to serve underprivileged community members breakfast and stock the pantry with needed items. Each family also received a 4-H produce box and a $20 gift card to the local grocery store.


CALHOUN BRANCH

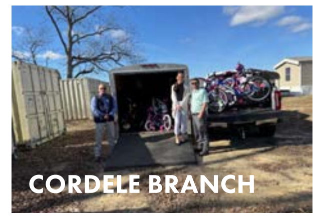
CHATSWORTH BRANCH


CHATSWORTH BRANCH

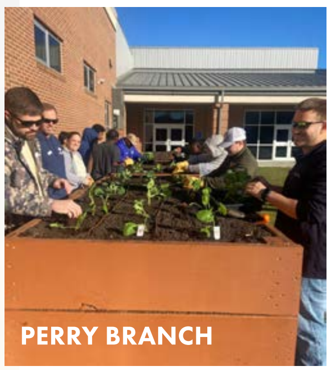

CORDELE BRANCH


CALHOUN BRANCH

MOULTRIE BRANCH


CORDELE BRANCH


SANDERSVILLE BRANCH


PERRY BRANCH


PERRY BRANCH


TIFTON BRANCH


ROYSTON BRANCH


ROYSTON BRANCH


TIFTON BRANCH


WAYNESBORO BRANCH

AGGEORGIA
FARMERS MARKET
GRANT

AGGEORGIA FARMERS MARKET GRANTS TOTAL $10,000 IN 2024

Celebrating its fourth year of funding in 2024, AgGeorgia's Farmers Market Grant program has now awarded a total of $34,500 to rural Georgia markets since the program's inception in 2021. Grants in the amount of $2,000 each were distributed to five local markets throughout the cooperative's territory for use in advertising and promotional objectives.

"The importance of supporting American farmers can't be overstated," said Corey Cottle, AgGeorgia's Chief Marketing Officer. "Particularly when it comes to young, beginning, small and veteran farmers, their first outlet for selling their crops is often the local Farmers Market. Markets offer an excellent way to keep dollars local and assure quality that imported crops often cannot match, and we're proud to help these markets effectively spread that message."

The 2024 AgGeorgia Farmers Market Grant recipients were:

- **Amicalola Regional Farmers Market** – Open Saturdays late-April through mid-October in Dawsonville, Amicalola Regional Farmers Market features produce, meats, flowers, bakery items, honey, flowering and vegetable plants, and select homemade craft items sold by vendors from Dawson and surrounding counties. "We are grateful to AgGeorgia for this grant," stated Dawson County Extension Agent Clark MacAllister. "Our market is run by volunteers and we don't have much of an operating budget. This grant allowed us to purchase signage and advertisements to reach a bigger audience and take our farmers market to the next level!"
- **Comer Community Market** – Held on Saturdays from the beginning of May through the end of October, Comer Community Market struggled after COVID-19 but has been revived through the hard work of staff. They offer hands-on activities geared toward children, such as planting seeds and making playdough. "We want our market to be a hub for our growing community," said Market Manager Corina Common. "We were so excited to be a recipient of the AgGeorgia Farmers Market Grant! Getting this boost from AgGeorgia will enable us to grow our market into a vibrant and welcoming space for all folks."
- **Dallas Farmers Market** – With 43 dedicated vendors and a waitlist of eager entrepreneurs, the Dallas Farmers Market plays a pivotal role in promoting local agriculture, supporting small businesses, and enhancing food security. Providing a platform for local farmers and artisans to showcase their products, the market stimulates economic growth and preserves the region's agricultural heritage. John Grant, the Community Relations Coordinator for Paulding County BOC, stated, "We are deeply grateful for the $2,000 grant from AgGeorgia. This generous support significantly enhanced our ability to promote the market, allowing us to reach more people and give back to the community."
- **LaFayette Farmers Market** – Debuting in 2023, the Lafayette Farmers Market operates every Saturday from May to August. It is a producers-only market, exclusively featuring local vendors, with 86% offering produce and fresh food, and

14% showcasing locally handmade crafts. Market Manager Christi Patterson emphasized that the market is more than just a place to purchase locally produced food and crafts, however. "The LaFayette Farmers Market serves as a hub of community connection, where neighbors gather to support local growers and artisans," said Ms. Patterson. Grant funds were used to promote the market and improve the experience for all who visit. "It's a beautiful example of neighbors coming together to celebrate and sustain local agriculture," said Ms. Patterson.

GETTING THIS BOOST FROM AGGEORGIA WILL ENABLE US TO GROW OUR MARKET INTO A VIBRANT AND WELCOMING SPACE FOR ALL FOLKS.

– Comer Community Market Manager, Corina Common

- **Nashville Farmers Market** – Hosting over 50 local farmers and vendors within 6,000 square feet, the Nashville Farmers Market is a well-attended area attraction. It is also a hub of the Azalea Sprinter Tourist Train, bringing in new visitors each week. "The City of Nashville was thrilled to be chosen as a recipient of the AgGeorgia Farmers Market Grant," said Dawn Morrison, Economic Development Director for the City of Nashville. "The Nashville Farmers Market underwent a complete remodel and expansion in 2023. This grant helped the market provide new signage and complete renovations. We cannot thank AgGeorgia enough for choosing our market as a recipient."

AgGeorgia encourages interested markets in the association's 79 county service area, particularly those who have applied and not yet been selected, to apply in 2025. For more information and to apply when the application period re-opens, please visit the Farmers Market Grant page at www.aggeorgia.com/FarmersMarketGrant, or reach out to a member of the team at marketing@aggeorgia.com.

BOARD OF **DIRECTORS**

JACK W. BENTLEY, JR.
Wilkes County
Dairy & Beef Cattle, Timber

GUY A. DAUGHTREY
Cook County
Pecans, Timber

R.B. "BRAD" EDENFIELD
Burke County
Row Crops, Dairy Cattle

RICHARD D. "DAVE" NEFF
Hall County
Appointed Outside Director
Retired Poultry Industry Executive

J. DAN RAINES, JR.
Turner County
Timber

J. A. "AL" ROWLAND
Johnson County
Row Crops

G. TEEL WARBINGTON
Dooly County
Row Crops

HENRY C. "CLINT" WORTMAN, JR.
Brooks County
Row Crops, Beef Cattle, Pecans, Timber

FRANKLIN B. WRIGHT
Gilmer County
Dairy, Agritourism

BOARD COMMITTEES
2024

R. BRIAN GROGAN
Gordon County
Broilers, Cow-Calf Operation

ROBERT "BOBBY" G. MILLER
Hall County
Cow-Calf Operation

C. CHASE SPRINGFIELD
Murray County
Broilers, Hay, Cattle,
Poultry Services

GLEE C. SMITH
Warren County
Appointed Outside Director
Private Practice Attorney

PATTI B. YORK
Hart County
Broilers, Cow-Calf Operation,
Sheep Operation

Board Chairman
Ms. Glee C. Smith

Board Vice Chairman
Mr. R. Brian Grogan

Audit Committee
Chairman: Mr. Guy A. Daughtrey
Vice Chairman: Mr. G. Teel Warbington
Financial Expert: Mr. Guy A. Daughtrey
Members: Mr. R. Brian Grogan, Mr. J. A. "Al" Rowland, Mr. Henry C. "Clint" Wortman, Jr., Mr. Franklin B. Wright, Ms. Glee C. Smith*

Budget Committee
Chairman: Mr. Jack W. Bentley, Jr.
Vice Chairman: Mr. Franklin B. Wright**
Members: Mr. Guy A. Daughtrey, Mr. G. Teel Warbington, Ms. Glee C. Smith

Compensation Committee
Chairman: Mr. R. Brian Grogan
Vice Chairman: Mr. Richard D. "Dave" Neff***
Members: Mr. Jack W. Bentley, Jr., Mr. J. Dan Raines, Jr.****
Mr. G. Teel Warbington, Mrs. Patti B. York, Ms. Glee C. Smith

Risk Committee
Chairman: Mr. Richard D. "Dave" Neff
Vice Chairman: Mr. Robert "Bobby" G. Miller
Members: Mr. Jack W. Bentley, Jr., Mr. R. Bradham "Brad" Edenfield, Mr. J. Dan Raines, Jr., Mr. J. A. "Al" Rowland, Mrs. Patti B. York, Ms. Glee C. Smith

Governance Committee
Chairman: Mr. Robert "Bobby" G. Miller
Vice Chairman: Mr. J. A. "Al" Rowland
Members: Mr. R. Bradham "Brad" Edenfield, Mr. Richard D. "Dave" Neff, Mr. C. Chase Springfield, Ms. Glee C. Smith

Outside Directors
Mr. Richard D. "Dave" Neff and Ms. Glee C. Smith

**As Board Chairwoman, Ms. Glee C. Smith is an ex-officio (non-voting) member of all committees.*
***Mr. Franklin B. Wright retired 12/31/2024.*
****Mr. Richard D. "Dave" Neff retired 12/31/2024.*
*****Mr. J. Dan Raines, Jr. retired 12/31/2024.*

EXECUTIVE **LEADERSHIP TEAM**

ELIZABETH BENEFIELD
General Counsel

STEVE CONNELLY
Chief Administrative Officer

JAY MURKERSON
Chief Risk Officer

TAMARA SHRABLE
Chief Lending Officer

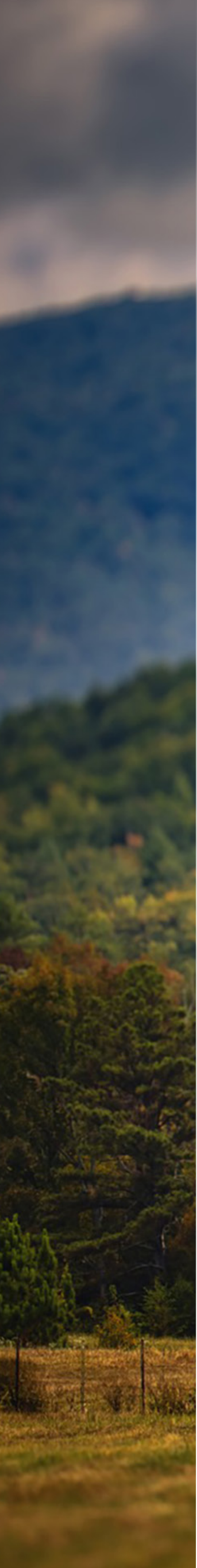
COREY COTTLE
Chief Marketing Officer

ROB CRAIN
Chief Executive Officer

MARISSA MARTIN
Chief Human Resources Officer

LISA STORM
Chief Credit Officer

BRANDIE THOMPSON
Chief Financial Officer



BRANCH **LOCATIONS**

PERRY CORPORATE OFFICE
468 Perry Pkwy
Perry, GA 31069
(478) 987-8300

CALHOUN
2857 Miller Ferry Rd
Calhoun, GA 30701
(706) 291-6340

CHATSWORTH
19 Woodlake Dr
Chatsworth, GA 30705
(706) 695-0020

CLARKESVILLE
102 Blacksnake Rd
Mt. Airy, GA 30563
(706) 754-4158

CORDELE
1207 South Greer St
Cordele, GA 31015
(229) 273-3927

DUBLIN
826 Bellevue Ave
Dublin, GA 31021
(478) 272-3255

GAINESVILLE
501 Broad St
Gainesville, GA 30501
(770) 534-5395

LAFAYETTE
700 East Villanow St
LaFayette, GA 30728
(706) 638-1940

MOULTRIE
22 5th Ave, S.E.
Moultrie, GA 31768
(229) 985-3893

PERRY
468 Perry Pkwy
Perry, GA 31069
(478) 987-1434

QUITMAN
504 East Screven St
Quitman, GA 31643
(229) 263-7551

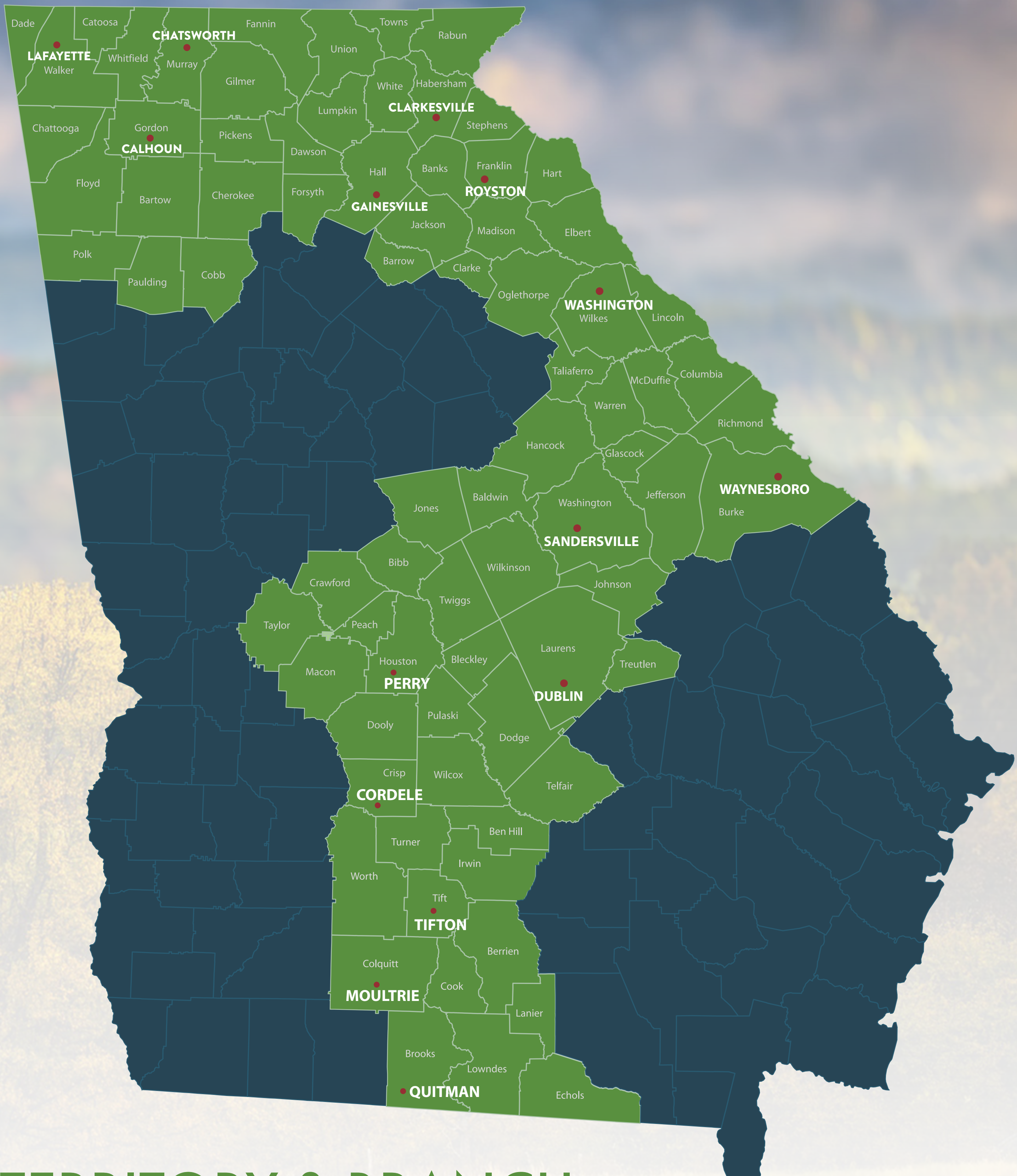
ROYSTON
449 Franklin Springs St
Royston, GA 30662
(706) 245-6142

SANDERSVILLE
775 Sparta Rd
Sandersville, GA 31082
(478) 552-6922

TIFTON
1601 King Rd
Tifton, GA 31793
(229) 382-4300

WASHINGTON
US 78, 311 North Bypass
Washington, GA 30673
(706) 678-7088

WAYNESBORO
176 Hwy 80 West
Waynesboro, GA 30830
(706) 554-2107



TERRITORY & BRANCH
LOCATIONS

AgGeorgia Farm Credit, ACA

2024 ANNUAL REPORT

Contents

Report of Management

The accompanying Consolidated Financial Statements and related financial information appearing throughout this annual report have been prepared by management of AgGeorgia Farm Credit, ACA (Association) in accordance with generally accepted accounting principles appropriate in the circumstances. Amounts which must be based on estimates represent the best estimates and judgments of management. Management is responsible for the integrity, objectivity, consistency, and fair presentation of the consolidated financial statements and financial information contained in this report.

Management maintains and depends upon an internal accounting control system designed to provide reasonable assurance that transactions are properly authorized and recorded, that the financial records are reliable as the basis for the preparation of all financial statements, and that the assets of the Association are safeguarded. The design and implementation of all systems of internal control are based on judgments required to evaluate the costs of controls in relation to the expected benefits and to determine the appropriate balance between these costs and benefits. The Association maintains an internal audit program to monitor compliance with the systems of internal accounting control. Audits of the accounting records, accounting systems and internal controls are performed and internal audit reports, including appropriate recommendations for improvement, are submitted to the Board of Directors.

The Consolidated Financial Statements have been audited by independent auditors, whose report appears elsewhere in this annual report. The Association is also subject to examination by the Farm Credit Administration.

The consolidated financial statements, in the opinion of management, fairly present the financial condition of the Association. The undersigned certify that we have reviewed the 2024 Annual Report of AgGeorgia Farm Credit, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

/s/ Glee Smith
Chairwoman of the Board

/s/ James R. Crain
Chief Executive Officer

/s/ Brandie L. Thompson
Chief Financial Officer

March 11, 2025

Report on Internal Control Over Financial Reporting

The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's Consolidated Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America 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 Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Association's management concluded that as of December 31, 2024, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association determined that there were no material weaknesses in the internal control over financial reporting as of December 31, 2024.

/s/ James R. Crain
Chief Executive Officer

/s/ Brandie L. Thompson
Chief Financial Officer

March 11, 2025

Consolidated Five - Year Summary of Selected Financial Data

(dollars in thousands)	December 31, 2024	2023	2022	2021	2020
Balance Sheet Data					
Cash	**$ 8**	$ 93	$ 10	$ 11	$ 310
Loans	**1,553,577**	1,378,546	1,242,615	1,145,944	966,388
Allowance for credit losses on loans	**(5,404)**	(4,723)	(5,767)	(6,805)	(6,555)
Net loans	**1,548,173**	1,373,823	1,236,848	1,139,139	959,833
Equity investments in other Farm Credit institutions	**24,188**	21,672	15,818	9,911	10,216
Other property owned	**—**	33	—	981	307
Other assets	**54,372**	45,816	37,730	41,865	37,370
Total assets	**$ 1,626,741**	$1,441,437	$1,290,406	$1,191,907	$1,008,036
Notes payable to AgFirst Farm Credit Bank*	**$ 1,304,710**	$1,114,204	$ 981,101	$ 894,593	$ 729,253
Accrued interest payable and other liabilities with maturities of less than one year	**28,582**	44,798	32,839	27,195	22,885
Total liabilities	**1,333,292**	1,159,002	1,013,940	921,788	752,138
Capital stock and participation certificates	**5,071**	4,912	4,730	4,653	4,515
Retained earnings					
Allocated	**40,432**	48,272	56,491	65,912	71,535
Unallocated	**247,767**	229,156	215,103	199,971	180,347
Accumulated other comprehensive income (loss)	**179**	95	142	(417)	(499)
Total members' equity	**293,449**	282,435	276,466	270,119	255,898
Total liabilities and members' equity	**$ 1,626,741**	$1,441,437	$1,290,406	$1,191,907	$1,008,036
Statement of Income Data					
Net interest income	**$ 50,425**	$ 41,275	$ 38,790	$ 36,007	$ 33,417
Provision for (reversal of) allowance for credit losses	**920**	1,448	(1,247)	597	(1,078)
Noninterest income (expense), net	**(16,509)**	(13,184)	(9,352)	(1,841)	(6,434)
Net income	**$ 32,996**	$ 26,643	$ 30,685	$ 33,569	$ 28,061
Key Financial Ratios					
Rate of return on average:					
Total assets	**2.17%**	1.99%	2.48%	3.01%	2.89%
Total members' equity	**11.24%**	9.29%	11.04%	12.74%	11.32%
Net interest income as a percentage of average earning assets	**3.45%**	3.20%	3.22%	3.32%	3.56%
Net (chargeoffs) recoveries to average loans	**(0.017)%**	0.004%	0.017%	(0.032)%	0.024%
Total members' equity to total assets	**18.04%**	19.59%	21.42%	22.66%	25.39%
Debt to members' equity (:1)	**4.54**	4.10	3.67	3.41	2.94
Allowance for credit losses to loans	**0.35%**	0.34%	0.46%	0.59%	0.68%
Permanent capital ratio	**17.09%**	19.02%	21.10%	21.77%	23.97%
Common equity tier 1 capital ratio	**17.03%**	18.95%	21.00%	21.64%	23.82%
Tier 1 capital ratio	**17.03%**	18.95%	21.00%	21.64%	23.82%
Total regulatory capital ratio	**17.43%**	19.33%	21.46%	22.25%	24.48%
Tier 1 leverage ratio**	**17.01%**	19.39%	21.10%	21.81%	24.22%
Unallocated retained earnings (URE) and URE equivalents leverage ratio	**14.11%**	15.53%	16.29%	15.86%	17.64%
Net Income Distribution					
Estimated patronage refunds:					
Cash	**$ 14,250**	$ 14,482	$ 15,295	$ 13,068	$ 4,704
Qualified allocated retained earnings	**—**	—	—	—	10,975

** General financing agreement is renewable on a one-year cycle. The next renewal date is December 31, 2025.*

*** Tier 1 leverage ratio must include a minimum of 1.50% of URE and URE equivalents.*

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

(dollars in thousands, except as noted)

GENERAL OVERVIEW

The following commentary summarizes the financial condition and results of operations of AgGeorgia Farm Credit, ACA, (Association) for the year ended December 31, 2024 with comparisons to the years ended December 31, 2023 and December 31, 2022. This information should be read in conjunction with the Consolidated Financial Statements, Notes to the Consolidated Financial Statements and other sections in this Annual Report. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors. For a list of the Audit Committee members, refer to the "Report of the Audit Committee" reflected in this Annual Report. Information in any part of this Annual Report may be incorporated by reference in answer or partial answer to any other item of the Annual Report.

The Association is an institution of the Farm Credit System (System), which was created by Congress in 1916 and has served agricultural producers for over 100 years. The System's mission is to maintain and improve the income and well-being of American farmers, ranchers, and producers or harvesters of aquatic products and farm-related businesses. The System is the largest agricultural lending organization in the United States. The System is regulated by the Farm Credit Administration, (FCA), which is an independent safety and soundness regulator.

The Association is a cooperative, which is owned by the members (also referred to throughout this Annual Report as stockholders or shareholders) served. The territory of the Association extends across a diverse agricultural region of Georgia. Refer to Note 1, *Organization and Operations*, of the Notes to the Consolidated Financial Statements for counties in the Association's territory. The Association provides credit to farmers, ranchers, rural residents, and agribusinesses. Our success begins with our extensive agricultural experience and knowledge of the market.

The Association obtains funding from AgFirst Farm Credit Bank (AgFirst or Bank). The Association is materially affected and shareholder investment in the Association could be affected by the financial condition and results of operations of the Bank. Copies of the Bank's Annual and Quarterly Reports are on the AgFirst website, *www.agfirst.com,* or may be obtained at no charge by calling 1-800-845-1745, extension 2764, or writing Matthew Miller, AgFirst Farm Credit Bank, P. O. Box 1499, Columbia, SC 29202.

Copies of the Association's Annual and Quarterly reports are also available upon request free of charge on the Association's website, *www.aggeorgia.com*, or by calling 1-800-768-3276, or writing Brandie L. Thompson, AgGeorgia Farm Credit, P.O. Box 1820, Perry, GA 31069. The Association prepares an electronic version of the Annual Report, which is available on the website, within 75 days after the end of the fiscal year and distributes the Annual Reports to shareholders within 90 days after the end of the fiscal year. The Association prepares an electronic version of the Quarterly report, which is available on the website, within 40 days after the end of each fiscal quarter, except that no report needs to be prepared for the fiscal quarter that coincides with the end of the fiscal year of the Association.

FORWARD LOOKING INFORMATION

This annual information statement contains forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Words such as "anticipates," "believes," "could," "estimates," "may," "should," "will," or other variations of these terms are intended to identify the forward-looking statements. These statements are based on assumptions and analyses made in light of experience and other historical trends, current conditions, and expected future developments. However, actual results and developments may differ materially from our expectations and predictions due to a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, but are not limited to:

- political (including trade policies), legal, regulatory, financial markets and economic conditions and developments in the United States and abroad;
- economic fluctuations in the agricultural, rural infrastructure, international, and farm-related business sectors, as well as the general economy that can affect the availability of off-farm sources of income;
- weather-related events, food safety, disease, and other adverse climatic or biological conditions that periodically occur that impact agricultural productivity and income;
- climate change and/or measures to address climate change
- volatile prices of agricultural commodities;
- changes in production expenses, particularly feed, fuel, and fertilizer;
- changes in demand or supply of U.S. Agricultural products in a global marketplace;

- changes in farmland and rural real estate values;
- availability of agricultural workers and changes in labor costs;
- disruption of operations or disclosure of confidential information as a result of cybersecurity incidents;
- changes in United States government support of the agricultural industry and the Farm Credit System, as a government-sponsored enterprise, as well as investor and rating-agency reactions to events involving the U.S. government, other government-sponsored enterprises and other financial institutions;
- actions taken by the Federal Reserve System in implementing monetary and fiscal policy, as well as other policies and actions of the federal government that impact the financial services industry and the debt markets;
- credit, interest rate and liquidity rate risk inherent in lending activities; and
- changes in the Association's assumptions for determining the allowance for credit losses and fair value measurements.

AGRICULTURAL OUTLOOK

Production agriculture is a cyclical business that is heavily influenced by commodity prices, weather, government policies (including, among other things, tax, trade, immigration, crop insurance and ad hoc aid), interest rates, input costs and various other factors that affect supply and demand.

The following United States Department of Agriculture (USDA) analysis provides a general understanding of the U.S. agricultural economic outlook. However, this outlook does not take into account all aspects of the Association's business. References to USDA information in this section refer to the U.S. agricultural market data and are not limited to information or data for the Association.

The USDA's February 2025 forecast estimates net farm income (income after expenses from production; a broader measure of profits) for 2024 at $139.1 billion, a $8.2 billion decrease from 2023, but $34.0 billion above the 10-year average. The forecasted decrease in net farm income for 2024, as compared with 2023, is primarily due to decreases in cash receipts for crops of $22.2 billion to $245.2 billion and direct government payments of $2.9 billion to $9.3 billion, partially offset by an increase in cash receipts for animal products of $22.0 billion to $271.6 billion and a decrease in cash expenses of $7.2 billion to $418.9 billion.

The USDA's outlook projects net farm income for 2025 at $180.1 billion, a $41.0 billion or 29.5 percent increase from 2024, but $75.0 billion above the 10-year average in nominal dollars. The forecasted increase in net farm income for 2025 is primarily due to expected 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 incline in direct government payments reflects higher anticipated payments from supplemental ad hoc disaster assistance, mainly from the funding authorized in the Disaster Relief Supplemental Appropriations Act, 2025 contained in the American Relief Act, 2025. This aid is primarily targeted to specific regions impacted by the disaster. 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. The expected decline in the 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 projected second year of decline and falling to their lowest level in real terms since 2021.

Working capital, a measure of liquidity, (which is defined as cash and cash convertible assets minus liabilities due to creditors within 12 months) is forecasted to decrease $8.9 billion or 6.7 percent in 2024 to $123.8 billion from $132.7 billion in 2023.

The value of farm real estate is an important measure of the farm sector's financial performance, considering that farm real estate comprises a substantial share of farm sector assets. Farm real estate accounted for roughly 83 percent of the total value of the U.S. farm sector assets for 2024 and 2023 according to the USDA in its February 2025 forecast. Consequently, changes in farmland values also affect the financial strength of agricultural producers because farm real estate serves as the principal source of collateral for farm loans.

USDA's forecast projects (in nominal dollars) that farm sector equity, the difference between farm sector assets and debt, will rise 5.2 percent in 2024 to $3.7 trillion. Farm real estate value is expected to increase 3.1 percent and non-real estate farm assets are expected to increase 4.4 percent, while farm sector debt is forecasted to increase 4.4 percent in 2024. Farm real estate debt as a share of total debt has been rising since 2014 at about the same rate as the value of farm real estate and is expected to account for 66.5 percent of total farm debt in 2024, as compared with 66.4 percent in 2023.

Farm sector solvency ratios, a measure of a farm to satisfy its debt obligations when due and for which lower values for ratios is preferred, is forecasted by the USDA. The USDA is forecasting the debt-to-equity ratio to improve slightly from 14.9 percent in 2023 to 14.7 percent in 2024 and for the debt-to-asset ratio to decline modestly from 12.9 percent in 2023 to 12.8 percent in 2024. These ratios are well below their peak of 28.5 percent and 22.2 percent in 1985.

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 conditions that may impact production yields. Continuing outbreaks of high path avian influenza (HPAI) have negatively impacted egg layer productions, reducing egg supply, and causing a spike in egg prices. Livestock and dairy profitability are influenced by crop prices as feed is a significant input to animal agriculture.

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 table sets forth the commodity prices per bushel for crops, by hundredweight for hogs, milk, and beef cattle, and by pound for broilers and turkeys from December 31, 2021 to December 31, 2024:

Commodity	12/31/24	12/31/23	12/31/22	12/31/21
Hogs	$ 62.30	$ 53.30	$ 62.50	$ 56.50
Milk	$ 23.30	$ 20.40	$ 24.50	$ 21.70
Broilers	$ 0.75	$ 0.72	$ 0.73	$ 0.74
Turkeys	$ 051	$ 0.47	$ 1.22	$ 0.84
Corn	$ 4.23	$ 4.80	$ 6.58	$ 5.47
Soybeans	$ 9.79	$ 13.10	$ 14.40	$ 12.50
Wheat	$ 5.49	$ 6.79	$ 8.97	$ 8.59
Beef Cattle	$ 190.00	$ 172.00	$ 154.00	$ 137.00

Geographic and commodity diversification across the District coupled with existing government safety net programs, ad hoc support programs and additional government disaster aid payment for many borrowers help to mitigate the impact of challenging agricultural conditions. The District's financial performance and credit quality are expected to remain sound overall due to strong capital levels and favorable credit quality position at the end of 2024. Additionally, while the District benefits overall from diversification, individual District entities may have higher geographic, commodity, and borrower concentrations which may accentuate the negative impact on those entities' financial performance and credit quality. Non-farm income support for many borrowers also helps to mitigate the impact of periods of less favorable agricultural conditions. However, agricultural borrowers who are more reliant on non-farm income sources may be more adversely impacted by a weakened general economy.

CRITICAL ACCOUNTING POLICIES

The Association’s financial statements are reported in conformity with accounting principles generally accepted in the United States of America. Consideration of significant accounting policies is critical to the understanding of the Association’s results of operations and financial position because some accounting policies require complex or subjective judgments and estimates that may affect the reported amount of certain assets or liabilities as well as the recognition of certain income and expense items. In many instances, management has to make judgments about matters that are inherently uncertain. For a complete discussion of the Association’s significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, in the Notes to the Consolidated Financial Statements. The following is a summary of the Association’s most significant critical accounting policies:

- *Allowance for credit losses* (ACL) — Management estimates the current expected credit losses (CECL) over the remaining contractual life for all financial assets measured at amortized cost and certain off-balance sheet credit exposures.

  The ACL comprises:

  - the allowance for credit losses on loans (ACLL), which covers the Association’s loan portfolio and is presented separately on the Consolidated Balance Sheets,
  - the ACL on unfunded commitments, which is presented on the Consolidated Balance Sheets in other liabilities, and

  The ACL takes into consideration relevant information about past events, current conditions and reasonable and supportable macroeconomic forecasts of future conditions. Management also considers the imprecision inherent in their process and methodology, which may lead to a management adjustment to the modeled ACL results. See Note 2 for additional information on the Association’s policies and methodologies for determining the ACL. Changes in any of the above factors considered by management in the evaluation of losses in its loan portfolio, unfunded commitments and investment securities could result in a change in the ACL and have a direct impact on its provision for credit losses and results of operations.

- *Valuation methodologies* — Management applies various valuation methodologies to assets and liabilities that often involve a significant degree of judgment, particularly when active markets do not exist for the particular items being valued. Quoted market prices are referred to when estimating fair values for certain assets for which an observable active market exists, such as most investment securities. Management also utilizes significant estimates and assumptions to value items for which an observable active market does not exist. Examples of these items include: nonaccrual loans, other property owned, pension obligations, and certain other financial instruments. These valuations require the use of various assumptions, including, among others, discount rates, rates of return on assets, repayment rates, cash flows, default rates, costs of servicing, and liquidation values. The use of different assumptions could produce significantly different asset or liability values, which could have material positive or negative effects on the Association’s results of operations.

ECONOMIC CONDITIONS

The following section summarizes the University of Georgia College of Agriculture & Environmental Sciences' *2025 Georgia AgForecast* report, which provides a general understanding of the Georgia agriculture economic outlook. However, this outlook does not take into all aspects of the Association's business. Information in this section refers to Georgia agricultural market data and is not limited to information/data for the Association.

Georgia's economy is expected to grow faster than the national economy in 2025, despite a projected economic slowdown. One advantage is Georgia's economic development prowess. Other advantages include a favorable mix of industries, supportive demographics, excellent transportation and logistics infrastructure, a competitive tax climate, and low costs of living and doing business.

Agriculture is a driving force for local economies across Georgia. Georgia's 2025 agricultural economic forecast is notably impacted by significant damage to agriculture and related industries in the Southeast caused by Hurricane Helene and Debby. Most commodities in Georgia – such as cotton, poultry, beef, dairy and specialty crops like pecans, blueberries, vegetables, and nursery products – suffered substantial output losses because of Helene. Without immediate disaster relief, the decline in national working capital is expected to be more pronounced in Georgia, potentially reversing solvency trends (debt-to-asset and debt-to-equity ratios). Farms with narrow profit margins and high labor costs are likely to face significant challenges in this environment. Looking forward to 2025 and beyond, numerous geopolitical risks combined with various proposed policies—including tariffs and retaliation, immigration controls, tax policies, energy strategies, and inflation-targeted monetary policies—contribute to ongoing uncertainties surrounding U.S. and Georgia agricultural economic outcomes.

Georgia is a uniquely diversified agricultural state with production of the following commodities in order of total farm gate value: Broilers, Eggs, Beef, Cotton, Peanuts, Timber, Greenhouse, Blueberries, Corn, Dairy, Hay and Pecans.

Broiler production outlook in 2025 is neutral to positive as consumer demand is expected to remain stable or grow up to 2% from 2024 to 2025. Feed costs, which account for roughly half of production expenses, have tumbled from record-high levels over the last two years, helping to renew interest in overall animal production growth. U.S. production may face more headwinds than the demand side as labor, construction, equipment, land, and cost of funds remain elevated. Potential Highly Pathogenic Avian Influenza (HPAI) outbreaks, a trend of lower broiler productivity, and expensive poultry housing may dampen supplies. Chicken prices in 2025 are expected to be similar to 2024. Policy changes may also affect the financial outlook.

Beef cattle markets enjoyed strong prices in the 2024 year. Amid high beef prices, demand was very strong in 2024. The USDA estimates that beef consumption in the U.S. increased to 59.5 lb. per person in 2024 (up 2% from 2023). This would be the highest since 2010, and comes despite beef prices being consistently higher year over year. Export demand also was strong outside the U.S. While total tons exported dropped through October, total value exported increased. The upcoming year is forecast to be another good year for the beef cattle sector in Georgia. Beef demand remains strong despite high prices, and cattle supplies appear to be limited in the year ahead. This combination will likely lead to high prices for beef cattle in 2025. Risks to this outlook come from demand weakness or indications that cattle supplies are increasing in the near term, both of which appear to be relatively low probability at this time.

Cotton acreage planted in Georgia decreased to 1.1 million acres, which is down slightly over 2023 planted acres at 1.11 million acres. This declining trend is likely to continue in 2025 because of lower relative price expectations with competing crops, such as peanut and corn. Factors influencing 2025 cotton prices and profitability include reduction in consumer demand for cotton-related products, low cotton prices, and higher input prices. Budget forecasts for the 2025 crop are in the 70-72 cents per pound range.

Peanut acreage in Georgia increased in 2024 from 775,000 acres in 2023 to 850,000 acres in 2024, which is 47% of total U.S. planted acres. Despite large increases in planted peanut acreage across the United States, below-average yields are anticipated due to several factors including impact of Hurricane Helene on a large portion of peanut production acreage in the state. Looking ahead to 2025, carryover stocks are projected to be approximately 747,000 metric tons. With low cotton prices, shellers are in no hurry to offer contracts or purchase peanut acreage. Additionally, persistently high fertilizer costs may incentivize farmers to continue planting peanuts. Considering these factors, it is reasonable to anticipate lower-priced forward contracts compared to 2024. For Georgia growers, season average prices are expected to range between $475 and $525 per ton. If these price levels are realized, peanut profitability will remain a significant challenge for producers in 2025.

The timber industry is fueled in large part by the housing industry. Demand for softwood lumber and structural panels is expected to remain under pressure as single-family housing starts face challenges that include elevated mortgage rates, high house prices, and rising construction costs. For many areas of south Georgia that were heavily impacted by Hurricane Helene, pulpwood prices are expected to stay low through most of 2025 while mills continue to process salvaged timber from cleanup work. For these same areas, sawtimber prices are anticipated to increase due to a shortage of timber that meets standards for sawtimber. The southwide average stumpage prices for major timber products showed mixed trends in 2024. Pine sawtimber prices fell over $2 (9%) in Q3 to their lowest level since Q3 2020, after stabilizing near $26/ton for 2 years (TimberMart-South, 2024). Pine chip-n-saw prices declined slightly, down $0.60 (3%) to $17–18/ton from their stable levels since Q2 2022. However, hardwood sawtimber prices reached a recent high of $35/ton in Q3. Meanwhile, pine and hardwood pulpwood prices halted their declining trend since 2022, stabilizing at $7–8/ton. That is more than 30% below their early 2022 peak and 15% below pre-pandemic levels.

Dairy outlook for milk production remains positive in Georgia, with a slight decline in prices anticipated per USDA projections of an all-milk price of $22.55 for 2025, about 10 cents below 2024's estimated price. According to the USDA, Georgia milk production is up slightly through October 2024 (0.3% compared to the same period last year). However, milk producers in Georgia appear to have differed in their milk cow inventory decisions and their milk productivity. The average number of milk cows in Georgia in October 2024 was about 5% below 2023. However, improvements in milk production per cow in Georgia have been tremendous this year. Milk production per cow per day was down about 1% through the first half of 2024. However, in the July–October period, milk production per cow increased by over 6% year over year.

In summary, Georgia's 2025 economic forecast calls for slightly slower economic growth. Experts estimate the probability of recession at 25% for Georgia compared to 26% for the United States. Georgia's economy will grow faster than the nation's economy because of recent economic development success, stronger demographics, and favorable economic structure. Inflation will continue to ease but will not fall to levels experienced before the pandemic. In terms of economic severity, the main downside risks to growth are a mistake by the Federal Reserve, a financial crisis, an energy price shock, a federal policy mistake, and a stock market correction. Each of these risks alone could trigger a recession. Georgia's labor market is expected to hold up well although unemployment will be impacted by less hiring as opposed to more layoffs. Georgia's economy is projected to do better than the U.S. economy overall.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners, and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans through numerous product types.

The Association's loan volume by type for each of the past three years ended December 31 is shown below.

	December 31,					
Loan Type	**2024**		**2023**		**2022**	
	(dollars in thousands)					
Real estate mortgage	$ 1,226,668	78.96 %	$ 1,098,808	79.71 %	$ 978,391	78.74 %
Production and intermediate-term	238,461	15.35	203,988	14.80	210,509	16.94
Agribusiness:						
Loans to Cooperatives	948	0.06	1,818	0.13	1,985	0.16
Processing and marketing	46,241	2.98	37,900	2.75	26,282	2.12
Farm-related business	9,171	0.59	6,698	0.49	3,287	0.26
Rural Infrastructure:						
Communication	6,442	0.42	6,667	0.48	3,889	0.31
Water and waste disposal	2,398	0.15	2,756	0.20	–	–
Rural residential real estate	20,886	1.34	18,024	1.31	15,601	1.26
Other:						
International	2,362	0.15	1,887	0.13	2,670	0.21
Total	$ 1,553,577	100.00 %	$ 1,378,546	100.00 %	$ 1,242,615	100.00 %

While the Association makes loans and provides financially related services to qualified borrowers in the agricultural and rural sectors and to certain related entities, the loan portfolio is diversified.

The geographic distribution of the loan volume by branch for the past three years ended December 31 is as follows:

	December 31,		
Branch	**2024**	**2023**	**2022**
Calhoun*	9.97%	6.31%	6.49%
Chatsworth	6.66	5.30	3.70
Clarkesville	3.42	3.46	3.58
Cordele	4.46	4.38	5.34
Dublin	3.22	3.45	3.11
Gainesville	4.87	4.90	5.24
LaFayette*	–	4.40	4.27
Moultrie	4.20	4.75	5.03
Perry	9.85	10.94	10.74
Quitman	1.97	2.03	1.96
Royston	19.08	18.82	19.15
Sandersville	2.81	2.87	3.22
Tifton	9.56	10.29	10.79
Washington	3.28	4.07	4.16
Waynesboro	4.06	3.78	3.80
Participations Purchased	12.00	9.76	9.02
Special Assets	0.59	0.49	0.40
	100.00%	100.00%	100.00%

**Cartersville branch relocated to Calhoun and LaFayette reassigned as outpost of Calhoun in 2024.*

Commodity and industry categories are based upon the Standard Industrial Classification (SIC) system published by the federal government. The system is used to assign commodity or industry categories based upon the largest agricultural commodity of the customer. The major commodities in the Association's loan portfolio are shown below. The predominant commodities are Poultry, Forestry, Livestock, Cotton, and Row Crops, which constitute 79 percent of the entire portfolio at December 31, 2024.

	December 31,					
Commodity Group	**2024**		**2023**		**2022**	
	(dollars in thousands)					
Poultry	$ 500,512	32%	$ 437,237	32%	$ 398,933	32%
Forestry	367,373	24	328,237	24	284,194	23
Livestock	127,333	8	127,864	9	118,291	10
Cotton	127,915	8	117,522	8	120,949	10
Row Crops	110,363	7	92,592	7	84,471	7
Horticulture	53,120	3	51,604	4	41,165	3
Landlords	37,281	3	37,759	3	38,569	3
Peanuts	33,376	2	29,180	2	27,555	2
Dairy	27,048	2	25,084	2	22,643	2
Corn	26,016	2	24,746	2	17,762	1
Rural Home	20,135	1	16,330	1	14,315	1
Other	123,105	8	90,391	7	73,768	6
Total	$1,553,577	100%	$ 1,378,546	100%	$ 1,242,615	100%

Repayment ability is closely related to the commodities produced by our borrowers, and increasingly, the off-farm income of borrowers. The Association's loan portfolio contains a concentration of poultry producers. Although a large percentage of the loan portfolio is concentrated in these enterprises, many of these operations have diversified income sources that reduce overall risk exposure. Demand for poultry products, prices of feed, energy, and other inputs, as well as international trade are some of the factors affecting the income producing capacity in the poultry industry. Even though the concentration of large loans has increased over the past several years, the agricultural enterprise mix of these loans is diversified and similar to that of the overall portfolio. The risk in the portfolio associated with commodity concentration and large loans is reduced by the range of diversity of enterprises in the Association's territory. Commodity concentration risk is also mitigated by the use of loan guarantees and standby letters of credit.

The Association's long-term loan assets comprise approximately 82 percent of the portfolio. This reflects the increase in demand for long-term financing. The short-term portfolio, which is heavily influenced by operating-type loans, normally reaches a peak balance in August and rapidly declines in the fall months as commodities are marketed and proceeds are applied to repay operating type loans.

During 2024, the Association remained active in the buying and selling of loan participations within and outside of the System. This provides a means for the Association to spread credit concentration risk and realize non-patronage sourced interest and fee income.

	December 31,		
Loan Participations:	**2024**	**2023**	**2022**
	(dollars in thousands)		
Participations Purchased – FCS Institutions	$ 102,446	$ 69,910	$ 50,502
Participations Sold	(162,869)	(199,187)	(154,395)
Total	$ (60,423)	$ (129,277)	$ (103,893)

The Association did not have any loans sold with recourse, retained subordinated participation interests in loans sold, or interests in pools of subordinated participation interests for the period ended December 31, 2024.

The Association sells qualified long-term mortgage loans into the secondary market. For the periods ended December 31, 2024, 2023, and 2022, the Association originated loans for resale totaling $3.33 million, $2.84 million, and $0, respectively, which were subsequently sold into the secondary market.

The Association also participated in the Farmer Mac Long Term Stand-By program. Farmer Mac was established by Congress to provide liquidity to agricultural lenders. At December 31, 2024, 2023, and 2022, the balance of these loans was $9.91 million, $6.77 million, and $8.28 million, respectively.

CREDIT RISK MANAGEMENT

Credit risk arises from the potential inability of an obligor to meet its repayment obligation. As part of the process to evaluate the success of a loan, the Association continues to review the credit quality of the loan portfolio on an ongoing basis. With the approval of the Association Board of Directors, the Association establishes underwriting standards and lending policies that provide direction to 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 – protection for the lender in the event of default and a potential secondary source of repayment
- Capital – ability of the operation to survive unanticipated risks
- Conditions – intended use of the loan funds

The credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, and financial position. Repayment capacity focuses on the borrower's ability to repay the loan based upon cash flows from operations or other sources of income, including non-farm income. Real estate loans must be collateralized by first liens on the real estate (collateral). As required by FCA regulations, each institution that makes loans on a collateralized basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be advanced in amounts up to 85 percent of the appraised value of the property taken as collateral or up to 97 percent 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. Appraisals are required for loan originations of more than $250 thousand. In addition, each loan is assigned a credit risk rating based upon the underwriting standards. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship.

The Association reviews the credit quality of the loan portfolio on an ongoing basis as part of its risk management practices. Each loan is classified according to the Combined System Uniform Classification System, which is used by all Farm Credit System institutions. Below are the classification definitions.

- Acceptable – Assets are expected to be fully collectible and represent the highest quality.
- Other Assets Especially Mentioned (OAEM) – Assets are currently collectible but exhibit some potential weakness.
- Substandard – Assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – Assets exhibit similar weaknesses to substandard assets. However, doubtful assets have additional weaknesses in existing facts, conditions and values that make collection in full highly questionable.
- Loss – Assets are considered uncollectible.

The following table presents selected statistics related to the credit quality of loans at December 31.

Credit Quality	2024	2023	2022
Acceptable & OAEM	99.22%	99.32%	99.01%
Substandard/Doubtful/Loss	0.78%	0.68%	0.99%
Total	100.00%	100.00%	100.00%

Nonperforming Assets

The Association's loan portfolio is divided into performing and high-risk categories. A Special Assets Management Department is responsible for servicing loans classified as high-risk. Prior to the adoption of Financial Accounting Standards Board guidance entitled "Measurement of Credit Losses on Financial Instruments" (CECL) on January 1, 2023, nonperforming assets included accruing restructured loans and accrued interest. High-risk assets at December 31, are detailed in the following table:

	December 31,		
High-risk Assets	**2024**	**2023**	**2022**
	(dollars in thousands)		
Nonaccrual loans	$ 8,940	$ 6,861	$ 5,043
Accruing restructured loans*	–	–	25,104
Accruing loans 90 days past due	–	–	–
Total high-risk loans	8,940	6,861	30,147
Other property owned	–	33	–
Total high-risk assets	$ 8,940	$ 6,894	$ 30,147
Ratios			
Nonaccrual loans to total loans	0.58%	0.50%	0.41%
High-risk assets to total assets	0.55%	0.48%	2.34%

**Prior to the adoption of CECL on January 1, 2023, accruing restructured loans were considered high-risk loans.*

Nonaccrual loans represent all loans for which there is a reasonable doubt as to the collection of principal and/or interest under the contractual terms of the loan. Nonaccrual loans at December 31, 2024 were $8.94 million compared to $6.86 million and $5.04 million at December 31, 2023 and 2022, respectively. Nonaccrual loans increased $2.08 million or 30.3 percent during 2024 primarily due to the volume moving into nonperforming begin greater than the volume of nonperforming loans either liquidating in full or returning to the accruing loan portfolio due to sustained performance. Of the $8.94 million in nonaccrual volume at December 31, 2024, $5.07 million or 57 percent was current as to scheduled principal and interest payments, but did not meet all regulatory requirements to be transferred into accrual status, compared to $4.65 million or 68 percent and $2.16 million or 43 percent at December 31, 2023 and 2022, respectively.

Loan restructuring is available to financially distressed borrowers. Restructuring of loans occurs when the Association grants a concession to a borrower based on either a court order or good faith in a borrower's ability to return to financial viability. The concessions can be in the form of a modification of terms or rates, a compromise of amounts owed, or deed in lieu of foreclosure. Other receipts of assets and/or equity to pay the loan in full or in part are also considered restructured loans. The type of alternative financing structure chosen is based on minimizing the loss incurred by both the Association and the borrower.

Allowance for Credit Losses

The allowance for credit losses (ACL) is an estimate of expected credit losses in the Association's portfolio. The Association determines the appropriate level of allowance for credit losses based on a disciplined process and methodology that incorporates expected probabilities of default, severity of loss based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. For further details on the methodology used to determine the ACL, see Note 2, *Summary of Significant Accounting Policies*, and Note 3, *Loans and Allowance for Credit Losses.* The ACL was $5.89 million, $5.23 million, and $5.77 million at December 31, 2024, 2023, and 2022, respectively.

The following table presents the activity in the allowance for credit losses for the most recent three years at December 31:

	December 31,		
	2024	**2023**	**2022**
Allowance for Credit Losses Activity		*(dollars in thousands)*	
Allowance for credit losses on loans – beginning balance	$ 4,723	$ 5,767	$ 6,805
Cumulative effect of a change in accounting principle	–	(2,113)	–
Charge-offs:			
Real estate mortgage	(81)	(3)	–
Production and intermediate-term	(276)	(137)	(71)
Total charge-offs	(357)	(140)	(71)
Recoveries:			
Real estate mortgage	4	30	29
Production and intermediate-term	99	157	251
Total recoveries	103	187	280
Net (charge-offs) recoveries	(254)	47	209
Provision for (reversal of) credit losses on loans	935	1,022	(1,247)
Allowance for credit losses on loans – ending balance	$ 5,404	$ 4,723	$ 5,767
Allowance for unfunded commitments – beginning balance	$ 505	$ –	$ –
Cumulative effect of a change in accounting principle	–	79	–
Provision for (reversal of) unfunded commitments*	(15)	426	–
Allowance for unfunded commitments – ending balance	$ 490	$ 505	$ –
Total allowance for credit losses	$ 5,894	$ 5,228	$ 5,767

**Prior to the adoption of CECL, provision for (reversal of) unfunded commitments was recorded in losses/gains on other transactions.*

The allowance for credit losses as a percentage of loans outstanding and certain other credit quality indicators, at December 31, is shown below:

	December 31,		
	2024	**2023**	**2022**
Allowance for credit losses on loans to loans	0.35%	0.34%	0.46%
Allowance for credit losses on loans to nonaccrual loans	60.45%	68.84%	114.35%
Ratio of net (charge-offs) recoveries during the period	(0.016)%	0.003%	0.017%

Periods of uncertainty in the general economic environment create the potential for prospective risks in the loan portfolio. See Note 3, *Loans and Allowance for Credit Losses*, in the Notes to the Consolidated Financial Statements and the *Critical Accounting Policies* section, above, for further information concerning the allowance for credit losses.

RESULTS OF OPERATIONS

Net Income

Net income totaled $32.99 million for the year ended December 31, 2024, an increase of $6.35 million from 2023. Net income of $26.64 million for the year ended December 31, 2023 was a decrease of $4.04 million from 2022. Major components of the changes in net income for the referenced periods are outlined in the following table and discussion:

Change in Net Income	Year Ended December 31, 2024	2023
	(dollars in thousands)	
Net income (for prior year)	$ 26,643	$ 30,685
Increase (decrease) due to:		
Total interest income	20,508	14,790
Total interest expense	11,358	12,305
Net interest income	9,150	2,485
Provision for credit losses	(528)	2,695
Noninterest income	1,862	(3,241)
Noninterest expense	5,266	601
[Provision for income taxes]	(79)	(10)
Total increase (decrease) in net income	6,353	(4,042)
Net income	$ 32,996	$ 26,643

The Association's primary source of funding is provided by the Bank in the form of notes payable. See *Liquidity and Funding Sources* section below for additional detail on this relationship. Prior to January 1, 2024, the rate applied to the notes payable to the Bank included the Association's allocation of technology and software services provided by the Bank. Effective January 1, 2024, the Bank amended the line of credit agreement to exclude the Association's allocation of costs for Bank-provided services from the Direct Note rate. The master service agreement was also amended to bill the Association for these services separately on a monthly basis. This change had a minimal effect on the Association's net income but did result in a higher net interest margin as it effectively reclassified the Association's technology and software costs paid to the Bank from interest expense to noninterest expense. If this amendment had been in effect during 2023, the Association would have had lower interest expense and corresponding higher noninterest expense of $3.52 million for the year ended December 31, 2023.

Net Interest Income

Net interest income was $50.42 million, $41.27 million, and $38.79 million in 2024, 2023, and 2022, respectively. Net interest income is the difference between interest income and interest expense. Net interest income is the principal source of earnings for the Association and is impacted by volume, yields on assets and cost of debt. The effects of changes in average volume and interest rates on net interest income over the past three years are presented in the following table:

Change in Net Interest Income	Volume *	Rate	Total
		(dollars in thousands)	
12/31/24 – 12/31/23			
Interest income	$ 10,599	$ 9,909	$ 20,508
Interest expense	6,534	4,824	11,358
Change in net interest income	$ 4,065	$ 5,085	$ 9,150
12/31/23 – 12/31/22			
Interest income	$ 4,614	$ 10,176	$ 14,790
Interest expense	2,534	9,771	12,305
Change in net interest income	$ 2,080	$ 405	$ 2,485

**Volume variances can be the result of increased/decreased loan volume or from changes in the percentage composition of assets and liabilities between periods*

The decrease in interest expense due to a decline in rates is primarily due to the change in Direct Note rate discussed above.

Noninterest Income

Noninterest income for each of the three years ended December 31 is shown in the following table:

Noninterest Income	For the Year Ended December 31, 2024	2023	2022	Percentage Increase/(Decrease) 2024/2023	2023/2022
	(dollars in thousands)				
Loan fees	$ 1,303	$ 957	$ 675	36.15 %	41.78 %
Fees for financially related services	152	161	66	(5.59)	143.94
Patronage refund from other Farm Credit Institutions	11,344	10,104	14,454	12.27	(30.10)
Gain on sale of rural home loans, net	287	111	–	158.56	–
Gains from sales of premises and equipment, net	167	613	130	(72.76)	371.54
Other noninterest income	621	66	(72)	840.91	(191.67)
Total noninterest income	$ 13,874	$ 12,012	$ 15,253	15.50 %	(21.25)%

Noninterest income increased 15.50 percent from 2023 to 2024 and decreased 21.25 percent from 2022 to 2023. The majority of noninterest income is related to Patronage refunds from other Farm Credit Institutions, primarily AgFirst Farm Credit Bank. The Association received general patronage of $9.09 million, $7.77 million, and $7.08 million in 2024, 2023 and 2022, respectively. A special patronage distribution from AgFirst was received in 2023 for $293 thousand and to $5.33 million in 2022. These are one-time distributions of excess capital that are not considered to be recurring transactions. The amount of patronage refunds directly correlates to loan volume, as the largest patronage refund from other institutions is the patronage from AgFirst which is based on the average volume of notes payable to AgFirst. Notes payable to AgFirst directly corresponds to loan volume outstanding. Other noninterest income in 2024 includes a $345 thousand FCSIC refund.

Noninterest Expense

Noninterest expense for each of the three years ended December 31 is shown in the following table:

Noninterest Expense	For the Year Ended December 31, 2024	2023	2022	Percentage Increase/(Decrease) 2024/2023	2023/2022
	(dollars in thousands)				
Salaries and employee benefits	$ 15,393	$ 14,178	$ 14,307	8.57 %	(0.90)%
Postretirement Benefits	1,317	1,573	1,641	(16.27)	(4.14)
Occupancy and equipment	1,482	1,353	1,081	9.53	25.16
Insurance Fund premiums	1,155	1,761	1,769	(34.41)	(0.45)
Purchased Services	5,575	1,117	990	399.10	12.83
Losses(Gain) on OPO, net	(2)	1	136	300.00	(99.26)
Other operating expense	5,542	5,213	4,671	6.31	11.60
Total noninterest expense	$ 30,462	$ 25,196	$ 24,595	20.90 %	2.44%

Purchased services increased in 2024 when compared to the prior year primarily as the result of the Direct Note rate change discussed above. Additionally, beginning in the third quarter of 2024, the Bank increased the cost of services provided to the Association and this increase resulted in additional expenses of $1.1 million for the year ended December 31, 2024.

Other operating expense is primarily related to advertising and marketing costs, training and travel costs, communications and data costs, and insurance costs associated with the operation of the Association such as General Liability, Fleet Auto, Blanket Bond, and Director's and Officer's Liability. Other operating expense increased in 2024, compared to 2023, as a result of cost increases from service providers as well as cost of space.

Income Taxes

The Association recorded a benefit for income taxes of $79 thousand for the year ended December 31, 2024, as compared to no provision for 2023 and a provision of $10 thousand for 2022. Refer to Note 2, *Summary of Significant Accounting Policies, Income Taxes*, and Note 12, *Income Taxes*, of the Notes to the Consolidated Financial Statements, for more information concerning the Association's income taxes.

Key Results of Operations Comparisons

Key results of operations comparisons for each of the twelve months ended December 31 are shown in the following table:

Key Results of Operations Comparisons	**For the 12 Months Ended 2024**	**2023**	**2022**
Return on average assets	2.17%	1.99%	2.48%
Return on average members' equity	11.24%	9.29%	11.04%
Net interest income as a percentage of average earning assets	3.45%	3.20%	3.22%
Net (charge-offs) recoveries to average loans	(0.017)%	0.004%	0.017%

LIQUIDITY AND FUNDING SOURCES

Liquidity and Funding

The principal source of funds for the Association is the borrowing relationship established with the Bank through a General Financing Agreement (GFA). The GFA utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances the funds to the Association, creating notes payable (or direct loans) to the Bank. The Bank manages interest rate risk through direct loan pricing and asset/liability management. The notes payable are segmented into variable rate and fixed rate components. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. Association capital levels effectively create a borrowing margin between the amount of loans outstanding and the amount of notes payable outstanding. This margin is commonly referred to as "Loanable Funds."

Total notes payable to the Bank at December 31, 2024, was $1,305 million as compared to $1,114 million at December 31, 2023 and $981 million at December 31, 2022. The increase of $191 million or 17.10 percent compared to December 31, 2023 was primarily attributable to growth in Association loan volume. The increase of $133 million or 13.57 percent compared to December 31, 2022 was primarily attributable to growth in Association loan volume. The average volume of outstanding notes payable to the Bank was $1,212 million, $1,036 million, and $945 million for the years ended December 31, 2024, 2023, and 2022 respectively. Refer to Note 6, *Debt, Notes Payable to AgFirst Farm Credit Bank*, of the Notes to the Consolidated Financial Statements, for weighted average interest rates and maturities, and additional information concerning the Association's notes payable.

Liquidity management is the process whereby funds are made available to meet all financial commitments including the extension of credit, payment of operating expenses and payment of debt obligations. The Association receives access to funds through its borrowing relationship with the Bank and from income generated by operations. The liquidity policy of the Association is to manage cash balances to maximize debt reduction and to increase loan volume. As borrower payments are received, they are applied to the Association's note payable to the Bank. The Association's participation in the Farmer Mac and secondary market programs provides additional liquidity. Sufficient liquid funds have been available to meet all financial obligations. There are no known trends likely to result in a liquidity deficiency for the Association.

The Association had no lines of credit from third party financial institutions as of December 31, 2024.

Funds Management

The Bank and the Association manage assets and liabilities to provide a broad range of loan products and funding options, which are designed to allow the Association to be competitive in all interest rate environments. The primary objective of the asset/liability management process is to provide stable and rising earnings, while maintaining adequate capital levels by managing exposure to credit and interest rate risks.

Demand for loan types is a driving force in establishing a funds management strategy. The Association offers fixed, adjustable and variable rate loan products that are marginally priced according to financial market rates. Variable rate loans may be indexed to market indices such as the Prime Rate or the Secured Overnight Financing Rate (SOFR). Adjustable rate mortgages are indexed to U.S. Treasury Rates. Fixed rate loans are priced based on the current cost of System debt of similar terms to maturity.

The majority of the interest rate risk in the Association's Consolidated Balance Sheets is transferred to the Bank through the notes payable structure. The Bank, in turn, actively utilizes funds management techniques to identify, quantify, and control risk associated with the loan portfolio.

Relationship with the Bank

The Association's statutory obligation to borrow only from the Bank is discussed in Note 6, *Debt, Notes Payable to AgFirst Farm Credit Bank*, of the Notes to the Consolidated Financial Statements in this Annual Report.

The Bank's ability to access capital of the Association is discussed in Note 4, *Investments, Equity Investments in Other Farm Credit Institutions*, of the Notes to the Consolidated Financial Statements.

The Bank's role in mitigating the Association's exposure to interest rate risk is described in the "Liquidity and Funding" section of this Management's Discussion and Analysis and in Note 6, *Debt, Notes Payable to AgFirst Farm Credit Bank*, included in this Annual Report.

CAPITAL RESOURCES

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.

The Association's Board of Directors establishes, adopts, and maintains a formal written capital adequacy plan to ensure that adequate capital is maintained for continued financial viability, to provide for growth necessary to meet the needs of members/borrowers, and to ensure that all stockholders are treated equitably. There were no material changes to the capital plan for 2024 that would affect minimum stock purchases or would have an effect on the Association's ability to retire stock and distribute earnings.

Total members' equity at December 31, 2024, was $293.45 million, an increase of $11.01 million or 3.90 percent from a total of $282.44 million at December 31, 2023. At December 31, 2023, total members' equity increased $5.97 million or 2.16 percent from $276.47 million at December 31, 2022. These increases are due to the amount retained as allocated and unallocated surplus being greater than that revolved and paid out.

Total capital stock and participation certificates were $5.07 million on December 31, 2024, compared to $4.91 million on December 31, 2023 and $4.73 million on December 31, 2022. These increases were attributed to a greater amount of stock issued than retired in the normal course of business.

FCA sets minimum regulatory capital requirements with a capital conservation buffer for System banks and associations. Capital adequacy is evaluated using a number of regulatory ratios.

The following sets forth the regulatory capital ratios:

Ratio	Minimum Requirement	Capital Conservation Buffer	Minimum Requirement with Capital Conservation Buffer	Capital Ratios as of 2024	2023	2022
Risk-adjusted ratios:						
CET1 Capital Ratio	4.5%	2.50%	7.00%	17.03%	18.95%	21.00%
Tier 1 Capital Ratio	6.0%	2.50%	8.50%	17.03%	18.95%	21.00%
Total Capital Ratio	8.0%	2.50%	10.50%	17.43%	19.33%	21.46%
Permanent Capital Ratio	7.0%	0.00%	7.00%	17.09%	19.02%	21.10%
Non-risk-adjusted:						
Tier 1 Leverage Ratio*	4.0%	1.00%	5.00%	17.01%	19.39%	21.10%
UREE Leverage Ratio	1.5%	0.00%	1.50%	14.11%	15.53%	16.29%

** The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE Equivalents.*

If the capital ratios fall below the minimum regulatory requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval. For all periods presented, the Association exceeded minimum regulatory requirements for all of the ratios.

PATRONAGE PROGRAM

Prior to the beginning of any fiscal year, the Association's Board of Directors, by adoption of a resolution, may establish a Patronage Allocation Program to distribute its available consolidated net earnings. This resolution provides for the application of net earnings in the manner described in the Association's Bylaws. This includes the setting aside of funds to increase surplus to meet minimum capital adequacy standards established by FCA Regulations, to increase surplus to meet Association capital adequacy standards to a level necessary to support competitive pricing at targeted earnings levels, and for reasonable reserves for necessary purposes of the Association. After excluding net earnings attributable to (a) the portion of loans participated to another institution, and (b) participation loans purchased, remaining consolidated net earnings are eligible for allocation to borrowers. Refer to Note 7, *Members' Equity*, of the Notes to the Consolidated Financial Statements, for more information concerning the patronage distributions. The Association recorded estimated patronage distributions of $14.25 million in 2024, $14.48 million in 2023 and $15.29 million in 2022.

YOUNG, BEGINNING AND SMALL (YBS) FARMERS AND RANCHERS PROGRAM

The Association is committed to providing sound and dependable credit to YBS farmers and ranchers. The FCA regulatory definitions for YBS farmers and ranchers are as follows:

> *Young Farmer* – A farmer, rancher, or producer or harvester of aquatic products who was age 35 or younger as of the date the loan was originally made.
>
> *Beginning Farmer* – A farmer, rancher, or producer or harvester of aquatic products who had 10 years or less of experience at farming, ranching, or producing or harvesting aquatic products as of the date the loan is originally made.
>
> *Small Farmer* – A farmer, rancher, or producer or harvester of aquatic products who normally generates less than $350,000 in annual gross cash farm income of agricultural or aquatic products at the date the loan is originally made.

Because of the unique needs of these individuals, and their importance to the future of agriculture, the Association has established annual marketing goals to increase market shares of loans to YBS farmers. Specific marketing plans have been developed to target these groups, and resources have been designated to help ensure YBS borrowers' access to a stable source of credit. The Association recognizes that YBS farmers are vitally important to the future of agriculture and are committed to continue offering programs to help educate, assist, and provide quality financial services to YBS farmers. The Association exceeded the 3 percent business plan goal for increase in number of YBS loans with a 7.24 percent overall increase in number of YBS loans. The Association also exceeded the 3 percent goal for increase in volume with a 18.29% percent overall increase in volume of YBS loans in 2024.

The 2017 USDA ag census data has been used as a benchmark to measure penetration of the Association's marketing efforts, though the 2017 ag census has made some significant changes in reporting methodology since the 2012 census. The 2022 USDA ag census data specific to AgGeorgia territory is not yet available. The 2017 census data indicated that within the Association's chartered territory (counties) there were 23,809 reported farmers of which by definition 2,544 or 10.7 percent were Young, 8,278 or 34.8 percent were Beginning, and 20,703 or 86.9 percent were Small. Comparatively, as of December 31, 2024, the demographics of the Association's agricultural portfolio is shown in the two table below.

The following table summarizes information regarding the Association's loans outstanding to YBS farmers and ranchers as of December 31, 2024:

(dollars in thousands)	Number of Loans	Percent of Total	Volume Outstanding	Percent of Total
Young only	117	1.48%	$ 25,156	1.62%
Young & beginning	253	3.16%	99,280	6.39%
Young & small	118	1.48%	8,056	0.52%
Beginning only	280	3.50%	188,293	12.11%
Beginning & small	2,087	26.09%	373,532	24.03%
Small only	1,901	23.76%	139,133	8.95%
Young, beginning & small	882	11.03%	115,630	7.44%
Non-YBS	2,362	29.50%	605,146	38.94%
Total	8,000	100.00%	$ 1,554,226	100.00%

The following table summarizes information regarding the Association's new loans made to YBS farmers and ranchers for the year ended December 31, 2024:

(dollars in thousands)	Number of Loans	Percent of Total	Volume Outstanding	Percent of Total
Young only	45	2.12%	$ 9,289	1.99%
Young & beginning	80	3.77%	31,353	6.72%
Young & small	34	1.60%	2,570	0.55%
Beginning only	75	3.53%	47,771	10.24%
Beginning & small	472	22.23%	115,003	24.65%
Small only	521	24.54%	32,339	6.93%
Young, beginning & small	221	10.41%	30,858	6.61%
Non-YBS	675	31.80%	197,333	42.31%
Total	2,123	100.00%	$ 466,516	100.00%

The Association focuses on education and financial support in helping YBS farmers finance their operations. Educational programs include seminars, speaking opportunities and training sessions, which are conducted throughout the year. These educational opportunities are both in-house, in the form of events held by the Association, and external, in which case, the Association provides a speaker or provides educational materials. In particular, the Association uses its AGAware courses as a way to train and educate YBS farmers in areas such as financial planning, budgeting, succession planning, risk management and other pertinent topics for YBS farmers. The Association also works with Team Agriculture Georgia (TAG) to educate young, beginning, and small farmers. The Association website, www.aggeorgia.com, includes an entire section of information and resources for YBS visitors to the site. Educational programs also include those activities in which the Association participates in at local levels as a sponsor (such as 4-H and FFA events) or as an exhibitor (such as industry or trade shows).

The focus on financial support addresses the specific credit programs and partnerships that the Association has developed to help small farmers, young farmers, and farmers just starting out. It includes programs such as those offered by the Farm Service Agency (FSA), which includes guaranteed and direct loans to qualifying borrowers. The Association is a “preferred lender,” the highest status designated by FSA.

A senior executive oversees the YBS program and coordinates the efforts of other staff members. The Association includes YBS goals in the annual strategic plan, and reports on those goals and achievements to the Board of Directors on a quarterly basis.
The Association is committed to the future success of young, beginning and small farmers.

REGULATORY MATTERS

On November 29, 2024, the FCA proposed rule on internal control over financial reporting (ICFR) was published in the Federal Register. The proposed rule would amend the 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. 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 was to end on January 28, 2025. However, the Farm Credit Administration granted a 60-day comment period extension that ends on March 31, 2025.

On February 8, 2024, the FCA approved a final rule to amend its regulatory capital requirements to define and establish risk-weightings for High Volatility Commercial Real Estate (HVCRE) exposures by assigning a 150 percent risk-weighting to such exposures, instead of the current 100 percent. The rule would further align the FCA's risk-weightings with federal banking regulators and recognizes the increased risk posed by HVCRE exposures. 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. On October 16, 2024, the FCA extended the implementation date of this rule from January 1, 2025 to January 1, 2026.

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

Disclosure Required by Farm Credit Administration Regulations

Description of Business

Descriptions of the territory served, persons eligible to borrow, types of lending activities engaged in, financial services offered and related Farm Credit organizations are incorporated herein by reference to Note 1, *Organization and Operations*, of the Consolidated Financial Statements included in this Annual Report to shareholders.

The description of significant developments that had or could have a material impact on earnings or interest rates to borrowers, acquisitions or dispositions of material assets, material changes in the manner of conducting the business, seasonal characteristics, and concentrations of assets, if any, is incorporated in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* included in this Annual Report.

Description of Property

The following table sets forth certain information regarding the properties of the reporting entity, all of which are located in Georgia:

Location	Description	Form of Ownership
2857 Miller Ferry Road Calhoun 30701	Branch	Owned
1300 East Main Street* Cartersville 30120	LL 390 D 4, Bartow County	Owned
102 Blacksnake Road Clarkesville/Mt. Airy 30563	Branch	Owned
1207 South Greer Street Cordele 31015	Branch	Owned
19 Woodlake Drive Chatsworth 30705	Branch	Owned
826 Bellevue Avenue Dublin 31021	Branch	Owned
501 Broad Street Gainesville 30501	Branch	Owned
700 East Villanow Street LaFayette 30728	Outpost of Calhoun Branch	Owned
22 5th Avenue, SE Moultrie 31768	Branch	Owned
468 Perry Parkway Perry 31069	Corporate Office & Branch	Owned
504 East Screven Street Quitman 31643	Branch	Owned
449 Franklin Springs Street Royston 30662	Branch	Owned
Hobbs Street Royston 30662	3.00 Acres in 1113th G.M. District, Hart County	Owned
775 Sparta Road Sandersville 31082	Branch	Owned
1601 King Road Tifton 31793	Branch	Owned
U.S. 78, 311 North Bypass Washington 30673	Branch	Owned
176 Highway 80 West Waynesboro 30830	Branch	Owned

**Branch was relocated to Calhoun. Location and is currently on market.*

Legal Proceedings

Information, if any, to be disclosed in this section is incorporated herein by reference to Note 11, *Commitments and Contingencies*, of the Consolidated Financial Statements included in this Annual Report.

Description of Capital Structure

Information to be disclosed in this section is incorporated herein by reference to Note 7, *Members' Equity*, of the Consolidated Financial Statements included in this Annual Report.

Description of Liabilities

The description of liabilities, contingent liabilities and intrasystem financial assistance rights and obligations to be disclosed in this section is incorporated herein by reference to Notes 2, 6, 9 and 11 of the Consolidated Financial Statements included in this Annual Report.

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

"Management's Discussion and Analysis of Financial Condition and Results of Operations," which appears in this Annual Report and is to be disclosed in this section, is incorporated herein by reference.

Senior Officers

The following represents certain information regarding the senior officers of the Association and their business experience for the past five years:

Name and Title	Term of Office	Prior Experience
James R. Crain *President & Chief Executive Officer*	8/1/2020-present	Carolina Farm Credit Chief Credit Officer from 2018 thru July 2020, and Chief Risk Officer and Director of Credit Administration from 2015 thru 2018
Elizabeth M. Benefield *Executive Vice President, General Counsel & Corporate Secretary*	2/1/2021-present	Attorney with Husch Blackwell, LLP from 2020-2021 and Carolina Farm Credit General Counsel from 2015 thru 2020
Stephen G. Connelly *Executive Vice President & Chief Administrative Officer*	6/1/2021-present	AgGeorgia Farm Credit Chief Information & Technology Officer from December 2010 thru June 2021
Corey W. Cottle *Executive Vice President & Chief Marketing Officer*	5/1/2013-present	
Nicolas M. Hartley *Executive Vice President & Chief Lending Officer*	9/1/2020-12/31/2024	AgGeorgia Farm Credit Regional Lending Manager from 2013 thru August 2020. Chief Lending Officer from September 2020 through December 2024. Mr. Hartley was selected as Chief Executive Officer of Alabama Ag Credit effective 1/1/2025.
Marissa F. Martin *Executive Vice President & Chief Human Resource Officer*	9/5/2023-present	Senior Director, People and Talent, North and South America with Stellar Elements, an Amdocs Company, from 2022 thru September 2023. Director of Organizational Development with American AgCredit from 2020 thru 2022. Senior Human Resources Relationship Manager with Farm Credit Mid-America from 2017 thru 2020.
Gerald N. Murkerson, Jr. *Executive Vice President & Chief Risk Officer*	11/1/2020-present	AgGeorgia Farm Credit Controller from January 2017 thru October 2020
Lisa C. Storm *Executive Vice President & Chief Credit Officer*	11/1/2022-present	AgGeorgia Farm Credit Regional Credit Administrator from February 2012 thru October 2022.
Tamara L. Shrable *Executive Vice President & Chief Lending Officer*	12/1/2024-present	AgGeorgia Farm Credit Regional Manager from September 2020 thru November 2024. AgGeorgia Farm Credit Relationship Manager from June 2019 thru September 2020.
Brandie L. Thompson *Executive Vice President, Chief Financial Officer & Treasurer*	11/1/2020-present	AgGeorgia Farm Credit Chief Risk Officer and Risk Manager from December 2016 thru October 2020.

Senior Officer Compensation

The Association discloses senior officer compensation information in the Association's Annual Meeting Information Statement mailed to all members. The Annual Meeting Information Statement is available for public inspection at Association offices. Disclosure information on the total compensation paid during the last fiscal year to any senior officer or to any other employee included in the total compensation paid, is available and will be disclosed to shareholders of the Association upon request.

Board policy regarding reimbursements for travel, subsistence, and other related expenses states that all employees, including senior officers, shall be reimbursed for actual reasonable travel and related expenses which are necessary and support our business interest. A copy of our travel policy is available to shareholders upon written request.

Directors

The following section represents the Board of Directors as of December 31, 2024. The below chart details the year the director began serving on the board and the current term of expiration:

DIRECTOR	ORIGINAL YEAR OF ELECTION OR APPOINTMENT	CURRENT TERM EXPIRATION
Glee C. Smith, Outside Director, **Chairperson**	2013	2/2027
R. Brian Grogan, **Vice-Chairperson**	2018	2027
Jack W. Bentley, Jr.	1985	2026
Guy A. Daughtrey	2001	2024*
Robert Bradham “Brad” Edenfield	2023	2026
Robert “Bobby” G. Miller,	1991	2025
Richard D. “Dave” Neff, Outside Director	2002	12/2024
J. Dan Raines, Jr.	1981	2024
Joe A. “Al” Rowland	2018	2026
C. Chase Springfield	2024	2027
George Teel Warbington	2021	2024*
Henry C. “Clint” Wortman, Jr.	2022	2027
Franklin B. Wright	1991	2024
Patti B. York	2021	2025

**Director re-elected to a four (4) year term expiring 12/31/2028.*

The following represents certain information regarding the directors of the Association, including their principal occupation and employment for the past five years. Unless specifically listed, the principal occupation of the board member for the past five years has been as a self-employed farmer.

Glee C. Smith, Outside Director, Chairperson is a private practice attorney, and owner/president of GCS Enterprises, Inc. (rental property). Ms. Smith also serves on the board of WorkSource Georgia (workforce training) and Randolph-Macon College.

R. Brian Grogan, Vice-Chairperson, is a broiler producer, has a cow/calf operation, and grows feed corn, hay, and forage. Mr. Grogan is owner/operator of Haven Farm, Corner Post Farm, Tall Grass Farm and Brookhave Farm Rental Property. Mr. Grogan serves on the board of Gordan County Farm Bureau (insurance broker, ag promotion and development).

Jack W. Bentley, Jr., is owner/operator of A & J Dairy. He also serves on the boards of AgFirst Farm Credit Bank (cooperative banking services); the American Dairy Association of Georgia (trade association and milk promotion); the Wilkes County Farm Bureau (insurance sales and ag promotion and development), Lonestar Milk Producers (milk production), and the USDA FSA (government farm program).

Guy A. Daughtrey is a pecan and timber grower. After 38 years of service, he retired as an auditor from Southern Company (regional energy company) in 2020. He serves on the South Georgia Regional Commission Board (an 18 county, 45 city regional intergovernmental coordination and long-term planning agency). Mr. Daughtrey is the Association’s Financial Expert appointed by the board.

Robert Bradham “Brad” Edenfield is a row crop farmer growing corn, cotton, and peanuts and owns/maintains a heard of registered Brown Swiss dairy replacement heifers. Mr. Edenfield is co-owner and operator of multiple business entities, to include RT Farms, Inc., Beechwood Heritage Farms, LLC, Peach Heritage Farms, LLC, and Edenfield Heritage Farms, LLC. Mr. Edenfield serves on the board of the Burke County Farm Bureau (insurance broker, ag promotion and development), as an advisory committee member of the Georgia Farm Bureau – State Commodity Advisory Committee for Peanuts (peanut industry promotion and policy development), a member of the National Brown Swiss Association (Brown Swiss cattle breed promotion and expansion), and a member of the American Farm Bureau Federation (AFBF) Technology Issue Advisory Committee.

Robert “Bobby” G. Miller has a cow-calf operation and manages rental properties and real estate. He serves as manager on the boards of H. R. Miller, LLC, RGM Foothills Properties, LLC, and EliEm Legacy, LLC (commercial and residential rentals and real estate).

Richard D. “Dave” Neff, Outside Director, retired from International Poultry Breeders/Wincorp International, Inc. in November 2018, where he served as poultry industry marketing and business development executive.

J. Dan Raines, Jr., has a timber operation.

Joe A. “Al” Rowland is a row crop farmer growing cotton, peanuts, rye and hay, and operates a small-scale trucking company that transports agricultural products. He serves on the board of the Johnson County Farm Bureau (insurance broker, ag promotion and development).

C. Chase Springfield is a poultry farmer, hay and cow/calf producer, and poultry service provider. Mr. Springfield is owner/operator of Cohutta Springs Farms, Boyds Creek, and Springfield Farm. Mr. Springfield was previously a member of the AgGeorgia Farm Credit

Stockholder Advisory Council and is currently a board member of the Murray County Farm Bureau (insurance broker, ag promotion and development).

George Teel Warbington is a row crop farmer growing cotton, peanuts and corn and produces timber and pecans. He is the president, partner and/or member of multiple business entities to include Warbington Farms Partnership, Warbington Farms, Inc, Warbingsons GP, AgServ, Inc., Dooly Farm Mfg. Co., and Agriventures, LLC. Mr. Warbington serves on the board of Dooly County Farm Bureau (insurance broker, ag promotion and development) and as a trustee of the Georgia Farm Bureau Member Health Insurance.

Henry C. "Clint" Wortman, Jr. is a row crop farmer growing corn, soybeans, peanuts, cotton and grain sorghum. Mr. Wortman also has a pecan operation, commercial cow/calf operation, and grows timber. He is owner/operator of Jackson & Wortman, LLC. Mr. Wortman is a member of Georgia Farm Bureau (insurance broker, ag promotion and development) and is a stockholder/grower for Tifton Quality Peanut (processing/marketing).

Franklin B. Wright is a dairy farmer and works in general dairy products and agritourism. He also serves on the boards of Wright Development, Inc. (land development), and the Gilmer County Farm Bureau (insurance broker, ag promotion and development).

Patti B. York is a poultry farmer, beef cattle and sheep producer, and is owner/operator of JSK Farms, Inc. She serves as vice chair on the Hart County Water and Sewer Authority Board (water and sewer planning).

Director Compensation

Directors are paid a monthly retainer fee of $2,167. The Board Chairperson receives an additional monthly retainer fee of $417 and directors servicing in the capacity of Committee Chairperson for the Audit Committee, Governance Committee, Risk Committee and Compensations committees receive an additional monthly retainer fee of $208. Directors of the AgGeorgia Farm Credit Board who are appointed to represent the Association on the Legislative Advisory Committee and District Advisory Committee are compensated $650 per in person meeting, $400 per virtual meeting and $300 per travel day, where travel is required to occur on a separate day from the meeting. Total compensation paid to directors as a group was $382,500 for 2024, compared to $400,428 for 2023. No director received more than $5,000 in non-cash compensation during the year.

The following chart details the number of meetings, other activities and additional compensation paid for other activities (if applicable) for each director:

	Days Served					
Name of Director	**Regular Board Meetings**	**Other Official Activities***	**2024 Committee Assignments**	**Comp. Paid for other Activities***	**Monthly Retainer and Regular Meeting Compensation**	**Total Compensation for 2024**
Glee C. Smith *Outside Director* ***Board Chairperson***	7	30	Credit Review, Audit, Budget, Compensation, Risk, Governance, Ad Hoc Building Committee, Legislative Advisory Committee	$ 950	$ 31,000	$ 31,950
R. Brian Grogan ***Board Vice-Chairperson***	7	20	Credit Review, Audit, Compensation	–	28,500	28,500
Jack W. Bentley, Jr.	6	24	Credit Review, Budget Compensation, Risk	–	26,000	26,000
Guy A. Daughtrey	7	21	Credit Review, Audit (Financial Expert), Budget, Ad Hoc Building Committee	–	28,500	28,500
Robert Bradham "Brad" Edenfield	7	26	Credit Review, Governance, Risk	–	26,000	26,000
Robert "Bobby" G. Miller	7	27	Credit Review, Governance, Risk	–	28,500	28,500
Richard D. "Dave" Neff *Outside Director*	7	23	Credit Review, Compensation, Governance, Risk	–	28,500	28,500
J. Dan Raines, Jr.	6	9	Credit Review, Compensation, Risk	–	26,000	26,000
Joe A. "Al" Rowland	7	29	Credit Review, Audit, Governance, Risk, Ad Hoc Building Committee, District Advisory Committee	2,550	26,000	28,550
C. Chase Springfield	6	33	Credit Review, Governance, Ad Hoc Building Committee	–	26,000	26,000
George Teel Warbington	7	27	Credit Review, Audit, Budget, Compensation, Ad Hoc Building Committee	–	26,000	26,000
Henry C. "Clint" Wortman, Jr.	7	28	Credit Review, Audit, Ad Hoc Building Committee	–	26,000	26,000
Franklin B. Wright	7	20	Credit Review, Audit, Budget, Ad Hoc Building Committee	–	26,000	26,000
Patti B. York	7	27	Credit Review, Compensation, Risk	–	26,000	26,000
				$ 3,500	$ 379,000	$ 382,500

**Includes board committee meetings and other board activities other than regular board meetings.*

Board policy regarding reimbursements for travel, subsistence, and other related expenses states that all employees, including senior officers, and directors shall be reimbursed for actual reasonable travel and related expenses which are necessary and support our business interest. A copy of our travel policy is available to shareholders upon written request.

The aggregate amount of reimbursement for travel, subsistence and other related expenses for all directors as a group was $196,554 for 2024, $337,519 for 2023, and $253,583 for 2022.

Transactions with Senior Officers and Directors

The reporting entity’s policies on loans to and transactions with its officers and directors, to be disclosed in this section are incorporated herein by reference to Note 10, *Related Party Transactions*, of the Consolidated Financial Statements included in this Annual Report. There have been no transactions between the Association and senior officers or directors which require reporting per FCA regulations.

Involvement in Certain Legal Proceedings

There were no matters which came to the attention of management or the board of directors regarding involvement of current directors or senior officers in specified legal proceedings which should be disclosed in this section. No directors or senior officers have been involved in any legal proceedings during the last five years which require reporting per FCA regulations.

Relationship with Independent Auditors

There were no changes in or material disagreements with our independent auditors on any matter of accounting principles or financial statement disclosure during this period.

Aggregate fees incurred by the Association for services rendered by its independent auditors for the year ended December 31, 2024 were as follows:

	2024
Independent Auditors	
PricewaterhouseCoopers LLP	
Audit services	$ 110,856
Total	$ 110,856

Audit fees were for the annual audit of the Consolidated Financial Statements. There were no non audit services provided by the Association’s independent auditors during 2024. All nonaudio service fees incurred by the Association require approval by the Audit Committee.

Consolidated Financial Statements

The Consolidated Financial Statements, together with the report thereon of PricewaterhouseCoopers LLP dated March 11, 2025 and the report of management, which appear in this Annual Report, are incorporated herein by reference. Copies of the Association’s Annual and Quarterly reports are available upon request free of charge by calling 800-768-3276, Ext. 113 or writing Brandie L. Thompson, Chief Financial Officer, P.O. Box 1820, Perry, GA 31069 or accessing the web site, www.aggeorgia.com. The Association prepares an electronic version of the Annual Report which is available on the Association’s web site within 75 days after the end of the fiscal year and distributes the Annual Reports to shareholders within 90 days after the end of the fiscal year. The Association prepares an electronic version of the Quarterly report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Borrower Information Regulations

Since 1972, Farm Credit Administration (FCA) regulations have required that borrower information be held in strict confidence by Farm Credit System (FCS) institutions, their directors, officers and employees. These regulations provide Farm Credit institutions clear guidelines for protecting their borrowers’ nonpublic personal information.

On November 10, 1999, the FCA Board adopted a policy that requires FCS institutions to formally inform new borrowers at loan closing of the FCA regulations on releasing borrower information and to address this information in the Annual Report. The implementation of these measures ensures that new and existing borrowers are aware of the privacy protections afforded them through FCA regulations and Farm Credit System institution efforts.

Credit and Services to Young, Beginning, and Small Farmers and Ranchers and Producers or Harvesters of Aquatic Products

Information to be disclosed in this section is incorporated herein by reference to the similarly named section in the Management's Discussion and Analysis of Financial Condition and Results of Operations section included in this Annual Report to the shareholders.

Shareholder Investment

Shareholder investment in the Association could be materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank (Bank or AgFirst). Copies of the Bank's Annual and Quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2764, or writing Matthew Miller, AgFirst Farm Credit Bank, P. O. Box 1499, Columbia, SC 29202. Information concerning AgFirst Farm Credit Bank can also be obtained by going to AgFirst's web site at ***www.agfirst.com***. The Bank prepares an electronic version of the Annual Report, which is available on the website, within 75 days after the end of the fiscal year. The Bank prepares an electronic version of the Quarterly report within 40 days after the end of each fiscal quarter, except that no report needs to be prepared for the fiscal quarter that coincides with the end of the fiscal year of the Bank.

Report of the Audit Committee

The Audit Committee of the Board of Directors (Committee) is comprised of the directors named below. None of the directors who serve on the Committee is an employee of AgGeorgia Farm Credit (Association) and in the opinion of the Board of Directors, each is free of any relationship with the Association or management that would interfere with the director's independent judgment on the Committee.

The Committee has adopted a written charter that has been approved by the Board of Directors. The Committee has reviewed and discussed the Association's audited financial statements with management, which has primary responsibility for the financial statements.

PricewaterhouseCoopers LLP (PwC), the Association's Independent Auditors for 2024, is responsible for expressing an opinion on the conformity of the Association's audited financial statements with accounting principles generally accepted in the United States of America. The Committee has discussed with PwC the matters that are required to be discussed by Statement on Auditing Standards No. 114 *(The Auditor's Communication With Those Charged With Governance)*.

Based on the considerations referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Association's Annual Report for 2024. The foregoing report is provided by the following independent directors, who constitute the Committee.

/s/ Guy Daughtrey
Chairperson of the Audit Committee

Members of Audit Committee

R. Brian Grogan
Steve Loughridge
Joe A. Rowland
George Teel Warbington
Henry Clint Wortman, Jr.

March 11, 2025

Report of Independent Auditors

To the Management and Board of Directors of AgGeorgia Farm Credit, ACA

Opinion

We have audited the accompanying consolidated financial statements of AgGeorgia Farm Credit, ACA and its subsidiaries (the "Association"), which comprise the consolidated balance sheets as of December 31, 2024, 2023, and 2022, and the related consolidated statements of comprehensive income, of changes in members' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Association changed the manner in which it accounts for the allowance for credit losses in 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes pwc

our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the 2024 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 11, 2025

Consolidated Balance Sheets

(dollars in thousands)	December 31, 2024	2023	2022
Assets			
Cash	**$ 8**	$ 93	$ 10
Loans	**1,553,577**	1,378,546	1,242,615
Allowance for credit losses on loans	**(5,404)**	(4,723)	(5,767)
Net loans	**1,548,173**	1,373,823	1,236,848
Loans held for sale	**—**	72	—
Accrued interest receivable	**19,280**	16,634	14,122
Equity investments in other Farm Credit institutions	**24,188**	21,672	15,818
Premises and equipment, net	**19,725**	17,214	12,708
Other property owned	**—**	33	—
Accounts receivable	**11,256**	9,937	8,967
Other assets	**4,111**	1,959	1,933
Total assets	**$ 1,626,741**	$ 1,441,437	$ 1,290,406
Liabilities			
Notes payable to AgFirst Farm Credit Bank	**$ 1,304,710**	$ 1,114,204	$ 981,101
Accrued interest payable	**4,605**	3,915	2,669
Patronage refunds payable	**9,395**	15,751	16,573
Accounts payable	**3,144**	2,207	2,023
Advanced conditional payments	**697**	12,298	—
Other liabilities	**10,741**	10,627	11,574
Total liabilities	**1,333,292**	1,159,002	1,013,940
Commitments and contingencies (Note 11)			
Members' Equity			
Capital stock and participation certificates	**5,071**	4,912	4,730
Retained earnings			
Allocated	**40,432**	48,272	56,491
Unallocated	**247,767**	229,156	215,103
Accumulated other comprehensive income	**179**	95	142
Total members' equity	**293,449**	282,435	276,466
Total liabilities and members' equity	**$ 1,626,741**	$ 1,441,437	$ 1,290,406

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

Consolidated Statements of Comprehensive Income

(dollars in thousands)	For the year ended December 31, 2024	2023	2022
Interest Income			
Loans	**$ 100,261**	$ 79,753	$ 64,963
Interest Expense	**49,836**	38,478	26,173
Net interest income	**50,425**	41,275	38,790
Provision for (reversal of) allowance for credit losses	**920**	1,448	(1,247)
Net interest income after provision for (reversal of) allowance for credit losses	**49,505**	39,827	40,037
Noninterest Income			
Loan fees	**1,303**	957	675
Fees for financially related services	**152**	161	66
Patronage refunds from other Farm Credit institutions	**11,344**	10,104	14,454
Gains (losses) on sales of rural home loans, net	**287**	111	—
Gains (losses) on sales of premises and equipment, net	**167**	613	130
Gains (losses) on other transactions	**261**	57	(74)
Insurance Fund refunds	**345**	—	—
Other noninterest income	**15**	9	2
Total noninterest income	**13,874**	12,012	15,253
Noninterest Expense			
Salaries and employee benefits	**16,710**	15,751	15,948
Occupancy and equipment	**1,482**	1,353	1,081
Insurance Fund premiums	**1,155**	1,761	1,769
Purchased services	**5,575**	1,117	990
Data processing	**333**	271	282
Other operating expenses	**5,209**	4,942	4,389
(Gains) losses on other property owned, net	**(2)**	1	136
Total noninterest expense	**30,462**	25,196	24,595
Income before income taxes	**32,917**	26,643	30,695
Provision (benefit) for income taxes	**(79)**	—	10
Net income	**$ 32,996**	$ 26,643	$ 30,685
Other comprehensive income net of tax			
Employee benefit plans adjustments	**84**	(47)	559
Comprehensive income	**$ 33,080**	$ 26,596	$ 31,244

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

Consolidated Statements of Changes in Members' Equity

(dollars in thousands)	Capital Stock and Participation Certificates	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income	Total Members' Equity
Balance at December 31, 2021	$ 4,653	$ 65,912	$ 199,971	$ (417)	$ 270,119
Comprehensive income			30,685	559	31,244
Capital stock/participation certificates issued/(retired), net	77				77
Patronage distribution					
Cash			(15,295)		(15,295)
Retained earnings retired		(9,421)			(9,421)
Patronage distribution adjustment			(258)		(258)
Balance at December 31, 2022	$ 4,730	$ 56,491	$ 215,103	$ 142	$ 276,466
Cumulative effect of change in accounting principle			2,034		2,034
Comprehensive income			26,643	(47)	26,596
Capital stock/participation certificates issued/(retired), net	182				182
Patronage distribution					
Cash			(14,482)		(14,482)
Retained earnings retired		(8,219)			(8,219)
Patronage distribution adjustment			(142)		(142)
Balance at December 31, 2023	$ 4,912	$ 48,272	$ 229,156	$ 95	$ 282,435
Comprehensive income			**32,996**	**84**	**33,080**
Capital stock/participation certificates issued/(retired), net	**159**				**159**
Patronage distribution					
Cash			**(14,250)**		**(14,250)**
Retained earnings retired		**(7,840)**			**(7,840)**
Patronage distribution adjustment			**(135)**		**(135)**
Balance at December 31, 2024	**$ 5,071**	**$ 40,432**	**$ 247,767**	**$ 179**	**$ 293,449**

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

Consolidated Statements of Cash Flows

	For the year ended December 31,		
(dollars in thousands)	**2024**	**2023**	**2022**
Cash flows from operating activities:			
Net income	**$ 32,996**	$ 26,643	$ 30,685
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation on premises and equipment	**994**	796	681
Amortization (accretion) of net deferred loan costs (fees)	**(1,123)**	(662)	(789)
Provision for (reversal of) allowance for credit losses	**920**	1,448	(1,247)
(Gains) losses on other property owned	**(3)**	(9)	111
(Gains) losses on sales of premises and equipment, net	**(167)**	(613)	(130)
(Gains) losses on sales of rural home loans, net	**(287)**	(111)	—
(Gains) losses on other transactions	**(261)**	(57)	74
Changes in operating assets and liabilities:			
Origination of loans held for sale	**(3,327)**	(2,839)	—
Proceeds from sales of loans held for sale, net	**3,686**	2,878	—
(Increase) decrease in accrued interest receivable	**(2,646)**	(2,512)	(3,059)
(Increase) decrease in accounts receivable	**(1,319)**	(970)	10,112
(Increase) decrease in other assets	**(2,152)**	(26)	141
Increase (decrease) in accrued interest payable	**690**	1,246	895
Increase (decrease) in accounts payable	**937**	184	464
Increase (decrease) in other liabilities	**475**	(1,443)	2,621
Total adjustments	**(3,583)**	(2,690)	9,874
Net cash provided by (used in) operating activities	**29,413**	23,953	40,559
Cash flows from investing activities:			
Net (increase) decrease in loans	**(174,164)**	(135,254)	(95,412)
(Increase) decrease in equity investments in other Farm Credit institutions	**(2,516)**	(5,854)	(5,907)
Purchases of premises and equipment	**(3,509)**	(5,823)	(3,759)
Proceeds from sales of premises and equipment	**172**	1,133	149
Proceeds from sales of other property owned	**36**	9	609
Net cash provided by (used in) investing activities	**(179,981)**	(145,789)	(104,320)
Cash flows from financing activities:			
Advances on (repayment of) notes payable to AgFirst Farm Credit Bank, net	**190,506**	133,103	86,508
Net increase (decrease) in advanced conditional payments	**(11,601)**	12,298	—
Capital stock and participation certificates issued/(retired), net	**159**	182	77
Patronage refunds and dividends paid	**(20,741)**	(15,445)	(13,404)
Retained earnings retired	**(7,840)**	(8,219)	(9,421)
Net cash provided by (used in) financing activities	**150,483**	121,919	63,760
Net increase (decrease) in cash	**(85)**	83	(1)
Cash, beginning of period	**93**	10	11
Cash, end of period	**$ 8**	$ 93	$ 10
Supplemental schedule of non-cash activities:			
Financed sales of other property owned	**$ —**	$ —	$ 873
Receipt of property in settlement of loans	**—**	33	612
Estimated cash dividends or patronage distributions declared or payable	**14,250**	14,482	15,295
Cumulative effect of change in accounting principle	**—**	2,034	—
Employee benefit plans adjustments (Note 9)	**(84)**	47	(559)
Supplemental information:			
Interest paid	**$ 49,146**	$ 37,233	$ 25,278

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

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)

Note 1 — Organization and Operations

A. **Organization**: AgGeorgia Farm Credit, ACA (Association or AgGeorgia) is a member-owned cooperative that provides credit and credit-related services to qualified borrowers in the counties of Baldwin, Banks, Barrow, Bartow, Ben Hill, Berrien, Bibb, Bleckley, Brooks, Burke, Catoosa, Chattooga, Cherokee, Clarke, Cobb, Colquitt, Columbia, Cook, Crawford, Crisp, Dade, Dawson, Dodge, Dooly, Echols, Elbert, Fannin, Floyd, Forsyth, Franklin, Gilmer, Glascock, Gordon, Habersham, Hall, Hancock, Hart, Houston, Irwin, Jackson, Jefferson, Johnson, Jones, Lanier, Laurens, Lincoln, Lowndes, Lumpkin, Macon, Madison, McDuffie, Murray, Oglethorpe, Paulding, Peach, Pickens, Polk, Pulaski, Rabun, Richmond, Stephens, Taliaferro, Taylor, Telfair, Tift, Towns, Treutlen, Turner, Twiggs, Union, Walker, Warren, Washington, White, Whitfield, Wilcox, Wilkes, Wilkinson and Worth in the state of Georgia.

The Association is a lending institution in the Farm Credit System (System), a nationwide network of cooperatively owned banks and associations. It was established by Acts of Congress and is subject to the provisions of the Farm Credit Act of 1971, as amended (Farm Credit Act). The System specializes in providing financing and related services to qualified borrowers for agricultural and rural purposes.

The nation is served by three Farm Credit Banks (FCBs) and one Agricultural Credit Bank (ACB), (collectively, the System Banks) each of which has specific lending authorities within its chartered territory. The ACB also has additional specific nationwide lending authorities.

Each System Bank serves one or more Agricultural Credit Associations (ACAs) that originate long-term, short-term and intermediate-term loans, Production Credit Associations (PCAs) that originate and service short- and intermediate-term loans, and/or Federal Land Credit Associations (FLCAs) that originate and service long-term real estate mortgage loans. These associations borrow a majority of the funds for their lending activities from their related bank. System Banks are also responsible for supervising the activities of associations within their districts. AgFirst (Bank) and its related associations (Associations or District Associations) are collectively referred to as the AgFirst District. The District Associations jointly own substantially all of AgFirst's voting stock. As of year-end, the District consisted of the Bank and sixteen District Associations. All sixteen were structured as ACA holding companies, with PCA and FLCA subsidiaries. FLCAs are tax-exempt while ACAs and PCAs are taxable.

The Farm Credit Administration (FCA) is delegated authority by Congress to regulate the System banks and associations. The FCA examines the activities of the associations and certain actions by the associations are subject to the prior approval of the FCA and the supervising bank.

The Farm Credit Act also established the Farm Credit System Insurance Corporation (Insurance Corporation) to administer the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is required to be used (1) to ensure the timely payment of principal and interest on Systemwide debt obligations (Insured Debt), (2) to ensure the retirement of protected borrower capital at par or stated value, and (3) for other specified purposes. The Insurance Fund is also available for discretionary uses by the Insurance Corporation to provide assistance to certain troubled System institutions and to cover the operating expenses of the Insurance Corporation. Each System bank has been required to pay premiums, which may be passed on to the Association, into the Insurance Fund, based on its average adjusted outstanding Insured Debt until the assets in the Insurance Fund reach the "secure base amount." The secure base amount is defined in the Farm Credit Act as 2.0 percent of the aggregate insured obligations (adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments) or such other percentage of the aggregate obligations as the Insurance Corporation at its sole discretion determines to be actuarially sound. When the amount in the Insurance Fund exceeds the secure base amount, the Insurance Corporation is required to reduce premiums and may return excess funds above the secure base amount to System institutions. However, it must still ensure that reduced premiums are sufficient to maintain the level of the Insurance Fund at the secure base amount.

B. **Operations:** The Farm Credit Act sets forth the types of authorized lending activity and financial services that can be offered by the Association, and the persons eligible to borrow.

The Associations borrow from the Bank and in turn may originate and service short- and intermediate-term loans to their members, as well as long-term real estate mortgage loans.

The Bank primarily lends to the District Associations in the form of a line of credit to fund the Associations' earning assets. These lines of credit (or Direct Notes) are collateralized by a pledge of substantially all of each Association's assets. The terms of the Direct Notes are governed by a General Financing Agreement (GFA) between the Bank and Association. Each advance is structured such that the principal cash flow, repricing characteristics, and underlying index (if any) of the advance match those of the assets being funded. By match-funding the Association loans, the Associations' exposure to interest rate risk is minimized.

In addition to providing funding for earning assets, the Bank provides District Associations with banking and support services such as accounting, human resources, information systems, and marketing. Prior to January 1, 2024, the costs of these support services were primarily included in the interest expense of the Direct Note. After January 1, 2024, the fees charged by the Bank for these support services are included in the Association's noninterest expense or in some cases billed directly to certain Associations that use a specific service.

The Association is authorized to provide, either directly or in participation with other lenders, credit, credit commitments, and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm-related businesses.

The Association may sell to any System borrowing member, on an optional basis, credit or term life insurance appropriate to protect the loan commitment in the event of death of the debtor(s). The sale of other insurance necessary to protect a member's farm or aquatic unit is permitted, but limited to hail and multi-peril crop insurance, and insurance necessary to protect the facilities and equipment of aquatic borrowers.

Note 2 — Summary of Significant Accounting Policies

The accounting and reporting policies of the Association conform with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the banking industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Significant estimates are discussed in these footnotes, as applicable. Actual results may differ from these estimates.

The accompanying consolidated financial statements include the accounts of the ACA, PCA and FLCA.

Certain amounts in the prior year financial statements have been reclassified to conform to the current period presentation. Such reclassifications had no effect on net income or total members' equity of prior years.

A. **Accounting Standard Updates (ASUs) Effective During the Period:** In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this standard require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. The amendments are effective for annual periods beginning after December 15, 2025. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations or cash flows but will impact the income tax disclosures.

B. **Cash:** Cash represents cash on hand and on deposit at banks. At the most recent year-end, the Association held no cash in excess of insured amounts.

C. **Loans and Allowance for Credit Losses (ACL):** The Association is authorized to make long-term real estate loans with maturities of 5 to 40 years and certain short- and intermediate-term loans for agricultural production or operating purposes with maturities of not more than 10 years.

Loans are recorded at amortized cost basis, which is the principal amount outstanding adjusted for charge-offs, deferred loan fees or costs, and valuation adjustments relating to hedging activities, if any. Interest on loans is accrued and credited to interest income based upon the daily principal amount outstanding. The difference in the total investment in a loan and its principal amount may be deferred as part of the carrying amount of the loan and the net difference amortized over the life of the related loan as an adjustment to interest income using the effective interest method.

Nonaccrual Loans

Nonaccrual loans are loans for which there is reasonable doubt that all principal and interest will be collected according to the original contractual terms and are generally considered substandard or doubtful, which is in accordance with the loan rating model, as described below. A loan is considered contractually past due when any principal repayment or interest payment required by the loan instrument is not received on or before the due date. A loan shall remain contractually past due until it is modified or until the entire amount past due, including principal, accrued interest, and penalty interest incurred as the result of past due status, is collected or otherwise discharged in full.

Consistent with prior practice, loans are generally placed in nonaccrual status when principal or interest is delinquent for 90 days (unless adequately secured and in the process of collection), circumstances indicate that collection of principal and interest is in doubt or legal action, including foreclosure or other forms of collateral conveyance, has been initiated to collect the outstanding principal and interest. At the time a loan is placed in nonaccrual status, accrued interest that is considered uncollectible is reversed (if accrued in the current year) or charged against the ACL (if accrued in prior years). Loans are charged-off at the time they are determined to be uncollectible.

When loans are in nonaccrual status, interest payments received in cash are generally recognized as interest income if the collectability of the loan principal is fully expected and certain other criteria are met. Otherwise, payments received on nonaccrual loans are applied against the recorded investment in the loan asset. Nonaccrual loans are returned to accrual status if all contractual principal and interest is current, the borrower is fully expected to fulfill the contractual repayment terms and after remaining current as to principal and interest for a sustained period or have a recent repayment pattern demonstrating future repayment capacity to make on-time payments. If previously unrecognized interest income exists at the time the loan is transferred to accrual status, cash received at the time of or subsequent to the transfer should first be recorded as interest income until such time as the recorded balance equals the contractual indebtedness of the borrower.

Accrued Interest Receivable
The Association adopted the practical expedient to classify accrued interest on loans and investment securities in accrued interest receivable and not as part of loans or investments on the Consolidated Balance Sheets. The Association also elected to not estimate an allowance on interest receivable balances because the nonaccrual policies in place provide for the accrual of interest to cease on a timely basis when all contractual amounts are not expected.

Loan Modifications to Borrowers Experiencing Financial Difficulty
Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications can be in the form of one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant payment delay or a term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

Collateral Dependent Loans
Collateral dependent loans are loans secured by collateral, including but not limited to agricultural real estate, crop inventory, equipment and livestock. An entity is required to measure the expected credit losses based on fair value of the collateral at the reporting date when the entity determines that foreclosure is probable. Additionally, the Association adopted the fair value practical expedient as a measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulties. Under the practical expedient measurement approach, the expected credit loss is based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan.

Allowance for Credit Losses
The Association adopted the Financial Accounting Standards Board (FASB) guidance entitled “Measurement of Credit Losses on Financial Instruments” and other subsequently issued accounting standards updates related to credit losses on January 1, 2023. This guidance replaced the current incurred loss impairment methodology with a single allowance framework for financial assets that estimates the current expected credit losses (CECL) over the remaining contractual life for all financial assets measured at amortized cost and certain off-balance sheet credit exposures. This guidance was applied on a modified retrospective basis. The ACL takes into consideration relevant information about past events, current conditions and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals and modifications unless the extension or renewal options are not unconditionally cancellable. The ACL comprises:

- the allowance for credit losses on loans (ACLL), which covers the loan portfolio and is presented separately on the Consolidated Balance Sheets
- the allowance for unfunded commitments, which is presented on the Consolidated Balance Sheets in Other Liabilities, and
- the allowance for credit losses on investment securities, which covers held-to-maturity and available-for-sale securities and is recognized within each investment securities classification on the Consolidated Balance Sheets.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio, considering macroeconomic conditions, forecasts and other factors prevailing at the time, may result in significant changes in the ACL in those future periods.

Allowance for Credit Losses on Loans
The ACLL represents management’s estimate of credit losses over the remaining expected life of loans. Loans are evaluated on the amortized cost basis, including premiums, discounts and fair value accounting adjustments.

The Association employs a disciplined process and methodology to establish its ACLL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics.

Asset-specific loans are generally collateral-dependent loans (including those loans for which foreclosure is probable) and nonaccrual loans. For an asset-specific loan, expected credit losses are measured as the difference between the amortized cost basis in the loan and the present value of expected future cash flows discounted at the loan’s effective interest rate except that, for collateral-dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. The fair value of the collateral is adjusted for the estimated cost to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral. In accordance with the Association’s appraisal policy, the fair value of collateral-dependent loans is based upon independent third-party appraisals or on collateral valuations prepared by in-house appraisers. When an updated appraisal or collateral valuation is received, management reassesses the need for adjustments to the loan’s expected credit loss measurements and, where appropriate, records an adjustment. If the calculated expected credit loss is determined to be permanent, fixed, or non-recoverable, the credit loss portion of the loan will be charged off against the ACL.

In estimating the component of the ACLL that relates to loans that share common risk characteristics, loans are evaluated collectively and segregated into loan pools considering the risk associated with the specific pool. Relevant risk characteristics include loan type, commodity, credit quality rating, delinquency category or business segment or a combination of these classes. The allowance is determined based on a quantitative calculation of the expected life-of-loan loss percentage for each loan category by considering the probability of default, based on the migration of loans from performing to loss by credit quality rating or delinquency buckets using historical life-of-loan analysis periods for loan types, and the severity of loss, based on the aggregate net lifetime losses incurred per loan pool.

The credit risk rating methodology is a key component of the Association’s ACLL evaluation, and is generally incorporated into the institution’s loan underwriting standards and internal lending limit. The Association uses a two-dimensional loan rating model based on internally generated combined System risk rating guidance that incorporates a 14-point risk 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 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 estimate as to the anticipated economic loss on a specific loan assuming default has occurred or is expected to occur within the next 12 months.

The components of the ACLL that share common risk characteristics also considers factors for each loan pool to adjust for differences between the historical period used to calculate historical default and loss severity rates and expected conditions over the remaining lives of the loans in the portfolio related to:

- lending policies and procedures;
- national, regional and local economic business conditions and developments that affect the collectability of the portfolio, including the condition of various markets;
- the nature of the loan portfolio, including the terms of the loans;
- the experience, ability and depth of the lending management and other relevant staff;
- the volume and severity of past due and adversely classified or graded loans and the volume of nonaccrual loans;
- the quality of the loan review and process;
- the value of underlying collateral for collateral-dependent loans;
- the existence and effect of any concentrations of credit and changes in the level of such concentrations; and
- the effect of external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing portfolio.

The Association’s macroeconomic forecast includes a weighted selection of the Moody’s baseline, upside 10^{th} percent and downside 90^{th} percent over reasonable and supportable forecast periods of three years. Subsequent to the forecast period, the Association reverts to long run historical loss experience beyond two years gradually after the determined forecast horizon using a transition function to inform the estimate of losses for the remaining contractual life of the loan portfolio.

The economic forecasts incorporate macroeconomic variables, including unemployment rates, Dow Jones Total Stock Market Index, and corporate bond spreads. Also considered are loan and borrower characteristics, such as internal risk ratings, delinquency status, collateral type, and the remaining term of the loan, adjusted for expected prepayments.

In addition to the quantitative calculation, the Association considers the imprecision inherent in the process and methodology, emerging risk assessments and other subjective factors, which may lead to a management adjustment to the modeled ACLL results. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral. The economic forecasts are updated on a quarterly basis.

Allowance for Credit Losses on Unfunded Commitments
The Association evaluates the need for an ACL on unfunded commitments and, if required, an amount is recognized and included in Other Liabilities on the Consolidated Balance Sheets. The amount of expected losses is determined by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Association and applying the loss factors used in the ACLL methodology to the results of the usage calculation. No ACL is recorded for commitments that are unconditionally cancellable.

D. **Loans Held for Sale:** Loans are classified as held for sale when there is intent to sell the loans within a reasonable period of time. Loans intended for sale are carried at the lower of cost or fair value.

E. **Other Property Owned (OPO):** Other property owned, consisting of real estate, personal property, and other assets acquired through a collection action, is recorded upon acquisition at fair value less estimated selling costs. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the ACLL. Revised estimates to the fair value less cost to sell are reported as adjustments to the carrying amount of the asset, provided that such adjusted value is not in excess of the carrying amount at acquisition. Income, expenses, and carrying value adjustments related to other property owned are included in Gains (Losses) on Other Property Owned, Net in the Consolidated Statements of Comprehensive Income.

F. **Premises and Equipment:** Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Gains and losses on dispositions are reflected in current earnings. Maintenance and repairs are charged to expense and improvements are capitalized. Premises and equipment are evaluated for impairment whenever events or circumstances indicate that the carrying value of the asset may not be recoverable.

From time to time, assets classified as premises and equipment are transferred to held for sale for various reasons. These assets are carried in Other Assets at the lower of the recorded investment in the asset or fair value less estimated cost to sell based upon the property's appraised value at the date of transfer. Any write-down of property held for sale is recorded as a loss in the period identified.

G. **Investments:** The Association may hold investments as described below.

Equity Investments in Other Farm Credit System Institutions
Investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA. These investments are carried at cost and evaluated for impairment based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

Other Investments
As discussed in Note 8, *Fair Value Measurement*, certain investments, consisting primarily of mutual funds, are held in trust and investment accounts and are reported at fair value. Holding period gains and losses are included within Noninterest Income on the Consolidated Statements of Comprehensive Income and the balance of these investments is included in Other Assets on the accompanying Consolidated Balance Sheets.

Investment Income
Dividends from Investments in Other Farm Credit Institutions are generally recorded as patronage income and included in Noninterest Income.

H. **Voluntary Advance Conditional Payments:** The Association is authorized under the Farm Credit Act to accept advance payments from borrowers. To the extent the borrower's access to such advance payments is restricted, the advanced conditional payments are netted against the borrower's related loan balance. Amounts in excess of the related loan balance and amounts to which the borrower has unrestricted access are presented as liabilities in the accompanying Consolidated Balance Sheets. Advanced conditional payments are not insured. Interest is generally paid by the Association on such accounts.

I. **Employee Benefit Plans:** The Association participates in District and multi-district sponsored benefit plans. These plans may include defined benefit final average pay retirement, defined benefit cash balance retirement, defined benefit other postretirement benefits, and defined contribution plans.

Defined Contribution Plans
Substantially all employees are eligible to participate in the defined contribution Farm Credit Benefit Alliance (FCBA) 401(k) Plan, subsequently referred to as the 401(k) Plan, which qualifies as a 401(k) plan as defined by the Internal Revenue Code. Employee deferrals are not to exceed the maximum deferral as determined and adjusted by the Internal Revenue Service. Company contributions to the 401(k) Plan are expensed as funded.

The Association also offers a FCBA supplemental 401(k) plan for certain key employees. This plan is nonqualified. Company contributions are expensed as funded.

Additional information may be found in Note 9, *Employee Benefit Plans*.

Multiemployer Defined Benefit Plans
Substantially all employees hired before January 1, 2003 may participate in the AgFirst Farm Credit Retirement Plan (Plan), which is a defined benefit plan and considered multiemployer under FASB accounting guidance. The Plan is noncontributory and includes eligible Association and District employees. The "Projected Unit Credit" actuarial method is used for financial reporting purposes.

In addition to pension benefits, the Association provides certain health care and life insurance benefits for retired employees (other postretirement benefits) through a multi-district sponsored retiree healthcare plan. Substantially all employees are eligible for those benefits when they reach early retirement age while working for the Association. Authoritative accounting guidance requires the accrual of the expected cost of providing these benefits to employees, their beneficiaries and covered dependents during the years the employees render service necessary to become eligible for benefits.

Since the foregoing plans are multiemployer, the Association does not apply the provisions of FASB guidance on employers' accounting for defined benefit pension and other postretirement plans in its stand-alone financial statements. Rather, the effects of this guidance are reflected in the Annual Information Statement of the Farm Credit System.

Additional information may be found in Note 9, *Employee Benefit Plans* and in the Notes to the Annual Information Statement of the Farm Credit System.

Single Employer Defined Benefit Plan
The Association also sponsors a single employer defined benefit supplemental retirement plan for certain key employees. This plan is nonqualified; therefore, the associated liabilities are included in the Association's Consolidated Balance Sheets in Other Liabilities.

The foregoing defined benefit plan is considered single employer, therefore the Association applies the provisions of FASB guidance on employers' accounting for defined benefit pension and other postretirement plans in its stand-alone financial statements.

Additional information may be found in Note 9, *Employee Benefit Plans*.

J. **Income Taxes:** The Association evaluates tax positions taken in previous and current years according to FASB guidance. A tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets. The term tax position also encompasses, but is not limited to, an entity's status, including its status as a pass-through entity or tax-exempt entity.

The Association is generally subject to Federal and certain other income taxes. As previously described, the ACA holding company has two wholly-owned subsidiaries, a PCA and a FLCA. The FLCA subsidiary is exempt from federal and state income taxes as provided in the Farm Credit Act. The ACA holding company and the PCA subsidiary are subject to federal, state and certain other income taxes.

The Association is eligible to operate as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, under specified conditions, the Association can exclude from taxable income amounts distributed as qualified patronage refunds in the form of cash, stock or allocated surplus. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage refunds. The Association distributes patronage on the basis of book income.

The Association accounts for income taxes under the asset and liability method, recognizing deferred tax assets and liabilities for the expected future tax consequences of the temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled.

The Association records a valuation allowance at the balance sheet dates against that portion of the Association's deferred tax assets that, based on management's best estimates of future events and circumstances, more likely than not (a likelihood of more than 50 percent) will not be realized. The consideration of valuation allowances involves various estimates and assumptions as to future taxable earnings, including the effects of the expected patronage program, which reduces taxable earnings.

K. **Due from AgFirst Farm Credit Bank:** The Association records patronage refunds from the Bank and certain District Associations on an accrual basis.

L. **Valuation Methodologies:** FASB 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. This guidance also 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. It prescribes three levels of inputs that may be used to measure fair value.

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and supported by little or no market activity. Valuation is determined using pricing models, discounted cash flow methodologies, or similar techniques, and could include significant management judgment or estimation. Level 3 assets and liabilities also could include instruments whose price has been adjusted based on dealer quoted pricing that is different than a third-party valuation or internal model pricing.

The Association may use the Bank, internal resources or third parties to obtain fair value prices. Quoted market prices are generally used when estimating fair values of any assets or liabilities for which observable, active markets exist.

A number of methodologies may be employed to value items for which an observable active market does not exist. Examples of these items include: nonaccrual loans, other property owned, and certain derivatives, investment securities and other financial instruments. Inputs to these valuations can involve estimates and assumptions that require a substantial degree of judgment. Some of the assumptions used include, among others, discount rates, rates of return on assets, repayment rates, cash flows, default rates, costs of servicing, and liquidation values. The use of different assumptions could produce significantly different asset or liability values, which could have material positive or negative effects on results of operations. Additional information may be found in Note 8, *Fair Value Measurement*.

M. **Off-Balance-Sheet Credit Exposures:** The credit risk associated with commitments to extend credit and letters of credit is essentially the same as that involved with extending loans to customers and is subject to normal credit policies. Collateral may be obtained based on management's assessment of the customer's credit worthiness.

Commitments to extend credit are agreements to lend to customers, generally having fixed expiration dates or other termination clauses that may require payment of a fee.

Letters of credit are commitments issued to guarantee the performance of a customer to a third party. These letters of credit are issued to facilitate commerce and typically result in the commitment being funded when the underlying transaction is consummated between the customer and third party.

N. **Revenue Recognition:** The Association generates income from multiple sources.

Financial Instruments
The largest source of revenue for the Association is interest income. Interest income is recognized on an accrual basis driven by nondiscretionary formulas based on written contracts, such as loan agreements or securities contracts. Credit-related fees, including letter of credit fees, finance charges and other fees are recognized in Noninterest Income when earned. Other types of noninterest revenues, such as service charges, professional services and broker fees, are accrued and recognized into income as services are provided and the amount of fees earned is reasonably determinable.

Contracts with Customers
The Association maintains contracts with customers to provide support services in various areas such as accounting, lending transactions, consulting, insurance, and information technology. As most of the contracts are to provide access to expertise or system capacity that the Association maintains, there are no material incremental costs to fulfill these contracts that should be capitalized. The Association also does not generally incur costs to obtain contracts. Revenue is recognized to reflect the transfer of goods and services to customers in an amount equal to the consideration the Association receives or expects to receive.

Gains and Losses from Nonfinancial Assets
Any gains or losses on sales of Premises and Equipment and OPO are included as part of Noninterest Income or Noninterest Expense. These gains and losses are recognized, and the nonfinancial asset is derecognized, when the Association has entered into a valid contract with a noncustomer and transferred control of the asset. If the criteria to meet the definition of a contract have not been met, the Association does not derecognize the nonfinancial asset and any consideration received is recognized as a liability. If the criteria for a contract are subsequently met, or if the consideration received is or becomes nonrefundable, a gain or loss may be recognized at that time.

O. **Leases:** A contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is generally considered a lease.

Lessee
Contracts entered into are evaluated at inception to determine if they contain a lease. Assets and liabilities are recognized on the Consolidated Balance Sheets to reflect the rights and obligations created by any contracts that do. These contracts are then classified as either operating or finance leases.

In the course of normal operations, the Association may enter into leases for various business purposes. Generally, leases are for terms of three to five years and may include options to extend or terminate the arrangement. Any options are assessed individually to determine if it is reasonably certain they will be exercised.

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make the payments arising from the lease. ROU assets and lease liabilities are initially recognized based on the present value of lease payments over the lease term. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Lease expense for finance leases is recognized on a declining basis over the lease term.

ROU assets are included on the Consolidated Balance Sheets in Premises and Equipment for finance leases and Other Assets for operating leases. Lease liabilities are included in Other Liabilities on the Consolidated Balance Sheets. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets and lease expense is recognized over the lease term.

Lessor

The Association may act as lessor in certain contractual arrangements which relate to office space in an owned property and are considered operating leases. Generally, leases are for terms of three to five years and may include options to extend or terminate the arrangement.

Lease income is recognized on a straight-line basis over the lease term. Lease and nonlease components are accounted for separately in the Consolidated Statements of Comprehensive Income. Any initial direct costs are deferred and recognized as an expense over the lease term on the same basis as lease income. Any taxes assessed by a governmental authority are excluded from consideration as variable payments.

Lease receivables and income are included in Accounts Receivable on the Consolidated Balance Sheets and Other Noninterest Income in the Consolidated Statements of Comprehensive Income.

Note 3 — Loans and Allowance for Credit Losses

For a description of the Association's accounting for loans, including nonaccrual loans, and the allowance for credit losses on loans, see Note 2 subsection C above.

The Association's loan portfolio, which includes purchased interests in loans, has been segmented by the following loan types as defined by the FCA:

- Real estate mortgage loans — loans made to full-time or part-time farmers secured by first lien real estate mortgages with maturities from five to thirty years. These loans may be made only in amounts up to 85 percent of the appraised value of the property taken as security or up to 97 percent of the appraised value if guaranteed by a federal, state, or other governmental agency. The actual percentage of loan-to-appraised value when loans are made is generally lower than the statutory required percentage.
- Production and intermediate-term loans — loans to full-time or part-time farmers that are not real estate mortgage loans. These loans fund eligible financing needs including operating inputs (such as labor, feed, fertilizer, and repairs), livestock, living expenses, income taxes, machinery or equipment, farm buildings, and other business-related expenses. Production loans may be made on a secured or unsecured basis and are most often made for a period of time that matches the borrower's normal production and marketing cycle, which is typically one year or less. Intermediate-term loans are made for a specific term, generally greater than one year and less than or equal to ten years.
- Loans to cooperatives — loans for any cooperative purpose other than for communication, power, and water and waste disposal.
- Processing and marketing loans — loans for operations to process or market the products produced by a farmer, rancher, or producer or harvester of aquatic products, or by a cooperative.
- Farm-related business loans — loans to eligible borrowers that furnish certain farm-related business services to farmers or ranchers that are directly related to their agricultural production.
- Rural residential real estate loans — loans made to individuals, who are not farmers, to purchase a single-family dwelling that will be the primary residence in open country, which may include a town or village that has a population of not more than 2,500 persons. In addition, the loan may be to remodel, improve, or repair a rural home, or to refinance existing debt. These loans are generally secured by a first lien on the property.
- Communication loans — loans primarily to finance rural communication providers.
- Power loans — loans primarily to finance electric generation, transmission and distribution systems serving rural areas.
- Water and waste disposal loans — loans primarily to finance water and waste disposal systems serving rural areas.
- International loans — primarily loans or credit enhancements to other banks to support the export of U.S. agricultural commodities or supplies. The federal government guarantees a substantial portion of these loans.
- Lease receivables — the net investment for all finance leases such as direct financing leases, leveraged leases, and sales-type leases.
- Other (including Mission Related) — additional investments in rural America approved by the FCA on a program or a case-by-case basis. Examples of such investments include partnerships with agricultural and rural community lenders, investments in rural economic development and infrastructure, and investments in obligations and mortgage securities that increase the availability of affordable housing in rural America.

A summary of loans outstanding at period end follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Real estate mortgage	$ 1,226,668	$ 1,098,808	$ 978,391
Production and intermediate-term	238,461	203,988	210,509
Agribusiness:			
Loans to cooperatives	948	1,818	1,985
Processing and marketing	46,241	37,900	26,283
Farm-related business	9,171	6,698	3,287
Rural infrastructure:			
Communication	6,442	6,667	3,889
Power and water/waste disposal	2,398	2,756	
Rural residential real estate	20,886	18,024	15,601
Other:			
International	2,362	1,887	2,670
Total loans	$ 1,553,577	$ 1,378,546	$ 1,242,615

A substantial portion of the Association's lending activities is collateralized and the Association's exposure to credit loss associated with lending activities is reduced accordingly.

The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies, but typically includes farmland and income-producing property, such as crops and livestock, as well as receivables. Long-term real estate loans are collateralized by the first liens on the underlying real property. Federal regulations state that long-term real estate loans are not to exceed 85 percent (97 percent if guaranteed by a government agency) of the property's appraised value. However, a decline in a property's market value subsequent to loan origination or advances, or other actions necessary to protect the financial interest of the Association in the collateral, may result in loan to value ratios in excess of the regulatory maximum.

The Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with FCA regulations. The following tables present the principal balance of participation loans at periods ended:

	December 31, 2024					
	Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 22,303	$ 89,192	$ –	$ –	$ 22,303	$ 89,192
Production and intermediate-term	37,780	4,050	–	–	37,780	4,050
Agribusiness	31,137	69,627	–	–	31,137	69,627
Rural infrastructure	8,860	–	–	–	8,860	–
Other	2,366	–	–	–	2,366	–
Total	$ 102,446	$ 162,869	$ –	$ –	$ 102,446	$ 162,869

	December 31, 2023					
	Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 18,104	$ 92,217	$ –	$ –	$ 18,104	$ 92,217
Production and intermediate-term	14,031	5,763	–	–	14,031	5,763
Agribusiness	26,432	101,207	–	–	26,432	101,207
Rural infrastructure	9,450	–	–	–	9,450	–
Other	1,893	–	–	–	1,893	–
Total	$ 69,910	$ 199,187	$ –	$ –	$ 69,910	$ 199,187

	December 31, 2022					
	Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 10,356	$ 77,676	$ –	$ –	$ 10,356	$ 77,676
Production and intermediate-term	17,700	14,253	–	–	17,700	14,253
Agribusiness	15,870	62,466	–	–	15,870	62,466
Rural infrastructure	3,900	–	–	–	3,900	–
Other	2,676	–	–	–	2,676	–
Total	$ 50,502	$ 154,395	$ –	$ –	$ 50,502	$ 154,395

Loan Quality

Credit risk arises from the potential inability of an obligor to meet its repayment obligation which exists in outstanding loans. The Association manages credit risk associated with lending activities through an assessment of the credit risk profile of an individual obligor. The Association sets its own underwriting standards and lending policies that provide direction to loan officers and are approved by the Board of Directors.

The credit risk management process begins with an analysis of the obligor's credit history, repayment capacity and financial position. Repayment capacity focuses on the obligor's ability to repay the obligation based on cash flows from operations or other sources of income, including non-farm income. Real estate mortgage loans must be secured by first liens on the real estate collateral. As required by FCA regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures.

The credit risk rating process for loans uses a two-dimensional structure, incorporating a 14-point probability of default scale and a separate scale addressing estimated percentage loss in the event of default. The loan rating structure incorporates borrower risk and transaction risk. Borrower risk is the risk of loss driven by factors intrinsic to the borrower. The transaction risk or facility risk is related to the structure of a credit (tenor, terms, and collateral). See further discussion in Note 2, *Summary of Significant Accounting Policies*, subsection C, *Loans and Allowance for Credit Losses*, above.

Each of the ratings carries a distinct percentage of default probability. The 14-point scale provides for granularity of the probability of default, especially in the acceptable ratings. There are nine acceptable categories that range from a borrower of the highest quality to a borrower of minimally acceptable quality. The probability of default between 1 and 9 is very narrow and would reflect almost no default to a minimal default percentage. The probability of default grows significantly as a loan moves from a 9 to 10 (other assets especially mentioned) and grows more significantly as a loan moves to a substandard viable level of 11. A substandard non-viable rating of 12 indicates that the probability of default is almost certain. Loans risk rated 13 or 14 are generally written off. These categories are defined as follows:

- Acceptable – Assets are expected to be fully collectible and represent the highest quality. In addition, these assets may include loans with properly executed and structured guarantees that might otherwise be classified less favorably.
- Other assets especially mentioned (OAEM) – Assets are currently collectible but exhibit some potential weakness.
- Substandard – Assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – Assets exhibit similar weaknesses to substandard assets. However, doubtful assets have additional weaknesses in existing facts, conditions and values that make collection in full highly questionable.
- Loss – Assets are considered uncollectible.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type:

	December 31,		
	2024	**2023**	**2022***
Real estate mortgage:			
Acceptable	97.86%	98.76%	98.51%
OAEM	1.51	0.87	0.92
Substandard/doubtful/loss	0.63	0.37	0.57
	100.00%	100.00%	100.00%
Production and intermediate-term:			
Acceptable	95.75%	96.39%	94.99%
OAEM	2.50	1.01	1.78
Substandard/doubtful/loss	1.75	2.60	3.23
	100.00%	100.00%	100.00%
Agribusiness:			
Acceptable	85.71%	97.46%	100.00%
OAEM	14.19	2.54	–
Substandard/doubtful/loss	0.10	–	–
	100.00%	100.00%	100.00%
Rural infrastructure:			
Acceptable	100.00%	100.00%	100.00%
OAEM	–	–	–
Substandard/doubtful/loss	–	–	–
	100.00%	100.00%	100.00%
Rural residential real estate:			
Acceptable	98.67%	98.80%	98.53%
OAEM	1.02	1.20	1.47
Substandard/doubtful/loss	0.31	–	–
	100.00%	100.00%	100.00%
Other:			
Acceptable	100.00%	100.00%	100.00%
OAEM	–	–	–
Substandard/doubtful/loss	–	–	–
	100.00%	100.00%	100.00%
Total loans:			
Acceptable	97.12%	98.37%	97.96%
OAEM	2.10	0.95	1.05
Substandard/doubtful/loss	0.78	0.68	0.99
	100.00%	100.00%	100.00%

**Prior to adoption of CECL on January 1, 2023, loans were presented with accrued interest receivable.*

Accrued interest receivable on loans of $19,280, $16,634, and $14,122 at December 31, 2024, 2023, and 2022, respectively, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets.

The following tables provide an aging analysis of past due loans as of:

	December 31, 2024				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 9,721	$ 1,888	$ 11,609	$ 1,215,059	$ 1,226,668
Production and intermediate-term	1,716	893	2,609	235,852	238,461
Agribusiness	216	–	216	56,144	56,360
Rural infrastructure	–	–	–	8,840	8,840
Rural residential real estate	285	65	350	20,536	20,886
Other	–	–	–	2,362	2,362
Total	$ 11,938	$ 2,846	$ 14,784	$ 1,538,793	$ 1,553,577

	December 31, 2023				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 4,647	$ 968	$ 5,615	$ 1,093,193	$ 1,098,808
Production and intermediate-term	1,705	839	2,544	201,444	203,988
Agribusiness	92	–	92	46,324	46,416
Rural infrastructure	–	–	–	9,423	9,423
Rural residential real estate	260	–	260	17,764	18,024
Other	–	–	–	1,887	1,887
Total	$ 6,704	$ 1,807	$ 8,511	$ 1,370,035	$ 1,378,546

Prior to the adoption of CECL, the aging analysis of past due loans reported included accrued interest as follows:

	December 31, 2022				
	30 Through 89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans
Real estate mortgage	$ 7,249	$ 756	$ 8,005	$ 980,478	$ 988,483
Production and intermediate-term	648	1,448	2,096	212,174	214,270
Agribusiness	–	–	–	31,746	31,746
Rural infrastructure	–	–	–	3,890	3,890
Rural residential real estate	388	–	388	15,269	15,657
Other	–	–	–	2,691	2,691
Total	$ 8,285	$ 2,204	$ 10,489	$ 1,246,248	$ 1,256,737

There were no accruing loans greater than 90 days past due as of December 31, 2024, 2023 and 2022

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 ended December 31, 2024 and 2023:

	December 31, 2024			Interest Income Recognized on Nonaccrual Loans
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Year Ended December 31, 2024
Real estate mortgage	$ 76	$ 5,126	$ 5,202	$ 763
Production and intermediate-term	754	2,790	3,544	520
Agribusiness	–	128	128	19
Rural residential real estate	–	66	66	9
Total	$ 830	$ 8,110	$ 8,940	$ 1,311

	December 31, 2023			Interest Income Recognized on Nonaccrual Loans
Nonaccrual loans:	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	For the Year Ended December 31, 2023
Real estate mortgage	$ 337	$ 1,558	$ 1,895	$ 264
Production and intermediate-term	440	4,526	4,966	693
Total	$ 777	$ 6,084	$ 6,861	$ 957

Prior to the adoption of CECL on January 1, 2023, the following disclosures of impaired loans were required. Within the below table, impaired loans included nonaccrual loans, accruing restructured loans, and accruing loans 90 days or more past due and the amounts included accrued interest. See previously required disclosures of impaired loans in the following table:

Impaired Loans	December 31, 2022 Recorded Investment	December 31, 2022 Unpaid Principal Balance	December 31, 2022 Related Allowance	Year Ended December 31, 2022 Average Impaired Loans	Year Ended December 31, 2022 Interest Income Recognized on Impaired Loans
With a related allowance for credit losses:					
Real estate mortgage	$ 195	$ 195	$ 112	$ 204	$ 9
Production and intermediate-term	1,298	1,794	375	1,355	62
Rural residential real estate	–	–	–	–	–
Total	$ 1,493	$ 1,989	$ 487	$ 1,559	$ 71
With no related allowance for credit losses:					
Real estate mortgage	$ 18,269	$ 18,326	$ –	$ 19,082	$ 867
Production and intermediate-term	10,380	11,636	–	10,842	492
Rural residential real estate	5	5	–	5	–
Total	$ 28,654	$ 29,967	$ –	$ 29,929	$ 1,359
Total:					
Real estate mortgage	$ 18,464	$ 18,521	$ 112	$ 19,286	$ 876
Production and intermediate-term	11,678	13,430	375	12,197	554
Rural residential real estate	5	5	–	5	–
Total	$ 30,147	$ 31,956	$ 487	$ 31,488	$ 1,430

Additionally, total nonaccruals by loan type, including accrued interest, as of December 31, 2022, are included in the table below:

	Total Nonaccrual
Real estate mortgage	$ 2,530
Production and intermediate-term	2,513
Total	$ 5,043

A summary of changes in the allowance for credit losses by portfolio segment is as 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	$ 3,810	$ 766	$ 123	$ 6	$ 15	$ 3	$ 4,723
Charge-offs	(81)	(276)	–	–	–	–	(357)
Recoveries	4	99	–	–	–	–	103
Provision for credit losses on loans	203	436	295	2	–	(1)	935
Balance at December 31, 2024	$ 3,936	$ 1,025	$ 418	$ 8	$ 15	$ 2	$ 5,404
Allowance for Unfunded Commitments:							
Balance at December 31, 2023	$ 413	$ 29	$ 61	$ –	$ 1	$ 1	$ 505
Provision for unfunded commitments	(200)	61	124	–	–	–	(15)
Balance at December 31, 2024	$ 213	$ 90	$ 185	$ –	$ 1	$ 1	$ 490
Total allowance for credit losses	$ 4,149	$ 1,115	$ 603	$ 8	$ 16	$ 3	$ 5,894
Allowance for Credit Losses on Loans:							
Balance at December 31, 2022	$ 3,708	$ 1,868	$ 152	$ 3	$ 34	$ 2	$ 5,767
Cumulative effect of a change in accounting principle	(1,040)	(963)	(85)	(1)	(23)	(1)	(2,113)
Balance at January 1, 2023	$ 2,668	$ 905	$ 67	$ 2	$ 11	$ 1	$ 3,654
Charge-offs	(3)	(137)	–	–	–	–	(140)
Recoveries	30	157	–	–	–	–	187
Provision for credit losses on loans	1,115	(159)	56	4	4	2	1,022
Balance at December 31, 2023	$ 3,810	$ 766	$ 123	$ 6	$ 15	$ 3	$ 4,723
Allowance for Unfunded Commitments:							
Balance at December 31, 2022	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Cumulative effect of a change in accounting principle	1	25	53	–	–	–	79
Balance at January 1, 2023	$ 1	$ 25	$ 53	$ –	$ –	$ –	$ 79
Provision for unfunded commitments	412	4	8	–	1	1	426
Balance at December 31, 2023	$ 413	$ 29	$ 61	$ –	$ 1	$ 1	$ 505
Total allowance for credit losses	$ 4,223	$ 795	$ 184	$ 6	$ 16	$ 4	$ 5,228

Prior to the adoption of CECL on January 1, 2023, the allowance for loan losses was based on probable and estimable losses incurred in the loan portfolio. A summary of changes in the allowance for loan losses and period-end loans including accrued interest is as follows:

	Real Estate Mortgage	Production and Intermediate-term	Agribusiness	Rural infrastructure	Rural Residential Real Estate	Other	Total
Activity related to the allowance for loan losses:							
Balance at December 31, 2021	$ 4,146	$ 2,533	$ 92	$ –	$ 33	$ 1	$ 6,805
Charge-offs	–	(71)	–	–	–	–	(71)
Recoveries	29	251	–	–	–	–	280
Provision for loan losses	(467)	(845)	60	3	1	1	(1,247)
Balance at December 31, 2022	$ 3,708	$ 1,868	$ 152	$ 3	$ 34	$ 2	$ 5,767
Allowance on loans evaluated for impairment:							
Individually	$ 112	$ 375	$ –	$ –	$ –	$ –	$ 487
Collectively	3,596	1,493	152	3	34	2	5,280
Balance at December 31, 2022	$ 3,708	$ 1,868	$ 152	$ 3	$ 34	$ 2	$ 5,767
Recorded investment in loans evaluated for impairment:							
Individually	$ 19,823	$ 13,925	$ –	$ –	$ 5	$ –	$ 33,753
Collectively	968,660	200,345	31,746	3,890	15,652	2,691	1,222,984
Balance at December 31, 2022	$ 988,483	$ 214,270	$ 31,746	$ 3,890	$ 15,657	$ 2,691	$ 1,256,737

Loans held for sale were $0, $72, and $0 at December 31, 2024, 2023, and 2022, respectively. Such loans are carried at the lower of cost or fair value.

Loan Modifications to Borrowers Experiencing Financial Difficulty

Modified loans to borrowers experiencing financial difficulty and activity on these loans were not material during the year ended December 31, 2024 and 2023. There were no material commitments to lend to borrowers experiencing financial difficulty whose loans have been modified at December 31, 2024 and 2023. There were no material modifications to distressed borrowers that occurred during the previous twelve months and for which there was a subsequent payment default during the period.

Troubled Debt Restructurings

Prior to the adoption of updated FASB guidance on loan modifications on January 1, 2023, a restructuring of a loan constituted a troubled debt restructuring (TDR) if the creditor for economic or legal reasons related to the borrower’s financial difficulties granted a concession to the borrower that it would not otherwise consider. Concessions varied by program, were borrower-specific, and could include interest rate reductions, term extensions, payment deferrals or the acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven. When a restructured loan constituted a TDR, these loans were included within impaired loans under nonaccrual or accruing restructured loans.

The following table presents additional information regarding troubled debt restructurings that occurred during the period:

	Year Ended December 31, 2022*				
Outstanding Recorded Investment	**Interest Concessions**	**Principal Concessions**	**Other Concessions**	**Total**	**Charge-offs**
Pre-modification:					
Real estate mortgage	$ 315	$ 176	$ –	$ 491	
Production and intermediate-term	–	5,991	–	5,991	
Total	$ 315	$ 6,167	$ –	$ 6,482	
Post-modification:					
Real estate mortgage	$ 315	$ 179	$ –	$ 494	$ –
Production and intermediate-term	–	5,997	–	5,997	–
Total	$ 315	$ 6,176	$ –	$ 6,491	$ –

**Prior to adoption of CECL on January 1, 2023, loans were presented with accrued interest receivable.*

Interest concessions may include interest forgiveness and interest deferment. Principal concessions may include principal forgiveness, principal deferment, and maturity extension. Other concessions may include additional compensation received which might be in the form of cash or other assets. The majority of AgGeorgia’s principal concessions are principal deferments. The post-modification balances for principal deferments may include fees that have been financed, which may cause the post-modification balances to be higher than the pre-modification balances.

There were no outstanding recorded investment for TDRs that occurred during the previous twelve months and for which there was a subsequent payment default during the period. Payment default is defined as a payment that was thirty days or more past due.

The following table provides information at period end on outstanding loans restructured in troubled debt restructurings. These loans are included as impaired loans in the impaired loan table.

	December 31, 2022*	
	Total TDRs	**Nonaccrual TDRs**
Real estate mortgage	$ 16,207	$ 273
Production and intermediate-term	10,674	1,509
Rural residential real estate	5	–
Total loans	$ 26,886	$ 1,782
Additional commitments to lend	$ –	

**Prior to adoption of CECL on January 1, 2023, loans were presented with accrued interest receivable.*

Note 4 — Investments

Equity Investments in Other Farm Credit Institutions

Equity investments in other Farm Credit System institutions are generally nonmarketable investments consisting of stock and participation certificates, allocated surplus, and reciprocal investments in other institutions regulated by the FCA. These investments are carried at cost and evaluated for impairment based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

The Association is required to maintain ownership in the Bank in the form of Class B or Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association's investment in the Bank totaled $22,903 for 2024, $20,390 for 2023 and $14,468 for 2022. The Association owned 4.07 percent of the issued stock and allocated retained earnings of the Bank as of December 31, 2024 net of any reciprocal investment. As of that date, the Bank's assets totaled $47.0 billion and shareholders' equity totaled $1.7 billion. The Bank's earnings were $283 million for 2024. In addition, the Association had investments of $1,285 related to other Farm Credit institutions at December 31, 2024.

Note 5 — Premises and Equipment

Premises and equipment consists of the following:

	December 31,		
	2024	**2023**	**2022**
Land	$ 5,800	$ 3,384	$ 2,301
Buildings and improvements	16,772	16,665	14,349
Furniture and equipment	5,318	5,044	4,816
	27,890	25,093	21,466
Less: accumulated depreciation	8,165	7,879	8,758
Total	$ 19,725	$ 17,214	$ 12,708

Note 6 — Debt

Notes Payable to AgFirst Farm Credit Bank

Under the Farm Credit Act, the Association is obligated to borrow only from the Bank, unless the Bank approves borrowing from other funding sources. The borrowing relationship is established with the Bank through a General Financing Agreement (GFA). The GFA utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the association may draw funds. The GFA has a one year term which expires on December 31 and is renewable each year. The Association has no reason to believe the GFA will not be renewed upon expiration. The Bank, consistent with FCA regulations, has established limitations on the Association's ability to borrow funds based on specified factors or formulas relating primarily to credit quality and financial condition. At December 31, 2024, the Association's notes payable were within the specified limitations.

The Association's indebtedness to the Bank represents borrowings by the Association to fund its earning assets. This indebtedness is collateralized by a pledge of substantially all of the Association's assets and the terms of the revolving lines of credit are governed by the GFA. Interest rates on both variable and fixed rate advances are generally established loan-by-loan, based on the Bank's marginal cost of funds, capital position, operating costs and return objectives. In the event of prepayment of any portion of a fixed rate advance, the Association may incur a prepayment penalty in accordance with the terms of the GFA, which will be included in interest expense. The interest rate is periodically adjusted by the Bank based upon an agreement between the Bank and the Association. The following table presents additional information regarding Notes Payable to AgFirst as of:

	December 31,		
	2024	**2023**	**2022**
Line of credit	$ 1,438,000	$ 1,250,000	$ 1,164,000
Outstanding principal under the line of credit	1,304,710	1,114,204	981,101
Interest rate	4.11%	3.71%	2.77%

Note 7 — Members' Equity

A description of the Association's capitalization requirements, protection mechanisms, regulatory capitalization requirements and restrictions, and equities are provided below:

A. **Capital Stock and Participation Certificates:** In accordance with the Farm Credit Act and the Association's capitalization bylaws, each borrower is required to invest in Class C stock for agricultural loans, or participation certificates in the case of rural home and farm-related business loans, as a condition of borrowing. The initial borrower investment, through either purchase or transfer, must be in an amount equal to 2.0 percent or $1 thousand, whichever is less. The Board of Directors may increase the amount of investment if necessary to meet the Association's capital needs. Loans designated for sale or sold into the Secondary Market on or after April 16, 1996 will have no voting stock or participation certificate purchase requirement if sold within 180 days following the date of designation.

The borrower acquires ownership of the capital stock or participation certificates at the time the loan is made, but usually does not make a cash investment. The aggregate par value is generally added to the principal amount of the related loan obligation. The Association retains a first lien on the stock or participation certificates owned by borrowers. Retirement of such equities will generally be at the lower of par or book value, and repayment of a loan does not automatically result in retirement of the corresponding stock or participation certificates.

B. **Regulatory Capitalization Requirements and Restrictions:** An FCA regulation empowers it to direct a transfer of funds or equities by one or more System institutions to another System institution under specified circumstances. The Association has not been called upon to initiate any transfers and is not aware of any proposed action under this regulation.

There are currently no prohibitions in place that would prevent the Association from retiring stock, distributing earnings, or paying dividends per the statutory and regulatory restrictions, and the Association has no reason to believe any such restrictions may apply in the future.

The capital regulations ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal banking regulatory agencies have adopted. Regulatory ratios include common equity tier 1 (CET1) capital, tier 1 capital, and total capital risk-based ratios. The regulations also include a tier 1 leverage ratio which includes an unallocated retained earnings (URE) and URE equivalents (UREE) component. The permanent capital ratio (PCR) remains in effect.

The ratios are calculated using three-month average daily balances, in accordance with FCA regulations, as follows:

- The CET1 capital ratio is the sum of statutory minimum purchased borrower stock, other required borrower stock held for a minimum of 7 years, allocated equities held for a minimum of 7 years or not subject to revolvement, unallocated retained earnings, and paid-in capital, less certain regulatory required deductions including the amount of investments in other System institutions, divided by average risk-adjusted assets.
- The tier 1 capital ratio is CET1 capital plus non-cumulative perpetual preferred stock, divided by average risk-adjusted assets.
- The total capital ratio is tier 1 capital plus other required borrower stock held for a minimum of 5 years, subordinated debt and limited-life preferred stock greater than 5 years to maturity at issuance subject to certain limitations, and allowance for credit losses on loans and reserve for unfunded commitments under certain limitations less certain investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- The permanent capital ratio is all at-risk borrower stock, any allocated excess stock, unallocated retained earnings, paid-in capital, subordinated debt and preferred stock subject to certain limitations, less certain investments in other System institutions, divided by PCR risk-adjusted assets.
- The tier 1 leverage ratio is tier 1 capital, divided by average total assets less regulatory deductions to tier 1 capital.
- The URE and UREE component of the tier 1 leverage ratio is unallocated retained earnings, paid-in capital, and allocated surplus not subject to revolvement less certain regulatory required deductions including the amount of allocated investments in other System institutions divided by average total assets less regulatory deductions to tier 1 capital.

The following sets forth the regulatory capital ratios:

Ratio	Minimum Requirement	Capital Conservation Buffer	Minimum Requirement including Capital Conservation Buffer	Capital Ratios as of December 31, 2024	2023	2022
Risk-adjusted ratios:						
CET1 Capital	4.5%	2.5%	7.0%	17.03%	18.95%	21.00%
Tier 1 Capital	6.0%	2.5%	8.5%	17.03%	18.95%	21.00%
Total Capital	8.0%	2.5%	10.5%	17.43%	19.33%	21.46%
Permanent Capital	7.0%	0.0%	7.0%	17.09%	19.02%	21.10%
Non-risk-adjusted ratios:						
Tier 1 Leverage*	4.0%	1.0%	5.0%	17.01%	19.39%	21.10%
URE and UREE Leverage	1.5%	0.0%	1.5%	14.11%	15.53%	16.29%

** The Tier 1 Leverage Ratio must include a minimum of 1.50% of URE and URE Equivalents.*

If the capital ratios fall below the minimum regulatory requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

C. **Description of Equities:** The Association is authorized to issue or have outstanding Class D Preferred Stock, Classes C Common Stock, and Class C Participation Certificates and such other classes of equity as may be provided for in amendments to the bylaws in such amounts as may be necessary to conduct the Association's business. All stock and participation certificates have a par or face value of five dollars ($5.00) per share.

The Association had the following shares outstanding at December 31, 2024:

		Shares Outstanding	
Class	**Protected**	**Number**	**Aggregate Par Value**
C Common/Voting	No	952,514	$ 4,762
C Participation Certificates/Nonvoting	No	61,764	309
Total Capital Stock and Participation Certificates		1,014,278	$ 5,071

Protected common stock and participation certificates are retired at par or face value in the normal course of business. At-risk common stock and participation certificates are retired at the sole discretion of the Board at book value not to exceed par or face amounts, provided the minimum capital adequacy standards established by the Board are met.

Retained Earnings

The Association maintains an unallocated retained earnings account and an allocated retained earnings account. The minimum aggregate amount of these two accounts is determined by the Board. At the end of any fiscal year, if the retained earnings accounts otherwise would be less than the minimum amount determined by the Board as necessary to maintain adequate capital reserves to meet the commitments of the Association, the Association shall apply earnings for the year to the unallocated retained earnings account in such amounts as may be determined necessary by the Board. Unallocated retained earnings are maintained for each borrower to permit liquidation on a patronage basis.

The Association maintains an allocated retained earnings account consisting of earnings held and allocated to borrowers on a patronage basis. In the event of a net loss for any fiscal year, such allocated retained earnings account will be subject to full impairment in the order specified in the bylaws beginning with the most recent allocation.

The Association has a first lien and security interest on all retained earnings account allocations owned by any borrowers, and all distributions thereof, as additional collateral for their indebtedness to the Association. When the debt of a borrower is in default or is in the process of final liquidation by payment or otherwise, the Association, upon approval of the Board, may order any and all retained earnings account allocations owned by such borrower to be applied on the indebtedness.

Allocated equities shall be retired solely at the discretion of the Board, provided that minimum capital standards established by the FCA and the Board are met.

At December 31, 2024, allocated members' equity consisted of $40,432 of qualified distributions. Nonqualified distributions are tax deductible only when redeemed.

Dividends

The Association may declare non-cumulative dividends on its capital stock and participation certificates provided the dividend rate does not exceed 8 percent of the par value of the respective capital stock and participation certificates. Such dividends may be paid solely on Class D Preferred Stock or on all classes of stock and participation certificates.

The rate of dividends on Class C Common Stock and Class C participation certificates shall be at the same rate per share.

Dividends may not be declared if, after recording the liability, the Association would not meet its capital adequacy standards. No dividends were declared by the Association for any of the periods included in these Consolidated Financial Statements.

Patronage Distributions

Prior to the beginning of any fiscal year, the Board, by adoption of a resolution, may obligate the Association to distribute to borrowers on a patronage basis all or any portion of available net earnings for such fiscal year or for that and subsequent fiscal years. Patronage distributions are based on the proportion of the borrower's interest to the amount of interest earned by the Association on its total loans unless another proportionate patronage basis is approved by the Board.

If the Association meets its capital adequacy standards after making the patronage distributions, the patronage distributions may be in cash, authorized stock of the Association, allocations of earnings retained in an allocated members' equity account, or any one or more of such forms of distribution. Patronage distributions of the Association's earnings may be paid on either a qualified or nonqualified basis, or a combination of both, as determined by the Board. A minimum of 20 percent of the total qualified patronage distribution to any borrower for any fiscal year shall always be paid in cash.

Transfer

Class D Preferred, Class C Common Stock and Class C Participation Certificates may be transferred to persons or entities eligible to purchase or hold such equities.

Impairment

Any net losses recorded by the Association shall first be applied against unallocated members' equity. To the extent that such losses would exceed unallocated members' equity, such losses would be applied consistent with the Association's bylaws and distributed pro rata to each share and/or unit outstanding in the class, in the following order:

a) ***First***, allocated surplus in its entirety, with application to most recent allocation first and then in reverse order until all allocated surplus has been exhausted;
b) ***Second***, Class C Common Stock and Class C Participation Certificates issued and outstanding, pro rata until such stock is fully impaired;
c) ***Third***, Class D Preferred Stock issued and outstanding, if any.

Impairments shall be considered as being applied pro rata to each share and/or unit outstanding in the class.

Liquidation

In the event of liquidation or dissolution of the Association, any assets of the Association remaining after payment of retirement of all liabilities should be distributed to the holders of the outstanding stock and participation certificates in the following order:

a) ***First***, to the holders of Class D Preferred Stock until an amount equal to the aggregate par value of all shares of said stock then issued and outstanding has been distributed to such holders;
b) ***Second***, pro rata to the holders of Class C Common Stock and Class C Participation Certificates, until an amount equal to the aggregate par value or face amount of all such shares or units then issued and outstanding has been distributed to such holders;
c) ***Third***, to the holders of allocated surplus pro rata, on the basis of oldest allocations first, until an amount equal to the total account has been distributed to the holders;
d) ***Fourth***, all unallocated surplus issued after May 4, 1995 (the effective date of this bylaw amendment) shall be distributed to the holders of Class C Stock and Class C Participation Certificates on a patronage basis;
e) ***Fifth***, any remaining assets of the Association after such distribution shall be distributed ratably to the holders of all classes of stock and participation certificates.

All distributions to the holders of any class of stock and/or participation certificate holders shall be made pro rata in proportion to the number of shares or units of such class of stock or participation certificates held by such holders.

D. **Accumulated Other Comprehensive Income (AOCI):**

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

	For the Year Ended December 31,		
	2024	**2023**	**2022**
Employee Benefit Plans:			
Balance at beginning of period	$ 95	$ 142	$ (417)
Other comprehensive income before reclassifications	84	(47)	547
Amounts reclassified from AOCI	–	–	12
Net current period OCI	84	(47)	559
Balance at end of period	$ 179	$ 95	$ 142

Reclassifications Out of Accumulated Other Comprehensive Income *(b)*

	For the Year Ended December 31,			
	2024	**2023**	**2022**	**Income Statement Line Item**
Defined Benefit Pension Plans:				
Periodic pension costs	$ –	$ –	$ (12)	See Note 9.
Amounts reclassified	$ –	$ –	$ (12)	

(a) Amounts in parentheses indicate debits to AOCI.
(b) Amounts in parentheses indicate debits to profit/loss.

Note 8 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three levels of inputs that may be used to measure fair value. Refer to Note 2, *Summary of Significant Accounting Policies* for a more complete description of the three levels.

The following tables summarize assets measured at fair value at period end:

	December 31, 2024			
	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Recurring assets				
Assets held in trust funds	$ 1,986	$ –	$ –	$ 1,986
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 415	$ 415
Other property owned	$ –	$ –	$ –	$ –

	December 31, 2023			
	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Recurring assets				
Assets held in trust funds	$ 1,801	$ –	$ –	$ 1,801
Nonrecurring assets				
Nonaccrual loans	$ –	$ –	$ 338	$ 338
Other property owned	$ –	$ –	$ 37	$ 37

	December 31, 2022			
	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Recurring assets				
Assets held in trust funds	$ 1,816	$ –	$ –	$ 1,816
Nonrecurring assets				
Impaired loans*	$ –	$ –	$ 1,006	$ 1,006
Other property owned	$ –	$ –	$ –	$ –

******Prior to adoption of CECL on January 1, 2023, the fair value of impaired loans included accruing restructured loans and loans past due 90 days and accruing.*

Valuation Techniques

Assets held in trust funds
Assets held in trust funds, related to deferred compensation plans, are classified as Level 1. The trust funds include investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

Nonaccrual loans
Fair values of nonaccrual loans are estimated to be the carrying amount of the loan less specific reserves. Certain loans evaluated for impairment under FASB guidance have fair values based upon the underlying collateral, as the loans were collateral-dependent. Specific reserves were established for these loans when the value of the collateral, less estimated cost to sell, was less than the principal balance of the loan. 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, and are therefore classified as Level 3.

Other property owned
For other property owned, the fair value is generally determined using formal appraisals of each individual property. These assets are held for sale. Costs to sell represent transaction costs and are not included as a component of the fair value of other property owned. If the process uses observable market-based information, the assets are classified as Level 2. If the process requires significant input based upon management’s knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, the assets are classified as Level 3.

Note 9 — Employee Benefit Plans

The Association participates in three District sponsored qualified benefit plans. These plans include a multiemployer defined benefit pension plan, the AgFirst Farm Credit Retirement Plan, which is a final average pay plan (FAP Plan). In addition, the Association participates in a multiemployer defined benefit other postretirement benefits plan (OPEB Plan), the Farm Credit Benefits Alliance (FCBA) Retiree and Disabled Medical and Dental Plan, and the FCBA 401(k) Plan, a defined contribution 401(k) plan (401(k) Plan). The risks of participating in these multiemployer plans are different from single employer plans in the following aspects:

1. Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Association chooses to stop participating in some of its multiemployer plans, the Association may be required to contribute to eliminate the underfunded status of the plan.

The District's multiemployer plans are not subject to ERISA and no Form 5500 is required. As such, the following information is neither available for nor applicable to the plans:

1. The Employer Identification Number (EIN) and three-digit Pension Plan Number
2. The most recent Pension Protection Act (PPA) zone status. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.
3. The "FIP/RP Status" indicating whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.
4. The expiration date(s) of collective-bargaining agreement(s).

The FAP Plan covers employees hired prior to January 1, 2003 and includes other District employees that are not employees of the Association. It is accounted for as a multiemployer plan. The related net benefit plan obligations are not included in the Association's Consolidated Balance Sheets but are included in the Combined Balance Sheets for the AgFirst District. FAP Plan expenses included in employee benefit costs on the Association's Consolidated Statements of Comprehensive Income were $540 for 2024, $760 for 2023, and $887 for 2022. At December 31, 2024, 2023, and 2022, the total liability balance for the FAP Plan was $9,765, $33,660, and $32,568, respectively. The FAP Plan was 98.52 percent, 95.43 percent, and 95.81 percent funded to the projected benefit obligation as of December 31, 2024, 2023, and 2022, respectively.

In addition to providing pension benefits, the Association provides certain medical and dental benefits for eligible retired employees through the OPEB Plan. Substantially all of the Association employees may become eligible for the benefits if they reach early retirement age while working for the Association. Early retirement age is defined as a minimum of age 55 and 10 years of service. Employees hired after December 31, 2002, and employees who separate from service between age 50 and age 55, are required to pay the full cost of their retiree health insurance coverage. Employees who retire subsequent to December 1, 2007 are no longer provided retiree life insurance benefits. The OPEB Plan includes other Farm Credit System employees that are not employees of the Association or District and is accounted for as a multiemployer plan. The related net benefit plan obligations are not included in the Association's Consolidated Balance Sheets but are included in the Combined Statement of Condition for the Farm Credit System. The OPEB Plan is unfunded with expenses paid as incurred. Postretirement benefits other than pensions included in employee benefit costs on the Association's Consolidated Statements of Comprehensive Income were $777 for 2024, $813 for 2023, and $754 for 2022. The total AgFirst District liability balance for the OPEB Plan presented in the Farm Credit System Combined Statement of Condition was $182,643, $160,980, and $167,895 at December 31, 2024, 2023, and 2022, respectively.

The Association also participates in the 401(k) Plan, which qualifies as a 401(k) plan as defined by the Internal Revenue Code. For employees hired on or prior to December 31, 2002, the Association contributes $0.50 for each $1.00 of the employee's first 6.00 percent of contribution (based on total compensation) up to the maximum employer contribution of 3.00 percent of total compensation. For employees hired on or after January 1, 2003, the Association contributes $1.00 for each $1.00 of the employee's first 6.00 percent of contribution up to the maximum employer contribution of 6.00 percent of total compensation. Employee deferrals are not to exceed the maximum deferral as determined and adjusted by the Internal Revenue Service. The 401(k) Plan costs are expensed as funded. Employer contributions to this plan included in salaries and employee benefit costs were $987, $919, and $854 for the years ended December 31, 2024, 2023, and 2022, respectively. Beginning in 2015, contributions include an additional 3.00 percent of eligible compensation for employees hired after December 31, 2002.

FASB guidance further requires the determination of the fair value of plan assets and recognition of actuarial gains and losses, prior service costs or credits, and transition assets or obligations as a component of AOCI. Under the guidance, these amounts are subsequently recognized as components of net periodic benefit costs over time. For 2024, 2023, and 2022, $84, $(47) and $559, respectively, have been recognized as a net credit, a net debit, and a net credit to AOCI to reflect these elements.

Additional information for the above may be found in the Notes to the Annual Information Statement of the Farm Credit System.

In addition to the multiemployer plans described above, the Association sponsors nonqualified supplemental retirement and 401(k) plans. The supplemental retirement plan is unfunded and had a projected benefit obligation of $1,596 and a net under-funded status of $1,596 at December 31, 2024. Assumptions used to determine the projected benefit obligation as of December 31, 2024 included a discount rate of 5.65

percent. The expenses of these nonqualified plans included in noninterest expenses were $147, $103, and $94 for 2024, 2023, and 2022, respectively.

Note 10 — Related Party Transactions

In the ordinary course of business, the Association enters into loan transactions with officers and directors of the Association, their immediate families and other organizations with which such persons may be associated. Such loans are subject to special approval requirements contained in the FCA regulations and are made on the same terms, including interest rates, amortization schedule, and collateral, as those prevailing at the time for comparable transactions with unaffiliated borrowers.

Total loans to such persons at December 31, 2024 amounted to $28,831. During 2024, $14,207 of new loans were made and repayments totaled $15,156. In addition, net loans of $662 were no longer classified as related party loans. In the opinion of management, none of these loans outstanding at December 31, 2024 involved more than a normal risk of collectability.

Note 11 — Commitments and Contingencies

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

In the normal course of business, the Association may participate in financial instruments with off-balance-sheet risk to satisfy the financing needs of its borrowers. These financial instruments may include commitments to extend credit or letters of credit.

The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commercial letters of credit are agreements to pay a beneficiary under conditions specified in the letter of credit. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee.

Since many of these commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. However, these credit-related financial instruments have off-balance-sheet credit risk because their amounts are not reflected on the Consolidated Balance Sheets until funded or drawn upon. The credit risk associated with issuing commitments and letters of credit is substantially the same as that involved in extending loans to borrowers and management applies the same credit policies to these commitments. Upon fully funding a commitment, the credit risk amounts are equal to the contract amounts, assuming that borrowers fail completely to meet their obligations and the collateral or other security is of no value. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. At December 31, 2024, $144,108 of commitments to extend credit and $64 of commercial letters of credit were outstanding. A reserve for unfunded commitments of $490 was included in Other Liabilities in the Consolidated Balance Sheets at December 31, 2024.

The Association also participates in standby letters of credit to satisfy the financing needs of its borrowers. These letters of credit are irrevocable agreements to guarantee payments of specified financial obligations. At December 31, 2024, standby letters of credit outstanding totaled $120 with expiration dates ranging from January 1, 2025 to August 19, 2027. The maximum potential amount of future payments that may be required under these guarantees was $120.

Note 12 — Income Taxes

The provision (benefit) for income taxes follows:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	$ (61)	$ –	$ 8
State	(18)	–	2
	$ (79)	$ –	$ 10
Deferred:			
Federal	–	–	–
State	–	–	–
	–	–	–
Total provision (benefit) for income taxes	$ (79)	$ –	$ 10

The provision (benefit) for income tax differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Federal tax at statutory rate	$ 6,912	$ 5,595	$ 6,446
State tax, net	–	(10)	–
Effect of non-taxable FLCA subsidiary	(4,141)	(2,639)	(3,473)
Patronage distributions	(2,993)	(3,041)	(3,212)
Change in valuation allowance	267	76	293
Deferred tax rate change	–	–	–
Other	(124)	19	(44)
Provision (benefit) for income taxes	$ (79)	$ –	$ 10

Deferred tax assets and liabilities are comprised of the following at:

	December 31, 2024	December 31, 2023	December 31, 2022
Deferred income tax assets:			
Allowance for loan losses	$ 374	$ 243	$ 487
Annual leave	253	214	225
Nonaccrual loan interest	314	344	339
Pensions and other postretirement benefits	60	65	64
Loan Origination Fees	–	20	–
NOL Carry Forward	1,182	1,015	983
Depreciation	–	–	49
Gross deferred tax assets	2,183	1,901	2,147
Less: valuation allowance	(1,892)	(1,625)	(1,792)
Gross deferred tax assets, net of valuation allowance	291	276	355
Deferred income tax liabilities:			
Special Patronage	(248)	(248)	(248)
Fixed assets	(31)	(28)	
Loan origination fees	(12)	–	(107)
Gross deferred tax liability	(291)	(276)	(355)
Net deferred tax asset (liability)	$ –	$ –	$ –

At December 31, 2024, deferred income taxes have not been provided by the Association on approximately $2.7 million of patronage refunds received from the Bank prior to January 1, 1993. Such refunds, distributed in the form of stock, are subject to tax only upon conversion to cash. The tax liability related to future conversions is not expected to be material.

The Association recorded a valuation allowance of $1,892, $1,625 and $1,792 as of December 31, 2024, 2023 and 2022, respectively. The Association will continue to evaluate the realizability of these deferred tax assets and adjust the valuation allowance accordingly.

There were no uncertain tax positions identified related to the current year and the Association has no unrecognized tax benefits at December 31, 2024 for which liabilities have been established. The Association recognizes interest and penalties, if any, related to unrecognized tax benefits as a component of income tax expense.

The tax years that remain open for federal and major state income tax jurisdictions are 2021 and forward.

Note 13 — Additional Financial Information

Quarterly Financial Information (Unaudited)

2024	First	Second	Third	Fourth	Total
Net interest income	$ 11,450	$ 12,166	$ 12,785	$ 14,024	$ 50,425
Provision for (reversal of) allowance for credit losses	899	(7)	326	(298)	920
Noninterest income (expense), net	(3,704)	(2,574)	(4,510)	(5,721)	(16,509)
Net income	$ 6,847	$ 9,599	$ 7,949	$ 8,601	$ 32,996

2023	First	Second	Third	Fourth	Total
Net interest income	$ 10,095	$ 10,430	$ 10,534	$ 10,216	$ 41,275
Provision for (reversal of) allowance for credit losses	636	(9)	995	(174)	1,448
Noninterest income (expense), net	(3,810)	(3,225)	(3,470)	(2,679)	(13,184)
Net income	$ 5,649	$ 7,214	$ 6,069	$ 7,711	$ 26,643

	2022				
	First	Second	Third	Fourth	Total
Net interest income	$ 9,389	$ 9,370	$ 10,212	$ 9,819	$ 38,790
Provision for (reversal of) allowance for loan losses	(1,312)	103	(12)	(26)	(1,247)
Noninterest income (expense), net	(4,066)	(3,259)	(3,787)	1,760	(9,352)
Net income	$ 6,635	$ 6,008	$ 6,437	$ 11,605	$ 30,685

Note 14 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through March 11, 2025, which was the date the financial statements were issued.

AgGeorgia Farm Credit
P.O. Box 1820
Perry, GA 31069-1820