# **ROOTED IN PARTNERSHIP Growing for Tomorrow** AgriBank 🔷 AgriBank 2025 Quarterly Report June 30, 2025 FARM CREDIT BANK

Copies of Quarterly and Annual Reports are available upon request by contacting AgriBank, FCB, 30 E. 7th Street, Suite 1600, St. Paul, MN 55101 or by calling (651) 282-8800. Reports are also available at www.AgriBank.com.

# **Management's Discussion and Analysis**

AgriBank, FCB

(Unaudited)

The following commentary is a review of the financial condition and results of operations of AgriBank, FCB (AgriBank, or the Bank). This information should be read in conjunction with the accompanying Financial Statements, the Notes to the Financial Statements and the 2024 Annual Report.

AgriBank is part of the customer-owned, nationwide Farm Credit System. Under Farm Credit's cooperative structure, AgriBank is primarily owned by 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 AgriBank District covers a 15-state area stretching from Wyoming to Ohio and Minnesota to Arkansas.

## **Forward-Looking Information**

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2024 Annual Report. AgriBank undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Financial Overview**

Our year-to-date return on assets (ROA) ratio was 49 basis points, just shy of our target of 50 basis points. Net interest income increased compared to the prior year. The increase was primarily driven by higher spread income and increased volume related to our wholesale loan portfolio.

Loan portfolio credit quality remained strong with 99.3 percent of our total loan portfolio in the acceptable category, which reflects the overall financial strength of District Associations and their underlying portfolios of retail loans. Credit quality of our retail loan portfolio (accounting for approximately 15 percent of our total loan portfolio) decreased slightly to 95.1 percent acceptable as of June 30, 2025, compared to 95.7 percent acceptable at December 31, 2024. See 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 characteristics of the agricultural market, as well as the challenges and uncertainty of the overall economic environment. Refer to the Loan Portfolio and Funding, Liquidity and Shareholders' Equity sections for further discussion.

#### **Economic Conditions**

#### **Interest Rate Environment**

In the July 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 the uncertainty about the economic outlook remains elevated. The FOMC released its quarterly economic projection (referred to as the "dot plot") in June 2025 and maintained its March 2025 projection of 50 basis points of total cuts in 2025, but lowered the 2026 rate cut projection to 25 basis points from 50 basis points. The long-term fed funds rate remained unchanged 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 Inflation (CPI) has remained above the Fed's 2.0 percent target with June 2025 CPI at 2.7 percent. Inflation is expected to remain high due to uncertainty on tariffs with headline CPI near 3.0 percent in 2025. Monthly payroll additions have weakened somewhat in 2025 with approximately 85 thousand total jobs added per month through July 2025. The unemployment rate has increased slightly with the unemployment rate at 4.2 percent in July 2025.

The U.S. gross domestic product (GDP) grew by 2.8 percent in 2024. There has been some slowdown in growth in the first half of 2025, and GDP growth is expected to decline to around 1.5 percent in 2025. Geopolitical risks and uncertainty around proposed tariffs remain elevated with ongoing conflicts in the middle east and Ukraine and ongoing bilateral trade negotiations with several countries.

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 \$31.0 billion in ad hoc disaster aid and economic assistance funds allocated in the American Relief Act, 2025, which includes nearly \$21.0 billion in aid to farmers who suffered natural disasters in 2023 and 2024 and \$10.0 billion in economic assistance to crop producers through the Emergency Commodity Assistance Program (ECAP) 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 price movements were mixed during the second quarter of 2025. After strengthening during the first half of April, corn prices trended lower into early July on the USDA's confirmation that 2025 U.S. planted corn acreage increased by 5.1 percent, the persistent rains that occurred over much of the Corn Belt into mid-July 2025, and the favorable corn crop condition ratings that imply the potential for strong corn crop yields. USDA estimates that 2025 corn acreage reached a 12-year high, and trendline level corn production yields would lead to a record-large corn crop, with an expected increase in corn ending stocks for the upcoming 2025/2026 marketing year. Soybean prices dropped sharply in early April in response to China's retaliatory tariff announcement, but soybean prices rebounded from the early April 2025 lows due to some trade tension de-escalations, a reduction in 2025 soybean acreage, and the higher-than-expected EPA biomass-based diesel proposed volume requirements for 2026 and 2027, which would increase demand for soybean oil. Prices for both crops are projected to remain roughly 30 percent below the recent highs of 2022/2023, while production costs remain elevated. Current crop price futures and the USDA crop price forecasts indicate crop producers are expected to continue to face challenging conditions in 2025, with mixed returns ranging from moderate losses to breakeven levels based on Corn Belt-based, land-grant university crop budgets as of early 2025. Losses may be partially mitigated by ECAP payments, strengthened Title I crop commodity programs via the One Big Beautiful Bill Act, and strong producer balance sheets heading into the lower crop price environment.

Most animal sector market prices continued to increase during the second quarter of 2025. Fed and feeder cattle prices reached new record highs during the second quarter of 2025 on constrained cattle supplies and strong domestic beef demand. Hog and pork prices increased during the second quarter of 2025, and the estimated wholesale pork price was 7.5 percent above the prior year

level. The wholesale, national broiler composite price increased for the third consecutive quarter, and the USDA forecasts that the composite will average a new record high for 2025. Milk and eggs were the two exceptions to the firming animal sector market trend, with price reductions occurring during the second quarter; however, milk and egg prices remained elevated relative to historical levels. Numerous highly pathogenic avian influenza (HPAI) cases occurred early in 2025, particularly for the table-egg laying flock. Reduced wild bird migrations and seasonal weather have reduced new outbreaks and allowed the table-egg laying flock to stabilize. Increasing or elevated livestock, dairy, and poultry producer prices were also met with the lower feed cost environment, which has supported positive margins across the animal protein sector. Tariffs and trade discussions continue to create market uncertainty, but de-escalations, particularly with Mexico, ongoing trade negotiations, and temporary pauses on tariff implementations have limited the impact on exports of many U.S. agricultural products.

Many factors, including weather, trade, government and monetary policy, global agricultural production levels, and pathogenic outbreaks in livestock and poultry, may keep the 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.

#### **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 first quarter of 2024 to the end of the first quarter of 2025 in their respective districts. The Federal Reserve district reports indicated annual regional changes in non-irrigated farmland values ranging from a 2.1 percent decline to a 4.6 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 Farm Credit Administration (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 the 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**

	June 30,	December 31,
(in thousands)	2025	2024
Accrual loans:		
Wholesale loans	\$143,788,976	\$141,107,742
Retail loans:		
Real estate mortgage	12,181,850	9,939,403
Production and intermediate-term	8,365,695	8,749,665
Loans to other financing institutions (OFIs)	817,501	615,714
Other	3,903,398	4,066,670
Total retail loans	25,268,444	23,371,452
Nonaccrual loans	244,280	179,812
Total loans	\$169,301,700	\$164,659,006

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

Loans totaled \$169.3 billion at June 30, 2025, an increase of \$4.6 billion from December 31, 2024. Within total loans, growth in wholesale loans was primarily driven by new real estate volume at AgriBank District Associations. Retail loans increased, primarily driven by real estate mortgage loans related to an asset pool program purchase during the second quarter of 2025.

Overall, AgriBank credit quality remains strong. As a majority of our loans are wholesale loans, we expect our credit quality will remain strong even as some District Associations may experience declines in their retail credit quality in the future. Each District Association has allowances for credit losses on loans, earnings and capital that absorb their credit losses before their losses would impact our wholesale loans.

The credit quality of our total loan portfolio remained strong at 99.3 percent in the acceptable category as of June 30, 2025, compared to 99.4 percent as of December 31, 2024. Adversely classified loans were 0.4 percent at June 30, 2025, compared to 0.3 percent at December 31, 2024. As of June 30, 2025, all outstanding wholesale loans were classified as acceptable. Credit quality of our retail loan portfolio decreased slightly to 95.1 percent acceptable as of June 30, 2025, compared to 95.7 percent acceptable at December 31, 2024. While credit quality is currently strong, many factors could impact borrowers and may result in changes to credit quality in our loan portfolio.

#### **Components of Nonperforming Assets**

	June 30,	December 31,
(in thousands)	2025	2024
Nonaccrual loans	\$244,280	\$179,812
Accruing loans 90 days or more past due	79,722	34,712
Total nonperforming loans	324,002	214,524
Other property owned	653	1,146
Total nonperforming assets	\$324,655	\$215,670
As a percent of retail loans		
Nonperforming loans	1.27 %	0.91 %
Nonaccrual loans	0.96 %	0.76 %
Delinquencies	1.21 %	0.98 %
As a percent of loans		
Nonperforming loans	0.19 %	0.13 %
Nonaccrual loans	0.14 %	0.11 %
Delinquencies	0.18 %	0.14 %

Due to the low level of nonperforming assets, movement of a single loan or borrower can impact the percent of nonperforming assets. Despite the increase compared to year-end, nonperforming assets remain at acceptable levels, and total nonperforming loans as a percentage of total loans remain within our established risk management guidelines. Nonperforming loans were primarily concentrated in the production and intermediate-term sector, including purchased participations in the general farm and other cash grains industries, and to a lesser extent, tree nut and meat products borrowers in the real estate mortgage and agribusiness sectors. At June 30, 2025, 54.9 percent of nonaccrual loans were current as to principal and interest.

The seasonality of our crop input financing portfolio was the primary driver of the increase within accruing loans 90 days or more past due category observed in our production and intermediate-term loans. The risk in the crop input financing portfolio is significantly mitigated by credit enhancements, including guarantees with third parties that are in a strong financial position. 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 Coverage Ratios**

	June 30,	December 31,
	2025	2024
Allowance for credit losses on loans as a percentage of:		_
Loans	0.03 %	0.02 %
Retail loans	0.22 %	0.17 %
Nonaccrual loans	23.05 %	22.05 %
Total nonperforming loans	17.38 %	18.48 %
Adverse assets to capital and allowance for credit losses on loans	6.75 %	5.50 %

The changes in the above ratios are primarily related to increases in nonaccrual and accruing 90 days or more past due production and intermediate-term loans.

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 severity of loss based on historical portfolio performance, forecasts of future economic conditions and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions.

As of June 30, 2025, the allowance increased \$16.7 million, compared to December 31, 2024. The increase was due to additional specific reserves placed on production and intermediate-term loans in our crop input financing and asset pool portfolios.

## Funding, Liquidity and Shareholders' Equity

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. We also maintain a secondary source of liquidity through a high-quality investment portfolio and other short-term liquid assets.

The System access to the debt capital markets is critical to support its mission of providing credit to farmers, ranchers and other eligible borrowers. For the six months ended June 30, 2025, investor demand for Systemwide Debt Securities remained sufficient to meet our funding needs.

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. As of June 30, 2025, we had sufficient liquidity to fund all debt maturing within 160 days. At June 30, 2025, we held qualifying assets in excess of each incremental level to meet the liquidity coverage intervals.

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 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 Insurance Fund.

We manage interest rate risk under policies established by our board and limits established by our ALCO. These policies and limits ensure that net interest income and economic value of equity at risk remain within the defined risk appetite of the board, including during periods of high interest rate volatility.

Total shareholders' equity at June 30, 2025, was \$9.9 billion, a \$468.3 million increase from December 31, 2024. The increase was driven primarily by our net income and the issuance of capital stock, which were partially offset by cash patronage declared, consistent with AgriBank's capital plan. Based on our analysis, we have not recognized an allowance for credit losses related to our investment portfolio as the majority of our portfolio is guaranteed by the U.S. government or its agencies. Additionally, no investments were impaired as of June 30, 2025.

At June 30, 2025, we exceeded the regulatory minimum capital ratios. Refer to the Additional Regulatory Information section as well as Note 4 in the accompanying Financial Statements for further discussion of capital ratios.

## **Results of Operations**

Net income for the six months ended June 30, 2025, was \$470.0 million, a 15.6 percent increase, compared to \$406.6 million for the same period in 2024. ROA of 49 basis points through the six months ended June 30, 2025, came in just below our 50 basis point target.

#### **Changes in Significant Components of Net Income**

(in thousands)			Increase (decrease) in Net
For the six months ended June 30,	2025	2024	Income
Net interest income	\$548,875	\$461,294	\$87,581
Provision for credit losses	21,000	8,000	(13,000)
Non-interest income	54,954	57,278	(2,324)
Non-interest expense	112,798	103,985	(8,813)
Net income	\$470,031	\$406,587	\$63,444

#### Net interest income

#### **Changes in Net Interest Income**

(in thousands)

For the six months ended June 30,	2025 vs 2024		
Increase (decrease) due to:	Volume	Rate	Total
Interest income:			
Loans	\$292,419	\$(21,953)	\$270,466
Investments and other earning assets	12,028	(55,443)	(43,415)
Total interest income	304,447	(77,396)	227,051
Interest expense:			
Systemwide debt securities and other	(279,403)	139,933	(139,470)
Net change in net interest income	\$25,044	\$62,537	\$87,581

Information regarding the year-to-date average daily balances (ADBs) and annualized average rates earned and paid on our portfolio follows:

#### (in thousands)

For the six months ended June 30,		2025			2024	
	ADB	Rate	NII	ADB	Rate	NII
Interest earning assets:						
Wholesale loans	\$142,149,327	3.81 %	\$2,698,562	\$128,522,477	3.87 %	\$2,484,024
Retail accrual loans	22,872,797	5.74 %	638,540	21,363,224	5.49 %	582,883
Retail nonaccrual loans	194,754	7.62 %	7,358	83,942	16.93 %	7,087
Investment securities and other earning assets	26,329,623	4.23 %	551,659	25,767,761	4.63 %	595,074
Total earning assets	191,546,501	4.10 %	3,896,119	175,737,404	4.19 %	3,669,068
Interest bearing liabilities	182,343,336	3.70 %	3,347,244	167,389,553	3.84 %	3,207,774
Interest rate spread		0.40 %			0.35 %	
Impact of equity financing	\$9,203,165	0.18 %		\$8,347,851	0.18 %	
Net interest margin		0.58 %			0.53 %	
Net interest income			\$548,875	_		\$461,294

Net interest income increased when compared to the same period of the prior year. The increase was primarily due to higher spread income and increased volume in our wholesale loan portfolio. Higher loan volume in asset pool portfolios further contributed to the increase in net interest income. These factors were somewhat offset by decreased spread income on investment securities due to the mix of investment securities. The benefit of equity financing increased slightly compared to the same period of the prior year due to higher levels of equity. Equity financing represents the benefit of non-interest bearing funding. Net interest margin for the six months ended June 30, 2025, increased slightly compared to the same period of the prior year and was primarily due to increased interest rate spreads on wholesale loans as discussed above.

#### **Provision for credit losses**

Provision for credit losses increased for the six months ended June 30, 2025, compared to the same period of the prior year primarily related to additional specific reserves placed on production and intermediate-term loans in our crop input financing and asset pool portfolios.

#### Non-interest income

Non-interest income decreased for the six months ended June 30, 2025, compared to the same period of the prior year. The decrease was primarily due to the reduction in mineral income related to lower oil prices and production during the first half of 2025. This decrease was partially offset by increase in loan fees due to marginally higher conversion and commitment fees generating additional income during the six months ended June 30, 2025, compared to the same period of the prior year.

#### Non-interest expense

Non-interest expense increased for the six months ended June 30, 2025, compared to the same period of the prior year mainly due to dealer incentive expenses related to our crop input financing portfolio. Contractor fees also added to increased operating expense related to additional resources for technology projects during the six months ended June 30, 2025, compared to the same period of the prior year.

#### **Other Matters**

On May 16, 2025, Moody's Ratings lowered the U.S. sovereign's long-term issuer and senior unsecured rating to Aa1 from Aaa. The outlook on the long-term debt rating of the U.S. was revised to stable from negative. Moody's cited successive U.S. administrations and Congress having failed to agree on measures to reverse the trend of large annual fiscal deficits and growing interest costs as the cause for the downgrade of the U.S. sovereign's long-term issuer rating. On May 19, 2025, Moody's Ratings lowered long-term senior unsecured debt rating for the Farm Credit System to Aa1 from Aaa; the Prime-1 short-term rating was affirmed. The outlook on the long-term issuer rating was revised to stable from negative. As a government-sponsored entity, the Farm Credit System benefits from the implicit government support and, therefore, the ratings are directly linked to the U.S. sovereign rating.

Moody's Ratings also affirmed AgriBank's long-term issuer rating of Aa3, and affirmed the stable long-term issuer rating outlook.

The reduction in the credit rating by Moody's Ratings for the Farm Credit System, could result in higher funding costs or disruptions in our access to the capital markets. However, to date we have noticed no significant impact as a result of this rating change.

## Certification

The undersigned have reviewed the June 30, 2025, Quarterly Report of AgriBank, FCB, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate and complete to the best of our knowledge and belief.

Chris Roberts Chair of the Board AgriBank, FCB August 8, 2025 Jeffrey R. Swanhorst Chief Executive Officer AgriBank, FCB August 8, 2025

Jepfrey R. Livanherst

Brad W. Hoffelt Chief Financial Officer AgriBank, FCB August 8, 2025

# **Statements of Condition**

#### AgriBank, FCB

	June 30,	December 31,
(in thousands)	2025	2024
	(unaudited)	
Assets		
Loans	\$169,301,700	\$164,659,006
Allowance for credit losses on loans	56,297	39,641
Net loans	169,245,403	164,619,365
Investment securities	24,825,092	23,160,944
Cash and cash equivalents	1,542,454	1,510,493
Federal funds and securities purchased under resale agreements	300,000	400,000
Accrued interest receivable	1,847,223	1,815,644
Derivative assets	55,941	26,095
Other assets	444,919	398,419
Total assets	198,261,032	191,930,960
Liabilities		
Bonds and notes	186,731,389	180,795,727
Accrued interest payable	1,217,182	1,201,851
Derivative liabilities	66,049	23,066
Patronage payable and other payables	231,204	427,166
Other liabilities	83,829	20,029
Total liabilities	188,329,653	182,467,839
Commitments and contingencies (Note 6)		
Shareholders' equity		
Capital stock and participation certificates	6,743,426	6,530,024
Unallocated retained earnings	3,584,565	3,367,515
Accumulated other comprehensive loss	(396,612)	(434,418)
Total shareholders' equity	9,931,379	9,463,121
Total liabilities and shareholders' equity	\$198,261,032	\$191,930,960

# **Statements of Comprehensive Income**

AgriBank, FCB

(unaudited)

(in thousands)	Three m	Three months		Six months	
For the periods ended June 30,	2025	<b>2025</b> 2024		2024	
Interest income					
Loans	\$1,704,462	\$1,569,991	\$3,344,460	\$3,073,994	
Investments and other earning assets	277,623	297,249	551,659	595,074	
Total interest income	1,982,085	1,867,240	3,896,119	3,669,068	
Interest expense	1,702,836	1,641,539	3,347,244	3,207,774	
Net interest income	279,249	225,701	548,875	461,294	
Provision for credit losses	20,000	7,000	21,000	8,000	
Net interest income after provision for credit losses	259,249	218,701	527,875	453,294	
Non-interest income					
Mineral income	19,294	20,784	39,464	44,948	
Business services income	2,645	2,439	5,127	4,860	
Loan prepayment and fee income	3,901	1,456	7,369	3,375	
Allocated Insurance Reserve Accounts income	_	5,922	4,627	5,922	
Other income (loss), net	70	(1,953)	(1,633)	(1,827)	
Total non-interest income	25,910	28,648	54,954	57,278	
Non-interest expense					
Salaries and employee benefits	8,673	8,341	16,979	16,702	
Other operating expenses	15,957	14,356	30,809	28,208	
Loan servicing expense	25,591	24,188	49,911	47,939	
Farm Credit System insurance expense	5,895	5,368	11,592	10,907	
Other expenses, net	1,595	228	3,507	229	
Total non-interest expense	57,711	52,481	112,798	103,985	
Net income	\$227,448	\$194,868	\$470,031	\$406,587	
				. ,	
Other comprehensive income					
Investment securities activity	\$84,542	\$2,130	\$192,716	\$(23,291)	
Derivatives and hedging activity	(39,876)	24,530	(154,984)	120,244	
Employee benefit plan activity	37	41	74	82	
Total other comprehensive income	44,703	26,701	37,806	97,035	
Comprehensive income	\$272,151	\$221,569	\$507,837	\$503,622	

# **Statements of Changes in Shareholders' Equity**

AgriBank, FCB

		Capital Stock and	Unallocated	Accumulated Other	
(unaudited)	Perpetual	Participation	Retained	Comprehensive	
(in thousands)	Preferred Stock	Certificates	Earnings	Loss	Total
Balance at December 31, 2023	\$250,000	\$5,845,718	\$3,139,865	\$(652,405)	\$8,583,178
Net income			406,587		406,587
Other comprehensive income				97,035	97,035
Cash patronage			(226,747)		(226,747)
Perpetual preferred stock redemption	(250,000)				(250,000)
Capital stock/participation certificates issued		180,875			180,875
Capital stock/participation certificates retired		(46,893)			(46,893)
Balance at June 30, 2024	\$—	\$5,979,700	\$3,319,705	\$(555,370)	\$8,744,035
Balance at December 31, 2024	\$—	\$6,530,024	\$3,367,515	\$(434,418)	\$9,463,121
Net income		. , ,	470,031	, , ,	470,031
Other comprehensive income				37,806	37,806
Cash patronage			(252,981)		(252,981)
Capital stock/participation certificates issued		221,434			221,434
Capital stock/participation certificates retired		(8,032)			(8,032)
Balance at June 30, 2025	\$—	\$6,743,426	\$3,584,565	\$(396,612)	\$9,931,379

## **Statements of Cash Flows**

AgriBank, FCB

(unaudited)

(in thousands)

For the six months ended June 30,	2025	2024
Cash flows from operating activities		
Net income	\$470,031	\$406,587
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation on premises and equipment	317	368
Provision for credit losses	21,000	8,000
(Gain) loss on sale of investment securities, net	(10)	139
Amortization of discounts on investments, net	(126,733)	(157,333)
Amortization of discounts on debt and deferred debt issuance costs, net	47,831	72,228
Loss on derivative activities, net	5,630	6,513
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(2,705,651)	(2,466,371)
Increase in other assets	(14,821)	(5,793)
Increase in accrued interest payable	15,331	126,419
Increase (decrease) in other liabilities	51,101	(4,411)
Net cash used in operating activities	(2,235,974)	(2,013,654)
Cash flows from investing activities		
Increase in loans, net	(1,971,966)	(3,427,299)
Decrease in federal funds sold and securities purchased under resale agreements, net	100,000	100,000
Purchases of investment securities	(4,690,426)	(3,443,803)
Proceeds from investment securities	3,335,590	3,196,335
Proceeds from the sale of investment securities	10,147	229,856
Other investing activities, net	(172)	(2,239)
Net cash used in investing activities	(3,216,827)	(3,347,150)
Cash flows from financing activities		
Bonds and notes issued	59,083,976	87,675,840
Bonds and notes retired	(53,198,888)	(82,414,425)
(Increase) decrease in cash collateral posted with counterparties, net	(51,878)	2,568
Variation margin (paid) received on cleared derivatives, net	(126,590)	77,049
Patronage distributions paid	(435,260)	(369,479)
Capital stock and participation certificates issued, net	213,402	133,982
Net cash provided by financing activities	5,484,762	5,105,535
Net increase (decrease) in cash and cash equivalents	31,961	(255,269)
Cash and cash equivalents at beginning of period	1,510,493	1,642,497
Cash and cash equivalents at end of period	\$1,542,454	\$1,387,228

# **Supplemental Statements of Cash Flows Information**

AgriBank, FCB

(unaudited)

(in thousands)

For the six months ended June 30,	2025	2024
Supplemental non-cash investing and financing activities		
Increase (decrease) in shareholders' equity from investment securities	\$192,716	\$(23,291)
Interest capitalized to loan principal	2,674,072	2,383,058
Accrued patronage	178,638	176,491
Redemption of preferred stock	_	(250,000)
Supplemental non-cash fair value changes related to hedging activities		
Decrease (increase) in derivative assets and liabilities, net	\$157,871	\$(104,101)
Increase (decrease) in bonds from derivative activity	2,743	(9,630)
(Decrease) increase in shareholders' equity from cash flow derivatives	(154,984)	120,244
Supplemental Information		
Interest paid	\$3,278,955	\$3,002,324

## **Notes to Financial Statements**

AgriBank, FCB

(Unaudited)

#### NOTE 1

## **Organization and Significant Accounting Policies**

AgriBank, FCB (AgriBank) is one of the Banks of the Farm Credit System (the System), a nationwide network of cooperatively owned Banks and Associations, established by Congress and subject to the provisions of the Farm Credit Act of 1971, as amended. The System specializes in providing financing and related services to qualified borrowers for agricultural and rural purposes. AgriBank and its District Associations are collectively referred to as the District. Each parent ACA has wholly owned Federal Land Credit Association and Production Credit Association subsidiaries. AgriBank serves as the intermediary between the financial markets and the retail lending activities of the District Associations.

The accompanying Financial Statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform to generally accepted accounting principles in the United States of America (GAAP) and prevailing practices within the financial services industry. The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. The Financial Statements do not include the assets, obligations or results of operations of District Associations or service corporations. AgriBank operates as a single segment for reporting purposes.

A description of our organization and operations, significant accounting policies followed, financial condition, and results of operations as of and for the year ended December 31, 2024, are contained in the 2024 Annual Report.

These unaudited second quarter 2025 Financial Statements should be read in conjunction with the 2024 Annual Report. The results for the six months ended June 30, 2025, do not necessarily indicate the results to be expected for the year ending December 31, 2025.

#### **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:

2024-03 "Income Statement -Reporting disclosures related to the disaggregation fiscal	pect to adopt the standard for our year ending December 31, 2027, and erim periods beginning in 2028. We
Disaggregation Disclosure (Subtopic such as employee compensation, are compensation)	rrently assessing the impact of this ard on our disclosures.

#### NOTE 2

## **Loans and Allowance for Credit Losses**

#### Loans by Type

	June 30, 2025		December 31, 2024		
(in thousands)	Amount	%	Amount	%	
Wholesale loans	\$143,788,976	84.9 %	\$141,107,742	85.7 %	
Retail loans:					
Real estate mortgage	12,253,860	7.3 %	9,999,869	6.2 %	
Production and intermediate-term	8,480,429	5.0 %	8,807,117	5.3 %	
Loans to other financing institutions (OFIs)	817,501	0.5 %	615,714	0.4 %	
Other	3,960,934	2.3 %	4,128,564	2.4 %	
Total retail loans	25,512,724	15.1 %	23,551,264	14.3 %	
Total loans	\$169,301,700	100.0 %	\$164,659,006	100.0 %	

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

Accrued interest receivable on loans of \$1.7 billion as of June 30, 2025, and December 31, 2024, has been excluded from the amortized cost of loans.

#### **Portfolio Diversification**

A substantial portion of our loan portfolio consists of individual wholesale loans to a few District Associations, which also account for a significant portion of our interest income. These concentrations have not materially changed from December 31, 2024. For additional information regarding portfolio diversification, refer to the 2024 Annual Report.

#### **Participations**

We may purchase participations from and sell participations to others, primarily District Associations. We had no purchases outside the System in the periods presented. We may also purchase loan participations from District Associations in the form of asset pools. The purpose of the asset pools are to assist Associations and AgriBank in achieving 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 District Associations, we offer to sell back existing participations and purchase participations under the new program. During the six months ended June 30, 2025, we sold and purchased certain loan participations related to changes in asset pool programs. These participations sold back to certain District Associations totaled \$3.0 billion, while the participations simultaneously purchased from the same District Associations totaled \$4.6 billion during the six months ended June 30, 2025. For certain pools, 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)	June 30, 2025	December 31, 2024
Real estate mortgage	\$12,253,860	\$9,999,869
Production and intermediate-term	8,480,429	8,807,117
Other	3,951,010	4,098,768
Total loans	\$24,685,299	\$22,905,754

#### **Portfolio Performance**

The primary credit quality indicator we use is the Farm Credit Administration (FCA) Uniform Loan Classification System, which categorizes loans into five credit quality categories:

- <u>Acceptable</u> assets are non-criticized assets representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probability of default ratings.
- 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.
- <u>Substandard</u> assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan.
- <u>Doubtful</u> 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.

We had no loans categorized as loss at June 30, 2025, or December 31, 2024.

#### Credit Quality of Loans as a Percentage of Total Loans

As of June 30, 2025	Acceptable	Special mention	Substandard/ Doubtful	Total
Wholesale loans	100.0 %	- %	<b>-</b> %	100.0 %
Retail loans:				
Real estate mortgage	96.6 %	1.7 %	1.7 %	100.0 %
Production and intermediate-term	94.6 %	2.4 %	3.0 %	100.0 %
Loans to OFIs	100.0 %	<b>-</b> %	<b>-</b> %	100.0 %
Other	90.7 %	4.2 %	5.1 %	100.0 %
Total retail loans	95.1 %	2.3 %	2.6 %	100.0 %
Total loans	99.3 %	0.3 %	0.4 %	100.0 %
As of December 31, 2024				
Wholesale loans	100.0 %	<b>–</b> %	<b>–</b> %	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 %	<b>-</b> %	<b>-</b> %	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)	usands) Term Loans by Origination Year								
As of June 30, 2025	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Wholesale Loans	1023	2024	1013	2022	1021	11101	200113	Term Louis	Total
Acceptable	\$-	<b>\$</b> —	<b>\$</b> —	\$-	\$-	\$-	\$143,788,976	\$-	\$143,788,976
Total Wholesale Loans	<u> </u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	<u> </u>	<u> </u>		\$ <u></u>	\$143,788,976
Retail Loans:	·	·	·		•		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	·	, , , , , , ,
Real estate mortgage									
Acceptable	\$722,330	\$2,763,748	\$2,023,718	\$1,702,993	\$1,146,550	\$3,370,428	\$100,034	\$10,859	\$11,840,660
Special mention	2,737	18,571	31,517	38,943	20,736	73,303	13,027	_	198,834
Substandard/Doubtful	172	7,410	18,130	27,771	29,806	112,081	18,987	9	214,366
Total Real estate mortgage					<u> </u>		<u></u>		
loans	\$725,239	\$2,789,729	\$2,073,365	\$1,769,707	\$1,197,092	\$3,555,812	\$132,048	\$10,868	\$12,253,860
Production and intermediate-term									
Acceptable	\$1,723,514	\$2,341,795	\$1,116,390	\$665,040	\$643,298	\$328,669	\$1,198,975	\$751	\$8,018,432
Special mention	32,458	36,550	32,481	19,571	12,431	5,647	64,696	338	204,172
Substandard/Doubtful	22,305	60,013	43,366	18,373	12,748	10,287	85,295	5,438	257,825
Total production and intermediate-term loans	\$1,778,277	\$2,438,358	\$1,192,237	\$702,984	\$668,477	\$344,603	\$1,348,966	\$6,527	\$8,480,429
Loans to OFIs									
Acceptable	\$38,255	\$35,900	\$4,946	\$63,288	\$80,439	\$69,797	\$524,876	\$-	\$817,501
Total loans to OFIs	\$38,255	\$35,900	\$4,946	\$63,288	\$80,439	\$69,797	\$524,876	\$-	\$817,501
Other									
Acceptable	\$139,373	\$748,108	\$659,694	\$536,880	\$237,715	\$499,601	\$764,305	\$5,767	\$3,591,443
Special mention	3,662	25,888	16,468	67,848	22,480	12,538	18,404	_	167,288
Substandard/Doubtful	473	5,152	12,134	10,574	39,861	63,537	70,403	69	202,203
Total other	\$143,508	\$779,148	\$688,296	\$615,302	\$300,056	\$575,676	\$853,112	\$5,836	\$3,960,934
Total retail loans									
Acceptable	\$2,623,472	\$5,889,551	\$3,804,748	\$2,968,201	\$2,108,002	\$4,268,495	\$2,588,190	\$17,377	\$24,268,036
Special mention	38,857	81,009	80,466	126,362	55,647	91,488	96,127	338	570,294
Substandard/Doubtful	22,950	72,575	73,630	56,718	82,415	185,905	174,685	5,516	674,394
Total Retail Loans	\$2,685,279	\$6,043,135	\$3,958,844	\$3,151,281	\$2,246,064	\$4,545,888	\$2,859,002	\$23,231	\$25,512,724
Total loans									
Acceptable	\$2,623,472	\$5,889,551	\$3,804,748	\$2,968,201	\$2,108,002	\$4,268,495	\$146,377,166	\$17,377	\$168,057,012
Special mention	38,857	81,009	80,466	126,362	55,647	91,488	96,127	338	570,294
Substandard/Doubtful	22,950	72,575	73,630	56,718	82,415	185,905	174,685	5,516	674,394
Total	\$2,685,279	\$6,043,135	\$3,958,844	\$3,151,281	\$2,246,064	\$4,545,888	\$146,647,978	\$23,231	\$169,301,700
Charge-offs, for the six months ended J	une 30, 2025								
Real estate mortgage	\$12	\$-	\$1,144	\$19	\$3	\$3,155	\$-	\$-	\$4,333
Production and intermediate-term	162	671	23,418	1,804	184	744	1,351	25	28,359
Other	17	291	17	90	360	881	205	8	1,869
Total	\$191	\$962	\$24,579	\$1,913	\$547	\$4,780	\$1,556	\$33	\$34,561

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
Charge-offs, for the six months ended J	une 30, 2024								
Real estate mortgage	\$-	\$-	\$1	\$5	\$-	\$1,007	\$-	\$—	\$1,013
Production and intermediate-term	74	310	2,085	419	93	1,689	214	22	4,906
Other	_	1	_	315	_	10	53	_	379
Total	\$74	\$311	\$2,086	\$739	\$93	\$2,706	\$267	\$22	\$6,298

#### **Aging Analysis of Loans**

(in thousands)	30-89 Days	90 Days or		Accruing Loans 90 Days or		
As of June 30, 2025	Past Due	More Past Due	Total Past Due	Days Past Due	Total Loans	More Past Due
Wholesale loans	\$—	\$—	\$—	\$143,788,976	\$143,788,976	\$—
Retail loans:						
Real estate mortgage	48,973	33,321	82,294	12,171,566	12,253,860	12,517
Production and intermediate-term	74,561	138,101	212,662	8,267,767	8,480,429	65,178
Loans to OFIs	_	_	_	817,501	817,501	_
Other	7,263	4,219	11,482	3,949,452	3,960,934	2,027
Total retail loans	130,797	175,641	306,438	25,206,286	25,512,724	79,722
Total loans	\$130,797	\$175,641	\$306,438	\$168,995,262	\$169,301,700	\$79,722

				Accruing Loans		
(in thousands)	30-89 Days	90 Days or		or Less than 30		90 Days or
As of December 31, 2024	Past Due	More Past Due	Total Past Due	Days Past Due	Total Loans	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

#### **Nonaccrual Loan Information**

	As of June	For the six months ended June 30, 2025	
(in thousands)	Amortized Cost	Interest Income Recognized	
Nonaccrual loans:			
Real estate mortgage	\$72,010	\$68,751	\$3,131
Production and intermediate-term	114,734	17,024	4,227
Other	57,536	42,768	_
Total	\$244,280	\$128,543	\$7,358

_	As of Decemb	For the six months ended June 30, 2024	
(in thousands)	Amortized Cost	Interest Income Recognized	
Nonaccrual loans:			
Real estate mortgage	\$60,466	\$59,152	\$1,645
Production and intermediate-term	57,452	12,137	5,441
Other	61,894	45,777	_
Total nonaccrual loans	\$179,812	\$117,066	\$7,086
	·		<u> </u>

We had no wholesale loans or loans to OFIs classified as nonaccrual at June 30, 2025, or December 31, 2024. Write-offs of accrued interest receivable, as a reversal of interest income, at the time loans were transferred to nonaccrual status were not material during the six months ended June 30, 2025, or 2024.

#### **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 June 30, 2025, or 2024, and activity on these loans during the six months ended June 30, 2025, or 2024, were not material. We did not have any material commitments to lend to borrowers whose loans were modified during the six months ended June 30, 2025, or during the year ended December 31, 2024.

#### Allowance for Credit Losses on Loans and Credit Losses on 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 are 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 June 30, 2025, or December 31, 2024. Similarly, the provision for credit losses on unfunded commitments for the six months ended June 30, 2025, and 2024, 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 credit losses on unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and credit losses on 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, 2024, related to additional specific reserves placed on production and intermediate-term loans in our crop input financing and asset pool portfolios.

#### Changes in Allowance for Credit Losses on Loans by Loan Type

	Production and								
	Real estate	intermediate-							
(in thousands)	mortgage	term	Loans to OFIs	Other	Total				
Allowance for credit losses on loans:									
Balance as of December 31, 2024	\$6,948	\$17,689	\$400	\$14,604	\$39,641				
Provision for credit losses on loans	4,877	14,844	21	258	20,000				
Charge-offs	(4,333)	(28,359)	_	(1,869)	(34,561)				
Recoveries	110	29,611	_	264	29,985				
Initial allowance for purchased credit deteriorated loans	228	190	_	814	1,232				
Balance as of June 30, 2025	\$7,830	\$33,975	\$421	\$14,071	\$56,297				

		Production and			
	Real estate	intermediate-			
(in thousands)	mortgage	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
Provision for credit losses on loans	(911)	12,179	(234)	(2,034)	9,000
Charge-offs	(1,013)	(4,906)	_	(379)	(6,298)
Recoveries	32	1,949	_	3	1,984
Initial allowance for purchased credit deteriorated loans	_	98	_	_	98
Balance as of June 30, 2024	\$4,076	\$20,967	\$383	\$11,350	\$36,776

We had no allowance for credit losses and have not recorded a provision for credit losses on loans, charge-offs or recoveries on our wholesale loans for any period presented.

## NOTE 3

## **Investment Securities**

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

#### **AFS Investment Securities**

(in thousands)	Amortized	Unrealized	Unrealized		Weighted Average
June 30, 2025	Cost	Gains	Losses	Fair Value	Yield
Commercial paper and other	\$7,244,035	\$216	\$510	\$7,243,741	4.7%
U.S. Treasury securities	9,651,299	55,205	11,936	9,694,568	4.2%
Mortgage-backed securities	7,891,273	19,154	501,533	7,408,894	3.8%
Asset-backed securities	475,298	2,714	123	477,889	5.4%
Total	\$25,261,905	\$77,289	\$514,102	\$24,825,092	4.2%

(in thousands)	Amortized	Unrealized	Unrealized		Weighted Average
December 31, 2024	Cost	Gains	Losses	Fair Value	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%

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

Accrued interest receivable on investments securities of \$103.9 million and \$99.2 million as of June 30, 2025, and December 31, 2024, respectively, has been excluded from the amortized cost of investment securities.

#### **Contractual Maturities of AFS Investment Securities**

	Year of Maturity				
(in thousands)	One Year	One to	Five to	More Than	
As of June 30, 2025	or Less	Five Years	Ten Years	Ten Years	Total
Commercial paper and other	\$7,243,741	\$—	<b>\$</b> —	\$—	\$7,243,741
U.S. Treasury securities	2,514,314	7,077,748	102,506	_	9,694,568
Mortgage-backed securities	137	52,638	210,286	7,145,833	7,408,894
Asset-backed securities	_	477,889	_	_	477,889
Total fair value	\$9,758,192	\$7,608,275	\$312,792	\$7,145,833	\$24,825,092
Total amortized cost	\$9,756,362	\$7,567,640	\$314,478	\$7,623,425	\$25,261,905
Weighted average yield	4.6 %	4.1 %	3.9 %	3.8 %	4.2 %

The expected average life is 1.0 years for asset-backed securities and 4.9 years for mortgage-backed securities at June 30, 2025. Expected maturities differ from contractual maturities, because borrowers may have the right to prepay obligations.

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:

	Less than 1	2 months	More than 1	More than 12 months		
(in thousands)	Fair	Unrealized	Fair	Unrealized		
As of June 30, 2025	Value	Losses	Value	Losses		
Commercial paper and other	\$5,739,394	\$510	\$—	\$—		
U.S. Treasury securities	790,309	2,357	315,674	9,579		
Mortgage-backed securities	894,481	2,181	4,588,928	499,352		
Asset-backed securities	119,386	82	12,582	41		
Total	\$7,543,570	\$5,130	\$4,917,184	\$508,972		

	Less than 1	2 months	More than 12 months		
(in thousands)	Fair	Unrealized	Fair	Unrealized	
As of December 31, 2024	Value	Losses	Value	Losses	
Commercial paper and other	\$5,893,435	\$504	<b>\$</b> —	\$—	
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	

We sold \$10.1 million of asset-backed securities and \$230.0 million of U.S. Treasury securities during the six months ended June 30, 2025, and 2024, respectively.

There was no allowance for credit losses on investment securities at June 30, 2025, or December 31, 2024, 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. Additionally, no investments were impaired as of June 30, 2025, or December 31, 2024.

#### **NOTE 4**

# **Shareholders' Equity**

#### **Regulatory Capital Requirements and Ratios**

				Capital	
	June 30,	December 31,	Regulatory	Conservation	
	2025	2024	Minimums	Buffer	Total
Risk-adjusted:					
Common equity tier 1 capital ratio	16.3 %	16.0 %	4.5 %	2.5 %	7.0 %
Tier 1 capital ratio	16.3 %	16.0 %	6.0 %	2.5 %	8.5 %
Total capital ratio	16.4 %	16.1 %	8.0 %	2.5 %	10.5 %
Permanent capital ratio	16.3 %	16.0 %	7.0 %	<b>–</b> %	7.0 %
Non-risk-adjusted:					
Tier 1 leverage ratio	5.2 %	5.2 %	4.0 %	1.0 %	5.0 %
UREE <sup>(1)</sup> leverage	1.8 %	1.9 %	1.5 %	<b>-</b> %	1.5 %

<sup>(1)</sup> Unallocated retained earnings and equivalents

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.

#### NOTE 5

## **Employee Benefit Plans**

We participate in Districtwide employee benefit plans. The funded status of the post-employment benefit plans is recorded at the District level.

#### **District Components of Net Periodic Benefit Cost**

(in thousands)	Pension	Benefits	Other Benefits		
For the six months ended June 30,	<b>2025</b> 2024		2025	2024	
Net periodic benefit cost:					
Service cost	\$8,012	\$9,759	\$39	\$58	
Interest cost	29,633	30,750	344	391	
Expected return on plan assets	(37,686)	(36,123)	_	_	
Amortization of prior service credit	(1,324)	(1,324)	_	_	
Amortization of net loss (gain)	16,364	20,826	(757)	(563)	
Net periodic benefit cost	\$14,999	\$23,888	\$(374)	\$(114)	

Certain employees in the AgriBank District participate in the AgriBank District Retirement Plan, a governmental defined benefit retirement plan. The employers contribute amounts in accordance with the governing body's funding policy to provide the plan with sufficient assets to meet the benefits to be paid to participants. Refer to the 2024 Annual Report for a more complete description of the Employee Benefit Plans.

For the six months ended June 30, 2025, District employers have contributed \$12.9 million to fund pension benefits. District employers anticipate contributing an additional \$7.7 million to fund pension benefits in 2025. The Plan Sponsor Committee of the AgriBank District Retirement Plan determines the funding frequency of the plan. The Nonqualified Pension plan is funded as benefits are paid.

#### NOTE 6

## **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.

From time to time, we may be named as defendants in certain 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 we are 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 June 30, 2025, was \$458.9 billion.

#### NOTE 7

#### **Fair Value Measurements**

We use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Assets and liabilities measured at fair value on a recurring and non-recurring basis consist of federal funds, securities purchased under resale agreements, investments available-for-sale, derivative assets and liabilities, certain loans, other property owned, and collateral assets and liabilities. The fair value is also calculated and disclosed for other financial instruments that are not measured at fair value on the Statements of Condition. These other financial instruments consist of cash, loans, bonds, and notes and commitments to extend credit and letters of credit. Refer to the 2024 Annual Report for descriptions of the valuation methodologies we use for asset and liabilities recorded at fair value on a recurring or non-recurring basis and for estimating fair value for financial instruments not recorded at fair value.

A fair value hierarchy is used for disclosure of fair value measurements to maximize the use of observable inputs. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. Refer to the 2024 Annual Report for a more complete description of these input levels.

#### **Recurring Measurements**

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis

(in thousands)	Fair Value Measurement Using				
As of June 30, 2025	Level 1	Level 2	Level 3	Value	
Assets:					
Federal funds sold and securities purchased under resale agreements	<b>\$</b> —	\$300,000	\$-	\$300,000	
Investments available-for-sale:					
Commercial paper and other	\$—	\$7,243,741	\$—	\$7,243,741	
U.S. Treasury securities	_	9,694,568	_	9,694,568	
Mortgage-backed securities	_	7,408,894	_	7,408,894	
Asset-backed securities	_	477,889	_	477,889	
Total investments available-for-sale	_	24,825,092	_	24,825,092	
Cash collateral posted with counterparties	224,755	_	_	224,755	
Derivative assets	_	55,941	_	55,941	
Total assets	\$224,755	\$25,181,033	\$—	\$25,405,788	
Liabilities:					
Derivative liabilities	\$—	\$66,049	\$—	\$66,049	
(in thousands)	Fair Valu	ue Measurement L	Jsing	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	
	\$—	\$400,000	<b>\$</b> —	\$400,000	
resale agreements	\$ \$	\$400,000 \$7,990,556	\$- \$-	\$400,000 \$7,990,556	
resale agreements Investments available-for-sale:	·			\$7,990,556	
resale agreements Investments available-for-sale: Commercial paper and other	·	\$7,990,556		\$7,990,556 8,133,534	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities	·	\$7,990,556 8,133,534			
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities	·	\$7,990,556 8,133,534 6,721,395		\$7,990,556 8,133,534 6,721,395 315,459	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities Asset-backed securities	·	\$7,990,556 8,133,534 6,721,395 315,459		\$7,990,556 8,133,534 6,721,395 315,459 23,160,944	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities Asset-backed securities Total investments available-for-sale	\$- - - -	\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 —		\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 174,787	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities Asset-backed securities Total investments available-for-sale Cash collateral posted with counterparties	\$- - - -	\$7,990,556 8,133,534 6,721,395 315,459		\$7,990,556 8,133,534 6,721,395	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities Asset-backed securities Total investments available-for-sale Cash collateral posted with counterparties Derivative assets Total assets	\$— — — — — 174,787	\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 — 26,095	\$- - - - - -	\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 174,787 26,095	
resale agreements Investments available-for-sale: Commercial paper and other U.S. Treasury securities Mortgage-backed securities Asset-backed securities Total investments available-for-sale Cash collateral posted with counterparties Derivative assets	\$— — — — — 174,787	\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 — 26,095	\$- - - - - -	\$7,990,556 8,133,534 6,721,395 315,459 23,160,944 174,787 26,095	

We had no level 3 assets measured at fair value on a recurring basis at June 30, 2025, or December 31, 2024.

#### **Non-recurring Measurements**

**Total liabilities** 

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

\$1,910

\$23,066

\$24,976

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 \$60.5 million and \$42.8 million of collateral dependent loans measured at fair value on a non-recurring basis at June 30, 2025, and December 31, 2024, respectively.

#### **Other Financial Instrument Measurements**

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

	Total				
(in thousands)	Carrying	Fair Valu	e Measurement	Using	<b>Total Fair</b>
As of June 30, 2025	Amount	Level 1	Level 2	Level 3	Value
Assets:					
Cash and cash equivalents	\$1,542,454	\$1,542,454	<b>\$</b> —	<b>\$</b> —	\$1,542,454
Net loans	169,163,148	_	_	163,518,845	163,518,845
Total assets	\$170,705,602	\$1,542,454	\$—	\$163,518,845	\$165,061,299
Liabilities:					
Bonds and notes	\$186,731,389	\$—	<b>\$</b> —	\$182,043,318	\$182,043,318
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		\$-	<b>\$</b> —	\$(3,655)	\$(3,655)
(in thousands)	Carrying	Fair Valu	ie Measurement	Using	Total Fair
As of December 31, 2024	Amount	Level 1	Level 2	Level 3	Value
Assets:					
Cash and cash equivalents	\$1,510,493	\$1,510,493	\$—	\$-	\$1,510,493
Net loans	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	\$—	<b>\$</b> —	\$174,375,062	\$174,375,062
Unrecognized financial instruments:					
Commitments to extend credit and letters of credit		\$-	\$-	\$(3,784)	\$(3,784)

## NOTE 8

## **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. There were no commodity derivative instruments outstanding as of June 30, 2025, or December 31, 2024.

#### **Derivative Instruments Activity (in notional amount)**

	Receive-	Pay-Fixed	Floating-for-	Other	
(in millions)	Fixed Swaps	Swaps	Floating	Derivatives	Total
As of December 31, 2023	\$4,376	\$6,543	\$1,950	\$113	\$12,982
Additions	12,250	775	12,000	_	25,025
Maturities/amortization	(2,800)	(3,054)	(8,000)	(4)	(13,858)
As of June 30, 2024	\$13,826	\$4,264	\$5,950	\$109	\$24,149
As of December 31, 2024	\$4,150	\$6,556	\$5,950	\$131	\$16,787
Additions	_	20,405	400	_	20,805
Maturities/amortization	(2,250)	(10,253)	(4,000)	(4)	(16,507)
As of June 30, 2025	\$1,900	\$16,708	\$2,350	\$127	\$21,085

Other Derivatives consisted of retail customer derivative products.

#### **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 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. As of June 30, 2025, 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**

	June 30,	December 31,
(in thousands)	2025	2024
Notional amount	\$2,677,284	\$6,280,995
Cash collateral posted by counterparties	\$—	\$(1,910)

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. From time to time we may have variation margin payments posted in excess or received in deficit of our net exposure to cleared derivative transactions due to timing differences of changes in the fair value of the derivatives and settlement of the margin payments. Such additional variation margin is classified within "Other assets" or "Other liabilities" in the Statements of Condition. Initial margin requirements consider volume of notional outstanding, duration of outstanding derivatives and market volatility.

#### **Centrally Cleared Derivatives**

	June 30,	December 31,
(in thousands)	2025	2024
Notional Amount	\$18,407,284	\$10,505,995
Initial margin posted with counterparties	\$224,755	\$174,787

#### **Accounting for Derivatives**

Fair Value Hedges: For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative as well as the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the derivative in the same line item ("Interest expense") on the Statements of Comprehensive Income as the offsetting gain or loss on the related hedged item.

Cash Flow Hedges: For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative is reported as a component of "Other comprehensive income" until earnings are affected by the variability of the cash flows of the hedged transaction. 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.

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

#### **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.

	June 30, 2025		December 31, 2024	
	Fair Value	Fair Value	Fair Value	Fair Value
(in thousands)	Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments:				
Receive-fixed swaps	\$4,209	\$481	\$3,838	\$2,876
Pay-fixed swaps	111,984	53,136	221,589	8,977
Floating-for-floating swaps	89	6,858	2,536	2,914
Total derivatives designated as hedging instruments	116,282	60,475	227,963	14,767
Derivatives not designated as hedging instruments:				
Receive-fixed swaps	_	_	439	_
Pay-fixed swaps	6,261	66	9,351	_
Floating-for-floating swaps	_	_	6	_
Other derivative products	286	5,508	6	8,299
Total derivatives not designated as hedging instruments	6,547	5,574	9,802	8,299
Variation margin settled	(66,769)	_	(211,504)	_
Credit valuation adjustments	(119)	_	(166)	_
Total gross amounts of derivatives	\$55,941	\$66,049	\$26,095	\$23,066

	June 30,	December 31,
(in thousands)	2025	2024
Derivative assets	\$55,941	\$26,095
Derivative liabilities	(66,049)	(23,066)
Accrued interest receivable on derivatives, net	15,741	13,575
Gross amounts not offset in Statements of Condition:		
Cash collateral posted by counterparties	_	(1,910)
Cash collateral posted with counterparties	224,755	174,787
Net exposure amounts	\$230,388	\$189,481

The fair value of derivatives includes a credit valuation adjustment (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, \$12.9 million of net gains in AOCI on derivative instruments that qualified as cash flow hedges are expected to be reclassified into earnings.

#### **Cash Flow Hedging Relationships**

(in thousands)	Amount of Loss Recognized in OCI on	Amount of Gain (Loss) Reclassified from AOCI
For the six months ended June 30, 2025	Derivatives	into Income
Pay-fixed swaps	\$(123,581)	\$25,011
Floating-for-floating swaps	(7,483)	(1,091)
Total	\$(131,064)	\$23,920
(in thousands) For the six months ended June 30, 2024	Amount of Gain Recognized in OCI on Derivatives	Amount of Gain (Loss) Reclassified from AOCI into Income
Pay-fixed swaps	\$149,291	\$33,679
Floating-for-floating swaps	3,293	(1,339)
Total	\$152,584	\$32,340

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.

(in thousands)	Other Income (Loss), Net		Interest Expense	
For the six months ended June 30,	2025	2024	2025	2024
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:	\$(1,633)	\$(1,827)	\$3,347,244	\$3,207,774
Asset and Liability Management Positions				
Fair value hedges:				
Interest rate derivatives	_	_	(885)	5,540
Bonds and notes	_	_	2,741	(9,630)
Cash flow hedges:				
Interest rate derivatives	_	_	(23,920)	(32,340)
Economic hedges:				
Interest rate derivatives	(528)	(548)	_	_

Note: We do not exclude components from effectiveness testing for fair value or 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:

			Included in the (	Carrying Amount
	Carrying Amount of	of the Hedged Item	of the He	dged Item
	June 30,	December 31,	June 30,	December 31,
(in thousands)	2025	2024	2025	2024
Line Item on the Statements of Condition				
Bonds and notes	\$1,903,142	\$2,149,993	\$3,832	\$1,090

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

**Cumulative Fair Value Adjustment** 

#### NOTE 9

## **Accumulated Other Comprehensive Loss**

#### Changes in Components of Accumulated Other Comprehensive Income (Loss)

(in thousands)	Investment Securities Activity	Derivatives and Hedging Activity	Employee Benefits Activity	Total
Balance at December 31, 2023	\$(678,429)	\$27,509	\$(1,485)	\$(652,405)
Other comprehensive (loss) income before reclassifications	(23,430)	152,584	_	129,154
Amounts reclassified from accumulated other comprehensive loss	139	(32,340)	82	(32,119)
Net other comprehensive (loss) income	(23,291)	120,244	82	97,035
Balance at June 30, 2024	\$(701,720)	\$147,753	\$(1,403)	\$(555,370)
Balance at December 31, 2024	\$(629,529)	\$196,491	\$(1,380)	\$(434,418)
Other comprehensive income (loss) before reclassifications	192,726	(131,064)	_	61,662
Amounts reclassified from accumulated other comprehensive loss	(10)	(23,920)	74	(23,856)
Net other comprehensive income (loss)	192,716	(154,984)	74	37,806
Balance at June 30, 2025	\$(436,813)	\$41,507	\$(1,306)	\$(396,612)

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

#### **NOTE 10**

## **Subsequent Events**

We have evaluated subsequent events through August 8, 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 the Quarterly Financial Statements or disclosure in the Notes to these Financial Statements.

#### **NOTE 11**

# **AgriBank and District Associations**

The accompanying 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 <a href="https://www.AgriBank.com">www.AgriBank.com</a>.

# **Additional Regulatory Information**

AgriBank, FCB

(Unaudited)

# **Regulatory Capital Disclosures**

The following information contains quarterly regulatory disclosures as required under FCA Regulations 628.62 and 628.63 for risk-adjusted ratios, common equity tier 1, tier 1 capital and total capital ratios. Refer to Note 4 of the accompanying Financial Statements for information regarding the statutorily required permanent capital ratio. These disclosures should be read in conjunction with our 2024 Annual Report, which includes additional qualitative disclosures. Unless otherwise noted, there have been no material changes to the qualitative disclosures contained in the 2024 Annual Report. As required by FCA regulations, these disclosures, including regulatory capital ratios, are made available for at least three years and can be accessed in our financial reports at <a href="https://www.AgriBank.com">www.AgriBank.com</a>.

The following table summarizes the interim disclosure requirements and indicates where each matter is disclosed in this quarterly report.

Disclosure Requirement	Description	Second Quarter 2025 Report Reference
Scope of Application	Corporate entity and consolidated subsidiaries	34
Capital Structure	Regulatory capital components	34
Capital Adequacy	Risk-weighted assets Regulatory capital ratios	35
Capital Buffers	Quantitative disclosures	35
Credit Risk	Summary of exposures Geographic distribution Additional industry and counterparty distribution Contractual maturity Impaired loans and allowance for credit losses	36
Counterparty Credit Risk-Related Exposures	Counterparty exposures	38
Credit Risk Mitigation	Exposures with reduced capital requirements	38
Securitization	Securitization exposures	39
Equities	Equity exposures	39
Interest Rate Risk for Non-Trading Activities	Interest rate sensitivity	40

# **Scope of Application**

AgriBank is primarily owned by Farm Credit Associations (District Associations). District Associations are composed of Agricultural Credit Associations, each of which has wholly owned Farm Land Credit Association and Production Credit Association subsidiaries. AgriBank is the primary funding source for all District Associations. AgriBank has no subsidiaries; therefore, the Financial Statements are only those of AgriBank and are not consolidated with any other entity.

# **Capital Structure**

#### **Regulatory Capital Structure**

	3-month
(in thousands)	Average Daily
As of June 30, 2025	Balance
Common Equity Tier 1 Capital (CET1)	
Common Cooperative Equities:	
Statutory minimum purchased borrower stock	\$20
Other required member purchased stock	4,238,730
Allocated equities:	
Allocated stock subject to retirement	2,377,472
Qualified allocated equities subject to retirement	_
Nonqualified allocated equities subject to retirement	_
Nonqualified allocated equities not subject to retirement	_
Unallocated retained earnings	3,550,709
Paid-in capital	_
Regulatory adjustments and deductions made to CET1	(10,360)
Total CET1	\$10,156,571
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	\$10,156,571
Total Capital	
Common Cooperative Equities not included in CET1	\$—
Subordinated debt	_
Adjusted allowance for credit losses <sup>(1)</sup>	43,364
Regulatory adjustments and deductions made to total capital	_
Total Tier 2 capital	43,364
Total Capital	\$10,199,935

 $<sup>^{(1)}</sup>$  Adjusted allowance for credit losses includes the allowance for credit losses on loans and allowance for credit losses on unfunded commitments.

# **Capital Adequacy and Capital Buffers**

#### **Risk-Weighted Assets**

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

#### As of June 30, 2025

1.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	
Exposures to:	
Sovereign entities	\$—
Certain supranational entities and multilateral development banks	_
Foreign bank entities	505,910
Government-sponsored enterprises <sup>(1)</sup>	30,916,697
Depository institutions and credit unions <sup>(2)</sup>	116,439
Public sector entities	_
Corporate, including borrower loans	27,583,352
Residential mortgage	1,798,988
High volatility commercial real estate	_
Past due and nonaccrual	462,488
Securitization	654,588
Equity	_
Cleared transactions	3,076
Unsettled transactions	_
All other assets	319,358
Deductions:	
Regulatory adjustments and deductions made to CET1	10,360
Regulatory adjustments and deductions made to $AT1^{(3)}$	_
Regulatory adjustments and deductions made to ${\rm T2}^{\rm (4)}$	
Total standardized risk-weighted assets	\$62,350,536
(1)	

<sup>&</sup>lt;sup>(1)</sup> Includes exposures to Farm Credit System entities

As of June 30, 2025, the Bank was well-capitalized and exceeded all capital requirements to which it was subject, including applicable capital buffers. Because capital exceeded the buffer requirements, the Bank currently has no limitations on its distributions and discretionary bonus payments. The aggregate amount of eligible retained income, as regulatorily calculated, was \$986.4 million as of June 30, 2025.

A - - E

#### **Regulatory Capital Requirements and Ratios**

			As of	
	Regulatory	Required	June 30,	Calculated
	Minimums	Buffer	2025	Buffer
Common equity tier 1 capital ratio	4.5 %	2.5 %	16.3 %	11.8 %
Tier 1 capital ratio	6.0 %	2.5 %	16.3 %	10.3 %
Total capital ratio	8.0 %	2.5 %	16.4 %	8.4 %
Capital conservation buffer				8.4 %
Tier 1 leverage ratio	4.0 %	1.0 %	5.2 %	1.2 %
Leverage buffer				1.2 %

 $<sup>^{(2)}</sup>$  Includes exposures to Loans to other financing institutions (OFIs) that are risk-weighted as U.S. depository institutions and credit unions

<sup>(3)</sup> AT1 capital is additional tier 1 capital

<sup>(4)</sup> T2 is tier 2 capital

#### **Credit Risk**

Refer to Note 2 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. The allowance for credit losses on loans is determined individually or by a pooled approach for loans that share similar risk characteristics, including, but not limited to, probability of default (PD) and loss given default (LGD). Allowance needs by geographic region are only considered in rare circumstances, for example flooding, drought, etc., that may not otherwise be reflected in the PD and LGD. There was no allowance attributed to a geographic area as of June 30, 2025. All nonaccrual loans, past-due loans and allowance are within our retail portfolio. The retail portfolio is substantially concentrated in our chartered territory and has not changed significantly since December 31, 2024. Refer to Note 3 of the accompanying Financial Statements for a summary of the contractual maturity, amortized cost, fair value and weighted average yield of investment securities by type.

Refer to the Capital Adequacy and Capital Buffers section for information regarding types of credit risk exposures.

#### **Credit Exposures - Lending and Investments**

		3-month
(in thousands)		Average Daily
As of June 30, 2025	End of Period	Balance
Loans	\$169,301,700	\$166,586,267
Investments <sup>(1)</sup>	25,125,092	25,088,570
Loan and other commitments	54,521,762	51,397,703
Letters of credit	285,275	283,305

<sup>&</sup>lt;sup>(1)</sup> Includes federal funds and securities purchased under resale agreements

#### **Credit Exposures - Derivatives**

	End of Period		3-month Average	e Daily Balance
(in thousands)	Notional	Gross Positive	Notional	Gross Positive
As of June 30, 2025	Amount	Value	Amount	Value
Cleared derivatives	\$18,407,284	\$—	\$15,010,896	\$30,798
Bilateral derivatives	2,677,284	16,518	2,678,423	2,711

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

#### Loan and Commitment Geographic Distribution

As of June 30, 2025

Wholesal	e Portfolio	Retail P	Portfolio
Illinois	9 %	lowa	10 %
Iowa	9 %	Minnesota	9 %
Minnesota	8 %	Nebraska	8 %
Nebraska	6 %	Illinois	7 %
Indiana	6 %	Indiana	6 %
Michigan	6 %	Ohio	6 %
Missouri	5 %	Michigan	5 %
Wisconsin	5 %	South Dakota	5 %
Ohio	5 %	Tennessee	5 %
Other	41 %	Other	39 %
Total	100 %	Total	100 %

Wholesale loan and commitment portfolio distribution 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 2024 Annual Report. When compared to the year ended December 31, 2024, current period retail distribution has changed slightly due to the additional participations purchased in our asset pool programs during the current quarter.

#### **Loan and Commitment Industry Distribution**

As of June 30, 2025

Retail Portfolio			
Crops	46 %		
Cattle	12 %		
Investor and Rural residential real estate	8 %		
Loans to OFIs	7 %		
Food Products	6 %		
Other	21 %		
Total	100 %		

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**

		Over One Year		
(in thousands)	One Year or	but Less than	Five Years or	
As of June 30, 2025	Less	Five Years	More	Total
Wholesale loans	\$13,604,766	\$131,554,404	\$—	\$145,159,170
Retail loans <sup>(1)</sup>	5,411,617	6,534,803	13,921,278	25,867,698
Investments <sup>(2)</sup>	10,058,192	7,608,275	7,458,625	25,125,092
Wholesale loan commitments	1,394,439	47,275,421	_	48,669,860
Retail loan and other commitments <sup>(3)</sup>	3,007,216	2,575,769	554,192	6,137,177
Cleared derivative notional	9,430,000	5,014,869	3,962,415	18,407,284
Bilateral derivative notional	655,000	1,714,869	307,415	2,677,284

<sup>(1)</sup> Includes loans to OFIs and service entities

Note: Accruing loans include accrued interest receivable.

## **Counterparty Credit Risk and Credit Risk Mitigation**

#### Credit Risk Mitigation Related to Derivatives

Refer to the Derivative Financial Instruments section of the 2024 Annual Report in the Management's Discussion and Analysis and Note 8 of the accompanying Financial Statements for more information on credit risk mitigation related to derivatives.

We have not entered into any credit default swap agreements to mitigate our credit exposure to counterparties. Refer to Note 8 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 in the Credit Risk section.

#### Credit Risk Mitigation Related to Loans

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

#### **Loan and Commitment Exposures Covered by Guarantees**

	3-month	Risk-weighted 3-	
(in thousands)	Average Daily	month Average	
As of June 30, 2025	Balance	Daily Balance	
Unconditionally guaranteed			
Loans	\$131	\$—	
Conditionally guaranteed			
Loans	23,984	4,797	
Commitments	386	36	
Total	\$24,501	\$4,833	

<sup>(2)</sup> Includes federal funds and securities purchased under resale agreements

<sup>(3)</sup> Includes commitments to OFIs and service entities

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

#### **Investment Exposures Covered by Guarantees**

	3-month	Risk-weighted 3-
(in thousands)	Average Daily	month Average
As of June 30, 2025	Balance	Daily Balance
Unconditionally guaranteed	\$15,974,443	\$—
Conditionally guaranteed	1,072,462	213,833
Total	\$17,046,905	\$213,833

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, non-agency mortgage-backed securities and asset-backed securities, all of which were of high credit quality and met eligibility requirements as of June 30, 2025.

#### Securitization

For the three months ended June 30, 2025, we did not hold any off-balance sheet securitization exposures, retain any resecuritization exposures, nor were any securitization exposures deducted from capital.

#### **Securitization Exposures**

		Weighted	
(3-month average daily balance in thousands)		average risk-	Risk-weighted
As of June 30, 2025	Exposure	weight factor	assets
Gross up risk weight bands:			
100%	\$113,597	100%	\$113,597
> 100% and < 1,250%	393,561	137%	540,991
1250%	_	1250%	_
Total risk-weighted securitization assets	\$507,158	129%	\$654,588

## **Equities**

We are a limited partner in certain Rural Business Investment Companies (RBICs) for various relationship and strategic reasons. These 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 June 30, 2025, all RBICs were accounted for under the equity method; therefore, no unrealized gains (losses) exist for these exposures. Further, we do not believe any significant latent revaluation gains (losses) exist for these exposures are included in tier 1 or tier 2 capital.

#### **Equity Investments included in Capital Ratios**

		Life-to-Date losses
(in thousands)	Disclosed in Other	recognized in
As of June 30, 2025	Assets	Retained Earnings <sup>(1)</sup>
RBIC	\$17,760	\$15,611

 $<sup>^{(1)}</sup>$  Retained earnings is included in common equity tier 1, tier 1 and total capital ratios

## **Interest Rate Risk**

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. Due to interest rate levels as of June 30, 2025, the down scenario was not limited.

#### **NII Sensitivity Analysis**

	Basis Point Interest Rate Change			
As of June 30, 2025	Down 200	Down 100	Up 100	Up 200
Immediate Change (Shock):				
NII sensitivity	(2.0)%	(1.2)%	1.4 %	1.7 %
Board policy	(15.0)%			(15.0)%
Gradual Change (Ramp):				
NII sensitivity	(3.0)%	(1.4)%	0.7 %	0.8 %

#### **Economic Value of Equity (EVE) Sensitivity Analysis**

As of June 30, 2025	Basis Point Interest Rate Change			
	Down 200	Down 100	Up 100	Up 200
Immediate Change (Shock):				
EVE sensitivity	9.8 %	3.9 %	(3.2)%	(6.6)%
Board policy	(12.0)%			(12.0)%

