

THIRD QUARTER FINANCIAL RESULTS | 2025



KEY FINANCIAL DATA

INCOME STATEMENT	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net interest income	\$ 512	\$ 478	\$ 1,547	\$ 1,431
Provision for credit losses	30	29	129	6
Noninterest income	134	114	388	365
Operating expenses	149	158	453	437
Provision for income taxes	38	24	113	116
Net income	429	381	1,240	1,237

BALANCE SHEET (period-end)	September 30, 2025		December 31, 2024	
Total loans	\$ 156,557	\$ 158,859		
Total assets	210,179	208,574		
Shareholders' equity	13,604	12,862		

PROFITABILITY METRICS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net interest margin	0.99 %	0.99 %	0.99 %	1.00 %
Return on average common equity	13.73 %	13.38 %	13.74 %	15.49 %
Return on average assets	0.81 %	0.78 %	0.79 %	0.86 %
Operating expense ratio (excluding insurance fund premiums)	22.05 %	25.58 %	22.39 %	23.27 %

HIGHLIGHTS

- Average loans increased 5% year-over-year in Q3 and 7% YTD. Loans outstanding totaled \$156.6 billion at September 30, 2025
 - Growth in year-over-year Q3 and YTD average loans across all three segments
- Net income for Q3 increased 13% to \$429 million compared to \$381 million in Q3 2024 and increased YTD to \$1.240 billion compared to \$1.237 billion in the prior year period
 - Q3 increase in net income resulted from higher net interest income and noninterest income as well as lower operating expenses, partially offset by a higher provision for income taxes
 - YTD modest increase in net income was primarily due to higher net interest income and noninterest income, largely offset by an increase in the provision for credit losses and higher operating expenses
- Net interest income for Q3 increased 7% to \$512 million from \$478 million in Q3 2024 and YTD increased 8% to \$1.547 billion from \$1.431 billion in the prior year period primarily driven by higher average loans
 - Net interest margin YTD was 0.99%, compared to 1.00% in the same period in 2024
 - Provision for credit losses in Q3 was \$30 million compared to \$29 million in Q3 2024 and YTD was \$129 million compared to \$6 million in the prior year period
 - Higher provision YTD primarily resulted from deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments including increased charge-offs and specific reserves requiring a higher level of provisioning
 - Noninterest income increased \$20 million in Q3 and \$23 million YTD compared to the same 2024 periods
 - Q3 increase primarily driven by higher loan-related fee income and gains on sales of investment securities
 - YTD increase driven by higher patronage income, customer derivative income and other noninterest income, partially offset by a lower return of excess insurance funds from the Farm Credit System Insurance Corporation
 - Operating expenses decreased 6% or \$9 million in Q3 compared to Q3 2024 and increased 4% or \$16 million YTD compared to the same period in 2024
 - Q3 decrease due to lower employee compensation and information services expense, partially offset by higher Insurance Fund premium expense and general and administrative expenses
 - YTD increase due to higher Insurance Fund premium expense, general and administrative expenses and employee compensation
 - Capital and liquidity levels remain strong and were in excess of regulatory minimums as of September 30, 2025
 - Total capital increased to \$13.6 billion from year end, primarily from current period earnings and a decrease in accumulated other comprehensive loss, partially offset by accrued patronage and retirements of preferred stock
 - Total capital ratio was 14.71%, compared with the 8.0% minimum
 - 196 days of liquidity, compared with the 90-day minimum

OPERATING SEGMENTS

Three Months Ended September 30,	Agribusiness		Rural Infrastructure		Farm Credit Banking		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Average loans	\$ 37,948	\$ 37,213	\$ 35,262	\$ 33,439	\$ 84,760	\$ 79,953	\$ 157,970	\$ 150,605
Net income	190	165	163	143	76	73	429	381

Nine Months Ended September 30,	Agribusiness		Rural Infrastructure		Farm Credit Banking		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Average loans	\$ 41,580	\$ 38,578	\$ 34,930	\$ 33,143	\$ 83,821	\$ 78,398	\$ 160,331	\$ 150,119
Net income	539	562	471	456	230	219	1,240	1,237

Period-end loans	Agribusiness		Rural Infrastructure		Farm Credit Banking		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
September 30, 2025 and December 31, 2024	\$ 36,667	\$ 40,463	\$ 35,064	\$ 34,337	\$ 84,826	\$ 84,059	\$ 156,557	\$ 158,859

MANAGEMENT COMMENTARY

"CoBank is pleased to report its financial results for the third quarter of 2025. The bank delivered strong financial performance during the quarter despite challenging credit conditions impacting agriculture and other rural infrastructure industries we finance. Overall, the financial position of the bank and its ability to fulfill its mission in rural America remains strong."

– Thomas Halverson, CEO, CoBank

"The third quarter was highlighted by robust growth in average loans, operating revenue and net income. Notably, net interest income was also strong during the quarter reflecting higher average loans. We are still experiencing credit softening, but our capital position remains strong."

– Sean Burke, CFO, CoBank

NET INTEREST INCOME AND NET INTEREST MARGIN

Net interest income increased \$116 million, or 8 percent, to \$1.547 billion for the nine months ended September 30, 2025 as compared to \$1.431 billion for the same period in 2024. The increase in net interest income was primarily driven by higher average loans which resulted in greater net interest income across all three operating segments. Net interest margin was 0.99 percent for the nine months ended September 30, 2025 compared to 1.00 percent for the same period in 2024.

Net Interest Margin and Net Interest Income

Nine months ended	September 30, 2025			September 30, 2024		
	Average Balance	Average Rate	Interest Income/Expense	Average Balance	Average Rate	Interest Income/Expense
(\$ in millions)						
Interest earning assets						
Loans	\$ 160,331	5.00 %	\$ 5,995	\$ 150,119	5.47 %	\$ 6,158
Investments	46,099	3.87 %	1,332	37,754	3.92 %	1,111
Federal funds sold and other overnight funds	1,837	4.36 %	60	2,523	5.38 %	102
Total	208,267	4.74 %	7,387	190,396	5.16 %	7,371
Interest bearing liabilities	193,876	4.03 %	5,840	177,210	4.47 %	5,940
Interest rate spread		0.71 %			0.69 %	
Impact of equity financing	13,132	0.28 %		11,782	0.31 %	
Net interest margin & net interest income		0.99 %	\$ 1,547		1.00 %	\$ 1,431

CREDIT QUALITY

Notwithstanding some credit quality deterioration, our overall loan quality remains manageable at September 30, 2025. Special Mention loans were 1.16 percent of total loans at September 30, 2025 compared to 1.34 percent of total loans at December 31, 2024. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 1.00 percent at September 30, 2025 compared to 0.84 percent at December 31, 2024 primarily due to customers in our Agribusiness operating segment that transferred to Substandard status. Nonaccrual loans, which are classified as Substandard and Doubtful loans, were 0.27 percent of total loans at September 30, 2025, compared to 0.24 percent at December 31, 2024. We believe credit quality deterioration in the future is possible due to market factors impacting our customers. Such factors include trade, tariff and economic uncertainty, an ongoing volatile agricultural commodity price environment, labor shortages, inflation, elevated level of interest rates, weather related events, as well as the war in Ukraine and instability in the Middle East. In addition, concentrations within our loan portfolio can cause the level of our loan quality, nonaccrual loans, charge-offs and provisions for credit losses or credit loss reversals to vary significantly from period to period.

Loan Quality Ratios

	September 30, 2025			December 31, 2024		
	Wholesale Loans	Commercial Loans	Total	Wholesale Loans	Commercial Loans	Total
Acceptable	100.00 %	95.30 %	97.84 %	100.00 %	95.39 %	97.82 %
Special Mention	—	2.53 %	1.16 %	—	2.84 %	1.34 %
Substandard	—	2.11 %	0.97 %	—	1.71 %	0.81 %
Doubtful	—	0.06 %	0.03 %	—	0.06 %	0.03 %
Loss	—	—	—	—	—	—
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

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BALANCE SHEET INFORMATION

(period-end)	September 30, 2025		December 31, 2024	
(\$ in millions)	(Unaudited)			
Loans	\$	156,557	\$	158,859
Less: Allowance for loan losses		728		733
Net loans		155,829		158,126
Cash and cash equivalents		349		823
Federal funds sold and other overnight funds		2,311		3,490
Investment Securities (net of allowance of \$1 at September 30, 2025 and December 31, 2024)		48,819		43,407
Interest rate swaps and other derivatives		517		464
Accrued interest receivable and other assets		2,354		2,264
Total assets	\$	210,179	\$	208,574
Bonds and notes	\$	192,837	\$	191,621
Interest rate swaps and other derivatives		608		702
Reserve for unfunded commitments		61		59
Patronage payable		645		900
Accrued interest payable and other liabilities		2,424		2,430
Total liabilities		196,575		195,712
Shareholders' equity		13,604		12,862
Total liabilities and shareholders' equity	\$	210,179	\$	208,574

STATEMENT OF INCOME INFORMATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(\$ in millions)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	\$ 2,472	\$ 2,507	\$ 7,387	\$ 7,371
Interest expense	1,960	2,029	5,840	5,940
Net interest income	512	478	1,547	1,431
Provision for credit losses	30	29	129	6
Net interest income after provision for credit losses	482	449	1,418	1,425
Noninterest income	134	114	388	365
Operating expenses	149	158	453	437
Provision for income taxes	38	24	113	116
Net income	\$ 429	\$ 381	\$ 1,240	\$ 1,237

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our actual results may differ materially and adversely from our expectations expressed in any forward-looking statements. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "plan," "project," "target," "may," "will," "should," "would," "could," or similar expressions. Although we believe that the information expressed or implied in such forward-looking statements is reasonable, we can give no assurance that such projections and expectations will be realized or the extent to which a particular plan, projection or expectation may be realized.

These forward-looking statements are based on current knowledge and subject to risks and uncertainties. We encourage you to read our Annual Report and Quarterly Reports located on the bank's website at www.cobank.com. We undertake no obligation to revise or publicly update our forward-looking statements for any reason.

ABOUT COBANK

CoBank is a cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 79,000 farmers, ranchers and other rural borrowers in 23 states around the country. CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit www.cobank.com.

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