2024
ANNUAL REPORT

BUILDING OUR LEGACY
FOR THE
NEXT GENERATION

FARM CREDIT EAST

BUILDING OUR LEGACY for the NEXT GENERATION

2024 was a remarkable year for your cooperative. Loan volume grew to $12.9 billion, and we earned $28.5 million in financial services revenue. We also welcomed more than 100 new team members to best serve customers into the future.

The board of directors remains committed to returning to members funds not needed to operate or capitalize the cooperative. Given these strong financial results, for the full year 2024, customer-owners received $131.6 million in patronage dividends. This represents 1.25% of average eligible loan volume for farm customers. Additionally, given the Association's strong financial results in excess of planned targets, the board approved an additional $8.4 million special patronage payment, totaling $140 million of earnings returned to customer-owners. View 2024 financial highlights on the corresponding page.

In 2025, we will continue our long-term strategy to implement innovative products and tools to optimize customers' time with our team. We will also prioritize customer engagement, including a new meeting series to keep customers informed and gather your invaluable feedback. Learn more about our strategic priorities on page 6.

We remain committed to rural communities and the next generation of agriculture through our many stewardship initiatives. Our multiple scholarships, programs to support Northeast rural communities and the employee-initiated Farm Credit East Cares fund, aim to enhance the region's rural communities and support the next generation and those new to agriculture. Learn more about our stewardship programs at FarmCreditEast.com/Stewardship.

Northeast agriculture has a bright future, and Farm Credit East is committed to serving it with our knowledgeable team and best-in-class tools. As we evolve our cooperative to build our legacy for the next generation, our customer-owners remain our top priority.

/s/
Mike Reynolds, CEO

/s/
John Knopf, Chair

2024 FINANCIAL RESULTS REMAIN STRONG

LOAN VOLUME	NET INCOME	MEMBERS' EQUITY
$12.9 billion	$337 million	$2.4 billion

PATRONAGE • $1.5 BILLION
Following the patronage distribution on 2024 earnings, customer-owners of Farm Credit East (and predecessor cooperatives) have received more than $1.5 billion in dividends from ownership of their cooperative. In 2025, the cooperative will pay its 29th consecutive annual patronage payment.

FINANCIAL SERVICES • $28.5 MILLION
Farm Credit East's financial services, including payroll, tax, business consulting and crop insurance, continue to provide value and expertise to customer businesses.

COUNTRY LIVING LOANS • $1.5 BILLION
Farm Credit East's mortgage lending arm provides unique financing for rural homes, farms and land, and serves an important and growing customer segment for Farm Credit East.

CROP GROWERS • $726 MILLION
Crop Growers crop insurance agents help Northeast producers make informed risk management decisions to protect their operation. In 2024, Northeast producers insured 724 thousand acres through Crop Growers, with $726 million of protection in force.

STEWARDSHIP • $2.1 MILLION
Farm Credit East is committed to supporting programs that enrich the agriculture, forest products and commercial fishing industries as well as rural communities; programs that support new entrants and the industry's next generation; and organizations promoting diversity and inclusion.

FARMSTART • $19 MILLION
This unique program for startup entrepreneurs has invested in 400 beginning farm and fishing businesses. FarmStart is one of Farm Credit East's many efforts to support young and beginning farmers. Other programs include incentives to assist young, beginning, small and veteran producers, as well as GenerationNext training seminars.

2024 BOARD of DIRECTORS

BACK ROW

Philip "Jamie" Jones / Jones Family Farms and Jones Family Farms Winery, LLC, Shelton, Conn., **Kyle Thygesen /** Farmstead at Falls Hill, LLC, Tunbridge, Vt., **Brett D. Kreher /** Kreher Family Farms, Clarence, N.Y., **Douglas W. Shelmidine /** Sheland Farms, LLC, Adams, N.Y., **David F. Folino /** Hillsboro Sugarworks, Starksboro, Vt.

MIDDLE ROW

Lisa P. Sellew / Prides Corner Farms, Lebanon, Conn., **Timothy Benjamin /** Outside Director, Naples, Fla., **Peter H. Triandafillou /** Appointed Director, Old Town, Maine, **Amy L. Walker-Bailey /** Walker Farms, LLC, Fort Ann, N.Y., **Michael N. Brooks /** Dusty Lane Farms, LLC, Elmer, N.J.

FRONT ROW, SEATED

Jay W. McWatters / Outside Director, Hamburg, N.Y., **Terry R. Zittel /** Amos Zittel & Sons, Inc., Eden, N.Y., **John P. Knopf, Chair /** Fa-Ba Farms, LLC, Canandaigua, N.Y., **LouAnne F. King, Vice Chair /** Mapleview Dairy, LLC, Madrid, N.Y., **James A. Robbins II /** Robbins Lumber, Inc., Searsmont, Maine

NOT PICTURED

Laurie K. Griffen / Saratoga Sod Farm, Inc., Stillwater, N.Y.

A LEGACY GROUNDED IN RELATIONSHIPS

2025 Priorities

There has been a significant shift in how we stay connected over the last several years. While enhanced tools are beneficial to keep us connected and provide efficiencies, Farm Credit East is a relationship lender. Our team and the relationships we have with our customers are at the core of our business — this remains unchanged from our founding mission more than 100 years ago. In the year ahead, our focus will remain on engaging customers, while innovating our tools and products.

To further engage customers in 2025, Farm Credit East launched a series of regional business meetings to keep customer-owners informed about the cooperative and provide members with opportunity to socialize with the CEO and executive team. We will continue to host local customer appreciation events over the summer months to provide opportunities for customers and our team to connect.

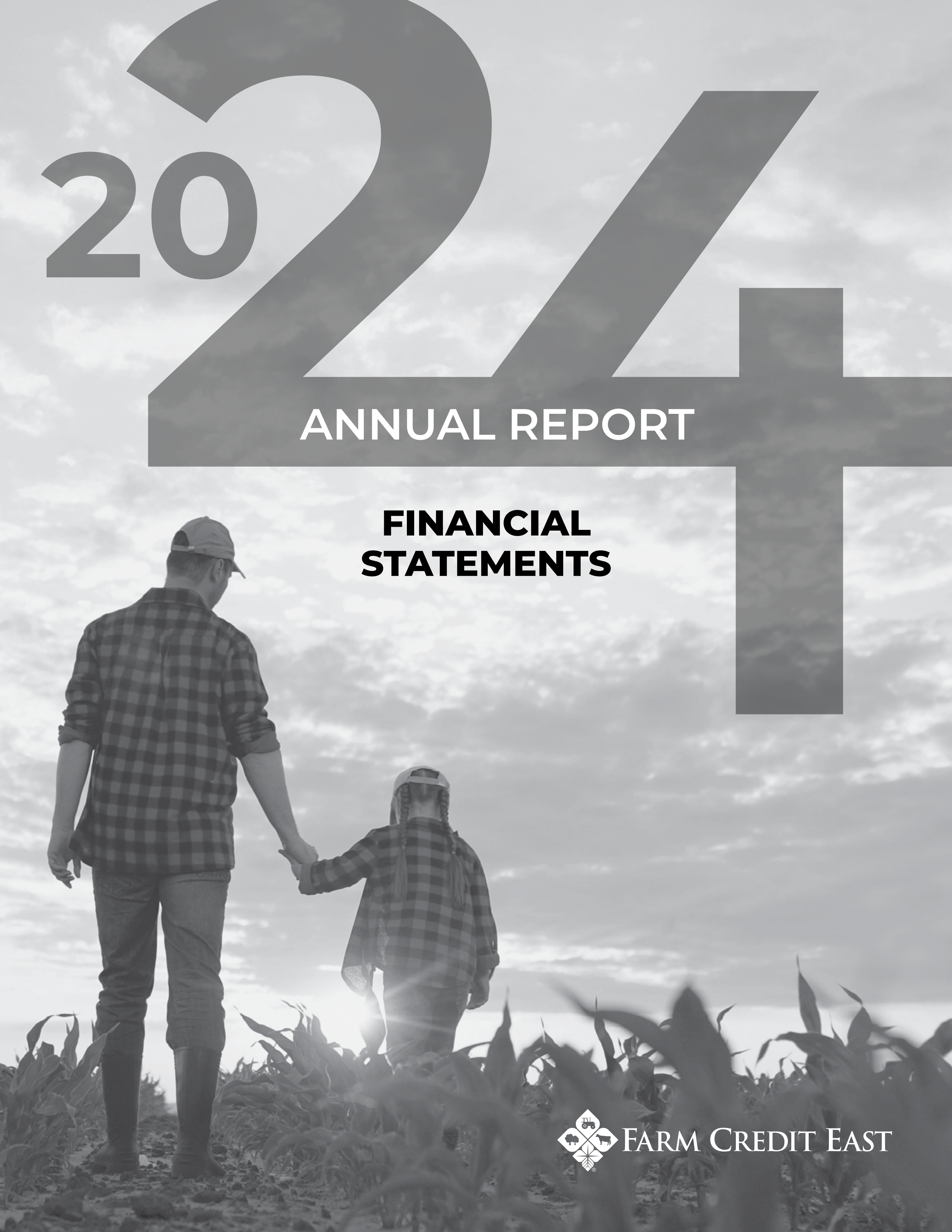
We are also refreshing our customer service councils to position them to be a more effective avenue for management to share Farm Credit East's vision and business progress, while simultaneously gaining valuable feedback from the customer's point of view.

To be your lender of the future, we are moving toward innovative products and tools. We're also evaluating product delivery, for both credit and financial services, to ensure we remain competitive, continue to deliver best-in-class service and retain top talent. We've made changes to our business over the past few years to prepare for this shift, so the year ahead will focus on implementation to move the cooperative forward.

As we build our legacy for the future, we must be innovative and true to our mission. Our 2025 priorities focus on optimizing customer interactions and offering more options for doing business with us. Every investment is an investment in customer relationships and experiences, be it engaging customers or enhancing tools for better business options. Our legacy lies in the lasting relationships we've built with customer businesses over generations.

2024 ANNUAL REPORT

FINANCIAL STATEMENTS



Farm Credit East

FARM CREDIT EAST, ACA
CONSOLIDATED FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

(dollars in thousands)	December 31 2024	2023	2022	2021*	2020*
BALANCE SHEET DATA					
Loans	$ 12,917,865	$ 11,503,603	$ 10,572,766	$ 9,074,791	$ 8,209,864
Less: Allowance for credit losses on loans	78,272	66,253	51,465	80,335	73,879
Net loans	12,839,593	11,437,350	10,521,301	8,994,456	8,135,985
Cash	25,252	31,259	36,778	20,345	27,836
Investment in CoBank, ACB	332,231	295,590	279,196	258,584	273,886
Other assets	218,597	196,393	175,700	149,230	131,609
Total assets	$ 13,415,673	$ 11,960,592	$ 11,012,975	$ 9,422,615	$ 8,569,316
Obligations with maturities of one year or less	$ 266,434	$ 287,100	$ 300,544	$ 203,067	$ 170,614
Obligations with maturities greater than one year	10,762,587	9,498,822	8,704,819	7,452,909	6,736,597
Total liabilities	11,029,021	9,785,922	9,005,363	7,655,976	6,907,211
Capital stock and participation certificates	19,481	18,956	18,374	16,688	16,041
Additional paid-in capital	354,163	354,163	354,163	229,198	229,198
Unallocated retained earnings	2,042,072	1,845,429	1,720,025	1,565,415	1,451,018
Accumulated other comprehensive loss	(29,064)	(43,878)	(84,950)	(44,662)	(34,152)
Total members' equity	2,386,652	2,174,670	2,007,612	1,766,639	1,662,105
Total liabilities and members' equity	$ 13,415,673	$ 11,960,592	$ 11,012,975	$ 9,422,615	$ 8,569,316

	For the Year Ended December 31 2024	2023	2022	2021*	2020*
STATEMENT OF COMPREHENSIVE INCOME DATA					
Net interest income	$ 378,555	$ 317,538	$ 279,661	$ 236,033	$ 227,490
Provision for (reversal of) credit losses	11,462	11,747	(34,118)	-	5,000
Noninterest expenses, net	27,688	33,234	40,181	29,182	26,440
Provision for income taxes	2,762	2,509	1,988	1,454	1,698
Net income	$ 336,643	$ 270,048	$ 271,610	$ 205,397	$ 194,352
Comprehensive income	$ 351,457	$ 311,120	$ 231,322	$ 194,887	$ 206,255
KEY FINANCIAL RATIOS					
Return on average assets	2.70%	2.43%	2.59%	2.33%	2.39%
Return on average members' equity	14.63%	12.87%	13.88%	11.97%	11.94%
Net interest income as a percentage of average earning assets	3.16%	2.96%	2.77%	2.79%	2.92%
Members' equity as a percentage of total assets	17.79%	18.18%	18.23%	18.75%	19.40%
Debt to members' equity	4.6:1	4.5:1	4.5:1	4.3:1	4.2:1
Net (charge-offs) recoveries as a percentage of average loans	(0.04%)	(0.02%)	0.00%	0.00%	(0.03%)
Allowance for credit losses as a percentage of loans and accrued interest receivable	0.72%	0.74%	0.59%	1.06%	1.17%
Common Equity Tier 1 Capital (CET1)	15.82%	16.42%	16.55%	16.11%	17.09%
Tier 1 Capital	15.82%	16.42%	16.55%	16.11%	17.09%
Total Capital	16.51%	17.08%	17.05%	17.13%	18.17%
Tier 1 Leverage	17.25%	18.00%	17.91%	17.35%	18.05%
Unallocated Retained Earnings and URE Equivalents (UREE) Leverage	17.10%	17.83%	17.74%	19.23%	19.84%
Permanent Capital	15.50%	16.10%	16.26%	16.24%	17.24%
Net income distribution					
Cash patronage declared	$ 131,600	$ 120,000	$ 117,000	$ 91,000	$ 89,000
Special cash patronage declared	$ 8,400	$ 10,000	$ -	$ -	$ -

*Information presented prior to 2022 does not include Yankee Farm Credit.

FARM CREDIT EAST, ACA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion summarizes the financial position and results of operations of Farm Credit East, ACA (Farm Credit East or the Association) as of December 31, 2024, with comparisons to prior years. The commentary includes material known trends, commitments, events, or uncertainties that have impacted or are reasonably likely to impact our financial condition and results of operations. The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements, footnotes, and other sections of this Annual Report. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee.

Farm Credit East's Annual and Quarterly reports to stockholders are available on the Association's website, **FarmCreditEast.com**, or can be obtained free of charge by calling the Association's main office at 860-741-4380. Annual reports are available 75 days after year end and quarterly reports are available 40 days after each calendar quarter end.

Dollar amounts are in thousands unless otherwise noted.

BUSINESS OVERVIEW

Farm Credit East is a lending institution of the Farm Credit System (the System). We are one of 55 associations in the System which was created by Congress in 1916 and has served agricultural producers for over 100 years. The System's mission is to provide sound and dependable credit to American farmers, ranchers, producers or harvesters of aquatic products, timber products and farm-related businesses through a member-owned cooperative system. This is done by making loans and providing financial services. The Farm Credit Administration (FCA) is the System's independent safety and soundness federal regulator and was established to supervise, examine, and regulate System institutions.

As a cooperative, we are owned by the members we serve. The territory we serve extends across a diverse agricultural region covering the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. The Association makes short and intermediate-term loans for agricultural production and long-term real estate mortgage loans. Additionally, we provide other related services to our borrowers, such as financial recordkeeping, payroll, tax return preparation, tax planning, farm accounting software, fee appraisals, farm business consulting, leasing, credit life insurance and multi-peril crop insurance, as an agent. Our success begins with our extensive agricultural experience and knowledge of the market.

As part of the System, the Association obtains the funding for its lending and operations from CoBank, ACB (CoBank). CoBank is a cooperative of which Farm Credit East is an owner and member. The Association, along with other Farm Credit System (FCS) entities, also purchases payroll and other human resource services from CoBank. The Association is materially affected by CoBank's financial condition and results of operations. To obtain a free copy of the CoBank Annual Report to Stockholders, please contact one of our offices or visit CoBank's website at www.cobank.com. We purchase technology and other operational services from Farm Credit Financial Partners, Inc (FPI). We are an owner of FPI, along with other FPI customers.

YEAR IN REVIEW

Farm Credit East benefits from serving a diverse portfolio of loans from the farm, forest products and fishing industries, each of which has its own unique set of economic drivers. Financial results for producers typically vary substantially by industry and then from one business to the next. In 2024, producers across all sectors generally struggled with input costs, as well as staffing challenges, with low unemployment and strong competition for workers which increased labor costs.

As you will see in this report, Farm Credit East experienced another year of strong financial performance in 2024. Net income was $336.6 million with a return on average assets of 2.70%. Loans outstanding increased $1.4 billion to $12.9 billion as of December 31, 2024. From its 2024 earnings, the Association declared patronage dividends totaling $140.0 million all of which will be distributed in cash in 2025.

Despite some slight deterioration, loan credit quality remains strong with 93.3% acceptable at December 31, 2024. The Association's allowance for credit losses totaled $93.0 million as of December 31, 2024, or 0.72% of total loans.

The Association's financial position remains strong as of December 31, 2024, with $2.4 billion in members equity and capital ratios well above regulatory minimums, despite 22.2% loan growth the last two years reducing capital ratios.

THE FARM ECONOMY

The issues most impacting the farm economy in 2024 were labor, inflation, market prices, and continued high interest rates. Inflation has moderated somewhat but remains above the Federal Reserve's 2% target, and labor markets continue to be tight, creating staffing challenges and putting upward pressure on wages. The Federal Reserve made three rate cuts in 2024, but interest rates remain well above the levels seen in recent years.

AGRICULTURAL OVERVIEW

Dairy: Northeast dairy farms continue to show a range of operating results, but most farms were profitable in 2024. Milk prices increased by about $1.45/cwt from 2023's average. Some input costs decreased as well, most notably feed costs, which increased margins. Milk prices are projected to be flat-to-slightly-lower in 2025. 2024 milk production showed a year-over-year increase in New York (+1.2% in November), but a decline in Vermont (-1.0%). Overall U.S. milk production was down by 1.0% in 2024 from the prior year.

Cash Field Crops: This category includes corn for grain, soybeans, hay, wheat, and some small grains. Growing conditions were generally favorable nationwide, with some variability. Prices for grains and oilseeds continued to decline in 2024 and are below the cost of production for many farmers. High fertilizer costs also impacted margins, resulting in losses for many producers.

Timber and Forest Products: The forest products industry encompasses a variety of business types, ranging from timberland ownership to sawmills and loggers.

Overall demand for logs and pulpwood remains soft, and prices have yet to recover from recent declines.

Demand for hardwood logs and lumber continued to be sluggish throughout 2024. Regional sawmills have reduced production and are managing low inventory levels. Lower hardwood pulpwood demand is causing some concern for operators for future hardwood log supply. Industrial grade hardwood, including timber mat and pallet logs, remain steady but lower than peak levels experienced over the past few years.

Overall trends continued in end use paper markets, with free sheet, super calendar and newsprint remaining under pressure and declining, while container board, packaging, and tissue have been returning positive margins.

Logging continues to face headwinds, especially for those that rely on selling raw logs versus those that operate under service contracts.

Livestock: In the Northeast, this is a very diverse sector ranging from beef to other protein producers, both full and part-time, as well as equine, which itself can be broken down into racing/breeding and boarding and training enterprises.

Strong demand continues to support high prices for animal proteins. Robust demand continues for local and value-added meats and poultry, but some producers report limited availability of slaughter and processing capacity.

Beef prices remained high in 2024 and are expected to continue to be so through 2025, benefitting producers of beef cattle as well as dairy producers' cull cows and those who breed dairy/beef crosses.

Fruit: This is a diverse category consisting of fresh market and processing apples, grapes for juice, farm wineries, small fruits, cranberries and more.

2024 was a relatively good growing season for Northeast apple growers, although there were some localized issues of hail and frosts. Pricing and movement have been good. New York's apple production came in at 27.1 million bushels, a substantial increase over the prior year. Washington state's production was also higher than 2023, which may result in lower pricing for apples sold from storage. Apple exports have recovered substantially from last year's poor showing and have been tracking above the 5-year average.

Visitor traffic at wineries continues to be down, but sales per visitor remain solid as well as online sales. Overall, sales are consistent with a downward trend from the COVID peak. A freeze event in Western New York limited yields in some areas, but the 2024 crop was quite good in terms of quality and adequate yield. Profits on wineries and other craft beverage businesses are expected to be down to pre-pandemic levels in 2024.

2024 national cranberry production came to 8.2 million barrels, 2% greater than 2023, and above expectations. Wisconsin's production increased from the prior year. The larger crop has put downward pressure on pricing.

Greenhouse and Nursery: Most garden retailers are down 10-15% in sales for 2024 compared to the prior year. Margins seem to be holding, but volumes are generally down. Spring was good, but sales dropped off in the summer and fall. The landscape industry has been reliable and some nursery growers report that sales to landscapers and wholesalers have helped keep their sales volume up over the summer and fall. Inventories have substantially increased from the previous couple of years. For independent garden centers and nurseries, results vary, with some seeing continued strong profitability while others are facing more challenges.

Aquatic / Fishing: The lobster catch has reportedly been good for most lobstermen. Profitability has generally been good, with stable pricing. The 2024-25 scallop season has been tough for fishermen. Pricing has improved, but open area landings continue to decline along with the lack of large scallops caught. For groundfish, pricing and catch has been stable over the prior year.

Manufacturing, Marketing & Processing: Value-added businesses that process, market and/or otherwise add value to raw agricultural commodities are eligible for financing when they are owned by eligible borrowers, or when organized as a cooperative and financed by CoBank under its lending authorities. In addition to directly financing such eligible borrowers, Farm Credit East purchases loan participations through CoBank, other System entities and commercial banks.

Businesses range in size from small farm-based specialty food processors to large marketing cooperatives. These loans encompass diverse businesses including sawmills, dairy processing, fruit juice, canned and frozen vegetables, preparation of fresh vegetables and fruits, and seafood processing. There is a wide range of economic drivers and financial performance among these companies. These businesses are a critical component of the farm, forest, and fishing economy as they create markets for commodities, value-added opportunities for producers, and jobs and economic activity in local communities, often in rural areas.

LOAN PORTFOLIO

Loans outstanding increased to $12.9 billion as of December 31, 2024, compared to $11.5 billion at December 31, 2023, an increase of $1.4 billion, or 12.3%. The year over year growth in loan volume was seen in all lending areas led by our capital markets credit team which handles the Association's larger and more complex loan relationships including the purchases of loans made by other affiliated System Banks and Associations and commercial banks. The capital markets portfolio grew $752.0 million or 16.7%. Our branch marketplace-based farm loan portfolio grew $559.8 million, or 10.0% as strong demand for agricultural products continues to benefit our local producers. The residential Country Living mortgage program grew $102.4 million, or 7.2% as reasonably strong demand in our Local Service Area (LSA) continues notwithstanding the higher interest rate environment. Commodities experiencing the strongest growth were processing and marketing, dairy, and utilities with increases of $292.4 million, $273.4 million, and $109.5 million, respectively over December 31, 2023.

Loans by loan type are reflected in the following table.

December 31	2024		2023		2022[1]	
Real estate mortgage	$ 4,775,932	37.0%	$ 4,453,459	38.7%	$ 4,319,815	40.7%
Production and intermediate	4,112,724	31.8	3,728,814	32.4	3,428,516	32.3
Agribusiness	3,121,886	24.2	2,563,179	22.3	2,223,776	20.9
Rural infrastructure	766,220	5.9	636,870	5.5	538,374	5.1
Rural residential real estate	97,984	0.8	80,044	0.7	67,412	0.6
Other	43,119	0.3	41,237	0.4	42,945	0.4
Total Loans	$ 12,917,865	100.0%	$ 11,503,603	100.0%	$ 10,620,838	100.0%

[1]Prior to the adoption of CECL on January 1, 2023, loans were presented with accrued interest receivables.

While we make loans and provide financial related services to qualified borrowers in agricultural and rural sectors and to certain related entities, our loan portfolio is diversified by loan participations purchased and sold, geographic locations served, commodities financed, and loan size.

The Association purchases loan participations from other System and non-System entities to generate additional earnings and diversify risk related to existing commodities financed and our geographic area served. In addition, we sell a portion of certain large loans to other System and non-System entities to reduce risk and comply with lending limits we have established. Our volume of participations purchased and sold as of December 31 are reflected in the following table.

December 31	2024	2023	2022
Purchased participations	$ 3,528,382	$ 2,979,878	$ 2,675,982
Sold participations	$ 1,998,526	$ 1,876,899	$ 1,711,847

Loans are originated and serviced within the LSA in New York, New Jersey, and throughout New England. The geographic distribution of loans follows. As previously mentioned, we purchase loan participations outside our territory — which are included in other states in the following table.

December 31	2024	2023	2022
New York	41%	41%	41%
New Jersey	8	8	9
Maine	8	8	7
Massachusetts	6	6	6
Vermont	4	4	4
Connecticut	4	4	4
New Hampshire, Rhode Island, and other states	29	29	29
Total	100%	100%	100%

The following table shows the primary agricultural commodities produced by our borrowers based on the Standard Industrial Classification System (SIC) published by the federal government. This system is used to assign commodity or industry categories based on the primary business of the customer. A primary business category is assigned when the commodity or industry accounts for 50% or more of the total value of sales for a business; however, a large percentage of agricultural operations typically includes more than one commodity.

December 31	2024	2023	2022
Dairy	18.9%	18.9%	18.8%
Processing and Marketing	13.4	12.5	11.7
Timber	9.8	10.3	9.8
Cash Field	9.0	9.4	9.9
Livestock	7.8	8.1	8.1
Fruit	7.4	7.4	7.5
Utilities	5.5	5.2	4.9
Aquatic	5.1	5.2	5.4
Farm Services	4.5	4.2	4.0
Vegetables	3.1	3.2	3.5
Potato	2.9	2.9	2.7
Greenhouse	2.4	2.3	2.4
Nursery	2.3	2.3	2.4
All Other	7.9	8.1	8.9
Total	100%	100%	100%

CREDIT COMMITMENTS

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 loan agreement contract. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. We may also participate in standby letters of credit to satisfy the financing needs of our borrowers. These standby letters of credit are irrevocable agreements to guarantee payments of specified financial obligations. The following table summarizes the maturity distribution of unfunded credit commitments on loans at December 31, 2024.

	Less than 1 year	1 – 3 years	3 – 5 years	Over 5 years	Total
Commitments to extend credit	$ 2,048,452	$ 2,082,383	$ 268,041	$ 24,392	$ 4,423,268
Standby letters of credit	42,439	5,309	1,596	1	49,345
Commercial letters of credit	2,931	30,844	6,769	21,919	62,463
Total commitments	$ 2,093,822	$ 2,118,536	$ 276,406	$ 46,312	$ 4,535,076

Since many of these commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements.

NONPERFORMING ASSETS

Nonperforming assets are comprised of nonaccrual loans, loans 90 days past due still accruing interest, and other property owned. Nonaccrual loans represent all loans where there is a reasonable doubt as to collection of principal and/or interest. The following table summarizes nonperforming assets and delinquency information.

December 31	2024	2023	2022
Nonaccrual loans	$ 68,389	$ 23,401	$ 39,833
Accruing loans 90 days or more past due	-	288	-
Other property owned (OPO)	-	-	827
Total nonperforming assets	$ 68,389	$ 23,689	$ 40,660
Nonaccrual loans to total loans	0.53%	0.20%	0.38%
Nonperforming assets to total loans and OPO	0.53%	0.21%	0.38%
30+ day delinquencies as a % of total performing loans	0.17%	0.35%	0.19%

The $44.7 million increase in nonperforming assets at December 31, 2024, was primarily due to a small number of production agriculture and agribusiness customers that transferred to nonaccrual during 2024. In general, the Association is adequately secured on much of the $68.4 million in nonaccrual loan volume at December 31, 2024. However, the Association has established specific loan loss allowances of $13.0 million on its nonaccrual loans.

Other property owned is comprised of real or personal property that has been acquired through foreclosure or deed in lieu of foreclosure. At December 31, 2024, and 2023, there was no other property owned by the Association.

For additional loan type information, see Note 3 to the consolidated financial statements, "Loans and Allowance for Credit Losses."

CREDIT QUALITY CONDITIONS AND MEASUREMENTS IN THE LOAN PORTFOLIO

We review the credit quality of the loan portfolio on an on-going basis as part of our risk management practices. Each loan is classified according to the Uniform Classification System (UCS) which is used by all System institutions. The following table presents statistics based on UCS classified as a percent of total loans.

December 31	2024	2023	2022
Acceptable	93.25%	94.26%	94.81%
Special mention	4.61	3.63	3.33
Substandard/doubtful	2.14	2.11	1.86
Total	100.00%	100.00%	100.00%

Despite some deterioration, loan credit quality remained strong with 93.3% acceptable at December 31, 2024. Special mention loans increased to 4.61% of total loans at December 31, 2024, compared to 3.63% at December 31, 2023, primarily due to decline in credit quality within certain sectors of the production agriculture and agribusiness portfolio. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percentage of total loans were 2.14% at December 31, 2024, compared to 2.11% at December 31, 2023. While overall loan quality measures remain strong at December 31, 2024, the potential for some deterioration during 2025 exists as there is still uncertainty related to inflation and higher interest rates.

CREDIT RISK MANAGEMENT

Credit risk arises from the inability of an obligor to meet its repayment obligation and exists in our outstanding loans, unfunded loan commitments, and letters of credit. We manage credit risk associated with our lending activities through an assessment of the credit risk profile of each individual borrower based on an analysis of the borrower's credit history, repayment capacity, financial position, and collateral. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income. The Association also manages credit risk by establishing limits for single borrower hold positions and industry concentrations based on underlying risks. The geographic and commodity diversity in the loan portfolio, coupled with disciplined underwriting, reduces the potential for significant credit losses.

To further manage portfolio risk, the Association is a Preferred Lender under the USDA's Farm Service Agency guarantee program and as of December 31, 2024, has guarantees totaling $316.2 million. In addition, the Association has loan guarantees with state agencies totaling $31.9 million.

ALLOWANCE FOR CREDIT LOSSES

The Association recorded an $11.5 million provision for credit losses, $5.6 million of gross charge-offs and $1.1 million of gross recoveries for the year ended December 31, 2024. Net charge-offs as a percentage of average loans was 0.04% for the year ending December 31, 2024 compared to 0.02% at December 31, 2023. The 2024 charge-offs primarily relate to a small number of production agriculture and farm related business customers as well as a large agribusiness customer. Charge-offs have historically resulted from a relatively small number of customers and may fluctuate significantly period to period.

The following table presents our comparative allowance for credit loss coverage, as a percentage of key loan categories.

December 31	2024	2023	2022
Components:			
Allowance for loan losses	$ 78,272	$ 66,253	$ 51,465
Reserve for unfunded commitments	14,699	19,767	10,751
Allowance for Credit Losses (ACL)	$ 92,971	$ 86,020	$ 62,216
ACL as a percentage of:			
Total loans	0.72%	0.75%	0.59%
Nonaccrual loans	135.9%	367.6%	156.2%
Nonperforming assets	135.9%	363.1%	146.4%

For further discussion regarding the allowance for credit losses, see Note 3 to the consolidated financial statements, "Loans and Allowance for Credit Losses."

RESULTS OF OPERATIONS

Net income was $336.6 million for the twelve months ended December 31, 2024, an increase of $66.6 million as compared with the same period in 2023. Net income was $271.6 million for the twelve months ended December 31, 2022. The 2024 earnings reflect the favorable impact of increased loan volume with net interest income increasing $61.1 million along with continued stable operating expenses. The Association recorded an $11.5 million provision for credit losses for the year ended December 31, 2024, which is a $0.3 million decrease compared to a year ago.

The following table reflects key performance results *($ in millions).*

For the Year Ended December 31	2024	2023	2022
Net income	$ 336.6	$ 270.0	$ 271.6
Net interest income	$ 378.6	$ 317.5	$ 279.7
Net interest margin	3.16%	2.96%	2.77%
Return on average assets	2.70%	2.43%	2.59%
Return on average members' equity	14.63%	12.87%	13.88%

Changes in the significant components impacting the results of operations are summarized in the following table *($ in millions).*

Increase (decrease) due to:	2024 versus 2023	2023 versus 2022
Net interest income	$ 61.1	$ 37.8
Provision for/reversal of credit losses	0.3	(45.8)
Noninterest income	13.1	7.0
Noninterest expenses	(7.6)	(0.1)
Provision for income taxes	(0.3)	(0.5)
Total	$ 66.6	$ (1.6)

NET INTEREST INCOME

Net interest income increased $61.1 million to $378.6 million in 2024, compared to $317.5 million in 2023. Net interest income was $279.7 million for the twelve months ending December 31, 2022. The following table quantifies the changes in net interest income *($ in millions).*

Changes in net interest income due to:	2024 versus 2023	2023 versus 2022
Loan volume and average loan rate	$ 131.6	$ 283.7
Nonaccrual volume and other income	(3.7)	1.9
Borrowing levels and average cost of debt	(81.1)	(210.0)
Hedging activity	14.3	(37.8)
Total	$ 61.1	$ 37.8

The Association's average loan rate was 7.18% in 2024, up from 6.82% in 2023, while the Association's average cost of debt funding increased by similar amounts to 4.58% in 2024 compared to 4.26% in 2023. Interest rates on variable rate loans and the Association's cost of debt both decreased later in the year due to monetary actions taken by the Federal Reserve to decrease interest rates as inflation stabilized in the second half of 2024. The Association's hedging strategy includes fixed-receive and floating-pay interest rate swaps. Throughout 2024, the Association's swap portfolio saw a decrease in floating-pay rates while the fixed-receive rates remained slightly higher, benefiting the Association. For further discussion regarding the hedging strategy, see Note 16 to the consolidated financial statements, "Derivative Instruments and Hedging Activities."

Information regarding the average daily balances and average rates earned and paid on our portfolio are presented in the following table.

For the Year Ended December 31	2024	2023	2022
Net interest income	$ 378,555	$ 317,538	$ 279,661
Average balances:			
Average interest earning loans	$11,997,682	$10,717,673	$10,099,874
Average interest bearing liabilities	$ 9,960,630	$ 8,823,366	$ 8,348,419
Average rates:			
Interest earning loans	7.18%	6.82%	4.43%
Interest bearing liabilities	4.58%	4.26%	1.98%
Interest rate spread	2.60%	2.56%	2.45%
Net interest margin (interest income as a percentage of average interest earning loans)	3.16%	2.96%	2.77%

PROVISION FOR/REVERSAL OF CREDIT LOSSES

The Association recorded an $11.5 million provision for credit losses for the year ended December 31, 2024, compared to $11.8 million in 2023. The 2024 provision for credit losses primarily relates to portfolio loan growth and to a lesser extent by deterioration in credit quality which were partially offset by model assumption updates resulting in lower modeled losses in many of the loans in the portfolio. As discussed in our 2023 Annual Report, the Association expects a higher level of volatility in the credit loss provisions and reversals resulting from last year's adoption of the Current Expected Credit Losses (CECL) accounting standard. A $34.1 million reversal of credit losses was made for the year ended December 31, 2022.

NONINTEREST INCOME

Noninterest income increased $13.1 million to $117.5 million for the twelve months ended December 31, 2024, as compared to $104.4 million in 2023. Noninterest income is primarily composed of patronage income, financially related services income, loan fees, and compensation on participation loans. Noninterest income totaled $97.4 million for the twelve months ending December 31, 2022.

Patronage income from CoBank is a significant part of the Association's noninterest income. Patronage income is based on the average balance of the Association's note payable to CoBank. For the year ended December 31, 2024, CoBank patronage income totaled $51.9 million, an increase of $6.0 million from $45.9 million in 2023. The 2024 CoBank patronage includes a special patronage distribution of $7.0 million compared to a 2023 special patronage distribution of $6.2 million. The patronage rates paid by CoBank on the Association's note payable were 45 basis points in each of 2024, 2023 and 2022. Patronage income from CoBank was $45.1 million for the twelve months ending December 31, 2022, which included a special patronage distribution of $7.5 million.

Farm Credit East also receives patronage income from CoBank and other Farm Credit entities that purchased interests in loans originated by the Association. For the twelve months ended December 31, 2024, this revenue totaled $17.5 million compared to $15.9 million in 2023 and $13.5 million in 2022.

Noninterest income also includes fees for financially related services, compensation on participation loans, and loan fees and other noninterest income. These noninterest income sources totaled $48.1 million for the twelve months ending December 31, 2024, an increase of $5.5 million from 2023. Financially related services fee income totaled $28.5 million in revenue for the year ended December 31, 2024. Prior to 2024, appraisal income was included in financially related services income. Going forward, appraisal income is now included in other noninterest income. Loan fees and other noninterest income increased $9.7 million to $12.9 million at December 31, 2024, primarily due to fee income received from new lending activity, including appraisals as previously noted.

NONINTEREST EXPENSE

Noninterest expense was $145.2 million for the twelve months ended December 31, 2024. Noninterest expense totaled $137.6 million for both the twelve months ended December 31, 2023, and 2022.

Salaries and employee benefits is the primary component of noninterest expense and totaled $81.4 million for the twelve months ended December 31, 2024, an increase of $6.1 million from $75.3 million for the twelve months ended December 31, 2023. This increase is primarily due to normal annual salary adjustments along with higher staffing levels. Salary and employee benefits were $75.8 million for the twelve months ended December 31, 2022.

Insurance fund premiums were $9.4 million in 2024, a decrease of $5.4 million from December 31, 2023. Insurance fund premium rates are set by the Farm Credit System Insurance Corporation and were ten basis points of adjusted insured debt obligations for 2024, as compared with eighteen basis points for 2023. Insurance fund premiums were $15.5 million in 2022, and the rate was twenty basis points.

Noninterest expenses also include occupancy and equipment expense and other operating expenses, which includes technology costs and other property owned expenses. These other operating expenses were $54.4 million in 2024, an increase of $6.9 million compared to 2023. The increase was primarily due to higher technology expenses associated with new digital initiatives.

PROVISION FOR INCOME TAXES

The provision for income taxes was $2.8 million for the twelve months ended December 31, 2024, compared to $2.5 million at December 31, 2023. The effective tax rate was 0.8% for the year ended December 31, 2024, and 0.9% for 2023. The Association's effective tax rate is significantly less than the applicable federal and state statutory income tax rates due to tax deductible patronage distributions and our tax-exempt business activities. For the twelve months ended December 31, 2022, the provision for income taxes was $2.0 million.

For additional information, see Note 10 to the consolidated financial statements, "Income Taxes."

PATRONAGE DISTRIBUTIONS

The Association has a patronage program that allows it to distribute its eligible net earnings to its stockholders. The patronage program consists of a qualified cash distribution and a non-qualified distribution. This program provides for the application of net earnings in the manner described in our bylaws. When determining the amount and method of patronage to be distributed, the board considers the setting aside of funds to increase retained earnings to meet capital adequacy standards established by Farm Credit regulations, to meet our internal capital adequacy standards to support competitive pricing at targeted earnings levels, and for reasonable reserves. Patronage is distributed in accordance with cooperative principles, as determined by the board of directors and in accordance with Association by-laws. The distributions are sent to eligible customers shortly after the end of the year.

For the year ended December 31, 2024, the Association declared two separate qualified patronage dividends totaling $140.0 million which will be distributed in cash in 2025. For the year ended December 31, 2023, the Association also declared two separate qualified patronage dividends totaling $130.0 million which was distributed in cash in 2024. In 2022, the Association declared a qualified patronage dividend totaling $117.0 million distributed in cash in February 2023.

LIQUIDITY AND FUNDING SOURCES

The Association's primary source of funding is CoBank. Funds are obtained through borrowing on a revolving line of credit governed by a General Financing Agreement. At December 31, 2024, the Association's notes payable to CoBank totaled $10.8 billion, which is a $1.3 billion increase from $9.5 billion at December 31, 2023. The Association's note payable was $8.7 billion at December 31, 2022.

The line of credit available to the Association is formula-driven based on Association loan volume and credit quality. Because of the funding relationship with CoBank, the Association does not maintain large balances in cash or other liquid investments. Substantially all the Association's assets are pledged as security to CoBank. The Association is in full compliance with its financing agreement with CoBank and has capacity under the agreement to borrow funds needed to meet anticipated loan demand.

The Association minimizes its interest rate risk by funding loans with debt from CoBank that has similar pricing characteristics as the assets being funded. As a result, the Association is not subject to substantial interest rate risk. The Association's loan portfolio consisted of the following breakdown by pricing type.

December 31	2024	2023	2022
Pricing Type:			
Variable rate loans	40.0%	39.8%	40.5%
Indexed loans (Prime, SOFR, LIBOR)	31.5%	28.6%	26.2%
Fixed rate loans	28.5%	31.6%	33.3%

The interest rates charged to the Association on debt, by and large, have the same pricing characteristics as the loans funded. For example, fixed rate loans are funded with fixed rate debt with the same term. The Association's goal is to fund fixed and indexed rate loans with 100% matching debt to the extent possible.

The Association's equity is invested in variable rate loans. The yield on equity funded loans is the average variable portfolio rate. As rates rise or fall, earnings on equity funded loans go up and down. The Association also uses "receive fixed/pay variable" interest rate contracts (swaps) with CoBank to better manage its equity investment in variable rate loans. When rates are low, the Association earns more on its interest rate contracts, offsetting lower earnings on its equity position and serving to stabilize net interest income; conversely, when rates rise, the Association will earn less on its contracts and more on its equity position. The average length of the Association's contracts is 18 months. The effect of this hedging strategy diminishes if rates stay stable for two or more years.

The swaps also extend the duration of the Association's equity position resulting in increased earnings from the normal yield curve and some change in the value of equity due to changes in interest rates. The Association's interest rate hedging program is summarized in the following table *($ in millions)*.

December 31	**2024**	**2023**	**2022**
Swap notional amount	$ 1,815	$ 1,620	$ 1,430
Derivative (liabilities) assets, net	$ (4.3)	$ (14.3)	$ (54.5)
For the Year Ended December 31			
Cash (payments) receipts	$ (34.0)	$ (48.5)	$ (11.3)

For additional information, see Note 15 to the consolidated financial statements, "Fair Value Measurements."

MEMBERS' EQUITY

Members' equity totaled $2.4 billion at December 31, 2024. Members' equity at December 31, 2024, was comprised of unallocated retained earnings of $2.0 billion, additional paid-in capital of $354.2 million, customer capital stock and participation certificates of $19.5 million, and accumulated other comprehensive loss of $29.1 million.

CAPITAL PLAN AND REGULATORY REQUIREMENTS

The board of directors establishes a formal capital adequacy plan that addresses capital goals in relation to risks. The capital adequacy plan assesses the capital level necessary for financial viability and to provide for growth. Our plan is updated annually and approved as part of the Association's annual business plan.

The FCA Regulations requires the Association to maintain minimums for common equity tier 1 (CET 1), tier 1 capital, total capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for non-risk adjusted ratios of tier 1 leverage and unallocated retained earnings (URE).

As shown in the following table, at December 31, 2024, 2023 and 2022, our capital and leverage ratios exceeded regulatory minimums. If these capital standards are not met, the FCA can impose restrictions, including limiting our ability to pay patronage distributions and retire equities.

	2024	2023	2022	FCA Minimum with Buffer
Common Equity Tier 1 Capital Ratio (CET1)	15.82%	16.42%	16.55%	7.00%
Tier 1 Capital Ratio	15.82%	16.42%	16.55%	8.50%
Total Capital Ratio	16.51%	17.08%	17.05%	10.50%
Permanent Capital Ratio	15.50%	16.10%	16.26%	7.00%
Tier 1 Leverage Ratio	17.25%	18.00%	17.91%	5.00%
UREE Leverage Ratio	17.10%	17.83%	17.74%	1.50%

For additional information, see Note 8 to the consolidated financial statements, "Members' Equity."

CAPITAL ADEQUACY AND BUSINESS PLANNING

In conjunction with the annual business plan and financial planning process, the board of directors reviews and approves a capital adequacy plan which includes target levels for capital and capital ratio minimum baselines. The capital adequacy plan assesses the capital level necessary for financial viability and to provide growth. Effective January 1, 2025, the board established capital ratio baselines as follows.

	2025 Target	Policy Minimum	FCA Minimum with Buffer
Common Equity Tier 1 Capital Ratio (CET1)	15.80%	12.00%	7.00%
Tier 1 Capital Ratio	15.80%	13.50%	8.50%
Total Capital Ratio	16.31%	15.50%	10.50%
Tier 1 Leverage Ratio	17.15%	6.00%	5.00%
UREE Leverage Ratio	17.01%	2.50%	1.50%

REGULATORY MATTERS

As of December 31, 2024, the Association had no enforcement actions in effect and FCA took no enforcement actions on the Association during the year.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of the financial condition and results of operations are based on the Association's consolidated financial statements, which we prepare in accordance with accounting principles generally accepted in the United States of America. In preparing these financial statements, we make estimates and assumptions. Our financial position and results of operations are affected by these estimates and assumptions, which are integral to understanding reported results.

Note 2 to the accompanying consolidated financial statements contains a summary of our significant accounting policies. Of these policies, we consider certain ones critical to the presentation of our financial condition, as they require us to make complex or subjective judgments that affect the value of certain assets and liabilities. Some of these estimates relate to matters that are inherently uncertain. Most accounting policies are not, however, considered critical. Our critical accounting policies relate to determining the level of our allowance for credit losses and the valuation of our derivative instruments with no ready markets.

BUSINESS OUTLOOK

The U.S. economy posted GDP growth of 1.6%, 3.0%, and 3.1% for the first three quarters of 2024, respectively. Analysts estimate that GDP grew by 2.7% for the year. Looking at 2025, forecasts range from 1.9% to 2.5% for 2025 GDP growth, slightly lower than 2024. However, it is worth noting that despite the predicted slowdown, the U.S. economy has consistently exceeded forecasts for the past two years.

Inflation is also expected to decline, albeit slowly, reaching the Fed's 2% target in Q4 2025. The U.S. labor market remains solid, with headline unemployment expected to average 4.1%. The retirement of the Baby Boom generation continues, leading to increased hiring and retention efforts by employers. Front-line and lower-wage positions remain difficult to fill due to tightness in that portion of the job market.

There are significant risks to this forecast, including possible trade wars with increased tariffs being enacted on both imports and exports, sharp cuts in government spending, major changes in immigration enforcement, geopolitical unrest and other uncertainty, all of which could dampen economic growth.

FORWARD-LOOKING STATEMENTS

Certain information included in this report contains forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Words such as "believes," "could," "estimates," "anticipates," "may," "should," "will," or other variations of these terms or similar expressions are intended to identify forward-looking statements. These statements are based on assumptions and analyses made considering experience, 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, legal, regulatory and economic conditions and developments in the United States and abroad;
- economic fluctuations in the agricultural, rural utility, international and farm-related business sectors;
- weather, disease, and other adverse climatic or biological conditions that periodically occur that impact agricultural productivity and income;
- changes in United States government support of the agricultural industry and/or the Farm Credit System; and,
- actions taken by the Federal Reserve System in implementing monetary policy.

FARM CREDIT EAST, ACA
REPORT OF MANAGEMENT

The consolidated financial statements of Farm Credit East, ACA (the Association) are prepared by management, who is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as appropriate in the circumstances. The consolidated financial statements, in the opinion of management, fairly present the financial position of Farm Credit East. Other financial information included in this 2024 annual report is consistent with that in the consolidated financial statements.

To meet its responsibility for reliable financial information, management depends on the Association's accounting and internal control systems which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be related to the benefits derived. To monitor compliance, the Association's internal auditors and risk management staff perform audits of the accounting records, review accounting systems and internal controls, and recommend improvements as appropriate. The consolidated financial statements are audited by PricewaterhouseCoopers LLP, our independent auditors, who consider internal controls in accordance with auditing standards generally accepted in the United States of America. The Association is also examined by the Farm Credit Administration.

The chief executive officer, as delegated by the Board of Directors, has overall responsibility for the Association's system of internal controls and financial reporting, subject to the review of the Audit Committee of the Board of Directors. The Audit Committee consults regularly with management and meets periodically with the independent auditors and internal auditors to review the scope and results of their examinations. The Audit Committee reports regularly to the Board of Directors. Both the independent auditors and the internal auditors have direct access to the Audit Committee.

The undersigned certify the 2024 Annual Report to Stockholders has been reviewed and prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate and complete to the best of our knowledge and belief.

/s/
Michael J. Reynolds
Chief Executive Officer

/s/
John P. Knopf
Chair of the Board

/s/
Andrew N. Grant
Chief Financial Officer

March 14, 2025

FARM CREDIT EAST, ACA
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Farm Credit East'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/
Michael J. Reynolds
Chief Executive Officer

/s/
Andrew N. Grant
Chief Financial Officer

March 14, 2025

FARM CREDIT EAST, ACA
REPORT OF AUDIT COMMITTEE

The consolidated financial statements were prepared under the oversight of the Audit Committee (Committee). The Committee is composed of four members from the Farm Credit East, ACA (Association) Board of Directors. In 2024, the Committee met five times. The Committee oversees the scope of the Association's internal audit program, the independence of the outside auditors, the adequacy of the Association's system of internal controls and procedures, and the adequacy of management's action with respect to recommendations arising from those auditing activities. The Committee's responsibilities are described more fully in the Association's Internal Control Policy and the Audit Committee Charter. The Committee approved the appointment of PricewaterhouseCoopers LLP (PwC) as our independent auditors for 2024.

Management is responsible for the Association's internal controls and the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Association's consolidated financial statements in accordance with generally accepted auditing standards in the United States of America and to issue a report thereon. The Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Committee reviewed and discussed the Association's audited consolidated financial statements for the year ended December 31, 2024, with management. The Committee also reviews with PwC the matters required to be discussed by Statements on Auditing Standards. Both PwC and the Association's internal auditors directly provide reports on significant matters to the Committee.

The Committee approves all non-audit services provided by PwC. In 2024, PwC was engaged for tax and audit related services and the Committee concluded these services were not incompatible with maintaining the auditors' independence.

Based on the foregoing review and discussions, and relying thereon, the Committee recommended that the Board of Directors include the audited consolidated financial statements in the Association's Annual Report to Stockholders for the year ended December 31, 2024, and for filing with the FCA.

/s/
Joseph W. McWatters
Audit Committee Chair

Other Committee Members:
Philip J. Jones
James A. Robbins II
Peter H. Triandafillou

March 14, 2025

Report of Independent Auditors

To the Board of Directors of Farm Credit East, ACA

Opinion

We have audited the accompanying consolidated financial statements of Farm Credit East, 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, changes in members' equity, and 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.

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 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.

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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

Hartford, CT
March 14, 2025

FARM CREDIT EAST, ACA
CONSOLIDATED BALANCE SHEETS

December 31 (dollars in thousands)	2024	2023	2022
ASSETS			
Loans	$ 12,917,865	$ 11,503,603	$ 10,572,766
Less: Allowance for credit losses on loans	78,272	66,253	51,465
Net loans	12,839,593	11,437,350	10,521,301
Cash	25,252	31,259	36,778
Accrued interest receivable	66,672	64,958	48,072
Investment in CoBank, ACB	332,231	295,590	279,196
Premises and equipment, net	26,958	27,940	26,909
Other assets	124,967	103,495	100,719
Total Assets	$ 13,415,673	$ 11,960,592	$ 11,012,975
LIABILITIES			
Notes payable to CoBank, ACB	$ 10,762,587	$ 9,498,822	$ 8,704,819
Patronage distributions payable	140,000	130,000	117,000
Accrued interest payable	38,169	38,342	27,401
Reserve for unfunded commitments	14,699	19,767	10,751
Other liabilities	73,566	98,991	145,392
Total Liabilities	$ 11,029,021	$ 9,785,922	$ 9,005,363
MEMBERS' EQUITY			
Capital stock and participation certificates	$ 19,481	$ 18,956	$ 18,374
Additional paid-in capital	354,163	354,163	354,163
Unallocated retained earnings	2,042,072	1,845,429	1,720,025
Accumulated other comprehensive loss	(29,064)	(43,878)	(84,950)
Total Members' Equity	$ 2,386,652	$ 2,174,670	$ 2,007,612
Total Liabilities and Members' Equity	$ 13,415,673	$ 11,960,592	$ 11,012,975

The accompanying notes are an integral part of these statements.

FARM CREDIT EAST, ACA
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year Ended December 31 (dollars in thousands)	2024	2023	2022
INTEREST INCOME			
Loans	$ 864,434	$ 739,382	$ 454,502
Other	3,808	1,121	339
Total interest income	868,242	740,503	454,841
INTEREST EXPENSE			
Notes payable to CoBank, ACB	489,650	422,932	175,151
Other	37	33	29
Total interest expense	489,687	422,965	175,180
Net interest income	378,555	317,538	279,661
Provision for (reversal of) credit losses	11,462	11,747	(34,118)
Net interest income after provision for (reversal of) credit losses	367,093	305,791	313,779
NONINTEREST INCOME			
Patronage	69,447	61,793	58,587
Financially related services	28,452	34,635	32,125
Compensation on participation loans, net	6,680	4,673	4,108
Loan fees and other noninterest income	12,926	3,270	2,566
Total noninterest income	117,505	104,371	97,386
NONINTEREST EXPENSE			
Salaries and employee benefits	81,390	75,312	75,800
Insurance Fund premiums	9,415	14,769	15,493
Occupancy and equipment	5,034	4,825	4,717
Other noninterest expenses	49,354	42,699	41,557
Total noninterest expenses	145,193	137,605	137,567
Income before income taxes	339,405	272,557	273,598
Provision for income taxes	2,762	2,509	1,988
Net Income	$ 336,643	$ 270,048	$ 271,610
OTHER COMPREHENSIVE INCOME (LOSS)			
Net change in retirement plan liabilities	4,772	925	8,438
Net change in cash flow hedges	10,042	40,147	(48,726)
Other Comprehensive Income (loss)	14,814	41,072	(40,288)
Comprehensive Income	$ 351,457	$ 311,120	$ 231,322

The accompanying notes are an integral part of these statements.

FARM CREDIT EAST, ACA
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(dollars in thousands)	Capital Stock and Participation Certificates	Additional Paid-in Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Members' Equity
Balance at December 31, 2021	$ 16,688	$ 229,198	$ 1,565,415	$ (44,662)	$ 1,766,639
Comprehensive Income (Loss)	-	-	271,610	(40,288)	231,322
Capital stock and participation certificates issued	1,814	-	-	-	1,814
Capital stock and participation certificates retired	(1,275)	-	-	-	(1,275)
Equity re-characterized upon merger	1,147	124,965	-	-	126,112
Patronage Distribution	-	-	(117,000)	-	(117,000)
Balance at December 31, 2022	$ 18,374	$ 354,163	$ 1,720,025	$ (84,950)	$ 2,007,612
Adjustment to beginning balance due to change in accounting for credit losses, net of tax	-	-	(14,644)	-	(14,644)
Balance at January 1, 2023, as adjusted	$ 18,374	$ 354,163	$ 1,705,381	$ (84,950)	$ 1,992,968
Comprehensive Income (Loss)	-	-	270,048	41,072	311,120
Capital stock and participation certificates issued	1,664	-	-	-	1,664
Capital stock and participation certificates retired	(1,082)	-	-	-	(1,082)
Patronage Distribution	-	-	(130,000)	-	(130,000)
Balance at December 31, 2023	$ 18,956	$ 354,163	$ 1,845,429	$ (43,878)	$ 2,174,670
Comprehensive Income (Loss)	-	-	336,643	14,814	351,457
Capital stock and participation certificates issued	1,754	-	-	-	1,754
Capital stock and participation certificates retired	(1,229)	-	-	-	(1,229)
Patronage Distribution	-	-	(140,000)	-	(140,000)
Balance at December 31, 2024	$ 19,481	$ 354,163	$ 2,042,072	$ (29,064)	$ 2,386,652

The accompanying notes are an integral part of these statements.

FARM CREDIT EAST, ACA
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31 (dollars in thousands)	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 336,643	$ 270,048	$ 271,610
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	3,145	2,888	3,026
Provision for (reversal of) credit losses	11,462	11,747	(34,118)
Increase in accrued interest receivable	(4,610)	(19,187)	(23,036)
(Decrease) increase in accrued interest payable	(173)	10,941	20,660
(Decrease) increase in other liabilities	(15,679)	3,687	3,565
Increase in other assets	(14,540)	(8,289)	(225)
Gain from sales of premises and equipment	(772)	(552)	(213)
Total adjustments	(21,167)	1,235	(30,341)
Net cash provided by operating activities	315,476	271,283	241,269
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in loans, net	(1,410,809)	(940,139)	(953,542)
(Increase) decrease in investment in CoBank	(34,382)	(8,380)	16,863
Increase in investments	(9,191)	(3,579)	(4,205)
Expenditures for premises and equipment	(2,457)	(3,979)	(1,077)
Proceeds from sales of other property owned	-	1,078	169
Proceeds from sales of premises and equipment	1,066	612	356
Net cash acquired in merger	-	-	38
Net cash used in investing activities	(1,455,773)	(954,387)	(941,398)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in notes payable to CoBank, net	1,263,765	794,003	816,113
Capital stock and participation certificates issued	1,754	1,664	1,814
Capital stock and participation certificates retired	(1,229)	(1,082)	(1,275)
Patronage distributions paid	(130,000)	(117,000)	(100,090)
Net cash provided by financing activities	1,134,290	677,585	716,562
Net increase (decrease) in cash	(6,007)	(5,519)	16,433
Cash at beginning of year	31,259	36,778	20,345
Cash at end of year	$ 25,252	$ 31,259	$ 36,778
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES:			
Income taxes paid, net of refunds	$ 2,878	$ 1,840	$ 1,627
Accrued interest transferred to loans	2,896	2,301	1,386
Loans transferred to other property owned	-	-	259
Patronage distribution payable	140,000	130,000	117,000
Transfer of surplus to additional paid-in-capital related to Association merger	-	-	124,965

The accompanying notes are an integral part of these statements.

FARM CREDIT EAST, ACA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands except as noted)

NOTE 1 – ORGANIZATION, BUSINESS COMBINATION AND OPERATIONS

Organization

Farm Credit East, ACA, an Agricultural Credit Association (ACA) and its subsidiaries, Farm Credit East FLCA, a Federal Land Credit Association (FLCA), and Farm Credit East PCA, a Production Credit Association (PCA), (collectively called "the Association"), is a member-owned cooperative which provides credit and financial related services to or for the benefit of eligible customers for qualified agricultural purposes in the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont.

The Association is a lending institution of the Farm Credit System (the System), a nationwide system of cooperatively owned banks and associations, which was established by acts of Congress to meet the credit needs of American agriculture and is subject to the provisions of the Farm Credit Act of 1971, as amended (the Farm Credit Act). At December 31, 2024, the System was comprised of three Farm Credit Banks (FCBs), one Agricultural Credit Bank (ACB) and 55 affiliated associations. CoBank, ACB (CoBank or ACB) is Farm Credit East's funding bank.

CoBank, ACB (funding bank or the "Bank"), its related associations and AgVantis, Inc. (AgVantis) are collectively referred to as the "District." CoBank provides the funding to associations within the District and is responsible for supervising certain activities of the District Associations. The CoBank District consists of CoBank, 16 Agricultural Credit Associations, which each have two wholly owned subsidiaries (a FLCA and a PCA), and AgVantis.

ACA parent companies provide financing and related services through their FLCA and PCA subsidiaries. Generally, the FLCA makes secured long-term agricultural real estate and rural home mortgage loans and the ACA or PCA make short and intermediate-term loans for agricultural production or operating purposes.

Farm Credit East, ACA, along with three other System Institutions, owns Farm Credit Financial Partners, Inc. (FPI), which provides technology and other operational services to its owners.

The Farm Credit Administration (FCA) is delegated authority by Congress to regulate the System Banks and Associations. The FCA examines the activities of System Associations to ensure their compliance with the Farm Credit Act, FCA regulations, and safe and sound banking practices.

The Farm Credit Act 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 insure the timely payment of principal and interest on System-wide 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 the discretionary use 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 onto the Association, into the Insurance Fund, based on its annual average adjusted outstanding insured debt until the monies in the Insurance Fund reach the "secure base amount," which is defined in the Farm Credit Act as 2.0% 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 in 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, as necessary to maintain the Insurance Fund at the 2.0% level. As required by the Farm Credit Act, as amended, the Insurance Corporation may return excess funds above the secure base amount to System institutions.

Business Combination

Effective January 1, 2022, Yankee Farm Credit, ACA (Yankee) merged with and into Farm Credit East. The merger was accounted for under the acquisition method of accounting in accordance with the FASB Accounting Standards Codification (ASC) 805 *Business Combinations*. Pursuant to these accounting standards, Farm Credit East acquired the assets and assumed the liabilities of Yankee at their acquisition-date fair value. The fair value of the net identifiable assets acquired ($126.1 million) was substantially equal to the fair value of the equity interests exchanged in the merger. As a result, no goodwill was recorded.

The fair value of net assets acquired includes an adjustment to certain loan receivables and certain debt not considered impaired as of the acquisition date. These fair value adjustments were determined using spread assumptions based on the current spread to the cost of funds by each category of loans. Projected cash flows were discounted using the current Farm Credit funding yield curve to determine the fair value of the assets and liabilities.

The following condensed statement of net assets acquired reflects the fair value assigned to Yankee's net assets as of the acquisition date.

Condensed Statement of Net Assets Acquired

	January 1, 2022
ASSETS	
Net Loans	$ 538,058
Cash	38
Accrued interest receivable	1,954
Other assets	37,913
TOTAL ASSETS	$ 577,963
LIABILITIES	
Notes payable	$ 435,797
Other liabilities	16,054
TOTAL LIABILITIES	$ 451,851
FAIR VALUE OF NET ASSETS ACQUIRED	$ 126,112

Operations

The Farm Credit Act sets forth the types of authorized lending activity, persons eligible to borrow, and financial services which can be offered by the Association. 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 or forest products, their cooperatives, rural residents, and farm-related businesses.

The Association provides additional services to borrowers such as financial recordkeeping, payroll, tax return preparation, tax planning, farm accounting software, fee appraisals, farm business consulting, and leasing. The Association also offers credit life insurance and multi-peril crop insurance to its borrowers, as an agent.

The Association's financial condition may be impacted by factors which affect CoBank. The CoBank Annual Report is available free of charge on CoBank's website, www.cobank.com, or may be obtained at no charge by contacting the Association. Upon request, stockholders of the Association will be provided with a copy of the CoBank Annual Report. CoBank's Annual Report to Stockholders discusses the material aspects of its financial condition, changes in financial condition, and results of operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation, Consolidation and Use of Estimates

The consolidated financial statements (the "financial statements") of the Association have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the banking industry. In consolidation, all significant intercompany accounts and transactions are eliminated. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses and the valuation of deferred tax assets. Actual results could differ from those estimates. Significant estimates are discussed in these footnotes to consolidated financial statements, as applicable. Certain amounts in prior year's financial statements have been reclassified to conform to current financial statement presentation.

Recently Issued or Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09 - Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income 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 Institution's financial condition, results of operations or cash flows but will impact the income tax disclosures.

Below is a summary of the Association's significant accounting policies.

Loans and Allowance for Credit Losses

Long-term real estate mortgage loans generally have maturities ranging from 5 to 40 years. Substantially, all short-term and intermediate-term loans for agricultural production or operating purposes have maturities of 10 years or less. Loans are carried at their principal amount outstanding adjusted for charge-offs and deferred loan fees or costs. Loan origination fees and direct loan origination costs are capitalized, and the net fee or cost is amortized over the life of the related loan as an adjustment to yield. Interest on loans is accrued and credited to interest income based upon the daily principal amount outstanding.

Nonaccrual Loans

Nonaccrual loans are loans for which there is reasonable doubt that all principal and interest will not 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 allowance for loan losses (if accrued in prior years). Loans are charged-off at the time they are determined to be uncollectible.

When loans are in nonaccrual status, the Association's general practice is to apply and record on its financial records any payments received on nonaccrual loans in the following sequence: (1) to existing principal which includes outstanding principal, accounts receivable and accrued interest receivable as of the date of transfer into nonaccrual status plus any additional advances made since the loan was placed in nonaccrual status; (2) to recover any charged-off amount; and (3) to interest income. Nonaccrual loans may, at times, be maintained on a cash basis. Generally, cash basis refers to the recognition of interest income from cash payments received on certain nonaccrual loans for which the collectability of the recorded investment in the loan is no longer in doubt and the loan does not have a remaining unrecovered prior charge-off associated with it. Nonaccrual loans may be returned to accrual status when principal and interest are current, and reinstatement is supported by a period of sustained performance in accordance with the contractual terms of the note and/or loan agreement and the loan is not classified "doubtful" or "loss."

Accrued interest receivable
The Association elected to continue classifying accrued interest on loans in accrued interest receivable and not as part of loans on the Consolidated Balance Sheet. 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 current expected credit losses (CECL) of collateral dependent loans based on fair value of the collateral at the reporting date when the entity determines that foreclosure is probable. Additionally, CECL allows a 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 losses are based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan. The Association has elected the practical expedient.

Allowance for Credit Losses
The ACL represents the estimated current expected credit losses over the remaining contractual life of financial assets measured at amortized cost and certain off-balance sheet credit exposures. 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 Balance Sheet,
- the allowance for credit losses on unfunded commitments, which is presented separately on the Balance Sheet.

ACLL
Determining the appropriateness of the ACLL is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio may result in significant changes in the ACL in those future periods. Loans are evaluated on the amortized cost basis, including premiums and discounts.

The Association's approach to estimating the ACLL utilizes multiple economic scenarios over a reasonable and supportable forecast period. The vendor provided forecasts are produced by an economic model that is based on information from past business cycles and current conditions and converge to a long-run equilibrium trend. Mean reversion in the forecasts is specific to each economic indicator, with forecasts being considered reasonable and supportable over a period of one to three years, followed by a reversion to long-term equilibrium trends within two to three years from the forecast start date. As mean reversion occurs within the economic forecasts (i.e., input reversion), the Association uses the forecast values over the entire life of loan to determine estimated credit losses. The economic forecasts are updated on a quarterly basis. These factors include, but are not limited to, macroeconomic variables such as unemployment rates, adjusted for government subsidies, agricultural commodity prices and price indices, and utilities sales and price indices. Also considered are loan and borrower characteristics, such as internal risk ratings, loan type, collateral position, 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.

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 and nonaccrual loans. For these loans, the 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 allowance for credit losses.

In estimating the component of the ACLL 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, probability of default (PD) rating, 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 PD rating using historical life-of-loan analysis periods, and the severity of loss, based on Farm Credit System guidance on expected loss rates for each loss given default (LGD) category.

The components of the ACLL 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.

Allowance for Credit Losses on Unfunded Commitments
The Association evaluates the need for an allowance for credit losses on unfunded commitments under CECL and, if required, an amount is recognized and is shown as a liability on the consolidated Balance Sheet. 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 institution and applying the loss factors used in the ACLL methodology to the results of the usage calculation. No allowance for credit losses is recorded for commitments that are unconditionally cancellable.

Cash
Cash, as included in the consolidated financial statements, represents cash on hand and on deposit at financial institutions. The nature of the Association's business requires that it maintain amounts due from banks which, at times, may exceed federally insured limits. The Association has not experienced any losses on such amounts and all amounts are maintained with well-capitalized institutions.

Investment in CoBank, ACB
The Association's investment in CoBank is in the form of Class A stock. The minimum required investment is 3.0% of the prior one-year average direct loan volume. The investment in CoBank is comprised of patronage-based stock and purchased stock. The requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the prior ten-year average of such participations sold to CoBank. Accounting for this investment is on the cost plus allocated equities basis.

Other Property Owned
Other property owned, consisting of real and personal property acquired through foreclosure or deed in lieu of foreclosure, is recorded at fair value less estimated selling costs upon acquisition. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the allowance for loan losses. On at least an annual basis, 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 and expenses from operations and carrying value adjustments are included in other operating expenses in the consolidated Statements of Comprehensive Income.

Premises and Equipment
Premises and equipment are carried at cost less accumulated depreciation. Land is carried at cost. 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 operating results. Maintenance and repairs are expensed, and improvements above certain thresholds are capitalized. Long-lived assets are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset group may not be recoverable.

Other Assets and Other Liabilities
Other assets are comprised primarily of patronage receivable from CoBank, accounts receivable, investments in Farm Credit institutions other than CoBank and derivative assets. Significant components of other liabilities primarily include pension and other post-retirement benefits, accrued salaries and employee benefits, accounts payable and derivative liabilities.

Employee Benefit Plans
Substantially all employees of the Association may be eligible to participate in various retirement plans. Association employees (except the former Maine and Yankee employees who are participants in the noncontributory defined contribution plan) hired prior to January 1, 2007, participate in a qualified defined benefit pension plan, which is noncontributory and covered substantially all employees. The net expense for this plan is recorded as employee benefit expense. The "Projected Unit Credit" actuarial method is used for financial reporting and funding purposes.

Effective January 1, 2007, the Association closed the existing defined benefit pension plan to new participants. All employees hired on or after January 1, 2007, are participants in a noncontributory defined contribution plan. Participants in this plan receive a fixed percentage of their eligible wages, based on years of service, to an investment account maintained for the employee. Costs for this plan are expensed as funded and recorded as employee benefit expense.

Association employees are also eligible to participate in an employee savings plan (Thrift Plan). The Association matches a certain percentage of employee contributions with costs being expensed as funded. These costs are recorded as employee benefit expense.

The Association provides certain health care and life insurance benefits to eligible retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Association. The anticipated costs of these benefits are accrued during the period of the employee's active service and are classified as employee benefit expense. However, substantially all participants pay the full premiums associated with these benefits.

The Association recognizes in its consolidated balance sheet an asset for a retirement plan's overfunded status or a liability for a retirement plan's underfunded status. The Association also measures the Plan's assets and obligations that determine its funded status as of the end of the fiscal year and recognizes those changes in other comprehensive income, net of tax.

Income Taxes

As previously described, Farm Credit East, ACA operates two wholly owned subsidiaries. Farm Credit East, FLCA is exempt from federal and other income taxes as provided in the Farm Credit Act. Farm Credit East, ACA, and its subsidiary Farm Credit East, PCA are subject to Federal and State income tax. All entities are eligible to operate as cooperatives that qualify 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 retained earnings. Provisions for income taxes are made only on those earnings that will not be distributed as qualified patronage refunds. The Association distributes patronage on the basis of book income. Operating expenses are allocated to each subsidiary based on estimated relative service.

Deferred taxes are recorded on the tax effect of all temporary differences. A valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (over 50% probability), based on management's estimate, that they will not be realized. The consideration of valuation allowances involves various estimates and assumptions as to future taxable earnings, including the effects of our expected patronage program, which reduces taxable earnings.

Patronage distributions from CoBank, ACB

The Association records patronage distributions from CoBank on the accrual basis. Under the current CoBank capital plan, CoBank distributes patronage from the Association's direct lending business in cash. For patronage applicable to participations sold to CoBank, patronage is distributed in 75% cash and 25% CoBank Class A stock. Accrued patronage receivable is included in other assets in the consolidated financial statements.

Derivative Instruments and Hedging Activity

The Association is party to derivative financial instruments, primarily interest rate swaps, which are principally used to manage interest rate risk on assets, liabilities, and anticipated transactions. Derivatives are recorded on the balance sheet as other assets and other liabilities at fair value.

Changes in the fair value of a derivative are recorded in current period earnings or accumulated other comprehensive income (loss) depending on the use of the derivative and whether it qualifies for hedge accounting. For fair-value hedge transactions, which hedge changes in the fair value of assets, liabilities or firm commitments, changes in the fair value of the derivative are recorded in earnings and will generally be offset by changes in the hedged item's fair value. For cash-flow hedge transactions, which hedge the variability of future cash flows related to a variable-rate asset, liability or a forecasted transaction, changes in the fair value of the derivative will generally be deferred and reported in accumulated other comprehensive income (loss). The gains and losses on the derivative that are deferred and reported in accumulated other comprehensive income (loss) will be reclassified as earnings in the periods in which earnings are impacted by the variability of the cash flows of the hedged item. For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings.

The Association formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to (1) specific assets or liabilities on the balance sheet or (2) firm commitments or forecasted transactions. The Association also formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the fair value or cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. The Association may use regression analysis (or statistical analysis) to assess the effectiveness of its hedges. The Association discontinues hedge accounting prospectively when the Association determines that (1) a derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (2) the derivative expires or is sold, terminated or exercised; (3) it is no longer probable that the forecasted transaction will occur; (4) a hedged firm commitment no longer meets the definition of a firm commitment; or (5) management determines that designating the derivative as a hedging instrument is no longer appropriate. For cash flow hedges, when the Association discontinues hedge accounting, any remaining accumulated other comprehensive income (loss) would be amortized into earnings over the remaining life of the original hedged item. For fair value hedges, when the Association discontinues hedge accounting, changes in the fair value of the derivative will be recorded in current period earnings. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Association will carry the derivative at its fair value on the balance sheet, recognizing changes in fair value in current period earnings.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) refers to revenue, expenses, gains, and losses that under GAAP are recorded as an element of members' equity and comprehensive income but are excluded from net income. Accumulated other comprehensive income (loss) refers to the balance of these transactions. Farm Credit East records other comprehensive income adjustments associated with the Pension Plan (see Note 11) and adjustments related to derivative contracts used to manage interest rate risk on loans (see Note 16).

Fair Value Measurement

The Accounting guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. It describes three levels of inputs that may be used to measure fair value.

Level 1 — Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as certain U.S. Treasury, other U.S. Government and agency mortgage-backed debt securities that are highly liquid and are actively traded in over-the-counter markets. Also included in Level 1 are assets held in trust funds, which relate to the Association's deferred compensation plan and our supplemental retirement plan. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace. Pension plan assets that are invested in equity securities, including mutual funds and fixed-income securities that are actively traded, are also included in Level 1.

Level 2 — Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 2 inputs include the following: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in markets that are not active so that they are traded less frequently than exchange-traded instruments, the prices are not current or principal market information is not released publicly; (3) inputs other than quoted prices that are observable such as interest rates and yield curves, prepayment speeds, credit risks and default rates; and (4) inputs derived principally from or corroborated by observable market data by correlation or other means. This category generally includes certain U.S. Government and agency mortgage-backed debt securities, corporate debt securities and derivative contracts. Pension plan assets that are derived from observable inputs, including corporate bonds and mortgage-backed securities are reported in Level 2.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These unobservable inputs reflect the reporting entity's own assumptions about assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, asset-backed securities, highly structured or long-term derivative contracts, certain loans Rural Business Investment Companies (RBIC) and other property owned. Pension plan assets such as certain mortgage-backed securities that are supported by little or no market data in determining the fair value are included in Level 3.

The fair value disclosures are presented in Note 15 of these consolidated financial statements.

Off-Balance Sheet Credit Exposures

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. Commercial letters of credit are conditional 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. The credit risk associated with commitments to extend credit and commercial 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 creditworthiness.

NOTE 3 – LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loans Outstanding

Loans outstanding by loan type are shown below.

December 31	2024		2023		2022	
Real estate mortgage	$ 4,775,932	37.0%	$ 4,453,459	38.7%	$ 4,299,432	40.7%
Production and intermediate	4,112,724	31.8	3,728,814	32.4	3,412,294	32.3
Agribusiness	3,121,886	24.2	2,563,179	22.3	2,213,440	20.9
Rural infrastructure	766,220	5.9	636,870	5.5	537,580	5.1
Rural residential real estate	97,984	0.8	80,044	0.7	67,199	0.6
Other	43,119	0.3	41,237	0.4	42,821	0.4
Total Loans	$ 12,917,865	100.0%	$ 11,503,603	100.0%	$ 10,572,766	100.0%

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 table presents information regarding participations purchased and sold as of December 31, 2024, which are also included in the table above.

	CoBank, ACB Participations		Other Farm Credit Institutions Participations		Non-Farm Credit Institutions Participations		Total Participations	
	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 2,479	$ 257,273	$ 405,484	$ 51,989	$ -	$ -	$ 407,963	$ 309,262
Production and intermediate	118,105	312,714	747,537	88,211	10,411	-	876,053	400,925
Agribusiness	738,944	542,122	685,401	722,364	4,354	19,560	1,428,699	1,284,046
Rural infrastructure	768,199	-	-	-	-	-	768,199	-
Other	47,468	4,293	-	-	-	-	47,468	4,293
Total Loans	$1,675,195	$1,116,402	$ 1,838,422	$ 862,564	$ 14,765	$ 19,560	$ 3,528,382	$ 1,998,526

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with the retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies. The credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by FCA regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedure. Long-term real estate loans are not to exceed 85% of the appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

To mitigate the risk of loan losses, the Association may enter into long-term standby commitments to purchase agreements with the Federal Agricultural Mortgage Corporation (Farmer Mac). The agreements, which are effectively credit guarantees that will remain in place until the loans are paid in full, give the Association the right to sell the loans identified in the agreements to Farmer Mac in the event of default (typically four months past due), subject to certain conditions. The balance of loans under long-term standby commitments was $0.9 million, $2.4 million and $4.7 million at December 31, 2024, 2023 and 2022, respectively. In addition to Farmer Mac, the Association has credit enhancements with federal and state government agencies totaling $348.1 million, $345.5 million, and $343.2 million at December 31, 2024, 2023 and 2022, respectively.

The Association uses a two-dimensional loan rating model based on an 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. Probability of default is the probability that a borrower will experience a default during the life of a loan. The loss given default is management's estimate as to the anticipated economic loss on a specific loan assuming default occurs during the remaining life of the loan. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. 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 probability of default category when a credit action is taken.

Each of the probability of default categories carries a distinct percentage of default probability. The 14-point risk rating 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 one and nine is very narrow and would reflect almost no default to a minimal default percentage. The probability of default grows more rapidly as a loan moves from a "nine" to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These categories are defined as follows:

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

The following tables show loans classified under the FCA Uniform Loan Classification System as a percentage of total loans by loan type as of December 31.

December 31, 2024	Acceptable	OAEM	Substandard/ Doubtful	Total
Real estate mortgage	34.4%	1.6%	1.0%	37.0%
Production and intermediate term	29.6	1.7	0.5	31.8
Agribusiness	22.5	1.1	0.6	24.2
Rural infrastructure	5.7	0.2	-	5.9
Rural residential real estate	0.8	-	-	0.8
Other	0.3	-	-	0.3
Total	93.3%	4.6%	2.1%	100.0%

December 31, 2023	Acceptable	OAEM	Substandard/ Doubtful	Total
Real estate mortgage	35.9%	1.9%	0.9%	38.7%
Production and intermediate term	30.8	0.9	0.7	32.4
Agribusiness	21.3	0.5	0.5	22.3
Rural infrastructure	5.2	0.3	-	5.5
Rural residential real estate	0.7	-	-	0.7
Other	0.4	-	-	0.4
Total	94.3%	3.6%	2.1%	100.0%

December 31, 2022[1]	Acceptable	OAEM	Substandard/ Doubtful	Total
Real estate mortgage	38.2%	1.7%	0.8%	40.7%
Production and intermediate term	30.6	1.0	0.7	32.3
Agribusiness	20.0	0.6	0.3	20.9
Rural infrastructure	5.0	0.1	-	5.1
Rural residential real estate	0.6	-	-	0.6
Other	0.4	-	-	0.4
Total	94.8%	3.4%	1.8%	100.0%

[1]Prior to the adoption of CECL on January 1, 2023, loans were presented with accrued interest receivables.

Nonperforming Assets

Nonperforming assets (which consists of nonaccrual loans, accruing loans 90 days or more past due and other property owned) and related quality statistics are as follows.

December 31	2024	2023	2022[1]
Nonaccrual loans:			
Real estate mortgage	$ 18,301	$ 7,510	$ 8,892
Production and intermediate term	7,177	5,323	29,112
Agribusiness	40,629	7,792	1,532
Rural infrastructure	1,860	2,223	-
Rural residential real estate	422	553	297
Total nonaccrual loans	$ 68,389	$ 23,401	$ 39,833
Accruing loans 90 days or more past due:			
Real estate mortgage	$ -	$ 126	$ -
Production and intermediate term	-	162	-
Total accruing loans 90 days or more past due	$ -	$ 288	$ -
Total nonperforming loans	$ 68,389	$ 23,689	$ 39,833
Other property owned (OPO)	$ -	$ -	$ 827
Total nonperforming assets	$ 68,389	$ 23,689	$ 40,660

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

The following table reflects certain related credit quality statistics.

December 31	2024	2023	2022
Nonaccrual loans to total loans	0.53%	0.20%	0.38%
Nonperforming assets to total loans and OPO	0.53%	0.21%	0.38%
Nonperforming assets to capital	2.87%	1.09%	1.98%

The following tables provide the amortized cost for nonaccrual loans with and without a related specific allowance for loan losses, as well as interest income recognized on nonaccrual loans during the period ended December 31, 2024 and 2023. Interest income is recognized, and payments are applied on nonaccrual loans as described in Note 2.

	December 31, 2024			For the Twelve Months Ended December 31, 2024
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized
Nonaccrual Loans:				
Real estate mortgage	$ 6,578	$ 11,723	$ 18,301	$ 1,136
Production and intermediate	6,037	1,140	7,177	1,057
Agribusiness	20,353	20,276	40,629	(1,459)
Rural infrastructure	441	1,419	1,860	-
Rural residential real estate	-	422	422	39
Total	$ 33,409	$ 34,980	$ 68,389	$ 773

	December 31, 2023			For the Twelve Months Ended December 31, 2023
	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Interest Income Recognized
Nonaccrual Loans:				
Real estate mortgage	$ 1,968	$ 5,542	$ 7,510	$ 2,006
Production and intermediate	2,747	2,576	5,323	2,489
Agribusiness	5,082	2,710	7,792	(72)
Rural infrastructure	2,223	-	2,223	65
Rural residential real estate	144	409	553	2
Total	$ 12,164	$ 11,237	$ 23,401	$ 4,490

Accrued interest receivable on loans of $66.7 million and $65.0 million at December 31, 2024, and December 31, 2023, has been excluded from the amortized cost of loans and reported separately in the Consolidated Balance Sheets. The Association wrote off accrued interest receivable of $2.8 million during 2024 and $0.5 million during 2023.

Loan Delinquencies

The following tables provide an aging analysis of past due loans at amortized cost as of December 31, 2024, 2023 and 2022.

December 31, 2024	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	Accruing Loans 90 days or More Past Due
Real estate mortgage	$ 9,376	$ 14,615	$ 23,991	$ 4,751,941	$ 4,775,932	$ -
Production and intermediate term	10,126	5,905	16,031	4,096,693	4,112,724	-
Agribusiness	4,292	7,268	11,560	3,110,326	3,121,886	-
Rural infrastructure	-	-	-	766,220	766,220	-
Rural residential real estate	337	130	467	97,517	97,984	-
Other	-	-	-	43,119	43,119	-
Total Loans	$ 24,131	$ 27,918	$ 52,049	$ 12,865,816	$ 12,917,865	$ -

December 31, 2023	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	Accruing Loans 90 days or More Past Due
Real estate mortgage	$ 21,004	$ 3,345	$ 24,349	$ 4,429,110	$ 4,453,459	$ 126
Production and intermediate term	12,315	4,379	16,694	3,712,120	3,728,814	162
Agribusiness	8,919	1,559	10,478	2,552,701	2,563,179	-
Rural infrastructure	-	-	-	636,870	636,870	-
Rural residential real estate	-	143	143	79,901	80,044	-
Other	-	-	-	41,237	41,237	-
Total Loans	$ 42,238	$ 9,426	$ 51,664	$ 11,451,939	$ 11,503,603	$ 288

December 31, 2022	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	Accruing Loans 90 days or More Past Due
Real estate mortgage	$ 10,964	$ 5,214	$ 16,178	$ 4,283,254	$ 4,299,432	$ -
Production and intermediate term	8,015	3,261	11,276	3,401,018	3,412,294	-
Agribusiness	2,037	1,328	3,365	2,210,075	2,213,440	-
Rural infrastructure	-	-	-	537,580	537,580	-
Rural residential real estate	116	270	386	66,813	67,199	-
Other	-	-	-	42,821	42,821	-
Total Loans	$ 21,132	$ 10,073	$ 31,205	$ 10,541,561	$ 10,572,766	$ -

Loan Modifications to Borrowers Experiencing Financial Difficulties

Upon adoption of the guidance, “Financial Instruments – Credit Losses, Troubled Debt Restructurings and Vintage Disclosure,” creditors are required to disclose specific modifications with borrowers who are experiencing financial difficulty. The loan modifications are handled on a case-by-case basis and are negotiated to achieve mutually agreeable terms that maximize loan collectability and meet the borrower’s financial needs. Modifications can be in the form of one or a combination of principal forgiveness, interest rate reduction, other than insignificant payment delay, or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

The following table shows the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during 2024 and 2023, disaggregated by loan type and type of modification granted.

Year ended December 31, 2024	Interest Rate Reduction	Term Extension	Payment Extension	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Extension	Combination – Term Extension & Payment Extension	Percent of Total by Loan Type
Real estate mortgage	$ 300	$ 3,177	$ 705	$ 4	$ 868	$ 15	0.04%
Production and intermediate	173	11,524	600	117	68	135	0.10%
Agribusiness	-	941	-	275	-	222	0.01%
Rural residential real estate	-	-	-	-	-	-	0.00%
Total	$ 473	$ 15,642	$ 1,305	$ 396	$ 936	$ 372	0.15%

Year ended December 31, 2023	Interest Rate Reduction	Term Extension	Payment Extension	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Extension	Combination – Term Extension & Payment Extension	Percent of Total by Loan Type
Real estate mortgage	$ 6,223	$ 5,465	$ 593	$ -	$ -	$ 102	0.11%
Production and intermediate	14,960	9,351	751	91	190	325	0.22%
Agribusiness	10,216	4,766	-	-	-	135	0.13%
Rural residential real estate	-	28	-	-	-	-	0.00%
Total	$ 31,399	$ 19,610	$ 1,344	$ 91	$ 190	$ 562	0.46%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty during 2024 and 2023 was $0.1 million and $0.3 million at December 31, 2024 and 2023, respectively.

The following table presents the financial effect of the modifications made to borrowers experiencing financial difficulty during 2024 and 2023.

December 31, 2024	Financial Effect of Modifications Granted
Real Estate Mortgage	
Interest Rate Reduction	Reduced weighted average interest rate by 75 basis points (bps)
Term Extension	Extended weighted average maturity by 3,320 days
Payment Extension	Extended weighted average payment terms by 366 days
Interest Rate & Term Extension	Reduced weighted average interest rate by 75 bps and Extended weighted average maturity by 639 days
Interest Rate & Payment Extension	Reduced weighted average interest rate by 75 bps and Extended weighted average payment terms by 125 days
Term Extension & Payment Extension	Extended weighted average maturity by 290 days and Extended weighted average payment terms by 290 days
Production and intermediate	
Interest Rate Reduction	Reduced weighted average interest rate by 75 bps
Term Extension	Extended weighted average maturity by 380 days
Payment Extension	Extended weighted average payment terms by 359 days
Interest Rate & Term Extension	Reduced weighted average interest rate by 75 bps and Extended weighted average maturity by 212 days
Interest Rate & Payment Extension	Reduced weighted average interest rate by 75 bps and Extended weighted average payment terms by 304 days
Term Extension & Payment Extension	Extended weighted average maturity by 714 days and Extended weighted average payment terms by 714 days
Agribusiness	
Term Extension	Extended weighted average maturity by 316 days
Interest Rate & Term Extension	Reduced weighted average interest rate by 325 bps and Extended weighted average maturity by 871 days
Term Extension & Payment Extension	Extended weighted average maturity by 259 days and Extended weighted average payment terms by 259 days

December 31, 2023	Financial Effect of Modifications Granted
Real Estate Mortgage	
Interest Rate Reduction	Reduced weighted average interest rate by 83 basis points (bps)
Term Extension	Extended weighted average maturity by 1,525 days
Payment Extension	Extended weighted average payment terms by 385 days
Term Extension & Payment Extension	Extended weighted average maturity by 1,173 days and Extended weighted average payment terms by 1,173 days
Production and intermediate	
Interest Rate Reduction	Reduced weighted average interest rate by 28 bps
Term Extension	Extended weighted average maturity by 647 days
Payment Extension	Extended weighted average payment terms by 383 days
Interest Rate & Term Extension	Reduced weighted average interest rate by 100 bps and Extended weighted average maturity by 384 days
Interest Rate & Payment Extension	Reduced weighted average interest rate by 26 bps and Extended weighted average payment terms by 217 days
Term Extension & Payment Extension	Extended weighted average maturity by 172 days and Extended weighted average payment terms by 172 days
Agribusiness	
Interest Rate Reduction	Reduced weighted average interest rate by 76 bps
Term Extension	Extended weighted average maturity by 394 days
Term Extension & Payment Extension	Extended weighted average maturity by 579 days and Extended weighted average payment terms by 579 days
Rural Residential Real Estate	
Term Extension	Extended weighted average maturity by 569 days

The following table shows the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the twelve months ended December 31, 2024, and received a modification in the twelve months before default.

	Modified Loans that Subsequently Defaulted during the Twelve Months Ended December 31, 2024					
	Interest Rate Reduction	Payment Extension	Combination – Interest Rate Reduction & Payment Extension	Combination – Term Extension & Payment Extension	Total	Percent of Total by Loan Type
Real estate mortgage	$ -	$ 413	$ -	$ -	$ 413	0.00%
Production and intermediate	-	77	-	582	659	0.01%
Agribusiness	-	-	-	899	899	0.01%
Total	$ -	$ 490	$ -	$ 1,481	$ 1,971	0.02%

There were no loans to borrowers experiencing financial difficulty that received a modification on or after January 1, 2023, the date of adoption of Current Expected Credit Losses (CECL), through December 30, 2023, and that subsequently defaulted

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2024, the date of the adoption of the guidance noted above, through December 31, 2024.

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$ 3,458	$ 583	$ 1,028
Production and intermediate	12,460	80	77
Agribusiness	1,430	8	-
Total	$ 17,348	$ 671	$ 1,105

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were $156 thousand at December 31, 2024.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2023, the date of the adoption of the guidance noted above, through December 31, 2023.

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$ 10,398	$ 832	$ 1,153
Production and intermediate	24,950	-	718
Agribusiness	14,973	82	61
Rural residential real estate	-	-	29
Total	$ 50,321	$ 914	$ 1,961

Additional commitment to lend to borrowers experiencing financial difficulty whose loans have been modified were $19.3 million at December 31, 2023.

Troubled Debt Restructurings

Prior to January 1, 2023, the adoption of updated FASB guidance on loan modifications, a restructuring of a loan constituted a troubled debt restructuring (TDR), also known as formally restructured, 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 and were borrower specific and could include interest rate reductions, payment deferrals, term extensions, and in limited circumstances principal may have been forgiven. When a restructured loan constituted a troubled debt restructuring, these loans were included within our impaired loans under nonaccrual or accruing restructured. The following table presents additional information regarding troubled debt restructurings that occurred during the year ended December 31, 2022.

	Year Ended December 31, 2022	
	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*
Real estate mortgage	$ 1,582	$ 1,582
Production and intermediate	85	85
Agribusiness	-	-
Total	$ 1,667	$ 1,667

* Pre-modification represents the recorded investment just prior to restructuring and post-modification represents the recorded investment immediately following the restructuring. The recorded investment is the unpaid principal balance increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment.

Subsequent to their restructuring, no troubled debt restructurings subsequently defaulted. Additional commitments to lend to borrowers whose loans have been modified in TDRs was $2 thousand at December 31, 2022.

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

	Loans Modified as TDRs	TDRs in Nonaccrual Status*
	December 31, 2022	December 31, 2022
Real estate mortgage	$ 2,990	$ 386
Production and intermediate term	58	10
Total	$ 3,048	$ 396

* Represents the portion of loans modified as TDRs that are in nonaccrual status

Credit Quality – Prior to CECL Adoption

The following tables present additional impaired loan information and related amounts in the allowance for loan losses. The recorded investment is the unpaid principal balance increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous charge-off of the investment. The unpaid principal balance represents the borrower's contractual principal balance on the loan.

	December 31, 2022			For the Year Ended December 31, 2022	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:					
Real estate mortgage	$ 3,807	$ 4,263	$ 650	$ 2,474	$ (82)
Production and intermediate term	12,195	15,702	8,050	9,021	14
Agribusiness	85	126	27	64	-
Rural residential real estate	-	-	-	-	-
Total	$ 16,087	$ 20,091	$ 8,727	$ 11,559	$ (68)
Impaired loans with no related allowance for credit losses:					
Real estate mortgage	$ 7,689	$ 10,549	$ -	$ 8,109	$ 1,266
Production and intermediate term	17,362	19,512	-	11,751	964
Agribusiness	1,049	1,495	-	1,060	509
Rural residential real estate	297	327	-	337	50
Total	$ 26,397	$ 31,883	$ -	$ 21,257	$ 2,789
Total Impaired loans:					
Real estate mortgage	$ 11,496	$ 14,812	$ 650	$ 10,583	$ 1,184
Production and intermediate term	29,557	35,214	8,050	20,772	978
Agribusiness	1,134	1,621	27	1,124	509
Rural residential real estate	297	327	-	337	50
Total	$ 42,484	$ 51,974	$ 8,727	$ 32,816	$ 2,721

There were no material commitments to lend additional funds to debtors whose loans were classified as impaired at December 31, 2022.

Interest income on nonaccrual loans that would have been recognized under the original terms of the loans at December 31, 2022, are as follows.

Year ended December 31	2022
Interest income which would have been recognized under the original loan terms	$ 4,784
Less: interest income recognized	2,552
Forgone interest income	$ 2,232

Allowance for Credit Losses

The credit risk rating methodology is a key component of the Association's allowance for credit losses evaluation and is generally incorporated into the Association's loan underwriting guidelines and internal lending limits. In addition, customer and commodity concentration lending limits have been established by the Association to manage credit exposure.

A summary of changes in the allowance for credit losses are as follows.

December 31, 2024	Real Estate Mortgage	Production and Intermediate	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for Credit Losses on Loans							
Beginning balance	$ 20,396	$ 18,292	$ 23,190	$ 3,692	$ 673	$ 10	$ 66,253
Charge-offs	-	(2,073)	(3,559)	-	-	-	(5,632)
Recoveries	11	1,078	31	-	2	-	1,122
Provision for loan losses	574	8,336	8,283	(794)	100	30	16,529
Ending balance	$ 20,981	$ 25,633	$ 27,945	$ 2,898	$ 775	$ 40	$ 78,272
Reserve for Unfunded Commitments							
Beginning balance	$ 1,375	$ 6,342	$ 11,266	$ 433	$ 49	$ 302	$ 19,767
Provision for credit losses	(604)	(1,570)	(2,859)	61	(10)	(86)	(5,068)
Ending balance	$ 771	$ 4,772	$ 8,407	$ 494	$ 39	$ 216	$ 14,699
Allowance for Credit Losses	$ 21,752	$ 30,405	$ 36,352	$ 3,392	$ 814	$ 256	$ 92,971

December 31, 2023	Real Estate Mortgage	Production and Intermediate	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for Credit Losses on Loans							
Beginning balance	$ 9,728	$ 25,326	$ 14,160	$ 2,004	$ 181	$ 66	$ 51,465
Adjustment due to change in accounting	10,190	(4,583)	2,416	609	312	(53)	8,891
Charge-offs	(78)	(855)	(2,010)	(710)	(7)	-	(3,660)
Recoveries	67	232	674	1	99	-	1,073
Provision for credit losses	489	(1,828)	7,950	1,788	88	(3)	8,484
Ending balance	$ 20,396	$ 18,292	$ 23,190	$ 3,692	$ 673	$ 10	$ 66,253
Reserve for Unfunded Commitments							
Beginning balance	$ 2,284	$ 4,346	$ 3,555	$ 504	$ 45	$ 17	$ 10,751
Adjustment due to change in accounting	(1,413)	844	5,866	167	4	285	5,753
Provision for credit losses	504	1,152	1,845	(238)	-	-	3,263
Ending balance	$ 1,375	$ 6,342	$ 11,266	$ 433	$ 49	$ 302	$ 19,767
Total Allowance for Credit Losses	$ 21,771	$ 24,634	$ 34,456	$ 4,125	$ 722	$ 312	$ 86,020

Discussion of Changes in Allowance for Credit Losses

The ACL increased $7.0 million to $93.0 million at December 31, 2024, as compared to $86.0 million at December 31, 2023. The increase in allowance primarily relates to portfolio loan growth and deterioration in credit quality which were partially offset by model assumption updates resulting in lower modeled loan losses in many of the loans in the portfolio.

Allowance for Credit Losses – Prior to CECL Adoption

The following tables present the changes in the component of the allowance for credit losses and details of the ending balances.

December 31, 2022	Real Estate Mortgage	Production and Intermediate	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for Loan Losses							
Beginning balance	$ 15,904	$ 35,581	$ 26,200	$ 2,210	$ 270	$ 170	$ 80,335
Charge-offs	(25)	(120)	(145)	-	-	-	(290)
Recoveries	23	200	-	-	2	-	225
(Reversal of) provision for loan losses	(6,956)	(13,141)	(13,649)	(151)	(100)	(121)	(34,118)
Transfers (to) from reserve for unfunded commitments	782	2,806	1,754	(55)	9	17	5,313
Ending balance	$ 9,728	$ 25,326	$ 14,160	$ 2,004	$ 181	$ 66	$ 51,465
Reserve for Unfunded Commitments							
Beginning balance	$ 3,066	$ 7,152	$ 5,309	$ 449	$ 54	$ 34	$ 16,064
Transfers (to) from allowance for loan losses	(782)	(2,806)	(1,754)	55	(9)	(17)	(5,313)
Ending balance	$ 2,284	$ 4,346	$ 3,555	$ 504	$ 45	$ 17	$ 10,751
Allowance for Credit Losses	$ 12,012	$ 29,672	$ 17,715	$ 2,508	$ 226	$ 83	$ 62,216

	Real Estate Mortgage	Production and Intermediate	Agribusiness	Rural Infrastructure	Rural Residential Real Estate	Other	Total
Allowance for Credit Losses							
Ending balance, allowance for credit losses related to loans:							
Individually evaluated for impairment	$ 650	$ 8,050	$ 27	$ -	$ -	$ -	$ 8,727
Collectively evaluated for impairment	11,362	21,622	17,688	2,508	226	83	53,489
Total	$ 12,012	$ 29,672	$ 17,715	$ 2,508	$ 226	$ 83	$ 62,216
Loans							
Ending balance for loans:							
Individually evaluated for impairment	$ 11,496	$ 29,557	$ 1,134	$ -	$ 297	$ -	$ 42,484
Collectively evaluated for impairment	4,287,936	3,382,737	2,212,306	537,580	66,902	42,821	10,530,282
Total	$ 4,299,432	$ 3,412,294	$ 2,213,440	$ 537,580	$ 67,199	$ 42,821	$ 10,572,766

NOTE 4 – INVESTMENT IN COBANK, ACB

At December 31, 2024, the Association's investment in CoBank is in the form of Class A stock with a par value of $100 per share. The Association is required to own stock in CoBank to capitalize its direct loan balance and participation loans sold to CoBank. The current requirement for capitalizing its direct loan from CoBank is 3.0% of the Associations' prior one-year average direct loan balance. The current requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the Association's prior ten-year average balance of such participations sold to CoBank. Under the current CoBank capital plan applicable to such participations sold, patronage from CoBank related to these participations sold is paid 75% cash and 25% Class A stock. The capital plan is evaluated annually by CoBank's board and management and is subject to change.

CoBank may require the holders of its equities to subscribe for such additional capital as may be needed to meet its capital requirements or its joint and several liability under the Act and regulations.

The Association owns 7.69% of the issued stock of the ACB as of December 31, 2024. As of that date, the ACB's assets totaled $208.6 billion, and members' equity totaled $12.9 billion. The ACB earned net income of $1.6 billion during 2024.

NOTE 5 – PREMISES AND EQUIPMENT

Premises and equipment consists of the following:

December 31	2024	2023	2022
Land	$ 2,127	$ 2,127	$ 2,127
Buildings and improvements	40,480	39,946	39,280
Furniture and equipment	6,404	6,157	6,117
Autos	6,777	7,109	5,320
Construction in progress	489	603	494
Premises and equipment at cost	$ 56,277	$ 55,942	$ 53,338
Less: accumulated depreciation	29,319	28,002	26,429
Total premises and equipment, net	$ 26,958	$ 27,940	$ 26,909

NOTE 6 – OTHER ASSETS AND OTHER LIABILITIES

A summary of other assets and other liabilities follows.

December 31	2024	2023	2022
Other Assets:			
Patronage receivable from CoBank	$ 62,744	$ 56,359	$ 55,519
Investments	34,941	25,673	23,455
Accounts receivable	3,519	3,623	9,280
Derivative assets	2,888	5,712	-
Other	20,875	12,128	12,465
Total	$ 124,967	$ 103,495	$ 100,719

December 31	2024	2023	2022
Other Liabilities:			
Pension and other postretirement liabilities	$ 15,451	$ 26,031	$ 28,556
Accrued salaries and employee benefits	20,955	17,686	17,990
Accounts payable	15,613	22,233	21,940
Derivative liabilities	7,189	20,055	54,490
Other	14,358	12,986	22,416
Total	$ 73,566	$ 98,991	$ 145,392

NOTE 7 – NOTES PAYABLE TO COBANK, ACB

The Association's indebtedness to CoBank represents borrowings by the Association to fund its loan portfolio. This indebtedness is collateralized by a pledge of substantially all of the Association's assets and is governed by a General Financing Agreement (GFA). The GFA and promissory note are subject to periodic renewals in the normal course of business. The GFA matures on May 31, 2025. Management expects renewal of the GFA at that time. The Association was in compliance with the terms and conditions of the GFA as of December 31, 2024. Substantially all borrower loans are match-funded with CoBank. Payments and disbursements are made on the note payable to CoBank on the same basis the Association collects payments from and disburses on borrower loans. The interest rate may periodically be adjusted by CoBank based on the terms and conditions of the borrowing. The weighted average interest rate was 4.58% for the year ended December 31, 2024. The weighted average interest rate was 4.26% for the year ended December 31, 2023, and 1.98% for the year ended December 31, 2022.

CoBank, 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 are within the specified limitations.

NOTE 8 – MEMBERS' EQUITY

A description of the Association's capitalization requirements, protection mechanisms, regulatory capitalization requirements and restrictions, and equities are provided below. Members' equity is described and governed by the Association's capitalization policies. Farm Credit East's capitalization policies are specified in the by-laws and in the Capitalization Plan approved by the board of directors. Copies of the Association's by-laws and Capitalization Plan are available to members at any time.

Capital Stock and Participation Certificates

In accordance with the Farm Credit Act and the Association's capitalization by-laws and Capitalization Plan, each Association borrower, as a condition of borrowing, is required at the time the loan is made to invest in Class B Stock for agricultural loans or Class B Participation Certificates for country home and farm-related business loans. Association by-laws require that borrowers acquire capital stock or participation certificates, as a condition of borrowing, at least the lesser of $1,000 or 2% of the amount of the loan, and not more than 10% of the amount of the loan.

Pursuant to the Association Capitalization Plan, the Association board has determined that Class B stock and Class B participation certificates shall be issued as follows:

For all loans (except where indicated below) Class B stock and Class B participation certificates shall be issued equal to one thousand dollars per customer as a condition of borrowing from this Association. For purposes of borrower stock, a customer is defined as the primary borrower on a loan. The intent of this policy is for each primary customer to have one thousand dollars of stock, regardless of the number of loans or balance on those loans to that customer. Stock shall be purchased at the beginning of a customer's relationship and will not be retired until all loans to that customer are paid in full and there are no funds available for advances.

Exceptions to this policy are:

- At the time of the Farm Credit East mergers (in 2010, 2014 and 2022), certain customers with less than one thousand dollars of stock were "grandfathered" at the stock level at conversion. Grandfathered customer stock will be frozen at converted levels until all loans are repaid, at which time the stock will be retired, or increased to one thousand dollars at the time of a future advance or credit action
- Certain small borrowers (customers with total commitment less than ten thousand dollars initially) will be issued at 10% of the initial commitment, consistent with by-law limitations
- Certain interests in loans sold to other financial institutions
- Loans to be sold into the secondary market

The borrower acquires ownership of the capital stock or participation certificates at the time the loan is made, but usually does not make a cash investment. The aggregate par value is added to the principal amount of the related loan obligation. The Association retains a first lien on the stock or participation certificates owned by borrowers. 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. All stock and participation certificates are retired at the discretion of the Association's board of directors after considering the capitalization plan, as well as regulatory and other requirements.

Regulatory Capitalization Requirements and Restrictions

The following sets forth the regulatory capital ratio requirements and ratios at December 31.

Ratio	Primary Components of Numerator	Denominator	Ratios as of 2024	Ratios as of 2023	Ratios as of 2022	Minimum with Buffer	Minimum Requirement
Common Equity Tier 1 (CET1) Capital	Unallocated retained earnings (URE), and common cooperative equities (qualifying capital stock and allocated equity)[1]	Risk-weighted assets	15.82%	16.42%	16.55%	7.0%	4.5%
Tier 1 Capital	CET1 Capital, and non-cumulative perpetual preferred stock	Risk-weighted assets	15.82%	16.42%	16.55%	8.5%	6.0%
Total Capital	Tier 1 Capital, allowance for loan losses[2], other common cooperative equities[3], and term preferred stock and subordinated debt[4]	Risk-weighted assets	16.51%	17.08%	17.05%	10.5%	8.0%
Tier 1 Leverage	Tier 1 Capital	Total assets	17.25%	18.00%	17.91%	5.0%	4.0%
Unallocated Retained Earnings and URE Equivalents (UREE) Leverage	URE and URE Equivalents	Total assets	17.10%	17.83%	17.74%	—	1.5%
Permanent Capital	Retained earnings, common stock, non-cumulative perpetual preferred stock, and subordinated debt, subject to certain limits	Risk-weighted assets	15.50%	16.10%	16.26%	—	7.0%

1 Equities outstanding 7 or more years
2 Capped at 1.25% of risk-adjusted assets
3 Outstanding 5 or more years, but less than 7 years
4 Outstanding 5 or more years

If the capital ratios fall below the total 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.

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.

Description of Equities

Each owner or joint owners of Class B stock are entitled to a single vote, while Class B participation certificates provide no voting rights to their owners. Voting stock may not be transferred to another person unless such person is eligible to hold voting stock. At December 31, 2024, the Association had 3,556,754 shares of Class B stock outstanding at a par value of $5 per share, 338,625 shares of Class B participation certificates outstanding at a par value of $5 per share, and 688 shares of Class C stock outstanding at a par value of $5 per share. Ownership of stock, participation certificates or allocated surplus is sometimes subject to certain risks that could result in a partial or complete loss. These risks include excessive levels of loan losses experienced by the Association, losses resulting from contractual and statutory obligations, impairment of ACB stock owned by the Association, losses resulting from adverse judicial decisions or other losses that may arise in the course of business. In the event of such impairment, borrowers would remain liable for the full amount of their loans.

Any losses which result in impairment of capital stock and participation certificates would be allocated to such purchased capital on a pro rata basis impairing Class B stock and participation certificates. In the case of liquidation or dissolution of the Association, capital stock, participation certificates and allocated surplus would be utilized as necessary to satisfy any remaining obligations in excess of the amounts realized on the sale or liquidation of assets.

Patronage Distributions

At the end of each year, the Association's board of directors evaluates whether to retain the Association's net income to strengthen its capital position or to distribute a portion of the net income to customers by declaring a qualified/cash patronage distribution. Patronage dividends are based on one year's operating results. The portion of patronage-sourced net income not distributed is also allocated to patrons in the form of nonqualified written notices of allocation. These nonqualified written notices of allocation are included in unallocated retained earnings. The board of directors considers these unallocated earnings to be permanently invested in the Association.

The following table summarizes the qualified/cash patronage distributions for the years ending December 31. The cash patronage dividends are distributed in February of the subsequent year.

Earnings Year	Cash Distribution
2024	$140,000
2023	$130,000
2022	$117,000

Accumulated Other Comprehensive Income/(Loss)

Farm Credit East, ACA reports accumulated other comprehensive income (loss) in its consolidated Statements of Changes in Members' Equity. As described in Note 2, other comprehensive income (loss) results from the recognition of the Pension Plan's net unamortized gains and losses and prior service costs or credits and the unrealized holding gain or loss on cash flow derivatives. There were no other items affecting comprehensive income or loss.

The following tables present the activity in the accumulated other comprehensive income (loss) by component.

December 31	2024	2023	2022
Cash flow hedges, net	$ (4,301)	$ (14,343)	$ (54,490)
Pension and other benefit plans	(24,763)	(29,535)	(30,460)
Total	$ (29,064)	$ (43,878)	$ (84,950)

	Cash flow hedges, net	Pension and other benefit plans
Balance at December 31, 2023	$ (14,343)	$ (29,535)
Net current period other comprehensive income	10,042	4,772
Balance at December 31, 2024	$ (4,301)	$ (24,763)

	Cash flow hedges, net	Pension and other benefit plans
Balance at December 31, 2022	$ (54,490)	$ (30,460)
Net current period other comprehensive income	40,147	925
Balance at December 31, 2023	$ (14,343)	$ (29,535)

	Cash flow hedges, net	Pension and other benefit plans
Balance at December 31, 2021	$ (5,764)	$ (38,898)
Net current period other comprehensive income	(48,726)	8,438
Balance at December 31, 2022	$ (54,490)	$ (30,460)

NOTE 9 – PATRONAGE DISTRIBUTIONS FROM FARM CREDIT INSTITUTIONS

Patronage income recognized from Farm Credit Institutions as follows.

Year Ended December 31	2024	2023	2022
CoBank	$ 62,729	$ 56,322	$ 55,244
Other	6,718	5,471	3,343
Total	$ 69,447	$ 61,793	$ 58,587

Patronage distributions from CoBank relating to the Association's average direct note borrowings are distributed in cash. For CoBank patronage relating to participated loan volume, a portion is distributed in cash and the remainder in the form of stock. The $62.7 million accrued is expected to be paid by CoBank in March 2025. The amount declared in December 2023 and December 2022 were paid in March of the subsequent year.

NOTE 10 – INCOME TAXES

The provision for income taxes consists of the following:

Year Ended December 31	2024	2023	2022
Current:			
Federal	$ 2,017	$ 1,920	$ 1,542
State	745	589	446
Total current provision for income taxes	$ 2,762	$ 2,509	$ 1,988
Deferred:			
Federal	1,075	(775)	5,116
State	436	(258)	1,710
Total deferred provision (benefit) from income taxes	1,511	(1,033)	6,826
(Decrease) increase in deferred tax asset valuation allowance	(1,511)	1,033	(6,826)
Provision for income taxes	$ 2,762	$ 2,509	$ 1,988

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

Year Ended December 31	2024	2023	2022
Federal tax at statutory rate	$ 71,275	$ 57,237	$ 57,456
State tax, net	587	465	352
Effect of nontaxable activities	(56,338)	(45,182)	(40,088)
Patronage distribution	(12,608)	(10,841)	(10,846)
Change in valuation allowance	(1,511)	1,033	(6,826)
Other	1,357	(203)	1,940
Provision for income taxes	$ 2,762	$ 2,509	$ 1,988

Deferred tax assets and liabilities are comprised of the following:

December 31	2024	2023	2022
Deferred income tax assets:			
Allowance for loan losses	$ 11,087	$ 9,478	$ 9,766
Nonaccrual loan interest	1,516	2,325	1,840
Annual leave	735	715	696
Health reserve	578	565	535
Long term incentive	1,535	1,371	1,226
Deferred compensation	700	112	365
Retirement plans	3,915	6,364	6,693
Postretirement benefits other than pensions	133	121	132
Other	650	774	1,014
Gross deferred tax assets	20,849	21,825	22,267
Less: valuation allowance	(11,605)	(13,347)	(13,634)
Deferred tax assets, net	9,244	8,478	8,633
Deferred income tax liabilities:			
Bank patronage after December 31, 1992	(501)	(504)	(505)
CoBank patronage	(7,837)	(7,019)	(7,146)
Depreciation	(152)	(222)	(291)
Deferred gain	(754)	(733)	(691)
Gross deferred tax liability	(9,244)	(8,478)	(8,633)
Net deferred tax asset	$ -	$ -	$ -

The calculation of deferred tax assets and liabilities involves various management estimates and assumptions as to future taxable earnings, including the amount of non-patronage income and patronage income retained. Based on the Association's strategic financial plan, primarily expected future patronage programs and the tax benefits of the FLCA subsidiary, management believes that as of the end of 2024, none of the Association's net deferred tax assets will be realizable in future periods. Accordingly, a valuation allowance is provided against the net deferred tax assets since it has been determined that it is more likely than not (over 50% probability), based on management's estimate, that they will not be realized.

The Association has no unrecognized tax benefits for which liabilities have been established for the years ended December 31, 2024, 2023 and 2022. The Association recognizes interest and penalties related to unrecognized tax benefits as an adjustment to income tax expense. The amount of interest recognized was $0 and the amount of penalties recognized was $6 for 2024. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is $0. The Association did not have any positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The tax years that remain open for federal and state income tax jurisdictions are 2021 and forward.

NOTE 11 – EMPLOYEE BENEFIT PLANS

The Association has employer-funded, qualified defined benefit pension plans, which are noncontributory and cover employees hired prior to January 1, 2007 (except the former Maine and Yankee employees who are participants in the noncontributory defined contribution plan). Depending on the date of hire, benefits are determined by a formula based on years of service and final average pay. Effective January 1, 2007, the Association closed the remaining qualified defined benefit pension plan to new participants.

The Association also has a noncontributory, unfunded nonqualified supplemental executive retirement plan (SERP) covering the CEO as of December 31, 2024. The Association holds assets in a trust fund related to the SERP; however, such funds remain Association assets and are not included as plan assets in the accompanying disclosures. The defined benefit pension plans and SERP are collectively referred to as Retirement Plans.

The Association has a 401(k) savings plan pursuant to which the Association matches 100% of employees' elective contributions up to a maximum employee contribution of 6% of compensation. In addition, under this plan, employees hired on or after January 1, 2007, receive additional non-elective employer defined contributions. The Association contributions to the 401(k) savings plan and the employer defined contribution plan, which are recorded as employee compensation expense, was $4.7 million, $4.3 million and $4.2 million at December 31, 2024, 2023 and 2022, respectively. For eligible senior managers, including senior officers, there also is a nonqualified deferred compensation plan, which includes benefits not provided under the employee savings plan due to certain Internal Revenue Code limitations.

Eligible retirees also have other postretirement benefits (OPEB), which primarily include access to health care benefits. Most participants pay the full premiums associated with these other postretirement health care benefits. Premiums are adjusted annually.

The following table provides a summary of the changes in the Retirement Plans' projected benefit obligations and fair values of assets over the three-year period ended December 31, 2024, as well as a statement of funded status as of December 31 of each year.

Year ended December 31	2024	2023	2022
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	$ 151,928	$ 144,855	$ 196,989
Service cost	2,331	2,319	3,496
Interest cost	7,366	7,304	5,728
Actuarial (gain) loss	(8,907)	7,626	(52,356)
Acquisitions	-	-	1,410
Transfers	-	(214)	-
Benefits paid	(12,790)	(9,962)	(10,412)
Projected benefit obligation at end of year	$ 139,928	$ 151,928	$ 144,855
Change in plan assets:			
Fair value of plan assets at beginning of year	$ 127,969	$ 119,822	$ 164,950
Actual return on plan assets	3,734	16,317	(39,465)
Employer contributions	6,180	2,006	2,049
Acquisitions	-	-	2,701
Transfers	-	(214)	-
Benefits paid	(12,790)	(9,962)	(10,413)
Fair value of plan assets at end of year	$ 125,093	$ 127,969	$ 119,822
Funded status of the plan:			
Net asset (liability) recognized in the balance sheet	$ (14,835)	$ (23,959)	$ (25,033)
Amounts recognized in accumulated other comprehensive income:			
Unrecognized prior service cost	$ 1,690	$ 2,445	$ 3,200
Unrecognized net actuarial loss	21,598	25,739	25,858
Total Loss	$ 23,288	$ 28,184	$ 29,058

The projected benefit obligation and the accumulated benefit obligation for the Retirement Plans as of year-end are as follows.

December 31	2024	2023	2022
Projected Benefit Obligation:			
Funded Qualified Plans	$ 135,653	$ 147,856	$ 141,400
SERP	4,275	4,072	3,455
Total	$ 139,928	$ 151,928	$ 144,855
Accumulated Benefit Obligation:			
Funded Qualified Plans	$ 122,922	$ 134,370	$ 130,075
SERP	3,145	2,367	957
Total	$ 126,067	$ 136,737	$ 131,032

The $125.1 million in fair value of plan assets shown in a previous table relates only to the qualified retirement plans. As depicted in the preceding table, such plans had a projected benefit obligation and an accumulated benefit obligation of $135.7 million and $122.9 million, respectively, as of December 31, 2024.

The Association holds assets in trust accounts related to its SERP plan. Such assets had a fair value of $2.6 million as of December 31, 2024, which is included in "Other Assets" in the accompanying consolidated balance sheet. Unlike the assets related to the qualified plans, those funds remain Association assets and would be subject to general creditors in a bankruptcy or liquidation. Accordingly, they are not included as part of the assets shown in the previous table. As depicted in the preceding table, the SERP plan has a projected benefit obligation and an accumulated benefit obligation of $4.3 million and $3.1 million, respectively, as of December 31, 2024.

The following table represents the components of net periodic benefit cost and other amounts recognized in other comprehensive income as of December 31.

Year Ended December 31	2024	2023	2022
Net periodic benefit cost			
Service cost	$ 2,331	$ 2,319	$ 3,495
Interest cost	7,366	7,304	5,728
Expected return on plan assets	(8,500)	(8,559)	(8,970)
Amortization of unrecognized:			
Prior service cost	755	755	755
Actuarial loss	-	(12)	3,782
Total net periodic benefit cost	$ 1,952	$ 1,807	$ 4,790
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income			
Net actuarial (gain) loss	$ (4,141)	$ (132)	$ (3,920)
Amortization of:			
Prior service credit	(755)	(755)	(755)
Net actuarial gain	-	12	(3,782)
Total recognized in other comprehensive income	$ (4,896)	$ (875)	$ (8,457)

The Association anticipates that its total pension expense for all retirement plans will be approximately $1.7 million in 2025 compared to $2.0 million in 2024.

Assumptions

The Association measures plan obligations and annual expense using assumptions designed to reflect future economic conditions. As the bulk of pension benefits will not be paid for many years, the computations of pension expenses and benefits are based on assumptions about discount rates, estimates of annual increases in compensation levels, and expected rates of return on plan assets.

The weighted-average rate assumptions used in the measurement of the Association's benefit obligations are as follows.

December 31	2024	2023	2022
Discount rate	5.70%	5.00%	5.20%
Rate of compensation increase (qualified plans only)	3.50%	3.50%	3.40%

The weighted-average rate assumptions used in the measurement of our net periodic benefit cost are as follows.

December 31	2024	2023	2022
Discount rate	5.00%	5.20%	2.95%
Expected rate of return on plan assets (qualified plans only)	6.00%	6.00%	6.00%
Rate of compensation increase (qualified plans only)	3.50%	3.40%	3.40%

The discount rates are calculated using a spot yield curve method developed by an independent actuary. The approach maps a high-quality bond yield curve to the duration of the plans' liabilities, thus approximating each cash flow of the liability stream to be discounted at an interest rate specifically applicable to its respective period in time.

The expected rate of return on plan assets is established based on current target asset allocations and the anticipated future returns on those asset classes. The expected rate of return on plan assets assumption is also consistent with the pension plans' long-term interest rate assumption used for funding purposes.

Plan Assets

The asset allocation target ranges for the qualified defined benefit pension plans follow the investment policy adopted by the Retirement Trust Committee. This policy provides for a certain level of committee flexibility in selecting target allocation percentages. The actual asset allocations at December 31, 2024, 2023 and 2022, are shown in the following table, along with the adopted range for target allocation percentages by asset class as of December 31, 2024. The actual allocation percentages reflect the market values at year-end and may vary during the course of the year. Plan assets are generally rebalanced to a level within the target range each year at the direction of the Committee.

	Target Allocation Range[1]	Percentage of Plan Assets at December 31 2024	2023	2022
Asset Category				
Domestic Equity	26-30%	29%	32%	28%
Domestic Fixed Income	53-57	54	45	48
International Equity				
Emerging Markets Equity and Fixed Income	15-19	17	23	24
Total	100%	100%	100%	100%

[1]Future asset allocation changes for the Farm Credit East, ACA Retirement Plan are expected to occur in accordance with the liability-driven investment strategy adopted by the Retirement Trust Committee as the Plan's funded status improves.

The assets of the qualified defined benefit pension plans consist primarily of investments in various domestic equity, international equity, and bond funds. These funds do not contain any significant investments in a single entity, industry, country, or commodity, thereby mitigating concentration risk.

The following table presents the major categories of plan assets that are measured at fair value at December 31, 2024, for each of the fair value hierarchy levels as defined in Note 2.

December 31, 2024	Level 1	Level 2	Level 3	NAV[1]	Total
Asset category					
Cash	$ 431	$ -	$ -	$ -	$ 431
Domestic Equity:					
Large-cap growth funds[2]	15,777	-	-	16,488	32,265
Small-cap growth funds[2]	-	-	-	4,539	4,539
International Equity, Emerging Markets Equity and Fixed Income[3]	14,052	-	-	7,098	21,150
Domestic Fixed Income Bond Funds[4]	-	-	-	66,708	66,708
Total	$ 30,260	$ -	$ -	$ 94,833	$ 125,093

1 Certain investments that are measured at fair value using the net asset value (NAV) per share as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the net assets in the pension plans.
2 Funds invest primarily in diversified portfolios of common stocks of U.S. companies.
3 Funds invest primarily in a diversified portfolio of equities of non-U.S. companies.
4 Funds invest primarily in U.S. Treasury debt securities and corporate bonds of U.S. companies.

Level 1 plan assets are funds with quoted daily net asset values that are directly observable by market participants. The fair value of these funds is the net asset value at close of business on the reporting date. Level 2 plan assets are funds with quoted net asset values that are not directly observable by market participants. A significant portion of the underlying investments in these funds have individually observable market prices, which are utilized by the plan's trustee to determine a net asset value at close of business on the reporting date. Level 3 plan assets are funds with unobservable net asset values and supported by limited or no market activity. There were no purchases or sales of Level 3 plan assets in the current year and no transfers into or out of the Level 3 assets occurred in the current year.

Investment strategy and objectives are described in the pension plans' formal investment policy document. The basic strategy and objectives are to manage portfolio assets with a long-term horizon appropriate for the participant demographics and cash flow requirements; to optimize long-term funding requirements by generating rates of return sufficient to fund liabilities and exceed the long-term rate of inflation; and to provide competitive investment returns as measured against appropriate benchmarks.

Expected Contributions

In 2025, the Association expects to contribute $16.7 million to its defined benefit retirement plans and $1.2 million to its trust fund related to the SERP.

Estimated Future Benefit Payments

The Association expects to make the following benefit payments for its retirement plans, which reflect expected future service, as appropriate.

	Estimated Benefit Payouts
2025 Payouts	$ 9,338
2026 Payouts	9,651
2027 Payouts	10,972
2028 Payouts	9,756
2029 Payouts	12,290
2030 Payouts to 2034 Payouts	53,462

Other Postretirement Benefits

Postretirement benefits other than pensions (primarily health care benefits) are also provided to retirees of the Association. The following table sets forth the funding status and weighted average assumptions used to determine post-retirement health care benefit obligations.

December 31	2024	2023	2022
Net asset (liability) recognized on balance sheet	$ (70)	$ (205)	$ (229)
Accumulated postretirement benefit obligation	$ (503)	$ (456)	$ (497)
Accumulated other comprehensive loss	$ 433	$ 251	$ 268
Net periodic expense	$ 52	$ 55	$ 44
Discount rate	5.00%	5.20%	2.95%
Ultimate health care trend rate	4.50%	4.50%	4.50%

Substantially all postretirement health care plans have no plan assets and are funded on a current basis by employer contributions and retiree premium payments.

The Association anticipates its postretirement benefits expense will be approximately $77 thousand in 2025 which is a $25 thousand increase from 2024.

NOTE 12 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Association enters into loan transactions with Association and CoBank directors and senior officers 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 and collateral, as those prevailing at the time for comparable transactions with unrelated borrowers.

Loan information to related parties is shown below.

December 31	2024	2023	2022
New loans/advances	$ 170,130	$ 143,072	$ 81,678
Repayments	168,692	114,777	71,017
Other	(62,208)	36,606	12,146
Ending balance	$ 122,132	$ 182,902	$ 118,001

Other changes to the related party loan balance represent changes in the composition of Association and CoBank directors and/or senior officers during 2024. In the opinion of management, none of these loans outstanding at December 31, 2024, involved more than a normal risk of collectability and none of these loans are in nonaccrual status.

As of December 31, 2024, the Association's investment in Financial Partners, Inc. (FPI) was $8.8 million which is included in other assets. Accounting for this investment is on the equity method. FPI provides accounting, information technology and other services to the Association on a fee basis. Fees paid to FPI for the years ended December 31, 2024, 2023 and 2022, were $12.9 million, $11.8 million, and $10.9 million, respectively.

As of December 31, 2024, the Association's investment in FarmStart, LLP was $1.4 million which is included in other assets. Accounting for this investment is on the equity method. FarmStart recorded income of $23 thousand, income of $110 thousand, and a loss of $34 thousand for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, the Association's investment in AgDirect, LLP is $16.7 million which is included in other assets. Accounting for this investment is on a cost basis. Income recorded related to AgDirect, LLP was $2.0 million, $1.6 million, and $1.1 million for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, Farm Credit East had equity ownership interests in the following Unincorporated Business Entities (UBE) which were all formed for the purpose of acquiring and holding other property owned. During 2024, there was no activity in these UBEs.

Name	Ownership %
RHBarnes RD, LLC	100%
Farm Credit East Rochester/Plymouth REO, LLC	100%
Eastern Greenhouses, LLC	100%

NOTE 13 – REGULATORY ENFORCEMENT MATTERS

There are no regulatory enforcement actions in effect for the Association.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Association has various commitments outstanding and contingent liabilities. With regard to contingent liabilities, there are no actions pending against the Association in which claims for monetary damages are asserted.

The Association may participate in financial instruments with off-balance-sheet risk to satisfy the financing needs of its borrowers and to manage their exposure to interest rate risk. These financial instruments include commitments to extend credit, commercial letters of credit, and standby 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. Standby letters of credit are irrevocable agreements to guarantee payments of specified financial obligations. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. At December 31, 2024, $4.4 billion of commitments to extend credit, $62.5 million of commercial letters of credit, and $49.3 million of standby letters of credit were outstanding.

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 balance sheet 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. Reserves related to unfunded commitments to extend credit are included in the calculation of the allowance for loan losses.

NOTE 15 – FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as, "the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability." The fair value measurement is not an indication of liquidity. See Note 2 for a more complete description of the three input levels.

Sensitivity to Changes in Significant Unobservable Inputs

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

Quantitative Information about Recurring and Nonrecurring Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis at December 31 for each of the fair value hierarchy values are summarized below.

	Fair Value Measurement Using			
	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
2024				
Derivative assets	$ -	$ 2,888	$ -	$ 2,888
Assets held in trust	$ 8,585	$ -	$ -	$ 8,585
RBICs	$ -	$ -	$ 4,569	$ 4,569
2023				
Derivative assets	$ -	$ 5,712	$ -	$ 5,712
Assets held in trust	$ 7,421	$ -	$ -	$ 7,421
RBICs	$ -	$ -	$ 3,504	$ 3,504
2022				
Derivative assets	$ -	$ -	$ -	$ -
Assets held in trust	$ 7,323	$ -	$ -	$ 7,323
RBICs	$ -	$ -	$ 2,808	$ 2,808
Liabilities:				
2024				
Derivative liabilities	$ -	$ 7,189	$ -	$ 7,189
2023				
Derivative liabilities	$ -	$ 20,055	$ -	$ 20,055
2022				
Derivative liabilities	$ -	$ 54,490	$ -	$ 54,490

Assets measured at fair value on a non-recurring basis at December 31 for each of the fair value hierarchy values are summarized below.

	Fair Value Measurement Using			
	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
2024				
Nonaccrual Loans	$ -	$ -	$ 55,381	$ 55,381
2023				
Nonaccrual Loans	$ -	$ -	$ 17,884	$ 17,884
2022				
Nonaccrual Loans	$ -	$ -	$ 33,758	$ 33,758
Other Property Owned	$ -	$ -	$ 967	$ 967

As of December 31, 2024 and 2023, there were no other property owned balances.

Financial assets and financial liabilities measured at carrying amounts and not measured at fair value on the balance sheet for each of the fair value hierarchy values are summarized below.

December 31	2024			2023			2022		
	Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:									
Loans, net	$ 12,839,593	$ 12,655,969	Level 3	$ 11,437,350	$ 11,115,878	Level 3	$ 10,521,301	$ 10,180,486	Level 3
Cash	$ 25,252	$ 25,252	Level 1	$ 31, 259	$ 31,259	Level 1	$ 36,778	$ 36,778	Level 1
Financial liabilities:									
Notes payable to ACB	$ 10,762,587	$ 10,463,204	Level 3	$ 9,498,822	$ 9,160,511	Level 3	$ 8,704,819	$ 8,268,326	Level 3

Valuation Techniques

As more fully discussed in Note 2 – Summary of Significant Accounting Policies, accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following presents a brief summary of the valuation techniques used for the Association's assets and liabilities subject to fair value measurement.

Cash

The carrying value of cash is a reasonable estimate of fair value.

Assets Held in Non-Qualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. These assets include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Loans

Fair value is estimated by discounting the expected future cash flows using CoBank's and/or the Association's current interest rates at which similar loans would be made to borrowers with similar credit risk. The discount rates are based on the District's current loan origination rates as well as management estimates of credit risk. Management has no basis to determine whether the estimated fair values presented would be indicative of the assumptions and adjustments that a purchaser of the Association's loans would seek in an actual sale, which could be less.

Other Property Owned

Other property owned is generally classified as Level 3. The process for measuring the fair value of the other property owned involves the use of appraisals or other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. As a result, these fair value measurements fall within Level 3 of the hierarchy.

RBICs

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

Nonaccrual Loans

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

Notes payable to CoBank, ACB

The notes payable is segregated into pricing pools according to the types and terms of the loans (or other assets) which they fund. Fair value of the note payable is estimated by discounting the anticipated cash flows of each pricing pool using the current rate that would be charged for additional borrowings. For purposes of this estimate, it is assumed the cash flow on the notes is equal to the principal payments on the Association's loan receivables plus accrued interest on the notes payable. This assumption implies that earnings on the Association's interest margin are used to fund operating expenses and capital expenditures.

Derivatives

Exchange-traded derivatives valued using quoted prices are classified within Level 1 of the valuation hierarchy. However, few classes of derivative contracts are listed on an exchange; thus, the Association's derivative positions are valued using internally developed models that use as their basis readily observable market parameters and are classified within Level 2 of the valuation hierarchy. Such derivatives include basic interest rate swaps. Derivatives that are valued based upon models with significant unobservable market parameters and that are normally traded less actively, or have trade activity that is one way, are classified within Level 3 of the valuation hierarchy. The Association does not have any derivatives classified within Level 3.

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

NOTE 16 – DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Risk Management Objectives

The Association maintains an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Association's goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets or liabilities so that the net interest margin is not adversely affected by movements in interest rates. As a result of interest rate fluctuations, the Association's interest income and interest expense of hedged variable-rate assets will increase or decrease. The effect of this variability in earnings is expected to be substantially offset by the Association's gains and losses on the derivative instruments that are linked to these hedged assets. The Association considers its strategic use of derivatives to be a prudent method of managing interest rate sensitivity, as it prevents earnings from being exposed to undue risk posed by changes in interest rates.

By using derivative instruments, the Association exposes itself to credit and market risk. Generally, when the fair value of a derivative contract is positive, this indicates that the counterparty owes the Association, thus creating a repayment risk for the Association. When the fair value of the derivative contract is negative, the Association owes the counterparty and, therefore, assumes no repayment risk. The Association's derivative activities are monitored by its asset/liability committee (ALCO) as part of its oversight of asset/liability and treasury functions.

Uses of Derivatives

The Association enters into interest rate swaps to stabilize net interest income on variable priced loan assets, to the extent they are funded with equity. Under interest rate swap arrangements, the Association agrees with other parties (CoBank) to exchange, at specified intervals, payment streams calculated on a specified notional principal amount, with at least one stream based on a specified floating rate index. The Association's interest-earning assets, to the degree they are funded with debt, are matched with similarly priced and termed liabilities. Volatility in net interest income comes from equity funded variable priced assets. To the degree that variable priced assets are funded with equity, interest rate swaps in which the Association pays the floating rate and receives the fixed rate (receive fixed swaps) are used to reduce the impact of market fluctuations on the Association's net interest income.

The notional amounts of derivatives are shown in the following table.

December 31	2024	2023	2022
Interest Rate Contracts	$ 1,815,000	$ 1,620,000	$ 1,430,000

Accounting for Derivative Instruments and Hedging Activities

The Association records derivatives as assets and liabilities at their fair value in the consolidated balance sheets and records changes in the fair value of a derivative in accumulated other comprehensive income (loss). The Association only enters into cash flow hedge transactions.

Cash Flow Hedges

The Association uses "receive fixed/pay variable" interest rate swaps to hedge the risk of overall changes in the cash flows of an asset. The asset is defined as a pool of long-term variable rate loans equal to the notional amount of the swaps, and not exceeding the Association's equity position. These swaps, which qualify for hedge accounting, have up to a three-year term, with pay rates indexed to the Secured Overnight Financing Rate (SOFR).

Summary of Derivative Instruments and Hedging Activities

A summary of the impact of derivative financial instruments in the consolidated balance sheets is shown in the following table.

	Derivative Assets[1]	Derivative Liabilities[2]
2024		
Interest Rate Contracts	$ 2,888	$ 7,189
2023		
Interest Rate Contracts	$ 5,712	$ 20,055
2022		
Interest Rate Contracts	$ -	$ 54,490

[1] Derivative assets are included in other assets in the consolidated balance sheets.

[2] Derivative liabilities are included in other liabilities in the consolidated balance sheets.

A summary of the impact of derivative financial instruments in the consolidated statements of comprehensive income is shown in the following tables.

	Net Amount of Gain (Loss) Recognized in Income on Derivatives[1]		
December 31	2024	2023	2022
Interest Rate Contracts	$ (33,979)	$ (48,540)	$ (11,264)

[1] Located in interest expense in the consolidated statements of income for each of the respective periods presented.

	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Income (Loss) on Derivatives		
December 31	2024	2023	2022
Interest Rate Contracts	$ 10,042	$ 40,147	$ (48,726)

Counterparty Credit Risk

The Association is exposed to credit loss in the event of nonperformance by other parties to the interest rate swap agreement. If a counterparty fails to fulfill its performance obligations under a derivative contract, the Association's credit risk will equal the fair value gain in a derivative. The Association minimizes the credit (or repayment) risk by only entering into transactions with CoBank, its funding bank and are collateralized through loan agreements. Notwithstanding collateral and netting provisions, our derivative assets and liabilities are not offset in the accompanying consolidated balance sheets.

NOTE 17 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 14, 2025, which is the date the financial statements were issued or available to be issued. There have been no material subsequent events that would require recognition in the 2024 consolidated financial statements.

FARM CREDIT EAST, ACA
BOARD OF DIRECTOR DISCLOSURES

BOARD STRUCTURE

As of December 31, 2024, the Board consisted of sixteen directors: thirteen elected directors, one appointed customer director and two appointed outside directors. Effective January 30, 2025, appointed outside director Timothy Benjamin resigned from the Board for personal reasons. In the 2025 election cycle there are three open director seats to be elected for four-year terms and one to be elected to a three-year term.

The following additional changes were made to the Board structure following the merger with Yankee to complete its downsizing over a period of years to achieve the final board structure:

- The director seat currently held by Lisa Sellew, which expires in 2025, will be altered to a three-year term during the 2025 election cycle.
- The director seat held by David Folino expires in 2026 and will be eliminated at the term's expiration.
- The Eastern Region director seat currently held by Kyle Thygesen will be up for election in the 2026 election cycle and must be filled by someone from the portion of the Eastern Nominating Region that comprises the chartered territory that had been serviced by Yankee Farm Credit.

With these gradual changes, the Board shall reach its final structure in 2026: twelve stockholder-elected directors and at least two appointed directors.

Farm Credit East has three Nominating Regions as shown on the map on the inside back cover of this Annual Report. Farm Credit East's bylaws specify four-year terms with a limit of four consecutive terms and that there will be one seat from each region open for election each year after the final Board structure is reached in 2026. Association bylaws also specify that director candidates be nominated by region and be elected by the entire membership. The Board may appoint up to four directors, two of which must be outside directors, i.e., not having a borrowing relationship with Farm Credit East.

The Board is independent of management. The CEO reports to the Board and no management or employees may serve as directors within one year of employment. The Board generally has seven regularly scheduled meetings each year and has established a number of committees to provide concentrated focus and expertise in particular areas and to enhance the overall efficiency of scheduled Board meetings. Each committee created by the Board prepares a charter outlining the committee's purpose, its duties, responsibilities, and authorities. All committees report on their meetings at the regular meeting of the full Board. Minutes of each committee meeting are documented and approved at the following meeting. The full text of each committee charter is available on our website under "Board Committees" at **FarmCreditEast.com**.

Association bylaws also established an Executive Committee. The Board has established the following standing committees: Compensation Committee, Audit Committee, Business Risk Committee, and a Governance/Stewardship Committee. The primary responsibilities of each Board committee are described as follows:

EXECUTIVE COMMITTEE

The Executive Committee members consist of the board chair, vice chair and three other directors designated by the Board, each representing a nominating region other than those represented by the chair or vice chair. The Board Chair has the authority to appoint one other member. The committee is primarily responsible for providing input and direction to management on the development and implementation of the Association's strategic plan, policies and other significant matters requiring attention between board meetings. The committee also acts as the liaison with the Association's regulator, the FCA.

COMPENSATION COMMITTEE

The Compensation Committee consists of the Executive Committee. The Committee is responsible for reviewing compensation policies and plans for senior officers and employees including the performance and compensation for the Chief Executive Officer.

AUDIT COMMITTEE

The Audit Committee members are appointed by the board chair in consultation with the board officers. All members of the Audit Committee are independent of Farm Credit East management and any other System entity. Each committee member shall be knowledgeable in at least one of the following areas: public and corporate finance, accounting procedures, and/or financial reporting and disclosure. Joseph W. McWatters was appointed to the Board of Directors in 2021 and his current term expires in 2029. The Board has determined that Mr. McWatters has the qualifications and experience necessary to serve as the Audit Committee "financial expert," as defined by FCA regulations, and has been designated as such.

The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for internal controls over financial reporting (ICFR), the integrity of the Association's financial statements, the Association's compliance with legal and regulatory requirements, the external auditor's qualifications and independence, and the performance of the Association's internal audit function, quality assurance function and external auditors. The Audit Committee has unrestricted access to representatives of the internal audit and risk management departments, financial management, and our independent auditors.

The Audit Committee pre-approves all audit and audit-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Association by its independent auditors, as negotiated by management. Aggregate fees incurred by the Association for services rendered by its independent auditors, PricewaterhouseCoopers, LLP for the years ended December 31, 2024 and 2023 follow:

For the year ended December 31	2024	2023
Audit	$ 376,000	$ 360,000
Audit-related	25,000	85,000
Tax	91,262	60,300
Total	$ 492,262	$ 505,300

BUSINESS RISK COMMITTEE

The Business Risk Committee members are appointed by the board chair in consultation with the board officers. The committee is primarily responsible for assisting the Board in fulfilling its oversight responsibilities related to business and enterprise-wide risk. The committee oversees that management effectively addresses risks including but not limited to the following areas: strategic, credit, operational, regulatory, reputation and financial.

GOVERNANCE/STEWARDSHIP COMMITTEE

The Governance/Stewardship Committee members are appointed by the board chair in consultation with the board officers. The committee is primarily responsible for the training and education of Board members, regulatory compliance, board governance, the outside director election process, director compensation, ethics, and conflict of interest matters. In addition, the committee provides oversight and direction of the Association's stewardship initiatives and Knowledge Exchange program, inclusive of marketing and communications activity. The committee represents Farm Credit East on the governing council of FarmStart, LLP.

Other Committees

NOMINATING COMMITTEE

The Nominating Committee is comprised of at least one member and an alternative member from each office location, who are elected each year by the membership at the annual stockholder meeting. This committee, which consists of customers who are not seated on the Board of Directors, proactively identifies qualified candidates for Board membership and reviews director nominations, helping to ensure that the Association continues to attract a highly qualified and diverse Board. The Nominating Committee makes an effort to recommend at least two candidates for each open Board position. Stockholders and interested candidates may gather signatures for petitions to run for the Board following the conclusion of the Nominating Committee's work.

FARM CREDIT EAST DIRECTORS

Information regarding directors who served as of December 31, 2024, including business experience in the last five years and any other business interest where a director serves on the board of directors or as a senior officer follows:

JOHN P. KNOPF, Canandaigua, NY, has served as director since 2013. His current term expires in 2025. He currently serves as ***Board Chair*** and is a member of the Executive and Compensation committees. John and his partner Robert DiCarlo are owners of Fa-Ba Farms, LLC, a dairy business milking 580 cows and caring for 400 replacement animals. Production land includes 800 acres devoted to forage production. John also owns a controlling interest in Knopf Real Estate Partners. He is a member of the Town of Canandaigua Board of Assessment Review and also a member of the CoBank Nominating Committee.

LOUANNE F. KING, Madrid, NY, was elected director in 2017. Her current term expires in 2025. She currently serves as ***Vice Chair***, is a member of the Executive Committee and serves as chair of the Compensation Committee. LouAnne is an owner of Mapleview Dairy LLC with her brother, David Fisher, and extended family. The family operates businesses which include a 3,000-cow dairy, a 2,800-replacement heifer facility, and approximately 5,800 acres for forage and grain. LouAnne's role includes office and financial manager as well as support for human resource management. LouAnne is also an owner of Midas Touch Genetics. LouAnne is a past member of the NEDPA board, the NYS Dairy Promotion Advisory Board, Pro-Dairy Advisory Board and the St. Lawrence County Dairy Promotion Committee. She currently chairs the St. Lawrence County Workforce Development Board and National Holstein Legislative and Regulatory Affairs Committee. She serves on the Madrid Cemetery Board and the Scotch Presbyterian Church Session.

TIMOTHY BENJAMIN, Naples Fla, was appointed as an outside director in 2023. Tim is retired from Seneca Foods Corporation where he was senior vice president, chief financial officer and treasurer from 2012 to 2023. Prior to that he was with Birds Eye Foods, Inc. for 15 years in increasingly responsible financial positions, reaching the position of vice president and treasurer. Previously, he was with Price Waterhouse, LLP for nine years, ultimately reaching the position of senior tax manager. He has also served on the board of directors of Adding Candles and United Way of Ontario County. Tim is a certified public accountant. Tim resigned from the board effective January 30, 2025, for personal reasons.

MICHAEL N. BROOKS, Elmer, NJ, has served as director since 2014. His current term expires in 2025. He currently serves on the Governance/Stewardship Committee. Mike owns Dusty Lane Farms, LLC, in partnership with his parents, William and Diane Brooks. Dusty Lane Farms is a diverse 3,075-acre irrigated operation producing white potatoes, peppers, spinach, cabbage, sweet corn, corn, wheat and soybeans. The farm also includes 27,000 square feet of heated greenhouse space for vegetable transplants. Mike is also owner of Brooks Farm Properties, a real estate holding company, and Dusty Lane Plants LLC, a plant production business.

DAVID F. FOLINO, Bristol Vt, has served as a Farm Credit East director since 2022. His current term expires in 2026. He was formerly a director of Yankee Farm Credit, serving since 2018. He serves on the Governance/Stewardship Committee. Dave founded Hillsboro Sugarworks in 1979, as a small hobby, which steadily grew. During 20 years in the publishing business, working primarily in marketing and management, Dave dreamed about becoming a full-time farmer. In 2002, Dave and his wife, Sue, pursued their goal and began to grow their large hobby into a good, tight business. Together, they expanded production and marketing, becoming one of the largest direct marketers of Maple syrup in central Vermont.

LAURIE KEENE GRIFFEN, Schuylerville, NY, has served as director since 2011. Her current term expires in 2028. She has served as board chair, vice chair and Governance Committee Chair. She currently serves on the Executive and Compensation committees. Laurie is co-owner/operator of Saratoga Sod Farm, Inc., a 600-acre turfgrass farm in Stillwater, New York, with her husband Steve. In addition to producing and selling high quality turfgrass products, Saratoga Sod also provides sod installation services, sales of seed and fertilizer products, and the Big Yellow Bag garden soil product to assist its customers across the Northeast. Saratoga Sod also grows roughly 500 acres of soybeans and corn as part of their crop rotation program.

PHILIP J. "JAMIE" JONES, Shelton, Conn., has served as director since 2018. His current term expires in 2026. He serves on the Audit Committee. Jamie is owner and founder of Jones Family Farms Winery, LLC, which he established in 2004. He is the sixth generation to work the land of the Jones Family Farms. He manages the business with his wife, Christiana, and his parents, Terry and Jean Jones. Jamie oversees a diverse agricultural and farm hospitality operation focused on harvest your own berries, vineyards, pumpkins and Christmas trees, along with a greenhouse operation.

BRETT D. KREHER, Clarence, NY, was elected director in 2023. His current term expires in 2027. He serves on the Business Risk Committee. Brett is an owner of Kreher Family Farms (including related entities such as Wayne County Eggs, LLC), an egg production business raising approximately two million hens that produce conventional, cage-free, organic and pastured organic eggs. The business also has conventional and organic grain operations along with a conventional fresh-market vegetable/greenhouse operation and produces and sells organic fertilizer. Brett is responsible for advising the crop operations and administrative functions.

JOSEPH "JAY" W. MCWATTERS, of Hamburg, NY, was first appointed as an outside director in 2021. His current term expires in 2029. He is chair of the Audit Committee. Most recently, Jay was the executive accountant in-residence for the Wehle School of Business at Canisius College in Buffalo, NY, where he taught auditing and accounting. Previously, he was an audit partner at Dopkins & Company, LLP and KPMG LLP for more than 35 years where he served multiple cooperative clients. Jay holds an MBA degree and is a certified public accountant.

JAMES A. ROBBINS II, Searsmont, Maine, was elected director in 2019. His current term expires in 2027. He currently serves on the Audit Committee and is on the Executive and Compensation committees. James is president of Robbins Lumber, Inc. With his brother and sister, they operate a fully integrated log yard, sawmill, dry kilns and planer mill that produces Eastern White Pine and was established in 1881. Robbins Lumber owns and manages 27,000 acres of timberland and a distribution yard in Halifax N.S. Additionally, he is the manager of Georges River Energy, LLC, a biomass power plant that burns wood waste in order to produce 8.5 MW of electrical power and steam to dry lumber.

LISA P. SELLEW, Lebanon, Conn., has served as director since 2013. Her current term expires in 2025. She currently serves on the Business Risk Committee. The Sellew family owns Prides Corner Farms, where Lisa is vice president. Prides Corner is a wholesale nursery that grows more than 3,000 varieties of trees, shrubs, perennials, groundcovers, grasses, roses, fruits, vegetables and herbs, and supplies these plants to over 2,000 customers consisting primarily of independent garden centers, landscapers and landscape distributors throughout the Northeast, Mid-Atlantic and Midwest. Lisa is also a member of American Beauties, LLC, which owns a brand of native plants, and manager of the following real estate holding entities: Three Sons Ledyard LLC, Three Sons Cromwell LLC, Three Sons Realty LLC, Three Sons Properties LLC, Two Sons Realty LLC and Two Sons Suffield LLC. Lisa served on the Agriculture Policy Committee for Connecticut Governor Ned Lamont's transition team.

DOUGLAS W. SHELMIDINE, Adams, NY, has served as director since 2012. His current term expires in 2028. He serves as chair of the Governance/Stewardship Committee. Doug owns Sheland Farms, LLC, which is a multi-generational family farm business run in partnership with his brother, Todd, and sons, Devon and Erik. The family farms 3,000 acres and milks 920 cows. They also operate Sheland Farms Services, doing field work for other farms. Doug is also a member of Shel Land Properties, LLC and Shel Land Properties 2 LLC. Doug is the Town of Ellisburg Supervisor since 2020.

KYLE THYGESEN, Tunbridge, Vt., has served as a Farm Credit East director since 2022. His current term expires in 2026. He was formerly a director of Yankee Farm Credit, serving since 2017. He serves as chair of the Business Risk Committee and serves on the Executive and Compensation committees. Kyle, along with his wife Jennifer and son Keenan, own and operate the Farmstead at Falls Hill, LLC, a dairy cattle marketing business which also sells hay and other products. Currently, he is also the director for dairy operations for Vital Farms Inc. In his role, he manages the entire supply chain and production capacities in support of their national butter business and ownership of its long-term growth.

PETER H. TRIANDAFILLOU, Old Town, Maine, was appointed as the customer appointed forestry expert in 2016. His current term expires in 2026. He serves on the Audit Committee. Peter retired as vice president of woodlands for Huber Resources Corp., a timber management firm, managing 980,000 acres in six states. Peter is also past president and current treasurer of the Maine Forest Products Council and past president and past board member of the North Maine Woods Corporation. In addition, he serves on the board of the Farm Credit Council.

AMY L. WALKER-BAILEY, of Fort Ann, NY, was elected to the board in 2023. Her current term expires in 2027. She serves on the Governance/Stewardship Committee. Amy is chief financial officer of her family's three businesses: Walker Farms, LLC, a 1,300-cow family dairy operation with 2,700 crop acres of hay and corn; MGK Enterprises, LLC, a contract hauling trucking company; and Walker's Farm, Home & Tack, a retail farm store. For each entity, Amy is responsible for hiring, financial decisions and other day-to-day operations.

TERRY R. ZITTEL, Eden, NY, was first elected to the board in 2018. Her current term expires in 2026. She serves on the Governance/Stewardship Committee. Terry is corporate secretary and business manager of Amos Zittel & Sons, Inc., a wholesale vegetable and flower business. Zittel's grow 400 acres of hand harvested fresh market vegetables. Indoor production includes rooted liners/young plants shipped nationally and a finished spring flower crop sold in New York and Pennsylvania. Terry is business manager of Croop's Mill Properties, LLC, in addition to being on the board of directors of Eden Community Foundation and Harvest Malawi, an irrigation/education project in Africa.

DIRECTOR COMPENSATION

For the 2024-2025 director cycle, all board members receive an annual base retainer of $56,000 paid in equal quarterly installments. The chairs of the Business Risk and the Governance/Stewardship committees are paid $58,000, the Audit Committee Chair is paid $68,000, the Board Vice Chair is paid $63,000 and the Board Chair is paid $73,000, reflecting the unique responsibilities and significant additional time demands of these positions.

Directors are expected to prepare for and attend seven regularly scheduled Board meetings and prior approval from the Board Chair is required for a Director to be excused from attending these meetings. The annual retainer will be reduced by $5,000 for each unexcused absence. The retainer includes time spent for preparation and attendance at committee meetings, attending local customer service council meetings and customer appreciation meetings, attendance at the Association's annual meeting, attendance at the CoBank annual meeting, participation in up to two Premier Governance Series training sessions, attendance at the Farm Credit Council annual meeting (rotating schedule) and travel time to and from said meetings. Directors who are asked to serve on other boards to represent the Association or asked to participate in a special assignment may be paid an additional per diem of $500 a day but only with prior approval of the Board Chair. Total compensation paid to the directors as a group during 2024 was $967,250. Directors may elect to defer payment of all or part of their director compensation through a nonqualified deferred compensation plan.

The following table presents the number of days served at Board meetings and other official Farm Credit East activities, and compensation paid to each director for the year ended December 31, 2024.

		Number of Days Served[1]		
Name of Director	**2024 Board Committee**	**Board Meetings**	**Other Official Duties**	**Total Compensation[2]**
Timothy Benjamin	Business Risk	14	21	$ 56,000
Michael N. Brooks	Governance/Stewardship	14	12	56,000
Barry A. Buck[3]	Business Risk	3	14	13,250
David F. Folino	Governance/Stewardship	14	28	56,500
Laurie K. Griffen	Business Risk, Compensation, Executive	14	17	61,250
David E. Hardie[3]	Governance/Stewardship	3	4	13,250
Philip J. Jones	Audit	14	32	56,000
LouAnne F. King	Compensation, Executive	14	34	62,250
Brett D. Kreher	Business Risk	14	31	57,000
John P. Knopf	Compensation, Executive	14	27	72,000
Joseph W. McWatters	Audit	14	30	66,750
James A. Robbins II	Audit, Compensation, Executive	14	26	56,750
Lisa P. Sellew	Business Risk	14	23	56,750
Douglas W. Shelmidine	Governance/Stewardship	14	16	57,500
Kyle Thygesen	Business Risk, Compensation, Executive	14	31	58,000
Peter H. Triandafillou[4]	Audit	14	41	56,000
Amy L. Walker-Bailey	Governance/Stewardship	14	25	56,000
Terry R. Zittel	Governance/Stewardship	14	21	56,000
				$ 967,250

[1] The number of days served include travel time to and from meetings.
[2] All directors serve on board committees. The committee compensation paid was based on an annual base retainer paid in equal quarterly installments.
[3] Term ended during year.
[4] This director represented Farm Credit East's interest by serving on boards of other organizations important to the Association. Days of service related to these activities are included, but compensation received from that organization (if any) is not included in this report.

Farm Credit East policy regarding reimbursements for travel, subsistence and other related expenses provides for reimbursement of actual reasonable out of pocket expenses incurred while traveling on official Association business. Directors who use their own automobiles for Association business purposes will be reimbursed at a rate that has been established in accordance with IRS guidelines. The aggregate amount of reimbursement for travel, subsistence and other related expenses for all directors as a group was $338,776 for 2024, $312,869 and $324,052 for 2023 and 2022, respectively. A copy of the Association travel policy is available to stockholders upon request.

TRANSACTIONS WITH DIRECTORS

At December 31, 2024, the Association had loans outstanding with directors individually and to the business organizations of directors. All loans were in the ordinary course of business and remain on the same terms, including interest rates, amortization schedules and collateral as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk collectability. Information regarding related party transactions is incorporated herein by reference from Note 12 of the consolidated financial statements included in this annual report to stockholders.

FARM CREDIT EAST, ACA
SENIOR OFFICER DISCLOSURES

Listed below are the CEO and senior officers of Farm Credit East, ACA. Information is provided on their experience, as well as on any business for which they serve on the board of directors or act as a senior officer and the primary business that the organization is engaged in.

MICHAEL J. REYNOLDS has served as President and Chief Executive Officer since 1/1/2020. Prior to becoming CEO, he served as chief business officer where he provided executive leadership for credit and financial services operations. Mike joined Farm Credit in 1990. He serves as the chair of the board of Farm Credit Financial Partners (FPI), a service company owned by Farm Credit East and other ACAs. He is also active in other workgroups within the Farm Credit System, including the Farm Credit System's Presidents Planning Committee, a national leadership group. Mike is a graduate of Hartwick College with a degree in management and accounting.

DARIO G. AREZZO serves as Executive Vice President and Chief Financial Services Officer. He oversees Farm Credit East's tax and accounting programs, business consulting, payroll and crop insurance business unit. Dario joined Farm Credit in 2012 and was a senior tax consultant before becoming retail financial services leader in 2023. He assumed his current role in 2024. Dario is also a significant contributor to Farm Credit's Knowledge Exchange department on matters of policy as they relate to federal and state taxation. Dario holds a BS from Cornell University, J.D. from Albany Law School and a LLM from New York University. He is also a CERTIFIED FINANCIAL PLANNER™.

BRIANA S. BEEBE serves as Executive Vice President and Chief Operating Officer. She leads all of Farm Credit East's operations, credit analyst function and human resource programs, including benefits, recruiting, employee engagement, training, compensation and many other special projects. Briana joined Farm Credit in 2003 and served as loan officer in the Middleboro office before transitioning into human resources in 2010 and most recently to operations in 2023. She serves on the CoBank, ACB Retirement Trust Committee. She serves as director of the board of Farm Credit Financial Partners (FPI), a service company owned by Farm Credit East and other ACAs. She is a graduate of Cornell University with a degree in animal science/ag business. She is also a graduate of LEAD New York and Farm Credit's Leadership Development Program.

JANICE P. BITTER serves as Executive Vice President and Chief Communications Officer. She oversees the ACA's communications, marketing, Knowledge Exchange, change enablement and public relations efforts. Jan began her Farm Credit career as a loan officer in 1982, later serving as branch manager and then regional manager. She assumed her current role in 2024. Jan is past president of the Farm Financial Standards Council, which promotes uniform financial reporting in agriculture. She served as treasurer of the New York Agricultural Land Trust and volunteers at the Northeast Dairy Challenge and other ag and community groups. Jan holds a BS in agricultural economics from Cornell University and an MBA from Syracuse University.

ALENA C. GFELLER serves as Executive Vice President, General Counsel and Corporate Secretary. She leads the legal and compliance departments and serves as the standards of conduct officer. As head of the legal/compliance departments, she is charged with strategic executive leadership, ensuring legal and regulatory compliance, acting as liaison to the board of directors, supervision of outside counsel, providing support on complex and innovative loan issues and assisting with all facets of the Association's legal and governance needs. She joined Farm Credit East in September 2016, having previously been a partner and member of the executive committee at Murtha Cullina, LLP. She is a graduate of Arizona State University and received her law degree from Widener University School of Law.

ANDREW N. GRANT serves as Executive Vice President and Chief Financial Officer. He leads the financial, treasury, accounting, internal controls, and asset-liability management operations of the Association. Prior to assuming his current position, he was chief financial officer of Farm Credit of Maine and has held several positions since joining Farm Credit in 1995. Andrew serves on the CoBank, ACB Retirement Trust Committee, which oversees the defined benefit and defined contribution retirement plans for the Association and several other Farm Credit employers. He is a graduate of Husson University and holds both a BS in management accounting and a MS in business.

RYAN S. HROBUCHAK serves as Executive Vice President and Chief Risk Officer. He is responsible for measuring and monitoring organizational risk and reports operational performance against the association's risk appetite to management and the board. He also coordinates matters with the federal examiner, the Farm Credit Administration. Ryan joined Farm Credit in 2008, initially as a loan officer, and has served in several roles throughout his career. Ryan earned a bachelor's degree in agricultural business from Morrisville State College and is a LEAD New York graduate. Ryan also maintains a certified fraud examiner designation.

WILLIAM P. KOHLER serves as Executive Vice President and Chief Information Officer. He leads the technology team, which aims to build and maintain a strong IT organization that is structured to best support the business and drive customer satisfaction. Additional focus areas include AI and innovation, security, platform enhancements and new product development that will help the cooperative better serve employees and customers. He joined Farm Credit East in 2024 with more than 25 years of experience in technology leadership. Bill holds a BS from The King's College.

DANIEL A. NICHOLSON serves as Senior Vice President and Chief Audit Executive. He leads Farm Credit East's quality assurance team which is inclusive of the internal audit and internal review teams. These teams are responsible for reviewing business processes and providing the Board's Audit Committee and management with findings and recommendations to improve business operations. Prior to his current position, he was a senior airman in the United States Air Force Massachusetts Air National Guard and worked for PwC, most recently as an audit manager before transitioning to Farm Credit East in 2019. He is a graduate of the University of Massachusetts and holds a BS in business administration in accounting. He is a licensed certified public accountant in the state of Connecticut and is also a licensed certified fraud examiner.

ROGER E. MURRAY served as Executive Vice President and Chief Marketplace Officer. He provided strategic oversight to the credit and appraisal functions in the capital markets, agribusiness, retail and Country Living segments. He served as chair of Credit Committee and provided program leadership for Farm Credit East's trade credit partnerships with AgDirect and Farm Credit Leasing. Roger holds a degree from Cornell University in agricultural economics. After a 44-year career, Roger retired from Farm Credit East on January 1, 2025.

DAVID H. PUGH serves as Executive Vice President and Chief Lending Officer. He provides strategic oversight and leadership to all lending and appraisal functions and their teams. Dave also coordinates relationships with strategic partners, including Farm Credit Leasing and AgDirect. Dave started with Farm Credit in 1986 as a loan officer and has served in several varied credit delivery and leadership roles. Most recently, he served as chief experience officer where he led Farm Credit East's digital transformation. Dave holds an AAS in animal science from SUNY Morrisville and a BS in agricultural economics from Cornell University. He is also a graduate of LEAD New York, Class VIII.

FARM CREDIT EAST, ACA
SENIOR OFFICERS COMPENSATION DISCUSSION AND ANALYSIS

OVERVIEW

This section describes the compensation programs for Farm Credit East's Chief Executive Officer (CEO) and other senior officers, as defined by FCA regulations (collectively, senior officers), as well as those programs for any highly compensated employees as defined by FCA regulations. This section also presents the compensation earned by the CEO, as well as aggregate compensation earned by our other senior officers and any highly compensated employees, for the years ended December 31, 2024, 2023, and 2022.

The Board of Directors, through its Compensation Committee, has reviewed and discussed the Senior Officers Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended that the Board of Directors include the Senior Officers Compensation Discussion and Analysis in the Annual Report for the year ended December 31, 2024.

COMPENSATION PHILOSOPHY AND OBJECTIVES

Farm Credit East's (the Association) compensation strategy is to attract and retain highly talented employees to fulfill our mission as the premier credit and financial services provider in the Northeast. The compensation philosophy seeks to achieve the appropriate balance among market-based salaries, benefits and variable incentive compensation designed to incent and reward both the current and long-term achievement of our business objectives and business financial plans. We believe this philosophy fosters a performance-oriented, results-based culture wherein compensation varies based on results achieved.

COMPONENTS OF COMPENSATION PROGRAM

Given the cooperative ownership structure of Farm Credit East, no equity or stock-based plans are used to compensate any employee, including senior officers. Senior officers' compensation consists of four components – salary, short-term incentive plans, long-term incentive plan and retirement benefits – as described below. All employees participate in salary, the short-term incentive plan and retirement benefits, while senior officers and specified other key employees are also eligible to participate in the long-term incentive plan and bonus plan. In addition, the CEO is eligible for supplemental retirement benefits (SERP).

SALARY

Salaries are market based, as determined in consultation with an independent executive compensation consultant. The determination of market salaries consists of a comparison of salary levels to positions of similar scope at select peer group financial institutions, coupled with an evaluation of individual performance, competencies, and responsibilities. Salaries represent a foundational component of the Association's total compensation program as the amounts of other components of compensation are determined in relation to base salary.

SHORT-TERM INCENTIVES

Short-term incentive payments are based on a combination of annual Association and individual performance. The plan focuses on achieving near-term, annual results. Under the terms of the plan, the key performance result areas are loan growth, financially related services income growth, customer experience and other strategic priorities. Substantially all employees in the Association are eligible to participate in this plan at various levels. Criteria used to determine amounts payable were established by the Board of Directors and include the achievement of certain Association financial targets and strategic business objectives. Payments are typically made in February following the end of the year to which the award is applicable.

LONG-TERM INCENTIVES AND BONUS PLANS

The Association has a long-term incentive plan for the CEO, senior officers and other specified key employees that provides the opportunity for financial rewards tied to Farm Credit East's sustained success. Eligibility for participation is limited to those individuals who clearly have the ability to drive the success of strategies critical to long term value creation for stockholders. The plan payouts are based on Association performance in the achievement of key financial metrics over a three-year performance period. Under the terms of the plan, the key financial metrics are return on assets, operating efficiency and focus on various strategic priorities and human resource initiatives. The cash awards are to be paid subsequent to completion of the three-year performance period cycle, subject to approval by the Board of Directors. Participants in the long-term incentive plan can elect to defer plan payments if the election is made before the start of the year. Participants forfeit those amounts if they resign prior to being paid.

As part of the Association's overall bonus and incentive plans, certain key employees may be selected by the CEO to receive additional bonuses tied to the execution of Farm Credit East's strategic business initiatives. Awards under this plan will generally consist of an executive management measure. The cash awards are typically made in February following the end of the year to which the award is applicable.

RETIREMENT BENEFITS

The Association has employer-funded qualified defined benefit pension plans which are noncontributory and cover employees hired prior to January 1, 2007 (except the former Farm Credit of Maine & Yankee Farm Credit employees who all are participants in the noncontributory defined contribution plan). Benefits are determined by a formula based on years of service and eligible compensation. The Association also has a noncontributory, unfunded, nonqualified supplemental executive retirement plan (SERP) covering only the CEO. All employees are also eligible to participate in a 401(k) retirement savings plan, which includes a matching contribution by the Association. Employees hired on or after January 1, 2007, receive additional, non-elective employer contributions to the 401(k) retirement savings plan. All retirement-eligible employees hired before January 1, 2013, including senior officers, are also currently eligible for other postretirement benefits, which primarily include access to health care benefits. Substantially all participants pay the full premiums associated with these other health care benefits.

The Association also has a nonqualified deferred compensation plan that allows the CEO, senior officers, and other specified key employees to defer all or a portion of their long-term incentive compensation. In addition, certain senior officers are able to participate in a nonqualified supplemental savings plan enabling them to receive the full benefit, irrespective of IRS limitations, of the Association's noncontributory defined contribution plan. The compensation that is deferred is invested in any number of investment alternatives selected by the participants. These alternatives are either identical or substantially similar to those available to all participants in the Association's 401(k) plan. The participant is subject to all risks and returns of amounts invested. The election to defer is irrevocable and the deferred amounts cannot be paid except in accordance with specified elections as permitted by law. At that time, the participant will receive payment of the amounts credited to his or her account under the plan in a manner that has been specified by the participant. If a participant dies before the entire amount has been distributed, the undistributed portion will be paid to the participant's beneficiary.

CEO COMPENSATION

The CEO's compensation is benchmarked to a select peer group of financial institutions. The Board hires an independent executive compensation consultant to help benchmark total compensation. This evaluation helps ensure that such compensation is competitive with positions of similar scope at similar financial institutions. The Board's Executive Compensation Committee reviews the performance of the CEO annually and reviews it with the Board. The Board of Directors annually approves the CEO compensation level.

In addition to the base salary, the CEO can earn both short-term or bonus incentives and a long-term incentive each year based on pre-established performance goals. The short-term incentive potential for 2024 ranged from 0% to 50% of base salary and are paid in February following the end of the year to which the award is applicable. The board may award the CEO additional bonuses tied to the execution of Farm Credit East's strategic business initiatives at any point within the year. The long-term incentive plan provides the opportunity for financial rewards tied to Farm Credit East's sustained success over a three-year performance period. The three-year performance metrics are established at the beginning of each three-year period by the Board of Directors in connection with the annual business and financial plan. The long-term incentives shown in the chart below are not funded nor held in trust but contractually obligates the Association to make future payments in specified amounts. The cash awards are to be paid subsequent to completion of the three-year performance period cycle. The 2024 long-term opportunity is up to 70% of base salary. Long term incentive plan payments can be deferred if the election is made before the start of the plan year. The CEO's compensation in excess of the Internal Revenue Code is made up for via participation in a nonqualified deferred compensation plan. Contributions are made at the same percentages as available under the 401K plan. The nonqualified deferred compensation plan payment is shown in the Summary Compensation Table below.

As of December 31, 2024, the CEO is employed pursuant to an employment contract which runs through December 31, 2025. The employment agreement provides specified compensation and related benefits in the event employment is terminated, except for termination with cause. The significant provisions of the agreement are that the CEO would be entitled to severance benefits of two years base salary plus any incentives earned in the year of termination. The employment agreement may be extended by mutual agreement of the parties.

SENIOR OFFICER COMPENSATION

The CEO is responsible for setting the compensation levels of the senior officers, who, in turn are responsible for the compensation of all other employees. Annually, the Board's Executive Compensation Committee reviews senior officer compensation policies, plans and overall compensation programs.

The Association's short-term incentive compensation plan features annual payments based on calendar year performance periods. The annual short-term incentive targets are set for all employees at the beginning of the year. For the 2024 performance period, the short-term incentive plan levels for senior officers ranged from 10% to 40% of base salary. Individual performance is also considered in the determination of the amount payable. The short-term incentives shown in the Summary Compensation Table below are paid in February following the end of the year to which the award is applicable. In addition, senior officers can be awarded bonuses for performance related to special projects and execution of strategic initiatives.

The Association's long-term incentive plan provides senior officers and other specified key employees the opportunity for financial rewards tied to Farm Credit East's sustained success over a three-year performance period. The three-year performance metrics are established at the beginning of each three-year period by the Board of Directors in connection with the annual business and financial plan. For the 2024 plan performance period, the long-term plan incentive reward was up to 40% of base salary. The long-term incentives shown in the chart below are not funded nor held in trust but contractually obligates the Association to make future payments in specified amounts. The cash awards are to be paid subsequent to completion of the three-year performance period cycle. Participants in the long-term incentive plan can elect to defer plan payments if the election is made before the start of the plan year.

SUMMARY COMPENSATION TABLE

Compensation earned by the CEO and aggregate compensation of the senior officers for the years ended December 31, 2024, 2023, and 2022, respectively is disclosed in the accompanying table. The senior officers and highly compensated employees included below are those officers defined by FCA regulations section 619.9310 and Section 620.6. Current Board policy regarding reimbursements for travel, subsistence and other related expenses provides that all employees, including senior officers, shall be reimbursed for actual reasonable travel and related expenses incurred while traveling on official Association business. Employees who use their own automobiles for Association business purposes will be reimbursed at a rate that has been established in accordance with IRS guidelines.

The Association provides automobiles to exempt employees with credit or Association-wide management responsibilities. Association employees are allowed to use assigned cars for personal use. All miles, other than those driven for business purposes, as defined by the IRS, are considered personal miles, and are accounted for as a taxable benefit to the employee. A copy of the Association travel policy is available to stockholders upon request.

Summary Compensation Table	2024	2023	2022
Michael J. Reynolds, CEO			
Salary	$ 728,000	$ 700,000	$ 600,000
Short-term Incentive	664,000	550,000	460,000
Long-term Incentive[2]	433,200	355,000	275,000
Change in Pension Value[3]	1,244,879	1,597,536	1,001,779
Deferred/Perquisites[4]	79,625	80,056	69,431
Total	$ 3,149,704	$ 3,282,592	$ 2,406,210
Senior Officers (excluding CEO)[1]			
Salary	$ 2,408,450	$ 2,238,253	$ 1,858,698
Short-term Incentive	1,057,830	790,242	699,000
Long-term Incentive[2]	641,304	539,316	379,360
Change in Pension Value[3]	898,707	901,881	506,767
Deferred/Perquisites[4]	455,617	305,789	287,940
Total	$ 5,461,908	$ 4,775,481	$ 3,731,765

[1] The number of senior officers reflected in this chart in 2024 was twelve, including three who retired in 2024; was nine in 2023 and eight in 2022.

[2] The long-term incentive reflects the amount awarded to these senior officers/highly compensated employees. The amounts are held as a general obligation of the Association and are subject to forfeiture.

[3] Change in pension value represents the change in the vested portion of the present value of the accumulated benefit obligation from the prior fiscal year to the current fiscal year. The change in pension value is generally due to annual changes in compensation, years of service, age, and actuarial assumptions such as the discount rate.

[4] Represents company contributions to a 401(k)retirement savings plan and nonqualified deferred compensation plan, as well as payment of relocation expenses and associated tax impact; the taxable benefit of a company automobile for personal use, as determined by IRS regulations, annual leave, wellness benefits and company paid life insurance benefits.

Disclosure of information on the total compensation during the last fiscal year to any senior officer or any other employee included in the aggregate is available and will be disclosed to stockholders upon request in writing.

PENSION BENEFITS

The table below shows the present value of accumulated benefits payable as of December 31, 2024, to the CEO and aggregate for the senior officers by plan, including the number of years of credited service. The change in composition of the aggregate senior officers can have a significant impact on the calculation of the accumulated pension benefits.

Pension Benefits Table - 2024	Number of Years of Credited Service[2]	Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Michael J. Reynolds, CEO			
CoBank, ACB Retirement Plan	35.33	$ 2,586,543	$ -
Supplemental Executive Retirement Plan	35.33	4,272,731	-
Total		$ 6,859,274	$ -
Senior Officers (excluding CEO)[1]			
CoBank, ACB Retirement Plan	36.10	$ 9,278,953	$ 1,229,906
Total		$ 9,278,953	$ 1,229,906

[1] The number of senior officers/highly compensated employees at December 31, 2024, and reflected in this chart was five

[2] Represents an average for the aggregate senior officer/highly compensated employee group reflected in this chart

The CEO and senior officers hired prior to January 1, 2007, participate in the CoBank, ACB Retirement Plans (except the former Maine and Yankee employees and senior officers hired after January 1, 2007, who are participants in the noncontributory defined contribution plan only). One plan provides a monthly retirement benefit at Normal Retirement Age equal to 1.65% of the 4-year highest average pay multiplied by benefit service up to 35 years plus 1.00% of 4-year highest average pay multiplied by benefit service in excess of 35 years. Average annual pay includes pay that is subject to withholding of Federal taxes plus any amounts contributed under Section 401 (k). Another plan provides a monthly retirement at Normal Retirement Age equal to 1.5% of 60-month highest average pay, plus 0.25% of 60-month highest average pay in excess of Social Security Compensation multiplied by benefit service. Average annual pay includes base salary and non-deferred, short-term incentive annual bonus. The CEO also participates in the CoBank, ACB Farm Credit East Supplemental Executive Retirement Plan to provide benefits to a participant whose benefits in the Retirement Plan are subject to limitations under the Internal Revenue Code.

Each plan provides for early retirement as early as age 55 and 5 years of service but with reductions in the Normal Retirement Benefit. One plan reductions are equal to 3% per year between age 60 and the senior officer's Normal Retirement Age (NRA) and 5% per year between age 55 and age 60. Another plan's reductions are equal to 3% per year between the age at retirement and the senior officer's NRA. Each plan pays benefits in the form of a 5-year certain and life annuity. Optional forms of annuity payment are available on an actuarially equivalent basis. The calculations assume that a lump sum is elected by each participant for each plan.

The present value of the accumulated benefits is based on assumptions and valuation dates that are the same as those used for the valuation of pension liabilities in the 2024 Annual Report. The present value of the accumulated benefits is calculated assuming retirement age to be the earlier of age at 95 points or NRA for Schedule 2 participants and NRA for Schedule 3 participants. The discount rate used is 5.70% as of December 31, 2024. The lump sum basis used for the valuation is 6.00% with the 2025 417(e) mortality table. The potential impact of 415 limits is reflected.

TRANSACTIONS WITH SENIOR OFFICERS

At December 31, 2024, there were no loans outstanding to a senior officer and there were loans outstanding to an immediate family member of three senior officers. All of the loans approved were in the ordinary course of business and remain on the same terms, including interest rates, amortization schedules and collateral as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility. Information regarding related party transactions is incorporated herein by reference from Note 12 of the consolidated financial statements included in this annual report to stockholders.

CODE OF ETHICS

The Association sets high standards for honesty, ethics, integrity, impartiality, and conduct. Each year, every employee certifies compliance with the Association's Employee Standard of Conduct Policy which establishes the ethical standards of the Association. Additionally, all employees certify compliance with the Code of Ethics. The Code of Ethics supplements the Employee Standard of Conduct Policy and establishes additional responsibilities related to the preparation and distribution of the Association's financial statements and related disclosures. For details about the Association's Code of Ethics, visit **FarmCreditEast.com/CodeofEthics**. A copy of the Association's Code of Ethics is available to stockholders upon request.

FARM CREDIT EAST, ACA
DISCLOSURE INFORMATION REQUIRED BY REGULATIONS

In accordance with Farm Credit Administration regulations, Farm Credit East, ACA (the Association) has prepared this Annual Report to Stockholders for the year ended December 31, 2024, in accordance with all applicable statutory or regulatory requirements.

Description of Business
General information regarding the business is incorporated herein by reference to Note 1 of the financial statements included in this annual report to stockholders.

The description of significant developments, if any, required to be disclosed in this section is incorporated herein by reference to "Management's Discussion and Analysis of Financial Position and Results of Operations" included in this annual report to stockholders.

Description of Property
Farm Credit East, ACA is headquartered in Enfield, CT. A listing of Association offices is on the inside back cover of this annual report. All office locations listed are owned by Farm Credit East.

Legal Proceedings and Enforcement Actions
Information regarding legal proceedings is incorporated herein by reference to Note 13 of the consolidated financial statements included in this annual report to stockholders. The Association was not subject to any enforcement actions at December 31, 2024.

Description of Capital Structure
Information required to be disclosed in this section is incorporated herein by reference to Note 8 of the consolidated financial statements included in this annual report to stockholders.

Description of Liabilities
Information required to be disclosed in this section is incorporated herein by reference to Notes 7, 10, 11, 14, 15 and 16 of the consolidated financial statements included in this annual report to stockholders.

Selected Financial Data
"Five Year Summary of Selected Financial Data" included in this annual report to stockholders is incorporated herein by reference.

Management's Discussion and Analysis
"Management's Discussion and Analysis" included in this annual report to stockholders is incorporated herein by reference.

Financial Statements
The "Report of Management," "Report of Audit Committee," "Management's Report on Internal Control over Financial Reporting," "Report of Independent Auditors," "Consolidated Financial Statements," and "Notes to Consolidated Financial Statements," included in this annual report to stockholders, is incorporated herein by reference.

Directors and Senior Officers
"Director Disclosures" and "Senior Officer Disclosures" included in this annual report to stockholders is incorporated herein by reference.

Relationship with Independent Auditors
There were no changes in independent auditors since the prior annual report to stockholders and there has been no material disagreement with our independent auditors on any matter of accounting principles or financial statement disclosure during this period.

Credit and Services to Young, Beginning, Small and Veteran Farmers and Ranchers
"Young, Beginning, Small and Veteran (YBSV) Farmers and Ranchers Program" included in this annual report to stockholders is incorporated herein by reference.

Involvement in Certain Legal Proceedings
There were no matters that came to the attention of the Board of Directors or management regarding involvement of current directors or senior officers in specified legal proceedings that require to be disclosed.

Unincorporated Business Entities
Information required to be disclosed in this section is incorporated herein by reference to Note 12 of the consolidated financial statements included in this annual report to stockholders.

CoBank, ACB Annual Report and Quarterly Reports
As an Association Stockholder, your equity investment in the Association is materially affected by the financial condition and results of operations of the CoBank, ACB (CoBank).

Regulations require that CoBank's Annual and Quarterly Reports be made available to you upon request at no charge. Accordingly, you may pick up a copy of CoBank's Annual and Quarterly Reports at one of our offices or you may call the office to have a copy sent to you. A listing of the Association offices and telephone numbers are listed on the inside back cover of this annual report.

Customer Privacy
Customer financial privacy and the security of your other non-public information are important to us. Farm Credit East holds your financial and other non-public information in strictest confidence. Federal regulations allow disclosure of such information by us only in certain situations. Examples of these situations include law enforcement or legal proceedings or when such information is requested by a Farm Credit System institution with which you do business. In addition, as required by Federal laws targeting terrorism funding and money laundering activities, we collect information and take actions necessary to verify your identity.

FARM CREDIT EAST, ACA

YOUNG, BEGINNING, SMALL AND VETERAN (YBSV) FARMERS AND RANCHERS PROGRAM

OVERVIEW

Farm Credit East, ACA (the Association) takes great pride that its founding Board of Directors (Board) made young, beginning and small farmers a special focus of the Association since its founding in 1994. The Board maintains a standing committee of directors to oversee young, beginning, small, and Gulf War-era II veteran farmer programs and initiatives, as well as planning how to further serve these groups.

MISSION

The Association's Board recognizes that the long-range strength and soundness of Farm Credit East and of the agricultural community depends on individuals entering the industry. It further recognizes that demands for capital and farm and financial management skills can make it difficult to become established in the business. Therefore, we believe that it is in the Association's best interest to assist young, beginning, small and veteran farmers by providing loans and credit related services, and help to provide and encourage their participation in activities that improve farm and financial management skills.

PROGRAM DEFINITIONS

The definitions of young, beginning, small and veteran farmers and ranchers is as follow:

- Young - A farmer, rancher, producer or harvester of aquatic products who is 35 years or younger as of the loan transaction date.
- Beginning - A farmer, rancher, producer or harvester of aquatic products who has 10 years or less farming experience as of the loan transaction date.
- Small Farmer - A farmer, rancher, producer or harvester of aquatic products who normally generates less than $350,000 in annual gross sales of agricultural or aquatic products.
- Veteran - Gulf War-era II veterans having served in US Forces anywhere in the world at any time since September 2001.

OBJECTIVES

Young, beginning, small and veteran farmers are a vital part of agriculture and Farm Credit East is proud to provide innovative products and services that contribute to their success. In 1995, the Board created a committee to develop and oversee a program to assist young, beginning and small farmers, regarding this as one of the core values of the Farm Credit East association. The Board was proud to expand their outreach to Gulf War-era II veterans in 2013 and FFA in 2015.

SERVICES PROVIDED

There are several credit and other related services offered through the Board approved YBSV Program that allows Farm Credit East to effectively serve the needs within the young, beginning, small and veteran customer segments:

- Special incentives that may be offered at a discount for a period of up to five years include:
  - Farm accounting and management software fees
  - Tax preparation fees
  - Consulting fees
  - Appraisal fees
  - FSA guaranteed loan fees
  - Interest rate assistance

Farm Credit East's special incentives were $418,797, $434,865, and $396,957 for the years ended December 31, 2024, 2023 and 2022, respectively.

- Since 2006, resources have been offered to organizations, schools and universities for special training and educational programs utilizing the Farm Credit East developed *Harvesting a Profit* guide.
- Farm Credit East provides support, funding, and staff involvement in programs such as FFA, the North American Intercollegiate Dairy Challenge, and other programs at educational institutions.
- Representation by YBS farmers on Farm Credit East's Customer Service Councils. These councils provide customer feedback and function as a liaison to association management.
- A portion of the young, beginning, and small loan portfolio is supported by government guarantees, including guarantees by the USDA's Farm Services Agency (FSA) guaranteed loan program. Provided below are statistics related to government guarantees usage within the YBS portfolio.

	Government Guaranteed Young, Beginning and Small Farmer Loans		New Government Guaranteed YBS Loans (Originated in 2024)	
	Number	Volume *	Number	Volume *
Young	303	$ 99,619	32	$ 15,301
Beginning	323	$ 98,729	37	$ 15,577
Small	297	$ 53,041	23	$ 7,121

** in thousands*

- Farm Credit East works closely with the New York State Link Deposit Program which reduces the effective interest rate paid on loans for qualifying projects.
- In 2024, Farm Credit East's scholarship program awarded scholarships to 41 students pursuing courses of study related to agriculture, forest products or fishing.

- Farm Credit East provides a series of annual seminars that focus on developing skill sets of YBS farmers, including the GenerationNext seminar series which had 97 participants in both in-person and virtual formats in the winter of 2024-25. The program had 91 participants in 2023-24.
- Receiving regulatory authority in late 2005, Farm Credit East secured a partner (CoBank, ACB) and chartered FarmStart, LLP (FarmStart). At December 31, 2024, Farm Credit East has an equity investment in FarmStart of $1.4 million. FarmStart assists beginning farmers and new cooperatives by providing investments of working capital up to $75,000. At December 31, 2024, FarmStart has 93 investments with an outstanding balance of $2.1 million. Since inception, FarmStart has made 403 investments totaling $19.4 million.

DEMOGRAPHICS

The local service area of Farm Credit East, ACA includes the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont. Demographic data for young, beginning and small farmers was taken from the USDA's 2022 Census of Agriculture, released in 2024. The census is conducted every five years. It showed the following:

Percentage Levels in Farm Credit East Lending Territory Expressed as a % of Total Farms

Young	Beginning	Small
13.5%	35.1%	90.6%

Farm Credit East periodically has undertaken a study of the young, beginning, small farmer segment. This study makes a determination of Association penetration of young, beginning and small farmers utilizing information reported in the 2022 Census of Agriculture to better ascertain Farm Credit East's penetration of these market segments. The following table shows Farm Credit East's percentage in each market segment compared to the overall portfolio:

Penetration Levels in Farm Credit East Portfolio December 31, 2024

Young	Beginning	Small
25%	39%	49%

Farm Credit East penetration is determined based on the number of loans to a specified group as a percentage of total loans.

YOUNG, BEGINNING AND SMALL FARMER VOLUME IN FARM CREDIT EAST'S LOAN PORTFOLIO

The following table outlines the percentage of young and beginning farmer and rancher loans in the loan portfolio (by number and volume) as of December 31, 2024, compared to total number of loans in the portfolio:

Category	Number of Loans	% of Total Loans	Volume Outstanding *	% of Total Volume
Total Loans and Commitments	24,182	100%	$ 14,730	100%
Young Farmers and Ranchers	6,136	25%	$ 1,975	13%
Beginning Farmers and Ranchers	9,544	39%	$ 2,707	18%

* *in thousands*

The following table provides a breakdown of small farmer and rancher loans by size as of year-end 2024:

Number / Volume Outstanding	$0 - $50,000	$50,000 - $100,000	$100,000 - $250,000	>$250,000
Total # of Loans and Commitments	4,994	4,724	6,630	7,834
Total # of Loans to Small Farmers / Ranchers	3,084	2,906	3,667	2,299
# of Small Loans as a % of Total # of Loans	62%	62%	55%	29%
Total Loans and Commitments Outstanding*	$ 149,984	$ 376,068	$ 1,129,469	$ 13,074,924
Total Volume and Commitments to Small Farmers / Ranchers *	$ 94,800	$ 228,852	$ 607,693	$ 1,132,799
Loan Volume to Small Farmers / Ranchers as a % of Total Loan Volume	63%	61%	54%	9%

* *in thousands*

GOALS AND RESULTS

As part of Farm Credit East's planning process, annual quantitative and qualitative goals are established.

The table below outlines the Association quantifiable goals under YBS loan commitments for 2024 and compares actual results to those goals:

	Young	Beginning	Small
12/31/2024 GOAL	**5,600**	**8,600**	**11,400**
12/31/2024 ACTUAL	6,136	9,544	11,956
2024 as a % of GOAL	110%	111%	105%

The numbers listed above do not include any investments made under FarmStart, LLP.

Farm Credit East has established the following quantifiable and quantitative goals under YBS loan commitments for 2024 and forward.

	Young	Beginning	Small
12/31/2024	5,600	8,600	11,400
12/31/2025	5,800	8,800	11,600
12/31/2026	6,000	9,000	11,800
12/31/2027	6,200	9,200	12,000
12/31/2028	6,400	9,400	12,200

Farm Credit East YBSV 2025 qualitative goals address credit, collaboration, financial services and educational assistance, to include:

- Continue incentive programs including interest rate reductions, payment of FSA guarantee fees and fee reductions on financial services in order to facilitate the entry of new farmers while deepening their financial management skills and to make Farm Credit their service provider of choice.
- Provide scholarships for students pursuing a career in agriculture and FFA Supervised Agricultural Experience (SAE) projects and continue the *Farm Credit East Agricultural Leadership and Excellence Program* supporting leadership and development opportunities for customers.
- Provide scholarships and program support for secondary agricultural education teachers through Farm Credit East's partnership with the Curriculum for Agricultural Science Education (CASE) and continue to partner with CASE on adoption of the agricultural business foundations course which Farm Credit East funded.
- Support funding, staff involvement and direct training resources for programs hosted by universities and other organizations.
- Allow for "licensing arrangements" with organizations such as Cornell's Small Farms Program and also its Beginning Farmer Program for use of Farm Credit East's *Harvesting a Profit* program focused on developing beginning farmers' skills.
- Actively support federal and state programs and related efforts when their objectives and execution are aligned with the Farm Credit mission, such as programs that provide financial incentives to YBSV borrowers or offer grant funding.
- Local grassroots involvement by local staff in organizations such as FFA, 4-H, young farmers associations, state Agri-Women chapters, etc. Seek additional representation by YBSV farmers on Association Customer Service Councils.
- Work closely with veterans' groups within the LSA such as the New York chapter of the Farmer Veteran Coalition.
- In addition to advertisements in publications intended to reach YBSV farmers, there is also an increased focus on targeted digital advertisements to reach this customer segment and platforms such as the association's *Today's Harvest* blog which includes topics such as financial management and grant programs that might be of interest to YBSV producers.
- Farm Credit East will continue to administer the Farm Credit Northeast AgEnhancement Program, which considers applications for funding for projects that support both agricultural groups and educating the non-farm public on Northeast agriculture. Funding is also available for young, beginning and small farm programming, such as regional conferences and beginning farmer education that can enhance the viability of Northeast agriculture or provide new opportunities for startup agricultural businesses.
- Through AgEnhancement and other types of financial support and outreach efforts, use YBSV programs as part of Farm Credit East's efforts to promote diversity and inclusion in agriculture.

FARM CREDIT EAST, ACA
CUSTOMER SERVICE COUNCIL MEMBERS

The Farm Credit East Board of Directors has established a system of Customer Service Councils (CSC) representing its 23 locations. The CSCs are comprised of a cross section of stockholders and other members of the agricultural community who meet with Association leaders two to three times annually to provide feedback and input on a variety of topics. This is in keeping with Farm Credit East's strategic vision of retaining a strong grassroots network and maintaining a strong local presence throughout its territory.

The track record of the CSCs has been very positive as the Farm Credit East team has received invaluable feedback on a wide variety of topics, with many CSC members eventually serving on the board of directors. The board and management sincerely appreciate the contribution of the CSC members listed below and look forward to their continued feedback and input. In 2025, these multiple councils will be combined to form seven regional advisory committees, with the same goal of providing invaluable grassroots feedback.

AUBURN, MAINE
Duncan Barker, Leeds, ME
Ross Belanger, Lewiston, ME
Libby Bleakney, Cornish, ME
Ross Burgess, New Gloucester, ME
Benjamin Carlisle, Bangor, ME
Peter Carrier, Skowhegan, ME
James Crane, Exeter, ME
Thomas Estabrook, Yarmouth, ME
Joel Gilbert, Livermore, ME
Robert Linkletter, Athens, ME
Matthew Manson, Minot, ME
Jacob Pierson, Biddeford, ME
Charles Rackley, Bowdoinham, ME

BATAVIA, N.Y.
Robert Brown, Waterport, NY
Jill Gould, Pavilion, NY
Thomas Jeffres, Wyoming, NY
Matthew Lamb, Oakfield, NY
Brad Macauley, Geneseo, NY
Andrew Milleville, Lockport, NY
Maxwell Russell, Appleton, NY
Jason Schwab, Delevan, NY
Jason Swede, Piffard, NY
Douglas Walker, Wayland, NY

BEDFORD, N.H.
Nicholas Brunet, Auburn, NH
Kathleen Donald, Brentwood, NH
Joseph Golter, Greenland, NH
Leigh Hardy, Hollis, NH
Robert Johnson, Pittsfield, NH
James Robertson, Contoocook, NH
Daniel Skehan, Newton, MA
Emily Sliviak, Temple, NH
H. Michael Smolak, North Andover, MA
R. Stewart Yeaton, Epsom, NH

BRIDGETON, N.J.
James Brown, Woodstown, NJ
John Coombs, Elmer, NJ
Byron DuBois, Pittsgrove, NJ
Ronald Fisher, Hammonton, NJ
Edward Overdevest, Bridgeton, NJ
Anthony Russo IV, Tabernacle, NJ
Thomas Sheppard, Cedarville, NJ

BURRVILLE, N.Y.
Eric Behling, Mexico, NY
Jonathan Beller, Carthage, NY
Deborah Biondolillo, Calcium, NY
David Fralick, Cape Vincent, NY
Shari Lighthall, Croghan, NY
Lynn Murray, Copenhagen, NY
Ronald Robbins, Sackets Harbor, NY
David Rudd, Lacona, NY

CLAVERACK, N.Y.
David Becker, Rensselaer, NY
Ulderic Boisvert, Albany, NY
Cassandra Chittenden, Schodack Landing, NY
Benjamin Freund, East Canaan, CT
Robert Graves, Schenectady, NY
Michael Lischin, Pine Plains, NY
Jared McCool, Bethlehem, CT
George Motel, Goshen, CT
Dale Riggs, Stephentown, NY
Jacob Samascott, Kinderhook, NY
Eric Sheffer, Hoosick Falls, NY
Philip Trowbridge, Ghent, NY
Lloyd Vaill, Pine Plains, NY
Emily Watson, Poughkeepsie, NY

COOPERSTOWN, N.Y.
John Balbian, Amsterdam, NY
David Curtin, Cassville, NY
Christopher Fredericks, Little Falls, NY
Lukas George, Whitesboro, NY
Christopher Hoefele, Fonda, NY
Ryan Kelly, Fultonville, NY
H. William Michaels, Fly Creek, NY
Colm Ryan, Hobart, NY
Lisa Rutte, Morris, NY

CORTLAND, N.Y.
Karl Bitz, Skaneateles, NY
Catherine Blackler, Skaneateles, NY
John Gates, Burdett, NY
Lee Hudson, Camillus, NY
Joel Riehlman, Tully, NY

DAYVILLE, CONN.
John Bennett, Putnam, CT
Jan Eckhart, Middletown, RI
John Eidson, Wakefield, RI
Bowman Geer, Griswold, CT
Samuel Hull, Union, CT
Cathryn Kennedy, North Smithfield, RI
Anthony Moschini, Spencer, MA
John Nunes, Middletown, RI
Ellen Puccetti, North Smithfield, RI
James Smith, Lebanon, CT

DERBY AND WHITE RIVER JUNCTION, Vt.
Amanda Andrews, Barre, VT
Paul Gingue, Waterford, VT
Todd Hardie, Greensboro Bend, VT
Samuel Lincoln, Randolph, VT
Elizabeth McNamara, Plainfield, NH
Jon Ramsay, Hardwick, VT
John Sprague, Brookfield, VT
Stephen Wheeler, Derby, VT
Lance Wood, Shoreham, VT

ENFIELD, CONN.
Stephen Basile, Granby, CT
John Casertano, Cheshire, CT
Edward Kasheta, South Windsor, CT
Roland Leclerc, Belchertown, MA
Kurt Lindeland, West Suffield, CT
Donald Patterson, Sunderland, MA
Karen Randall, Ludlow, MA
Ryan Van Wilgen, North Branford, CT

FLEMINGTON, N.J.
Kurt Alstede, Chester, NJ
Lisa Applegate, Freehold, NJ
Stephen Barlow, Sea Girt, NJ
David Brill, New Vernon, NJ
Scott Daum, Jackson, NJ
James Elliot, Middletown, NJ
Steven Gambino, Phillipsburg, NJ
Panagis Hionis, Green Brook, NJ
Steven Jany, West Windsor Township, NJ
Richard Klevze, Ringoes, NJ
Michael Prol, Franklin Township, NJ
Michael Puglisi, Howell, NJ

GENEVA, N.Y.
Kimberly Aliperti, Geneva, NY
Barbara Bauman, Webster, NY
Thomas Coen, Ontario, NY
Matthew Doyle, Hammondsport, NY
John Mueller, Clifton Springs, NY
Robert Norris, Savannah, NY
Adam Young, Union Springs, NY

GREENWICH, N.Y.
Charles Hanehan, Saratoga Springs, NY
John Hoogeveen, Stillwater, NY
David Horn, Greenwich, NY
Rebecca King, Schuylerville, NY
Ian Murray, Ballston Spa, NY
Shane Nolan, Cambridge, NY
Willard Peck, Schuylerville, NY
Sean Quinn, Schaghticoke, NY

HORNELL, N.Y.
Jonathan Burns, Hornell, NY
Darleen Krisher-Meehan, Andover, NY
Andrew Merry, Arkport, NY
Jamie Place, Canisteo, NY
Daniel Schumacher, Wayland, NY
Shane Slayton, Hornell, NY
David Votypka, Wayland, NY
John Wallace, Cohocton, NY
Kyle Weaver, Bath, NY

MAYVILLE, N.Y.
Nathan Blesy, Springville, NY
Robin Degenfelder, Cattaraugus, NY
Stephen Falcone, Silver Creek, NY
Jack Jones, Frewsburg, NY
Loretta Jones, Frewsburg, NY
Bailey Jordan, Portland, NY
Kevin Powell, Portland, NY
Abram Rak, Fredonia, NY
Samuel Sheehy, North Collins, NY
Gregory White, Clymer, NY

MIDDLEBORO, MASS.
Dawn Allen, Rochester, MA
John Bartlett, Nantucket, MA
Marjorie Beaton-Kane, Lakeville, MA
Richard Burnet, Plympton, MA
Fred Jenkins, Barnstable, MA
Kevin McLaughlin, Fairhaven, MA
Matthew Piscitelli, Bridgewater, MA
John Risso, Plymouth, MA
William Stearns IV, Carver, MA

MIDDLEBURY AND ST. ALBANS, Vt.
Alyson Eastman, Orwell, VT
Wayne Hurtubuise, Richford, VT
Joshua Lucas, Orwell, VT
Emma Marvin, Morrisville, VT
William Nop, Salisbury, VT
Jacques Parent, Swanton, VT
William Suhr, Shoreham, VT

MIDDLETOWN, N.Y.
Wisner Buckbee, Jr., Warwick, NY
Richard Byma, Sussex, NJ
Steven Clarke, Milton, NY
Douglas Davenport, Kingston, NY
Gregory DeBuck, Pine Island, NY
Jason Grizzanti, Warwick, NY
John Kelder, Accord, NY
Charles Lain, Westtown, NY
John Lupinski, Goshen, NY
Patricia Southway, Otisville, NY

POTSDAM, N.Y.
Mark Akins, Lisbon, NY
Ryan Akins, Lisbon, NY
Andrew Brice, Dekalb Junction, NY
Daniel Chambers, Heuvelton, NY
Blake Gendebien, Ogdensburg, NY
Patricia Gilbert, Potsdam, NY
Darren Laurie, Nicholville, NY
Natalie McKnight, Chase Mills, NY
Michael Murphy, Malone, NY
Patrick Smith, Canton, NY

PRESQUE ISLE, MAINE
Barry Buck, Mapleton, ME
Bret Butler, Caswell, ME
Benjamin Corey, Monticello, ME
Jacob Dyer, Monticello, ME
Matthew Griffeth, Limestone, ME
Jamison Hagan, Houlton, ME
Jay LaJoie, Van Buren, ME
Nick Mccrum, Washburn, ME
Logan McLaughlin, Mars Hill, ME
Steve Ouellette, Fort Kent Mills, ME
Emily Smith, Westfield, ME
Brian Souers, Lincoln, ME

RIVERHEAD, N.Y.
Karl Auwaerter, Blue Point, NY
Louis Caracciolo, Laurel, NY
Eddy Creces, Sands Point, NY
Sarah Gabrielsen, Jamesport, NY
Adam Halsey, Water Mill, NY
Edward Harbes, Mattituck, NY
Eve Kaplan-Walbrecht, Aquebogue, NY
Cristina Kawasaki-Sheehan, East Moriches, NY
Norman Keil, Saint James, NY
Robert Nolan, Patchogue, NY

SENIOR OFFICERS

Michael J. Reynolds	President and Chief Executive Officer
Dario G. Arezzo	Executive Vice President and Chief Financial Services Officer
Briana S. Beebe	Executive Vice President and Chief Operating Officer
Janice P. Bitter	Executive Vice President and Chief Communications Officer
Alena C. Gfeller	Executive Vice President, General Counsel and Corporate Secretary
Andrew N. Grant	Executive Vice President and Chief Financial Officer
Ryan S. Hrobuchak	Executive Vice President and Chief Risk Officer
Daniel A. Nicholson	Senior Vice President and Chief Audit Executive
William P. Kohler	Executive Vice President and Chief Information Officer
David H. Pugh	Executive Vice President and Chief Lending Officer

BOARD OF DIRECTORS

John P. Knopf, Chair	Elected	Dairy	Canandaigua, NY
LouAnne F. King, Vice Chair	Elected	Dairy	Madrid, NY
Michael N. Brooks	Elected	Vegetable	Elmer, NJ
David F. Folino	Elected	Maple Syrup	Starksboro, VT
Laurie K. Griffen	Elected	Sod	Stillwater, NY
Philip J. Jones	Elected	Ag Retail	Shelton, CT
Brett D. Kreher	Elected	Poultry & Eggs	Clarence, NY
Joseph W. McWatters	Appointed	At Large	Hamburg, NY
James A. Robbins II	Elected	Forestry	Searsmont, ME
Lisa P. Sellew	Elected	Nursery	Lebanon, CT
Douglas W. Shelmidine	Elected	Dairy	Adams, NY
Kyle Thygesen	Elected	Dairy	Tunbridge, VT
Peter H. Triandafillou	Appointed	Customer	Orono, ME
Amy L. Walker-Bailey	Elected	Dairy	Fort Ann, NY
Terry R. Zittel	Elected	Vegetables	Eden, NY

Auburn, ME
615 Minot Avenue
Auburn, ME 04210-4052
800.831.4230 / 207.784.0193
Credit: Shannon Webber
Financial Services: Josh Volta

Batavia, NY
4363 Federal Drive
Batavia, NY 14020-4105
800.929.1350 / 585.815.1900
Credit: Patrick Coates
Financial Services: Gregg McConnell

Bedford, NH
2 Constitution Drive
Bedford, NH 03110-6010
800.825.3252 / 603.472.3554
Credit: Shannon Webber
Financial Services: Josh Volta

Bridgeton, NJ
29 Landis Avenue
Bridgeton, NJ 08302-4396
800.219.9179 / 856.451.0933
Credit: Stephen Makarevich
Financial Services: Tim Slavin

Burrville, NY
25417 NY Route 12
Watertown, NY 13601-5730
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Credit: Michael Haycook
Financial Services: Emilee English

Claverack, NY
190 State Route 9H
Hudson, NY 12534-3819
800.362.4404 / 518.851.3313
Credit: Stephen Makarevich
Financial Services: Tim Slavin

Cooperstown, NY
7397 State Highway 80
Cooperstown, NY 13326-3307
800.762.3276 / 607.282.3002
Credit: Michael Haycook
Financial Services: Emilee English

Cortland, NY
One Technology Place
Homer, NY 13077-1526
800.392.3276 / 607.749.7177
Credit: Stephen Tudhope
Financial Services: Erin Tones

Country Living
7397 State Highway 80
Cooperstown, NY 13326-3307
800.762.3276 / 607.282.3002
Director: Ted Black

Crop Growers
One Technology Place
Homer, NY 13077-1526
800.234.7012
Leader: Triva Haycook

Dayville, CT
785 Hartford Pike
Dayville, CT 06241-1739
800.327.6785 / 860.774.0717
Credit: Cynthia Stiglitz
Financial Services: Michele Murray

Derby, VT
250 Commerce Way
Newport, VT 05855 (Mailing)
Derby (Physical), VT 05829
800.370.2738 / 802.334.8050
Credit: Kristi Wood
Financial Services: Emilee English

Enfield, CT
240 South Road
Enfield, CT 06082-4451
800.562.2235 / 860.741.4380
Credit: Cynthia Stiglitz
Financial Services: Michele Murray

Flemington, NJ
9 County Road 618
Lebanon, NJ 08833-3028
800.787.3276 / 908.782.5215
Credit: Stephen Makarevich
Financial Services: Tim Slavin

Geneva, NY
1450 Route 14
Phelps, NY 14532-9542
800.929.7102 / 315.781.7100
Credit: Stephen Tudhope
Financial Services: Erin Tones

Greenwich, NY
394 State Route 29
Greenwich, NY 12834-2650
800.234.0269 / 518.692.0269
Credit: Kristi Wood
Financial Services: Emilee English

Hornell, NY
1155 Airport Road
Hornell, NY 14843-9144
800.929.2025 / 607.324.2020
Credit: Patrick Coates
Financial Services: Gregg McConnell

Mayville, NY
28 E. Chautauqua Street
Mayville, NY 14757-0163
800.929.2144 / 716.451.1063
Credit: Patrick Coates
Financial Services: Gregg McConnell

Middleboro, MA
67 Bedford Street
Middleboro, MA 02346
800.946.0506 / 508.946.4455
Credit: Cynthia Stiglitz
Financial Services: Josh Volta

Middlebury, VT
320 Exchange St.
Middlebury, VT 05753
800.545.1169 / 802.388.2692
Credit: Kristi Wood
Financial Services: Emilee English

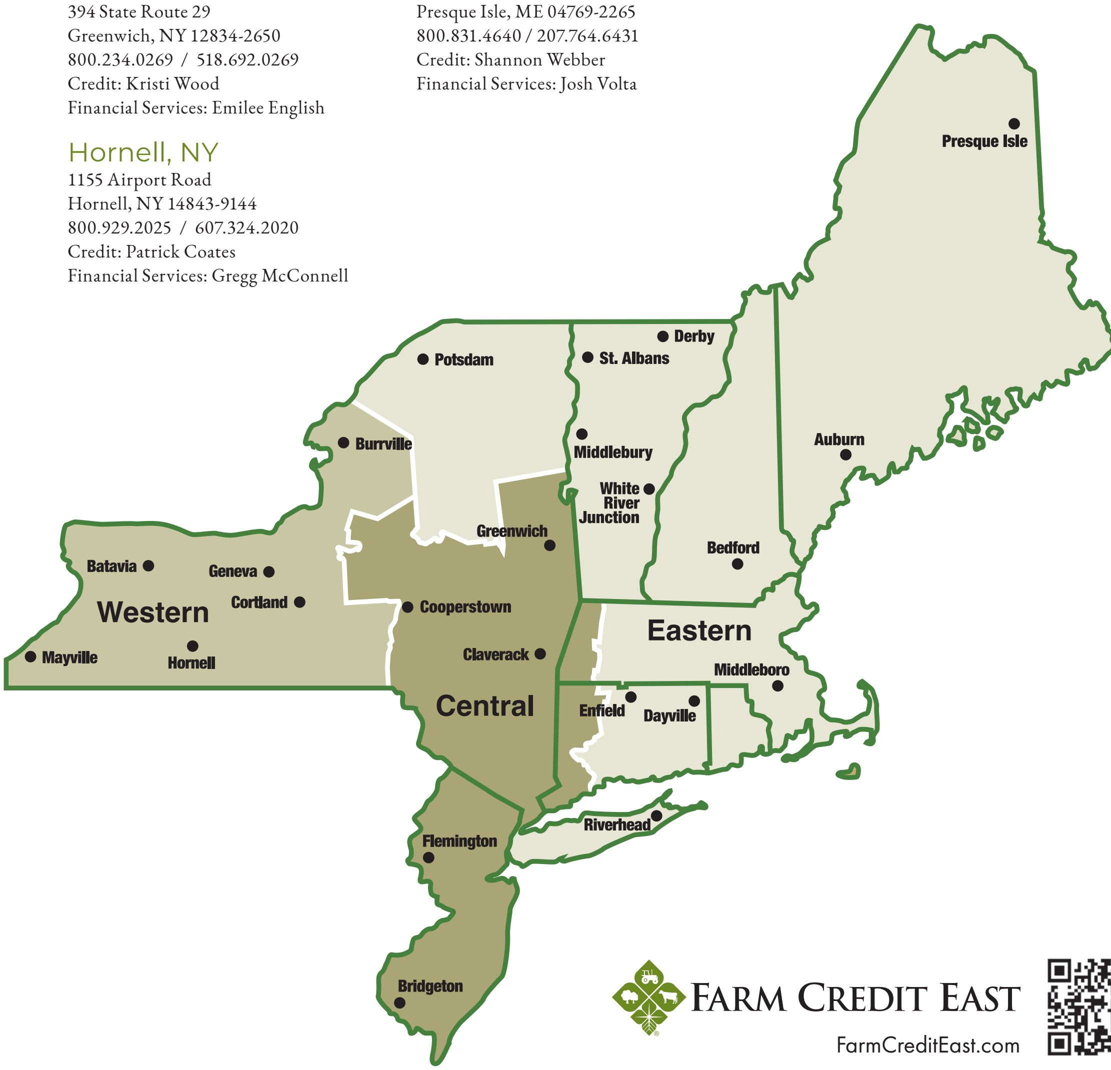
Potsdam, NY
One Pioneer Drive
Potsdam, NY 13676-3273
800.295.8431 / 315.265.8452
Credit: Michael Haycook
Financial Services: Emilee English

Presque Isle, ME
26 Rice Street
Presque Isle, ME 04769-2265
800.831.4640 / 207.764.6431
Credit: Shannon Webber
Financial Services: Josh Volta

Riverhead, NY
1281 Old Country Road
Riverhead, NY 11901-2097
800.890.3028 / 631.727.2188
Credit: Cynthia Stiglitz
Financial Services: Michele Murray

St. Albans, VT
130 Upper Welden St.
St. Albans, VT 05478
800.545.1097 / 802.524.2938
Credit: Kristi Wood
Financial Services: Emilee English

White River Junction, VT
52 FarmVu Dr.
White River Jct., VT 05001
800.370.3276 / 802.295.3670
Credit: Kristi Wood
Financial Services: Emilee English



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