

## KEY FINANCIAL DATA

(\$ in millions)

| INCOME STATEMENT            | Three months ended September 30, |        | Nine months ended September 30, |          |
|-----------------------------|----------------------------------|--------|---------------------------------|----------|
|                             | 2024                             | 2023   | 2024                            | 2023     |
| Net interest income         | \$ 478                           | \$ 456 | \$ 1,431                        | \$ 1,371 |
| Provision for credit losses | 29                               | 8      | 6                               | 70       |
| Noninterest income          | 114                              | 107    | 365                             | 315      |
| Operating expenses          | 158                              | 142    | 437                             | 432      |
| Provision for income taxes  | 24                               | 33     | 116                             | 96       |
| Net income                  | 381                              | 380    | 1,237                           | 1,088    |

| BALANCE SHEET (period-end) | September 30, 2024 |            | December 31, 2023 |            |
|----------------------------|--------------------|------------|-------------------|------------|
| Total loans                | \$ 152,317         | \$ 152,317 | \$ 148,015        | \$ 148,015 |
| Total assets               | 199,046            | 199,046    | 194,359           | 194,359    |
| Shareholders' equity       | 12,605             | 12,605     | 11,193            | 11,193     |

| PROFITABILITY METRICS                                       | Three Months Ended September 30, |         | Nine months ended September 30, |         |
|---|----------------------------------|---------|---------------------------------|---------|
|   | 2024                             | 2023    | 2024                            | 2023    |
| Net interest margin   | 0.99%                            | 0.98%   | 1.00 %                          | 0.99 %  |
| Return on average common equity                             | 13.38%                           | 15.97%  | 15.49 %                         | 15.23 % |
| Return on average assets                                    | 0.78%                            | 0.81%   | 0.86 %                          | 0.77 %  |
| Operating expense ratio (excluding insurance fund premiums) | 25.58 %                          | 20.95 % | 23.27 %                         | 21.02 % |

## HIGHLIGHTS

- Average loans rose 7% year-over-year in Q3 and 5% YTD. Loans outstanding totaled \$152.3 billion at September 30, 2024
  - Growth in year-over-year Q3 average loans across all three operating segments
  - Growth in YTD average loans was in our Farm Credit Banking and Rural Infrastructure operating segments, partially offset by a decline in lending in our Agribusiness operating segment
- Net income for Q3 was \$381 million compared to \$380 million in Q3 2023. Net income YTD was \$1.237 billion compared to \$1.088 billion in the prior year period
  - The slight increase in Q3 net income resulted primarily from higher net interest income and noninterest income and lower income taxes, partially offset by a higher provision for credit losses and higher operating expenses, which included a \$12 million nonrecurring pension plan termination expense
  - The 14% increase in YTD net income resulted primarily from a lower provision for credit losses, higher net interest income and noninterest income, partially offset by higher income taxes and operating expenses
- Net interest income for Q3 increased 5% to \$478 million from \$456 million and YTD increased 4% to \$1.431 billion from \$1.371 billion
- Net interest margin YTD was 1.00% in 2024, compared to 0.99% in the prior year period
- Provision for credit losses in Q3 was \$29 million compared to \$8 million in the prior year period and YTD was \$6 million compared to \$70 million in the prior year period
  - The higher provision in Q3 primarily resulted from deterioration in credit quality. The lower provision YTD primarily resulted from improvements in macroeconomic conditions that resulted in lowered modeled credit losses in many of our lending portfolios, partially offset by deterioration in credit quality
- Noninterest income increased \$7 million in Q3 primarily from customer driven derivative gains and increased patronage income. Noninterest income increased \$50 million YTD primarily due to a \$25 million return of excess insurance funds from the Farm Credit System Insurance Corporation, higher patronage income, and increased net fee income primarily from our Rural Infrastructure operating segment
- Operating expenses increased \$16 million in Q3 and \$5 million YTD primarily from higher employee compensation which included a \$12 million nonrecurring pension plan termination expense and increased information services costs, partially offset by a decrease in Farm Credit System Insurance Fund premium expense from lower premium rates
- Capital and liquidity levels remain strong and were in excess of regulatory minimums as of September 30, 2024
  - Total capital increased to \$12.6 billion primarily from YTD earnings, a decrease in accumulated other comprehensive loss and issuance of preferred stock
  - Total capital ratio was 14.57%, compared with the 8.0% minimum
  - 190 days of liquidity, compared with the 90-day minimum

## OPERATING SEGMENTS

(\$ in millions)

|  | Agribusiness |           | Rural Infrastructure |           | Farm Credit Banking |           | Total      |            |
|--|--------------|-----------|----------------------|-----------|---------------------|-----------|------------|------------|
|  | 2024         | 2023      | 2024                 | 2023      | 2024                | 2023      | 2024       | 2023       |
| <b>Three months ended September 30,</b>  |              |           |                      |           |                     |           |            |            |
| Average loans                            | \$ 37,213    | \$ 36,777 | \$ 33,439            | \$ 30,694 | \$ 79,953           | \$ 73,184 | \$ 150,605 | \$ 140,655 |
| Net income                               | 165          | 186       | 143                  | 118       | 73                  | 76        | 381        | 380        |
| <b>Nine months ended September 30,</b>   |              |           |                      |           |                     |           |            |            |
| Average loans                            | \$ 38,578    | \$ 40,744 | \$ 33,143            | \$ 29,771 | \$ 78,398           | \$ 71,874 | \$ 150,119 | \$ 142,389 |
| Net income                               | 562          | 529       | 456                  | 349       | 219                 | 210       | 1,237      | 1,088      |
| <b>Period-end loans</b>                  |              |           |                      |           |                     |           |            |            |
| September 30, 2024 and December 31, 2023 | \$ 37,496    | \$ 37,785 | \$ 33,771            | \$ 32,572 | \$ 81,050           | \$ 77,658 | \$ 152,317 | \$ 148,015 |

## MANAGEMENT COMMENTARY

"CoBank continues to deliver strong overall financial results despite increased stress in the agricultural sector, including more challenging credit conditions. We remain focused on serving our customers dependably and fulfilling our mission across all the rural industries we finance."

– *Thomas Halverson, President and CEO, CoBank*

"Year over year, CoBank experienced strong growth in our Farm Credit Banking and Rural Infrastructure segments. We continue to benefit from the diversification in our portfolio and our capital position remains robust, ensuring sustainable growth to a wide variety of essential rural industries that we serve."

– *Sean Burke, CFO, CoBank*

## NET INTEREST INCOME AND NET INTEREST MARGIN

Net interest income increased \$60 million, or 4%, to \$1.431 billion for the nine months ended September 30, 2024, compared to \$1.371 billion for the same period in 2023. The increase in net interest income was primarily driven by higher average loans in our Rural Infrastructure operating segment and an increase in non-interest bearing funding sources (principally capital). Partially offsetting these increases was a decrease in net interest income in our Agribusiness operating segment driven by a decline in seasonal financing at many of our grain and farm supply cooperative customers due to lower commodity prices and lower levels of grain ownership by these customers. In particular, ownership levels of wheat, corn, and soybeans by our cooperative customers all decreased significantly compared to the prior period as farmers are holding more inventory. Net interest margin increased to 1.00 percent for the nine months ended September 30, 2024 compared to 0.99 percent for the same period in 2023.

### Net Interest Margin and Net Interest Income

| Nine months ended                                    | September 30, 2024 |               |                         | September 30, 2023 |               |                         |
|--|--------------------|---------------|-------------------------|--------------------|---------------|-------------------------|
|  | Average Balance    | Average Rate  | Interest Income/Expense | Average Balance    | Average Rate  | Interest Income/Expense |
| (\$ in millions)                                     |                    |               |                         |                    |               |                         |
| <b>Interest earning assets</b>                       |                    |               |                         |                    |               |                         |
| Loans  | \$ 150,119         | 5.47 %        | \$ 6,158                | \$ 142,389         | 4.98 %        | \$ 5,297                |
| Investments  | 37,754             | 3.92 %        | 1,111                   | 34,346             | 3.54 %        | 910                     |
| Federal funds sold and other overnight funds         | 2,523              | 5.38 %        | 102                     | 8,920              | 4.98 %        | 334                     |
| <b>Total</b>   | <b>190,396</b>     | <b>5.16 %</b> | <b>7,371</b>            | <b>185,655</b>     | <b>4.71 %</b> | <b>6,541</b>            |
| <b>Interest bearing liabilities</b>                  | <b>177,210</b>     | <b>4.47 %</b> | <b>5,940</b>            | <b>173,783</b>     | <b>3.98 %</b> | <b>5,170</b>            |
| <b>Interest rate spread</b>                          |                    | <b>0.69 %</b> |                         |                    | <b>0.73 %</b> |                         |
| Impact of equity financing                           | 11,782             | 0.31 %        |                         | 10,558             | 0.26 %        |                         |
| <b>Net interest margin &amp; net interest income</b> |                    | <b>1.00 %</b> | <b>\$ 1,431</b>         |                    | <b>0.99 %</b> | <b>\$ 1,371</b>         |

## CREDIT QUALITY

Notwithstanding some credit quality deterioration, our overall loan quality measures remain solid at September 30, 2024. Special Mention loans were 2.28 percent of total loans at September 30, 2024 compared to 2.34 percent of total loans at December 31, 2023. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 0.90 percent at September 30, 2024, compared to 0.74 percent at December 31, 2023 primarily due to a small number of customers in our Agribusiness and Rural Infrastructure operating segments that were transferred to Substandard status. We believe credit quality deterioration in the future is possible due to market factors impacting our customers. Such factors include an ongoing volatile agricultural commodity price environment, labor shortages, inflation, continued elevated level of interest rates, weather related events, economic, trade and global economic uncertainties, as well as the wars in Ukraine and 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, 2024 |                  |                 | December 31, 2023 |                  |                 |
|-----------------|--------------------|------------------|-----------------|-------------------|------------------|-----------------|
|                 | Wholesale Loans    | Commercial Loans | Total           | Wholesale Loans   | Commercial Loans | Total           |
| Acceptable      | 97.71 %            | 95.81 %          | 96.82 %         | 97.80 %           | 95.94 %          | 96.92 %         |
| Special Mention | 2.29 %             | 2.27 %           | 2.28 %          | 2.20 %            | 2.51 %           | 2.34 %          |
| Substandard     | —                  | 1.90 %           | 0.89 %          | —                 | 1.55 %           | 0.74 %          |
| Doubtful        | —                  | 0.02 %           | 0.01 %          | —                 | —                | —               |
| Loss            | —                  | —                | —               | —                 | —                | —               |
| <b>Total</b>    | <b>100.00 %</b>    | <b>100.00 %</b>  | <b>100.00 %</b> | <b>100.00 %</b>   | <b>100.00 %</b>  | <b>100.00 %</b> |

## BALANCE SHEET INFORMATION

| (period-end)   | September 30, 2024 |         | December 31, 2023 |         |
|--|--------------------|---------|-------------------|---------|
|  | (Unaudited)        |         |                   |         |
|  | (\$ in millions)   |         |                   |         |
| Loans  | \$                 | 152,317 | \$                | 148,015 |
| Less: Allowance for loan losses  |                    | 711     |                   | 730     |
| Net loans  |                    | 151,606 |                   | 147,285 |
| Cash and cash equivalents  |                    | 334     |                   | 1,013   |
| Federal funds sold and other overnight funds   |                    | 3,025   |                   | 4,615   |
| Investment securities (net of allowance of \$2 at September 30, 2024 and \$3 at December 31, 2023) |                    | 41,117  |                   | 38,343  |
| Interest rate swaps and other derivatives  |                    | 749     |                   | 812     |
| Accrued interest receivable and other assets   |                    | 2,215   |                   | 2,291   |
| Total assets   | \$                 | 199,046 | \$                | 194,359 |
| Bonds and notes  | \$                 | 182,639 | \$                | 178,821 |
| Interest rate swaps and other derivatives  |                    | 731     |                   | 833     |
| Reserve for unfunded commitments   |                    | 65      |                   | 84      |
| Patronage payable  |                    | 584     |                   | 831     |
| Accrued interest payable and other liabilities   |                    | 2,422   |                   | 2,597   |
| Total liabilities  |                    | 186,441 |                   | 183,166 |
| Shareholders' equity   |                    | 12,605  |                   | 11,193  |
| Total liabilities and shareholders' equity   | \$                 | 199,046 | \$                | 194,359 |

## STATEMENT OF INCOME INFORMATION

| (\$ in millions)                                      | Three Months Ended September 30, |          | Nine months ended September 30, |          |
|---|----------------------------------|----------|---------------------------------|----------|
|   | 2024                             | 2023     | 2024                            | 2023     |
|   | (Unaudited)                      |          | (Unaudited)                     |          |
| Interest income                                       | \$ 2,507                         | \$ 2,289 | \$ 7,371                        | \$ 6,541 |
| Interest expense                                      | 2,029                            | 1,833    | 5,940                           | 5,170    |
| Net interest income                                   | 478                              | 456      | 1,431                           | 1,371    |
| Provision for credit losses                           | 29                               | 8        | 6                               | 70       |
| Net interest income after provision for credit losses | 449                              | 448      | 1,425                           | 1,301    |
| Noninterest income                                    | 114                              | 107      | 365                             | 315      |
| Operating expenses                                    | 158                              | 142      | 437                             | 432      |
| Provision for income taxes                            | 24                               | 33       | 116                             | 96       |
| Net income  | \$ 381                           | \$ 380   | \$ 1,237                        | \$ 1,088 |

## 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](http://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 77,000 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](http://www.cobank.com).**

## MEDIA CONTACTS

### Julie Davis

Director, Corporate Communications  
202-215-1354  
[judavis@cobank.com](mailto:judavis@cobank.com)