ROOTED IN PARTNERSHIP

Growing for Tomorrow

AgriBank
FARM CREDIT BANK

AgriBank 2024 Annual Report

Who We Are

AgriBank supports local Farm Credit Association lenders, and, together, our cooperative network helps fulfill the Farm Credit mission to support rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow.

AgriBank is part of the customer-owned, nationwide Farm Credit System. Under Farm Credit's cooperative structure, AgriBank is primarily owned by local Farm Credit Associations, which provide financial products and services to rural communities and agriculture. AgriBank obtains funds and provides funding and financial solutions to those Associations. AgriBank and those Associations compose the AgriBank District. The District covers a 15-state area stretching from Wyoming to Ohio and Minnesota to Arkansas. For more information, visit www.AgriBank.com.

Farm Credit supports rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow. It has been fulfilling its mission of helping rural America grow and thrive for more than a century with the capital necessary to make businesses successful and by financing vital infrastructure and communication services. For more information, visit www.FarmCredit.com.

Copies of AgriBank, FCB's annual and quarterly reports and the AgriBank District annual and quarterly unaudited financial information are available free of charge upon request to:

AgriBank, FCB | 30 E. 7th St., Suite 1600 | St. Paul, MN 55101-4914
(651) 282-8800 | FinancialReporting@AgriBank.com

The reports are also available through AgriBank's website at www.AgriBank.com. The quarterly reports are available approximately 40 days following the end of each calendar quarter, and the annual reports are available approximately 75 days following the end of the calendar year.

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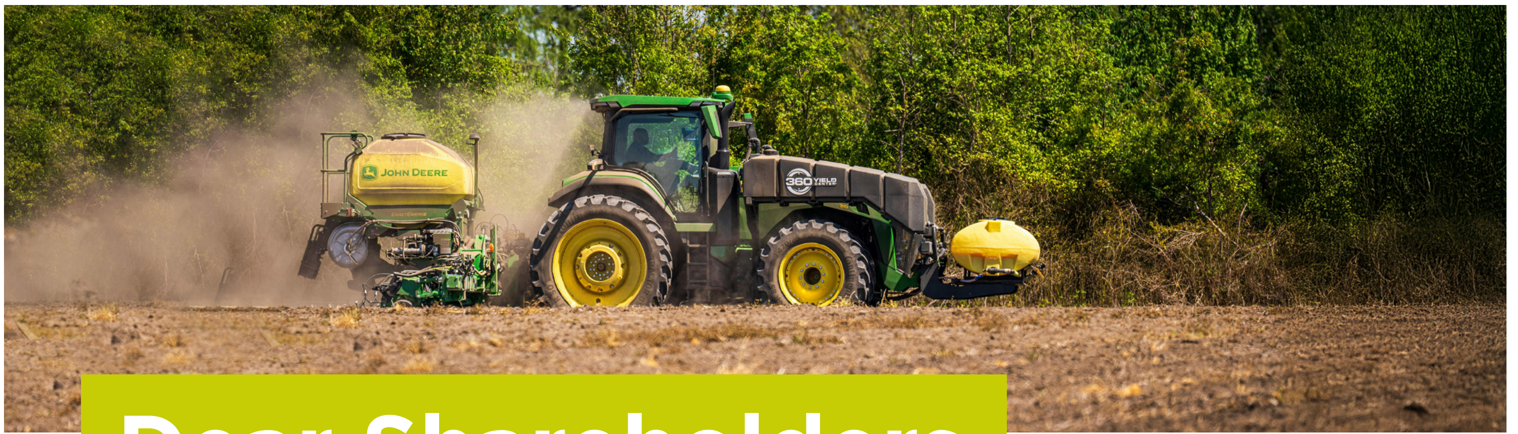


Dear Shareholders

Loan growth demonstrates that we are fulfilling the mission today, and growth of capital will allow us to fulfill the mission tomorrow.

Agricultural producers and other business leaders generally agree that growth is good. Growth enables business operators to invest in resources, expand their range of products or services, seize new sales opportunities, attract new customers, and gain competitive advantage. Growth helps them achieve economies of scale, boosting productivity and profitability. And it can provide the financial stability to steer through a fluctuating marketplace or broader economic shifts. In our Farm Credit cooperative network—which is dedicated to supporting rural communities and agriculture with reliable, consistent credit and financial services—loan growth demonstrates that we are fulfilling the mission today, and growth of capital will allow us to fulfill the mission tomorrow.

Of course, growth doesn't come easily. In addition to offering opportunities, it carries risks. It takes knowledge and know-how to plan for the appropriate level of growth, and to innovate new and more efficient ways of doing business. And growth requires capital to invest in the necessary people, technology, and security, and to navigate through inflation and other financial challenges. Planned growth is no guarantee—business and economic complexities and uncertainties challenge even the best financial forecasters. Sustained strong growth across our 15-state AgriBank District presents its own set of challenges, as AgriBank and each of our 11 Farm Credit Association-owners face different operating circumstances, yet we all share significant financial interdependencies.

Jeff Swanhorst
Chief Executive Officer, AgriBank

Stan Claussen
Chair, AgriBank

At AgriBank, our 2024 financial results demonstrate that we are *Growing for Tomorrow.* This growth came on stronger and faster than we anticipated, yet the financial tenets of our Funding Bank Model still apply.

At AgriBank, our 2024 financial results demonstrate that we are *Growing for Tomorrow*. This growth came on stronger and faster than we anticipated, yet the financial tenets of our Funding Bank Model still apply, as we:

- **Charge what we need**—generate income that allows us to balance cost discipline with making strategic investments, charging the lowest possible spread to our Association-owners
- **Keep what we must**—maintain the lowest level of capital, consistent with our model, to ensure our safety and soundness over the long term, while meeting all regulatory minimums and buffers
- **Return the rest**—share financial success by paying all excess funds to our Association-owners through patronage

The model is working, and AgriBank remains wholly committed to it. During the past year, less net income was available to pay patronage to our Association-owners because of significant growth and greater retained capital in the form of unallocated retained earnings (URE) to meet capital targets. We understand the implications to our Association-owners from this result and are focused on ensuring the model continues to benefit the entire AgriBank District. We're in this together.

Rooted in Partnership, AgriBank and our Association-owners have been working closely together to review and refine our Funding Bank Model. The AgriBank Board of Directors and Executive Leadership Team are committed to continued collaboration with Association-owners along with greater communication and transparency to ensure the model continues to meet their needs and expectations, including the patronage we pay.

Strong financial performance reflects model, Association success

AgriBank's continued stable and strong financial position and increasing net income results reflect our Funding Bank Model structure and the financial strength and operating performance of our Farm Credit Association-owners.

- Net interest income was $1.1 billion for the year, up $77.3 million, or 7.8 percent, compared to the prior year.
- Reflecting the strength of the underlying portfolios of Association retail loans, AgriBank's credit quality remains strong. AgriBank's portfolio included 99.4 percent of loans classified as acceptable as of December 31, 2024 and 2023.
- Total loans were $164.7 billion at December 31, 2024, up $16.1 billion, or 10.7 percent, compared to December 31, 2023. This increase was attributable to strong growth in our wholesale portfolio as Associations continue to fulfill the Farm Credit mission. We also experienced growth in our retail portfolio from expanded participation in asset pool programs.
- Total capital remained strong at $9.5 billion as of December 31, 2024, up $879.9 million, or 10.3 percent, compared to December 31, 2023.
- AgriBank shared this financial success by returning $699.8 million in earnings to our Association-owners in the form of cash and stock patronage distributions. Due to significant growth requiring greater retained capital to meet AgriBank's capital plan requirements, cash and stock patronage distributions were $164.6 million lower than in the previous year.

AgriBank's growth directly correlates to the success of our Association-owners in supporting the needs of farmers, ranchers and other borrowers. As Associations meet borrower demand, AgriBank meets Association funding requirements. AgriBank is well-positioned to continue meeting those needs, which is our principal role under our Funding Bank Model.

AgriBank's growth directly correlates to the success of our Association-owners in supporting the needs of farmers, ranchers and other borrowers.

Since 2017, AgriBank has paid $2.0 billion more in patronage than it would have under the previous model.

Growth, capital and patronage: an intricate web

The relationship between growth, capital and patronage is inextricably linked. Strong growth requires greater aggregate capital, including unallocated capital retention to maintain our financial position, which results in less earnings available for patronage. Notwithstanding 2024 patronage results, the adoption of the current Funding Bank Model in 2017 has resulted in substantially higher patronage than the previous model. Since 2017, AgriBank has paid $2.0 billion more in patronage than it would have under the previous model.

During the past five years, our Association-owners have seen tremendous loan growth due to strong borrower demand. As a result, AgriBank's loan volume has increased in order to meet Associations' funding needs, resulting in annual average daily balance loan growth near or above 10 percent over this period. Meanwhile, AgriBank aims to maintain a minimum 1.80 percent unallocated retained earnings or equivalents (UREE) leverage ratio under the Bank's capital plan. The higher the growth rate, the greater earnings must be retained.

For our Association-owners, a primary challenge is how to provide equity capital for high rates of growth that may persist. Meanwhile, the District operating philosophy of maintaining adequate capital and earnings at the Bank and passing through all available income to our Association-owners has increased patronage volatility. Greater use of asset pools and/or preferred stock issuances would allow for higher District growth rates. Conversely, significantly lower loan volume growth could eventually present operating cost challenges at the Bank and/or Associations.

For several decades, neither AgriBank nor our Association-owners have faced equity capital constraints. However, factors such as sustainable loan growth and regulatory changes in capital thresholds may require us to manage capital deployment more judiciously. Whatever capital strategies we implement, our Association-owners will be part of the decision-making process. We are listening to concerns and ideas. Our goal is not to hold excess capital or maximize profit at the Bank; rather, it is to optimize the use of District capital while complying with Bank capital requirements to ensure the District's safety and soundness.

Our commitment to communication and transparency extends to operating costs, including technology expenditures.

Our commitment: improved communication and financial planning

AgriBank's 2024 financial results, which yielded lower wholesale patronage compared to recent years and financial forecasts, required mid-year forecast adjustments and an increase in the wholesale loan add-on spread. A variety of factors kept our initial projections from being spot-on. Going forward, AgriBank is committed to engaging in a greater degree of coordination with our Association-owners throughout the Bank's business planning, financial forecasting and sensitivity analysis processes.

We already are following through on this commitment. A Funding Bank Model Strategic Review is under way with participation by AgriBank and all 11 Association-owners, including a workgroup composed of CEOs and chief financial officers representing our Association-owners. Any key changes to the business model will reflect Districtwide collaboration.

Our commitment to communication and transparency extends to operating costs, including technology expenditures. In early 2025, AgriBank issued a report detailing our anticipated 2025 technology spend, including details on build costs for our share of SunStream Business Services' Program PLANT (Premiere Loan Accounting & Next-gen Technology) and providing greater transparency to our Association-owners. We will continue to be accountable for our expense structure.

Board members and management also have a number of other avenues to maintain communication on a regular or as-needed basis. The Board Stockholder Engagement Framework continues, providing Bank and Association board members and management opportunities to meet face-to-face to discuss current topics and develop closer working relationships. District CEOs and CFOs also gather for periodic meetings, and various workgroups bring together leaders from across the District and System to address ongoing initiatives.

The AgriBank District is in a strong position to serve all of agriculture, whatever challenges may come our way.

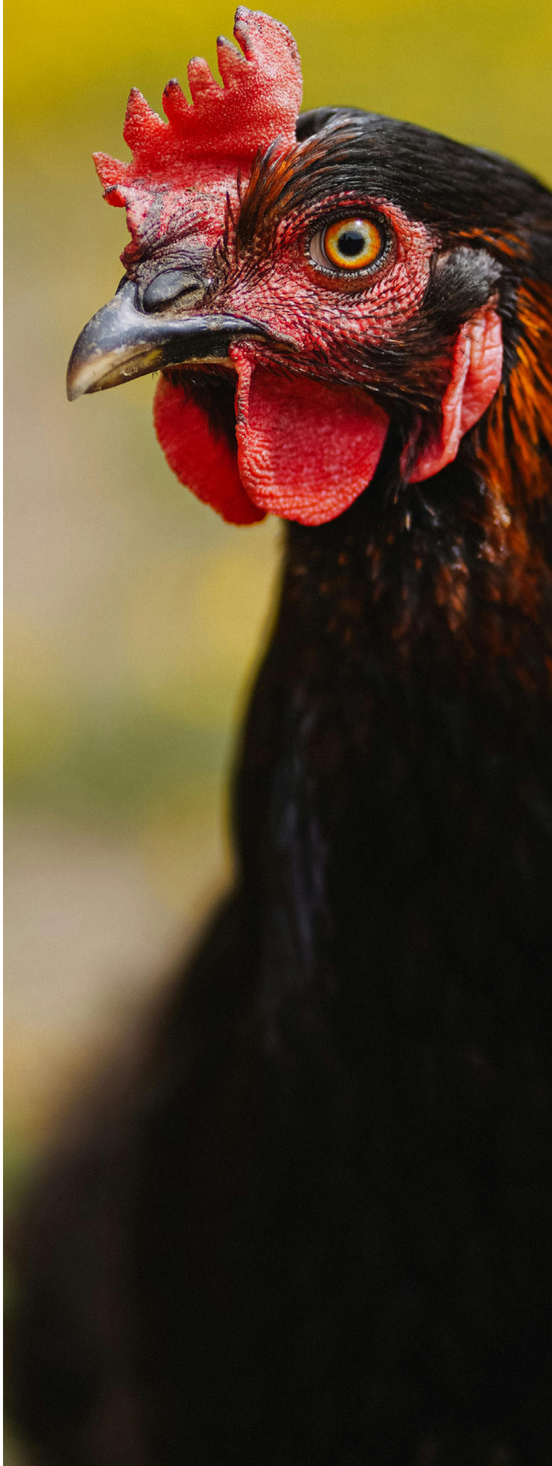
Looking ahead: more growth and uncertainty

As we fulfill our mission during 2025, AgriBank anticipates continued growth that will require us to retain capital from earnings in the form of UREE. That will be one of a number of challenges, of which most are related to interest rate volatility.

We face exposure to falling rates attributable to the treasury positions associated with the temporary pricing program which ended in mid-January 2024. We expect interest rates will remain volatile, with the Federal Reserve forecasting fewer rate reductions in 2025 than it had previously anticipated given economic conditions at the turn of the year. Rate variability impacts several economic drivers, fixed rate loan prepayments, new loan volumes, income from funding actions, earnings on equity, member bond rates, etc. We have a large portfolio of fixed rate prepayable loans that are prepaying more slowly than historical minimum prepayment levels. In the past, a significant share of treasury income has been generated from positive spread through funding of fixed rate loans. New longer-term fixed rate loan volumes are down significantly in this rate environment with duration and product mix driving lower spread income.

On a more positive note, we expect income available for wholesale patronage to gradually improve after 2025. By then, we anticipate a return to an upward-sloping yield curve and moderate fixed rate loan growth, which improves margins. Strong loan growth likely will continue but may moderate, thereby tempering the net income required to be retained to build capital. Also, the impact of strategic interest rate risk management actions taken in recent years will diminish, reducing interest rate risk.

Crop production agriculture margins have declined, and we expect some credit quality deterioration in the coming years. In addition, it is uncertain what policies the new administration and Congress will embrace, and how those policies may impact the Bank, our Association-owners and their borrowers. Regardless, the District is in a strong position to serve all of agriculture, whatever challenges may come our way.



Making progress on multiple fronts

While discussion of growth, capital, and patronage was front and center, AgriBank continued to move a number of key initiatives forward in 2024. Early in the year, we completed various steps of the Funding Bank Model Optimization strategy, including consolidation of stock classes, redemption of preferred stock, and further utilization of asset pools and alternative capital/alternative spread in lieu of asset pools. These changes streamlined our stock structure and added flexibility to adjust our capital strategies in the future. The Optimization strategy also provided our Association-owners with flexibility and additional options for managing Association growth while optimizing District capital. The Board Stockholder Engagement Framework continued in full force, with visits by AgriBank leaders with their counterparts at nearly all Associations. At the staff level, the Resilient & Ready Initiative launched to enhance the strength and preparedness of Bank employees by thoroughly examining roles and responsibilities, and to document institutional knowledge.

As usual, 2025 began with various initiatives continuing, beginning and concluding. For example, board stockholder engagement continues, including planning for new District board member orientation in August and a Farm Credit System Partners Tour in the fall. Enhanced financial planning and analysis and related communications already have begun. Updated treasury and cash management products and services are under development. And AgriBank is collaborating with SunStream and participating District Associations to execute on Project PLANT and prepare for a successful launch in 2026.

Driven by the strong performance of Association-owners, AgriBank and the AgriBank District have enjoyed many years of successful business and financial results. Our Association-centric Funding Bank Model has been critical to this success. While portfolio growth and interest rate volatility recently have limited the patronage we are able to pay Association-owners, given our cooperative structure and collaborative spirit, we are confident we will continue to thrive.

Apple founder Steve Jobs said, “Incredible things in the business world are never made by a single person, but by a team.” That certainly applies to AgriBank and our Association-owners—working together on solutions to fund the future of rural America. *Rooted in Partnership, Growing for Tomorrow.*

To our Association-owners, AgriBank employees, System partners and other stakeholders, thank you for all you do to support the Farm Credit mission. Collectively we have the responsibility and resources to help rural communities and agriculture grow and prosper. We are confident we have the people and plans in place to guide this growth and prosperity in the best way possible for today—and tomorrow.

Stanley Claussen
Chair, AgriBank, FCB

Jeffrey R. Swanhorst
CEO, AgriBank, FCB

March 1, 2025

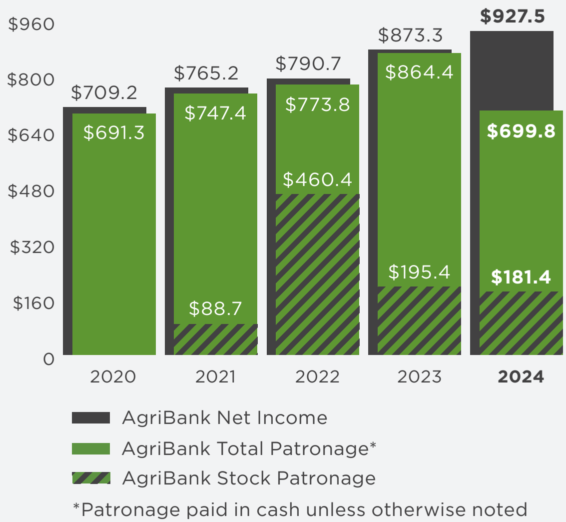
Performance Highlights

Consistent net income generates return of patronage

- AgriBank returned $699.8 million in earnings to our Association-owners in the form of cash and stock patronage distributions—sharing our financial success with them, partnering with them to maintain appropriate capital levels, and meeting all regulatory minimums and buffers
- Net income of $927.5 million was driven primarily by continued strong net interest income
- Return on assets of 51 basis points, which exceeded our target of 50 basis points, resulted from continued strong AgriBank net income

AgriBank Net Income and Patronage

MILLIONS OF DOLLARS



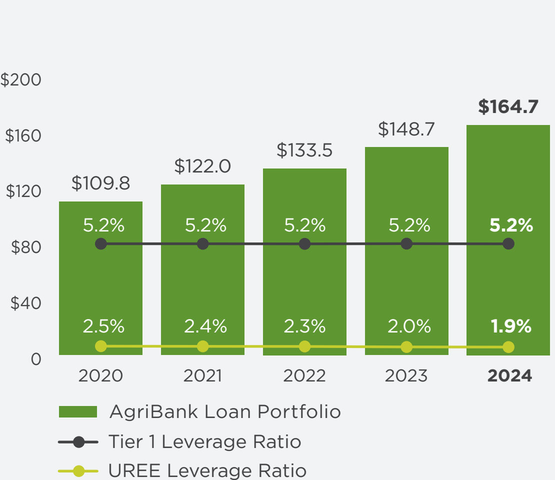
*Patronage paid in cash unless otherwise noted

Association-owner loan growth boosts AgriBank loan portfolio

- Reflecting growth in wholesale loans to our Association-owners and increases in the retail loan portfolio, the AgriBank loan portfolio increased 10.7 percent from the previous year to $164.7 billion, with acceptable and special mention credit quality loans remaining strong at 99.7 percent
- We optimize capital by first retaining what we need to meet our capital targets and distributing the remainder as cash patronage, resulting in a tier 1 leverage ratio of 5.2 percent and a UREE leverage ratio of 1.9 percent, aligned with our capital plan target. Total regulatory capital far exceeded requirements, reflecting continued robust capital levels.
- Asset pool programs continued to expand, efficiently leveraging District capital, driven by the Bank and Associations fulfilling the Farm Credit mission to provide reliable, consistent credit and financial services

AgriBank Loan Portfolio and Leverage Ratios

BILLIONS OF DOLLARS OR %

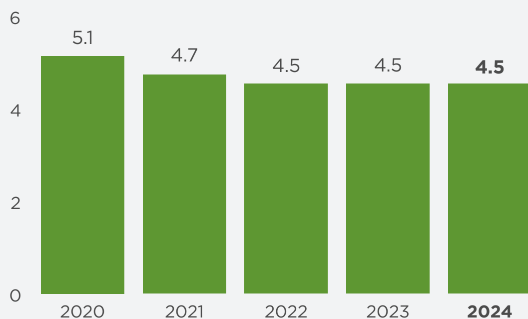


Strategic investments position AgriBank for long-term success

- The AgriBank net operating rate remained stable when compared to the previous year, while successfully implementing many strategic and operational initiatives
- We continued a balanced focus on disciplined management of operating expenses while maintaining operational strength and making strategic investments in people and technology

AgriBank Net Operating Rate

BASIS POINTS



Strong earnings reflect continued District financial strength

- Net income for the District was $3.1 billion, attributable to strong net interest income due to growth in loan volume across the District while navigating economic headwinds and political uncertainty
- The District continues a collaborative approach to modernizing systems and advancing technology

District Net Income

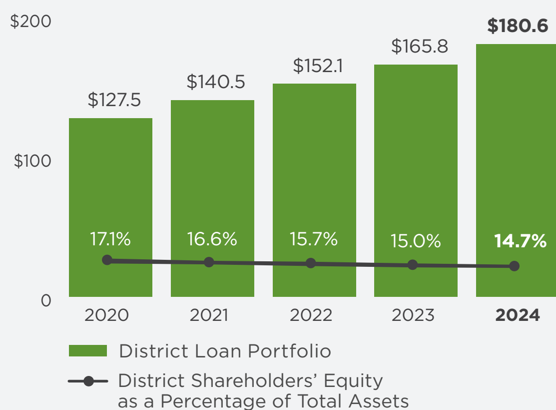
MILLIONS OF DOLLARS

Association-owners benefit from prudent leveraging of District capital

- The District loan portfolio increased 8.9 percent from the previous year to $180.6 billion, driven by our Association-owners fulfilling the Farm Credit mission to support customers with reliable, consistent credit
- Our Association-owners returned $1.2 billion of patronage to customers in 2024
- District shareholders' equity as a percentage of total assets was 14.7 percent, reflecting continued robust capital levels

District Loan Portfolio and Equity Position

BILLIONS OF DOLLARS or %

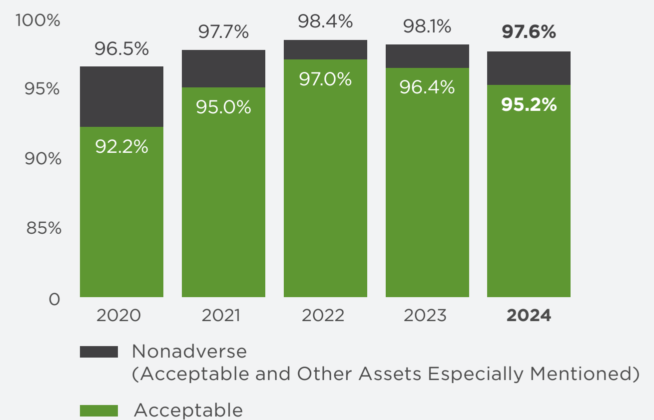


District credit quality continues to be strong

- The District portfolio had 97.6 percent nonadverse loans, again showcasing District strength
- District credit quality reflects the continuously shifting economic environment for agriculture
- Credit quality remains strong, even while declining margins for some agriculture producers has contributed to modest downturn in credit quality

District Credit Quality

NONADVERSE LOANS %



Board of Directors

Back Row (left to right): Tim Rowe (Elwood, Neb.); Nick Vande Weerd (Brookings, S.D.); Donald Blankenship (Murfreesboro, Tenn.); George Stebbins (Englewood, Ohio); Dale Crawford (Sullivan, Ill.)
Middle Row (left to right): Rollin Tonneson (Souris, N.D.); Steven Cunningham* (Glenview, Ill.); Matthew Walther (Centerville, Ind.); Jeff Austman (Forrest, Ill.); Ivar Chhina* (Bellevue, Wash.); Mark Pierce (De Kalb, Mo.)
Front Row (left to right): Jennifer Zessin (Madison, Neb.); Tony Wolfe (Hazleton, Ind.); Chris Roberts, Vice Chair (Olive Branch, Miss.); Stan Claussen, Chair (Montevideo, Minn.); Randy Peters (McCook, Neb.); Laura Braun (Ovid, Mich.)

*Appointed directors; all others elected

Executive Leadership Team

Jeff Moore	**Jim Jones**	**Barbara Stille**	**Jeff Swanhorst**	**Brad Hoffelt**	**Jeremy Renger**
Senior Advisor	Chief Credit Officer	Chief Operations and Strategy Officer and General Counsel	Chief Executive Officer	Chief Financial Officer	Chief Risk and Information Officer

District Associations

Farm Credit Associations in the AgriBank District provide farmers, ranchers and other rural borrowers in their local communities with the capital they need to make their businesses successful.

AgriBank supports our Association-owners, which serve rural communities and agriculture in the 15 states of the AgriBank District. Under our cooperative structure, the farmers, ranchers and agribusinesses Farm Credit serves own these Associations, which in turn are the primary customers and owners of AgriBank.

AgCountry Farm Credit Services, ACA
1900 44th St. S., #6020
Fargo, ND 58108
(701) 282-9494
www.agcountry.com

AgHeritage Farm Credit Services, ACA
119 E. Third St., Suite 200
Little Rock, AR 72201
(800) 299-2290
www.agheritagefcs.com

Compeer Financial, ACA
2600 Jenny Wren Trail
Sun Prairie, WI 53590
(844) 426-6733
www.compeer.com

FCS Financial, ACA
1934 E. Miller St.
Jefferson City, MO 65101
(573) 635-7956
www.myfcsfinancial.com

Farm Credit Illinois, ACA
1100 Farm Credit Drive
Mahomet, IL 61853
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www.farmcreditil.com

Farm Credit Mid-America, ACA
12501 Lakefront Place
Louisville, KY 40299
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www.fcma.com

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5015 S. 118th St.
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www.fcsamerica.com

Farm Credit Services of Mandan, ACA
1600 Old Red Trail
Mandan, ND 58554
(701) 663-6487
www.farmcreditmandan.com

Farm Credit Services of Western Arkansas, ACA
5177 US Highway 64 W
Russellville, AR 72802
(479) 968-1434
www.myaglender.com

Farm Credit Southeast Missouri, ACA
1116 N. Main St.
Sikeston, MO 63801
(573) 471-0342
www.farmcreditsemo.com

GreenStone Farm Credit Services, ACA
3515 West Road
East Lansing, MI 48823
(800) 968-0061
www.greenstonefcs.com

Five-Year Summary of Selected Financial Data

AgriBank, FCB

(in thousands)

As of December 31,	2024	2023	2022	2021	2020
Statement of Condition Data					
Loans held to maturity (Note 3)	**$164,659,006**	$148,370,212	$133,470,781	$121,994,112	$109,785,695
Allowance for loan losses	**39,641**	31,992	31,739	37,558	39,850
Net loans held to maturity	**164,619,365**	148,338,220	133,439,042	121,956,554	109,745,845
Loans held for sale (Note 3)	**—**	355,219	—	—	—
Net loans	**164,619,365**	148,693,439	133,439,042	121,956,554	109,745,845
Investment securities	**23,160,944**	22,112,428	20,093,923	18,392,628	18,585,329
Other assets	**4,150,651**	5,617,136	2,929,803	2,067,414	1,976,960
Total assets	**$191,930,960**	$176,423,003	$156,462,768	$142,416,596	$130,308,134
Obligations with maturities of one year or less	**$57,461,220**	$54,591,694	$43,567,311	$40,197,641	$38,774,768
Other obligations with maturities greater than one year	**125,006,619**	113,248,131	105,709,901	95,213,040	84,953,849
Total liabilities	**182,467,839**	167,839,825	149,277,212	135,410,681	123,728,617
Perpetual preferred stock	**—**	250,000	250,000	250,000	250,000
Capital stock and participation certificates	**6,530,024**	5,845,718	4,664,821	3,826,290	3,301,599
Allocated retained earnings	**—**	—	—	1,377	1,550
Unallocated retained earnings	**3,367,515**	3,139,865	3,139,365	3,139,203	3,139,203
Accumulated other comprehensive loss	**(434,418)**	(652,405)	(868,630)	(210,955)	(112,835)
Total shareholders' equity	**9,463,121**	8,583,178	7,185,556	7,005,915	6,579,517
Total liabilities and shareholders' equity	**$191,930,960**	$176,423,003	$156,462,768	$142,416,596	$130,308,134

For the year ended December 31,	2024	2023	2022	2021	2020
Statement of Income Data					
Net interest income	**$1,062,456**	$985,156	$854,444	$779,788	$714,361
Provision for credit losses	**27,000**	19,000	(6,000)	1,000	11,000
Other expense (income), net	**107,998**	92,862	69,747	13,577	(5,818)
Net income	**$927,458**	$873,294	$790,697	$765,211	$709,179
Key Financial Ratios					
For the Year					
Return on average assets	**0.51 %**	0.53 %	0.53 %	0.57 %	0.58 %
Return on average shareholders' equity	**10.56 %**	11.28 %	11.36 %	11.13 %	10.97 %
Net interest income as a percentage of average earning assets	**0.59 %**	0.60 %	0.58 %	0.59 %	0.59 %
Net charge-offs as a percentage of average loans	**0.01 %**	0.01 %	0.00 %	0.00 %	0.00 %
At Year End					
Shareholders' equity as a percentage of total assets	**4.93 %**	4.87 %	4.59 %	4.92 %	5.05 %
Allowance for loan losses as a percentage of loans	**0.02 %**	0.02 %	0.02 %	0.03 %	0.04 %
Debt to shareholders' equity (:1)	**19.1**	19.4	20.6	19.2	18.7
Common equity tier 1 capital ratio	**16.0 %**	15.5 %	16.3 %	16.8 %	16.6 %
Tier 1 capital ratio	**16.0 %**	15.9 %	16.9 %	17.4 %	17.3 %
Total capital ratio	**16.1 %**	16.0 %	16.9 %	17.5 %	17.4 %
Tier 1 leverage ratio	**5.2 %**	5.2 %	5.2 %	5.2 %	5.2 %
UREE leverage ratio	**1.9 %**	2.0 %	2.3 %	2.4 %	2.5 %
Permanent capital ratio	**16.0 %**	15.9 %	16.9 %	17.4 %	17.3 %
Net Income Distributed					
For the Year					
Patronage distributions:					
Cash	**$518,404**	$669,011	$312,782	$658,678	$689,701
Stock	**181,404**	195,410	460,434	88,692	—
Allocated retained earnings	**—**	—	131	653	1,398
Total patronage distributions	**$699,808**	$864,421	$773,347	$748,023	$691,099
Preferred stock dividends	**$—**	$17,188	$17,188	$17,188	$17,188

Management's Discussion and Analysis

AgriBank, FCB

The following commentary is a review of the financial condition and results of operations of AgriBank, FCB (AgriBank, the Bank, we, us or our) and provides additional specific information. The accompanying Financial Statements and Notes to the Financial Statements also contain important information about our financial condition and results of operations.

Farm Credit System

The Farm Credit System (the System) provides loans, leases and financial services to farmers, ranchers, farmer-owned cooperatives, other agribusinesses and rural homebuyers across all 50 U.S. states and Puerto Rico. This focus on rural communities and agriculture is the reason Farm Credit was established over 100 years ago, and the System has been delivering on that mission ever since.

While the System has a national footprint, lenders are local—as of January 1, 2025, 55 independently owned and operated Farm Credit Associations provide services in local communities. Each Farm Credit Association is a cooperative that is owned by its members and has employees and a board of directors who have a deep understanding of agriculture in their area. This expertise enables them to understand the industry sectors they finance and provide an unparalleled level of knowledge and service to customer/owners.

Combined, Farm Credit organizations provide over $414 billion in loans and leases. Farm Credit provides more than 46 percent of the credit used by U.S. agriculture. This capital helps over 605 thousand customer/owners buy or lease land and equipment, build facilities, purchase inventory, export products, operate farms and businesses, and much more. Farm Credit also offers cash management services, crop insurance, credit life insurance and other financial services. Farm Credit finances agricultural cooperatives and communications, electric, power and water providers that deliver essential infrastructure services to maintain vibrant rural communities.

Farm Credit Associations receive funding through one of four System Banks, including AgriBank. System entities have specific lending authorities within their chartered territories. We, and the other System Banks, raise funds primarily by issuing debt securities with broad ranges of maturities and structures through the System's agent, the Federal Farm Credit Banks Funding Corporation (the Funding Corporation). These bonds are insured by the Farm Credit System Insurance Corporation (FCSIC or the Insurance Corporation). System Banks and Associations are subject to examination and regulation by an independent federal agency, the Farm Credit Administration (FCA).

The Farm Credit System 2024 Annual Information Statement, issued by the Funding Corporation, includes additional information about the System, its funding activities and its combined financial results. You can obtain a copy of that report by contacting the Funding Corporation or visiting www.farmcreditfunding.com.

AgriBank

AgriBank is part of the customer-owned, nationwide Farm Credit System. Under Farm Credit's cooperative structure, AgriBank is primarily owned by local Farm Credit Associations, which provide financial products and services to rural communities and agriculture. AgriBank obtains funds and provides funding and financial solutions to those Associations. AgriBank and those Associations compose the AgriBank District. The District covers a 15-state area stretching from Wyoming to Ohio and Minnesota to Arkansas.

Our primary purpose, established by the board and management, is to expertly and reliably obtain funds and prudently provide funding and financial solutions to District Associations. Prudent lending standards and unwavering attention to risk management have resulted in a strong balance sheet. This balance sheet facilitates ongoing access to the financial markets, offering funding in the form of loan products with a wide variety of maturities, repricing and repayment options to District Associations. District Associations share in the positive benefits of a strong Funding Bank through consistent access to capital, a broad array of financial products they use to serve their customer/owners, and an appropriate return on their investment through patronage distributions.

Risk Management

Risk is inherent in our business, necessitating that sound risk management practices be a fundamental component of our operations. Some of the major types of risk in our business are:

- Credit risk is the risk of loss arising from a borrower or counterparty failing to perform on an obligation.
- Interest rate risk is the risk that changes in interest rates may adversely affect operating results and financial condition.
- Liquidity risk is the risk of loss arising from the inability to timely meet operating and funding needs without incurring excessive costs.
- Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, errors by employees or external events.
- Reputational risk is the risk of loss resulting from events, real or perceived, that shape the image of the Farm Credit System or any of its entities.

These and other risks, and the methods we use to manage them, are discussed throughout this Annual Report.

Our prudent and disciplined approach to risk management includes an enterprise risk management structure established to identify emerging and existing risks and evaluate risk implications of the decisions and actions of AgriBank and others. Enterprise risk management enables us to:

- Effectively assess, prioritize, monitor and report key organizational risks, enhancing our ability to achieve our business objectives
- Embed a risk-aware culture and risk appetite throughout AgriBank
- Identify and implement strategies to mitigate risk where appropriate
- Ensure we are adequately compensated for the risks that we take

Our board oversees risk management by adopting policies to guide the organization's risk governance framework and by monitoring performance against established risk limits. Management's first-line roles establish controls to guide the day-to-day risk management activities of the organization within the risk limits and framework approved by our board. The various risk, controls and compliance oversight functions established by management are the second-line roles. We maintain an independent internal audit function as the third line to monitor risk management and policy compliance to assure that management control functions are operating within the board-approved policies. The Vice President of Internal Audit reports to the board through the Audit Committee. Our board, through various committees, monitors this risk framework. This structure and board oversight promotes effective risk management of major types of risk and fosters the establishment and maintenance of an effective risk culture throughout the Bank. To enhance financial reporting governance and internal controls, we have voluntarily adopted an integrated audit with respect to internal controls over financial reporting. We mirror the material provisions of the Sarbanes-Oxley Act of 2002, including section 404, *Management Assessment of Internal Control over Financial Reporting* (ICFR). This also supports the Farm Credit System-level attestation, as well as a strong control environment through awareness, documentation and testing of key controls for all significant processes supporting ICFR. In addition, our independent auditor provides an opinion on the effectiveness of our ICFR program.

Forward-Looking Information

This Annual Report includes, and our representations may from time to time make, projections regarding financial information and statements concerning future economic performance and events, plans and objectives relating to management, operations, products and services and assumptions underlying these projections and statements. These projections and statements represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These projections and statements may address, among other things, business strategy, competitive strengths, goals, market and industry developments and the growth of our businesses and operations. The words "anticipate," "believe," "estimate," "expect," "intend," "outlook" and similar expressions, as they relate to AgriBank or its management, are intended to identify forward-looking statements. Such statements reflect the current views of AgriBank with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or our outlook may vary materially from those described herein as anticipated, believed, estimated, expected or intended.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. The information contained in this Annual Report, including without limitation, the information under "Management's Discussion and Analysis" identifies important factors that could cause such differences, including, but not limited to, a change in the U.S. agricultural economy, overall economic conditions, changes

in interest rates, and the effect of new legislation or government regulations or directives. The information in this report is based on current knowledge and are subject to many risks and uncertainties including, but not limited to:

- Political (including trade policies, environmental policies, and civil unrest), legal, regulatory, financial markets and economic or other conditions and developments in the United States and abroad
- Economic fluctuations, including inflationary indicators, in the agricultural, international, rural and farm-related business sectors
- Weather-related, disease and other adverse climatic or biological conditions that periodically occur and can impact agricultural productivity and income
- Changes in U.S. government support of the agricultural industry (including government support payments) and the System as a government-sponsored enterprise, as well as investor and rating agency reactions to events involving the U.S. government, other government-sponsored enterprises and other financial institutions
- Actions taken by the Federal Reserve and U.S. Treasury in implementing monetary policy
- Cybersecurity risks, including a failure or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers
- Credit, interest rate and liquidity risk inherent in our lending activities
- Disruptive technologies impacting the banking and financial services industries or implemented by our competitors which negatively impact our ability to compete in the marketplace
- Length and severity of an epidemic or pandemic
- Changes in our assumptions for determining the allowance for credit losses and fair value measurements
- Industry outlooks for agricultural conditions
- Price, supply and demand within the gas and oil industry

Refer to additional discussion in the Risk Factors section at the end of this report.

Financial Overview

AgriBank's strong 2024 financial results demonstrate the continued success of our Funding Bank model, which reflects the financial strength and operating performance of our Association-owners. This strength translates into lasting value for our customer/owners and reflects our commitment to the Farm Credit mission to support rural communities and agriculture. Our financial results reflect our focus on the Funding Bank Model, which optimizes Bank profitability and capital and maintains a District view of success rooted in cooperative principles.

While the Funding Bank Model has served us well, we continue to improve upon it with enhancements toward optimization. This year, while working closely with our Association-owners, we completed various enhancements including consolidation of stock classes, redemption of preferred stock, and further utilization of asset pools. These changes streamlined our stock structure and added flexibility to adjust our capital strategies in the future. The optimization strategy also provided our Association-owners with flexibility and additional options for managing Association growth while optimizing District capital. AgriBank's growth directly correlates to the success of Association-owners in supporting the needs of farmers, ranchers and other borrowers. As Associations meet borrower demand, AgriBank meets Association funding requirements. AgriBank is well-positioned to continue meeting those needs, which is our principal role under our Funding Bank Model.

We continue to follow our financial framework, which focuses on operational strength and disciplined cost management combined with appropriate levels of net income and capital consistent with our inherent risk. Under this framework, our 2024 return on average assets ratio was 51 basis points, in excess of our 50 basis point target.

Net income was $927.5 million, an increase of 6.2 percent from the prior year, primarily driven by higher spread income on retail loans in our asset pool portfolio due to the purchase of a significant number of loan participations during the second half 2023. Additionally, the benefit of equity financing from higher interest rates compared to the prior year has also contributed to the increase in net interest income. These factors were offset by market conditions that limited our ability to generate income through funding actions and spread income on investment securities.

Refer to the Results of Operations section for further discussion.

Total loans were $164.7 billion at December 31, 2024, a 10.7 percent increase from the prior year, primarily attributable to wholesale loan growth and increases in retail loans, from expanded participation in asset pool programs.

Our loan portfolio credit quality remained strong at 99.4 percent acceptable under the FCA's Uniform Classification System at December 31, 2024 and 2023. This strong credit quality reflects the overall strength of District Associations and their underlying

portfolios of retail loans, which they pledge as collateral on their wholesale lines of credit with us. The credit quality of our retail loan portfolio (accounting for approximately 14 percent of our total loan portfolio) decreased slightly to 95.7 percent acceptable at December 31, 2024, compared to 96.2 percent acceptable at December 31, 2023. The slight decrease in the acceptable percentage was primarily attributable to limited deterioration in the economic performance of certain agribusiness borrowers. Refer to the Loan Portfolio section for additional discussion about how other factors may impact our loan portfolio performance.

Strong capital levels ensure we are well-positioned to manage the cyclical characteristic of the agricultural market, as well as the challenges and uncertainty of the overall economic environment. Total capital remained strong at $9.5 billion as of December 31, 2024, an increase of $879.9 million compared to December 31, 2023. This increase was driven by strong net income and net stock issuances consistent with our capital plan. These increases were partially offset by cash patronage declared and redemption of our preferred stock on January 1, 2024. During 2024, a portion of the patronage was distributed as stock, representing what we retained to meet our capital target. Our capital reflects strong risk-based regulatory capital measures while also meeting the non-risk-based regulatory capital leverage ratios. Refer to the Shareholders' Equity section for further discussion.

Economic Conditions

Interest Rate Environment

In the January 2025 meeting, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate of 4.25 percent to 4.50 percent and noted that inflation and labor market risks are roughly in balance. The FOMC also released its quarterly economic projection (referred to as the "dot plot") in December. The median of the dot plot showed 50 basis points of total cuts in 2025 and 50 basis points of total cuts in 2026 and the long-term fed funds rate at 3 percent. The pace of rate cuts will depend on incoming data, the evolving economic outlook, and the balance of risks between Fed's dual mandate - maximum employment and price stability.

The headline Consumer Price Index (CPI) continued its downward trend with year over year change of 2.9 percent in December. Core CPI has moved lower to 3.2 percent in December. Monthly payroll additions have remained resilient with approximately 500 thousand jobs added for the period from October through December.

The U.S. gross domestic product grew by 2.7 percent in 2024 and is expected to grow by 2.1 percent in 2025. Broader economic activity while robust appears to be slowing down. The labor market is softening with unemployment rate at 4.0 percent, but this mostly reflects normalization of an overheated labor market rather than a significant deterioration.

The 2- and 10-year portion of the U.S. Treasury yield curve has normalized with the 2 year US Treasury yield below the 10 year U.S. Treasury yield. Geopolitical risks show no signs of abating with ongoing conflicts in the middle east, as well as in Ukraine.

We manage interest rate risk consistent with policies established by the board of directors and limits established by AgriBank's Asset/Liability Committee (ALCO). Many factors can impact our net interest income, including strategic interest rate risk management in collaboration with District Associations. Management expects financial performance will remain relatively consistent under most interest rate environments over the next 12 months. We have moderate interest rate risk in an environment in which interest rates fall quickly (refer to the Interest Rate Risk Management section).

Agricultural Conditions

On February 6, 2025, the U.S. Department of Agriculture's Economic Research Service (USDA-ERS) released its initial forecast of the U.S. aggregate farm income and financial conditions for 2025 and updated its 2024 forecast. The revised 2024 net farm income forecast of $139.1 billion represented an $8.2 billion decline from the 2023 level, down 5.6 percent, and follows the $34.7 billion estimated decline that occurred in 2023 compared to the record-high 2022 estimated net farm income. Although net farm income is forecasted to decline for the second consecutive year, when adjusting for inflation, the 2024 net farm income forecast is $16.8 billion, or 13.3 percent, above the 10-year average (2014-2023) net farm income in 2025 dollars. The initial 2025 net farm income projection of $180.1 billion represents an increase of $41.0 billion, or 29.5 percent, from the revised 2024 net farm income forecast, and if realized, it would be the second highest inflation-adjusted level in the past 50 years.

The projected increase in 2025 net farm income is largely due to forecasted increases in direct government payments of $33.1 billion, a $3.8 billion increase in cash receipts for animals and animal products, and a $3.2 billion decline in cash expenses, while cash receipts for crops are expected to decline by $5.6 billion. The expected increase in 2025 direct government payments is largely due to nearly $31 billion in ad hoc disaster aid and economic assistance funds allocated in the American Relief Act, 2025, which includes nearly $21 billion in aid to farmers who suffered natural disasters in 2023 and 2024 and $10 billion in economic assistance to crop producers to address financial losses during the 2024 production year. The anticipated increase in cash receipts for animals and animal products is driven by expectations for higher cash receipts for hogs, milk, and broilers, which more than offset declines in

cash receipts for cattle and calves and eggs. The anticipated decline in cash receipts for crops is largely due to lower cash receipts from corn and soybeans. On the expense side, USDA-ERS forecasts that lower feed, fertilizer, and pesticide expenses will more than offset increased seed, livestock and poultry, labor, and net rent expenditures. While net farm income is projected to increase significantly in 2025, returns across different commodity segments are projected to vary significantly. Many farm businesses specializing in crop production are projected to experience deteriorating net cash income levels in contrast to the forecasted increases for operations specializing in livestock production.

The higher overall net farm income is forecast to support a 3.9 percent increase in working capital levels for 2025, a measure of liquidity. The USDA forecasts that the farm sector solvency rates will improve slightly as total farm assets appreciate at a slightly higher rate than debt resulting in a 4.3 percent increase in farm sector equity for 2025. The farm sector debt-to-asset ratio is forecast to be 12.78 percent, the lowest level since 2015.

Corn and soybean prices ended 2024 above their respective August 2024 lows and prices have continued to strengthen in early 2025. USDA's downward revision to the 2024 crop production estimates, the tightening of USDA supply and demand balance sheets, and the delayed implementation of import tariffs pledged by President Trump have supported price increases in recent months. USDA's January Crop Production report lowered the 2024 U.S. corn production estimate by 276 million bushels, a 1.8 percent downward adjustment. The 2024 U.S. soybean production estimate was reduced by 95 million bushels, a 2.1 percent downward revision. The reductions in production were largely due to downward adjustments to the yield estimates, which flowed through to reduced ending stock estimates. USDA has lowered their 2024/2025 corn ending stocks estimate by 533 million bushels since the August 2024 World Agricultural Supply and Demand Estimates (WASDE) report, a 25.7 percent drop based on the reduced production estimate and stronger demand for corn in the previous and current marketing years. USDA lowered their 2024/2025 U.S. soybean ending stocks estimate by 180 million bushels from their August 2024 projection to the January 2025 WASDE report. The 32.1 percent reduction was entirely due to the reduced production estimate that more than offset the 0.9 percent downward adjustment to the soybean demand forecast over that period. The lower than previously projected corn and soybean stocks have been supportive for prices, although the upside price potential may be limited due to expectations for large South American crops, the strong U.S. dollar challenging export competitiveness, and expectations for steady to lower global import demand. High production costs remain a top concern for crop producers in 2025. Based on crop price futures and Corn Belt-based, land-grant university crop budgets as of early 2025, crop producers are expected to continue to face challenging conditions in 2025 with mixed returns ranging from moderate losses to small gains.

Animal sector market prices were generally higher during the fourth quarter of 2024. The quarterly average hog price declined, following the normal seasonal pattern, but the average price surpassed prior-year levels. Most other animal sector market prices also exceeded the previous year's levels, while the lower feed cost environment helped to support stronger returns for many animal agriculture segments. Cattle prices remain high due to strong beef demand, the contracting U.S. beef cow herd, and the U.S.'s import suspension of Mexican cattle that began in late November 2024 due to the discovery of a parasitic infestation in Mexico. USDA estimates that the national average hog price during December 2024 was 25 percent above one year prior as year-over-year increases in wholesale pork prices and lower processing rates supported hog prices. The December 2024 broiler composite price increased to the highest level in eight months, while wholesale egg prices approached record-high levels as highly pathogenic avian influenza (HPAI) infections continued to cause contraction of the U.S. egg-laying flock. Dairy prices and margins remained positive in late 2024 as HPAI cases in dairy herds reduced milk production.

Many factors, including weather, trade, government, and monetary policy, global agricultural production levels, and pathogenic outbreaks in livestock and poultry, may keep agriculture market volatility elevated. Implementation of cost-saving technologies, marketing methods, and risk management strategies will continue to cause a wide range of results among the respective agricultural producers.

Industry Conditions

We assess the outlook for commodities with the largest concentrations in the District loan portfolio. These outlooks are for the industry in general, and individual producers may perform better or worse than the industry as a whole.

Corn

The February 2025 USDA WASDE report estimated the 2024/2025 U.S. corn crop at 14.9 billion bushels, a 3.1 percent decrease from the record large 2023/2024 crop estimate. USDA estimates 2024/2025 corn beginning stocks of nearly 1.8 billion bushels, a 29.6 percent increase. USDA projects corn demand will reach a new record high level for the 2024/2025 marketing year based on a nearly seven percent increase in exports and solid demand for corn for feed and ethanol production. Total corn demand is forecast to increase by 1.0 percent resulting in a 12.6 percent decline in marketing year ending stocks. USDA projects the 2024/2025 average corn price to be $4.35 per bushel, down $0.20 per bushel from the prior marketing year. Based on 2025 crop price and cost expectations, many producers will continue to experience a challenging margin environment for the 2025/2026 marketing year.

Soybeans

The February 2025 WASDE report estimated a 2024/2025 soybean crop of 4.4 billion bushels, a 4.9 percent increase from the 2023/2024 crop driven by nearly a four million acre increase in harvested acreage. USDA estimates 2024/2025 soybean beginning stocks of 342 million bushels, a 29.5 percent increase. USDA forecasts the larger soybean supply estimate will be met with higher demand driven by growth in both exports and domestic soybean crush. Soybean exports are projected to increase by 7.7 percent, recovering from the weak 2023/2024 exports, while soybean crush is forecast to increase by 5.4 percent as demand for soybean oil as feedstock for biofuels continues to grow. Total U.S. soybean demand is projected to increase by 5.9 percent bringing 2024/2025 projected ending stocks to 380 million bushels, an 11.1 percent increase and the highest level in five years. USDA projects a $10.10 per bushel average price for the 2024/2025 marketing year, down $2.30 per bushel from the prior marketing year. Early 2025 soybean price and cost expectations indicate that soybean returns will be negative for the 2025/2026 marketing year.

Wheat

The February 2025 WASDE projects a 2024/2025 total wheat crop of nearly 2.0 billion bushels, up 9.3 percent from the year prior. Beginning stocks were estimated to increase for the first time in seven years, resulting in an estimated 11.4 percent increase in total wheat supplies for the 2024/2025 marketing year. Total demand for U.S. wheat is forecast to increase by 10.4 percent during the 2024/2025 marketing year based largely on stronger export sales and to a lesser extent due to an increase in wheat feeding and residual use. The net result of the increasing supply and growing demand is a 14.1 percent projected increase in total wheat ending stocks for the 2024/2025 marketing year, the second consecutive annual increase. Based on the prices received to date and future price expectations, USDA projects the 2024/2025 average wheat price to be $5.55 per bushel, down $1.41 per bushel from the 2023/2024 level and the lowest level in four years. USDA projects U.S. 2025 winter wheat seedings to be up 2.2 percent from the 2024 acreage and 1.7 percent above the 5-year average.

Cow-Calf

USDA estimates that the U.S. beef cow herd was down 0.5 percent annually at the start of 2025, the sixth consecutive annual decline and the lowest level since 1961. High beef prices, the lower feed cost environment, and declining feeder cattle supplies were supportive of feeder cattle prices and cow-calf returns in 2024. Higher feeder cattle prices are expected again during 2025 as the calf crop and beef cow replacement heifers continued to show inventory contractions in USDA's January 31, 2025, Cattle report. USDA estimates that the December 1, 2024, U.S. on-farm hay stocks increased 6.3 percent from the year prior, the second consecutive increase. Improved drought conditions in cattle and hay regions in 2023 and 2024 led to an increase in hay stocks and lower hay prices in 2024. The threat of drought remains a concern for the cow-calf sector, but the contracting feeder cattle supply and high beef prices are supportive for cow-calf operators, which are expected to be profitable again in 2025. The USDA-ERS January 2025 Livestock, Dairy, and Poultry Outlook forecasts that the Oklahoma feeder steer price will average $273.75 per hundredweight (cwt.) in 2025, up from the estimated $251.96/cwt. in 2024 and $218.69/cwt. in 2023.

Cattle Feedlots

The February 2025 WASDE estimates 2024 beef production of 27.1 billion pounds, roughly flat with 2023 production and 4.6 percent below the 2022 record high level. Beef production for 2025 is forecast to decline 1.6 percent to the lowest level since 2017. USDA estimates the 2024 average steer price made a new record high at $187.12/cwt., and projects another new high will be made in 2025 with the price averaging $201.00/cwt. The 2024 calf crop was estimated to be 33.5 million head, down slightly from the 2023 crop, and lowest level since 2014. Based on tighter supplies and continued strength in beef prices, USDA expects fed cattle prices to remain high in 2025; however, higher feeder cattle costs could reduce feeding margins relative to strong levels during the past few years, especially if corn prices rally significantly.

Dairy

The February 2025 WASDE projects a 0.4 percent increase in 2025 U.S. milk production following the 0.2 percent decline in 2024 production. The U.S. dairy herd began contracting in 2023 due to low margins, while high cattle and beef prices encouraged dairy cow culling. The dairy herd began to expand and stabilize during the second half of 2024 as dairy margins increased to profitable levels; however, HPAI began infecting U.S. dairy cows in 2024, which typically lowers the infected cow's productivity for some time. Flat milk production supported higher milk prices in 2024, and USDA expects milk prices to hold relatively flat in 2025. The February 2025 WASDE projects the Class III milk price to average $19.10/cwt. in 2025, up from the $18.89/cwt. 2024 average. The Class IV milk price is projected to decline by $1.05/cwt. to $19.70/cwt., resulting in a $0.01/cwt. decline in the average all milk price to $22.60/cwt. The 2025 milk price forecasts and expectations for flat feed costs should result in profitable dairy producer margins in 2025 if those projections are realized.

Pork

The February 2025 WASDE projects 2025 pork production of 28.5 billion pounds, an increase of 2.7 percent compared to 2024 estimated production. The slightly higher prices received for hogs and lower feed costs substantially improved hog producer margins in 2024. The December 2024 USDA Quarterly Hog and Pigs report indicated that producers are responding to more favorable conditions by stabilizing farrowing rates following the year-over-year reductions in 2023 and the first half of 2024. U.S. pork exports were estimated to be up 4.3 percent in 2024. The USDA forecasts call for a 2.5 percent increase in pork exports for 2025 and a 2.6 percent growth in domestic sales. USDA estimates the 2024 average national hog price to be $61.56/cwt., up from $58.59/cwt. in 2023 and projects a 2025 price of $64.00/cwt. Early 2025 cash prices and the futures price curve indicate that hog producer margins will be profitable into mid-2025.

Poultry

HPAI continued to negatively impact poultry production levels during 2024. The number of birds affected by HPAI more than doubled in 2024, although the total was below the 2022 level. Infections remain especially prevalent in table egg-related operations, comprising roughly 80 percent of total HPAI-impacted birds in 2024. The broiler industry experienced an increase in HPAI infections in 2024, but broiler-related cases remain minor relative to overall production levels. USDA estimates that broiler meat production increased by 1.3 percent in 2024 on a retail-weight basis following the nearly steady 0.4 percent growth that occurred during 2023. The February 2025 WASDE projects that the 2025 broiler wholesale, national composite, weighted average price will increase by 2.0 percent from 2024 average to 132 cents per pound based on increased instances of HPAI in late 2024, resulting in anticipated supply constraints in early 2025. The February 2025 WASDE estimates the 2024 shell egg price averaged a record-high 303.1 cents/dozen, up 110.7 cents/dozen from 2023 and 20.7 cents above the previous 2022 record-high level. HPAI outbreaks caused a cumulative loss of 40.2 million table egg related birds in 2024, up from 14.4 million table egg related losses in 2023. The table egg layer flock averaged 307.6 million birds in December 2024, down 2.6 percent year over year, and table egg production declined 3.7 percent year over year during the month, falling to the lowest level for the month of December since 2015. The February 2025 WASDE projects that egg production will decline by 0.7 percent in 2025, the lowest level since 2017, while egg prices are forecast to rise 46.5 percent to 444.0 cents/dozen.

Timber

The U.S. Census Bureau reported December 2024 seasonally adjusted annualized housing starts of 1.499 million units, which was down 4.4 percent from December 2023, while privately-owned housing unit permits were down by an annualized rate of 3.1 percent from the year prior. Housing starts and permitting rates were down for the third consecutive year in 2024 and were down roughly 15 percent from the 2021 highs. Housing affordability remains challenging for prospective home buyers. High construction costs, rising insurance rates, increasing property taxes, and elevated mortgage rates (relative to the 15-year average) have contributed to the decline in new construction levels. The reduced demand for lumber and the resulting decline in lumber prices from the 2020 to 2022 highs led to mill production curtailments at some plants in recent years. These curtailments have brought lumber inventories back into better balance and stabilized lumber prices.

Land Values

The AgriBank District continues to monitor agricultural land values. We conduct an annual Benchmark Survey based on values estimated as of June 30 each year. The valuations are completed by licensed real estate appraisers on representative benchmark properties in 34 regions of the District. The 2024 benchmark values as of June 30, 2024, showed that agricultural land values increased by 6.7 percent on average across the District, down from the 13.2 percent increase during 2023. A wide range of changes in benchmark values continued in 2024. Those discrepancies are due to the regional availability of land, quality of land, and regional demand from producers and non-farmer/owners. Rural and farmland market participants continue to purchase land when available. However, elevated interest rates, lower returns, and previous increases in land prices appear to be easing demand for land purchases in some regions.

The Federal Reserve Banks of Chicago, Kansas City, and Minneapolis reported on the change in farmland values from the end of the third quarter 2023 to the end of the third quarter 2024 in their respective districts. The Federal Reserve district reports indicated annual regional changes in non-irrigated farmland values ranging from unchanged to a 5.5 percent increase.

The USDA land value survey, which is conducted annually using June values and published in August of each year, is based on a survey of agricultural producers across the United States. Results of the 2024 survey showed increases of 5.0 percent for overall farm real estate values and 5.5 percent for cropland values specific to the AgriBank District.

AgriBank District credit risk policies focus on loan repayment capacity in addition to conservative loan-to-value levels on the collateral that secures loans. Although FCA regulations allow real estate mortgage loans of up to 85 percent of appraised value, most

District Associations generally limit lending to 65 percent or less at origination. While underwriting exceptions on loan-to-appraised value are sometimes granted, in such cases, loans are typically structured with shorter amortization schedules and/or additional principal payments in the early years to reduce risk. With increased land values across the District, Associations continue to incorporate credit underwriting factors such as sustainable repayment capacity and lending caps per acre based on land's long-term, income-producing capacity. These proactive lending practices reduce the impact on District loan portfolios if land values materially decline.

Loan Portfolio

Components of Loans

(in thousands) As of December 31,	**2024**	2023	2022
Accrual loans:			
Wholesale loans	**$141,107,742**	$126,012,646	$118,660,270
Retail loans:			
Real estate mortgage	**9,939,403**	9,410,643	4,696,993
Production and intermediate-term	**8,749,665**	8,938,319	7,866,773
Loans to other financing institutions (OFIs)	**615,714**	1,043,351	749,969
Other	**4,066,670**	3,250,150	1,454,782
Total retail loans	**$23,371,452**	$22,642,463	$14,768,517
Nonaccrual loans	**179,812**	70,322	41,994
Total loans	**$164,659,006**	$148,725,431	$133,470,781

Other was primarily composed of agribusiness and rural residential real estate loans.

Our lending to District Associations accounts for 85.7 percent of our loan portfolio at December 31, 2024. Wholesale loans reflect the retail marketplace activities at District Associations, which are funded through their wholesale lines of credit with AgriBank. Wholesale loans grew when compared to prior year primarily due to continued loan growth at District Associations, most significantly in the real estate mortgage sector. This growth was due to new volume generated through certain real estate mortgage origination programs as well as refinancing opportunities. Increases in production and intermediate-term loans were due to higher line of credit usage by existing borrowers due to lower commodity prices as well as increases in seasonal draws for next year's production inputs. Additionally, growth in the agribusiness sector is primarily related to originations to new customers, as well as new loans to existing customers in the meat processing and fats and oils industries.

Wholesale loans exhibit some seasonality, reflecting the patterns of input and operating financing by District Association borrowers. Operating loans are normally at their lowest levels following harvesting and selling of crops in the fourth quarter and increase in the spring and throughout the growing season as producers fund operating needs. Additionally, we typically experience temporary increases in our wholesale loans toward the end of the year driven by District Associations' borrowers drawing on their operating lines to purchase the next year's production inputs, primarily for tax-planning strategies.

The retail portfolio comprises 14.3 percent of our loan portfolio and is primarily composed of pools of loans originated by District Associations. The purpose of the pools are to assist Association business goals, provide administrative efficiency for loan origination programs initiated by District Associations and effectively leverage existing District capital. Each pool has different criteria to meet Association business objectives while satisfying AgriBank underwriting criteria.

We have asset pools with individual Associations in which we purchase participation interests between 10 percent and 90 percent depending on established pool criteria. These pools totaled $14.2 billion, $12.7 billion and $5.4 billion at December 31, 2024, 2023 and 2022, respectively. We also purchase 100 percent participation interests in newly originated agricultural equipment financing loans, which totaled $5.1 billion of these participation interests outstanding at December 31, 2024 and 2023 and $5.2 billion at December 31, 2022. In addition, we also purchase 100 percent participation interests in crop input financing loans totaling $1.7 billion, $2.1 billion and $2.0 billion outstanding at December 31, 2024, 2023 and 2022, respectively.

Asset pool programs require the purchase of AgriBank stock and are capitalized at a rate mutually agreed upon in the asset pool agreements. Refer to the Shareholders' Equity - AgriBank Patronage Programs and Dividend Distributions section for discussion related to patronage programs.

Our retail portfolio also includes $1.9 billion, $1.7 billion and $1.4 billion at December 31, 2024, 2023 and 2022, respectively, of loan participations, outside of asset pools, purchased primarily from District Associations in support of their portfolio management, generally related to District Associations' borrower concentration limits.

Portfolio Diversification

District Associations use the wholesale loans to fund their retail loan portfolios. Each District Association has unique industry and geographic credit portfolio concentrations. Portions of our portfolio are purchased outside of our District to support rural America and diversify portfolio risk. The table below illustrates industry and geographic distribution of the District's $180.6 billion retail loan portfolio as of December 31, 2024.

District Portfolio

Industry Distribution		Geographic Distribution	
Crops	**39 %**	Iowa	**9 %**
Food products	**9 %**	Illinois	**9 %**
Cattle	**9 %**	Minnesota	**8 %**
Investor and Rural residential real estate	**9 %**	Nebraska	**7 %**
Dairy	**5 %**	Indiana	**6 %**
Other	**29 %**	Michigan	**6 %**
		Ohio	**5 %**
		Wisconsin	**5 %**
		South Dakota	**5 %**
		Other	**40 %**
Total	**100 %**	Total	**100 %**

Other industries consist primarily of loans in the rural utilities, timber, pork, poultry, farm supply and other livestock sectors, none of which represented more than 5 percent of the District loan portfolio. Other states consist primarily of loans in Missouri, California, Tennessee, Arkansas, Texas, North Dakota, and Kentucky, none of which represented more than 5 percent of the District loan portfolio. The industry and geographic concentrations have not changed materially from prior years.

While these concentrations represent a proportionate maximum potential credit risk, as it relates to the wholesale loans, a substantial portion of the underlying District Associations' lending activities are collateralized. Generally, collateral levels are significantly higher than the book value of the loan, and many District Associations' direct exposure (and, therefore, AgriBank's indirect exposure) to credit loss associated with lending is reduced accordingly. Refer to the Credit Risk Management section for additional information.

While the District has concentrations in crops, these crops primarily represent staple commodities of agriculture—corn, soybeans and wheat. To some extent, there is further concentration in crops related to the investor real estate sector, as these loans are typically made for the purchase of land that is rented for crop production. However, crop production is geographically diversified across the District. While the industry distribution represents the primary industry of the borrower, at the time of loan origination, many of the crop producers may also have livestock operations or other forms of diversification, including off-farm income.

Many District Associations have diversified the concentration in agricultural production loans through rural residential real estate and part-time farmer loans, as well as agribusiness loans. Rural residential real estate, investor real estate and part-time farmer borrowers generally have significant off-farm sources of income, and, therefore, are less subject to cycles in agriculture. These borrowers, as well as agribusiness borrowers, are typically more susceptible to changes in the general economy, and the condition of the general economy will influence the credit quality of these segments of the portfolio.

Grain and livestock producers are somewhat subject to a counter-cyclical diversification effect. High grain prices are generally favorable to crop producers; however, livestock producers are adversely affected through higher feed costs. Conversely, low grain prices are generally negative to crop producers, but tend to improve the profitability for those livestock producers who purchase most or all of their feed. Severe fluctuations in commodity prices can negatively impact all District borrowers. While crop prices have

declined significantly in 2024 and net farm income remains lower than the elevated levels in recent years; it is still well above the 10 year average.

The table below illustrates industry and geographic diversification of our $23.6 billion retail portfolio as of December 31, 2024.

AgriBank Retail Portfolio

Industry Distribution		Geographic Distribution	
Crops	47 %	Iowa	11 %
Cattle	9 %	Minnesota	9 %
Investor and Rural residential real estate	9 %	Illinois	8 %
Food products	5 %	Nebraska	7 %
Dairy	5 %	Tennessee	6 %
Other	25 %	Indiana	6 %
		Ohio	6 %
		South Dakota	5 %
		Michigan	5 %
		Other	37 %
Total	100 %	Total	100 %

Other industries consist primarily of loans in the other livestock, timber and pork sectors, as well as loans to OFIs, none of which represented more than 5 percent of AgriBank's retail loan portfolio. Other states consist primarily of loans in Wisconsin, Missouri, Texas, California, and Arkansas, none of which represented more than 5 percent of AgriBank's retail loan portfolio. When compared to the prior years, the industry and geographic concentrations changed slightly due to the additional participations purchased in our asset pool programs in 2024. Additionally, reduction in loans to OFIs, is primarily attributable to a large repayment by one institution during the year.

Portfolio Maturities

As of December 31, 2024, all wholesale loan agreements mature in 36 months or less. Pricing terms of the wholesale loans are generally matched to District Associations' retail portfolios. We anticipate all wholesale loans will be renewed.

Contractual Maturities of Loans

(in thousands)

As of December 31, 2024	One Year or Less	Over One through Five Years	Over Five through Fifteen Years	Over Fifteen Years	Total
Wholesale loans	$17,294,440	$123,813,302	$—	$—	$141,107,742
Retail loans:					
Real estate mortgage	889,263	3,083,325	3,804,500	2,222,781	9,999,869
Production and intermediate-term	4,170,708	4,389,553	228,157	18,699	8,807,117
Loans to OFIs	324,651	269,057	22,006	—	615,714
Other	2,534,107	727,825	560,479	306,153	4,128,564
Total retail loans	7,918,729	8,469,760	4,615,142	2,547,633	23,551,264
Total loans	$25,213,169	$132,283,062	$4,615,142	$2,547,633	$164,659,006
Total of loans due after one year with:					
Fixed interest rates					$11,714,029
Variable and adjustable interest rates					$127,731,808

Credit Risk Management

We are authorized to make loans to District Associations and OFIs, and to buy participation interests in eligible loans as specified under the Farm Credit Act. As a result, our loan portfolio is concentrated in rural communities and the agricultural industry. Earnings, loan growth and credit quality of our loan portfolio can be affected significantly by the general state of the economy, primarily as it affects agriculture and users of agricultural products.

We actively manage our credit risk through various policies and standards, including our Loan Committee reviewing significant loan transactions. Our underwriting standards include analysis of five credit factors: repayment capacity, capital position, collateral, management ability and loan terms. These standards vary by agricultural industry and are updated to reflect current market conditions.

The credit quality of our loan portfolio has been consistently strong over the past three-year period, with 99.4 percent of our portfolio in the acceptable category at December 31, 2024 and 2023, and 99.6 percent at December 31, 2022. Acceptable loans represent the highest quality and are expected to be fully collectible. Overall, the agricultural industry continues to perform well with favorable commodity prices and an overall positive outlook in several sectors. As a majority of our loans are wholesale loans, we expect our credit quality will remain strong, even if District Associations experience declines in their retail credit quality in the future. While wholesale loans are individually large credits, each loan is secured by substantially all assets of the District Association, including the diverse portfolio of individual loans held by the Association. Additionally, each District Association has allowances for credit losses on loans, earnings and capital that absorb their credit losses before they would impact our wholesale loans.

The credit quality of our retail portfolio remains strong with acceptable and other assets especially mentioned (special mention) at 97.8, 98.2 and 97.9 percent as of December 31, 2024, 2023 and 2022, respectively. Substandard and doubtful loans, collectively called adverse loans, are loans identified as showing some credit weakness according to our credit standards. While credit quality is currently strong, negative economic trends could impact borrowers and may result in changes to credit quality in our loan portfolio. While the credit classification reflects the likelihood that these loans will experience stress or other credit weakness, the potential loss is significantly mitigated, as many of these loans are well collateralized or include significant credit enhancements including guarantees with third parties that generally have strong financial positions. Refer to the Nonperforming Assets and Retail Credit Risk Management sections for further discussion.

Percentage of Adverse Loans by Industry in the District Retail Portfolio

As of December 31,	2024	2023	2022
Crops	**2.3 %**	2.0 %	1.7 %
Food products	**6.1 %**	3.5 %	4.0 %
Cattle	**1.1 %**	1.2 %	1.9 %
Dairy	**1.3 %**	0.8 %	1.6 %
Other	**2.9 %**	2.3 %	1.8 %
Total	**2.4 %**	1.9 %	1.6 %

Percentage of Adverse Loans by Industry in the AgriBank Retail Portfolio

As of December 31,	2024	2023	2022
Crops	**2.1 %**	1.9 %	2.4 %
Cattle	**1.0 %**	0.9 %	0.8 %
Food products	**9.9 %**	6.4 %	13.0 %
Dairy	**1.9 %**	0.7 %	1.3 %
Other	**2.7 %**	2.0 %	1.9 %
Total	**2.2 %**	1.8 %	2.1 %

Adverse credit quality increased in 2024 across the District primarily due to modest declines in credit among certain agribusiness borrowers in the meat and retail food manufacturing sectors, which are included in the food products category above. Additionally, the crops sector has experienced higher levels of stress due to lower crop prices and relatively elevated input prices which are having a negative impact on financial performance for crop producers. Overall, there is potential for District Credit quality to continue to gradually decline in 2025 resulting from erosion of financial performance of many crop producers in 2024 and

expectations for narrow crop margins to continue into 2025. Many factors and unknowns could further impact borrowers in the future.

A substantial portion of the loan portfolio is collateralized, which reduces the District's exposure to credit losses. Collateral held varies, but may include real estate, equipment, inventory, livestock and income-producing properties and, in the case of wholesale loans, substantially all assets of District Associations. An estimate of credit risk exposure is considered in the allowance for credit losses on loans. Additionally, credit policies reduce credit risk, with emphasis placed on repayment capacity rather than exclusively on the underlying collateral. The District has an internally maintained database that uses market data to estimate market values of collateral for a significant portion of the District's real estate mortgage portfolio. Although FCA regulations allow real estate mortgage loans of up to 85 percent of appraised value, the underwriting standards at District Associations generally limit lending to 65 percent at origination. While underwriting exceptions on loan-to-appraised-value are sometimes granted, in such cases loans are typically structured with shorter amortization schedules and/or additional principal payments in the early years to reduce risk. In addition to sound underwriting standards, the District also has hold restrictions to limit the District's credit exposure of any one borrower.

Wholesale Credit Risk Management

Wholesale loans to District Associations represent the majority of our loan portfolio. The financial strength of District Associations directly impacts the credit quality of our portfolio. Substantially all assets of the District Associations are pledged as collateral for their respective wholesale loans. The earnings, capital and loan loss reserves of the Associations provide a buffer against losses in their retail portfolios. Currently, collection of the full wholesale loan amount due from each District Association is expected in accordance with the contractual terms of the debt arrangements, and no allowance has been recorded for any wholesale loans.

Select Information on AgriBank District Associations

(in thousands) **As of December 31, 2024**	**Wholesale Loan Amount**	**% of Wholesale Portfolio**	**Total Assets**	**Total Allowance and Capital**	**Total Regulatory Capital Ratio**	**Nonperforming Loans[1] as a % of Total Loans**	**Return on Assets**
Farm Credit Services of America	**$38,721,450**	**27.4 %**	**$47,665,241**	**$8,052,598**	**14.0 %**	**0.7 %**	**2.0 %**
Farm Credit Mid-America[2]	**32,471,877**	**23.0 %**	**39,559,382**	**6,482,657**	**14.8 %**	**1.3 %**	**1.5 %**
Compeer Financial	**28,666,750**	**20.3 %**	**34,717,429**	**5,248,357**	**13.7 %**	**1.2 %**	**1.5 %**
AgCountry Farm Credit Services[2]	**12,737,672**	**9.0 %**	**15,893,725**	**2,835,012**	**14.2 %**	**0.5 %**	**1.8 %**
GreenStone Farm Credit Services	**11,202,663**	**7.9 %**	**14,097,102**	**2,646,305**	**15.8 %**	**0.5 %**	**2.2 %**
FCS Financial	**6,091,777**	**4.3 %**	**7,535,857**	**1,294,901**	**14.5 %**	**0.6 %**	**1.9 %**
Farm Credit Illinois	**5,590,220**	**4.0 %**	**6,992,068**	**1,299,862**	**16.1 %**	**0.5 %**	**1.6 %**
AgHeritage Farm Credit Services	**2,048,804**	**1.5 %**	**2,591,152**	**510,701**	**16.1 %**	**0.2 %**	**2.0 %**
Farm Credit Services of Western Arkansas	**1,587,877**	**1.1 %**	**2,058,823**	**407,817**	**18.0 %**	**0.5 %**	**1.7 %**
Farm Credit Services of Mandan	**1,204,940**	**0.9 %**	**1,607,873**	**375,703**	**19.6 %**	**0.6 %**	**1.8 %**
Farm Credit Southeast Missouri	**783,712**	**0.6 %**	**1,021,387**	**219,873**	**18.5 %**	**0.2 %**	**1.9 %**
Total	**$141,107,742**	**100.0 %**	**$173,740,039**	**$29,373,786**			
District Association weighted average ratios					**14.6 %**	**0.9 %**	**1.7 %**

[1]Nonperforming loans are composed of nonaccrual loans and accruing loans 90 days or more past due.

[2]Loan amounts do not include fair value adjustments due to merger.

The previous chart illustrates that wholesale credit risk is concentrated in a few individually large loans to District Associations. Significant deterioration in a single wholesale loan could have a material adverse effect on our financial condition. This concentrated credit risk is substantially offset by the composition of the underlying collateral, which is made up of many diversified retail loans and other assets. Credit risk on wholesale loans is also reduced by the strong financial condition of District Associations.

At December 31, 2024, all outstanding wholesale loans were classified as acceptable.

AgriBank's wholesale credit risk mitigation is primarily through the General Financing Agreement (GFA) covenants, which cover those matters reasonably related to the debtor/creditor relationship between the District Associations and AgriBank. We use various additional mechanisms to mitigate wholesale credit risk, including a robust wholesale credit underwriting process, wholesale loan collateral monitoring function, and review of Association-provided reports. Additionally, we maintain and periodically update the AgriBank Underwriting Guide (AUG), which is available to Associations via our District intranet site. The objective of the AUG is to communicate guidance to address lending requirements and underwriting criteria needed to support our wholesale lending relationships with Associations. Regarding the individual performance of District Associations, we internally generate multiple reports on the financial position, performance and loan portfolio performance of each District Association. These reports are produced monthly, quarterly, semi-annually or annually. We also conduct an annual stress test, which evaluates the impact of different severe scenarios on the Bank, District and individual Associations.

Disciplined credit administration and servicing reduce credit risk on the wholesale portfolio. The GFA underlying each wholesale lending relationship contains typical commercial lending provisions, including advance rates based on the quality of pledged assets and financial performance covenants. Additional provisions include:

- A pledge of substantially all an Association's assets as collateral for the loan.
- A risk score calculated based on a District Association's profitability, credit quality, capital adequacy and asset classification correlation. A risk premium of up to 30 basis points is added to base pricing if a District Association's risk score falls below established levels. The risk score closely aligns with the Contractual Interbank Performance Agreement (CIPA) score. Refer to Note 9 of the accompanying Financial Statements for additional information related to the CIPA. Additionally, default interest rate provisions exist in the event the loan goes into default.
- A requirement that retail loans originated by a District Association over an established dollar amount, as well as all loans to a District Association's board members and employees and AgriBank board members, are approved by AgriBank's Credit Department in order to be eligible for inclusion in a District Association's borrowing base.
- A requirement that the District Association adopt and operate in accordance with policies, procedures and underwriting standards reasonably deemed necessary for satisfactory credit and credit administration as communicated in the AUG.

Throughout the year ended December 31, 2024, no District Association was declared in default of any GFA covenants.

AgriBank approval is required for significant structure changes at District Associations including, but not limited to: merger, acquisition, liquidation, or reaffiliation to another Farm Credit District. Refer to the Other Matters section herein and Note 15 of the accompanying Financial Statements for further information on structure changes.

Our pricing of wholesale loans is governed by a GFA with each District Association. The components of the wholesale interest rate include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity and Bank profit
- A risk premium component, if applicable

Certain factors may impact wholesale interest rates, including market interest rate changes impacting marginal cost of debt as well as changes to pricing methodologies impacting the spread components described above.

All District Associations had an initial opportunity to participate in the sale of asset pools to AgriBank at a base level of 10% in 2023 and 2024. Most Associations have already taken part in these asset pools. District Associations can elect to utilize an alternative in place of the asset pool participation, as available in a Memo of Understanding related to participation in pool programs. During 2024, in lieu of selling participations to AgriBank two Associations purchased additional stock in AgriBank and began to pay additional spread on their wholesale loans.

No District Association paid a risk premium during any of the years ended December 31, 2024, 2023 or 2022 and no District Association is paying a risk premium in 2025, as of the date of this report.

Retail Credit Risk Management

Our retail portfolio management policies include maximum exposure limits by individual borrowers based on probabilities of default, loss given default, industry and lead lender. AgriBank has created several different types of asset pool programs to assist Association business goals and effectively leverage existing District capital. Each asset pool program has underwriting parameters designed according to the risks inherent to each type of asset pool. The asset pools consist of five primary programs:

- The vertical asset pool portfolio is primarily composed of participation interests generally between 10 and 15 percent across most of participating Associations' loan portfolios. As part of the vertical asset pool, we may also purchase participations of up to 30 percent in a smaller subset of loans meeting certain criteria.

- The equipment financing asset pool program consists of numerous participation interests in retail equipment financing contracts that have individual loan balances of generally less than $500 thousand. Loan participations purchased under this program are primarily underwritten based on standardized credit scoring.
- Real estate asset pool portfolios are primarily composed of participation interests in high-quality real estate and consumer mortgage loans that conform to criteria set forth in the respective program agreements. Individual loan participation balances held in the asset pool portfolios are generally less than $2 million.
- A crop input financing asset pool program portfolio is composed of numerous participation interests in loans exclusively used for purchasing crop inputs from suppliers that have individual loan commitments of generally less than $250 thousand. Loan participations purchased under the crop input financing asset pool program are primarily underwritten based on standardized credit scoring. Many of these loans include significant credit enhancements including guarantees with third parties that generally have strong financial positions.

The remainder of the credits in our portfolio are primarily composed of large (the majority are greater than $5 million) individual loan participations purchased from District Associations outside of asset pools. We routinely monitor exceptions to underwriting standards and compliance with all portfolio management policies and guidelines. Our concentrations in the 10 largest retail customers at December 31, 2024, (excluding OFIs) totaled $342.6 million. All of these loans were in accrual status and classified as acceptable at December 31, 2024. Our largest retail customers may fluctuate each year due to changing market conditions.

10 Largest Retail Customers

As of December 31, 2024	
% of total retail loans	**1.5 %**
% of total loans	**0.2 %**
Concentration by industry	
Dairy	**49.1 %**
Food Products	**27.7 %**
Farm Machinery and Equipment	**22.9 %**
Other	**0.3 %**

Nonperforming Assets

Effective January 1, 2023, we adopted Accounting Standards Update 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management’s estimate reflects credit losses over the asset’s remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses comprises the allowance for credit losses on loans, unfunded commitments, and investment securities.

Components of Nonperforming Assets

(in thousands)

As of December 31,	2024	2023	2022
Nonaccrual loans	**$179,812**	$70,322	$41,994
Accruing loans 90 days or more past due	**34,712**	1,334	746
Total nonperforming loans	**214,524**	71,656	42,740
Other property owned	**1,146**	80	—
Total nonperforming assets	**$215,670**	$71,736	$42,740
As a percent of retail loans [2]			
Nonperforming loans	**0.91 %**	0.32 %	0.29 %
Nonaccrual loans	**0.76 %**	0.31 %	0.28 %
Delinquencies [1]	**0.98 %**	0.59 %	0.63 %
As a percent of total loans [2]			
Nonperforming loans	**0.13 %**	0.05 %	0.03 %
Nonaccrual loans	**0.11 %**	0.05 %	0.03 %
Delinquencies [1]	**0.14 %**	0.09 %	0.07 %

[1] Total delinquencies include accrual and nonaccrual 30 days or more past due.

[2] Total loans used to calculate the above ratios include $355.2 million of loans classified as held for sale as of December 31, 2023.

Note: Prior to the adoption of CECL effective January 1, 2023, nonperforming assets included accrued interest receivables. Certain prior period ratios have been updated to conform to current period presentation.

Due to the low level of nonperforming assets, movement of a single loan or borrower impacts the percent of nonperforming assets year-over-year. Nonperforming assets are primarily concentrated in the production and intermediate-term sector, including loans in our crop input financing portfolio, as well as agribusiness and real estate mortgage sectors. The increase in accruing loans 90 days or more past due is primarily due to lower repayments on our crop input financing portfolio as borrowers are deferring grain sales to 2025. The increase in nonaccrual loans is discussed in detail below. Higher input costs, including both intermediate costs and labor, as well as uncertainty surrounding inflation and ongoing global economic factors, could impact nonperforming assets and related allowance for credit losses on loans, as well as provision for credit losses on loans, in the coming year.

Total nonperforming loans as a percentage of total loans remains well within our established risk management guidelines. At December 31, 2024, 56.5 percent, of nonaccrual loans were current as to principal and interest.

The increase in nonaccrual loans was primarily driven by large agribusiness borrowers in the meat and food products sector, as well as real estate mortgage borrowers in the tree nuts industry moving to nonaccrual during the year. Additional nonaccrual growth was driven by various production and intermediate-term loans in the crops sector also moving to nonaccrual during the year. Our accounting policy requires loans past due 90 days to be transferred into nonaccrual status unless adequately secured and in the process of collection.

Allowance for Credit Losses on Loans

Effective January 1, 2023, the allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. Prior to January 1, 2023, the allowance for loan losses was an estimate of losses incurred on loans in our portfolio that were probable and estimable as of December 31, 2022.

Allowance for Credit Losses on Loans by Loan Type

(in thousands)	2024		2023		2022	
As of December 31,	**Amount**	**%**	Amount	%	Amount	%
Real estate mortgage	**$6,948**	**17.5 %**	$5,968	18.7 %	$3,932	12.4 %
Production and intermediate-term	**17,689**	**44.8 %**	11,647	36.4 %	22,350	70.4 %
Loans to OFIs	**400**	**1.0 %**	617	1.9 %	305	1.0 %
Other	**14,604**	**36.7 %**	13,760	43.0 %	5,152	16.2 %
Total allowance for credit losses on loans	**$39,641**	**100.0 %**	$31,992	100.0 %	$31,739	100.0 %

With most of our loan portfolio composed of wholesale loans, the inherent risk in the portfolio is significantly reduced by adequate allowances, strong earnings and capital positions at District Associations. We have not recorded a provision for credit losses on loans, charge-offs or recoveries on our wholesale loans for any period presented.

We determine the amount of allowance that is required by analyzing wholesale loans, nonaccrual loans and loans to other Farm Credit Institutions individually, and all other loans by grouping them into loan segments sharing similar risk characteristics. These loan segments include asset pool programs, other financing institutions loans and retail participation loans. We use a disciplined process and methodology, including a combination of expected probability of default and loss given default assumptions to estimate losses in these loan segments. These estimated losses may be adjusted for relevant current and forecasted environmental factors. These factors may vary by the different segments, reflecting the risk characteristics of each segment. As these factors change, earnings are impacted. For all loans analyzed individually, we record a specific allowance, if appropriate, to reduce the carrying amount of the loan to the lower of book value or the net realizable value of collateral.

AgriBank's retail loan portfolio is primarily made up of participated credits from District Associations. Generally, we review and follow the lead lender's credit analysis and recommendations regarding specific reserves and charge-offs on nonaccrual loans, unless our individual analysis and knowledge of the exposure supports an alternative conclusion.

Allowance for Credit Losses on Loans Coverage Ratios

As of December 31,	**2024**	2023	2022
Allowance for credit losses on loans as a percentage of:			
Loans	**0.02 %**	0.02 %	0.02 %
Retail loans	**0.17 %**	0.14 %	0.21 %
Nonaccrual loans	**22.05 %**	45.49 %	75.58 %
Total nonperforming loans	**18.48 %**	44.65 %	74.26 %
Adverse assets to capital and allowance for credit losses on loans	**5.50 %**	4.78 %	4.28 %

For the year ended December 31,	**2024**	2023	2022
Net charge-offs (recoveries) as a % of average loans	**0.01 %**	0.01 %	(0.00)%
Net charge-offs (recoveries) as a % of average retail loans	**0.09 %**	0.07 %	(0.00)%

Note: The total loans used to calculate the Loans and Retail loans ratios in the above table includes loans classified as held for sale as of December 31, 2023.

Refer to the Results of Operations - Provision for Credit Losses section for further discussion of provision for credit losses on loans changes.

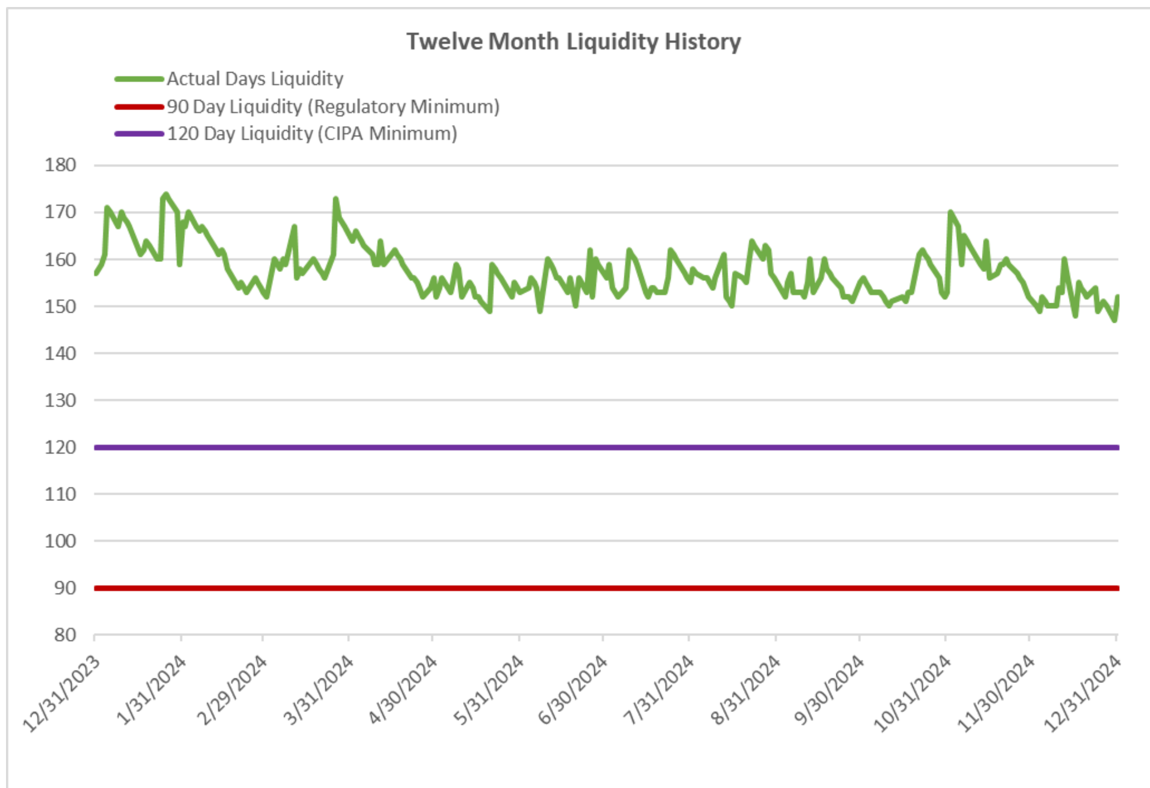
Investment Portfolio and Liquidity

Liquidity Risk Management
We are responsible for meeting the District's funding, liquidity and asset/liability management needs. Access to the unsecured debt capital markets remains our primary source of liquidity. The System continues to have reliable access to the debt capital markets to support its mission of providing credit to farmers, ranchers and other eligible borrowers. During the year ended December 31, 2024, investor demand for Systemwide Debt Securities remained sufficient to meet our funding needs.

We also maintain a secondary source of liquidity through a high-quality investment portfolio and other short-term liquid assets. We manage liquidity for our operating and debt repayment needs by forecasting and anticipating seasonal demands, as well as through managing debt maturities. We manage short-term liquidity needs by maintaining maturing investments and bank balances of at least $700 million on hand each day to meet cash management and loan disbursement needs in the normal course of business.

We manage intermediate and longer-term liquidity needs through the composition of the liquidity investment portfolio, which is structured to meet both regulatory requirements and our operational demands. Specifically, we provide at least 15 days of liquidity coverage from cash, overnight investments and U.S. Treasury securities less than three years in maturity. Other short-term money market investments, as well as government and agency mortgage-backed securities (MBS), are positioned to cover regulatory requirements for 30- and 90-day intervals. Additionally, a supplemental liquidity buffer provides days coverage in excess of 90 days from money market instruments greater than 90 days in maturity and asset-backed securities (ABS). At December 31, 2024, we held qualifying assets in excess of each incremental level to meet the liquidity coverage intervals.

Our liquidity policy and FCA regulations require maintaining minimum liquidity on a continuous basis of 120 days and 90 days, respectively. The days of liquidity measurement refers to the number of days that maturing debt is covered by liquid investments and cash. During 2024, we had a liquidity operating target between 135 and 185 days. As of December 31, 2024, we had sufficient liquidity to fund all debt maturing within 152 days. Some volatility in liquidity coverage is expected; therefore, the level of days coverage liquidity may rise and fall during the year. AgriBank also maintains an adequate level of unencumbered and marketable assets in its liquidity reserve that can be converted into cash to meet its net liquidity needs for 30 days based on estimated cash inflows and outflows under an acute stress scenario.



Contingency Funding Plan
We maintain a Contingency Funding Plan (CFP) that helps inform our operating and funding needs and addresses actions we would consider in the event that there is not ready access to traditional funding sources. These potential actions include borrowing overnight via federal funds, using investment securities as collateral to borrow, using the proceeds from maturing investments and selling our liquid investments. We size our investment portfolio using the CFP to cover all operating and funding needs for a minimum of 30 days with a targeted $1 billion buffer. The buffer amount is assessed annually and was most recently updated in November 2024. The Funding Corporation, on behalf of the System Banks, may also incur other obligations, such as federal funds purchased, that would be the joint and several obligations of the System Banks and would be insured by the Insurance Corporation to the extent funds are available in the Farm Credit Insurance Fund (Insurance Fund).

Funding from the Federal Financing Bank
The Insurance Corporation has an annual agreement with the Federal Financing Bank, a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the Federal Financing Bank would advance funds to the Insurance Corporation, under certain limited circumstances. Under its existing statutory authority, the Insurance Corporation may use these funds to provide assistance to the System Banks in exigent market circumstances that threaten the banks' ability to pay maturing debt obligations. The decision whether to seek funds from the Federal Financing Bank is at the discretion of the Insurance Corporation, and each funding obligation of the Federal Financing Bank is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by the System.

Investment Securities
All investment securities are classified as available-for-sale (AFS).

Composition of Investment Securities

(in thousands)

As of December 31,	2024	2023	2022
Commercial paper and other	**$7,990,556**	$10,594,724	$8,318,423
U.S. Treasury securities	**8,133,534**	5,005,753	5,669,274
Mortgage-backed securities	**6,721,395**	6,249,965	5,962,719
Asset-backed securities	**315,459**	261,986	143,507
Total	**$23,160,944**	$22,112,428	$20,093,923

The commercial paper and other category was comprised of corporate commercial paper and certificates of deposit. Mortgage-backed securities consist of instruments issued or guaranteed by the U.S. government, its agencies or government sponsored enterprises.

During 2024, commercial paper positions were reduced and allocated to the purchases of U.S. Treasury securities due to more favorable spreads.

Our Asset/Liability Committee (ALCO) and Counterparty Risk Committee oversee the credit risk in our investment portfolio. We manage investment portfolio credit risk by investing only in securities that are liquid, of high quality and whose risks are well understood. The composition of our investment portfolio is influenced by our liquidity strategy which considers regulatory surpluses, risk and relative return available, diversification, and other factors. All securities must meet eligibility requirements as permitted by FCA regulations.

Fair Value of Eligible Investment Securities by Credit Rating

(in thousands)	Eligible			
As of December 31, 2024	**AAA/Aaa**	**A1/P1/F1**	**Split Rated [1]**	**Total**
Commercial paper and other	**$—**	**$7,000,651**	**$989,905**	**$7,990,556**
U.S. Treasury securities	**—**	**—**	**8,133,534**	**8,133,534**
Mortgage-backed securities	**—**	**—**	**6,721,395**	**6,721,395**
Asset-backed securities	**315,459**	**—**	**—**	**315,459**
Total	**$315,459**	**$7,000,651**	**$15,844,834**	**$23,160,944**

[1] Investments that received the highest credit rating from at least one rating organization.

Credit risk in our investment portfolio is largely mitigated by investing primarily in securities issued or guaranteed by the U.S. government or one of its agencies. Credit risk in our investment portfolio primarily exists in investment securities that are not guaranteed by the U.S. government or one of its agencies, which include our certificates of deposit, commercial paper, and asset-backed securities. Holdings of split-rated securities are related to U.S. government securities. At December 31, 2024, all investment securities were of high credit quality and met eligibility requirements.

Effective January 1, 2023, we adopted CECL, which amended the previous other-than-temporary impairment model for investment securities to incorporate an allowance for credit losses on investment securities. There was no allowance for credit losses on investment securities at December 31, 2024 or 2023, as the substantial majority of our investment portfolio carries a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies and have an immaterial risk of credit loss. Additional information regarding the CECL adoption is included in Note 2 to the accompanying Financial Statements. Prior to January 1, 2023, the investment securities portfolio was evaluated for other-than-temporary impairment. For the year ended December 31, 2022, we did not recognize any impairment on our investment securities portfolio. Refer to Note 4 of the accompanying Financial Statements for further information on investment securities.

Shareholders’ Equity

We believe a sound capital position is critical to long-term financial stability, and we are committed to long-term capital optimization within the AgriBank District. Capital management under our capital plan supports adequate capital protection to absorb adversity and support our mission over the long term. Our capital reflects strong risk-based regulatory capital measures while optimizing the non-risk-based regulatory capital measure to maintain targeted tier 1 leverage ratios. Under our capital plan, capital growth is anticipated to be in the form of stock, either purchased or allocated through declaration of stock patronage, as well as retention of earnings to meet the unallocated retain earnings target ratio.

Total shareholders’ equity was $9.5 billion, $8.6 billion and $7.2 billion at December 31, 2024, 2023 and 2022, respectively. Total shareholders’ equity increased $879.9 million in 2024. The increase was driven primarily by net income and capital stock issuances. Patronage distributions declared and the redemption of $250 million of perpetual preferred stock offset the overall increases in equity.

Select Capital Ratios

As of December 31,	Regulatory minimum and buffer	**2024**	2023	2022
Shareholders' equity to assets		**4.9 %**	4.9 %	4.6 %
Retained earnings and allowance to nonperforming loans (:1) [(2)]		**15.9**	44.3	74.2
Retained earnings to total shareholders' equity		**35.6 %**	36.6 %	43.7 %
Tier 1 capital ratio	8.5 %	**16.0 %**	15.9 %	16.9 %
Tier 1 leverage ratio	5.0 %	**5.2 %**	5.2 %	5.2 %
UREE[(1)] leverage ratio	1.5 %	**1.9 %**	2.0 %	2.3 %

[(1)] Unallocated retained earnings and equivalents

[(2)] Prior to the adoption of CECL effective January 1, 2023, nonperforming assets included accrued interest receivables. Certain prior period ratios have been updated to conform to current period presentation.

As we continue to purchase asset pool portfolios and effectively leverage District capital, the Bank's risk-adjusted capital ratios, including tier 1 capital ratio, are moving to more optimal levels, while still maintaining regulatory minimums and buffer limits.

On January 1, 2024, AgriBank redeemed, in whole, its $250 million of Series A Preferred Stock and had no outstanding preferred stock as of December 31, 2024. Refer to Note 6 of the accompanying Financial Statements for additional information about Shareholders’ Equity.

Capital Plan and Regulatory Requirements
FCA regulatory capital requirements for System Banks and Associations consist of risk-based ratios, including common equity tier 1 capital, tier 1 capital and total capital. The requirements also include the non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents (UREE). Capital requirements also include capital conservation buffers. We exceeded all regulatory capital requirements in 2024, 2023 and 2022, including the capital conservation buffers.

Strong earnings, retail participation and asset pool programs, and stock investments have allowed us to maintain strong regulatory capital ratios while efficiently leveraging existing Bank capital for the benefit of District Associations. The various retail participation and asset pool programs leverage our strong risk-adjusted capital position while strengthening our non-risk-adjusted tier 1 leverage ratio.

We maintain a formal capital plan that addresses our capital targets in relation to our risks and establishes the required investment levels. The plan assesses the capital level and composition necessary to support financial viability and our mission over the long term. The plan considers factors such as credit risk and allowance levels, quality and quantity of earnings, sufficiency of liquid funds, operational risk, interest rate risk, and growth in determining optimal capital levels. Our capital plan continues to reflect strong risk-based regulatory capital measures while optimizing the non-risk-based leverage ratios. We periodically review and modify these targets to reflect current business and economic conditions. Our capital plan is updated at least annually and is subject to change at the discretion of our board.

2025 Business Plan - Capital Ratio Targets

	Target	Regulatory Minimum	Regulatory Minimum plus buffer
Tier 1 leverage ratio	**5.15%**	**4.0%**	**5.0%**
UREE leverage ratio	**No lower than 1.8%**	**1.5%**	**1.5%**
Common equity tier 1 capital ratio	**No lower than 8.0%**	**4.5%**	**7.0%**
Tier 1 capital ratio	**No lower than 9.5%**	**6.0%**	**8.5%**
Total capital ratio	**No lower than 11.5%**	**8.0%**	**10.5%**
Permanent capital ratio	**No lower than 9.5%**	**7.0%**	**n/a**

As part of our business plan, we model economic capital requirements and perform stress testing for AgriBank. In addition, we model economic capital requirements for District Associations. Economic capital measures total enterprise risk looking at credit, interest rate and operational risk.

AgriBank Patronage Programs and Dividend Distributions

All patronage and dividend payments are at the sole discretion of the board and are determined based on actual financial results, projections and long-term capital goals. Fundamental to our capital plan, we will first retain sufficient current period earnings to meet our capital and UREE targets and then distribute any remaining earnings as cash patronage. We may pay a portion of wholesale patronage, to District Associations and OFIs, in the form of allocated stock. Patronage was paid in cash and stock for the years ended December 31, 2024, 2023 and 2022. Asset pool program patronage was primarily cash distributions from earnings on our various asset pool programs in the years ended December 31, 2024, 2023 and 2022. Because of the strong Association growth in retail assets our targeted level for UREE ratio was met in 2024, which resulted in a reduction in overall patronage as a portion of current period earnings was retained to maintain an acceptable UREE ratio level.

Total Patronage Distributions

(in thousands)

For the year ended December 31,	**2024**	2023	2022
Wholesale patronage	**$324,609**	$624,727	$590,324
Asset pool program patronage	**375,199**	239,694	183,023
Total patronage	**$699,808**	$864,421	$773,347
Wholesale patronage in basis points	**22.8**	48.6	50.8

On January 1, 2024, AgriBank redeemed, in whole, $250 million of preferred stock and therefore, there were no perpetual preferred stock dividends declared during 2024. During the years ended December 31, 2023 and 2022, in addition to patronage to our members, our board declared perpetual preferred stock dividends of $17.2 million, which was required to be paid before patronage distributions. Refer to Note 6 of the accompanying Financial Statements for additional information about Shareholders’ Equity.

Accumulated Other Comprehensive Loss
Our derivative portfolio includes certain derivatives designated as cash flow hedges. Unrealized gains and losses on cash flow hedges are reported as a separate component of shareholders' equity. Unrealized gains and losses are reclassified into earnings when the interest payments on the hedged debt affect earnings. The majority of cash flow derivatives are hedging rising long-term interest rates.

Typically, rising interest rates increase the value of our cash flow derivative portfolio and the portfolio decreases in value as interest rates decline. The volatility in interest rates throughout 2024, paired with the timing of maturities and issuances of new swaps, resulted in gains and losses throughout the year. As a result, we had $169.0 million and $189.5 million net other comprehensive income for the years ended December 31, 2024 and 2022, respectively and $31.3 million of net other comprehensive loss for the year ended December 31, 2023.

Our investment portfolio is held primarily for liquidity purposes; accordingly, it is considered available-for-sale and is carried at fair value. Unrealized gains and losses, not related to credit losses, on investment securities are reported as a separate component of shareholders' equity. Prior to January 1, 2023, unrealized gains and losses related to the non-credit component of other-than-temporary impairment (OTTI) investment securities were also reported as a separate component of shareholders' equity; however, we held no OTTI securities at any time during the year ended December 31, 2022.

The value of our fixed-rate AFS investment securities have an inverse relationship with interest rates, as rates increase, generally the value of the fixed-rate AFS investment securities portfolio declines. Net other comprehensive gains on AFS investment securities totaled $48.9 million and $247.3 million for the years ended December 31, 2024, and 2023, respectively. Net other comprehensive losses on AFS investment securities totaled $847.4 million for the year ended December 31, 2022. While interest rates were volatile during 2024, an increase in interest rates during the fourth quarter drove the reduction in current year comprehensive gains compared to the prior year.

Results of Operations

Net income increased $54.2 million, or 6.2 percent, for the year ended December 31, 2024, primarily driven by higher net interest income. Return on average assets ratio of 51 basis points in 2024 was in excess of our 50 basis point target. Our targeted return on assets ratio is a key part of our Bank financial framework which optimizes Bank earnings and capital combined with a focus on operational strength and disciplined cost management.

Profitability Information

(in thousands)

For the year ended December 31,	2024	2023	2022
Net income	**$927,458**	$873,294	$790,697
Return on average assets	**0.51 %**	0.53 %	0.53 %
Return on average shareholders' equity	**10.56 %**	11.28 %	11.36 %

Changes in Significant Components of Net Income

(in thousands)

For the year ended December 31,	2024	2023	2022	Increase (decrease) in Net Income	Prior Year Increase (decrease) in Net Income
Net interest income	**$1,062,456**	$985,156	$854,444	$77,300	$130,712
Provision for credit losses	**27,000**	19,000	(6,000)	(8,000)	(25,000)
Non-interest income	**108,866**	105,460	115,018	3,406	(9,558)
Non-interest expense	**216,864**	198,322	184,765	(18,542)	(13,557)
Net income	**$927,458**	$873,294	$790,697	$54,164	$82,597

Net Interest Income

Changes in Net Interest Income

(in thousands)

For the year ended December 31,	2024 vs 2023			2023 vs 2022		
Increase (decrease) due to:	Volume	Rate	Total	Volume	Rate	Total
Interest income:						
Loans	$697,627	$655,145	$1,352,772	$312,787	$2,010,897	$2,323,684
Investment securities and other earning assets	52,727	140,602	193,329	65,462	638,216	703,678
Total interest income	750,354	795,747	1,546,101	378,249	2,649,113	3,027,362
Interest expense:						
Systemwide Debt Securities and other	(571,671)	(897,130)	(1,468,801)	(270,906)	(2,625,744)	(2,896,650)
Net change in net interest income	$178,683	$(101,383)	$77,300	$107,343	$23,369	$130,712

Information regarding the average daily balances (ADB), average rates earned and components of net interest income (NII) on our portfolio follows:

(in thousands)

For the year ended December 31,	2024		
	ADB	Rate	NII
Interest earning assets:			
Wholesale loans	$131,893,003	3.94 %	$5,222,441
Retail accrual loans	22,287,410	5.64 %	1,249,089
Retail nonaccrual loans	117,337	12.25 %	14,418
Investment securities and other earning assets	26,027,770	4.58 %	1,195,974
Total earning assets	180,325,520	4.25 %	7,681,922
Interest bearing liabilities	171,805,973	3.84 %	6,619,466
Interest rate spread	$8,519,547	0.41 %	
Impact of equity financing		0.18 %	
Net interest margin		0.59 %	
Net interest income			$1,062,456

(in thousands)

For the year ended December 31,	2023		
	ADB	Rate	NII
Interest earning assets:			
Wholesale loans	$121,914,909	3.51 %	$4,272,893
Retail accrual loans	16,595,233	5.13 %	851,506
Retail nonaccrual loans	55,545	15.80 %	8,777
Investment securities and other earning assets	24,790,982	4.04 %	1,002,645
Total earning assets	163,356,669	3.76 %	6,135,821
Interest bearing liabilities	155,611,616	3.31 %	5,150,665
Interest rate spread	$7,745,053	0.45 %	
Impact of equity financing		0.15 %	
Net interest margin		0.60 %	
Net interest income			$985,156

(in thousands)

For the year ended December 31,	2022		
	ADB	Rate	NII
Interest earning assets:			
Wholesale loans	$111,558,976	2.02 %	$2,252,305
Retail accrual loans	14,538,761	3.78 %	549,762
Retail nonaccrual loans	47,618	15.59 %	7,424
Investment securities and other earning assets	20,563,870	1.45 %	298,969
Total earning assets	146,709,225	2.12 %	3,108,460
Interest bearing liabilities	140,272,505	1.61 %	2,254,016
Interest rate spread	$6,436,720	0.51 %	
Impact of equity financing		0.07 %	
Net interest margin		0.58 %	
Net interest income			$854,444

Net interest income increased during the year ended December 31, 2024. The increase was primarily driven by higher spread income on retail loans in our asset pool portfolio, when compared to the prior year, due to the purchase of a significant number of loan participations during the second half of 2023. Additionally, the benefit of equity financing from higher interest rates compared to the prior year has also contributed to the increase in net interest income. Equity financing represents the benefit of non-interest bearing funding.

With interest rates and callable debt spreads remaining elevated throughout 2024, opportunities to call and refinance debt have been minimal and loan conversion activity very low. We typically experience slight net interest margin compression as fixed-rate assets age, usually offset by the margin from new volume. However, with the yield curve inverted during 2024, new volume margins are not providing the typical offset. We estimate funding actions contributed 1 basis points to the interest rate spread in 2024, compared to 8 and 11 basis points in 2023 and 2022, respectively. Additionally, spread income on investment securities has declined compared to the prior year due to the mix of investment securities and reduced spreads on money market instruments.

Competitive market pressures in a rising interest rate environment compressed interest rate spreads on District Association loan portfolios during 2023. In an effort to combat this competitive pressure, AgriBank, in collaboration with District Associations, implemented temporary pricing changes during 2023. The benefit provided to District Associations was largely completed through the funding of prepayable long-term loans at District Associations with debt with less refinance flexibility. While this pricing program ended in mid-January 2024, moderate interest rate risk remains if rates drop quickly. Refer to the Interest Rate Risk Management section for further analysis of the repricing risk.

Provision for Credit Losses

The "Provision for credit losses" in the Statements of Comprehensive Income includes a provision for credit losses on loans, provision for credit losses on investments, as well as a provision for credit losses on unfunded commitments. There was a $27.0 million provision for credit losses on loans for the year ended December 31, 2024, driven primarily by increase in specific reserve for production and intermediate-term loans in our asset pool programs. We had no provision for credit losses on unfunded commitments or investment securities for the year ended December 31, 2024.

Provision for credit losses on loans in any given year can be impacted by a single loan or borrower. The allowance for credit losses on loans directly impacts our provision for credit losses on loans. Refer to the discussion of the allowance for credit losses on loans in the Loan Portfolio - Allowance for Credit Losses on Loans section of this report and in Note 3 of the accompanying Financial Statements.

Non-interest Income

The increase in non-interest income for the year ended December 31, 2024, compared to the same period of the prior year, was primarily related to Allocated Insurance Reserve Accounts (AIRAs) distribution received from the Farm Credit System Insurance Corporation (FCSIC) during the second quarter of 2024. The AIRAs were established by the FCSIC when premiums collected increased the level of the insurance fund beyond the required secured base amount of 2 percent of insured debt. The increase in non-interest income was partially offset by other losses.

Components of Non-Interest Income

(in thousands)

For the year ended December 31,	2024	2023	2022
Mineral income	**$87,651**	$86,599	$89,636
Business services income	**9,872**	9,025	7,583
Loan prepayment and fee income	**9,146**	8,269	18,871
Allocated Insurance Reserve Accounts income	**5,922**	—	—
Other (loss) income, net	**(3,725)**	1,567	(1,072)
Total	**$108,866**	$105,460	$115,018

Loan prepayment and fee income reflects prepayment and conversion fees recognized as a result of conversion activity, primarily related to funding our wholesale lending. The majority of our loan prepayment and fee income is recorded when District Association retail loans financed through our wholesale loan volume prepay or convert, and the District Association is assessed a wholesale fee.

Non-interest Expense

Components of Non-interest Expense

(in thousands)

For the year ended December 31,	2024	2023	2022
Salaries and employee benefits	**$33,962**	$32,008	$27,551
Other operating expenses:			
Purchased services	**29,434**	25,280	23,787
Occupancy and equipment	**6,957**	6,453	5,324
Examination expense	**8,535**	7,337	7,093
Other	**11,701**	11,216	10,410
Loan servicing expense	**100,241**	85,731	78,542
Farm Credit System insurance expense	**22,701**	30,265	29,364
Other non-interest expense, net	**3,333**	32	2,694
Total non-interest expense	**$216,864**	$198,322	$184,765

Loan servicing expense increased due to expected increases in loan servicing fees related to expansion of asset pool programs in the second half of 2023 and throughout 2024.

Farm Credit System insurance expense is directly impacted by the premium rate we are assessed. Premiums were 10, 18 and 20 basis points for 2024, 2023 and 2022, respectively. The Insurance Corporation has announced premiums of 10 basis points in 2025. The Insurance Corporation board meets periodically throughout the year to review premium rates and has the ability to change these rates at any time.

Interest Rate Risk Management

Interest rate risk is the risk that changes in interest rates may adversely affect operating results and financial condition. Interest rate risk arises primarily from funding fixed rate loans that can be prepaid, adjustable rate loans with interest rate caps and decisions related to the investment of our equity. We manage substantially all of the District's interest rate risk. Our ability to effectively manage interest rate risk relies on our ability to issue debt with terms and structures that match our asset terms and structures and through pricing to Associations. Because a substantial portion of those assets are prepayable, we manage our interest rate risk and reduce our funding costs using a variety of tools including callable debt and derivative products. AgriBank, in collaboration with District Associations, implemented temporary pricing changes during 2023 in an effort to combat competitive pressure for District Associations. While this pricing program ended in mid-January 2024, AgriBank still faces moderate interest rate risk if rates drop quickly. The exposure from this program should runoff in 2025 as long as interest rates stay elevated.

We manage exposure to changes in interest rates under policies established by our board and limits established by our ALCO. Policies and limits regulate maximum exposure to net interest income and economic value of equity changes for specified changes in market interest rates. A full analysis of interest rate risk is completed monthly. Through these analyses, appropriate funding strategies are developed to manage the sensitivity of net interest income and economic value of equity to changes in interest rates.

Our primary techniques used to analyze interest rate risk are:

- Interest rate gap analysis, which compares the amount of interest-sensitive assets to interest-sensitive liabilities repricing in selected time periods under various interest rate and prepayment assumptions.
- Net interest income sensitivity analysis, which projects net interest income in each of the next three years given various rate scenarios.
- Economic value of equity sensitivity analysis, which estimates the economic value of assets, liabilities and equity given various rate scenarios.

The assumptions used in our analyses are monitored routinely and adjusted as necessary. Assumptions about loan prepayment behavior are the most significant to the results. Prepayment speeds are estimated as a function of rate levels, age and seasoning. We monitor and track prepayment history and consider adjustments to our assumed prepayment speeds based on our historical observed experience. We use third-party prepayment models for MBS investments.

Interest Rate Gap Analysis

The following table is based on the known repricing dates of certain assets and liabilities and the assumed or estimated repricing dates of others under an implied forward rate scenario. Prepayment estimates for loans are calculated using our standard prepayment assumptions. Callable debt is shown at the first call date it is expected to be exercised given implied forward rates. Various assets and liabilities may not reprice according to the assumptions and estimates used. The analysis provides a static view of our interest rate sensitivity position and does not capture the dynamics of an evolving balance sheet, interest rate and spread changes in different interest rate environments, or the active role of asset and liability management.

Interest Rate Gap Position

(in millions)	Repricing Intervals						
As of December 31, 2024	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Over 5 Years**	**Total**
Earning assets:							
Prepayable loans	$83,935	$14,886	$11,621	$8,051	$6,849	$30,820	$156,162
Other loans	923	1,335	1,250	1,131	817	3,041	8,497
Investment securities and other earning assets	15,719	4,081	1,734	866	1,074	996	24,470
Total earning assets	$100,577	$20,302	$14,605	$10,048	$8,740	$34,857	$189,129
Callable debt	$22,695	$12,190	$6,665	$5,360	$4,545	$32,173	$83,628
Other debt	78,777	8,557	5,596	2,132	1,406	700	97,168
Effect of interest rate swaps and other derivatives	(4,975)	700	(150)	—	200	4,225	—
Total rate-sensitive liabilities	$96,497	$21,447	$12,111	$7,492	$6,151	$37,098	$180,796
Interest rate sensitivity gap	$4,080	$(1,145)	$2,494	$2,556	$2,589	$(2,241)	$8,333
Cumulative gap	$4,080	$2,935	$5,429	$7,985	$10,574	$8,333	
Cumulative gap as a % of earning assets	4.1 %	2.4 %	4.0 %	5.5 %	6.9 %	4.4 %	

Net Interest Income and Economic Value of Equity (EVE) Sensitivity Analysis

The economic value of equity sensitivity analysis provides a point-in-time view of our interest rate sensitivity position, commensurate with the interest rate gap analysis. Net interest income projections and sensitivity analysis incorporate assumptions to capture the dynamics of an evolving balance sheet. Policy limits related to interest rate sensitivity assume interest rates for all points along the yield curve change immediately in the same direction and amount (a parallel shock). We also routinely review the impact of a gradual change over one year in interest rates in the same direction and same amount (a parallel ramp). Further, we routinely review multi-year net interest income projections and the impact of varying the amount of change in rates at different maturities (a twist, flattening or steepening of the yield curve). Our policies establish a maximum variance from our base case in a plus or minus 200 basis point change in rates, except when the U.S. Treasury three-month rate is below 4 percent, at which time the minus scenario is limited to one-half of the U.S. Treasury three-month rate.

NII Sensitivity Analysis

	Basis Point Interest Rate Change			
As of December 31, 2024	**Down 200**	**Down 100**	**Up 100**	**Up 200**
Immediate Change (Shock):				
NII sensitivity	(4.9)%	(2.4)%	0.0 %	(0.7)%
Board policy	(15.0)%			(15.0)%
Gradual Change (Ramp):				
NII sensitivity	(1.7)%	(0.8)%	0.2 %	0.3 %

EVE Sensitivity Analysis

	Basis Point Interest Rate Change			
As of December 31, 2024	**Down 200**	**Down 100**	**Up 100**	**Up 200**
Immediate Change (Shock):				
EVE sensitivity	8.2 %	3.3 %	(3.7)%	(6.7)%
Board policy	(12.0)%			(12.0)%

Derivative Financial Instruments

We primarily use derivative financial instruments to reduce funding costs, improve liquidity and manage interest rate risk. We do not hold or issue derivatives for speculative purposes.

Our derivative activities are monitored by our ALCO as part of the committee's oversight of our asset/liability and treasury functions. Our hedging strategies are developed within limits established by the board through our analysis of data derived from financial simulation models and other internal and industry sources. The resulting hedging strategies are then incorporated into our overall interest rate risk management strategies.

The types and uses of derivatives we primarily utilize are:

Derivative Products	Purpose of the Hedge Transaction	Strategic Impact
Receive-fixed swaps	To protect against the decline in interest rates on floating-rate assets by exchanging the debt's fixed-rate payment for a floating-rate payment.	These transactions enable us to improve liquidity, obtain lower funding cost or to hedge basis risk.
Pay-fixed swaps	To protect against an increase in interest rates by exchanging the debt's floating-rate payment for a fixed-rate payment that matches the cash flows of assets.	These transactions create lower cost synthetic fixed-rate funding, hedge future debt issuance costs or manage interest rate sensitivity.
Floating-for-floating swaps	Some swaps are used to protect against large increases in interest rates on floating-rate liabilities by embedding an interest rate cap on the floating-rate payment leg of the swap. Other swaps are used to protect against changes in the relationship between overnight and term SOFR.	These transactions help us to manage basis risk and exposure to large increases in interest rates and offset interest rate caps that are embedded within our assets.

We also facilitate interest rate swaps to qualified borrowers of District Associations (referred to as customer swaps). These swaps allow qualified borrowers to manage their interest rate risk and lock in a fixed interest rate similar to a fixed-rate loan. We may manage the interest rate risk from customer swaps with the execution of offsetting interest rate swap transactions.

We may enter into commodity derivatives should the parameters of our mineral hedging program be met, including consideration for the expectations of oil prices over a specified length of time. These derivative instruments (put options on the price of oil) are used to mitigate a decline in mineral income in certain circumstances.

By using derivative instruments, we are subject to counterparty credit risk. If a counterparty is unable to perform under a derivative contract, our credit risk equals the net amount due to us. Generally, when the fair value of a derivative contract is positive, we have credit exposure to the counterparty, creating credit risk for us. When the fair value of the derivative contract is negative, we do not have credit exposure. A substantial majority of our derivative transactions are centrally cleared, significantly mitigating counterparty credit risk.

Derivative Credit Loss Exposure by Credit Rating

(in thousands)	Years to Maturity						
As of December 31, 2024	**Less Than One Year**	**One to Five Years**	**Over Five Years**	**Maturity Distribution Netting**	**Exposure**	**Collateral Pledged**	**Exposure Net of Collateral**
Moody's Credit Rating:							
Aa1	**$—**	**$5,729**	**$20,340**	**$—**	**$26,069**	**$1,910**	**$24,159**
A1	**86**	**—**	**163**	**(249)**	**—**	**—**	**—**
Cleared derivatives	**—**	**—**	**1,331**	**(50)**	**1,281**	**—**	**1,281**
Total	**$86**	**$5,729**	**$21,834**	**$(299)**	**$27,350**	**$1,910**	**$25,440**

Derivative credit loss exposure is estimated by calculating the cost, on a present value basis, to replace all outstanding derivative contracts in a gain position. Within each maturity category, contracts in a loss position are netted against contracts in a gain position with the same counterparty. If the net position within a maturity category with a particular counterparty is a loss, no amount is reported. Maturity distribution netting represents the impact of netting derivatives in a gain position and derivatives in a loss position for the same counterparty across different maturity categories.

Expected Maturities of Derivative Products and Other Financial Instruments

(in millions)

As of December 31, 2024	2025	2026	2027	2028	2029	2030 and thereafter	Total	Fair Value
Bonds and Notes:								
Fixed rate	$18,091	$18,506	$14,270	$9,458	$7,387	$33,855	$101,567	$105,516
Average interest rate	2.4 %	3.3 %	3.0 %	2.9 %	2.9 %	3.1 %	3.0 %	
Variable rate	37,698	39,445	2,056	30	—	—	79,229	68,859
Average interest rate	4.7 %	4.7 %	4.9 %	4.9 %	— %	— %	4.7 %	
Total bonds and notes	$55,789	$57,951	$16,326	$9,488	$7,387	$33,855	$180,796	$174,375
Derivative Instruments:								
Receive-fixed swaps								
Notional value	$2,750	$1,150	$250	$—	$—	$—	$4,150	$1
Weighted average receive rate	5.1 %	4.2 %	3.9 %	— %	— %	— %	4.8 %	
Weighted average pay rate	4.1 %	4.0 %	4.0 %	— %	— %	— %	4.1 %	
Pay-fixed swaps								
Notional value	255	1,683	100	8	225	4,285	6,556	222
Weighted average receive rate	4.1 %	4.0 %	4.0 %	3.9 %	4.1 %	4.1 %	4.1 %	
Weighted average pay rate	4.0 %	3.8 %	3.8 %	2.6 %	3.9 %	3.4 %	3.6 %	
Floating-for-floating swaps								
Notional value	4,100	850	100	700	100	100	5,950	—
Weighted average receive rate	4.1 %	4.0 %	4.0 %	4.0 %	4.1 %	4.1 %	4.1 %	
Weighted average pay rate	4.1 %	4.2 %	4.6 %	4.3 %	4.7 %	4.7 %	4.2 %	
Customer swaps								
Notional value	5	33	—	8	25	60	131	(8)
Weighted average receive rate	4.3 %	1.3 %	— %	3.1 %	3.7 %	2.0 %	2.3 %	
Weighted average pay rate	4.1 %	4.1 %	— %	4.2 %	4.1 %	4.1 %	4.1 %	
Credit valuation adjustment[1]								0
Variation margin settlement								(212)
Total derivative instruments	$7,110	$3,716	$450	$716	$350	$4,445	$16,787	$3
Total weighted average rates on swaps:								
Receive rate	4.5 %	4.0 %	4.0 %	4.0 %	4.1 %	4.1 %	4.2 %	
Pay rate	4.1 %	4.0 %	4.1 %	4.3 %	4.1 %	3.5 %	3.9 %	

[1] Credit valuation adjustment was not material as of December 31, 2024.

The table was prepared based on implied forward variable interest rates as of December 31, 2024, and, accordingly, the actual interest rates to be received or paid will be different to the extent that the variable rates fluctuate from December 31, 2024, implied forward rates. Derivative instruments are also discussed further in Notes 2, 11 and 12 of the accompanying Financial Statements.

Other Risks

Operational Risk

Operational risk represents the risk of loss resulting from inadequate or failed internal processes or systems, errors by employees or external events. Our primary operational risk includes external reporting, business model, human capital, fraud, business interruption, data and model integrity, security, and corporate governance. Operational risk is inherent in all business activities, and the management of this risk is important to the achievement of our objectives. We manage operational risk through established internal control processes and business continuity and disaster recovery plans. We maintain systems of controls with the objectives of providing appropriate transaction authorization and execution, proper system operations, safeguarding of assets and reliability of financial and other data. We have a strong control environment, including an independent audit committee, a code of ethics for senior officers and key financial personnel, and an anonymous whistleblower program. Our control framework includes periodic review of vendors and annual review of certain vendor service organization control reports to evaluate risks and determine if risk

mitigation actions are needed. We have developed and regularly update comprehensive business continuity and disaster recovery plans and routinely test these plans with the goal of ensuring ongoing operations under a variety of adverse scenarios. In conjunction with our service provider, we maintain sound security infrastructure, which we periodically test. We also provide data confidentiality, physical security and cybersecurity awareness training to staff.

Reputational Risk
Reputational risk is defined as the negative impact resulting from events, real or perceived, that shape the image of the Farm Credit System or any of its entities. Such risks include impacts related to investors' perceptions about agriculture, the reliability of the System financial information or business practices by any System institution that may appear to conflict with the System mission. The Farm Credit System has various committees responsible for reviewing business practices and, where appropriate, risk mitigation efforts, as well as providing strategic direction on System reputation management initiatives.

Credit Risk Related to Joint and Several Liability
We have exposure to Systemwide credit risk, because we are jointly and severally liable for all Systemwide debt issued. Under joint and several liability, if a System Bank is unable to pay its obligations as they come due, the other Banks in the System would ultimately be called upon to fulfill those obligations. The existence of the Insurance Fund, the CIPA and the Market Access Agreement (MAA) help to mitigate this risk. The Insurance Corporation was established to administer the Insurance Fund. Refer to Note 1 of the accompanying Financial Statements for further information on the Insurance Fund. Refer to Note 9 of the accompanying Financial Statements for additional information related to the CIPA and MAA.

Critical Accounting Policies

Our Financial Statements are reported based on accounting principles generally accepted in the United States of America and require that significant judgment be applied to various accounting, reporting and disclosure matters. We use assumptions and estimates to apply these principles where actual measurement is not possible or practical. For a complete discussion of significant accounting policies, refer to Note 2 of the accompanying Financial Statements. The following is a summary of certain critical accounting policies:

- Allowance for Credit Losses - The allowance for credit losses represents the estimated current expected credit losses over the asset's remaining expected life and takes into consideration relevant information about past events, current conditions, and macroeconomic forecasts of future conditions. An economic scenario is considered over a reasonable and supportable forecast period, after which, the framework incorporates historical loss experience. Final loss estimates also consider factors affecting credit losses not reflected in the model results, due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to, lending policies, portfolio concentrations, regulatory guidance, and/or lags in economic forecast information. The allowance for credit losses comprises the allowance for credit losses on loans, unfunded commitments, and investment securities.

  Effective January 1, 2023, we adopted Accounting Standards Update (ASU) 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management's estimate reflects credit losses over the asset's remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model.

  As a result of adoption of this guidance, the allowance for credit losses on loans decreased by $9.8 million, and the allowance for credit losses on unfunded commitments increased by $1.0 million, with a cumulative-effect increase to retained earnings of $8.8 million. No allowance for credit losses was recognized in relation to our investment portfolio upon adoption.

  The decrease in the allowance for credit losses on loans was largely due to the requirement of the standard to estimate losses to the assets' contractual maturities, resulting in a decrease of allowances attributable to our short-term portfolios. Partially offsetting the decline are modest increases in allowance attributable to our long-term real estate portfolios.

  Prior to January 1, 2023, the allowance for credit losses on loans was our best estimate of the amount of credit losses on loans in our portfolio as of the date of the accompanying Financial Statements. We determined the allowance for credit losses on loans based on a quarterly evaluation of our loan portfolio, which considered loan loss history, probability of default assumptions, loss given default assumptions, portfolio quality and economic and environmental conditions.

- Fair Value Measurements - We apply various valuation methods to assets and liabilities that often involve judgment, particularly when liquid markets do not exist for the particular items being valued. Quoted market prices are referred to when estimating fair values for certain assets, such as certain investment securities. However, for those items for which an observable active market does not exist, we utilize significant estimates and assumptions to value such items. These valuations require the use of various assumptions, including, among others, discount rates, rates of return on assets, prepayment rates, cash flows, default rates, loss given default rates and third-party prices. The use of different assumptions could produce significantly different results.

Human Capital

AgriBank recognizes that our people are the key to continued success achieved through people practices that align with strategic plans and that foster a productive and engaged workforce. We promote a work experience that embodies mission, integrity, excellence, support and improvement – all serving the needs of rural America and agriculture.

Our human capital strategy is to position AgriBank as a premier employer in a hybrid workplace landscape, with guidance and oversight from our board of directors. We adopted a People Plan (Plan) that focuses on: (1) an assessment of workforce and performance management, (2) succession planning, and (3) workforce composition.

Assessment of Workforce and Performance Management
The Plan provides a description of our workforce and assesses its strengths and weaknesses. We are continuously aligning our workforce, structure, and systems with AgriBank's strategic plan, by deploying leading practices in talent acquisition, learning and development, and performance management.

Succession Programs
Succession management at AgriBank is an ongoing process of talent reviews, critical role identification and talent calibration. Essential to ensuring successful strategic execution as employees transition, the key goal is to maintain a robust pool of successor candidates for critical jobs.

Workforce Composition
The deployment of leading practices contributes to AgriBank's success in achieving business results through strong collaboration, problem-solving, innovation and a positive work environment.

The number of personnel employed by AgriBank on a full-time equivalent basis was 141, 135 and 121 composed of 54.6 percent, 56.3 percent and 57.0 percent men, 45.4 percent, 43.7 percent and 43.0 percent women, and 11.3 percent, 11.1 percent and 9.9 percent minorities at December 31, 2024, 2023 and 2022, respectively.

Other Matters

Our approval is required for significant structural changes at District Associations, including, but not limited to, merger, acquisition, liquidation or re-affiliation to another Farm Credit District.

The boards of directors of Farm Credit Services of America, ACA, AgCountry Farm Credit Services, ACA, and Frontier Farm Credit, ACA entered into an agreement with an effective date of December 29, 2023, and beginning April 15, 2024, the three Associations are jointly managed and share income and losses. The Associations are deploying a common business approach to the development and delivery of products and services and use common technology platforms that accommodate differences in local marketplace conditions. While the Associations are jointly managed and will operate under jointly developed strategic business plans and supporting plans, they remain separate organizations with local representation through independent boards of directors and distinct patronage programs. In October 2024, the AgCountry Farm Credit Services, ACA Board of Directors approved a Board Reduction Plan that will reduce the Board size by six elected Director positions by August 31, 2028. When completed, the Board will be comprised of eleven stockholder-elected Directors and two outside appointed Directors.

Report of Management

AgriBank, FCB

We prepare the Financial Statements of AgriBank, FCB (AgriBank) and are responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Statements, in our opinion, fairly present the financial condition of AgriBank. Other financial information included in the Annual Report is consistent with that in the Financial Statements.

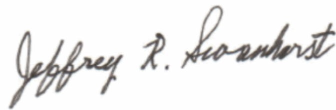
To meet our responsibility for reliable financial information, we depend on accounting and internal control systems designed to provide reasonable but not absolute assurance that assets are safeguarded and transactions are properly authorized and recorded. Costs must be reasonable in relation to the benefits derived when designing accounting and internal control systems. Financial operations audits are performed to monitor compliance. PricewaterhouseCoopers LLP, our independent auditors, audit the Financial Statements. In addition, our independent auditor has audited our internal control over financial reporting as of December 31, 2024. The Farm Credit Administration also performs examinations for safety and soundness, as well as compliance with applicable laws and regulations.

The board of directors has overall responsibility for our system of internal control and financial reporting. The board of directors and its Audit Committee consult regularly with us and meet periodically with the independent auditors and other auditors to review the scope and results of their work. The independent auditor has direct access to the board of directors, which is composed solely of directors who are not officers or employees of AgriBank.

The undersigned certify we have reviewed AgriBank, FCB's December 31, 2024 Annual Report, and it has been prepared in accordance with all applicable statutory and regulatory requirements and the information contained herein is true, accurate and complete to the best of our knowledge and belief.

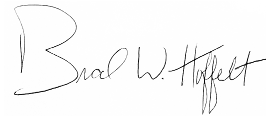
Stan Claussen
Chair of the Board
AgriBank, FCB

March 1, 2025



Jeffrey R. Swanhorst
Chief Executive Officer
AgriBank, FCB

March 1, 2025



Brad W. Hoffelt
Chief Financial Officer
AgriBank, FCB

March 1, 2025

Report of Audit Committee

AgriBank, FCB

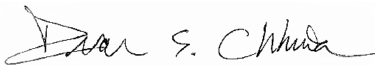
The Financial Statements were prepared under the oversight of the Audit Committee. The Audit Committee is composed of a subset of the board of directors of AgriBank, FCB (AgriBank). The Audit Committee oversees the scope of AgriBank's internal audit program, the approval and independence of PricewaterhouseCoopers LLP (PwC) as independent auditors, the adequacy of AgriBank's system of internal controls and procedures and the adequacy of management's actions with respect to recommendations arising from those auditing activities. The Audit Committee's responsibilities are described more fully in the Internal Control Policy and the Audit Committee Charter.

Management is responsible for the preparation of the Financial Statements in accordance with accounting principles generally accepted in the United States of America. Additionally, management is responsible for the design and operating effectiveness of internal control over financial reporting for the Financial Statements. PwC is responsible for expressing opinions on the Financial Statements and internal control over financial reporting based on their integrated audits which are performed in accordance with auditing standards of the Public Company Accounting Oversight Board (PCAOB) and in accordance with generally accepted auditing standards in the United States of America. The Audit Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Audit Committee reviewed and discussed the audited Financial Statements for the year ended December 31, 2024, with management. The Audit Committee also reviewed with PwC the matters required to be discussed by PCAOB Auditing Standard No. 1301, *Communications with Audit Committees*, and both PwC and the internal auditors directly provided reports on any significant matters to the Audit Committee.

The Audit Committee had discussions with and received written disclosures from PwC confirming its independence. The Audit Committee also reviewed the non-audit services provided by PwC, if any, and concluded these services were not incompatible with maintaining PwC's independence. The Audit Committee discussed with management and PwC any other matters and received any assurances from them as the Audit Committee deemed appropriate.

Based on the foregoing review and discussions, and relying thereon, the Audit Committee recommended the audited Financial Statements be included in the Annual Report for the year ended December 31, 2024.



Ivar S. Chhina
Audit Committee Chair
AgriBank, FCB

Donald Blankenship
Jennifer Zessin
Nick Vande Weerd

March 1, 2025

Report on Internal Control over Financial Reporting

AgriBank, FCB

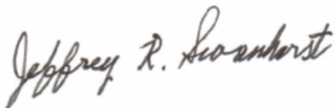
AgriBank, FCB's (AgriBank) principal executives and principal financial officers or persons performing similar functions are responsible for establishing and maintaining adequate internal control over financial reporting. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of AgriBank'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 and the preparation of the 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 AgriBank, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements 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 AgriBank and (3) provide reasonable assurance regarding prevention or timely detection, of unauthorized acquisition, use or disposition of AgriBank's assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

AgriBank'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 2013 framework in Internal Control - Integrated Framework, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

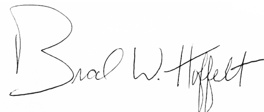
Based on the assessment performed, AgriBank concluded that as of December 31, 2024, the internal control over financial reporting was effective based upon the COSO criteria.

AgriBank's internal control over financial reporting as of December 31, 2024, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their accompanying report, which expresses an unqualified opinion on the effectiveness of AgriBank's internal control over financial reporting as of December 31, 2024.



Jeffrey R. Swanhorst
Chief Executive Officer
AgriBank, FCB

March 1, 2025



Brad W. Hoffelt
Chief Financial Officer
AgriBank, FCB

March 1, 2025

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of AgriBank, FCB

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying statements of condition of AgriBank, FCB (the "Company") as of December 31, 2024, 2023 and 2022, and the related statements of comprehensive income, of changes in shareholders' equity, and of cash flows, for the years then ended, including the related notes (collectively referred to as the "financial statements").
We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.
Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company changed the manner in which it accounts for the allowance for credit losses in 2023.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit, which include standards of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct and the Farm Credit Administration's independence rules set forth in 12 CFR Part 621, Accounting and Reporting Requirements, Subpart E, Auditor Independence.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses on Loans (ACLL) – Pooled Component

As described in Notes 2 and 3 to the financial statements, the allowance for credit losses on loans was $39.6 million, of which a majority is related to the pooled component as of December 31, 2024. The ACLL represents the estimated current expected credit losses on the loan portfolio and takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. Management's process and methodology to establish the ACLL has two basic components: an asset-specific component and a pooled component. In estimating the pooled component of the ACLL, loans are pooled and segregated into loan classes based on loan type, commodity, and internal risk rating. Management uses a two-dimensional risk rating model that incorporates a scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is management's assumption of the probability that a borrower will experience default and loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs. Management utilizes a model to calculate an expected life-of-loan loss percentage for each loan pool by considering the probability of default and the loss given default.

The principal considerations for our determination that performing procedures relating to the pooled component of the ACLL is a critical audit matter are (i) the significant judgment by management in developing the estimate of the pooled component of the ACLL; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's probability of default and loss given default significant assumptions; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's ACLL estimation process, including controls over the probability of default and loss given default significant assumptions. These procedures also included, among others (i) testing management's process for developing the estimate of the pooled component of the ACLL; (ii) evaluating the appropriateness of the methodology and model; (iii) testing the completeness and accuracy of certain data used in the estimate; and (iv) evaluating the reasonableness of the significant assumptions used by management related to probability of default and loss given default. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the methodology and model and (ii) the reasonableness of the probability of default and loss given default assumptions.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
March 1, 2025

We have served as the Company's auditor since 1985.

Statements of Condition

AgriBank, FCB

(in thousands)

As of December 31,	**2024**	2023	2022
Assets			
Loans held to maturity (Note 3)	**$164,659,006**	$148,370,212	$133,470,781
Allowance for credit losses on loans	**39,641**	31,992	31,739
Net loans held to maturity	**164,619,365**	148,338,220	133,439,042
Loans held for sale (Note 3)	**—**	355,219	—
Net loans	**164,619,365**	148,693,439	133,439,042
Investment securities	**23,160,944**	22,112,428	20,093,923
Cash and cash equivalents	**1,510,493**	1,642,497	1,356,976
Federal funds sold and securities purchased under resale agreements	**400,000**	1,700,000	—
Accrued interest receivable	**1,815,644**	1,590,342	1,028,153
Derivative assets	**26,095**	93,470	114,582
Other assets	**398,419**	590,827	430,092
Total assets	**$191,930,960**	$176,423,003	$156,462,768
Liabilities			
Bonds and notes	**$180,795,727**	$166,310,329	$148,228,998
Accrued interest payable	**1,201,851**	1,027,470	644,117
Derivative liabilities	**23,066**	75,356	85,784
Patronage payable and other payables	**427,166**	402,749	286,334
Other liabilities	**20,029**	23,921	31,979
Total liabilities	**182,467,839**	167,839,825	149,277,212
Commitments and contingencies (Note 9)			
Shareholders' equity			
Perpetual preferred stock	**—**	250,000	250,000
Capital stock and participation certificates	**6,530,024**	5,845,718	4,664,821
Unallocated retained earnings	**3,367,515**	3,139,865	3,139,365
Accumulated other comprehensive loss	**(434,418)**	(652,405)	(868,630)
Total shareholders' equity	**9,463,121**	8,583,178	7,185,556
Total liabilities and shareholders' equity	**$191,930,960**	$176,423,003	$156,462,768

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

Statements of Comprehensive Income

AgriBank, FCB

(in thousands)

For the year ended December 31,	2024	2023	2022
Interest income			
Loans	**$6,485,948**	$5,133,176	$2,809,491
Investment securities and other earning assets	**1,195,974**	1,002,645	298,969
Total interest income	**7,681,922**	6,135,821	3,108,460
Interest expense	**6,619,466**	5,150,665	2,254,016
Net interest income	**1,062,456**	985,156	854,444
Provision for credit losses	**27,000**	19,000	(6,000)
Net interest income after provision for credit losses	**1,035,456**	966,156	860,444
Non-interest income			
Mineral income	**87,651**	86,599	89,636
Business services income	**9,872**	9,025	7,583
Loan prepayment and fee income	**9,146**	8,269	18,871
Allocated Insurance Reserve Accounts income	**5,922**	—	—
Other (loss) income, net	**(3,725)**	1,567	(1,072)
Total non-interest income	**108,866**	105,460	115,018
Non-interest expense			
Salaries and employee benefits	**33,962**	32,008	27,551
Other operating expense	**56,627**	50,286	46,614
Loan servicing expense	**100,241**	85,731	78,542
Farm Credit System insurance expense	**22,701**	30,265	29,364
Other expense, net	**3,333**	32	2,694
Total non-interest expense	**216,864**	198,322	184,765
Net income	**$927,458**	$873,294	$790,697
Other comprehensive income (loss)			
Investment securities activity	**$48,900**	$247,329	$(847,420)
Derivatives and hedging activity	**168,982**	(31,315)	189,487
Employee benefit plan activity	**105**	211	258
Total other comprehensive income (loss)	**217,987**	216,225	(657,675)
Comprehensive income	**$1,145,445**	$1,089,519	$133,022

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

Statements of Changes in Shareholders' Equity

AgriBank, FCB

(in thousands)	Perpetual Preferred Stock	Capital Stock and Participation Certificates	Allocated Retained Earnings	Unallocated Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2021	$250,000	$3,826,290	$1,377	$3,139,203	$(210,955)	$7,005,915
Net income				790,697		790,697
Other comprehensive loss					(657,675)	(657,675)
Redemption of retained earnings allocated under patronage program			(1,508)			(1,508)
Cash patronage				(312,782)		(312,782)
Stock patronage issued as capital stock		460,434		(460,434)		—
Retained earnings allocated under patronage program			131	(131)		—
Perpetual preferred stock dividends				(17,188)		(17,188)
Capital stock and participation certificates issued		400,215				400,215
Capital stock and participation certificates retired		(22,118)				(22,118)
Balance at December 31, 2022	$250,000	$4,664,821	$—	$3,139,365	$(868,630)	$7,185,556
Cumulative effect of change in accounting principle				8,815		8,815
Net income				873,294		873,294
Other comprehensive income					216,225	216,225
Cash patronage				(669,011)		(669,011)
Stock patronage issued as capital stock		195,410		(195,410)		—
Perpetual preferred stock dividends				(17,188)		(17,188)
Capital stock and participation certificates issued		993,452				993,452
Capital stock and participation certificates retired		(7,965)				(7,965)
Balance at December 31, 2023	$250,000	$5,845,718	$—	$3,139,865	$(652,405)	$8,583,178
Net income				**927,458**		**927,458**
Other comprehensive income					**217,987**	**217,987**
Cash patronage				**(518,404)**		**(518,404)**
Stock patronage issued as capital stock		**181,404**		**(181,404)**		**—**
Perpetual preferred stock redemption	**(250,000)**					**(250,000)**
Capital stock and participation certificates issued		**549,795**				**549,795**
Capital stock and participation certificates retired		**(46,893)**				**(46,893)**
Balance at December 31, 2024	**$—**	**$6,530,024**	**$—**	**$3,367,515**	**$(434,418)**	**$9,463,121**

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

Statements of Cash Flows

AgriBank, FCB

(in thousands)

For the year ended December 31,	2024	2023	2022
Cash flows from operating activities			
Net income	**$927,458**	$873,294	$790,697
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation on premises and equipment	**693**	653	269
Provision for credit losses	**27,000**	19,000	(6,000)
Loss on sale of investment securities, net	**275**	18	3,998
Amortization of discounts on investments, net	**(290,355)**	(243,779)	(38,747)
Amortization of discounts on debt and deferred debt issuance costs, net	**118,946**	130,753	90,524
Loss on derivative activities, net	**13,400**	19,549	24,309
Changes in operating assets and liabilities:			
Increase in accrued interest receivable	**(5,282,615)**	(4,474,597)	(2,307,348)
Decrease (increase) in other assets	**5,386**	146,441	(167,259)
Increase in accrued interest payable	**174,381**	383,353	383,655
(Decrease) increase in other liabilities	**(21,855)**	(129,350)	154,773
Net cash used in operating activities	**(4,327,286)**	(3,274,665)	(1,071,129)
Cash flows from investing activities			
Increase in loans, net	**(10,895,613)**	(11,350,174)	(9,678,121)
Decrease (increase) in federal funds sold and securities purchased under resale agreements, net	**1,300,000**	(1,700,000)	—
Purchases of investment securities	**(6,952,690)**	(10,821,875)	(10,753,433)
Proceeds from investment securities	**5,730,443**	9,194,491	7,349,681
Proceeds from the sale of investment securities	**512,711**	99,969	889,786
Other investing activities, net	**(1,832)**	(1,385)	448
Net cash used in investing activities	**(10,306,981)**	(14,578,974)	(12,191,639)
Cash flows from financing activities			
Bonds and notes issued	**148,179,982**	122,935,444	205,463,972
Bonds and notes retired	**(133,833,802)**	(105,038,235)	(191,957,978)
Increase in cash collateral posted with counterparties, net	**(61,049)**	(62,604)	(18,663)
Variation margin received on cleared derivatives, net	**190,939**	13,189	16,610
Patronage distributions paid	**(476,709)**	(426,933)	(545,803)
Advanced payment for redemption of preferred stock	**—**	(250,000)	—
Preferred stock dividends paid	**—**	(17,188)	(21,485)
Capital stock and participation certificates issued, net	**502,902**	985,487	378,097
Net cash provided by financing activities	**14,502,263**	18,139,160	13,314,750
Net (decrease) increase in cash and cash equivalents	**(132,004)**	285,521	51,982
Cash and cash equivalents at beginning of period	**1,642,497**	1,356,976	1,304,994
Cash and cash equivalents at end of period	**$1,510,493**	$1,642,497	$1,356,976

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

Supplemental Statements of Cash Flows Information

AgriBank, FCB

(in thousands)

For the year ended December 31,	2024	2023	2022
Supplemental non-cash investing and financing activities			
Increase (decrease) in shareholders' equity from investment securities	**$48,900**	$247,329	$(847,420)
Interest capitalized to loan principal	**5,057,313**	3,912,408	1,798,367
Patronage and preferred stock dividends accrued	**360,917**	319,221	77,143
Redemption of preferred stock	**(250,000)**	—	—
Stock patronage issued	**181,404**	195,410	460,434
Supplemental non-cash fair value changes related to hedging activities			
Increase in derivative assets and liabilities, net	**$(175,854)**	$(2,505)	$(95,051)
Increase (decrease) in bonds from derivative activity	**20,272**	53,369	(70,127)
Increase (decrease) in shareholders' equity from cash flow derivatives	**168,982**	(31,315)	189,487
Supplemental Information			
Interest paid	**$6,313,100**	$4,616,657	$1,757,326

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

Notes to Financial Statements

AgriBank, FCB

NOTE 1

Organization and Operations

Farm Credit System and District Organization

AgriBank, FCB (AgriBank) is one of the Banks of the Farm Credit System (the System), a federally chartered network of borrower-owned lending institutions composed of cooperatives and related service organizations, established by Congress and subject to the provisions of the Farm Credit Act of 1971, as amended. Cooperatives are organizations that are owned and governed by their members who use the cooperatives' products, supplies or services. The System specializes in providing financing and related services to qualified borrowers for agricultural and rural purposes.

At January 1, 2025, the System included three Farm Credit Banks, one Agricultural Credit Bank and 55 Associations across the nation. System entities have specific lending authorities within their chartered territories. AgriBank is chartered to serve Associations in substantially all of Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin and Wyoming. Our chartered territory is referred to as the AgriBank District. We serve our chartered territory by lending to the District's Federal Land Credit Associations (FLCAs), Production Credit Associations (PCAs) and Agricultural Credit Associations (ACAs).

AgriBank is primarily owned by local Farm Credit Associations (District Associations or Association-owners). District Associations are composed of ACA parent Associations, each of which has wholly owned FLCA and PCA subsidiaries. FLCAs are authorized to originate long-term real estate mortgage loans. PCAs are authorized to originate short-term and intermediate-term loans. ACAs are authorized to originate long-term real estate mortgage loans and short-term and intermediate-term loans either directly or through their FLCA and PCA subsidiaries. District Associations are also authorized to provide lease financing options for agricultural purposes and to purchase and hold certain types of investments. District Associations may also offer credit life, term life, credit disability, crop hail, and multi-peril crop insurance to their borrowers and those eligible to borrow. Additionally, certain District Associations offer farm records, fee appraisals, income tax planning and preparation services, retirement and succession planning, and producer education services to their members. We are the primary funding source for all District Associations. We raise funds principally through the sale of consolidated Systemwide bonds and notes to the public through the Federal Farm Credit Banks Funding Corporation (the Funding Corporation).

The Farm Credit Act sets forth the types of authorized lending activity, persons eligible to borrow and financial services that we can offer. We are authorized to provide, in participation with other lenders, credit and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents, farm-related service businesses, and processing or marketing operations. The Farm Credit Act, as amended, also allows us to participate with other lenders in loans to similar entities. Similar entities are parties that are not eligible for a loan from a System lending institution, but have operations that are functionally similar to the activities of eligible borrowers. We are also authorized to purchase and hold certain types of investments.

The Farm Credit Administration (FCA) is delegated authority by Congress to regulate the System Banks and Associations. The activities of the System Banks and Associations are examined by the FCA and certain actions by these entities require prior approval from the FCA.

The Farm Credit System Insurance Corporation (FCSIC or the Insurance Corporation) administers the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is used to ensure the timely payment of principal and interest on Systemwide debt obligations, to ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes.

The Insurance Corporation does not insure any payments on preferred stock, common stock or participation certificates. In the event of default by another System Bank, and if no available amounts remain in the Insurance Fund, we are required to fund our allocated portion of another System Bank's portion of the Systemwide Debt Securities.

At the discretion of the Insurance Corporation, the Insurance Fund is also available to provide assistance to certain troubled System institutions and for the operating expenses of the Insurance Corporation. Each System Bank is required to pay premiums into the Insurance Fund until the assets in the Insurance Fund reach the "secure base amount", which is defined in the Farm Credit Act as 2 percent of the aggregate outstanding insured obligations adjusted to reflect the reduced risk on loans or investments guaranteed by

federal or state governments. The percentage of aggregate obligations can be changed by the Insurance Corporation, at its sole discretion, to a percentage it determines to be actuarially sound. When the amount in the Insurance Fund exceeds the secure base amount, the Insurance Corporation is required to reduce premiums and, under certain circumstances, is required to transfer excess funds to establish Allocated Insurance Reserves Accounts (AIRAs). The Insurance Corporation may also distribute all or a portion of these accounts to the System Banks which we pass on a portion as income to the Associations.

The basis for assessing premiums is insured debt outstanding. Nonaccrual loans and impaired investment securities are assessed a surcharge, while guaranteed loans and investment securities are deductions from the premium base. We, in turn, assess premiums to District Associations each year based on similar factors.

AgriBank Operations

We primarily lend to District Associations in the form of lines of credit to fund Associations' loan portfolios. These lines of credit (wholesale loans) are collateralized by a pledge of substantially all of each District Association's assets. The terms of the revolving lines of credit are governed by a General Financing Agreement (GFA) between us and each District Association. The wholesale funding we provide substantially matches the terms and embedded options of the Associations' retail loans. General operating expenses of the Associations are also funded through their lines of credit. We also fund District Association lending through the direct purchase of participations in retail loans from Associations.

In addition to providing loan funds to District Associations, we may provide certain business services to Associations and other Farm Credit entities. The revenue received for these services is included in "Business services income," a component of non-interest income, on our Statements of Comprehensive Income.

Service Organizations

System institutions jointly own several service organizations. These organizations were created to provide a variety of services for the System. We have ownership interests in the following service organizations:

- **Federal Farm Credit Banks Funding Corporation** provides for the issuance, marketing and processing of Systemwide Debt Securities using a network of investment dealers and dealer banks and financial management and reporting services
- **Farm Credit Services Building Association** owns and leases premises and equipment to the System's regulator, the FCA
- **Farm Credit System Association Captive Insurance Company** provides corporate insurance coverage to member organizations
- **Farm Credit Foundations (Foundations)** provides benefits and payroll services to AgriBank and District Associations as well as certain other System entities
- **SunStream Business Services (SunStream)** provides applications, technology services and business services to Farm Credit entities

In addition, the Farm Credit Council acts as a full-service federated trade association that represents the System before Congress, the Executive Branch and others, and provides support services to System institutions on a fee basis.

NOTE 2

Summary of Significant Accounting Policies

Our accounting policies conform to generally accepted accounting principles in the United States of America (GAAP) and prevailing practices within the financial services industry. The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Financial Statements include the accounts of AgriBank. These Financial Statements do not include the assets, obligations or results of operations of District Associations. AgriBank operates as a single segment for reporting purposes.

Loans Held to Maturity: Loans are carried at their principal amount outstanding, net of any unearned income, cumulative net charge-offs and unamortized deferred fees. Loan interest is accrued and credited to interest income based upon the daily principal amount outstanding. Accrued interest on wholesale loans is capitalized to loan principal on a monthly basis. Origination fees, net of related costs, are deferred and recognized over the life of the loan as a yield adjustment in net interest income. The net amount of loan fees and related origination costs are not material to the Financial Statements taken as a whole. The majority of our loan-related fees are through funding our wholesale loans. These fees are considered funding charges, because the fees are related to actions of the underlying Association retail loans, which are funded through the wholesale loans. These wholesale fees are not subject to deferral and are recognized in the period in which they are assessed.

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 remains contractually past due until certain modifications are completed 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.

Generally, loans are placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless adequately secured and in the process of collection) or circumstances indicate that full collection is not expected. When a loan is placed in nonaccrual status, and the interest is determined to be both uncollectible and the loss is known, we immediately reverse current year accrued interest to the extent principal plus accrued interest exceeds the net realizable value of the collateral prior to reclassification. When we deem a loan to be uncollectible, we charge the loan principal and prior year(s) accrued interest against the allowance for credit losses on loans. Subsequent recoveries, if any, are added to the allowance for credit losses on loans. Any cash received on nonaccrual loans is applied to reduce the carrying amount in the loan, except in those cases where the collection of the carrying amount is fully expected and certain other criteria are met. In these circumstances interest is credited to income when cash is received. Loans are charged off at the time they are determined to be uncollectible. Nonaccrual loans may be returned to accrual status when principal and interest are current, the customer's ability to fulfill the contractual payment terms is fully expected, and, if the loan was past due when placed in nonaccrual status, the loan has evidence of sustained performance in making on-time contractual payments (typically based on payment frequency).

Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. In situations when more than two types of modifications are granted on the same loan, we only report the two most material modification types

Prior to January 1, 2023, in situations where, for economic or legal reasons related to the borrower's financial difficulties, we granted a concession for other than an insignificant period of time to the borrower that we would not have otherwise considered, the related loan was classified as a troubled debt restructuring (TDR), also known as a formally restructured loan for regulatory purposes. A concession was generally granted in order to minimize economic loss and avoid foreclosure. Concessions varied by program and borrower and may have included interest rate reductions, term extensions, payment deferrals, or an acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven. Loans classified as TDRs were considered risk loans. There may have been modifications made in the normal course of business that were not considered TDRs.

Loans Held for Sale: Loans are classified as held for sale when there is the intent and ability to sell the loans. Loans held for sale are carried at lower of cost or fair value.

Allowance for Credit Losses: Effective January 1, 2023, we adopted Accounting Standards Update (ASU) 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management's estimate reflects credit losses over the assets' remaining expected life and considers expected future changes in macroeconomic conditions and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses (ACL) comprises the allowance for credit losses on loans, unfunded commitments and investment securities.

Allowance for Credit Losses on Loans
Beginning January 1, 2023, the allowance for credit losses on loans (ACLL) represents the estimated current expected credit losses on the loan portfolio over the remaining contractual life of the loan portfolio adjusted for expected prepayments. The ACLL 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 ACLL is increased through provisions for credit losses on loans and loan recoveries and is decreased through reversals of provision for credit losses on loans and loan charge-offs. The provision activity is included as part of the "Provision for credit losses" in the Statement of Comprehensive Income.

Determining the appropriateness of the ACLL is complex and requires judgment by management about the effect of matters that are inherently uncertain. Loans are evaluated on the amortized cost basis, which includes unamortized premiums and discounts.

We employ a disciplined process and methodology to establish the 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. When a loan does not share risk characteristics with other loans, expected credit loss is measured as the difference between the amortized cost basis in the loan and the present value of expected future cash flows discounted at the loan's effective interest rate except that, for collateral-dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. 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 ACLL. Refer to our Collateral Dependent Loans policies located herein for further detail.

In estimating the pooled component of the ACLL that share common risk characteristics, loans are pooled and segregated into loan classes primarily based on loan type, commodity, and internal risk rating. For reporting purposes, the portfolio is classified by loan type. We utilize a model to calculate an expected life-of-loan loss percentage for each loan pool by considering the probability of default, based on the migration of loans from performing to loss by internal risk rating, and the loss given default, based on historical experience. Loan borrower characteristics are also utilized and include internal risk ratings, delinquency status, and the remaining term of the loan, adjusted for expected prepayments.

In order to calculate this estimated migration of loans from performing to loss, we utilize a single economic scenario over a reasonable and supportable forecast period of three years. The economic forecasts are updated on a quarterly basis and include macroeconomic variables such as net farm income, unemployment rates, real gross domestic product levels, housing price index, and agricultural land values. Subsequent to the forecast period, our model applies a smoothed reversion to historical loss experience to estimate losses for the remaining estimated contractual life of the portfolio.

The final credit loss estimate also considers factors not reflected in the economic forecast and historical loss experience due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to: lending policies and procedures, experience and depth of lending staff, credit quality and delinquency trends, individual borrower and industry concentrations, national, regional, and local economic business conditions and developments, collateral value trends, and expected performance of specific industry sectors not reflected in the economic forecast. Consideration of these factors, as well as the imprecision inherent in the process and methodology may lead to a management adjustment to the modeled ACLL results. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

Prior to January 1, 2023, the allowance for loan losses was an estimate of losses inherent in our loan portfolio as of the financial statement date. We determined the appropriate level of allowance for loan losses based on quarterly evaluation of factors such as loan loss history, estimated probability of default, estimated loss given default, portfolio quality, and current economic and environmental conditions.

Allowance for Credit Losses on Unfunded Commitments
Under CECL, we evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Statement of Condition. The related provision is included as part of the "Provision for credit losses" in the Statement of Comprehensive Income. 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.

Allowance for Credit Losses on Investment Securities
Effective January 1, 2023, we adopted CECL, which amended the previous other-than-temporary impairment (OTTI) model for investment securities to incorporate an allowance for expected credit losses on investments. Quarterly, we evaluate the investment portfolio for credit losses and impairment. Unrealized losses on our investment portfolio may be driven by a number of factors, including but not limited to, changes in interest rates and credit spreads. Additionally, we consider explicit or implicit guarantees provided by the U.S. government. For those securities guaranteed by the U.S. government or agencies, we have not recognized an allowance for credit losses on investments as our expectation of nonpayment of the amortized cost basis, based on historical losses, is zero.

Collateral Dependent Loans: Collateral dependent loans are loans secured by collateral, including but not limited to real estate, equipment, inventory, livestock, and income-producing property. We measure the expected credit losses based on the fair value of collateral at the reporting date when we determine that foreclosure is probable. Under the fair value 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 fair value of the collateral is adjusted for the estimated costs 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 our appraisal policy, the fair value of collateral-dependent loans is based upon in-house or independent third-party appraisals or on in-house collateral valuations. When an updated appraisal or collateral valuation is received, we reassess the need for adjustments to the loan's expected credit loss measurements and, where appropriate, record an adjustment.

Additionally, when a borrower is experiencing financial difficulty, we apply the fair value practical expedient measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral.

Accrued Interest Receivable: Accrued interest on loans and investment securities is classified separately in the Statements of Condition.

Investment Securities: Our investment securities have been classified as available-for-sale (AFS). These investments are reported at fair value, net of allowance for credit losses on investments. Unrealized holding gains and losses on investments are netted and reported as a separate component of shareholders' equity ("Accumulated other comprehensive loss"). Changes in the fair value of investment securities are reflected in "Other comprehensive income (loss)," net of allowance for credit losses or impairment. Purchased premiums and discounts are amortized or accreted using the interest method over the terms of the respective securities.

For investment securities where the fair value is less than the amortized cost basis, we recognize impairment in earnings if we have the intent to sell the security or if it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis.

For investment securities not deemed impaired, where fair value is less than the amortized cost basis, we recognize an allowance for credit losses on investment securities, to the extent the unrealized loss is due to credit loss. The final credit loss estimate is subject to management judgment with respect to current and forecasted conditions, and consideration of U.S. government guarantees.

Cash and Cash Equivalents: Cash and cash equivalents, as included on the Financial Statements, represents cash on hand, money markets and deposits in banks.

Federal Funds Sold: Federal funds, as included on the Financial Statements, represent excess reserve funds on deposit at the Federal Reserve banks that are lent to other commercial banks. These transactions represent an investment of cash balances overnight in other financial institutions at the federal funds rate.

Securities Purchased Under Resale Agreements: Securities purchased under resale agreements, as included on the Financial Statements, represent collateralized transactions whereby we place cash with a counterparty and receive an equivalent amount of U.S. Treasury securities as collateral, plus interest. These transactions typically represent an overnight investment.

Mineral Rights: In connection with past foreclosure and sale proceedings, we have retained certain mineral interests and equity positions in land from which we receive income from lease bonuses, rentals and leasing and production royalties. These intangible assets have no recorded value on the Statements of Condition. All income received on these mineral rights is recognized in the period earned and is included in "Mineral income" on the Statements of Comprehensive Income. The Farm Credit Act requires that mineral rights acquired after 1985 through foreclosure be sold to the buyer of the surface rights in the land.

Post-Employment Benefit Plans: The District has various post-employment benefit plans in which our employees participate. These plans are governmental plans and contain characteristics of multi-employer and multiple employer plans. Expenses related to these plans, except for the AgriBank District Pension Restoration Plan, are included in "Salaries and employee benefits" in the Statements of Comprehensive Income. For the Pension Restoration Plan, the service cost component is included in "Salaries and employee benefits" and the other components of net periodic benefit cost are included in "Other operating expense" on our Statements of Comprehensive Income.

We participate in the defined benefit retirement plan of the District. The plan is composed of two benefit formulas. At their option, employees hired prior to October 1, 2001, are on the cash balance formula or on the final average pay formula. Benefits-eligible employees hired between October 1, 2001, and December 31, 2006, are on the cash balance formula. Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. The District plan utilizes the "Projected Unit Credit" actuarial method for financial reporting and funding purposes.

We also participate in the nonqualified defined benefit Pension Restoration Plan of the AgriBank District. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above the Internal Revenue Code compensation or other limits.

The defined contribution plan allows eligible employees to save for their retirement pre-tax, post-tax, or both, with an employer match on a percentage of the employee's contributions. We provide benefits under this plan for those employees who do not participate in the AgriBank District Retirement Plan in the form of a fixed percentage of salary contribution in addition to the employer match. Employer contributions are expensed when incurred.

We also provide certain health insurance benefits to eligible retired employees according to the terms of those benefit plans. The anticipated cost of these benefits is accrued during the employees' active service period.

Income Taxes: We are exempt from federal and other income taxes as provided in the Farm Credit Act.

Patronage Programs: We accrue patronage distributions throughout the year. We pay cash patronage in accordance with the declarations of the AgriBank Board of Directors (the board), throughout the year for which the patronage was declared. Accrued cash patronage is included in "Patronage payable and other payables" on the Statements of Condition. Stock patronage is issued in accordance with the declarations of the board, typically annually.

Preferred Stock Dividends: If we have preferred stock outstanding, we accrue non-cumulative perpetual preferred stock dividends daily as declared by the board. Typically, dividends on non-cumulative perpetual preferred stock are payable quarterly in arrears.

Derivative Instruments and Hedging Activity: We are party to derivative financial instruments, primarily interest rate swaps, which are used to manage interest rate risk on assets, liabilities and forecasted transactions. Derivatives are recorded at fair value on the Statements of Condition as assets or liabilities.

Changes in the fair values of derivatives are recorded as gains or losses through earnings or as a component of "Other comprehensive income (loss)," on the Statements of Comprehensive Income, depending on the use of the derivative and whether it is designated and qualifies for hedge accounting. Cash flows on hedges are classified in the same category as the items being hedged.

For fair value hedge transactions in which we are hedging changes in the fair value of an asset or liability, changes in the fair value of the derivative instrument are offset in net income in "Interest expense" on the Statements of Comprehensive Income by changes in the fair value of the hedged item. Additionally, the gain or loss on the hedged item attributed to the hedged risk are recognized in current earnings.

For cash flow hedge transactions hedging the variability of cash flows related to a variable-rate asset or liability, changes in the fair value of the derivative instrument are reported in "Other comprehensive income (loss)" on the Statements of Comprehensive Income. The gains and losses on the derivative instrument are reported in "Other comprehensive income (loss)," until earnings are impacted by the variability of the cash flows of the hedged item. When reclassified to earnings, we include the gain or loss on the derivative in the "Interest expense" line item on the Statements of Comprehensive Income.

For derivatives not designated as a hedging instrument, the related change in fair value is recorded in current period earnings in "Other (loss) income, net" on the Statements of Comprehensive Income.

We document all relationships between hedging instruments and hedged items, as well as our 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:

- Specific assets or liabilities on the Statements of Condition
- Firm commitments
- Forecasted transactions

For hedging relationships, we assess effectiveness of the hedging relationships through prospective effectiveness tests at inception and retrospective tests on an ongoing basis until the maturity or termination of the hedge. For prospective testing, we perform a shock test of interest rate movements. Alternative tests may be performed if those tests appear to be reasonable relative to the hedge relationship that is being evaluated. For retrospective testing, our procedure is to perform correlation and regression tests of the value change of the hedge versus the value change of the hedged item using weekly data. If the hedge relationship does not pass the minimum levels established for effectiveness tests, hedge accounting will be discontinued.

We discontinue hedge accounting prospectively when we determine that:

- A derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item
- The derivative expires or is sold, terminated, exercised
- It is no longer probable that the forecasted transaction will occur
- A hedged firm commitment no longer meets the definition of a firm commitment
- Designating the derivative as a hedging instrument is no longer appropriate

When we discontinue hedge accounting for cash flow hedges and the forecasted transactions continue to be expected, any remaining accumulated other comprehensive income or loss is amortized into earnings over the remaining life of the original hedged item. If the forecasted transactions are probable of not occurring, any remaining accumulated other comprehensive income or loss is recognized immediately. When we discontinue hedge accounting for fair value hedges, changes in the fair value of the derivative will be recorded in current period earnings, and the basis adjustment to the previously hedged item will be taken into earnings using the interest method over the remaining life of the hedged item. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, we will carry the derivative at its fair value on the Statements of Condition, recognizing changes in fair value in current period earnings.

We may also enter into economic hedges for which we may choose not to elect hedge accounting treatment. We facilitate interest rate swaps to qualified borrowers of District Associations and execute an offsetting interest rate swap to manage the interest rate risk of the swap executed on behalf of the borrower. From time-to-time we also utilize commodity derivative instruments to manage mineral income volatility. The related derivative instruments are held at fair value with the change in fair value reported in "Other (loss) income, net" on the Statements of Comprehensive Income. Refer to Note 12 for further information.

Off-Balance Sheet Credit Exposures: Commitments to extend credit are agreements to lend to borrowers or participate in future lending arrangements in accordance with established contracts. These commitments generally have fixed expiration dates or other termination clauses. Standby letters of credit are agreements to pay a beneficiary if there is a default on a contractual arrangement. Commercial letters of credit are agreements to pay a beneficiary under specific conditions. We evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Statements of Condition. For more information see the allowance for credit losses on unfunded commitments policy earlier in this Note.

Fair Value Measurements: We utilize a hierarchy to disclose the fair value measurement of financial instruments. A financial instrument's categorization within the valuation hierarchy is based upon the least transparent input that is significant to the fair value measurement.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

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:

- Quoted prices for similar assets or liabilities in active markets
- 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, quoted prices that are not current, or principal market information that is not released publicly
- Inputs that are observable such as interest rates and yield curves, prepayment speeds, credit risks and default rates
- Inputs derived principally from or corroborated by observable market data by correlation or other means

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 our own judgments about assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is 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.

We may use various acceptable valuation techniques to determine fair value. The primary techniques used include:

- Market Approach uses prices and other relevant information generated by market transactions involving identical or comparable assets to derive a fair value amount
- Income Approach uses various valuation methods to convert future cash flows to a single discounted present value, which becomes the applicable fair value amount
- Cost Approach is based on the current cost to acquire a substitute asset of comparable utility

For certain pension investments presented at fair value, we have used net asset value per share as a practical expedient.

Refer to Notes 7 and 11 for further information on our fair value measurements.

Segment Reporting: The Bank is engaged in a single line of business which, by regulation, lends and provides services to District Associations in addition to providing, in participation with other lenders, credit and related services to eligible borrowers. The chief operating decision maker (CODM) is our Chief Executive Officer, who uses net income as reported in the accompanying Statements of Comprehensive Income when assessing the overall performance of the Bank. The measure of segment assets is reported in the Statements of Condition, as total assets.

Net income is used to evaluate the overall Bank performance and to make operational decisions such as resource allocations, and whether to reinvest profits or declare patronage. Additionally, net income is regularly compared to forecasted expectations to assess current company health and operational efficiency.

AgriBank is required to operate within the limitations of regulatory financial and capital ratios as required by the FCA. These ratios are regularly monitored by the CODM and other AgriBank leadership and may impact the decisions made by the CODM, including impacts to current period actual, as well as to our budgeting and capital planning processes.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business:

Standard and effective date	Description	Adoption status and financial statement impact
In November 2023, the FASB issued Accounting Standard Update (ASU) 2023-07 “Segment Reporting (Topic 820): Improvements to Reportable Segment Disclosures.” The guidance is effective for public entities for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. The guidance must be retroactively applied to all prior periods presented and early adoption is permitted.	The standard requires enhanced disclosures related to the revenues, expenses, and assets of reportable segments. It also requires disclosure of the title and position of the chief operating decision maker and relevant metrics used to evaluate reportable segments. Even if a public entity has a single reportable segment, it is required to present all disclosures set forth in the standard in addition to existing segment disclosures, if applicable.	We adopted this standard on January 1, 2024. The adoption of this guidance did not have a material impact on our Financial Statements, but modified certain disclosures beginning with our 2024 Annual Report.
In November 2024, the FASB issued ASU 2024-03 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses." The guidance is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The guidance can be applied either prospectively for reporting periods after the effective date or retrospectively to all periods presented. Early adoption is permitted.	The standard requires enhanced disclosures related to the disaggregation of certain costs and expense categories such as employee compensation, depreciation, and selling expenses. The standard also requires qualitative disclosure around certain relevant expense categories that are not disaggregated quantitatively.	We expect to adopt the standard for our fiscal year ending December 31, 2027, and for interim periods beginning in 2028. We are currently assessing the impact of this standard on our disclosures.

NOTE 3

Loans and Allowance for Credit Losses on Loans

Loans by Type

(in thousands)	2024		2023		2022	
As of December 31,	**Amount**	**%**	Amount	%	Amount	%
Wholesale loans	**$141,107,742**	**85.7 %**	$126,012,646	84.7 %	$118,660,270	88.9 %
Retail loans:						
Real estate mortgage	**9,999,869**	**6.2 %**	9,430,541	6.3 %	4,710,046	3.5 %
Production and intermediate-term	**8,807,117**	**5.3 %**	8,974,118	6.0 %	7,894,068	5.9 %
Loans to other financing institutions (OFIs)	**615,714**	**0.4 %**	1,043,351	0.7 %	749,969	0.6 %
Other	**4,128,564**	**2.4 %**	3,264,775	2.3 %	1,456,428	1.1 %
Total retail loans	**23,551,264**	**14.3 %**	22,712,785	15.3 %	14,810,511	11.1 %
Total loans	**$164,659,006**	**100.0 %**	$148,725,431	100.0 %	$133,470,781	100.0 %

Other was primarily composed of agribusiness and rural residential real estate loans.

Accrued interest receivable on loans of $1.7 billion and $1.5 billion at December 31, 2024 and 2023, respectively, has been excluded from the amortized cost of loans.

As of December 31, 2023, we had total loans of $148.7 billion, of which $355.2 million was classified as loans held for sale, resulting in $148.4 billion of loans shown as held to maturity on the Statement of Condition. Total loans presented throughout Note 3 include all loans held, regardless of classification.

Participations

We may purchase loan participations from and sell loan participations to others, primarily District Associations. We had no loan participation purchases outside of the System as of December 31, 2024, 2023 or 2022. We may also purchase loan participations from District Associations in the form of asset pools. The purpose of the asset pools are to assist Association and AgriBank business goals, provide administrative efficiency for loan origination programs initiated by District Associations and effectively leverage existing District capital. Each pool has different criteria to meet Association business objectives while satisfying AgriBank underwriting criteria. From time to time, we may expand or change these asset pools. In such cases, in agreement with the participating Associations, we offer to sell back existing participations and purchase participations under the new program. During 2024 and 2023, we sold and purchased certain loan participations in relation to changes in asset pool programs. The participations sold back to certain District Associations totaled $330.6 million and $117.7 million, while the participations purchased from certain District Associations totaled $1.0 billion, and $7.0 billion, during the years ended December 31, 2024 and 2023, respectively. There were no material purchases or sales as a result of changes in asset pool programs during the year ended December 31, 2022. These purchases may include loans that were considered purchased credit deteriorated; however, these loans were not material to the Financial Statements.

Retail Loan Participations Purchased

(in thousands)

As of December 31,	**2024**	2023	2022
Real estate mortgage	**$9,999,869**	$9,430,541	$4,710,046
Production and intermediate-term	**8,807,117**	8,974,118	7,894,068
Other	**4,098,768**	3,248,451	1,445,398
Total loans	**$22,905,754**	$21,653,110	$14,049,512

Portfolio Diversification
Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities or within close proximity, which could cause them to be similarly impacted by economic or other conditions.

A substantial portion of our loan portfolio consists of individual wholesale loans. Wholesale loans range in size from $783.7 million to $38.7 billion. At December 31, 2024, the three largest District Associations represented 70.7 percent of wholesale loans and 60.6 percent of total loans. No other wholesale loan was greater than 10 percent of total loans. The three largest District Associations also account for more than 10 percent of the Bank's interest income. Interest income from these three District Associations totaled $3.6 billion, $2.9 billion and $1.6 billion for the years ended December 31, 2024, 2023 and 2022, respectively. The wholesale loans are used by District Associations to fund their loan portfolios, and, therefore, our distribution of credit risk in various industries and geographic concentrations approximate that of the District as a whole. AgriBank District credit risk policies focus on loan repayment capacity in addition to conservative loan-to-value levels on the collateral that secures loans.

Portfolio Performance
Credit risk arises from the potential inability of a borrower to meet its payment obligation and exists in our outstanding loans, letters of credit and unfunded loan commitments. We manage credit risk associated with our lending activities through an analysis of the credit risk profile of an individual borrower based on management established underwriting standards and board approved lending policies. For participations purchased, we rely on the originating Association to obtain borrower information to perform our independent credit analysis. The evaluation of the borrower's credit risk profile may include analysis of several factors, including but not limited to, credit history, repayment capacity, financial position, and collateral. Real estate mortgage loans must be secured by first liens on the real estate. As required by the FCA regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85.0 percent of the original appraised value of the property taken as security or up to 97.0 percent of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

We use a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate six-point scale addressing loss given default. Probability of default is our assumption of the probability that a borrower will experience a default during the life of the loan. Each of the 14 probability of default categories carries a distinct percentage of default probability and is associated with a FCA Uniform Classification System credit quality category. The loss given default is our assumption as to the anticipated principal 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 as nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses and risks in a particular relationship. For participations purchased, we monitor the borrowers' financial performance to update our probability of default assignments. Typically, our probability of default assignments will align with the Association's assessment. We review the probability of default category, at least on an annual basis, or when a credit action is taken, for our wholesale and OFI loans.

The primary credit quality indicator we utilize is the FCA Uniform Loan Classification System, which categorizes loans into five categories.

- Acceptable - assets are non-criticized assets representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default.
- Other Assets Especially Mentioned (special mention) - are currently collectible, but exhibit some potential weakness. These assets involve increased credit risk, but not to the point of justifying a substandard classification.
- Substandard - assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan.
- Doubtful - assets exhibit similar weaknesses as substandard assets. However, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable.
- Loss - assets are considered uncollectible.

The probability of default rate of the acceptable category reflects almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) or doubtful rating indicates that the probability of default is almost certain.

Credit Quality of Loans

(in thousands)

As of December 31, 2024	Acceptable	Special mention	Substandard/ Doubtful	Total
Wholesale loans	**100.0 %**	**— %**	**— %**	**100.0 %**
Retail loans:				
Real estate mortgage	**96.8 %**	**1.3 %**	**1.9 %**	**100.0 %**
Production and intermediate-term	**95.6 %**	**2.5 %**	**1.9 %**	**100.0 %**
Loans to OFIs	**100.0 %**	**— %**	**— %**	**100.0 %**
Other	**92.5 %**	**3.6 %**	**3.9 %**	**100.0 %**
Total retail loans	**95.7 %**	**2.1 %**	**2.2 %**	**100.0 %**
Total loans	**99.4 %**	**0.3 %**	**0.3 %**	**100.0 %**

(in thousands)

As of December 31, 2023	Acceptable	Special mention	Substandard/ Doubtful	Total
Wholesale loans	100.0 %	— %	— %	100.0 %
Retail loans:				
Real estate mortgage	98.0 %	0.8 %	1.2 %	100.0 %
Production and intermediate-term	94.3 %	3.4 %	2.3 %	100.0 %
Loans to OFIs	100.0 %	— %	— %	100.0 %
Other	94.8 %	2.3 %	2.9 %	100.0 %
Total retail loans	96.2 %	2.0 %	1.8 %	100.0 %
Total loans	99.4 %	0.3 %	0.3 %	100.0 %

Credit Quality and Origination Year of Loans

(in thousands)	Term Loans by Origination Year								
As of December 31, 2024	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving Loans**	**Revolving Loans Converted to Term Loans**	**Total**
Wholesale loans									
Acceptable	**$—**	**$—**	**$—**	**$—**	**$—**	**$—**	**$141,107,742**	**$—**	**$141,107,742**
Total Wholesale loans	**$—**	**$—**	**$—**	**$—**	**$—**	**$—**	**$141,107,742**	**$—**	**$141,107,742**
Retail loans:									
Real estate mortgage									
Acceptable	**$332,161**	**$1,007,112**	**$1,270,461**	**$1,757,560**	**$1,587,909**	**$3,577,000**	**$148,578**	**$2,021**	**$9,682,802**
Special mention	**5,148**	**10,087**	**25,175**	**14,033**	**18,380**	**41,176**	**12,155**	**—**	**126,154**
Substandard/doubtful	**2,105**	**8,209**	**24,354**	**25,608**	**23,781**	**87,050**	**19,796**	**10**	**190,913**
Total Real estate mortgage loans	**$339,414**	**$1,025,408**	**$1,319,990**	**$1,797,201**	**$1,630,070**	**$3,705,226**	**$180,529**	**$2,031**	**$9,999,869**
Production and intermediate-term									
Acceptable	**$3,108,285**	**$1,650,431**	**$870,909**	**$878,474**	**$340,820**	**$160,865**	**$1,408,714**	**$928**	**$8,419,426**
Special mention	**54,559**	**50,688**	**25,146**	**13,941**	**7,308**	**1,803**	**62,526**	**290**	**216,261**
Substandard/doubtful	**35,909**	**35,844**	**20,223**	**11,027**	**6,548**	**5,711**	**54,408**	**1,760**	**171,430**
Total production and intermediate-term loans	**$3,198,753**	**$1,736,963**	**$916,278**	**$903,442**	**$354,676**	**$168,379**	**$1,525,648**	**$2,978**	**$8,807,117**
Loans to OFIs									
Acceptable	**$46,335**	**$20,054**	**$94,982**	**$100,070**	**$92,391**	**$9,869**	**$252,013**	**$—**	**$615,714**
Total loans to OFIs	**$46,335**	**$20,054**	**$94,982**	**$100,070**	**$92,391**	**$9,869**	**$252,013**	**$—**	**$615,714**
Other									
Acceptable	**$436,026**	**$694,970**	**$708,560**	**$375,424**	**$262,742**	**$606,568**	**$734,562**	**$1,037**	**$3,819,889**
Special mention	**29,401**	**12,090**	**29,183**	**14,876**	**28,150**	**3,913**	**30,772**	**—**	**148,385**
Substandard/doubtful	**5,647**	**3,221**	**5,554**	**58,421**	**36,150**	**17,157**	**34,132**	**8**	**160,290**
Total other	**$471,074**	**$710,281**	**$743,297**	**$448,721**	**$327,042**	**$627,638**	**$799,466**	**$1,045**	**$4,128,564**
Total retail loans									
Acceptable	**$3,922,807**	**$3,372,567**	**$2,944,912**	**$3,111,528**	**$2,283,862**	**$4,354,302**	**$2,543,867**	**$3,986**	**$22,537,831**
Special mention	**89,108**	**72,865**	**79,504**	**42,850**	**53,838**	**46,892**	**105,453**	**290**	**490,800**
Substandard/doubtful	**43,661**	**47,274**	**50,131**	**95,056**	**66,479**	**109,918**	**108,336**	**1,778**	**522,633**
Total retail Loans	**$4,055,576**	**$3,492,706**	**$3,074,547**	**$3,249,434**	**$2,404,179**	**$4,511,112**	**$2,757,656**	**$6,054**	**$23,551,264**
Total loans									
Acceptable	**$3,922,807**	**$3,372,567**	**$2,944,912**	**$3,111,528**	**$2,283,862**	**$4,354,302**	**$143,651,609**	**$3,986**	**$163,645,573**
Special mention	**89,108**	**72,865**	**79,504**	**42,850**	**53,838**	**46,892**	**105,453**	**290**	**490,800**
Substandard/doubtful	**43,661**	**47,274**	**50,131**	**95,056**	**66,479**	**109,918**	**108,336**	**1,778**	**522,633**
Total	**$4,055,576**	**$3,492,706**	**$3,074,547**	**$3,249,434**	**$2,404,179**	**$4,511,112**	**$143,865,398**	**$6,054**	**$164,659,006**
Gross charge-offs, for the year ended December 31, 2024									
Real estate mortgage	**$4**	**$—**	**$319**	**$3**	**$—**	**$1,070**	**$23**	**$—**	**$1,419**
Production and intermediate-term	**1,582**	**12,637**	**8,692**	**840**	**193**	**2,433**	**1,919**	**253**	**28,549**
Other	**335**	**489**	**1,731**	**4,598**	**2**	**72**	**2,962**	**21**	**10,210**
Total	**$1,921**	**$13,126**	**$10,742**	**$5,441**	**$195**	**$3,575**	**$4,904**	**$274**	**$40,178**

(in thousands)	Term Loans by Origination Year								
As of December 31, 2023	**2023**	**2022**	**2021**	**2020**	**2019**	**Prior**	**Revolving Loans**	**Revolving Loans Converted to Term Loans**	**Total**
Wholesale loans									
Acceptable	$—	$—	$—	$—	$—	$—	$126,012,646	$—	$126,012,646
Total Wholesale loans	$—	$—	$—	$—	$—	$—	$126,012,646	$—	$126,012,646
Retail loans:									
Real estate mortgage									
Acceptable	$391,225	$1,206,100	$1,744,294	$1,634,733	$727,951	$3,398,853	$146,622	$215	$9,249,993
Special mention	1,682	5,212	12,637	14,075	6,642	29,633	1,499	—	71,380
Substandard/doubtful	383	16,386	16,467	9,151	12,033	36,214	18,534	—	109,168
Total Real estate mortgage loans	$393,290	$1,227,698	$1,773,398	$1,657,959	$746,626	$3,464,700	$166,655	$215	$9,430,541
Production and intermediate-term									
Acceptable	$2,971,582	$1,806,953	$1,400,847	$728,449	$214,972	$133,380	$1,200,286	$696	$8,457,165
Special mention	169,433	81,524	18,851	10,547	5,063	1,543	20,767	20	307,748
Substandard/doubtful	95,352	53,225	11,953	6,311	6,755	3,509	31,638	462	209,205
Total production and intermediate-term loans	$3,236,367	$1,941,702	$1,431,651	$745,307	$226,790	$138,432	$1,252,691	$1,178	$8,974,118
Loans to OFIs									
Acceptable	$131,316	$144,737	$133,571	$149,915	$14,974	$11,423	$457,415	$—	$1,043,351
Total loans to OFIs	$131,316	$144,737	$133,571	$149,915	$14,974	$11,423	$457,415	$—	$1,043,351
Other									
Acceptable	$365,780	$677,207	$563,445	$303,415	$153,938	$537,837	$493,834	$675	$3,096,131
Special mention	5,771	3,731	26,227	20,674	504	5,000	12,174	1,149	75,230
Substandard/doubtful	3,376	5,459	9,798	36,020	4,574	12,004	22,153	30	93,414
Total other	$374,927	$686,397	$599,470	$360,109	$159,016	$554,841	$528,161	$1,854	$3,264,775
Total retail loans									
Acceptable	$3,859,903	$3,834,997	$3,842,157	$2,816,512	$1,111,835	$4,081,493	$2,298,157	$1,586	$21,846,640
Special mention	176,886	90,467	57,715	45,296	12,209	36,176	34,440	1,169	454,358
Substandard/doubtful	99,111	75,070	38,218	51,482	23,362	51,727	72,325	492	411,787
Total retail Loans	$4,135,900	$4,000,534	$3,938,090	$2,913,290	$1,147,406	$4,169,396	$2,404,922	$3,247	$22,712,785
Total loans									
Acceptable	$3,859,903	$3,834,997	$3,842,157	$2,816,512	$1,111,835	$4,081,493	$128,310,803	$1,586	$147,859,286
Special mention	176,886	90,467	57,715	45,296	12,209	36,176	34,440	1,169	454,358
Substandard/doubtful	99,111	75,070	38,218	51,482	23,362	51,727	72,325	492	411,787
Total	$4,135,900	$4,000,534	$3,938,090	$2,913,290	$1,147,406	$4,169,396	$128,417,568	$3,247	$148,725,431
Gross charge-offs, for year ended December 31, 2023									
Real estate mortgage	$—	$1	$11	$56	$113	$202	$—	$—	$383
Production and intermediate-term	1,388	2,230	4,489	2,250	3,419	2,746	12,610	45	29,177
Other	196	35	—	7,292	—	1,638	398	—	9,559
Total	$1,584	$2,266	$4,500	$9,598	$3,532	$4,586	$13,008	$45	$39,119

The following table presents loans, including accrued interest, under the Farm Credit Administration Uniform Loan Classification System, prior to the adoption of CECL.

Credit Quality of Loans

(in thousands) As of December 31, 2022	Acceptable		Special mention		Substandard/Doubtful		Total	
Wholesale loans	$119,473,496	100.0 %	$—	— %	$—	— %	$119,473,496	100.0 %
Retail loans:								
Real estate mortgage	4,666,308	98.4 %	21,950	0.5 %	53,402	1.1 %	4,741,660	100.0 %
Production and intermediate-term	7,545,597	94.0 %	285,805	3.6 %	191,064	2.4 %	8,022,466	100.0 %
Loans to OFIs	755,319	100.0 %	—	— %	—	— %	755,319	100.0 %
Other	1,392,199	95.2 %	6,498	0.4 %	64,151	4.4 %	1,462,848	100.0 %
Total retail loans	14,359,423	95.8 %	314,253	2.1 %	308,617	2.1 %	14,982,293	100.0 %
Total loans	$133,832,919	99.6 %	$314,253	0.2 %	$308,617	0.2 %	$134,455,789	100.0 %

Note: Accrued interest receivable has been excluded from the loan footnote disclosures for all periods after January 1, 2023.

We had no loans categorized as Loss at December 31, 2024, 2023 or 2022.

Aging Analysis of Loans

(in thousands) As of December 31, 2024	**30-89 Days Past Due**	**90 Days or More Past Due**	**Total Past Due**	**Not Past Due Less than 30 Past Due**	**Total Loans**	**Accruing loans 90 days or more past due**
Wholesale loans	**$—**	**$—**	**$—**	**$141,107,742**	**$141,107,742**	**$—**
Retail loans:						
Real estate mortgage	**32,445**	**40,147**	**72,592**	**9,927,277**	**9,999,869**	**1,960**
Production and intermediate-term	**92,830**	**55,827**	**148,657**	**8,658,460**	**8,807,117**	**31,701**
Loans to OFIs	**—**	**—**	**—**	**615,714**	**615,714**	**—**
Other	**3,774**	**5,730**	**9,504**	**4,119,060**	**4,128,564**	**1,051**
Total retail loans	**129,049**	**101,704**	**230,753**	**23,320,511**	**23,551,264**	**34,712**
Total loans	**$129,049**	**$101,704**	**$230,753**	**$164,428,253**	**$164,659,006**	**$34,712**

(in thousands) As of December 31, 2023	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due Less than 30 Past Due	Total Loans	Accruing loans 90 days or more past due
Wholesale loans	$—	$—	$—	$126,012,646	$126,012,646	$—
Retail loans:						
Real estate mortgage	25,622	5,869	31,491	9,399,050	9,430,541	279
Production and intermediate-term	74,643	14,288	88,931	8,885,187	8,974,118	884
Loans to OFIs	—	—	—	1,043,351	1,043,351	—
Other	9,048	3,579	12,627	3,252,148	3,264,775	171
Total retail loans	109,313	23,736	133,049	22,579,736	22,712,785	1,334
Total loans	$109,313	$23,736	$133,049	$148,592,382	$148,725,431	$1,334

(in thousands) As of December 31, 2022	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due Less than 30 Past Due	Total Loans	Accruing loans 90 days or more past due
Wholesale loans	$—	$—	$—	$119,473,496	$119,473,496	$—
Retail loans:						
Real estate mortgage	22,767	1,498	24,265	4,717,395	4,741,660	76
Production and intermediate-term	54,295	6,131	60,426	7,962,040	8,022,466	670
Loans to OFIs	—	—	—	755,319	755,319	—
Other	8,316	282	8,598	1,454,250	1,462,848	—
Total retail loans	85,378	7,911	93,289	14,889,004	14,982,293	746
Total loans	$85,378	$7,911	$93,289	$134,362,500	$134,455,789	$746

Note: Accrued interest receivable has been excluded from the loan footnote disclosures for all periods after January 1, 2023.

Nonaccrual Loans by Type

As of December 31,	**2024**	2023	2022
Real estate mortgage	**$60,466**	$19,899	$13,055
Production and intermediate-term	**57,452**	35,799	27,296
Other	**61,894**	14,624	1,643
Total nonaccrual loans	**$179,812**	$70,322	$41,994

Additional Nonaccrual Loans Information

	As of December 31, 2024	**For the year ended December 31, 2024**
	Amortized Cost without Allowance	**Interest Income Recognized**
Nonaccrual loans:		
Real estate mortgage	**$59,152**	**$4,155**
Production and intermediate-term	**12,137**	**10,264**
Other	**45,777**	**—**
Total	**$117,066**	**$14,419**

	As of December 31, 2023	For the year ended December 31, 2023
	Amortized Cost without Allowance	Interest Income Recognized
Nonaccrual loans:		
Real estate mortgage	$14,557	$3,230
Production and intermediate-term	11,074	5,546
Other	4,120	—
Total nonaccrual loans	$29,751	$8,776

We had no wholesale loans or loans to OFIs classified as nonaccrual at December 31, 2024 or 2023. Reversals of interest income on loans that transferred to nonaccrual status were not material during the years ended December 31, 2024, or 2023.

Nonaccrual loans represented 0.11 percent of total loans at December 31, 2024, of which 56.5 percent were current as to principal and interest.

Modifications Granted to Borrowers Experiencing Financial Difficulty
Included within our loans are loan modifications. Loan modifications may be granted to borrowers experiencing financial difficulty. Our loans classified as modified loans at December 31, 2024, or 2023, and activity on these loans during the years ended December 31, 2024, or 2023, were not material. We did not have any material commitments to lend to borrowers whose loans were modified during the years ended December 31, 2024, or 2023.

Allowance for Credit Losses on Loans and Unfunded Commitments
The “Provision for credit losses” in the Statements of Comprehensive Income may include a provision or reversal of credit losses on loans and unfunded commitments. The allowance for credit losses on unfunded commitments is recorded in “Other liabilities” in the Statements of Condition. Typically, the allowance for credit losses on unfunded commitments is relieved and replaced with an allowance for credit losses on loans as the related commitments are funded. The allowance for credit losses on unfunded commitments was not material as of December 31, 2024, 2023 or 2022. Similarly, the provision for credit losses on unfunded commitments for the year ended December 31, 2024, 2023 and 2022, was not material.

Our loan portfolio is divided into segments primarily based on loan type which are the segments used to estimate the allowance for credit losses. As Farm Credit lending authorities limit the types of loans we can participate in, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of U.S. net farm income, U.S. real gross domestic product, and U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

The allowance for credit losses on loans increased from December 31, 2023, driven primarily by provision for credit losses on production and intermediate-term loans in our asset pool programs.

Changes in Allowance for Credit Losses on Loans by Loan Type

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate - term	Loans to OFIs	Other	Total
Allowance for credit losses on loans:						
Balance as of December 31, 2023	$—	$5,968	$11,647	$617	$13,760	$31,992
Cumulative effect of change in accounting principle	—	—	—	—	—	—
Provision for credit losses on loans	—	2,275	14,691	(217)	10,251	27,000
Charge-offs	—	(1,419)	(28,549)	—	(10,210)	(40,178)
Recoveries	—	42	19,475	—	6	19,523
Initial allowance for purchased credit deteriorated loans	—	82	425	—	797	1,304
Balance as of December 31, 2024	$—	$6,948	$17,689	$400	$14,604	$39,641

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate - term	Loans to OFIs	Other	Total
Allowance for credit losses on loans:						
Balance as of December 31, 2022	$—	$3,932	$22,350	$305	$5,152	$31,739
Cumulative effect of change in accounting principle	—	(768)	(14,927)	582	5,298	(9,815)
Provision for credit losses on loans	—	1,845	5,454	(270)	10,971	18,000
Charge-offs	—	(383)	(29,177)	—	(9,559)	(39,119)
Recoveries	—	690	26,209	—	124	27,023
Initial allowance for purchased credit deteriorated loans	—	652	1,738	—	1,774	4,164
Balance as of December 31, 2023	$—	$5,968	$11,647	$617	$13,760	$31,992

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate - term	Loans to OFIs	Other	Total
Allowance for credit losses on loans:						
Balance as of December 31, 2021	$—	$4,809	$30,572	$280	$1,897	$37,558
Provision for credit losses on loans	—	(887)	(8,437)	25	3,299	(6,000)
Charge-offs	—	(5)	(3,874)	—	(55)	(3,934)
Recoveries	—	15	4,089	—	11	4,115
Balance as of December 31, 2022	$—	$3,932	$22,350	$305	$5,152	$31,739

Previously Required Disclosures

The disclosures in this section were required prior to January 1, 2023. Upon the adoption of CECL, these disclosures are no longer required prospectively.

Risk Loans

Risk loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms.

Risk Loan Information

(in thousands)

As of December 31,	2022
Nonaccrual loans:	
Current as to principal and interest	$31,731
Past due	10,263
Total nonaccrual loans	41,994
Accruing restructured loans	3,025
Accruing loans 90 days or more past due	746
Total risk loans	$45,765
Volume with specific reserves	$26,271
Volume without specific reserves	19,494
Total risk loans	$45,765
Specific reserves	$5,904

Note: Accruing loans include accrued interest receivable.

Risk Loan Information (Continued)

(in thousands)

For the year ended December 31,	2022
Income on accrual risk loans	$554
Income on nonaccrual loans	7,424
Total income on risk loans	$7,978
Average risk loans	$59,986

Risk Loans by Type

(in thousands)

As of December 31,	2022
Nonaccrual loans:	
Real estate mortgage	$13,055
Production and intermediate-term	27,296
Other	1,643
Total nonaccrual loans	$41,994
Accruing restructured loans:	
Real estate mortgage	$2,935
Production and intermediate-term	90
Total accruing restructured loans	$3,025
Accruing loans 90 days or more past due:	
Real estate mortgage	$76
Production and intermediate-term	670
Total accruing loans 90 days or more past due	$746
Total risk loans	$45,765

Note: Accruing loans include accrued interest receivable.

We had no wholesale loans classified as risk loans at December 31, 2022. All risk loans are considered to be impaired loans.

Additional Impaired Loan Information by Loan Type

(in thousands)	As of December 31, 2022 Recorded Investment[1]	Unpaid Principal Balance[2]	Related Allowance	For the year ended December 31, 2022 Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$6,889	$7,710	$1,833	$7,899	$—
Production and intermediate-term	18,164	20,575	3,774	22,758	—
Other	1,218	1,380	297	752	—
Total	$26,271	$29,665	$5,904	$31,409	$—
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$9,177	$9,705	$—	$10,676	$2,678
Production and intermediate-term	9,892	25,744	—	17,286	5,297
Other	425	661	—	615	3
Total	$19,494	36,110	$—	$28,577	$7,978
Total impaired loans:					
Real estate mortgage	$16,066	$17,415	$1,833	$18,575	$2,678
Production and intermediate-term	28,056	46,319	3,774	40,044	5,297
Other	1,643	2,041	297	1,367	3
Total	$45,765	$65,775	$5,904	$59,986	$7,978

[1] The recorded investment is the face amount of the receivable increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct charge-off of the investment.

[2] Unpaid principal balance represents the contractual principal balance of the loan.

We did not have any material commitments to lend additional money to borrowers whose loans were at risk at December 31, 2022.

Period End Recorded Investments by Loan Type

(in thousands)	Wholesale loans	Real estate mortgage	Production and intermediate - term	Loans to OFIs	Other	Total
As of December 31, 2022						
Ending balance: individually evaluated for impairment	$—	$1,833	$3,774	$—	$297	$5,904
Ending balance: collectively evaluated for impairment	$—	$2,099	$18,576	$305	$4,855	$25,835
Recorded investments in loans outstanding:						
Ending balance as of December 31, 2022	$119,473,496	$4,741,660	$8,022,466	$755,319	$1,462,848	$134,455,789
Ending balance for loans individually evaluated for impairment	$119,473,496	$16,066	$28,056	$—	$12,770	$119,530,388
Ending balance for loans collectively evaluated for impairment	$—	$4,725,594	$7,994,410	$755,319	$1,450,078	$14,925,401

Note: Accruing loans include accrued interest receivable.

Troubled Debt Restructurings
Included within our loans are troubled debt restructurings (TDRs). These loans have been modified by granting a concession in order to maximize the collection of amounts due when a borrower is experiencing financial difficulties. All risk loans, including TDRs, are analyzed within our allowance for loan losses. The primary types of modification typically include interest rate reduction below market, deferral of principal, extension of maturity or forgiveness of interest. Our loans classified as TDRs and activity on these loans were not material at any time during the year ending December 31, 2022. We did not have material loan commitments to lend additional money to borrowers whose loans were modified in a TDR at December 31, 2022.

NOTE 4

Investment Securities

All investment securities are classified as AFS.

AFS Investment Securities

(in thousands) **As of December 31, 2024**	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Weighted Average Yield**
Commercial paper and other	**$7,990,769**	**$291**	**$504**	**$7,990,556**	**4.9%**
U.S. Treasury securities	**8,160,912**	**20,155**	**47,533**	**8,133,534**	**4.3%**
Mortgage-backed securities	**7,326,154**	**3,170**	**607,929**	**6,721,395**	**3.5%**
Asset-backed securities	**312,638**	**3,293**	**472**	**315,459**	**4.6%**
Total	**$23,790,473**	**$26,909**	**$656,438**	**$23,160,944**	**4.3%**

(in thousands) As of December 31, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Commercial paper and other	$10,597,202	$185	$2,663	$10,594,724	5.8%
U.S. Treasury securities	5,041,883	27,688	63,818	5,005,753	3.0%
Mortgage-backed securities	6,890,862	938	641,835	6,249,965	3.4%
Asset-backed securities	260,912	2,128	1,054	261,986	4.7%
Total	$22,790,859	$30,939	$709,370	$22,112,428	4.4%

(in thousands) As of December 31, 2022	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Weighted Average Yield
Commercial paper and other	$8,324,569	$186	$6,332	$8,318,423	4.8%
U.S. Treasury securities	5,867,026	—	197,752	5,669,274	0.4%
Mortgage-backed securities	6,682,825	160	720,266	5,962,719	2.5%
Asset-backed securities	145,261	271	2,025	143,507	3.7%
Total	$21,019,681	$617	$926,375	$20,093,923	2.8%

The commercial paper and other category was comprised of corporate commercial paper and certificates of deposit.

As of December 31, 2024, 2023 and 2022, we had no investment securities or federal funds pledged as collateral.

Accrued interest receivable on investments securities of $99.2 million and $58.8 million as of December 31, 2024, and 2023, respectively, has been excluded from the amortized cost of investment securities.

Contractual Maturities of AFS Investment Securities

(in thousands) **As of December 31, 2024**	**Year of Maturity** **One Year or Less**	**One to Five Years**	**Five to Ten Years**	**More Than Ten Years**	**Total**
Commercial paper and other	**$7,990,556**	**$—**	**$—**	**$—**	**$7,990,556**
U.S. Treasury securities	**2,340,383**	**5,474,755**	**318,396**	**—**	**8,133,534**
Mortgage-backed securities	**452**	**76,850**	**88,997**	**6,555,096**	**6,721,395**
Asset-backed securities	**—**	**315,459**	**—**	**—**	**315,459**
Total fair value	**$10,331,391**	**$5,867,064**	**$407,393**	**$6,555,096**	**$23,160,944**
Total amortized cost	**$10,327,487**	**$5,893,358**	**$418,643**	**$7,150,985**	**$23,790,473**
Weighted average yield	**4.9 %**	**4.1 %**	**3.7 %**	**3.6 %**	**4.3 %**

Expected maturities differ from contractual maturities because borrowers may have the right to prepay these obligations. The remaining expected average life is 1.1 years for asset-backed securities and 5.5 years for mortgage-backed securities at December 31, 2024.

A summary of the investment securities in an unrealized loss position presented by the length of time that the securities have been in a continuous unrealized loss position follows:

(in thousands)	**Less than 12 months**		**More than 12 months**	
As of December 31, 2024	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Commercial paper and other	**$5,893,435**	**$504**	**$—**	**$—**
U.S. Treasury securities	**2,853,619**	**29,358**	**521,347**	**18,175**
Mortgage-backed securities	**1,139,368**	**7,566**	**4,872,512**	**600,363**
Asset-backed securities	**24,674**	**320**	**27,934**	**152**
Total	**$9,911,096**	**$37,748**	**$5,421,793**	**$618,690**

(in thousands)	Less than 12 months		More than 12 months	
As of December 31, 2023	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper and other	$7,826,371	$2,663	$—	$—
U.S. Treasury securities	271,022	1,017	2,098,742	62,801
Mortgage-backed securities	976,536	8,066	4,868,635	633,769
Asset-backed securities	—	—	58,694	1,054
Total	$9,073,929	$11,746	$7,026,071	$697,624

(in thousands)	Less than 12 months		More than 12 months	
As of December 31, 2022	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper and other	$5,165,371	$6,332	$—	$—
U.S. Treasury securities	454,723	6,034	5,214,551	191,718
Mortgage-backed securities	3,593,031	205,179	2,319,333	515,087
Asset-backed securities	80,037	1,957	4,203	68
Total	$9,293,162	$219,502	$7,538,087	$706,873

We sold $513.0 million, $100.0 million, and $893.8 million of U.S. Treasury securities, resulting in losses of $275 thousand, $18 thousand, and $4.0 million, during the years ended December 31, 2024, 2023, and 2022, respectively.

Effective January 1, 2023, we adopted CECL, which amended the previous other-than-temporary impairment model for investment securities to incorporate an allowance for credit losses on investment securities. There was no allowance for credit losses on investment securities at December 31, 2024 or 2023, as the substantial majority of our investment portfolio carries a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies and have an immaterial risk of credit loss. Prior to January 1, 2023, we evaluated our investment securities for OTTI on a quarterly basis. No securities were in an OTTI loss position at December 31, 2022. There was no OTTI activity during the year ended December 31, 2022.

NOTE 5

Bonds and Notes

The System obtains funds for its lending operations primarily from the sale of Systemwide Debt Securities issued by the System Banks through the Funding Corporation. Systemwide bonds and discount notes are joint and several obligations of the System Banks. Refer to Note 9 for further information.

AgriBank's Participation in Systemwide Bonds and Notes

(in thousands) **As of December 31,**	**2024**	2023	2022
Systemwide obligations:			
Bonds	**$175,775,646**	$159,545,794	$143,422,992
Discount notes	**1,128,317**	2,807,219	1,612,845
Member investment bonds	**3,891,764**	3,957,316	3,193,161
Total	**$180,795,727**	$166,310,329	$148,228,998

Maturities and Weighted Average Interest Rate of Bonds and Notes

(in thousands)	**Systemwide Obligations**							
As of December 31, 2024	**Bonds**		**Discount Notes**		**Member Investment Bonds**		**Total**	
Year of maturity	**Amount**	**Rate**	**Amount**	**Rate**	**Amount**	**Rate**	**Amount**	**Rate**
2025	**$50,769,027**	**3.9 %**	**$1,128,317**	**4.3 %**	**$3,891,764**	**3.0 %**	**$55,789,108**	**3.8 %**
2026	**57,950,790**	**4.3 %**	**—**	**— %**	**—**	**— %**	**57,950,790**	**4.3 %**
2027	**16,326,254**	**3.2 %**	**—**	**— %**	**—**	**— %**	**16,326,254**	**3.2 %**
2028	**9,487,736**	**3.0 %**	**—**	**— %**	**—**	**— %**	**9,487,736**	**3.0 %**
2029	**7,386,536**	**2.9 %**	**—**	**— %**	**—**	**— %**	**7,386,536**	**2.9 %**
2030 and thereafter	**33,855,303**	**3.1 %**	**—**	**— %**	**—**	**— %**	**33,855,303**	**3.1 %**
Total	**$175,775,646**	**3.7 %**	**$1,128,317**	**4.3 %**	**$3,891,764**	**3.0 %**	**$180,795,727**	**3.7 %**

Discount notes are issued with maturities ranging from one to 365 days. The average maturity of discount notes at December 31, 2024, was 91 days. As of December 31, 2024, total fixed rate bonds and notes totaled $101.6 billion. Total variable rate bonds and notes totaled $79.2 billion. All member investment bonds are variable rate.

Callable debt may be called on the first call date and, generally, is continuously callable thereafter.

Bonds and Notes with Call Options

(in millions) **As of December 31, 2024**	**Maturing Amount**	**Callable Amount**
Year of maturity / next call:		
2025	**$11,760**	**$76,971**
2026	**16,756**	**6,320**
2027	**8,681**	**285**
2028	**7,328**	**—**
2029	**5,983**	**25**
2030	**4,930**	**—**
2031	**4,199**	**—**
Thereafter	**23,964**	**—**
Total	**$83,601**	**$83,601**

Participation in Systemwide Debt Securities

Certain conditions must be met before System Banks can participate in the issuance of Systemwide Debt Securities. As one condition of participation, System Banks are required by the Farm Credit Act and FCA regulation to maintain specified eligible assets at least equal in value to the total amount of debt securities outstanding for which they are primarily liable. This requirement does not provide holders of Systemwide Debt Securities or bank bonds with a security interest in any assets of the System Banks. However, System Banks and the Funding Corporation have entered into a Market Access Agreement (MAA), which established criteria and procedures for the System Banks to provide certain information to the Funding Corporation and, under certain circumstances, for restricting or prohibiting an individual System Bank's participation in Systemwide debt issuances, thereby reducing other System Banks' exposure to statutory joint and several liability. At December 31, 2024, we were, and as of the date of this report, remain in compliance with the conditions of participation in the issuance of Systemwide Debt Securities.

Member Investment Bonds

Member investment bonds, specifically authorized by the Farm Credit Act, are an alternative source of funding in which we sell bonds directly to District members and employees. Member investment bonds issued by AgriBank are offered primarily through the Farm Cash Management program, which links a District Association members' revolving line of credit with an AgriBank investment bond to optimize the members' use of their funds. Member investment bonds are an unsecured obligation of AgriBank and are not insured or guaranteed by any other entity.

Insurance Fund

The Insurance Fund is available to insure the timely payment of principal and interest on consolidated bonds and notes of System Banks to the extent net assets are available in the Insurance Fund. At December 31, 2024, the assets of the Insurance Fund were $8.0 billion; however, due to the other authorized uses of the Insurance Fund, there is no assurance that the amounts in the Insurance Fund will be sufficient to fund the timely payment of principal, or interest on, insured debt securities in the event of default by any System Bank having primary liability for repayment of the debt. Refer to Note 1 for further information about the Insurance Fund.

Short-term Borrowings
We use short-term borrowings as a source of funds.

Short-term Borrowings by Category

	2024		2023		2022	
(in thousands)	**Amount**	**Weighted average interest rate**	Amount	Weighted average interest rate	Amount	Weighted average interest rate
Systemwide discount notes:						
Outstanding as of December 31	**$1,128,317**	**4.3 %**	$2,807,219	5.3 %	$1,612,845	3.6 %
Average during year	**1,496,371**	**5.1 %**	2,023,679	4.9 %	2,199,918	1.1 %
Maximum month-end balance during the year	**3,024,377**		2,973,268		3,138,773	
Systemwide bonds[1]:						
Outstanding as of December 31	**$1,157,829**	**4.0 %**	$1,431,070	5.0 %	$862,215	2.6 %
Average during year	**1,122,437**	**5.0 %**	1,147,648	4.0 %	1,978,976	0.5 %
Maximum month-end balance during the year	**1,433,886**		1,444,051		2,741,579	

[1]Represents bonds issued with an original maturity of one year or less.

NOTE 6

Shareholders' Equity

Description of Equities
All shares and participation certificates are $5 par value, except the Series A Non-cumulative Perpetual Preferred Stock (Series A Preferred Stock), which was $100 par value.

(in whole numbers)	Number of Shares Outstanding		
As of December 31,	**2024**	2023	2022
Class A Common Stock	**1,306,004,718**	—	—
Series A Preferred Stock	—	2,500,000	2,500,000
Class F Common Stock	—	140,716,234	134,289,408
Class P Common Stock	—	1,019,693,576	791,428,464
Series A Participation Certificates	—	8,719,837	7,232,396
Protected Series C Participation Certificates	—	14,000	14,000

Member Stock
In accordance with the Farm Credit Act, eligible borrowers are required to purchase common stock in AgriBank as a condition of borrowing. District Associations fund member stock purchases, and stock patronage is funded through liquidity generated from capital and earnings. OFIs make cash purchases of member stock as a condition of borrowing.

On October 27, 2023, a special meeting of our voting stockholders and participation holders was held to vote on several proposals. The voting stockholders approved amendments to the capitalization provisions in our bylaws. As a result, the amended bylaws were effective on January 1, 2024 and shares identified as Class P Common Stock, Series A Participation Certificates, Series C Participation Certificates and Class F Common Stock are re-designated as Class A Common Stock and only Class A Common Stock and Class B Common Stock will be issued henceforth.

As of January 1, 2024, our bylaws provide that Class A Common Stock is issued to System institutions, OFIs or other FCA-supervised institutions with which AgriBank has a loan participation relationship, and such other AgriBank customers, in an amount required by our capital plan. Class B Common Stock is available to be issued in an unlimited amount in exchange for a holder's Class A Common Stock within two years following AgriBank's cessation of business, and in an amount up to 500 million shares to any person or entity eligible to hold Class A Common Stock for such other purposes as approved by the Board, consistent with the Farm Credit Act and the FCA regulations. Class B Common Stock may be converted into Class A Common Stock upon the reestablishment of a borrowing

relationship between AgriBank and the stockholder. Association borrowers holding Class A Common Stock shall have voting rights as provided in the bylaws. Holders of Class B Common Stock shall have no voting rights except as set forth in Farm Credit Administration regulations.

All member stock shall have such rights, designations and restrictions as provided in our bylaws. No fractional shares of such stock or participation certificates, or cash in lieu of fractional shares, shall be issued or paid. All member stock is transferable to any eligible holder of such equities. If at any time we are out of compliance with minimum capital requirements as determined by the FCA, all member stock required to be purchased as a condition for obtaining a loan must be purchased from us.

Protected Class A Common Stock must be retired and paid at par value in accordance with FCA regulations as they relate to the retirement of stock protected by the provisions of the Farm Credit Act. As of December 31, 2024, Protected Class A Common Stock of $10 thousand was included in Capital Stock and Participation Certificates on the Statements of Changes in Shareholders' Equity. Refer to discussion under Protection Mechanisms.

The board is authorized, but not required, to make retirements of all other member stock on a case-by-case basis when requested by a holder of such equities without regard to the holder's total investment in us relative to the other holders of our equities. Such other member stock shall be retired at book value not to exceed par or face value and cannot be retired while we are not in compliance with capital adequacy standards as determined by the FCA, or if such retirement would cause us to be out of compliance with capital adequacy standards and may be retired only at the discretion of the board.

All member stock is subject to a statutory first lien in favor of us to secure any indebtedness of the holder of such capital investments to us.

Effective January 1, 2024, our bylaws provide that, in the event of our liquidation or dissolution, any remaining assets after payment or retirement of all liabilities will be distributed in the following order of priority:

- First, to the holders of preferred stock, in proportion to the number of shares of each class and series of preferred stock then issued and outstanding
- Second, to the holders of Class A and B Common Stock
- Third, to the holders of allocated retained earnings, pro rata, until an amount equal to the aggregate book value not to exceed face value has been distributed
- Finally, any remaining assets shall be distributed in accordance with established attribution of unallocated retained earnings.

Effective January 1, 2024, in the event of impairment, losses will be absorbed pro rata by all classes of common stock then by preferred stock; however, protected stock will be retired at par value regardless of impairment.

Prior to January 1, 2024, Class F Common Stock was issued to other System institutions. Class F Common Stock had no voting rights.

Prior to January 1, 2024, Class P Common Stock was issued to District Associations and as a conversion of Class D Preferred Stock. Class P Common Stock had voting rights as provided in our bylaws so long as the stock is held by an eligible holder. In certain circumstances, a holder of Class P Common Stock could convert to an equal number of units of Series B Participation Certificates.

Prior to January 1, 2024, Series A Participation Certificates were issued to those entities, including OFIs, identified in the Farm Credit Act that meet certain requirements of the Act in connection with loans made after October 5, 1988, in an amount required by our capital plan. Series A Participation Certificates had no voting rights.

Prior to January 1, 2024, Protected Series C Participation Certificates were issued to entities identified in the Farm Credit Act that meet certain requirements of the Act that were in existence before the close of business on October 5, 1988. Refer to discussion under Protection Mechanisms. Protected Series C Participation Certificates had no voting rights. Protected Series C Participation Certificates of $70 thousand as of December 31, 2023 and 2022, were included in Capital Stock and Participation Certificates on the Statements of Changes in Shareholders' Equity.

In the event of our liquidation or dissolution, according to our bylaws which were effective prior to January 1, 2024, any remaining assets after payment or retirement of all liabilities would be distributed in the following order of priority:

- First, ratably to the holders of Series A Preferred Stock
- Second, to the holders of Class P and F Common Stock, Class D Preferred Stock and Series A, B and C Participation Certificates
- Third, to the holders of allocated retained earnings, pro rata, until an amount equal to the aggregate book value not to exceed face value has been distributed

- Finally, any remaining assets shall be distributed in accordance with established attribution of unallocated retained earnings.

In the event of impairment, according to our bylaws which were effective prior to January 1, 2024, losses would be absorbed pro rata by all classes of common stock and participation certificates then by Class D Preferred Stock followed by Series A Preferred Stock; however, protected stock would be retired at par value regardless of impairment.

Perpetual Preferred Stock
As of December 31, 2023, we had $250 million of Series A Preferred Stock outstanding, representing 2.5 million shares at $100 per share par value. This series could be held or transferred in blocks having an aggregate par value of $25 thousand to investors meeting the eligibility requirements and an investor must have held at least 250 shares. We used the net proceeds from the issuance for general corporate purposes. For regulatory capital purposes, our Series A Preferred Stock was included in permanent capital, tier 1 capital and total capital, subject to certain limitations as defined by the FCA.

In compliance with FCA regulations, AgriBank requested permission from the FCA to redeem, in whole, our preferred stock on January 1, 2024. By letter dated October 16, 2023, FCA provided its approval subject to AgriBank continuing to meet applicable regulatory capital requirements following redemption. On November 13, 2023, we issued notices of redemption to holders of our preferred stock. On December 29, 2023, we provided funds to the redemption agent (for the benefit of the preferred stockholders) for the redemption, in whole, of the preferred stock and for the final dividend payment as declared by our board in its sole discretion. On January 1, 2024, AgriBank redeemed, in whole, its $250 million of Series A Preferred Stock and has no outstanding preferred stock after this date.

Prior to redemption, dividends on preferred stock, declared by our board in its sole discretion, were non-cumulative and were payable quarterly in arrears on the first day of January, April, July and October. Dividends accrued at a fixed annual rate of 6.875 percent from the date of issuance through December 31, 2023.

On February 16, 2024, AgriBank held a special meeting of its voting shareholders who voted to authorize AgriBank to issue (and reissue) one or more series of preferred stock in an amount with an aggregate par value of up to $3 billion outstanding at any one time for a period commencing on March 1, 2024 and ending on the 10th anniversary of this date, which preferred stock issuance is subject to approval by AgriBank's board and subject to FCA's review and clearance.

Capitalization Requirements
Effective January 1, 2024, in accordance with the Farm Credit Act, and our capitalization bylaws, we are authorized to issue Class A Common Stock and Class B Common Stock and such other classes of equity in such amounts as may be necessary to conduct our business.

As a condition of borrowing and upon approval by the board, District Associations and OFIs are required to maintain an investment in AgriBank. For District Associations, our bylaws authorize us to require an investment of up to 4 percent of the borrower’s average wholesale loan balance with us (District Associations) or borrower’s line of credit with us (OFIs) upon board approval. Our capital plan is updated at least annually and is subject to change at the discretion of our board. The 2024 requirement was 3.10 percent on average loan balances/commitments. The 2025 requirement will remain unchanged at 3.10 percent on average loan balances/ commitments. In addition to the required investment based on the average wholesale loan balance, asset pool programs with District Associations are typically capitalized at a higher rate that is mutually agreed upon in the asset pool agreements.

Protection Mechanisms
Protection of certain borrower capital is provided under the Farm Credit Act, which requires us to retire protected capital at par or stated value regardless of its book value when retiring protected borrower capital. Prior to January 1 , 2024, protected capital included Series C Participation Certificates. Effective January 3, 2024, certain Series C Participation Certificates were re-designated as Class A Common Stock and all such protected stock continues to retain its protected status regardless of re-designation. Stock and participation certificates issued after October 5, 1988 are not subject to these protection provisions. If we are unable to retire protected borrower equity at par value or stated value, amounts required to retire this equity would be obtained from the Insurance Fund, if available.

Regulatory Capitalization Requirements and Restrictions

FCA regulations require us to maintain certain minimum capital ratios. 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. No such prohibitions were in effect as of December 31, 2024.

Regulatory Capital Requirements and Ratios

As of December 31,	2024	2023	2022	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 capital ratio	**16.0 %**	15.5 %	16.3 %	4.5 %	2.5 %	7.0 %
Tier 1 capital ratio	**16.0 %**	15.9 %	16.9 %	6.0 %	2.5 %	8.5 %
Total capital ratio	**16.1 %**	16.0 %	16.9 %	8.0 %	2.5 %	10.5 %
Permanent capital ratio	**16.0 %**	15.9 %	16.9 %	7.0 %	— %	7.0 %
Non-risk-adjusted:						
Tier 1 leverage ratio	**5.2 %**	5.2 %	5.2 %	4.0 %	1.0 %	5.0 %
UREE[1] leverage	**1.9 %**	2.0 %	2.3 %	1.5 %	— %	1.5 %

[1] Unallocated retained earnings and equivalents

Risk-adjusted assets have been defined by FCA regulations as the Statement of Condition assets and off-balance-sheet commitments adjusted by various percentages, depending on the level of risk inherent in the various types of assets. Risk-adjusted assets is calculated differently for the permanent capital ratio (referred herein as PCR risk-adjusted assets) compared to the other risk-based capital ratios. The primary difference is the inclusion of the allowance for credit losses on loans and the allowance for credit losses on investment securities, if applicable, as a deduction to risk-adjusted assets for the permanent capital ratio.

These ratios are based on a three-month average daily balance in accordance with the FCA regulations and are calculated as follows:

- Common equity tier 1 capital ratio is the core capital of AgriBank including all at-risk borrower stock as it is intended to be held for a minimum of seven years, unallocated retained earnings as regulatorily prescribed, less certain regulatory required deductions including certain investments in other System institutions, divided by average risk-adjusted assets.
- Tier 1 capital ratio is common equity tier 1 capital plus non-cumulative perpetual preferred stock, divided by average risk-adjusted assets.
- Total capital ratio is tier 1 capital plus allowance for loan losses and reserve for credit losses subject to certain limitations, divided by average risk-adjusted assets.
- Permanent capital ratio is all at-risk borrower stock, non-cumulative perpetual preferred stock, unallocated retained earnings as regulatorily prescribed, less certain investments in other System institutions divided by PCR risk-adjusted assets.
- Tier 1 leverage ratio is tier 1 capital, including regulatory deductions, divided by average assets less regulatory deductions subject to tier 1 capital.
- UREE leverage is unallocated retained earnings as regulatorily prescribed, less certain regulatory required deductions, divided by average assets less regulatory deductions subject to tier 1 capital.

The amount of third-party capital instruments, including preferred stock and subordinated notes that may be counted in the total capital ratio must not exceed the lesser of 40 percent of total capital or 100 percent of common equity tier 1.

Patronage Distributions and Dividends

Payment of discretionary patronage and/or dividends is allowed under our bylaws if the distribution is in accordance with applicable laws and regulations, including the FCA capital adequacy regulations, and approved by the board. Patronage distributions may be in cash or stock. Cash patronage totaled $518.4 million, $669.0 million and $312.8 million for the years ended December 31, 2024, 2023 and 2022, respectively. Stock patronage totaled $181.4 million, $195.4 million and $460.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. We may declare patronage on certain asset pool programs in the form of allocated retained earnings. Allocated retained earnings is eligible to be declared for redemption in future years and is not included in total regulatory capital. There was no patronage declared as allocated retained earnings for the years ended December 31, 2024 or 2023. Patronage declared as allocated retained earnings was $131 thousand for the year ended December 31, 2022.

Prior to the redemption of the preferred stock on January 1, 2024, dividends on non-cumulative perpetual preferred stock were payable quarterly on the first day of January, April, July and October. Preferred stock dividends were declared as scheduled throughout the period which the preferred stock was outstanding.

There were no non-cumulative perpetual preferred stock dividends declared during the year ended December 31, 2024.
We declared 17.2 million of non-cumulative perpetual preferred stock dividends during the years ended December 31, 2023 and 2022.

NOTE 7

Employee Benefit Plans

The Farm Credit Foundations Plan Sponsor and Trust Committees provide oversight of the benefit plans for which AgriBank and District Associations are participating employers. These governance committees are composed of elected or appointed representatives (senior leadership and/or boards of director members) from the participating organizations. The Plan Sponsor Committee is responsible for employer decisions regarding all benefits plans including retirement benefits. These decisions could include plan design changes, vendor changes, determination of employer subsidies (if any) and termination of specific benefits plans. Any action to change or terminate the retirement plan can only occur at the direction of the AgriBank District participating employers. The Trust Committee is responsible for fiduciary and plan administrative functions.

The funded status of the post-employment benefit plans is recorded at the District level. Additional District-level financial information for these plans may be found in the “District-Level Pension and Post-Employment Benefit Plans Disclosures” section of this footnote.

Pension Benefit Plans

Pension Plan: We participate in the AgriBank District Retirement Plan, a Districtwide defined benefit retirement plan. The Department of Labor has determined the plan to be a governmental plan; therefore, the plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As the plan is not subject to ERISA, the plan’s benefits are not insured by the Pension Benefit Guaranty Corporation. Accordingly, the amount of accumulated benefits that participants would receive in the event of the plan’s termination is contingent on the sufficiency of the plan’s net assets to provide benefits at that time. This Plan is noncontributory and covers certain eligible District employees. The assets, liabilities and costs of the plan are not segregated by participating entities. As such, plan assets are available for any of the participating employers’ retirees at any point in time. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Further, if we choose to stop participating in the plan, we may be required to pay an amount based on the funded status of the plan. Because of the nature of the plan, any individual employer is not able to unilaterally change the provisions of the plan. If an employee transfers to another employer within the same plan, the employee benefits under the plan transfer. Benefits are based on salary and years of service. There is no collective bargaining agreement in place as part of this plan.

AgriBank District Retirement Plan Information

(in thousands)

As of December 31,	**2024**	2023	2022
Funded (unfunded) status	**$55,398**	$(31,065)	$(87,688)
Projected benefit obligation	**1,096,603**	1,245,052	1,204,130
Fair value of plan assets	**1,152,001**	1,213,987	1,116,442
Accumulated benefit obligation	**1,011,357**	1,140,936	1,083,610
For the year ended December 31,	**2024**	2023	2022
Total plan expense	**$41,090**	$55,535	$30,475
Our allocated share of plan expenses	**2,838**	3,858	1,189
Contributions by participating employers	**40,000**	45,000	90,385
Our allocated share of contributions	**2,732**	2,858	6,793

The funded (unfunded) status reflects the net of the fair value of the plan assets and the projected benefit obligation as of December 31. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date based on assumed future compensation levels. The accumulated benefit obligation is the actuarial present value of the benefits attributed to employee service rendered before the measurement date and based on current employee service and compensation. The funding status is subject to many variables including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their current employees as well as an allocation of the remaining costs based proportionately on the estimated projected liability of the employer under this plan. We recognize our proportional share of expense and contribute a proportional share of funding.

Benefits paid to participants in the District were $127.5 million in 2024. While the plan is a governmental plan and is not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plan with sufficient assets to meet the benefits to be paid to participants. The amount of the total District employer contributions expected to be paid into the pension plans during 2025 is $14.7 million. Our allocated share of these pension contributions is expected to be $473.0 thousand. The amount ultimately to be contributed and the amount ultimately recognized as expense, as well as the timing of those contributions and expenses, are subject to many variables, including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than the anticipated amounts.

Pension Restoration Plan: We also participate in the Districtwide nonqualified defined benefit Pension Restoration Plan. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above the Internal Revenue Code compensation or other limits. The Pension Restoration Plan is unfunded, and we make annual contributions to fund benefits paid to our retirees covered by the plan. The obligation, cost and contributions were not material to any of the years presented. There were no benefits paid under the Pension Restoration Plan to our senior officers who were actively employed during the year.

Other Post-Employment Benefit Plans

Retiree Medical Plans: District employers also provide certain health insurance benefits to eligible retired employees according to the terms of the benefit plans. The anticipated costs of these benefits are accrued during the period of the employee's active status. Postretirement benefit costs related to the retiree medical plans were not considered material for any of the years presented. Cash contributions were equal to the benefits paid.

Defined Contribution Plans
We participate in a Districtwide defined contribution retirement savings plan. For employees hired before January 1, 2007, employee contributions are matched dollar for dollar up to 2.0 percent and 50 cents on the dollar on the next 4.0 percent on both pre-tax and post-tax contributions. The maximum employer match is 4.0 percent. For employees hired after December 31, 2006, we contribute 3.0 percent of the employee's compensation and will match employee contributions dollar for dollar up to a maximum of 6.0 percent on both pre-tax and post-tax contributions. The maximum employer contribution is 9.0 percent.

We also participate in a Districtwide Nonqualified Deferred Compensation Plan. Eligible participants must meet one of the following criteria: certain salary thresholds as determined by the IRS, be either a chief executive officer or president of a participating employer or have previously elected pre-tax deferrals in 2006 under predecessor nonqualified deferred compensation plans. Under this plan, the employee may defer a portion of his/her salary, bonus and other compensation. Additionally, the plan provides for supplemental employer matching contributions related to any compensation deferred by the employee that would have been eligible for a matching contribution under the retirement savings plan if it were not for certain IRS limitations.

Additionally, we participate in the Pre-409A Frozen Nonqualified Deferred Compensation Plan. This plan serves the same purpose as the Nonqualified Deferred Compensation Plan. However, the plan was frozen effective January 1, 2007. As such, no additional participants are eligible to enter the plan and no additional employer contributions will be made to the plan.

District-Level Pension and Post-Employment Benefit Plans Disclosures
All District employers, with the exception of one District Association, participate in the defined benefit pension plan. Certain District employers also participate in the nonqualified retirement plan. Additionally, District employers provide certain health insurance benefits to eligible retired employees in the District. The current measurement date is December 31 for the defined benefit and other post-employment benefit plans.

The decreases in the benefit obligation of the pension plans were primarily due to an increase in benefits paid, partially offset by actuarial gains related to increased discount rates.

AgriBank District Obligations and Funded Status

(in thousands)	Pension Benefits			Other Benefits		
As of December 31,	**2024**	2023	2022	**2024**	2023	2022
Change in benefit obligation:						
Benefit obligation at beginning of year	**$1,311,186**	$1,269,589	$1,568,350	**$16,666**	$15,713	$21,215
Service cost	**19,519**	21,926	26,506	**116**	122	181
Interest cost	**61,499**	61,997	36,205	**781**	763	457
Plan amendments	**—**	938	24	**—**	—	—
Actuarial (gain) loss	**(96,458)**	31,995	(225,897)	**(2,752)**	1,371	(4,734)
Benefits paid	**(149,539)**	(75,259)	(135,599)	**(1,237)**	(1,304)	(1,406)
Benefit obligation at end of year	**$1,146,207**	$1,311,186	$1,269,589	**$13,574**	$16,665	$15,713
Change in plan assets:						
Fair value of plan assets at beginning of year	**$1,213,987**	$1,116,442	$1,453,817	**$—**	$—	$—
Actual return on plan assets	**25,475**	123,842	(295,684)	**—**	—	—
Employer contributions	**62,078**	48,962	93,908	**1,237**	1,304	1,406
Benefits, premiums and expenses paid	**(149,539)**	(75,259)	(135,599)	**(1,237)**	(1,304)	(1,406)
Fair value of plan assets at end of year	**$1,152,001**	$1,213,987	$1,116,442	**$—**	$—	$—
Funded (unfunded) status	**$5,793**	$(97,199)	$(153,148)	**$(13,574)**	$(16,665)	$(15,713)
Accumulated benefit obligation	**$1,050,900**	$1,195,852	$1,135,967	**n/a**	n/a	n/a

(in thousands)	Pension Benefits			Other Benefits		
As of December 31,	**2024**	2023	2022	**2024**	2023	2022
Amounts recognized in the District Statements of Condition consist of:						
Pension asset	**$55,397**	$—	$—	**$—**	$—	$—
Pension liabilities	**$49,604**	$97,199	$153,148	**$13,574**	$16,665	$15,713
Net loss (gain)	**$369,574**	$460,912	$538,497	**$(9,955)**	$(8,328)	$(11,288)
Prior service credit	**(2,005)**	(4,652)	(8,274)	**—**	—	—
Total recognized in accumulated other comprehensive loss (income)	**$367,569**	$456,260	$530,223	**$(9,955)**	$(8,328)	$(11,288)
Weighted-average assumptions used to determine benefit obligations:						
Discount rate	**5.67 %**	5.00 %	5.19 %	**5.61 %**	4.98 %	5.16 %
Rate of compensation increase[1]	**7.20 %**	7.20 %	7.20 %	**n/a**	n/a	n/a
Interest crediting rate	**4.30 %**	3.30 %	3.30 %	**n/a**	n/a	n/a

[1] The rate of compensation increase for the pension benefits utilizes an age-based scale beginning at 7.50%, ultimately decreasing to 4.00%

District Components of Net Periodic Benefit Cost

(in thousands)	Pension Benefits			Other Benefits		
For the year ended December 31,	**2024**	2023	2022	**2024**	2023	2022
Net periodic benefit cost:						
Service cost	**$19,519**	$21,926	$26,506	**$116**	$122	$181
Interest cost	**61,499**	61,997	36,205	**781**	763	457
Expected return on plan assets	**(72,246)**	(69,755)	(66,796)	**—**	—	
Amortization of prior service credit	**(2,647)**	(2,684)	(2,759)	**—**	—	—
Amortization of net loss (gain)	**41,652**	55,492	48,362	**(1,125)**	(1,588)	(944)
Other cost	**—**	—	1,163	**—**	—	—
Net periodic benefit cost	**$47,777**	$66,976	$42,681	**$(228)**	$(703)	$(306)
Other changes in plan assets and benefit obligations recognized in other comprehensive income:						
Net (gain) loss	**$(49,686)**	$(22,093)	$136,585	**$(2,752)**	$1,372	$(4,734)
Amortization of net (loss) gain	**(41,652)**	(55,492)	(49,525)	**1,125**	1,588	944
Prior service cost	**—**	938	24	**—**	—	—
Amortization of prior service credit	**2,647**	2,684	2,759	**—**	—	—
Total recognized in other comprehensive income	**$(88,691)**	$(73,963)	$89,843	**$(1,627)**	$2,960	$(3,790)
Total recognized in net periodic benefit cost and other comprehensive income	**$(40,914)**	$(6,987)	$132,524	**$(1,855)**	$2,257	$(4,096)
Weighted-average assumptions used to determine net costs:						
Discount rate:						
Projected benefit obligation	**5.00 %**	5.19 %	2.89 %	**4.98 %**	5.16 %	2.84 %
Service cost	**5.06 %**	5.24 %	3.02 %	**5.09 %**	5.27 %	3.14 %
Interest cost	**4.92 %**	5.10 %	2.42 %	**4.89 %**	5.07 %	2.24 %
Expected return on plan assets	**6.00 %**	6.25 %	4.75 %	**n/a**	n/a	n/a
Rate of compensation increase	**7.20 %**	7.20 %	4.60 %	**n/a**	n/a	n/a
Interest crediting rate	**3.30 %**	3.30 %	2.10 %	**n/a**	n/a	n/a

Assumptions

Benefit obligations and net periodic benefit costs are measured using assumptions designed to reflect future economic conditions. The most significant assumptions used in calculating the benefit obligations are discount rates, mortality rates and compensation rate increases. In addition to these assumptions, expected return on plan assets is also a significant driver in the measurement of net periodic benefit cost.

The discount rates used to estimate service and interest components of net periodic benefit cost are calculated using a full 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 mortality improvement assumptions are updated when new tables are issued by the Society of Actuaries. The adoption of the most recent tables did not have a significant impact to the projected benefit obligation as of December 31, 2024.

Periodically, independent actuaries perform an assumption study based on actual plan participants' results over the past three years. Assumptions in this study include, but are not limited to: rates of termination, retirement age, and benefit form elected. The most recent study was completed in 2022.

The expected return on plan assets assumption is determined by the Plan Sponsor Committee with input from the Trust Committee. Historical return information is used to establish a best-estimate range for each asset class in which the plans are invested. The most appropriate rate is selected from the best-estimate range, taking into consideration the duration of plan benefit liabilities and Plan Sponsor Committee investment policies. Generally, a lower rate of return assumption correlates to an increase in the net periodic benefit cost.

Assumed health care cost trend rates affect the amounts reported for the health care plans. A one percent change in assumed health care cost trend rates would have minimal effect for the District.

Estimated Future Contributions and Benefit Payments
The amount of total District employer contributions expected to be paid into the plans during 2025 is $20.4 million for Pension Benefits and $1.2 million for Other Benefits.

The following benefit payments are expected to be paid by the District plans and reflect expected future service, as appropriate:

(in thousands) **As of December 31, 2024**	**Pension Benefits**	**Other Benefits**
Year:		
2025	**$86,960**	**$1,248**
2026	**99,200**	**1,233**
2027	**90,700**	**1,227**
2028	**88,680**	**1,196**
2029	**88,820**	**1,170**
2030 to 2034	**439,550**	**5,322**

Plan Assets
The overall objective of the investment policy is intended to meet the benefit obligations for the plan beneficiaries and to earn a long-term rate of return consistent with the related cash flow profile of the underlying benefit obligations.

The policy uses a risk management strategy designed to reduce investment risks as the funded status improves. To implement the policy, the plan has adopted a diversified set of portfolio management strategies to optimize the risk reward profile of the plan. Plan assets are divided into two primary component portfolios:

- The "Growth Portfolio," which is a return-seeking portfolio that is invested in a diversified set of assets designed to generate return. Equity exposures are expected to be the primary drivers of excess returns, but also introduce the greatest level of volatility of returns. Accordingly, the Growth Portfolio contains additional asset classes that are intended to diversify equity risk as well as contribute to excess return.

  The largest subset contains U.S. equities including securities that are both actively and passively managed to their benchmarks across a full spectrum of capitalization and styles. Non-U.S. equities contain securities both passively and actively managed as well as in both developed and emerging markets. Currency futures and forward contracts may be held for the sole purpose of hedging existing currency risk in the portfolio. Other investments that serve as equity diversifiers include:
  - Non-core fixed income: fixed income portfolio including high yield debt, emerging market debt, and bank loans
  - Real estate assets: publicly traded real estate and global infrastructure
  - Hedge funds of funds: multi-manager strategies that seek to maximize skill-based returns by investing in a variety of active managers, including equity-oriented, diversification-oriented, and trend-following strategies
  - Tactical tilt fund: portfolio including a variety of asset classes and instruments enabling a dynamic strategy to implement short- and medium-term views
  - Private credit: multi-manager strategy of private debt managers
  - Insurance-linked securities: investment structures that fund insurance companies for catastrophic losses
  - Private equity: multi-manager strategies of private equity managers that seek to provide exposure to privately issued corporate equity at various stages of a company’s lifecycle

  Other investment strategies may be employed to gain certain market exposures, reduce portfolio risk and to further diversify portfolio assets.

- The "Immunizing Portfolio," which is a liability hedging portfolio that is primarily invested in actively managed intermediate-term and long-term investment grade corporate bond strategies, paired with centrally cleared derivatives intended to match the plan's liability characteristics and reduce expected funded status risk. The combination of physical public credit investments, private placements (private corporate investment grade debt issuances), senior direct loans, and derivatives are intended to hedge interest rate and credit spread risk targets.

Finally, there is a disbursement account intended to pay periodic plan benefits and expenses.

Portfolios are measured and monitored daily to ensure compliance with the investment policy. For year-end 2024, the asset allocation policy of the pension plan provides a target of 31.0 percent of assets in the Growth Portfolio and 69.0 percent of assets in the Immunizing Portfolio, but may be adjusted as plan funded status improves. Over time as the plan funded status improves, the size of the Growth Portfolio will decline and the Immunizing Portfolio will increase.

AgriBank District Fair Value of Pension Plan Assets

(in thousands)	**Fair Value Measurements**			
As of December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$120,581**	**$—**	**$—**	**$120,581**
Mutual funds:				
International funds	**85,435**	**29,494**	**—**	**114,929**
Domestic funds	**92,804**	**7,704**	**—**	**100,508**
Bond funds	**37,981**	**—**	**—**	**37,981**
Real estate equity funds	**—**	**—**	**5,815**	**5,815**
Other funds	**11,360**	**43,376**	**156,553**	**211,289**
Investment insurance contracts	**—**	**—**	**4,419**	**4,419**
Corporate bonds	**—**	**474,800**	**—**	**474,800**
Other debt securities	**—**	**81,679**	**—**	**81,679**
Total assets at fair value	**$348,161**	**$637,053**	**$166,787**	**$1,152,001**

(in thousands)	Fair Value Measurements			
As of December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$133,775	$—	$—	$133,775
Mutual and exchange traded funds:				
International funds	95,039	30,959	—	125,998
Domestic funds	98,738	6,865	—	105,603
Bond funds	40,973	—	—	40,973
Real estate equity funds	—	—	5,313	5,313
Other funds	14,394	39,173	124,402	177,969
Investment insurance contracts	—	—	4,588	4,588
Corporate bonds	—	537,056	—	537,056
Other debt securities	—	82,712	—	82,712
Total assets at fair value	$382,919	$696,765	$134,303	$1,213,987

(in thousands)	Fair Value Measurements			
As of December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$100,869	$—	$—	$100,869
Mutual funds:				
International funds	74,854	27,335	—	102,189
Domestic funds	86,974	5,866	—	92,840
Bond funds	34,806	—	—	34,806
Real estate equity funds	—	—	5,325	5,325
Other funds	13,584	40,429	82,385	136,398
Investment insurance contracts	—	—	4,722	4,722
Corporate bonds	—	568,853	—	568,853
Other debt securities	—	70,440	—	70,440
Total assets at fair value	$311,087	$712,923	$92,432	$1,116,442

The increase in Level 3 pension plan assets was primarily due to investment purchases during the years ended December 31, 2024, 2023, and 2022.

Valuation Techniques

Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets would be classified as Level 1. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data would be classified as Level 2. In addition, assets measured at Net Asset Value (NAV) per share and that can be redeemed at NAV per share at the measurement date are classified as Level 2. Assets valued using unobservable inputs (e.g., a company's own assumptions and data) would be classified as Level 3. All assets are evaluated at the fund level. Refer to Notes 2 and 11 for a complete description of fair value measurements.

NOTE 8

Related Party Transactions

As discussed in Notes 1, 3 and 10, we lend to District Associations to fund their loan portfolios.

We also purchase participations from District entities. At December 31, 2024, we had $22.6 billion of such loan participations purchased.

We pay compensation within the District for servicing loans and loan participations. We paid $99.8 million, $85.3 million and $78.2 million in 2024, 2023 and 2022, respectively, to District Associations and related entities.

Interest income recognized on District Associations' wholesale loans was $5.2 billion, $4.3 billion and $2.3 billion during 2024, 2023 and 2022, respectively. In addition, we recorded fees of $4.0 million, $4.2 million and $15.0 million during 2024, 2023 and 2022, respectively, representing fees assessed on funding District Associations' wholesale loans.

As of December 31, 2024, we offer certain business services to District entities. Business services income recorded from District entities totaled $9.8 million, $8.7 million and $7.4 million during 2024, 2023 and 2022, respectively.

We, along with other System entities, collectively own the AgriBank District service entities, Foundations and SunStream. Both service entities sublease office space from us. We purchase human resource information systems, benefit, payroll and workforce management services from Foundations. Our investment in Foundations was $25 thousand at December 31, 2024, 2023 and 2022. We purchase information technology and related services from SunStream. Our investment in SunStream was $5.6 million at December 31, 2024, 2023 and 2022. Additionally, both Sunstream and Foundations have a line of credit with AgriBank of $50.0 million and $1.0 million, respectively. As of December 31, 2024, only Sunstream had an outstanding balance of $30.1 million.

Elected members of our board are District Association borrowers. We have no direct lending relationships with any of our board members or senior officers. We may, from time to time, participate in loans to our directors under asset pool programs or through

other commercial participations. These participations are not material for any year presented and are purchased under the established asset pool program or other commercial participation parameters and in the normal course of business. Further, in the ordinary course of business, our directors and senior officers are eligible to hold member investment bonds under the same terms and conditions as all other District members and employees. There were no material member investment bonds held by our directors or senior officers at December 31, 2024, 2023 or 2022. Refer to Note 5 for additional information regarding member investment bonds.

NOTE 9

Commitments and Contingencies

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Financial Statements. We do not anticipate any material losses because of the contingencies or commitments.

Additionally, from time to time we may be named as defendants in lawsuits or legal actions in the normal course of business. At the date of these Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

While primarily liable for our portion of Systemwide bonds and notes, we are jointly and severally liable for the Systemwide bonds and notes of the other System Banks. The total bonds and notes of the System at December 31, 2024, were $447.9 billion.

We, together with all System Banks and the Funding Corporation, have entered into the Contractual Interbank Performance Agreement. This agreement establishes agreed-upon standards of District financial condition and performance to achieve and maintain. AgriBank, and each of the other System Banks, exceeded the minimum performance measures at December 31, 2024.

We, together with all System Banks and the Funding Corporation, have entered into the MAA. This agreement establishes criteria and procedures for the System Banks to provide information and, under specific circumstances, restricting or prohibiting participation in issuances of Systemwide Debt Securities. The agreement is intended to identify and resolve individual System Bank financial problems in a timely manner. AgriBank, and each of the other System Banks, were in compliance with all aspects of the agreement at December 31, 2024.

If a System Bank fails to meet the MAA performance criteria, it will be placed into one of three categories. Each category gives the other System Banks progressively more control over a System Bank that has declining financial performance under the MAA performance criteria. A “Category I” Bank is subject to additional monitoring and reporting requirements; a “Category II” Bank’s ability to participate in issuances of Systemwide Debt Securities may be limited to refinancing maturing debt obligations; and a “Category III” Bank may not be permitted to participate in issuances of Systemwide Debt Securities.

NOTE 10

Financial Instruments With Off-Balance Sheet Risk

We originate and participate in financial instruments with off-balance sheet risk to satisfy the financing needs of borrowers. These financial instruments are in the form of commitments to extend credit and letters of credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the Financial Statements. Commitments to extend credit are agreements to lend to a borrower or participate in a future lending arrangement in accordance with established contracts. At December 31, 2024, AgriBank had various commitments, primarily to extend credit, totaling $35.6 billion, of which $29.5 billion were on wholesale loans. Standby letters of credit are agreements to pay a beneficiary if there is default on a contractual arrangement. At December 31, 2024, we had issued standby letters of credit of $273.0 million.

Commitments to extend credit and letters of credit generally have fixed expiration dates or other termination clauses, and we may require payment of a fee. If commitments to extend credit and letters of credit remain unfulfilled or have not expired, they have off-balance sheet credit risk because their contractual amounts are not reflected on the Statements of Condition until funded or drawn upon. Many of the commitments to extend credit and letters of credit will expire without being fully drawn upon. Therefore, the total commitments do not necessarily represent future cash requirements. Certain letters of credit may have recourse provisions that would enable us to recover from third parties amounts paid under guarantees, thereby limiting our maximum potential exposure. The credit risk involved in issuing these financial instruments is essentially the same as that involved in extending loans to

borrowers, and we apply the same credit practices. The amount of collateral obtained, if deemed necessary by us upon extension of credit, is based on management's credit evaluation of the borrower.

NOTE 11

Fair Value Measurements

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We utilize a fair value hierarchy intended to maximize the use of observable inputs and is based upon the transparency of inputs used in the valuation of an asset or liability. A financial instrument's categorization within the valuation hierarchy is based upon the least transparent input that is significant to the fair value measurement. Refer to Note 2 for additional information about our fair value measurement policy.

Recurring Measurements

The following is a list of financial instruments each with a summary of the methods, valuation techniques and inputs used to measure fair value on a recurring basis:

Valuation Techniques and Significant Inputs Used to Measure Fair Value on a Recurring Basis

	Source	Valuation Technique	Inputs
Federal Funds Sold and Securities purchased under resale agreement	Counterparty report	Cost approach	Face value plus accrued interest
Commercial paper and other	Third-party pricing service	Market approach	Benchmark yield curves
U.S. Treasury securities	Third-party pricing service	Market approach	Benchmark yield curves
			Quoted prices
			Bid prices
			Trade prices, yields, spreads
			Other observable market information
Mortgage-backed securities	Third-party pricing service	Market approach	Benchmark yield curves
			Volatilities
			Market spreads
			Prepayment speeds
			Quoted prices
Asset-backed securities	Third-party pricing service	Market approach	Benchmark yield curves
			Volatilities
			Market spreads
			Prepayment speeds
			Quoted prices
Collateral posted with counterparties	Counterparty report	Cost approach	Principal plus accrued interest
Collateral posted by counterparties	Counterparty report	Cost approach	Principal plus accrued interest
Derivative assets	Internally developed	Market approach	Benchmark yield curves
			Volatilities
			Quoted prices
Derivative liabilities	Internally developed	Market approach	Benchmark yield curves
			Volatilities
			Quoted prices

Federal Funds Sold and Securities Purchased Under Resale Agreements: The fair value of federal funds and securities purchased under resale agreements are generally their face value, plus accrued interest, as these instruments are readily convertible to cash.

Investments Available-for-Sale: The fair value of nearly all of our investment securities, including mortgage-backed and asset-backed securities, is determined from third-party pricing services that estimate current market prices using market-based measurements that are processed through a rules-based pricing application. Level 2 inputs and assumptions related to third-party market valuation services are typically observable in the marketplace.

Collateral Posted With/By Counterparties: Derivative contracts are supported by bilateral collateral agreements with counterparties requiring us/them to either post cash or pledge investment securities as collateral in the event certain dollar thresholds of credit exposure are reached or in the case of cleared derivatives, the posting of initial and variation margins. The market value of cash collateral posted with counterparties and by counterparties is the face value of the collateral posted, as that approximates fair value.

Derivative Assets and Liabilities: The fair value of our derivative financial instruments is the estimated amount to be received to sell a derivative asset or paid to transfer a derivative liability in active markets among willing participants at the reporting date. Estimated fair values are determined through internal market valuation models and inputs are observable directly or indirectly in the marketplace. We compare internally calculated derivative valuations to broker/dealer quotes to substantiate the results.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

(in thousands)	Fair Value Measurement Using			Total Fair
As of December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Value**
Assets:				
Federal funds sold and securities purchased under resale agreements	**$—**	**$400,000**	**$—**	**$400,000**
Investments available-for-sale:				
Commercial paper and other	**—**	**7,990,556**	**—**	**7,990,556**
U.S. Treasury securities	**—**	**8,133,534**	**—**	**8,133,534**
Mortgage-backed securities	**—**	**6,721,395**	**—**	**6,721,395**
Asset-backed securities	**—**	**315,459**	**—**	**315,459**
Total investments available-for-sale	**—**	**23,160,944**	**—**	**23,160,944**
Cash collateral posted with counterparties	**174,787**	**—**	**—**	**174,787**
Derivative assets	**—**	**26,095**	**—**	**26,095**
Total assets	**$174,787**	**$23,587,039**	**$—**	**$23,761,826**
Liabilities:				
Cash collateral posted by counterparties	**$1,910**	**$—**	**$—**	**$1,910**
Derivative liabilities	**—**	**23,066**	**—**	**23,066**
Total liabilities	**$1,910**	**$23,066**	**$—**	**$24,976**

(in thousands)	Fair Value Measurement Using			Total Fair
As of December 31, 2023	Level 1	Level 2	Level 3	Value
Assets:				
Federal funds sold and securities purchased under resale agreements	$—	$1,700,000	$—	$1,700,000
Investments available-for-sale:				
Commercial paper and other	—	10,594,724	—	10,594,724
U.S. Treasury securities	—	5,005,753	—	5,005,753
Mortgage-backed securities	—	6,249,965	—	6,249,965
Asset-backed securities	—	261,986	—	261,986
Total investments available-for-sale	—	22,112,428	—	22,112,428
Cash collateral posted with counterparties	112,948	—	—	112,948
Derivative assets	—	93,470	—	93,470
Total assets	$112,948	$23,905,898	$—	$24,018,846
Liabilities:				
Cash collateral posted by counterparties	$1,120	$—	$—	$1,120
Derivative liabilities	—	75,356	—	75,356
Total liabilities	$1,120	$75,356	$—	$76,476

(in thousands) As of December 31, 2022	Fair Value Measurement Using Level 1	 Level 2	 Level 3	Total Fair Value
Assets:				
Investments available-for-sale:				
Commercial paper and other	$—	$8,318,423	$—	$8,318,423
U.S. Treasury securities	—	5,669,274	—	5,669,274
Mortgage-backed securities	—	5,962,719	—	5,962,719
Asset-backed securities	—	143,507	—	143,507
Total investments available-for-sale	—	20,093,923	—	20,093,923
Cash collateral posted with counterparties	56,504	—	—	56,504
Derivative assets	—	114,582	—	114,582
Total assets	$56,504	$20,208,505	$—	$20,265,009
Liabilities:				
Cash collateral posted by counterparties	$7,280	$—	$—	$7,280
Derivative liabilities	—	85,784	—	85,784
Total liabilities	$7,280	$85,784	$—	$93,064

There were no Level 3 assets measured at fair value on a recurring basis during the years ended December 31, 2024, 2023 or 2022.

Non-Recurring Measurements

Certain loans are individually evaluated for credit losses and deemed to be collateral dependent. The carrying value amount of these loans is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral’s estimated fair value. Typically, the process requires significant input based on management’s knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

We had $42.8 million, $26.9 million and $21.4 million of collateral dependent loans measured at fair value on a non-recurring basis as of December 31, 2024, 2023 and 2022, respectively.

All loans are classified as held to maturity as of December 31, 2024 and 2022. Loans held for sale as of December 31, 2023, totaled $355.2 million, and were related to the expected sale of participation interests to District Associations which were sold on August 1, 2024. Fair value is estimated based on expected future cash flows utilizing assumptions of market interest rates and credit risk for loans with similar characteristics. The estimates involve significant inputs based on management's knowledge and judgment, and therefore, are classified as Level 3 fair value measurements. Book value approximated fair value; therefore, no gain or loss was recognized related to these loans.

Other Financial Instrument Measurements

Financial Instruments Not Measured at Fair Value on the Statements of Condition

(in thousands) **As of December 31, 2024**	**Total Carrying Amount**	**Fair Value Measurement Using**			**Total Fair Value**
		Level 1	**Level 2**	**Level 3**	
Assets:					
Cash and cash equivalents	**$1,510,493**	**$1,510,493**	**$—**	**$—**	**$1,510,493**
Net loans held to maturity	**164,573,375**	**—**	**—**	**157,101,755**	**157,101,755**
Total assets	**$166,083,868**	**$1,510,493**	**$—**	**$157,101,755**	**$158,612,248**
Liabilities:					
Bonds and notes	**$180,795,727**	**$—**	**$—**	**$174,375,062**	**$174,375,062**
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		**$—**	**$—**	**$(3,784)**	**$(3,784)**

(in thousands) As of December 31, 2023	Total Carrying Amount	Fair Value Measurement Using			Total Fair Value
		Level 1	Level 2	Level 3	
Assets:					
Cash and cash equivalents	$1,642,497	$1,642,497	$—	$—	$1,642,497
Net loans held to maturity	148,312,576	—	—	140,953,392	140,953,392
Total assets	$149,955,073	$1,642,497	$—	$140,953,392	$142,595,889
Liabilities:					
Bonds and notes	$166,310,329	$—	$—	$159,425,165	$159,425,165
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		$—	$—	$(3,339)	$(3,339)

(in thousands) As of December 31, 2022	Total Carrying Amount	Fair Value Measurement Using			Total Fair Value
		Level 1	Level 2	Level 3	
Assets:					
Cash and cash equivalents	$1,356,976	$1,356,976	$—	$—	$1,356,976
Net loans held to maturity	133,418,675	—	—	123,867,470	123,867,470
Total assets	$134,775,651	$1,356,976	$—	$123,867,470	$125,224,446
Liabilities:					
Bonds and notes	$148,228,998	$—	$—	$138,225,184	$138,225,184
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		$—	$—	$(2,279)	$(2,279)

NOTE 12

Derivative and Hedging Activity

Use of Derivatives
We maintain an overall interest rate risk management strategy that incorporates the use of derivative products to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. Our goals are to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets and liabilities so that movements in interest rates do not adversely affect net interest margin. As a result of interest rate fluctuations, fixed-rate liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by our gains or losses on the derivative instruments that are linked to fixed-rate liabilities. Another result of interest rate fluctuations is that the interest expense of floating-rate liabilities will increase or decrease. The effect of this variability in earnings is expected to be substantially offset by our gains and losses on the derivative instruments that are linked to these floating-rate liabilities. We consider the 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.

All of our derivative activities are monitored by the Asset/Liability Committee (ALCO) as part of the Committee's oversight of our asset/liability and treasury functions. ALCO ensures that the bank's derivative hedging strategies are implemented in line with the board's risk appetite and are incorporated into our overall asset/liability risk-management framework.

Interest Rate Risk Management
We primarily enter into derivative transactions, particularly interest rate swaps, to reduce funding costs, improve liquidity, manage interest rate sensitivity and basis risk. Interest rate swaps are efficient tools to synthetically modify the fixed or floating rate mix of our debt portfolio for strategic interest rate risk management purposes and are often more cost effective than issuing debt directly. Under interest rate swap arrangements, we agree with other parties 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.

Other Derivative Uses
Other uses for derivatives are as follows:

- We also facilitate interest rate swaps to qualified borrowers of the District Associations. These swaps allow qualified borrowers to manage their interest rate risk and lock in a fixed interest rate similar to a fixed rate loan. We manage the interest rate risk from customer swaps with the execution of offsetting interest rate swap transactions.
- We may utilize commodity derivative instruments to manage mineral income volatility. We may purchase commodity put options to protect against a decline in oil prices, which could significantly impact our mineral income. We had put option contracts with a total notional of 110 thousand barrels of oil as of December 31, 2022, which are not included in the table below. No put options were outstanding as of December 31, 2024 or 2023.

Derivative Instruments Activity (notional amount)

(in millions)	Receive-Fixed Swaps	Pay-Fixed Swaps	Floating-for-Floating	Other Derivatives	Total
As of December 31, 2021	$900	$5,542	$1,400	$142	$7,984
Additions	2,676	11,650	2,600	5	16,931
Maturities/amortization	(50)	(12,327)	(200)	(27)	(12,604)
As of December 31, 2022	$3,526	$4,865	$3,800	$120	$12,311
Additions	1,750	7,235	800	—	9,785
Terminations	—	(50)	—	—	(50)
Maturities/amortization	(900)	(5,507)	(2,650)	(7)	(9,064)
As of December 31, 2023	$4,376	$6,543	$1,950	$113	$12,982
Additions	**14,250**	**3,370**	**16,000**	**25**	**33,645**
Maturities/amortization	**(14,476)**	**(3,357)**	**(12,000)**	**(7)**	**(29,840)**
As of December 31, 2024	**$4,150**	**$6,556**	**$5,950**	**$131**	**$16,787**

Other derivatives consisted of retail customer interest rate swaps.

Credit Risk Management
By using derivative instruments, we are subject to credit and market risk. If a counterparty is unable to perform under a derivative contract, our credit risk equals the net amount due to us. Generally, when the fair value of a derivative contract is positive, we have credit exposure to the counterparty, creating credit risk for us. When the fair value of the derivative contract is negative, we do not have credit exposure.

With the exception of retail customer swaps, to minimize the risk of credit losses, we deal only with bilateral counterparties that have an investment-grade or better credit rating from a rating agency, and we monitor the credit standing and levels of exposure to individual counterparties. At December 31, 2024, we do not anticipate nonperformance by any of these counterparties. We typically enter into master agreements that contain netting provisions. These provisions allow us to require the net settlement of covered contracts with the same counterparty in the event of default by the counterparty on one or more contracts. All such derivative contracts are supported by bilateral collateral agreements with counterparties requiring collateral to be posted in the event certain dollar thresholds of exposure of one party to the other are reached. These thresholds vary depending on the counterparty's current credit rating.

Bilateral Derivatives

(In thousands)

As of December 31,	**2024**	2023	2022
Notional amount[1]	**$6,280,995**	$2,263,254	$4,370,313
Cash collateral posted by counterparties	**$(1,910)**	$(1,120)	$(7,280)
Securities posted by counterparties	**—**	—	(4,714)
Total collateral posted with counterparties, net	**$(1,910)**	$(1,120)	$(11,994)

[1] Excludes notional amount for commodity hedges

We also clear derivative transactions through a futures commission merchant (FCM) with a clearinghouse or a central counterparty (CCP). When the swap is cleared by the two parties, the single bilateral swap is divided into two separate swaps with the CCP becoming the counterparty to both of the initial parties to the swap. CCPs have several layers of protection against default including margin, member capital contributions and FCM guarantees of their customers' transactions with the CCP. FCMs also pre-qualify the counterparties to all swaps that are sent to the CCP from a credit perspective, setting limits for each counterparty and collecting initial and variation margin daily from each counterparty for changes in the value of cleared derivatives. The margin collected from both parties to the swap protects against credit risk in the event a counterparty defaults. The initial and variation margin requirements are set by and held for the benefit of the CCP. Additional initial margin may be required and held by the FCM, due to its guarantees of its customers' trades with the CCP. Typically, daily variation margin payments are recognized as settlements rather than collateral posted. Initial margin requirements consider volume of notional outstanding, duration of outstanding derivatives and market volatility.

Centrally Cleared Derivatives

(in thousands)

As of December 31,	**2024**	2023	2022
Notional amount	**$10,505,995**	$10,718,254	$7,940,313
Initial margin posted with counterparties	**$174,787**	$112,948	$56,504

Certain derivative instruments contain provisions that require us to post additional collateral upon the occurrence of a specified credit risk-related event. These events, which are defined by existing derivative contracts, are downgrades in the credit rating of AgriBank or if the Farm Credit System is no longer considered a Federally Chartered Instrumentality of the United States. The fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position at December 31, 2024, and any collateral that we may be required to post related to these derivatives was $2.4 million. In the event that we are downgraded, a tiered collateral posting would be activated which may require us to post collateral of up to $2.4 million.

Accounting for Derivatives
Refer to Note 2 for information on the accounting for derivatives.

Financial Statement Impact of Derivatives

The fair value of our derivative contracts are presented as “Derivative assets” and “Derivative liabilities” on the Statements of Condition.

(in thousands)	**2024**		2023		2022	
As of December 31,	**Fair Value Assets**	**Fair Value Liabilities**	Fair Value Assets	Fair Value Liabilities	Fair Value Assets	Fair Value Liabilities
Derivatives designated as hedging instruments:						
Receive-fixed swaps	**$3,838**	**$2,876**	$11,510	$29,986	$—	$72,410
Pay-fixed swaps	**221,589**	**8,977**	89,706	34,187	99,449	2,927
Floating-for-floating swaps	**2,536**	**2,914**	3,932	3,111	15,743	45
Total derivatives designated as hedging instruments	**227,963**	**14,767**	105,148	67,284	115,192	75,382
Derivatives not designated as hedging instruments:						
Receive-fixed swaps	**439**	**—**	—	—	—	—
Pay-fixed swaps	**9,351**	**—**	9,081	—	11,612	—
Floating-for-floating swaps	**6**	**—**	—	—	—	—
Other derivative products	**6**	**8,299**	18	8,072	29	10,402
Total derivatives not designated as hedging instruments	**9,802**	**8,299**	9,099	8,072	11,641	10,402
Variation margin settled	**(211,504)**	**—**	(20,565)	—	(12,019)	—
Credit valuation adjustments	**(166)**	**—**	(212)	—	(232)	—
Total gross amounts of derivatives	**$26,095**	**$23,066**	$93,470	$75,356	$114,582	$85,784

Notwithstanding collateral and netting provisions, derivative assets and liabilities are not offset in the Statements of Condition. The amount of collateral posted by or with counterparties is calculated on a net basis, by counterparty. The following table summarizes derivative assets and liabilities, related accrued interest and amounts of collateral exchanged pursuant to our agreements.

(in thousands) **As of December 31,**	**2024**	2023	2022
Derivative assets	**$26,095**	$93,470	$114,582
Derivative liabilities	**(23,066)**	(75,356)	(85,784)
Accrued interest receivable (payable) on derivatives, net	**13,575**	(2,476)	(733)
Gross amounts not offset in Statements of Condition:			
Cash collateral posted by counterparties	**(1,910)**	(1,120)	(7,280)
Cash collateral posted with counterparties	**174,787**	112,948	56,504
Securities posted as collateral pledged by counterparties	**—**	—	(4,714)
Net exposure amounts	**$189,481**	$127,466	$72,575

The fair value of derivatives includes credit valuation adjustments (CVA). The CVA reflects credit risk of each derivative counterparty to which we have exposure, net of any collateral posted by the counterparty, and an adjustment for our credit worthiness where the counterparty has exposure to us. The CVA was not material in any of the periods presented. The change in the CVA for the period is included in "Interest expense" on the Statements of Comprehensive Income.

In relation to our cash flow hedges, the following table presents the amount of other comprehensive income (OCI) recognized on derivatives and the amount reclassified from accumulated other comprehensive income (AOCI) into earnings on effective cash flow hedges. During the next 12 months, $23.0 million in gains on derivative instruments that qualify as cash flow hedges are expected to be reclassified into earnings.

Cash Flow Hedging Relationships

(in thousands) **For the year ended December 31, 2024**	**Amount of Gain (Loss) Recognized in OCI on Derivatives**	**Amount of Gain (Loss) Reclassified from AOCI into Income**
Pay-fixed swaps	**$235,965**	**$65,785**
Floating-for-floating swaps	**(1,488)**	**(290)**
Total	**$234,477**	**$65,495**

(in thousands) For the year ended December 31, 2023	Amount of Gain (Loss) Recognized in OCI on Derivatives	Amount of Gain (Loss) Reclassified from AOCI into Income
Pay-fixed swaps	$25,102	$41,540
Floating-for-floating swaps	(19,577)	(4,700)
Total	$5,525	$36,840

(in thousands) For the year ended December 31, 2022	Amount of Gain Recognized in OCI on Derivatives	Amount of Loss Reclassified from AOCI into Income
Pay-fixed swaps	$144,351	$(28,034)
Floating-for-floating swaps	14,490	(2,612)
Total	$158,841	$(30,646)

The following table shows the effect of fair value and cash flow hedge accounting as well as economic hedges on the Statements of Comprehensive Income for the year ended December 31, 2024.

(in thousands)	**Other (Loss) Income, Net**			**Interest Expense**		
For the year ended December 31,	**2024**	2023	2022	**2024**	2023	2022
Total amount of income and expense line items presented in the Statements of Comprehensive Income in which the effects of the fair value, cash flow and economic hedges are recorded:	**$(3,725)**	$1,567	$(1,072)	**$6,619,466**	$5,150,665	$2,254,016
Asset and Liability Management Positions						
Fair value hedges:						
Interest rate derivatives	**—**	—	—	**(20,286)**	(53,955)	70,110
Bonds and notes	**—**	—	—	**20,272**	53,369	(70,127)
Cash flow hedges:						
Interest rate derivatives	**—**	—	—	**(65,495)**	(36,840)	30,646
Economic hedges:						
Interest rate derivatives	**474**	(212)	(585)	**—**	—	—
Commodity derivatives	**—**	—	(1,454)	**—**	—	—

Note: We do not exclude components from effectiveness testing for fair value or cash flow hedges. During the years ended December 31, 2024, 2023 and 2022, we reclassified gains or losses into earnings as a result of the discontinuance of certain cash flow hedges.

The following table shows the cumulative hedging adjustment (fair value adjustment) for fair value hedges that are included in the carrying amount of the hedged item:

(in thousands)	**Carrying Amount of the Hedged Item**			**Cumulative Fair Value Adjustment Included in the Carrying Amount of the Hedged Item**		
As of December 31,	**2024**	2023	2022	**2024**	2023	2022
Line Item on the Statements of Condition						
Bonds and notes	**$2,149,993**	$4,352,972	$3,448,815	**$1,090**	$(19,182)	$(72,551)

Note: AgriBank did not have any material hedging adjustments for discontinued fair value hedges.

NOTE 13

Accumulated Other Comprehensive Loss

Changes in Components of Accumulated Other Comprehensive (Loss) Income

(in thousands)	Investment Securities Activity	Derivatives and Hedging Activity	Employee Benefit Plan Activity	Total
Balance at December 31, 2021	$(78,338)	$(130,663)	$(1,954)	$(210,955)
Other comprehensive (loss) income before reclassifications	(851,418)	158,841	23	(692,554)
Amounts reclassified from accumulated other comprehensive loss	3,998	30,646	235	34,879
Net other comprehensive (loss) income	(847,420)	189,487	258	(657,675)
Balance at December 31, 2022	$(925,758)	$58,824	$(1,696)	$(868,630)
Other comprehensive income before reclassifications	247,311	5,525	26	252,862
Amounts reclassified from accumulated other comprehensive loss	18	(36,840)	185	(36,637)
Net other comprehensive income (loss)	247,329	(31,315)	211	216,225
Balance at December 31, 2023	$(678,429)	$27,509	$(1,485)	$(652,405)
Other comprehensive income (loss) before reclassifications	**48,625**	**234,477**	**(58)**	**283,044**
Amounts reclassified from accumulated other comprehensive loss	**275**	**(65,495)**	**163**	**(65,057)**
Net other comprehensive income	**48,900**	**168,982**	**105**	**217,987**
Balance at December 31, 2024	**$(629,529)**	**$196,491**	**$(1,380)**	**$(434,418)**

The derivatives and hedging activity and employee benefit plans activity reclassified from AOCI is included in "Interest expense" and "Other operating expense" respectively, on the Statements of Comprehensive Income. The investment securities activity reclassified from AOCI is included in "Other (loss) income, net" on the Statements of Comprehensive income.

NOTE 14

Subsequent Events

We have evaluated subsequent events through March 1, 2025, which is the date the Financial Statements were available to be issued.

There have been no other material subsequent events that would require recognition in our 2024 Financial Statements or disclosure in the Notes to those Financial Statements.

NOTE 15

AgriBank and District Associations

The Financial Statements exclude financial information of District Associations. AgriBank and District Associations are collectively referred to as the “District.” We separately publish certain unaudited combined AgriBank District financial information, including a condensed statement of condition and statement of income, which can be found on our website at www.AgriBank.com.

AgriBank's approval is required for significant structure changes at District Associations including, but not limited to: merger, acquisition, liquidation, or reaffiliation to another Farm Credit District.

The boards of directors of Farm Credit Services of America, ACA, AgCountry Farm Credit Services, ACA, and Frontier Farm Credit, ACA entered into an agreement with an effective date of December 29, 2023, and beginning April 15, 2024, the three Associations are jointly managed and share income and losses. The Associations are deploying a common business approach to the development and delivery of products and services and use common technology platforms that accommodate differences in local marketplace conditions. While the Associations are jointly managed and will operate under jointly developed strategic business plans and supporting plans, they remain separate organizations with local representation through independent boards of directors and distinct patronage programs. In October 2024, the AgCountry Farm Credit Services, ACA Board of Directors approved a Board Reduction Plan that will reduce the Board size by six elected Director positions by August 31, 2028. When completed, the Board will be comprised of eleven stockholder-elected Directors and two outside appointed Directors.

Additional Regulatory Information

AgriBank, FCB

(Unaudited)
(In whole dollars unless otherwise noted)

Description of Business

General information regarding the business is incorporated herein by reference from Note 1 to the accompanying Financial Statements included in this Annual Report.

The description of significant business developments, if any, is incorporated herein by reference from the "Management's Discussion and Analysis" section included in this Annual Report.

Description of Property

We lease our headquarters located in St. Paul, Minn. In addition to base rent, we are responsible for our share of the operating costs of the building under the lease agreement. Our lease agreement expires October 31, 2026. We sublease a portion of our office space to Farm Credit Foundations and SunStream Business Services.

Legal Proceedings

Information regarding legal proceedings is incorporated herein by reference from Note 9 to the accompanying Financial Statements included in this Annual Report. We were not subject to any enforcement actions as of December 31, 2024.

Description of Capital Structure

Information regarding capital structure is incorporated herein by reference from Note 6 to the accompanying Financial Statements included in this Annual Report.

Description of Liabilities

Information regarding liabilities is incorporated herein by reference from Notes 5, 7, 9, 11 and 12 to the accompanying Financial Statements included in this Annual Report.

Selected Financial Data

"Five-Year Summary of Selected Financial Data," included at the beginning of this Annual Report, is incorporated herein by reference.

Management's Discussion and Analysis

"Management's Discussion and Analysis," included in this Annual Report, is incorporated herein by reference.

Board of Directors of AgriBank, FCB

The board is organized into the following committees to carry out board responsibilities:

- The **Audit Committee** assists the board in fulfilling its oversight responsibilities for financial reporting, the adequacy of the Bank's internal control systems, the scope of the Bank's internal audit program, the independence of the outside auditors and the Bank's process for monitoring compliance with laws, regulations, and the standards of conduct including the code of ethics. The Audit Committee also oversees the adequacy of management's action with respect to recommendations arising from auditing activities.
- The **Compensation Committee** oversees Bank human resource programs and policies in areas such as, compensation, benefits, succession planning, performance management, diversity and inclusion, and other AgriBank programs that impact human capital.
- The **Governance Committee** oversees matters related to board governance and board operations, monitors director training and development, and monitors the board's involvement in AgriBank's strategic planning process.
- The **Risk Management Committee** assists the full board in overseeing the integration of risk management in the Bank through an enterprise risk management process. The Committee monitors the risk framework of the Bank, promotes effective management of all risks and fosters the establishment and maintenance of an effective risk culture throughout the Bank.
- The **Government Relations Committee** monitors federal legislative and regulatory policies that may affect AgriBank and its mission as a Farm Credit Funding Bank, as well as issues that may affect the Farm Credit System, and considers appropriate positions.

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

Name	Principal Occupation, Board Committees and Other Affiliations
Stan Claussen, **Board Chair** **Age: 71** **Board Service Began: 2016** **Current Term Expires: 2028**	**Principal Occupation:** Self-employed grain and sugar beet farmer in Montevideo, Minn. Owner of Claussen Land, LLP, a land holding company in Benson, Minn. Owner/Operator of Claussen Farms, LLP, a grain and sugar beet farming operation in Benson, Minn. Owner/Operator of Claussen Land Improvement, LLP, a drain tile installation company in Benson, Minn. **Board Committees:** Government Relations Committee **Other Affiliations:** Investor/Member, Vice Chair of the Board of Bushmills Ethanol, Inc., an ethanol production company in Atwater, Minn. Director of the Fairland Management Company, a farm land management company in Windom, Minn. Investor in Limited Partnership, Riverview, LLP, a dairy farm in Hancock, Minn. Board Chair of Admiral Point 2/Sailfish Pass Homeowners Association in Punta Gorda, Fla. Vice Chair of the Farm Credit Council, a trade association representing the Farm Credit System in Washington, D.C. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn.
Chris Roberts, **Board Vice Chair** **Age: 54** **Board Service Began: 2022** **Current Term Expires: 2026**	**Principal Occupation:** Owner/Operator of Delta Terre Planting LLC, a row crop farming operation in Ark. **Board Committees:** Chair of the Governance Committee Government Relations Committee **Other Affiliations:** Director of the Farm Credit Council, a trade association representing the Farm Credit System in Washington, D.C. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn.

Name	Principal Occupation, Board Committees and Other Affiliations
Jeff Austman **Age: 53** **Board Service Began: 2021** **Current Term Expires: 2025**	**Principal Occupation:** Self employed farmer of a corn and soybean operation in Forrest, Ill. **Board Committees:** Chair of the Risk Management Committee **Other Affiliations:** Secretary of Austman, Inc., a property management operation including farmland in Illinois and timber in Minnesota. Board Member of Gibson Area Hospital Foundation, a charitable fundraising organization for a hospital in Gibson City, Ill.
Donald Blankenship **Age: 50** **Board Service Began: 2020** **Current Term Expires: 2028**	**Principal Occupation:** Owner of Blankenship Farms, a crops and livestock operation in Murfreesboro, Tenn. **Board Committees:** Vice Chair of the Audit Committee **Other Affiliations:** Board Member of Kittrell Fire Department, a volunteer fire department in Readyville, Tenn.
Laura Braun **Age: 65** **Board Service Began: 2022** **Current Term Expires: 2026**	**Principal Occupation:** Member of Golden Maple Farms, LLC, a cash crop farming operation in Ovid, Mich. **Board Committees:** Governance Committee Chair of the Government Relations Committee **Other Affiliations:** Director of the Farm Credit Council, a trade association representing the Farm Credit System in Washington, D.C. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn.
Ivar Chhina **Outside Director** **Financial Expert** **Age: 62** **Board Service Began: 2021** **Current Term Expires: 2025**	**Principal Occupation:** Retired executive in Bellevue, Wash. **Board Committees:** Chair of the Audit Committee **Other Affiliations** Director and Chair of the Audit Committee for Malibu Boats, Inc., a manufacturer of recreational boats (NASDAQ: MBUU) in Loudon, Tenn. Director and Chair of the Audit Committee for Sage Dental Management, LLC, a dental healthcare services company in Boca Raton, Fla. Board Manager and Chair of the Audit Committee for Walker Edison Holdco, LLC, an E-commerce furniture manufacturer in West Jordan, Utah Director and Chair of the Audit Committee for Femwell Group Health, LLC, a healthcare services company in Miami, Fla. Independent board observer for Aptive Environmental, LLC, a residential pest control company in Provo, Utah
Dale Crawford **Age: 68** **Board Service Began: 2017** **Current Term Expires: 2025**	**Principal Occupation:** Owner of Dale Crawford Farm in Sullivan, Ill. **Board Committees:** Compensation Committee Government Relations Committee **Other Affiliations:** Secretary/Treasurer of the Moultrie-Sullivan Fair Association, a county agricultural fair in Sullivan, Ill. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn.
Steve Cunningham **Outside Director** **Age: 55** **Board Service Began: 2022** **Current Term Expires: 2027**	**Principal Occupation:** CFO Enova International, a non-bank financial services entity in Chicago, Ill. **Board Committees:** Vice Chair of the Risk Management Committee **Other Affiliations:** CFO Advisory Board Member for Bain Capital Ventures, a provider of venture capital across numerous industries from offices in New York, Boston and San Francisco

Name	Principal Occupation, Board Committees and Other Affiliations
Randy Peters **Age: 71** **Board Service Began: 2020** **Current Term Expires: 2028**	**Principal Occupation:** Owner and President of Randy Peters Seed Farms, Inc., a seed business and grain and livestock operation in McCook, Neb. Owner and President of Triple R Farms, Inc., a farming operation in McCook, Neb. **Board Committees:** Governance Committee **Other Affiliations:** None
Mark Pierce **Age: 66** **Board Service Began: 2022** **Current Term Expires: 2026**	**Principal Occupation:** Owner of Rippling Water Farms, Inc., a crop and livestock farming operation in Dekalb, Mo. **Board Committees:** Governance Committee Risk Management Committee **Other Affiliations:** Director of Buchanan County Farm Bureau Board, agricultural service agency in St. Joseph, Mo. Director of Progressive Community Services Board, which provides programs and resources to individuals with intellectual/developmental disabilities and their families in St. Joseph, Mo. Director of Clean Water Commission State of Missouri, governor appointed Community event coordinator on the DeKalb Homecoming Board, a non-profit community festival board in DeKalb, Mo.
Timothy Rowe **Age: 64** **Board Service Began: 2017** **Also Served: 2010-2014** **Current Term Expires: 2025**	**Principal Occupation:** Owner and President of Rowe, Inc, a grain and livestock farming operation in Elwood, Neb. **Board Committees:** Risk Management Committee Government Relations Committee **Other Affiliations:** Board Chair of Country Partners Cooperative, a local supply cooperative in Gothenburg, Neb. Director of the Nebraska Cooperative Council, a trade association representing agricultural cooperatives in Lincoln, Neb. Director of the Farm Credit Council, a trade association representing the Farm Credit System in Washington, D.C. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn.
George Stebbins **Age: 71** **Board Service Began: 2018** **Current Term Expires: 2026**	**Principal Occupation:** Owner of Stebbins Farms, Ltd., a crop farming operation in Englewood, Ohio Owner of Stebbins Land Company, Ltd., a land holding company in Englewood, Ohio Owner of WGTS Farms, Ltd., a land holding company in Englewood, Ohio **Board Committees:** Vice Chair of the Compensation Committee **Other Affiliations:** Director of the Miami County Zoning Commission, a zoning commission in Troy, Ohio
Rollin Tonneson **Age: 72** **Board Service Began: 2019** **Current Term Expires: 2027**	**Principal Occupation:** Owner of Tonneson Brothers, a grain farming operation in Souris, N.D. Owner of Tonneson Farms, a grain farming operation in Souris, N.D. **Board Committees:** Chair of the Compensation Committee **Other Affiliations:** Chair of Grace Lutheran Brethren Church, a religious organization in Bottineau, N.D. Chair of Emmanuel Lutheran Brethren Church Foundation, a foundation for an inactive rural church in Carbury, N.D. Employee of Benjamin Tonneson Farms, a farm operation in Souris, N.D.

Name	Principal Occupation, Board Committees and Other Affiliations
Nick Vande Weerd **Age: 43** **Board Service Began: 2015** **Current Term Expires: 2027**	**Principal Occupation:** Owner of PVW Family Farms, LLC, a grain and livestock farming operation in Bruce, S.D. Owner of Vande Weerd Family Farms, LLC, a grain and livestock farming operation in Bruce, S.D. **Board Committees:** Vice Chair of the Government Relations Committee Audit Committee **Other Affiliations:** Major in the South Dakota Air National Guard, a U.S. military service in Sioux Falls, S.D. Director of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn. Owner of Vande Weerd Marketing, LLC, an investing, consulting, and farming operation in Brookings, S.D. Owner of FATE, LLC, an investing entity in Brookings, S.D. Director of Hilltop Farms, LLC, a dairy operation near Brookings, S.D.
Matthew Walther **Age: 53** **Board Service Began: 2011** **Current Term Expires: 2027**	**Principal Occupation:** Owner/Member of Matt Walther Farms, LLC, a crop and cow/calf herd and finished cattle operation in Centerville, Ind. Owner/Member of Buell Drainage, LLC, a tile drainage company in Centerville, Ind. **Board Committees:** Vice Chair of the Governance Committee **Other Affiliations:** Board Chair of the Federal Farm Credit Banks Funding Corporation, the fiscal agent for the Farm Credit System, in Jersey City, N.J.
Tony Wolfe **Age: 75** **Board Service Began: 2021** **Current Term Expires: 2025**	**Principal Occupation:** Self-employed farmer at Wolfe Farms, a sole-proprietorship in Hazleton, Ind. **Board Committees:** Compensation Committee **Other Affiliations:** Director of Shiloh Cemetery Association, a volunteer board in Hazleton, Ind. Member of Wolfe Family Land, LLC, a farming operation in Hazleton, Ind.
Jennifer Zessin **Age: 55** **Board Service Began: 2024** **Current Term Expires: 2028**	**Principal Occupation:** Owner of Zessin Farms, a farming operation in Madison, Neb. Owner of 3Z Equipment, LLC, an equipment entity in Madison, Neb. **Board Committees:** Audit Committee **Other Affiliations:** Treasurer of Trinity Lutheran Church and School, a non-profit church and K-8 school in Madison, Nebraska. Director of FCCS, a consulting services organization headquartered in Denver, Col.

Information regarding days served and compensation paid during 2024 for each director follows:

	Days Served				
	Board Meetings	Other Activities	Compensation Paid for Service on a Board Committee or Chair/ Vice Chair Positions	Name of Committee	Total Compensation Paid
Stan Claussen	**9.0**	**22.0**	**$18,843**	**Chair**	**$111,134**
Chris Roberts	**8.0**	**25.5**	**9,421**	**Vice Chair**	**105,463**
			4,711	**Governance**	
Jeff Austman	**9.0**	**9.0**	**4,711**	**Risk**	**97,963**
Donald Blankenship	**9.0**	**13.0**			**94,213**
Laura Braun	**9.0**	**12.0**			**94,213**
Robert Bruxvoort[1]	**3.0**	**4.0**			**19,213**
Ivar Chhina	**9.0**	**14.0**	**9,421**	**Audit**	**103,634**
Dale Crawford	**9.0**	**11.0**			**94,213**
Steve Cunningham	**8.0**	**6.0**			**94,213**
Randy Peters	**9.0**	**9.0**			**94,213**
Mark Pierce	**9.0**	**12.0**			**94,213**
Timothy Rowe	**9.0**	**11.0**			**95,174**
George Stebbins	**9.0**	**9.0**			**94,213**
Rollin Tonneson	**8.0**	**9.0**	**4,711**	**Compensation**	**98,924**
Nick Vande Weerd	**8.0**	**16.0**			**98,055**
Matthew Walther	**9.0**	**9.0**			**95,174**
Tony Wolfe	**9.0**	**9.0**			**94,213**
Jennifer Zessin[2]	**6.0**	**7.0**			**75,000**
Total			**$51,818**		**$1,653,438**

[1] Retired March 2024

[2] Elected March 2024

Days served in the preceding table represent actual days at board meetings and activities. Board members may also spend additional time in preparation for meetings and in travel to and from meetings.

The board members receive a standard annual retainer, which is paid quarterly, for attendance at meetings and other official activities for which attendance is required or desirable. The retainer is adjusted for inflation effective the month following the Annual Meeting. The standard retainer effective April 1, 2023 through March 31, 2024 was $76,852. The standard retainer effective April 1, 2024 through March 31, 2025 was $100,000. An additional position retainer is paid for specified leadership roles on the board that involve an increased level of activity and time commitment. The leadership roles designated to receive the additional position retainer above the standard retainer, and the percentage of additional retainer, are as follows: Board Chair (20%); Board Vice Chair (10%); Audit Committee Chair (10%); Compensation, Risk Management, and Governance Chairs (5% each). In addition to the standard retainer and leadership position retainers, additional compensation may be provided to a director for extraordinary time and effort in the service of AgriBank and its shareholders. Such compensation is provided in the amount of $1,000 per additional day of service, and is paid at the discretion of the board upon request of the individual director performing the additional services. Directors are also reimbursed for reasonable travel and expenses incurred.

Senior Officers

The senior officers of AgriBank, FCB at December 31, 2024, included:

Name	Position	Business experience and employment during past five years
Jeffrey R. Swanhorst	Chief Executive Officer	Position began in April 2018. **Other Affiliations:** Board member on the Federal Farm Credit Banks Funding Corporation, the fiscal agent for the Farm Credit System in Jersey City, N.J. Member of Presidents Planning Committee (PPC) and member of the Executive and Business Practices and Risk Management Committees of the PPC, which provides management coordination and acts in an advisory role on matters that have potential for national impact on, or implications for, the Farm Credit System. Chair of the SunStream Business Services board, a technology and business services provider in St. Paul, Minn. Chief executive officer/president of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn. Executive Committee member of the Executive Council of the National Council of Farmer Cooperatives, an organization advancing the business and policy interests of America's cooperatives and other farmer-owned enterprises in Washington, D.C.
James B. Jones	Chief Credit Officer	Position began in October 2018. **Other Affiliations:** Board member of Urban Roots, a non-profit focused on youth development through urban agriculture, conservation and food preparation programs in St. Paul, Minn.
Brad W. Hoffelt	Chief Financial Officer	Position began in September 2024[(1)]. Prior to that served as Chief Financial Officer of Global Treasury and Commercial Payments at U.S. Bank beginning in January 2016. **Other Affiliations:** None
Jeremy J. Renger	Chief Risk and Information Officer	Position began in September 2022. Prior to that served as director of risk analytics and ERM for John Deere Financial in Johnston, Iowa beginning in September 2008. **Other Affiliations:** None
Barbara Kay Stille[(2)]	Chief Operations and Strategy Officer	Position began in November 2024. Prior to that served as Chief Administrative Officer and General Counsel. Ms. Stille also served as Interim Chief Information Officer from February 2022 to September 2022. **Other Affiliations:** Board of governors, Chairperson of the Farm Credit System Association Captive Insurance Company, a captive insurance company in Greenwood Village, Colo. Secretary of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn. Member of Stille Family Farm, LLC, a farm real estate holding entity in Alhambra, Ill.
Jeff Moore	Senior Advisor	Position began in September 2024. Prior to that served as Chief Financial Officer beginning in October 2017. **Other Affiliations:** Member of the Farm Credit Foundations Trust Committee, a committee which serves as the fiduciary for the benefits plans and trust assets, and oversees the administration of the plans for Farm Credit Foundations in St. Paul, Minn. Treasurer of the AgriBank District Farm Credit Council, a trade association representing the AgriBank District in St. Paul, Minn. Board Member and Treasurer of Acres for Life Therapy and Wellness Center, a non-profit providing mental health services in Forest Lake, Minn.
John Morrow[(2)]	Senior VP and General Counsel	Position began in November 2024. Prior to that, served as AgriBank VP of Legal Operations beginning in October 2023 and AgriBank Senior Counsel beginning in November 2021. Prior to that served as Associate General Counsel at Farm Credit Services of America, Frontier Farm Credit beginning in August 2014. **Other Affiliations:** None

(1) Effective September 16, 2024, Mr. Brad W. Hoffelt began to serve as the Chief Financial Officer of AgriBank. Jeff Moore, AgriBank's former Chief Financial Officer announced his intention to retire in 2025. Mr. Moore will continue to serve AgriBank in an advisory capacity until retirement.

(2) Mr. Morrow, Senior VP and General Counsel, resigned effective February 14, 2025. At that time, Ms. Stille began to serve as Interim General Counsel.

Senior Officer Compensation

All senior officers, including the chief executive officer (CEO) are compensated with a mix of salary and incentives as well as various AgriBank Farm Credit District post-employment benefit plans. The Compensation Committee of the board determines the appropriate levels and mix of short-term and long-term incentives in a responsible manner. Annual compensation for senior officers is intended to be competitive with annual compensation for comparable positions at peer organizations.

The Compensation Committee engages a consulting firm to conduct an independent review of external benchmark data on a regular basis for senior officers. Our compensation philosophy enables us to attract and retain highly qualified senior officers with the requisite skills and experience to achieve our desired business results, including our mission to ensure that safe, sound and reliable sources of credit and related services are provided to rural America.

Salary: Senior officers' base salaries reflect the individual's experience and level of responsibility. The base salary of the CEO is subject to review and approval by the board, and the Compensation Committee may make recommendations on the CEO's base salary to the board. All other senior officer salaries are subject to review and approval by the CEO.

Short-term Incentive Compensation: Annually, a short-term incentive compensation program is available to all employees, including senior officers, based upon AgriBank performance criteria established by the board and personal objectives established by employees and their managers. The short-term incentive compensation amounts are calculated after the end of the plan year (calendar year) and are generally paid out in a lump sum within 90 days of year end. In all years presented, the criteria for AgriBank performance objectives included: financial measures for net operating expense and earnings available for wholesale patronage; a funding measure for our Contractual Interbank Performance Agreement (CIPA) performance score; and an operational strength measure for client satisfaction. The short-term incentive compensation of the CEO is subject to review and approval by the board, and the Compensation Committee may make recommendations on the CEO's short-term incentive to the board. Regardless of position, short-term compensation may be prorated based on hire date.

Long-term Incentive Compensation: The CEO, senior officers, and certain other individuals participated in the long-term incentive compensation plan in each year presented. The long-term incentive compensation amounts are determined based upon three-year performance criteria established by the board. A new three-year plan is established each year. The criteria for the plan years beginning in each year presented were based on earnings available for wholesale patronage measure and our CIPA performance score. The long-term incentive compensation of the CEO is subject to review and approval by the board, and the Compensation Committee may make recommendations on the CEO's long-term incentive to the board.

The board, in its sole discretion, may increase or decrease the amount of any incentive calculated. The long-term incentive compensation amounts are calculated annually and are generally paid out in a lump sum within 90 days of the final three-year plan year. Additionally, long-term incentive compensation may be provided to new senior officers with immediate eligibility or on a phased in basis during the initial three years of participation in the long-term incentive program. Annual long-term incentive amounts reflect long-term incentives earned in the applicable year based on an estimate of the total incentive over the three-year period.

Perquisites: Perquisites may include compensation associated with group term life and long-term disability insurance premiums, taxable reimbursements, relocation assistance, signing bonuses, and tax reimbursement for perquisite compensation, as applicable. Due to the nature of timing and reimbursement for relocation assistance, it is included in the compensation table in the year it is paid.

Other:

- Employer contributions to the AgriBank District Retirement Savings Plan, which is available to all employees, including senior officers.
- Employer contributions to the Districtwide Nonqualified Deferred Compensation Plan which is available to the CEO and other employees meeting certain eligibility criteria described in Note 7 of the accompanying Financial Statements.
- Changes in the value of pension benefits, which is defined as the change in the vested portion of the present value of the accumulated benefit obligation from December 31 of the prior year to December 31 of the most recent year for the Districtwide Retirement Plan and Pension Restoration Plan, as applicable, as disclosed in Note 7 of the accompanying Financial Statements. This change in value does not represent cash payments made by AgriBank during the year, but rather is an estimate of the change in AgriBank's future obligations under the pension plans. Refer to the Pension Benefits Attributable to Senior Officers for further information regarding pension distributions.
- Service awards available to all employees meeting pre-established years of service anniversaries.
- Non-recurring performance payments for eligible employees, regardless of position, excluding the CEO.

- Separation payout, including vacation, in 2022 includes payments to AgriBank's former Chief Risk Officer. This separation did not require further payments beyond 2022.
- Tax reimbursements, available to all employees.

“Other” fluctuates from year to year based primarily on changes to pension actuarial assumptions and changes in composition of the aggregate senior officers.

Retirement Plans: The AgriBank District has various post-employment benefit plans which are generally available to all AgriBank employees, including the CEO and senior officers, based on continuous dates of service with the Bank or, in certain situations, with other participating District employers. These plans are not otherwise differentiated by position, unless specifically stated. Information regarding the post-employment benefit plans is incorporated herein by reference from Notes 2 and 7 of the accompanying Financial Statements included in this Annual Report.

Senior officers and certain other individuals over a specified salary amount have an option to defer payments of their salary as well as payments under both the short-term and long-term incentive programs in accordance with applicable laws and regulations. Deferred compensation is based on the year it is earned. Jeffrey R. Swanhorst, CEO, deferred $127 thousand, $159 thousand, and $154 thousand in 2024, 2023 and 2022, respectively. Total amounts deferred by senior officers (excluding the CEO) were $184 thousand, $171 thousand, and $123 thousand for amounts earned in 2024, 2023, and 2022, respectively.

Compensation Paid to Senior Officers

(in thousands) Name of Individual	Year	Salary	Short-term Incentive Compensation	Long-term Incentive Compensation[1]	Perquisites	Other[2]	Total
CEO:							
Jeffrey R. Swanhorst	**2024**	**$842**	**$293**	**$467**	**$12**	**$182**	**$1,796**
Jeffrey R. Swanhorst	2023	792	547	566	12	170	2,087
Jeffrey R. Swanhorst	2022	738	495	608	12	163	2,016
Aggregate Number of Senior Officers (excluding CEO):							
6[3]	**2024**	**$1,879**	**$453**	**$789**	**$364**	**$546**	**$4,031**
4	2023	1,533	572	482	71	785	3,443
5[4]	2022	1,280	452	674	143	253	2,802

[1] All compensation is disclosed in the year it is earned. As the long-term incentive is on a rolling three-year basis, adjustments for earnings plan-to-date in a particular plan year may be reduced so the cumulative earned long-term compensation reflects the actual payments received at the end of the three-year period.

[2] Generally, pension benefits increase annually as a result of an additional year of credited service and related compensation for plan participants. The value of the pension benefits can also be significantly impacted by changes in interest rates as of the measurement date.

[3] Includes compensation for one senior officer who began serving in an advisory capacity during September 2024 and additional senior officer who began serving during November 2024.

[4] Includes compensation for one senior officer who left the organization in February 2022 and one senior officer who commenced employment in September 2022.

Farm Credit Administration (FCA) regulations require the disclosure of the compensation paid during the last fiscal year to all senior officers and highly compensated individuals included in the above table to AgriBank shareholders and shareholders of related institutions upon request.

There were no highly compensated individuals who required disclosure under FCA regulations in 2024, 2023, or 2022 in the Compensation Paid to Senior Officers table.

Pension Benefits Attributable to Senior Officers

(in thousands)

2024

Aggregate Number of Senior Officers (excluding CEO)	Plan	Years of Credited Service	Present Value of Accumulated Benefits	Payments Made during the Reporting Period
3	AgriBank District Retirement Plan	**27.7**	**$4,350**	**$—**
3	AgriBank District Pension Restoration Plan	**27.7**	**$2,049**	**$—**

Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. Therefore, any employee starting employment with the AgriBank District after that date is not eligible to be in the plan, including the CEO.

The AgriBank District Pension Restoration Plan restores retirement benefits to certain highly compensated employees that would have been provided under the qualified plan if such benefits were not above the Internal Revenue Code compensation or other limits. Not all employees are eligible to participate in this plan.

Transactions with Senior Officers and Directors

Information regarding transactions with senior officers and directors, including investment bond transactions, is incorporated herein by reference from Note 8 of the accompanying Financial Statements included in this Annual Report. AgriBank had no other transactions with board members or senior officers in 2024.

Loans to Senior Officers and Directors

Elected directors of the AgriBank board are District Association borrowers. AgriBank does not have a direct lending relationship with any of its directors or senior officers. AgriBank may, from time to time, participate in loans to its directors under asset pool programs or through other commercial participations. These commercial participations may be to non-Farm Credit institutions or to affiliated organizations (as defined in FCA Regulation 620.1(a)) in which a director is a partner, director, officer or majority shareholder.

The Associations' direct lending to our directors, and in which we subsequently participated, were subject to special approval requirements contained in FCA regulations and were made on substantially the same terms and conditions as those prevailing at the time for comparable transactions with other persons. None of these loans outstanding at December 31, 2024, involved more than a normal risk of collectability.

Travel, Subsistence and Other Related Expenses

Directors and senior officers are reimbursed for reasonable travel, subsistence and other related expenses associated with AgriBank’s business functions. AgriBank directors were reimbursed for expenses in the amount of $546,319, $630,835 and $557,178 in 2024, 2023 and 2022, respectively. A copy of AgriBank’s policy for reimbursing these costs is available upon request.

Involvement in Certain Legal Proceedings

There were no events during the past five years that are material to evaluating the ability or integrity of any person who served as a director or senior officer of AgriBank on January 1, 2025 or at any time during 2024.

Shareholder Privacy

Shareholders’ nonpublic personal financial information is protected by FCA regulations. Our directors and employees are restricted from disclosing information not normally contained in published reports or press releases about AgriBank, District Associations or their shareholders.

Relationship with Qualified Public Accountant

There were no changes in independent auditors since the last Annual Report to members and we are in agreement with the opinion expressed by the independent auditors.

Fees for professional services paid during 2024 to our independent qualified independent accountants, were as follows:

- Audit services related to the integrated audit for 2024 and 2023 were $595 thousand and $552 thousand, respectively. Additionally, there were $50 thousand of additional fees related to our implementation of new accounting guidance, as well as fees related to specific transactions during 2024, which were pre-approved by the Audit Committee. Out-of pocket expenses were $35 thousand and $54 thousand related to the 2024 and 2023 audit, respectively. The engagement letter for integrated audit services for 2024 for the Bank reflect a fee of $1.2 million, plus reasonable out-of-pocket expenses and incremental fees that may be assessed based on additional work not originally planned at the on-set of the engagement.
- Non-audit fees of $2 thousand for financial disclosure software that occurred in the normal course of business. All non-audit fees were pre-approved by the Audit Committee.

There were no other audit, tax or non-audit services paid in 2024.

Financial Statements

The “Report of Management”, “Report on Internal Control over Financial Reporting”, “Report of Audit Committee”, “Report of Independent Registered Public Accounting Firm”, “Financial Statements” and “Notes to Financial Statements” included in this Annual Report, are incorporated herein by reference.

Regulatory Capital Disclosures

The following information contains regulatory disclosures as required under Regulations 628.62 and 628.63, for risk-adjusted ratios, common equity tier 1 capital, tier 1 capital and total capital ratios. Refer to Note 6 of the accompanying Financial Statements for information regarding the statutorily required permanent capital ratio. As required, these disclosures are made available for at least three years and can be accessed at AgriBank's website at www.AgriBank.com.

Disclosure Requirement	Description	Annual Report Reference
Scope of Application	Corporate entity and consolidated subsidiaries Description of entity consolidation Restrictions on transfers of funds or capital	Page 113 Page 113 Page 113
Capital Structure	Terms and conditions of capital instruments Regulatory capital components	Pages 82-84 Page 114
Capital Adequacy	Capital adequacy assessment Risk-weighted assets Regulatory capital ratios	Page 115 Page 115 Page 116
Capital Buffers	Quantitative disclosures	Page 116
Credit Risk	Credit risk management and policies Summary of exposures Geographic distribution Additional industry and counterparty distribution Contractual maturity Nonperforming loans and allowance for credit losses	Pages 26-29, 41-44, 58-60 Page 116 Page 117 Pages 33-34, 41-43 Pages 77, 117-118 Pages 71-75, 118
Counterparty Credit Risk-Related Exposures	General description Counterparty exposures	Pages 118-119 Pages 42, 96-97, 118-119
Credit Risk Mitigation	General description Exposures with reduced capital requirements	Pages 26-29, 33-34, 41-43, 97, 118-119 Pages 118-119
Securitization	General description Methods and key assumptions Securitization exposures	Pages 119-120 Page 92 Page 120
Equities	General description Equity exposures	Page 120 Page 120
Interest Rate Risk for Non-Trading Activities	General description Interest rate sensitivity	Page 38 Pages 40-41 Page 120

Scope of Application

AgriBank, FCB (AgriBank or the Bank) is one of the four Banks of the Farm Credit System (System), a nationwide system of cooperatively owned Banks and Associations, established by Congress and subject to the provisions of the Farm Credit Act of 1971, as amended. We prepare our Financial Statements in conformity with generally accepted accounting principles in the United States of America (GAAP) and prevailing practices within the financial services industry.

AgriBank has no subsidiaries; therefore, the accompanying Financial Statements are only those of AgriBank and are not consolidated with any other entity. In conjunction with other System entities, the Bank jointly owns certain service organizations: the Federal Farm Credit Banks Funding Corporation, the FCS Building Association, the Farm Credit Association Captive Insurance Corporation, Farm Credit Foundations and SunStream Business Services. The Bank's investments in other System institutions are deducted from regulatory capital as only the institution who issued the equities may count the amount as regulatory capital. The Bank has no unincorporated business entity (UBE) which would be included in risk-weighted assets and is not deducted from any capital component in accordance with FCA regulations. As AgriBank has no consolidated subsidiaries, there are no consolidated entities which the total capital requirement is deducted, there are no restrictions on transfer of funds or total capital with other consolidated entities, and no subsidiary exists which is below the minimum total capital requirement individually or when aggregated at the Bank's consolidated level.

Capital Structure

Refer to Note 6 of the accompanying Financial Statements for a description of capital structure.

Regulatory Capital Structure

(in thousands) **As of December 31, 2024**	**3-month Average Daily Balance**
Common Equity Tier 1 Capital (CET1)	
Common Cooperative Equities:	
Statutory minimum purchased borrower stock	**$20**
Other required member purchased stock	**4,032,495**
Allocated equities:	
Allocated stock subject to retirement	**2,198,039**
Qualified allocated equities subject to retirement	**—**
Nonqualified allocated equities subject to retirement	**—**
Nonqualified allocated equities not subject to retirement	**—**
Unallocated retained earnings	**3,532,289**
Paid-in capital	**—**
Regulatory adjustments and deductions made to CET1	**(10,361)**
Total CET1	**$9,752,482**
Tier 1 Capital	
Non-cumulative perpetual preferred stock	**$—**
Regulatory adjustments and deductions made to tier 1 capital	**—**
Total additional tier 1 capital	**—**
Total Tier 1 Capital	**$9,752,482**
Total Capital	
Common Cooperative Equities not included in CET1	**$—**
Subordinated debt	**—**
Adjusted allowance for credit losses[1]	**33,784**
Regulatory adjustments and deductions made to total capital	**—**
Total tier 2 capital	**33,784**
Total Capital	**$9,786,266**

Reconciliation to the December 31, 2024 Statement of Condition	**End of Period**
Total Shareholders' Equity	**$9,463,121**
Adjustments to Regulatory Capital:	
Protected stock	**(10)**
Accumulated other comprehensive loss	**434,418**
Regulatory adjustments and deductions	**(10,361)**
Tier 2 allowance and reserve for credit losses	**42,641**
Total Capital[2]	**$9,929,809**

[1] Adjusted allowance for credit losses includes the allowance for credit losses on loans and allowance for credit losses on unfunded commitments.

[2] The amount of total capital presented in the Regulatory Capital Structure table above is the three-month average daily balance used in calculating capital ratios, as required by FCA regulations, whereas the total capital amount in the reconciliation section is the amount outstanding as of December 31, 2024.

Capital Adequacy and Capital Buffers

We regularly assess the adequacy of our capital to support current and future activities. This assessment includes maintaining a formal capital plan that addresses our capital targets in relation to our risks and establishes the required investment levels. The plan assesses the capital level and composition necessary to absorb adversity and to support our mission over the long term. The plan considers factors such as credit risk and allowance levels, quality and quantity of earnings, sufficiency of liquid funds, operational risk, interest rate risk and growth in determining optimal capital levels. We periodically review and modify these targets to reflect current business and economic conditions. Our capital plan is updated at least annually and is subject to change at the discretion of our board.

Risk-Weighted Assets

(Risk-weighted 3-month average daily balance in thousands)

As of December 31, 2024	
Exposures to:	
Sovereign entities	$—
Certain supranational entities and multilateral development banks	—
Foreign bank entities	798,933
Government-sponsored enterprises[1]	29,078,857
Depository institutions and credit unions[2]	44,489
Public sector entities	—
Corporate, including borrower loans	27,944,450
Residential mortgage	1,942,121
High volatility commercial real estate	—
Past due and nonaccrual	346,735
Securitizations	469,252
Equity	—
Cleared transactions	3,152
Unsettled transactions	—
All other assets	337,012
Deductions:	
Regulatory adjustments and deductions made to CET1	10,361
Regulatory adjustments and deductions made to AT1[3]	—
Regulatory adjustments and deductions made to T2[4]	—
Total standardized risk-weighted assets	$60,954,640

[1] Includes exposures to Farm Credit System entities

[2] Includes exposures to OFIs that are risk-weighted as U.S. depository institutions and credit unions

[3] AT1 capital is additional tier 1 capital

[4] T2 is tier 2 capital

As of December 31, 2024, the Bank was well-capitalized and exceeded all capital requirements to which it was subject, including applicable capital buffers. Because our capital level exceeded the buffer requirements, the Bank currently has no limitations on distributions and discretionary bonus payments. The aggregate amount of eligible retained income was $980.1 million as of December 31, 2024.

Regulatory Capital Requirements and Ratios

	Regulatory Minimums	Required Buffer	As of December 31, 2024	Calculated Buffer
Common equity tier 1 capital ratio	4.5 %	2.5 %	**16.0 %**	**11.5 %**
Tier 1 capital ratio	6.0 %	2.5 %	**16.0 %**	**10.0 %**
Total capital ratio	8.0 %	2.5 %	**16.1 %**	**8.1 %**
Capital conservation buffer				**8.1 %**
Tier 1 leverage ratio	4.0 %	1.0 %	**5.2 %**	**1.2 %**
Leverage buffer				**1.2 %**

Regulatory Capitalization Requirements and Restrictions

FCA regulations require us to maintain certain minimum capital ratios. 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. No such prohibitions were in effect as of December 31, 2024, and we do not foresee any events that would result in this prohibition during 2025.

Credit Risk

The adoption of CECL effective January 1, 2023, provided substantial revisions to GAAP, including the removal of the concept of impaired loans. GAAP now requires specific disclosure related to nonaccrual and loans past due greater than 90 days. Refer to Note 2 of the accompanying Financial Statements for accounting policy updates as a result of the adoption of CECL.

We are exposed to various forms of credit risk including wholesale loan credit risk, retail loan credit risk and counterparty credit risk. We do not hold any credit derivatives as a means to manage credit risk. Refer to the Credit Risk Management, Wholesale Credit Risk Management, Retail Credit Risk Management and Allowance for Credit Losses on Loans sections of the Management's Discussion and Analysis for information regarding the credit risk we are exposed to and the mitigation techniques applied to manage that risk.

Credit Exposures - Lending and Investments

(in thousands) **As of December 31, 2024**	End of Period	3-month Average Daily Balance
Loans	**$164,659,006**	**$161,047,475**
Investments[1]	**23,560,944**	**24,799,589**
Loan and other commitments	**35,599,723**	**34,405,141**
Letters of credit	**272,989**	**251,012**

[1] Includes federal funds sold and securities purchased under resale agreements

The table below shows derivative credit exposures segregated by cleared and bilateral contracts. Gross positive fair value represents the credit exposure attributed to derivatives before the mitigating effects of counterparty collateral.

Credit Exposures - Derivatives

	End of Period		3-month Average Daily Balance	
(in thousands) **As of December 31, 2024**	Notional Amount	Gross Positive Value	Notional Amount	Gross Positive Value
Cleared derivatives	**$10,505,995**	**$1,281**	**$10,199,452**	**$98,257**
Bilateral derivatives	**6,280,995**	**26,069**	**2,956,028**	**20,044**

The following tables include distributions for the wholesale and retail loan portfolio as well as related commitments.

Loan and Commitment Geographic Distribution

As of December 31, 2024

Wholesale Portfolio		Retail Portfolio	
Illinois	**10 %**	Iowa	**11 %**
Iowa	**9 %**	Minnesota	**10 %**
Minnesota	**8 %**	Nebraska	**8 %**
Nebraska	**7 %**	Illinois	**8 %**
Michigan	**6 %**	South Dakota	**5 %**
Indiana	**6 %**	Indiana	**5 %**
Ohio	**5 %**	Tennessee	**5 %**
Wisconsin	**5 %**	Ohio	**5 %**
Missouri	**5 %**	Other	**43 %**
Other	**39 %**		
Total	**100 %**	Total	**100 %**

Wholesale loan and commitment portfolio distribution in the table above is based on the underlying District Associations' retail portfolios. For additional information regarding the geographic distribution of the retail loans held at District Associations, refer to the Portfolio Diversification section of the Management's Discussion and Analysis.

Loan and Commitment Industry Distribution

As of December 31, 2024

Retail Portfolio	
Crops	**48 %**
Cattle	**11 %**
Investor and Rural residential real estate	**8 %**
Loans to OFIs	**8 %**
Food Products	**7 %**
Other	**18 %**
Total	**100 %**

Refer to the Portfolio Diversification section of the Management's Discussion and Analysis for additional detail of the industries underlying the District Associations' loan portfolios.

Our retail portfolio is substantially concentrated within our chartered territory of Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin and Wyoming at 78 percent as of December 31, 2024. All past due loans and allowance are within our retail portfolio. Past due loans and allowance needs by geographic region are only considered in rare circumstances that may not otherwise be reflected in the probability of default and loss given default (flooding, drought, etc.). There was no allowance attributed to a geographic area as of December 31, 2024.

Maturities in the following table are reflective of the wholesale loan agreements and retail loan agreements, respectively, and are based on the final maturity without consideration for amortization payments. Loan exposures include accrued interest receivable, as applicable, and investment exposures are at fair value.

Exposures by Final Contractual Maturity

(in thousands) **As of December 31, 2024**	One Year or Less	Over One Year but Less than Five Years	Five Years or More	Total
Wholesale loans	**$17,458,519**	**$124,994,432**	**$—**	**$142,452,951**
Retail loans[1]	**5,476,918**	**6,757,174**	**11,668,904**	**23,902,996**
Investments [2]	**10,731,392**	**5,867,063**	**6,962,489**	**23,560,944**
Wholesale loan commitments	**4,037,605**	**25,500,471**	**—**	**29,538,076**
Retail loan and other commitments[3]	**2,603,345**	**3,393,634**	**337,657**	**6,334,636**
Cleared derivative notional	**3,004,999**	**3,366,107**	**4,134,889**	**10,505,995**
Bilateral derivative notional[3]	**4,104,999**	**1,866,107**	**309,889**	**6,280,995**

[1] Includes loans to OFIs and service entities

[2] Includes federal funds sold and securities purchased under resale agreements

[3] Includes commitments to OFIs and service entities

Note: Accruing loans include accrued interest receivable.

Refer to Note 2 of the accompanying Financial Statements for our policy for determining past due or delinquency status, policy for placing loans on nonaccrual status, policy for returning loans to accrual status, description of the methodology used to estimate allowance for credit losses on loans, and policy for charging-off uncollectible amounts.

Refer to Note 3 of the accompanying Financial Statements for amounts of nonaccrual loans without related allowance, loans in nonaccrual status and greater than 90 days past due, loans past due greater than 90 days and still accruing, the allowance at the end of each reporting period, charge-offs during the period, and changes in components of our allowance for credit losses on loans.

Refer to Note 4 of the accompanying Financial Statements for a summary of contractual maturity, amortized cost, fair value and weighted average yield of investment securities by type.

Counterparty Credit Risk and Credit Risk Mitigation

Credit Risk Mitigation Related to Derivatives

Refer to the Derivative Financial Instruments section in the Management's Discussion and Analysis and Note 12 of the accompanying Financial Statements for more information on credit risk mitigation related to derivatives.

With the exception of retail customer swaps, to minimize the risk of credit losses, we deal only with bilateral counterparties that have an investment-grade or better credit rating from a rating agency, and we monitor the credit standing and levels of exposure to individual counterparties. Collateral is typically cash and in limited circumstances, securities. The fair value of collateral assets and liabilities related to derivative contracts is their face value plus accrued interest, if applicable. Collateral exchanged is typically cash; therefore, fair value approximates face value.

We have not entered into any credit default swap agreements to mitigate our credit exposure to counterparties. Refer to Note 12 of the accompanying Financial Statements for the gross positive fair value of contracts, collateral held and the net unsecured credit exposure. The derivative portfolio is not covered by guarantees.

Current credit exposure is the greater of $0 or the fair market value of a single derivative contract. The net current credit exposure is the greater of the net sum of all positive and negative fair market value of the individual derivative contracts subject to the qualifying master netting agreement or $0. The net current credit exposure is equal to the gross positive fair values as disclosed in Credit Exposures - Derivatives table above.

Credit Risk Mitigation Related to Loans

Refer to the Credit Risk Management section of the Management's Discussion and Analysis for information about credit risk mitigation related to loans including wholesale credit risk management and retail credit risk management.

Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities or within close proximity, which could cause them to be similarly impacted by economic or other conditions. We assess the outlook for industries with the largest concentrations in our Districtwide portfolio. These outlooks are for the industry in general, and individual producers may perform better or worse than the industry as a whole. Refer to the Agricultural Conditions and Land Values sections of the Management's Discussion and Analysis in the accompanying Financial Statements for further information.

In certain circumstances, our loan participations may have guarantees from the U.S. government or one of its agencies.

Financial collateral is not used to mitigate credit risk in our loan portfolio. Refer to Note 12 of the accompanying Financial Statements for further information on financial collateral obtained to mitigate credit risk exposure for derivatives.

Loan and Commitment Exposures Covered by Guarantees

(in thousands) **As of December 31, 2024**	**3-month Average Daily Balance**	**Risk-weighted 3-month Average Daily Balance**
Unconditionally guaranteed		
Loans	**$141**	**$—**
Conditionally guaranteed		
Loans	**1,112**	**222**
Total	**$1,253**	**$222**

We had no material commitments that were covered by guarantees during the three months ended December 31, 2024.

Credit Risk Mitigation Related to Investments

Refer to the Investment Portfolio and Liquidity section of the Management's Discussion and Analysis for information related to our investment securities credit risk management.

Financial collateral is not used to mitigate credit risk in our investment portfolio.

Investment Exposures Covered by Guarantees

(in thousands) **As of December 31, 2024**	**3-month Average Daily Balance**	**Risk-weighted 3-month Average Daily Balance**
Unconditionally guaranteed	**$14,663,273**	**$—**
Conditionally guaranteed	**1,156,344**	**231,269**
Total	**$15,819,617**	**$231,269**

Securitization

Securitizations are transactions in which:

- The credit risk of the underlying exposure is transferred to third parties, and has been separated into two or more tranches;
- The performance of the securitization depends upon the performance of the underlying exposures or reference assets; and
- All or substantially all of the underlying exposures or reference assets are financial exposures.

Securitizations include on- or off-balance sheet exposures (including credit enhancements) that arise from a securitization or re-securitization transaction; or an exposure that directly or indirectly references a securitization (e.g., credit derivative). A re-securitization is a securitization transaction in which one or more of the underlying exposures that have been securitized is itself a securitization. We do not currently hold re-securitization investments.

The Bank currently only participates in securitizations as an investor through the purchase of mortgage-backed securities (MBS) and asset-backed securities (ABS) as included in its investment portfolio. We do not originate, service, provide credit enhancements or sponsor securitizations. We are not a liquidity provider or swap provider for securitization transactions. We do not hold any off-balance sheet securitization exposures and no securitization exposures have been deducted from capital. We manage exposure to

changes in credit and market risk of securitization exposures under policies established by our Asset/Liability Committee. Further, FCA regulations require us to establish risk limits for eligible investments, including appropriate standards of credit worthiness.

We are subject to liquidity risk with respect to our securitization exposures. In volatile market conditions, it could be difficult to sell such investments, if the need arises, and the discounts from face value would likely be significant. In addition, because of the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for the investments.

For our current portfolio of non-agency ABS securitization exposures, we have elected to utilize the “Gross Up” risk-based capital approach on an individual security level. Individual securities for which a “Gross Up” calculation cannot be performed (i.e. unavailable inputs) will receive a 1,250 percent risk weight. Refer to Risk-Weighted Assets table herein for additional information related to our securitization exposures. There have been no significant changes to the securitization portfolio since the last reporting period.

Securitization Exposures

(3-month average daily balance in thousands) **As of December 31, 2024**	**Exposure**	**Weighted average risk-weight factor**	**Risk-weighted assets**
Gross up risk weight bands:			
100%	**$91,007**	**100%**	**$91,007**
> 100% and < 1,250%	**231,260**	**164%**	**378,245**
1250%	**—**	**1250%**	**—**
Total risk-weighted securitization assets	**$322,267**	**146%**	**$469,252**

Refer to Note 4 of the accompanying Financial Statements for additional information related to purchases and sales of securitization exposures as well as the amortized cost, unrealized gains/(losses) and fair value of MBS and ABS held in our investment portfolio. However, there were no purchases or sales of securitization exposures during the year ended December 31, 2024. Refer to Note 11 of the accompanying Financial Statements for a description of the methods and assumptions, including any changes as applicable, applied in valuing our purchased interests in securitization exposures.

Equities

We are limited partners in Rural Business Investment Company (RBIC) investments for various relationship and strategic reasons. A RBIC facilitates equity and debt investments in agriculture-related businesses that create growth and job opportunities in rural America. We do not hold any equity investments on which capital gains are expected. These investments are accounted for under the equity method when we are considered to have significant influence; otherwise, they would be accounted for at cost less impairment. These investments are not publicly traded and the book value approximates fair value. There have been no sales or liquidations of these investments during the period. As of December 31, 2024, all RBICs were accounted for under the equity method; therefore, no unrealized gains (losses) exist for the exposures. Further, we do not believe any significant latent revaluation gains (losses) exist for these exposures. No RBIC exposures are included in tier 1 or tier 2 capital.

Equity Investments Included in Capital Ratios

(in thousands) **As of December 31, 2024**	**Disclosed in Other Assets**	**Life-to-Date losses recognized in Retained Earnings[1]**
RBIC	**$20,778**	**$12,399**

[1] Retained earnings is included in common equity tier 1, tier 1 and total capital ratios

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect operating results and financial condition. Refer to the Interest Rate Risk Management section of the Management’s Discussion and Analysis for information related to interest rate risk.

District Young, Beginning and Small Farmers and Ranchers

As part of the System's commitment to rural America, District Associations have specific programs in place to serve the credit and related needs of young, beginning and small farmers and ranchers in their territories. The definitions of young, beginning and small farmers and ranchers follow:

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

It is important to note that a farmer/rancher may be included in multiple categories based on meeting specific definitions. A more detailed discussion of each District Association's programs for young, beginning and small farmers and ranchers can be found within their respective Annual Reports.

Young, Beginning and Small Farmers and Ranchers Served by AgriBank District

As of December 31, 2024	Young	Beginning	Small
As a percentage of total District farm members:			
Number of loans	**20.8 %**	**29.7 %**	**46.9 %**
Loans and commitment volume	**12.9 %**	**19.1 %**	**20.0 %**

Effective January 1, 2024, the annual gross sales threshold for a small farmer, rancher, or producer or harvester of aquatic products increased from $250 thousand to $350 thousand and changed from measuring gross sales to gross cash farm income. Effective February 1, 2024, the FCA amended certain YBS regulations which now require banks that fund the direct-lender Associations to annually review and approve each Association's YBS programs. The amended regulations also require direct-lender Associations to enhance their YBS programs within their strategic plans.

Risk Factors

AgriBank, FCB

In the course of conducting our business operations, we are exposed to a variety of risks, some of which are inherent in the financial services industry and others of which are more specific to our own business. The following discussion summarizes some of the more important risk factors that we face. This discussion is not exhaustive and there may be other risk factors we face that are not described below. These risk factors, if realized, could negatively or positively affect our business, financial condition and future results of operations and, among other things, could result in our inability to pay principal and interest on Farm Credit System (the System or Systemwide) Debt Securities on a timely basis.

Our business may be adversely affected by the liquidity (cost and availability) of funding across the capital markets.
Our ability to fund our operations, meet our financial obligations, including unfunded commitments to extend credit, and generate income depends on the System's ability to issue Systemwide Debt Securities in the debt markets on a regular basis. The System's ability to continue to issue Systemwide Debt Securities depends, in part, on the conditions in the capital markets at that time, which may be outside the System's control. Such conditions include, but are not limited to, general disruption in the U.S. and global financial markets, negative views about government-sponsored enterprises (GSEs) or the financial services industry, the willingness of domestic and foreign investors to purchase Systemwide debt and/or a downgrade in Farm Credit institutions', other banks, or AgriBank's credit ratings. As a result, the System cannot make any assurances that it will be able to issue competitively priced debt or issue any debt at all. If the System cannot issue competitively priced debt or cannot access the capital markets, the System's ability to access funding would be negatively impacted. This situation would have a negative effect on our financial condition and results of operations, which could be material.

In addition to issuances of Systemwide Debt Securities, we have accessed other third-party capital, primarily preferred stock, to support our requisite regulatory capital levels and loan growth. These third-party capital sources have supplemented our issuances of Systemwide Debt Securities and enhanced our capital position, but there is no guarantee such third-party capital resources will be available or competitively priced and are subject to approvals required by FCA regulation.

Factors which could have an adverse effect on the System's ability to issue Systemwide Debt Securities at favorable rates and terms.
The System's GSE status has been an important factor in its ability to continually access the debt capital markets. For example, the System's funding costs historically have been below that of similar non-GSEs. Periodically, housing-related GSE status reform has been a topic of debate by Congress and the U.S. administration. While the status and reform debate has not, to date, specifically related to the System, any change in the System's status as a GSE or investors' general perception of GSE status could have a significant adverse impact on the System's ability to issue debt at favorable rates and terms.

The System is also subject to periodic review by credit rating agencies. Any event that could have an adverse impact on the System's financial condition or results of operations may cause the rating agencies to downgrade, place on negative watch, or change their outlook on the System's credit ratings. Such actions could have an adverse effect on the System's ability to issue Systemwide Debt Securities at favorable rates and terms and could trigger additional collateral requirements. Also, changes in the credit ratings or credit ratings outlook of the U.S. government may influence changes in the System's credit ratings and credit ratings outlook given its GSE status.

Any downgrades in credit ratings and outlook could also result in higher funding costs or disruptions in the System's access to capital markets. To the extent that the System cannot access the capital markets when needed on acceptable terms or is unable to effectively manage its costs of funds, its financial condition and results of operations could be negatively affected.

The System also competes for competitively priced debt funding with the U.S. Treasury, highly rated institutions and companies, as well as other GSEs, including Fannie Mae, Freddie Mac and the Federal Home Loan Banks. Competition for debt funding from these entities can vary with changes in economic, financial market and regulatory environments. In addition, any change in the perceptions of GSE status may intensify competition with other highly rated institutions and companies in connection with the issuance of Systemwide Debt Securities. Increased competition for competitively priced debt funding of highly rated institutions may result in a higher cost to finance our business, which could negatively affect our financial results. An inability to issue Systemwide Debt Securities at favorable rates and terms in amounts sufficient to fund business activities and meet obligations could have an adverse effect on our liquidity, financial condition and results of operations.

The System issues combined financial statements and assurance of adequate disclosure controls and procedures around internal control over financial reporting. Failure by a System institution to provide required information for financial reporting, or to have adequate disclosure controls or procedures over financial reporting may delay the timely publication of the System's combined

financial statements or cause an error in the accuracy or completeness of the financial statements. Failure to timely issue the System's combined financial statements could disrupt the System's ability to access debt capital markets. Errors in the System's combined financial statements could disrupt trust and may impact our ability to issue at terms and pricing to support our operations, which is discussed further below.

We and the other Banks in the System are liable for Systemwide Debt Securities.
We, along with the other Banks in the System obtain funds for our lending activities and operations primarily from the Funding Corporation's sale of Systemwide Debt Securities. The Systemwide Debt Securities are not obligations of and are not guaranteed by the United States of America or any agency or instrumentality thereof, other than the System Banks. Under the Farm Credit Act, each Bank is primarily liable for the portion of the Systemwide Debt Securities issued on its behalf. The Banks are also jointly and severally liable for interest payments on certain other debt securities issued individually by other Banks pursuant to Section 4.4(a)(1) of the Farm Credit Act (12 U.S.C. § 2155(a)(1)) (the "Co-Liability Statute"). Additionally, each Bank is jointly and severally liable for the Systemwide Debt Securities issued on behalf of a Bank that is in default on its portion of the Systemwide Debt Securities and where the Farm Credit Insurance Fund (Insurance Fund) of the Farm Credit System Insurance Corporation (FCSIC) is insufficient to cure the default. Although the Banks have established a system of mutual covenants and measures that are monitored on a quarterly basis, there is no assurance that these would be sufficient to protect a Bank from liability, should another Bank default and the Insurance Fund be insufficient to cure the default.

The Insurance Fund is available from the FCSIC to ensure the timely payment by each Bank of its primary obligations on the Systemwide Debt Securities, and can also be used by the FCSIC for its operating expenses and for other mandatory and permissive purposes. Under the Farm Credit Act, before joint and several liability can be invoked, available amounts in the Insurance Fund would be utilized to make the payment on such obligations. There is no assurance, however, that the Insurance Fund will have sufficient resources to fund a Bank's defaulted payment of principal and interest on its portion of the Systemwide Debt Securities. If the Insurance Fund is insufficient, then the non-defaulting Banks must pay the default amount in proportion to their respective available collateral positions. "Available collateral" is collateral in excess of the aggregate of each Bank's "collateralized" obligations and is approximately equal to AgriBank's capital. The FCSIC does not insure any payments on any class of our common stock, preferred stock or Farm Cash Management investment bond product.

To the extent we must fund our allocated portion of another Bank's portion of the Systemwide Debt Securities as a result of its default on those securities, our earnings and capital would be reduced, possibly materially.

We are subject to regulation under the Farm Credit Act.
System institutions, including AgriBank, are created and extensively subject to federal statutes and regulated by the Farm Credit Administration (FCA). Any change in the laws or regulations that govern the Bank's business could have a material impact on the Bank and its operations. Laws and regulations may change from time to time and the interpretations of the relevant laws and regulations also are subject to change. We are subject to regulatory oversight, supervision and examination by the FCA, including compliance with certain capital and other requirements. Compliance with capital and other requirements may limit the System's business activities and could adversely affect its financial performance. Furthermore, noncompliance with these standards could also adversely affect its financial performance.

We are exposed to credit risk.
In the course of our lending and investment activities, we are exposed to credit risk directly and indirectly through District Association retail lending. Credit risk is the risk that arises from the unwillingness or inability of borrowers, debt issuers or counterparties, including guarantors and third-party providers of other credit enhancements (such as bond insurers), to meet their contractual obligations to us.

Factors that can influence credit risk exposure include, but are not limited to:

- A general slowdown in the global economy and the relationship of demand for, and supply of, U.S. agricultural commodities in a global marketplace
- Political or regulatory changes that disrupt or modify an established market
- Length and severity of an epidemic or pandemic
- Major international events, including a downturn in the world economy, military or other armed conflicts, political disruptions, civil unrest or tariffs and embargoes or sanctions which negatively impact trade agreements. These events can affect the price of commodities or products used or sold by our borrowers and their access to markets.
- Fluctuations in prices of agricultural commodities
- The failure of one or more financial institutions could lead to market-wide disruptions and increased credit risk
- Changes in the general U.S. economy that may impact the availability of off-farm sources of income and prices of real estate
- Changes in farmland values

- Extreme adverse seasonal or weather conditions (such as flooding or drought) or market-related risks that significantly affect agricultural production and commodity prices
- Changes in technology, regulations or shifts in demographics which affect the competitiveness of our borrowers
- Changes in production expenses (such as feed, fuel and fertilizer)
- Availability and cost of agricultural workers
- Availability and cost of processing facilities
- An outbreak of a widespread disease in livestock/poultry populations, or in humans attributable to agricultural production
- Federal support for agriculture that may be reduced or eliminated, including the federal crop insurance program
- Development of alternative uses and market for agricultural commodities, or the cessation thereof, including ethanol and other biofuel production
- Environmental conditions or regulations and policies impacting our lending and business activities or the activities of Farm Credit borrowers
- Changes in U.S. tax laws modifying deductions taken by Farm Credit System borrowers
- Impact of movements in interest rates

We and District Associations employ many standards and tools to manage credit risk exposures. While we believe these standards and tools are appropriate to manage our credit risk, there is no assurance that significant deterioration in credit quality will not occur, which would reduce our earnings, possibly materially.

We face the risk that our derivatives counterparties may not meet their payment and other obligations in hedging transactions. We also face the risk of operational failure of any of the clearing members, exchanges, clearinghouses, or other financial intermediaries used to facilitate such hedging transactions. If a clearing member or clearinghouse were to fail, we could experience losses related to any collateral we had posted with such clearing member or clearinghouse to cover initial or variation margin. A default by a counterparty with significant obligations to us could adversely affect our ability to conduct our operations efficiently, which in turn could adversely affect our results of operations or our financial condition.

We rely on information furnished by or on behalf of customers, including Association customers, and counterparties, including financial information. We may also rely on representations of those customers and counterparties as to the accuracy and completeness of that information. If the financial or other information provided to us is incorrect, we could suffer credit losses or other consequences.

We are exposed to concentration risks associated with the agricultural industry and commodity prices.
We are chartered to make loans to District Associations and other financing institutions (OFIs), as provided in the Farm Credit Act. Due to these statutory provisions, we have a significant concentration of lending to agricultural concerns. Our loan portfolio consists of wholesale loans to District Associations, OFIs and participations with other lenders in loans to eligible borrowers. Our earnings, loan growth and the credit quality of our lending portfolio can be impacted significantly by the general state of the agricultural economy. Production agriculture remains a cyclical business that is heavily influenced by the demand for U.S. agricultural products, which in turn impacts the demand for loans and financial services offered by us and District Associations and our ability to make payments on Systemwide Debt Securities. Factors that could affect demand for or supply of U.S. agricultural products include:

- Changes to trade and environmental policies
- General economic conditions, both in rural areas and globally
- Changes to the U.S. dollar's value relative to foreign currencies
- Weather and extreme seasonal conditions
- Commodity prices
- Availability of agricultural workers and processing facilities
- Changes in value of farmland and rural real estate values
- Changes in production expenses, particularly feed, fuel and fertilizer
- Disease outbreak affecting supply and/or demand for livestock products
- Changes in consumer preferences and/or government support for certain industries

These factors, in turn, could increase our nonperforming assets, decrease the value of our loan portfolio, reduce our loan growth, and decrease the value of collateral securing certain loans, which could have a significant adverse impact on our financial condition and results of operations.

The U.S. agricultural sector has historically received significant financial support from the U.S. government through payments authorized under federal legislation, including USDA-sponsored crop insurance programs and certain other temporary support programs. While U.S. government support for agriculture has historically remained consistent, congressional efforts to decrease the U.S. budget deficit may result in continued pressure to reduce federal spending.

Fluctuations in both commodity prices and production expenses (including interest rates and inflation), may have an adverse impact on the cash flow and profitability of certain District Association borrowers, which, in turn, may negatively affect their ability to repay their loans. While certain borrowers may be negatively impacted by these conditions, other borrowers may benefit. For example, decreased prices for grains will result in lower risk profiles for livestock producers, processors and marketers of grains and oilseeds, and borrowers that purchase corn or other grains for use in their products. However, grain farmers may be negatively impacted by lower prices. Fluctuations in the agricultural commodities market and the cost of farm inputs may adversely impact the credit quality of our loan portfolio and, as a result, negatively affect operating results.

The volatility and prices for both crude oil and gasoline, diesel fuel and other refined petroleum products fluctuate widely and can have an adverse impact on the cash flow of District Association borrowers, as well as other System loan participation partners. Additionally, the level of mineral income generated from mineral rights we own is a function of oil prices. Various factors beyond our control influence these prices, including, but not limited to: levels of worldwide and domestic supplies, the ability of the members of the Organization of Petroleum Exporting Countries (OPEC) to agree to and maintain oil price and production controls, the price and level of foreign imports and exports, disruption in supply, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity, unrest or instability of large foreign producers, and domestic and foreign governmental regulations and taxes. Our mineral income is predominantly derived from royalties received from the extraction of crude oil. Should extraction slow, stop entirely or the supply chain be disrupted, our mineral income could be severely and adversely impacted. While we may, under certain circumstances, strive to manage this risk through the use of commodity derivative instruments, there is no guarantee this risk management strategy will be effective.

We and District Associations may lend only to qualified borrowers in the agricultural and rural sectors and certain related entities and are subject to geographic lending restrictions.
Unlike commercial banks and other financial institutions that lend to both the agricultural sector and other sectors of the economy, we and District Associations are restricted solely to making loans and providing financial services to qualified, eligible borrowers in the agricultural and rural sectors and to certain related entities. In addition, we are subject to certain geographic lending restrictions. As a result, we do not have as much flexibility in attempting to diversify our loan portfolios as compared to commercial banks and other financial institutions. This concentration may limit our ability to offset adverse performance in one sector against positive performance in another sector like most diversified financial institutions.

We and District Associations face intense competition from competitors, many of whom are substantially larger and have more capital and other resources.
We and District Associations face intense competition, primarily from mortgage banking companies, commercial banks, thrift institutions, insurance companies, finance companies, and other non-traditional sources of funding. Many of these competitors in the financial services business are substantially larger and have more capital and other resources. Our and District Associations' future results may become increasingly sensitive to fluctuations in the volume and cost of their retail lending activities resulting from competition from other lenders and purchasers of loans. There can be no assurance that we and District Associations will be able to continue to compete successfully in the markets served.

We are exposed to political risk.
Political risk is the risk that adverse consequences through domestic and foreign governmental policies, regulations or other actions could affect our viability or create instability in agriculture, impacting the viability of District borrowers. We, as a GSE, are directly at risk of changing legislation. Legislative change could inhibit our ability to fulfill the Farm Credit mission of reliably extending credit to agricultural producers and rural communities.

Agricultural production and trade flows can be impacted by domestic and foreign governmental policies, regulations and other actions, such as taxes, tariffs, duties, subsidies, immigration, crop insurance, and import and export restrictions on agricultural commodities and commodity products. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Geopolitical risk associated with wars, terrorist acts and tensions between parties, including international trade wars, could adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Future domestic and foreign governmental policies, regulations and other actions could adversely affect the supply of, demand for and prices of commodities and agricultural products, impact or restrict the ability of the District's borrowers to do business in existing and target markets and could cause a deterioration in their financial condition and results of operations, which could, in turn, adversely affect ours and the District's financial condition and results of operations.

We are exposed to climate change risk.
Climate change poses both short- and long-term risks globally, including to the agricultural and financial sectors. Climate change arises from physical (acute or chronic risks to the physical effects of climate change) and transition risk (risks related to societal risks, including regulatory, legal, market or reputational changes). Overall, climate change risks may result in increased compliance costs,

lower profitability for us and District Associations, as well as many of their borrowers. Additionally, climate change impacts could negatively affect the credit quality of our and District Associations' loan portfolios.

Physical risk such as adverse weather conditions, particularly during the planting and growing season, can significantly affect agricultural production, with the timing and quantity of rainfall being two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times, and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges can also cause decreased yields, failure or quality issues for crops. Additionally, livestock and dairy production can be negatively impacted by weather extremes as well, due to impact on feed and other input costs or reduced production.

Transition risks may result in changes in regulations and in market preferences, which in turn could have a negative impact on the asset values and results of operations of agricultural producers. In addition, market perceptions could change impacting both our reputation as well as the reputation of District Associations and their borrowers.

An unfavorable change in or an adverse interpretation of existing U.S. tax laws could negatively impact our financial results.
We are exempt from federal and other taxes as provided in the Farm Credit Act. If we were to lose this exemption, or if it were to be otherwise modified, our financial results could be negatively impacted. Changes to U.S. tax laws could affect our business, District Associations and customers. The impacts could include, but are not limited to, modifications to deductions surrounding interest expense and equipment purchases, tax incentives related to renewable energy initiatives and the overall changes in the competitive environment impacting financial institutions.

We are exposed to operational risk.
The structure and organization we have implemented to carry out our business activities may include risks including, but not limited to:

- Business Model Risk - Changes to the business model do not meet expectations of its owners or loses viability in the judgment of regulators, the financial markets, or other influencers.
- Corporate Governance - The Board of Directors members, on a collective basis, do not maintain sufficient expertise and training to provide effective strategic guidance to management, influence System and District direction, or hire and retain a high-quality CEO to lead the organization. The Executive Leadership Team does not maintain sufficient expertise and training to lead the organization or fails to develop and train talent within AgriBank to promote and sustain the culture and operational success of the organization.
- External Reporting Risk - Our reports produced to satisfy regulatory agencies, investors, borrowers or in connection with the business service are incomplete (including disclosures), inaccurate, or untimely, causing damage to reputation and exposing AgriBank to fines, penalties or sanctions.
- Data and Model integrity - The quality, completeness, and accuracy of our data as it is entered into, processed by, and reported on by various systems and models AgriBank deploys. Models used to analyze or interpret risks are insufficient, flawed or inappropriately used.

We may be subject to information technology system failures, network disruptions or breaches in data security, including failures of critical vendors and other third parties.
We rely to a large extent upon information technology systems and infrastructure to operate our business. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and random attack. While our systems are primarily centralized within the AgriBank District, there is de-centralization of systems across the Farm Credit System resulting in increased complexity in the technology infrastructure. Additionally, we and District Associations utilize vendors and third-party systems to perform certain critical services. If one or more of these key external parties were not able to perform their functions for a period of time, at an acceptable service level, or for increased volumes, our business operations could be constrained, disrupted, or otherwise negatively affected. Data privacy breaches by employees and others with permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. While we have invested in protection of data and information technology, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems that could adversely affect our business.

We are developing and implementing significant information technology system conversion projects. During system conversion projects, we are exposed to risks including those involved with data migration, user acceptance and understanding of new systems, and disruptions in processes that depend on these systems. We implement project planning and testing processes in order to minimize these risks, but there can be no assurance that business disruptions or system failures will not occur.

We are subject to cyber security risks.
Information security risks for large institutions such as ours have significantly increased in recent years and, from time to time, we have been and will likely continue to be the target of attempted cyberattacks and other information security breaches. To date, we have not experienced any material losses relating to cyberattacks or other information security breaches, but we could suffer such losses in the future. If one or more of such events occur, this potentially could jeopardize confidential and other information, including nonpublic personal information and sensitive business data, processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations or the operations of our customers or counterparties. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. We maintain insurance coverage relating to cyber security risks, and we may still be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures. Despite having insurance coverage, we may be subject to litigation and financial losses. Additionally, third parties with which we do business may also be sources of cyber security or other technological risks.

A failure or circumvention of our controls and procedures could have an adverse effect on our business, results of operations and financial condition.
We regularly review and update our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. However, no control system, no matter how well designed and operated, can provide absolute assurance that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or errors can be detected. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, while we continue to evaluate our internal controls, we cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have an adverse effect on our business, results of operations and financial condition.

Our ability to attract and retain qualified board members and employees is critical to successfully fulfilling our mission.
Our continued success depends in large part on the efforts and abilities of board members and employees throughout the organization. The competition for board members and employees who possess the requisite knowledge of the banking, agricultural, finance and other relevant industries is intense. Our ability to attract, develop and retain highly qualified board members and employees to execute the appropriate business operations and strategies will impact our future performance, including the successful execution of internal controls.

We are exposed to interest rate risk.
In the course of our borrowing, lending and investing activities, we are subject to interest rate risk, which is defined as the sensitivity of an institution's earnings, economic value of equity and retail market competition (rate and product) to changes in interest rates. Sensitivity to interest rates may arise from re-pricing risk, yield curve risk, basis risk and option risk. The Board of Governors of the Federal Reserve System establishes policies that influence our cost of funds and the return we earn on loans and investments, which impacts our net interest margin, and can materially affect the value of the debt, loans and investments we hold. Changes in Federal Reserve Board policies and other market events are beyond our control and are difficult to predict or anticipate.

Interest rate risk arises from differences in timing between the contractual maturity, repricing characteristics and prepayments of our assets and the contractual maturity and repricing characteristics of the financing obtained to fund these assets. The risk can also arise from differences between the interest rate indices used to price our assets and the indices used to fund those assets. It is expected that we will from time to time incur interest rate risk in the form of a “gap” in the interest rate sensitivities of our assets and liabilities, meaning that either our interest-bearing liabilities will be more sensitive to changes in market interest rates than our interest earning assets, or vice versa. In either event, if market interest rates should move contrary to our position, the “gap” will adversely affect earnings and the net present value of our interest-sensitive assets and liabilities.

We have asset/liability management policies, including risk limits, and strategies to actively manage our interest rate risk, including an Asset/Liability Committee composed of a cross-functional group of senior leaders. However, there can be no assurance that our interest rate risk management procedures will be effective or that changes in interest rates will not adversely impact our earnings and capital.

We indirectly fund real estate mortgage loans and purchase mortgage-backed and asset-backed securities that are impacted by changes in interest rates. Changes in interest rates can significantly impact the prepayment patterns of these assets and, thus, affect our earnings. We strive to manage or reduce this risk by funding and maintaining a blend of debt securities and interest-rate derivative transactions designed to achieve an interest rate risk profile consistent with our risk guidelines. Our inability to issue or maintain the appropriate blend of debt securities to longer-term assets may increase the prepayment risks.

We use derivative financial instruments to minimize the financial effects of changes in interest rates and must determine the extent of these hedging transactions. The effectiveness of the hedging transactions depends upon our ability to determine the appropriate hedging position, taking into consideration our assets, liabilities and prevailing and anticipated market conditions. In addition, the usefulness of the hedging strategy depends on the availability of cost-effective hedging instruments and the ability to enter into hedging transactions with high quality counterparties. If we are unable to manage our hedging position properly, it will negatively impact our financial condition and results of operations.

We are exposed to liquidity risk associated with our investments.
We are subject to liquidity risk in the course of our investing activities. We purchase only high credit quality investments to best position our investment portfolio to be readily marketable and available to serve as a source of funding in the event of disruption of our normal funding mechanisms. However, if the market for our investments becomes less liquid, the underlying credit fundamentals deteriorate or the investments decline in value, it may make it more difficult for such investments to be sold if the need arises. Because of the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for the investments. Ultimately, these factors could lead to further write-downs in the value of investments and impairment of assets that, if significant, could have adverse effects on our business, financial condition, results of operations and liquidity.

We maintain a liquidity plan covering certain contingencies in the event our access to normal funding mechanisms is not available, but there is no guarantee that such mechanisms will be successful.

The majority of our investment portfolio consists of securities issued or guaranteed by the U.S. government, its agencies or government sponsored enterprises, which remain liquid. The remainder of our investment portfolio represents investments in commercial paper, federal funds, certificates of deposit, reverse repo and asset-backed securities. In further support of our liquidity, we have cash on deposit at the Federal Reserve Bank and correspondent banks.

We are subject to legal proceedings and legal compliance risks.
We are subject to a variety of legal proceedings and legal compliance risks. We are regularly reviewed by the FCA and other governmental authorities, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims and damages. While we believe we have adopted appropriate risk management and compliance programs, legal and compliance risks will continue to exist and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time.

We are subject to reputational risk.
Reputational risk arising from negative public opinion could adversely affect our ability to obtain financing, impede our ability to hire and retain qualified personnel or expose us to greater regulatory scrutiny or adverse regulatory or legislative changes. Such risk encompasses the loss of confidence, trust and esteem among investors, retail borrowers, partners, policymakers, shareholders and other key stakeholders. Like all businesses, we are subject to a wide variety of reputational risks both within and outside our control, including credit difficulties with individual customers or industries, business disputes, lawsuits, credit market disruptions, regulatory events and public allegations of misconduct against associates. As a member of the System, we could also be indirectly impacted by events that damage the reputation of another System entity.

We face risks from catastrophic events.
We are exposed to the risk that a catastrophic event, such as a terrorist event, severe damage to our workplace due to fire or a similar event, or natural disaster, could result in a significant business disruption and an inability to access funding or process transactions through normal business processes. Any measures we take to mitigate this risk may not be sufficient to respond to the full range of catastrophic events that may occur and we may not have sufficient insurance coverage for catastrophic events. Our borrowers and District Association borrowers may also be negatively affected by such events, which could have a negative impact on their ability to repay loans. The impact of such events on borrowers and the overall economy may also adversely affect our financial condition and results of operations.

Our accounting policies, methodologies, assumptions and estimates have a significant impact on our financial condition, results of operations and disclosures.
We must exercise judgment in selecting and applying various accounting policies, methodologies, assumptions and estimates so that they not only comply with generally accepted accounting principles in the U.S. and reflect best practices, but also reflect our judgment as to the most appropriate manner in which to record and report the financial condition and results of operations. These policies, methods, assumptions and estimates impact key financial statement items including, but not limited to, our allowance for credit losses and the fair value of certain assets and liabilities. The misapplication of accounting policies, methods, assumptions, or estimates could adversely affect the financial condition, results of operations or financial statement disclosures.

From time to time, the Financial Accounting Standards Board changes the financial accounting standards that govern the preparation of our Financial Statements. We could be required to apply a new or revised accounting standard retrospectively, which may result in the revision of prior period Financial Statements by material amounts. These changes are beyond our control and can be difficult to predict and could impact how we report our financial condition and results of operations.

Our risk management framework may not be effective.

Our risk management framework is designed to identify, monitor and manage risk. We seek to identify, measure, monitor, report and control our exposure to the aforementioned risks, among others. While we employ a broad and diversified set of risk monitoring and mitigation techniques, those techniques are inherently limited because they cannot anticipate the existence or future development of currently unanticipated or unknown risks. For example, increases in the overall complexity of our operations, among other developments, have resulted in the creation of a variety of previously unanticipated or unknown risks, highlighting the intrinsic limitations of our risk monitoring and mitigation techniques. As such, we may incur future losses due to the development of such previously unanticipated or unknown risks.

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