



COBANK DISTRICT

2024 FINANCIAL INFORMATION



**CoBank District
2024 Financial Information**

District Financial Information

CoBank, ACB and Affiliated Associations

Introduction and District Overview

CoBank, ACB (CoBank, the Bank, we, our, or us) is one of the four banks in the Farm Credit System (System) and provides loans, leases and other financial services to support agriculture, rural infrastructure and rural communities across the United States. The System is a federally chartered network of borrower-owned lending institutions composed of cooperatives and related service organizations. The System was established in 1916 by the U.S. Congress, and is a Government Sponsored Enterprise. CoBank is federally chartered under the Farm Credit Act of 1971, as amended (the Farm Credit Act), and is subject to supervision, examination, and safety and soundness regulation by an independent federal agency, the Farm Credit Administration (FCA).

We are cooperatively owned by our eligible U.S. customers. Our customers consist of agricultural cooperatives; other food and agribusiness companies; rural power, communications and water cooperatives and companies; rural community facilities; Agricultural Credit Associations (Associations), which are regulated, farmer-owned financial institutions and members of the System; and other businesses that serve agriculture and rural communities. The Associations originate and service long-term real estate mortgage loans as well as production and intermediate-term loans for agricultural and other purposes to full and part-time farmers. Associations may also make loans to, among others, processing and marketing entities, farm-related businesses and rural residents for home purchase and improvements. The Associations may also purchase eligible loan participations from System entities and other lending institutions. Additionally, the Associations may serve as an intermediary in offering multi-peril crop insurance and credit life insurance and providing additional financial services to borrowers.

We are chartered by the FCA to serve the Associations that provide credit and related financial services to or for the benefit of eligible borrowers/shareholders for qualified purposes in specific geographic areas in the United States. We collectively refer to these entities as our affiliated Associations. The Associations are not authorized by the Farm Credit Act to participate directly in the issuance of Systemwide bonds, medium term notes and discount notes (collectively referred to as Systemwide Debt Securities). Therefore, we are the primary funding source for our affiliated Associations. As of December 31, 2024, we had 16 affiliated Associations serving customers in 23 states across the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States.

Our affiliated Associations are considered customers and thus operate independently and maintain an arms-length relationship with us, except to the extent that the Farm Credit Act requires us, as the funding bank, to monitor and approve certain activities of these Associations.

As authorized by the FCA, the affiliated Associations' financial information is not included in the consolidated financial statements presented in CoBank's 2024 Annual Report to Shareholders (the Annual Report). However, the FCA authorizes CoBank to present combined Bank and Association financial information in a District Report. CoBank does not have the corporate or direct regulatory authority to compel its affiliated Associations to disclose information or to establish and maintain their disclosure controls and procedures or internal controls over financial reporting. Accordingly, CoBank's preparation of this District Report and the establishment of adequate controls relating to this District Report are dependent on our affiliated Associations themselves satisfying their regulatory obligations and complying with agreed upon disclosure policies and procedures. Failure by an affiliated Association to provide accurate or timely information for District financial reporting or to have adequate disclosure controls or procedures or internal controls over financial reporting, as required by regulation or as agreed to under the disclosure policies and procedures, could jeopardize the accuracy of certain information in this District Report or CoBank's ability to timely issue this District Report.

CoBank and its affiliated Associations operate under a debtor-creditor relationship evidenced by a General Financing Agreement (GFA) entered into separately with each Association. The GFA sets forth the business relationship between us and each Association and also references certain requirements contained in the Farm Credit Act and FCA regulations. The Associations' respective boards of directors are expected to establish and monitor the necessary policies and procedures to comply with all FCA regulations. In all other respects, the lending relationship with the Associations is substantially similar to that with our other borrowers.

We make loans to Associations, which in turn, make loans to their eligible borrowers. We have senior secured interests in substantially all of the Associations' assets, which extend to the underlying collateral of the Associations' loans to their customers. Loans outstanding to our affiliated Associations totaled \$78.0 billion at December 31, 2024. During 2024, \$219.6 billion of advances on loans were made to our affiliated Associations and repayments totaled \$213.3 billion.

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We have no direct access to Association capital. Affiliated Associations provide an initial and ongoing voting stock investment based on a percentage of their average loan balance. The Association's stock investment was based on three percent of their one-year trailing average loan balance for 2024 and 2023. There are no capital sharing agreements between us and our affiliated Associations.

The Financial Highlights, Discussion and Analysis, and the Combined Balance Sheets and Statements of Income included on the following pages present unaudited combined financial information and related analysis of CoBank and its affiliated Associations, which are collectively referred to as the “District.” As part of the combining process, all significant transactions between CoBank and the Associations, including loans made by the Bank to the affiliated Associations and the interest income/interest expense related thereto, and investments of the affiliated Associations in the Bank and the earnings related thereto, have been eliminated.

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Financial Highlights

(\$ in Millions) (Unaudited)

As of December 31,	2024	2023	2022
Total Loans	\$ 171,392	\$ 160,022	\$ 152,605
Less: Allowance for Loan Losses	1,112	1,010	988
Net Loans	170,280	159,012	151,617
Total Assets	224,561	209,626	203,936
Total Shareholders' Equity	26,826	24,365	22,631

For the Year Ended December 31,	2024	2023	2022
Net Interest Income	\$ 4,495	\$ 4,295	\$ 4,064
Provision for Credit Losses	207	211	110
Loan-Related Fee Income	298	268	200
Net Income	3,067	2,881	2,692
Net Interest Margin	2.17 %	2.15 %	2.12 %
Net Charge-offs / Average Loans	0.09	0.03	0.03
Return on Average Assets	1.45	1.42	1.38
Return on Average Total Shareholders' Equity	11.84	12.25	11.52
Operating Expense / Net Interest Income and Noninterest Income	34.13	35.16	35.96
Average Loans	\$ 163,857	\$ 155,166	\$ 149,519
Average Earning Assets	206,970	199,568	191,338
Average Assets	210,966	203,391	194,832

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Discussion and Analysis of District Results of Operations and Financial Condition

District average loans increased 6 percent to \$163.9 billion in 2024 as compared to \$155.2 billion in 2023. The increase in average loans primarily reflected growth in rural power, production and intermediate-term, agribusiness, communications, real estate mortgage and water and waste disposal loans. These increases were partially offset by a decrease in agricultural export finance loans.

Average investment securities, federal funds sold and other overnight funds decreased 3 percent to \$43.1 billion in 2024 as compared to \$44.4 billion in 2023. The decrease in District average investment security balances compared to the prior period was primarily a result of CoBank carrying higher levels of liquidity in 2023 due to unfavorable conditions in the banking sector which subsequently improved.

District net income increased 6 percent to \$3.067 billion in 2024 as compared to \$2.881 billion in 2023. The increase in District earnings primarily resulted from higher net interest income and noninterest income and a lower provision for credit losses, partially offset by higher operating expenses and income taxes.

District net interest income increased 5 percent to \$4.495 billion in 2024 as compared to \$4.295 billion in 2023. The increase in net interest income was largely driven by growth in average loans across the District. The District's overall net interest margin was 2.17 percent in 2024 as compared to 2.15 percent in 2023.

The District recorded a provision for credit losses of \$207 million in 2024 as compared to \$211 million in 2023. CoBank recorded a provision for credit losses of \$49 million in 2024 as compared to \$76 million in 2023. The 2024 provision for credit losses at CoBank primarily related to credit quality deterioration within certain sectors of its Agribusiness and Rural Infrastructure operating segments and increased lending activity. The 2023 provision for credit losses at CoBank primarily related to higher reserves resulting from credit quality deterioration within certain sectors of its Rural Infrastructure operating segment and macroeconomic forecasts impacting modeled credit losses in many of its lending portfolios. The Associations recorded a net combined provision for credit losses of \$158 million in 2024 as compared to \$135 million in 2023. The net combined 2024 provision for credit losses at the Associations was primarily due to credit quality deterioration in real estate mortgage, production and intermediate-term and agribusiness loans and increased lending activity. The net combined 2023 provision for credit losses at the Associations was primarily due to an increased provision for several Associations that merged in 2023 and reflected the impact of an accounting change for credit losses, as well as higher loans and higher specific reserves at several Associations.

District noninterest income increased to \$691 million in 2024 as compared to \$678 million in 2023. Noninterest income is primarily composed of loan-related fee income, patronage income, financially-related services income and other miscellaneous gains and losses. The increase in noninterest income primarily related to the return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation), higher loan-related fee income and increased patronage income, partially offset by lower other noninterest income. Noninterest income in 2024 included a return of excess insurance funds from the Insurance Corporation related to the Farm Credit Insurance Fund (Insurance Fund) of \$50 million, of which \$25 million was recognized by CoBank and \$25 million by the Associations in the District. No such income was recorded for 2023. As more fully explained in the CoBank 2024 Annual Report, when the Insurance Fund exceeds the statutory 2 percent secure base amount (SBA), the Insurance Corporation may reduce premiums and return excess amounts. In 2024, the Insurance Fund began the year above the SBA. In the second quarter of 2024, the Insurance Corporation approved the distribution of the excess amounts and such amounts were distributed to System entities. Loan-related fee income increased \$30 million during 2024 as compared to 2023, primarily from a higher volume of transaction-related fees at CoBank and several Associations. Patronage income increased \$18 million during 2024 as compared to the same period in 2023 from a higher level of District loans sold to other System institutions. Other noninterest income decreased \$79 million during 2024 as compared to 2023 largely at CoBank due to one-time income in 2023 associated with a favorable resolution of a contractual business dispute, losses incurred on investments in Rural Business Investment Companies (RBICs) in 2024 as compared to gains in 2023 and lower mineral income at several Associations.

District operating expenses increased to \$1.770 billion during 2024 as compared to \$1.749 billion in 2023 primarily driven by increases in employee compensation, other operating expenses, information services and purchased services, partially offset by decreases in Insurance Fund premium expense and merger related costs. Employee compensation expense, which includes salaries, incentive compensation and employee benefits, increased \$76 million for the 2024 as compared to 2023, primarily due to an increase in salary expenses from the addition of new employees, merit, other pay and incentive increases as well as a one-time expense at CoBank from severance payments made to a limited number of employees in connection with CoBank's digital transformation initiative. Other operating expenses increased \$27 million during 2024 as compared to 2023. The increase was primarily due to higher

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pension non-service costs across the District, which included a one-time pension plan termination expense at CoBank of \$12 million to write-off actuarial losses previously deferred in accumulated other comprehensive loss for one of its employer-funded, qualified defined benefit pension plans and from higher charitable contributions and travel expenses during 2024. Information services expense increased \$24 million during 2024 as compared to 2023 due to higher expenses relating to hardware, software, network infrastructure and the modernization of existing technology platforms. Purchased services expense increased \$11 million during 2024 as compared to 2023 due to higher expenses relating to professional and consulting fees. Insurance Fund premium expenses decreased \$103 million during 2024 as compared to 2023 due to lower Insurance Fund premium rates, partially offset by an increase in insured debt obligations. Premium rates are set by the Insurance Corporation and were 10 basis points of average outstanding adjusted insured debt obligations during 2024 compared to 18 basis points in 2023. In February 2025, the Insurance Corporation announced a premium rate of 10 basis points of average outstanding adjusted insured debt obligations for 2025. Merger related costs decreased \$19 million during 2024 as compared to 2023 primarily due to the impact of the merger of two of the larger Associations in the District in 2023.

District income tax expense increased to \$142 million during 2024 as compared to \$132 million in 2023 primarily due to an increase in earnings attributable to taxable business activities at CoBank. The income tax expense at the District predominantly relates to CoBank, as a substantial majority of the business activities at Associations are exempt from federal income tax.

Notwithstanding some credit quality deterioration, the District's loan quality measures remain manageable at December 31, 2024. Special Mention loans increased to 3.54 percent of total loans at December 31, 2024 compared to 3.00 percent at December 31, 2023. Adversely classified loans increased to 2.89 percent of total loans at December 31, 2024 compared to 2.25 percent at December 31, 2023. Nonaccrual loans were 0.86 percent and 0.39 percent of total loans at December 31, 2024 and 2023, respectively.

The District's capital and liquidity positions remain strong and well in excess of regulatory minimums as of December 31, 2024. Shareholders' equity increased to \$26.8 billion in 2024 from \$24.4 billion in 2023. As of December 31, 2024 the District held \$49.9 billion in investments, federal funds sold and other overnight funds, and cash and cash equivalents primarily as a liquidity reserve, and CoBank's days liquidity was 182 days, as compared to the 90 days of liquidity regulatory requirement.

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Loan Portfolio

The following table presents the District's outstanding loans classified in accordance with the FCA's loan types.

(\$ in Millions)

District Loans by Loan Type			
December 31,	2024	2023	2022
Real Estate Mortgage	\$ 48,502	\$ 46,719	\$ 46,475
Nonaffiliated Associations	5,966	5,785	5,654
Production and Intermediate-term	27,200	24,291	21,907
Agribusiness:			
Loans to Cooperatives	16,382	13,860	16,405
Processing and Marketing	17,909	15,821	13,327
Farm Related Businesses	3,160	2,674	2,667
Communications	8,478	7,733	6,920
Rural Power	28,218	26,346	22,370
Water and Waste	3,972	4,047	2,966
Agricultural Export Finance	6,554	7,603	9,243
Rural Residential Real Estate	351	363	408
Lease Receivables	4,539	4,594	4,149
Other	161	186	114
Total	\$ 171,392	\$ 160,022	\$ 152,605

Overall District outstanding loans increased \$11.4 billion to \$171.4 billion at December 31, 2024, compared to \$160.0 billion at December 31, 2023. The increase was due to increases in production and intermediate-term loans, loans to cooperatives, processing and marketing, rural power, real estate mortgage, communications and farm related businesses. These increases were partially offset by decreases in agricultural export finance loans.

Portfolio Diversification

Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities, or within close proximity, which could cause them to be similarly impacted by economic or other conditions. Credit risk in the District's loan portfolio is spread broadly among customers, industries and geographic territory. The District serves a diversified spectrum of borrowers up and down the agricultural value chain. Association retail loans in the District loan portfolio are concentrated in the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States. CoBank's retail loan portfolio extends across the United States, with moderate levels of concentration in the Midwest region of the country and in the farm supply, grain and marketing, dairy and electric distribution sectors.

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The following tables present the District's combined loan portfolio by primary business/commodity and geographic distribution, as a percent of total loans for the periods presented.

Distribution by Primary Business / Commodity			
December 31,	2024	2023	2022
Fruits, Nuts and Vegetables	17 %	17 %	16 %
Farm Supply, Grain and Marketing	11	10	11
Dairy	8	8	9
Electric Distribution	7	7	6
Cattle	7	6	6
Forest Products	5	6	5
Regulated Utilities	5	5	4
Livestock, Fish and Poultry	5	4	4
Field Crops Except Grains	4	4	4
Farm Related Business Services	4	4	5
Nonaffiliated Associations	3	4	4
Agricultural Export Finance	3	5	6
Generation and Transmission	3	3	3
Lease Financing (through FCL)	2	3	3
Rural Home	2	2	2
Other	14	12	12
Total	100 %	100 %	100 %

Geographic Distribution			
December 31,	2024	2023	2022
California	21 %	22 %	24 %
Texas	7	5	6
Kansas	5	5	6
New York	5	5	5
Washington	5	5	4
Colorado	4	4	4
Idaho	3	3	3
Illinois	3	3	3
Oklahoma	3	3	3
Oregon	2	2	2
Iowa	2	2	2
Florida	2	2	2
Minnesota	2	2	2
Pennsylvania	2	1	1
Ohio	2	2	2
Nebraska	2	1	1
Georgia	2	2	1
Massachusetts	2	2	1
Other (less than 2 percent each for the current year)	22	24	22
Total States	96 %	95 %	94 %
Latin America	2	2	3
Asia	1	2	2
Europe, Middle East and Africa	1	1	1
Total International	4 %	5 %	6 %
Total	100 %	100 %	100 %

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Loan Quality

One credit quality indicator utilized by the Bank and Associations is the FCA Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

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

The following table presents loans, classified by management at the various District entities pursuant to the FCA’s Uniform Loan Classification System, as a percent of total loans.

District Loan Quality			
December 31,	2024	2023	2022⁽¹⁾
Acceptable	93.57 %	94.75 %	96.17 %
Special Mention	3.54	3.00	2.04
Substandard	2.79	2.24	1.78
Doubtful	0.10	0.01	0.01
Loss	—	—	—
Total	100.00 %	100.00 %	100.00 %

(1) Prior to the adoption of CECL on January 1, 2023, loan quality ratios included accrued interest.

Notwithstanding some credit quality deterioration, overall loan quality within the District remains manageable. Acceptable loans were 93.57 percent of total loans at December 31, 2024, compared to 94.75 percent at December 31, 2023. Special Mention loans increased to 3.54 percent of total loans at December 31, 2024, compared to 3.00 percent at December 31, 2023 due mostly to a decline in credit quality of production and intermediate-term and agribusiness loans. The level of adversely classified loans (“Substandard”, “Doubtful” and “Loss”) as a percent of total loans increased to 2.89 percent at December 31, 2024, compared to 2.25 percent at December 31, 2023 due primarily to credit quality deterioration related to real estate mortgage, agribusiness, production and intermediate-term and communication loans.

While overall credit quality of the District loan portfolio remains manageable, credit quality deterioration in the future is possible due to market factors impacting District customers, including an ongoing volatile agricultural commodity price environment, labor shortages, continued elevated level of interest rates, weather related events, economic, trade and global uncertainties, as well as the war in Ukraine and instability in the Middle East.

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The following tables present the District's loans, classified by management pursuant to our regulator's Uniform Loan Classification System. As required under CECL, loan vintage information, including term loans, revolving loans and revolving loans converted to term loans, is also presented within the credit quality information for the periods ended December 31, 2024 and December 31, 2023.

Vintage by Credit Quality Indicator

As of December 31, 2024

(\$ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2024	2023	2022	2021	2020	Prior				
Real Estate Mortgage										
Acceptable	\$ 5,124	\$ 3,706	\$ 5,279	\$ 6,697	\$ 5,460	\$ 14,798	\$ 41,064	\$ 2,689	\$ 401	\$ 44,154
Special Mention	135	342	231	240	258	680	1,886	124	32	2,042
Substandard	83	149	395	218	402	829	2,076	132	44	2,252
Doubtful	-	2	5	2	4	41	54	-	-	54
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,342	\$ 4,199	\$ 5,910	\$ 7,157	\$ 6,124	\$ 16,348	\$ 45,080	\$ 2,945	\$ 477	\$ 48,502
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ 7	\$ 12	\$ -	\$ -	\$ 12
Nonaffiliated Associations										
Acceptable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,966	\$ -	\$ 5,966
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,966	\$ -	\$ 5,966
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production and Intermediate-Term										
Acceptable	\$ 3,462	\$ 1,703	\$ 1,763	\$ 954	\$ 740	\$ 1,339	\$ 9,961	\$ 14,355	\$ 128	\$ 24,444
Special Mention	300	89	145	33	37	17	621	1,104	11	1,736
Substandard	143	91	72	59	53	50	468	420	86	974
Doubtful	-	2	20	2	5	1	30	5	11	46
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 3,905	\$ 1,885	\$ 2,000	\$ 1,048	\$ 835	\$ 1,407	\$ 11,080	\$ 15,884	\$ 236	\$ 27,200
Gross Charge-offs ⁽¹⁾	\$ 4	\$ 2	\$ 5	\$ 2	\$ 1	\$ 6	\$ 20	\$ 5	\$ 3	\$ 28
Agribusiness										
Acceptable	\$ 4,994	\$ 4,367	\$ 3,682	\$ 2,565	\$ 1,477	\$ 3,190	\$ 20,275	\$ 14,132	\$ 115	\$ 34,522
Special Mention	178	208	236	124	117	115	978	579	4	1,561
Substandard	88	100	117	110	187	135	737	528	40	1,305
Doubtful	13	10	6	-	-	-	29	26	8	63
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,273	\$ 4,685	\$ 4,041	\$ 2,799	\$ 1,781	\$ 3,440	\$ 22,019	\$ 15,265	\$ 167	\$ 37,451
Gross Charge-offs ⁽¹⁾	\$ 10	\$ 18	\$ 2	\$ 4	\$ 5	\$ 33	\$ 72	\$ 4	\$ 10	\$ 86
Communications										
Acceptable	\$ 2,115	\$ 2,142	\$ 1,184	\$ 1,048	\$ 383	\$ 704	\$ 7,576	\$ 544	\$ 6	\$ 8,126
Special Mention	13	8	1	72	96	67	257	8	-	265
Substandard	33	-	39	12	-	-	84	3	-	87
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 2,161	\$ 2,150	\$ 1,224	\$ 1,132	\$ 479	\$ 771	\$ 7,917	\$ 555	\$ 6	\$ 8,478
Gross Charge-offs ⁽¹⁾	\$ 2	\$ -	\$ 1	\$ -	\$ 4	\$ 1	\$ 8	\$ -	\$ -	\$ 8
Rural Power										
Acceptable	\$ 3,630	\$ 4,813	\$ 3,415	\$ 2,224	\$ 2,187	\$ 8,928	\$ 25,197	\$ 2,591	\$ 2	\$ 27,790
Special Mention	4	29	88	72	66	102	361	-	-	361
Substandard	-	14	-	-	25	28	67	-	-	67
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 3,634	\$ 4,856	\$ 3,503	\$ 2,296	\$ 2,278	\$ 9,058	\$ 25,625	\$ 2,591	\$ 2	\$ 28,218
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3	\$ -	\$ -	\$ 3
Water and Waste										
Acceptable	\$ 508	\$ 740	\$ 928	\$ 277	\$ 277	\$ 919	\$ 3,649	\$ 293	\$ -	\$ 3,942
Special Mention	-	-	-	-	-	3	3	-	-	3
Substandard	-	4	13	-	1	-	18	-	-	18
Doubtful	3	3	-	-	-	-	6	3	-	9
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 511	\$ 747	\$ 941	\$ 277	\$ 278	\$ 922	\$ 3,676	\$ 296	\$ -	\$ 3,972
Gross Charge-offs ⁽¹⁾	\$ 2	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 2	\$ -	\$ 13

⁽¹⁾ As of and for the year ended December 31, 2024.

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Vintage by Credit Quality Indicator (Continued)

As of December 31, 2024

(\$ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2024	2023	2022	2021	2020	Prior				
Agricultural Export Finance										
Acceptable	\$ 51	\$ 357	\$ 60	\$ 41	\$ -	\$ 42	\$ 551	\$ 5,984	\$ 19	\$ 6,554
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 51	\$ 357	\$ 60	\$ 41	\$ -	\$ 42	\$ 551	\$ 5,984	\$ 19	\$ 6,554
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rural Residential Real Estate										
Acceptable	\$ 33	\$ 26	\$ 23	\$ 25	\$ 20	\$ 216	\$ 343	\$ -	\$ -	\$ 343
Special Mention	2	-	-	-	-	2	4	-	-	4
Substandard	-	-	-	-	-	4	4	-	-	4
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 35	\$ 26	\$ 23	\$ 25	\$ 20	\$ 222	\$ 351	\$ -	\$ -	\$ 351
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Receivables										
Acceptable	\$ 1,086	\$ 947	\$ 844	\$ 487	\$ 377	\$ 620	\$ 4,361	\$ -	\$ -	\$ 4,361
Special Mention	16	20	20	16	6	23	101	-	-	101
Substandard	12	6	7	16	14	22	77	-	-	77
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,114	\$ 973	\$ 871	\$ 519	\$ 397	\$ 665	\$ 4,539	\$ -	\$ -	\$ 4,539
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 3
Other										
Acceptable	\$ 2	\$ 33	\$ 1	\$ 1	\$ 1	\$ 11	\$ 49	\$ 111	\$ -	\$ 160
Special Mention	-	-	-	-	-	1	1	-	-	1
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 2	\$ 33	\$ 1	\$ 1	\$ 1	\$ 12	\$ 50	\$ 111	\$ -	\$ 161
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Loans of CoBank District										
Acceptable	\$ 21,005	\$ 18,834	\$ 17,179	\$ 14,319	\$ 10,922	\$ 30,767	\$ 113,026	\$ 46,665	\$ 671	\$ 160,362
Special Mention	648	696	721	557	580	1,010	4,212	1,815	47	6,074
Substandard	359	364	643	415	682	1,068	3,531	1,083	170	4,784
Doubtful	16	17	31	4	9	42	119	34	19	172
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 22,028	\$ 19,911	\$ 18,574	\$ 15,295	\$ 12,193	\$ 32,887	\$ 120,888	\$ 49,597	\$ 907	\$ 171,392
Gross Charge-offs ⁽¹⁾	\$ 18	\$ 29	\$ 14	\$ 8	\$ 10	\$ 50	\$ 129	\$ 11	\$ 13	\$ 153

⁽¹⁾ As of and for the year ended December 31, 2024.

District Financial Information

CoBank, ACB and Affiliated Associations

Vintage by Credit Quality Indicator

As of December 31, 2023

(\$ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2023	2022	2021	2020	2019	Prior				
Real Estate Mortgage										
Acceptable	\$ 4,274	\$ 5,947	\$ 7,272	\$ 5,920	\$ 3,669	\$ 13,353	\$ 40,435	\$ 2,508	\$ 404	\$ 43,347
Special Mention	103	289	160	396	138	689	1,775	106	46	1,927
Substandard	48	228	127	212	214	496	1,325	106	13	1,444
Doubtful	-	-	-	-	1	-	1	-	-	1
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 4,425	\$ 6,464	\$ 7,559	\$ 6,528	\$ 4,022	\$ 14,538	\$ 43,536	\$ 2,720	\$ 463	\$ 46,719
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaffiliated Associations										
Acceptable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,785	\$ -	\$ 5,785
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,785	\$ -	\$ 5,785
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production and Intermediate-Term										
Acceptable	\$ 2,761	\$ 2,354	\$ 1,252	\$ 1,129	\$ 693	\$ 1,103	\$ 9,292	\$ 13,044	\$ 106	\$ 22,442
Special Mention	120	73	49	45	77	33	397	609	6	1,012
Substandard	145	133	44	64	48	22	456	304	69	829
Doubtful	-	4	-	2	-	2	8	-	-	8
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 3,026	\$ 2,564	\$ 1,345	\$ 1,240	\$ 818	\$ 1,160	\$ 10,153	\$ 13,957	\$ 181	\$ 24,291
Gross Charge-offs ⁽¹⁾	\$ 3	\$ 7	\$ -	\$ 1	\$ 14	\$ -	\$ 25	\$ 2	\$ -	\$ 27
Agribusiness										
Acceptable	\$ 4,678	\$ 4,620	\$ 3,350	\$ 1,945	\$ 1,190	\$ 2,932	\$ 18,715	\$ 11,374	\$ 236	\$ 30,325
Special Mention	65	152	144	109	21	78	569	308	4	881
Substandard	83	110	102	171	35	148	649	466	28	1,143
Doubtful	4	-	-	-	-	-	4	2	-	6
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 4,830	\$ 4,882	\$ 3,596	\$ 2,225	\$ 1,246	\$ 3,158	\$ 19,937	\$ 12,150	\$ 268	\$ 32,355
Gross Charge-offs ⁽¹⁾	\$ 5	\$ -	\$ 2	\$ 1	\$ -	\$ 6	\$ 14	\$ 5	\$ 1	\$ 20
Communications										
Acceptable	\$ 1,718	\$ 1,586	\$ 1,232	\$ 713	\$ 528	\$ 889	\$ 6,666	\$ 519	\$ -	\$ 7,185
Special Mention	6	160	64	197	12	75	514	22	-	536
Substandard	-	12	-	-	-	-	12	-	-	12
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,724	\$ 1,758	\$ 1,296	\$ 910	\$ 540	\$ 964	\$ 7,192	\$ 541	\$ -	\$ 7,733
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 1	\$ 6	\$ -	\$ -	\$ 6
Rural Power										
Acceptable	\$ 4,630	\$ 3,925	\$ 2,641	\$ 2,560	\$ 1,295	\$ 8,602	\$ 23,653	\$ 2,251	\$ -	\$ 25,904
Special Mention	20	69	17	35	8	216	365	-	-	365
Substandard	14	10	-	21	-	28	73	3	-	76
Doubtful	1	-	-	-	-	-	1	-	-	1
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 4,665	\$ 4,004	\$ 2,658	\$ 2,616	\$ 1,303	\$ 8,846	\$ 24,092	\$ 2,254	\$ -	\$ 26,346
Gross Charge-offs ⁽¹⁾	\$ 4	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ 5
Water and Waste										
Acceptable	\$ 799	\$ 944	\$ 360	\$ 361	\$ 250	\$ 823	\$ 3,537	\$ 509	\$ -	\$ 4,046
Special Mention	-	-	-	-	-	1	1	-	-	1
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 799	\$ 944	\$ 360	\$ 361	\$ 250	\$ 824	\$ 3,538	\$ 509	\$ -	\$ 4,047
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

⁽¹⁾ As of and for the year-ended December 31, 2023.

District Financial Information

CoBank, ACB and Affiliated Associations

Vintage by Credit Quality Indicator (Continued)

As of December 31, 2023

(\$ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2023	2022	2021	2020	2019	Prior				
Agricultural Export Finance										
Acceptable	\$ 288	\$ 129	\$ 41	\$ -	\$ -	\$ 42	\$ 500	\$ 7,084	\$ 19	\$ 7,603
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 288	\$ 129	\$ 41	\$ -	\$ -	\$ 42	\$ 500	\$ 7,084	\$ 19	\$ 7,603
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rural Residential Real Estate										
Acceptable	\$ 24	\$ 27	\$ 29	\$ 23	\$ 13	\$ 240	\$ 356	\$ -	\$ -	\$ 356
Special Mention	-	-	-	-	-	3	3	-	-	3
Substandard	-	-	-	-	-	4	4	-	-	4
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 24	\$ 27	\$ 29	\$ 23	\$ 13	\$ 247	\$ 363	\$ -	\$ -	\$ 363
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Receivables										
Acceptable	\$ 1,211	\$ 1,046	\$ 722	\$ 547	\$ 326	\$ 592	\$ 4,444	\$ -	\$ -	\$ 4,444
Special Mention	12	17	13	5	6	22	75	-	-	75
Substandard	3	8	19	14	10	21	75	-	-	75
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,226	\$ 1,071	\$ 754	\$ 566	\$ 342	\$ 635	\$ 4,594	\$ -	\$ -	\$ 4,594
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3	\$ -	\$ -	\$ 3
Other										
Acceptable	\$ 33	\$ 1	\$ 1	\$ 1	\$ -	\$ 12	\$ 48	\$ 136	\$ -	\$ 184
Special Mention	-	-	-	-	-	1	1	-	-	1
Substandard	-	-	-	-	-	1	1	-	-	1
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 33	\$ 1	\$ 1	\$ 1	\$ -	\$ 14	\$ 50	\$ 136	\$ -	\$ 186
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Loans of CoBank District										
Acceptable	\$ 20,416	\$ 20,579	\$ 16,900	\$ 13,199	\$ 7,964	\$ 28,588	\$ 107,646	\$ 43,210	\$ 765	\$ 151,621
Special Mention	326	760	447	787	262	1,118	3,700	1,045	56	4,801
Substandard	293	501	292	482	307	720	2,595	879	110	3,584
Doubtful	5	4	-	2	1	2	14	2	-	16
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 21,040	\$ 21,844	\$ 17,639	\$ 14,470	\$ 8,534	\$ 30,428	\$ 113,955	\$ 45,136	\$ 931	\$ 160,022
Gross Charge-offs ⁽¹⁾	\$ 12	\$ 8	\$ 2	\$ 7	\$ 14	\$ 10	\$ 53	\$ 7	\$ 1	\$ 61

⁽¹⁾ As of and for the year-ended December 31, 2023.

District Financial Information

CoBank, ACB and Affiliated Associations

The following table displays the District's nonperforming assets for the periods presented.

(\$ in Millions)

Nonperforming Assets					
December 31,	2024		2023		2022⁽¹⁾
Nonaccrual Loans:					
Real Estate Mortgage	\$	649	\$	278	\$ 183
Production and Intermediate-term		333		189	150
Agribusiness		402		104	178
Communications		41		12	—
Rural Power		15		17	11
Water and Waste		12		—	—
Rural Residential Real Estate		1		2	1
Lease Receivables		25		19	15
Total Nonaccrual Loans		1,478		621	538
Accruing Restructured Loans:					
Real Estate Mortgage		—		—	11
Production and Intermediate Term		—		—	1
Agribusiness		—		—	8
Rural Residential Real Estate		—		—	1
Total Accruing Restructured Loans		—		—	21
Accruing Loans 90 Days or More Past Due:					
Real Estate Mortgage		29		6	3
Production and Intermediate-term		20		7	1
Agribusiness		—		1	—
Water and Waste		—		—	—
Lease Receivables		5		9	15
Total Accruing Loans 90 Days or More Past Due		54		23	19
Total Nonperforming Loans		1,532		644	578
Other Property Owned		23		14	16
Total Nonperforming Assets	\$	1,555	\$	658	\$ 594
Nonaccrual Loans as a Percentage of Total Loans		0.86 %		0.39 %	0.35 %
Nonperforming Assets as a Percentage of Total Loans and Other Property Owned		0.91		0.41	0.39
Nonperforming Assets as a Percentage of Capital		5.80		2.70	2.62

⁽¹⁾ Prior to the adoption of CECL on January 1, 2023, nonperforming assets included accruing restructured loans and accrued interest.

Nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) totaled \$1.6 billion as of December 31, 2024, compared to \$658 million at December 31, 2023. District nonaccrual loans increased \$857 million during 2024. Nonaccrual loans at CoBank increased \$259 million primarily due to agribusiness, communications and water customers that were transferred to nonaccrual during 2024. Nonaccrual loans at Associations increased \$598 million primarily due to real estate mortgage, agribusiness, production and intermediate-term and communications customers transferred to nonaccrual in 2024. The increase in nonaccrual loans was mainly concentrated in Associations located in the Western regions of the United States, primarily in the poultry, horticultural specialties, fruits, nuts and vegetables, beverages, grapes, hogs, nursery, cattle and other business services sectors. Total accruing loans 90 days or more past due increased by \$31 million during 2024 primarily at the Associations driven by increases from real estate mortgage and production and intermediate-term loans. Other property owned increased \$9 million at December 31, 2024 as compared to December 31, 2023 primarily due to gross amounts transferred in of \$35 million for certain agribusiness customers at the Associations, partially offset by property disposals of \$20 million and fair value write-downs of \$6 million. Nonperforming assets represented 0.91 percent and 0.41 percent of total District loans and other property owned at December 31, 2024 and December 31, 2023, respectively. Nonaccrual loans, the largest component of nonperforming assets, represented 0.86 percent of total loans at December 31, 2024 compared to 0.39 percent at December 31, 2023.

District Financial Information

CoBank, ACB and Affiliated Associations

The following tables present an aging of past due loans in the District for the periods presented.

(\$ in Millions)

Aging of Past Due Loans							
	30-90 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing	
December 31, 2024							
Real Estate Mortgage	\$ 157	\$ 318	\$ 475	\$ 48,027	\$ 48,502	\$	29
Nonaffiliated Associations	—	—	—	5,966	5,966		—
Production and Intermediate-term	143	135	278	26,922	27,200		20
Agribusiness	94	78	172	37,279	37,451		—
Communications	—	—	—	8,478	8,478		—
Rural Power	—	—	—	28,218	28,218		—
Water and Waste	6	3	9	3,963	3,972		—
Agricultural Export Finance	—	—	—	6,554	6,554		—
Rural Residential Real Estate	2	1	3	348	351		—
Lease Receivables	31	16	47	4,492	4,539		5
Other	—	—	—	161	161		—
Total	\$ 433	\$ 551	\$ 984	\$ 170,408	\$ 171,392	\$	54
December 31, 2023							
Real Estate Mortgage	\$ 122	\$ 86	\$ 208	\$ 46,511	\$ 46,719	\$	6
Nonaffiliated Associations	—	—	—	5,785	5,785		—
Production and Intermediate-term	145	62	207	24,084	24,291		7
Agribusiness	39	58	97	32,258	32,355		1
Communications	—	—	—	7,733	7,733		—
Rural Power	—	—	—	26,346	26,346		—
Water and Waste	—	—	—	4,047	4,047		—
Agricultural Export Finance	—	—	—	7,603	7,603		—
Rural Residential Real Estate	1	—	1	362	363		—
Lease Receivables	35	16	51	4,543	4,594		9
Other	—	—	—	186	186		—
Total	\$ 342	\$ 222	\$ 564	\$ 159,458	\$ 160,022	\$	23
December 31, 2022⁽¹⁾							
Real Estate Mortgage	\$ 72	\$ 46	\$ 118	\$ 46,961	\$ 47,079	\$	3
Nonaffiliated Associations	—	—	—	5,678	5,678		—
Production and Intermediate-term	52	64	116	21,976	22,092		1
Agribusiness	41	39	80	32,493	32,573		—
Communications	—	—	—	6,936	6,936		—
Rural Power	47	—	47	22,432	22,479		—
Water and Waste	—	—	—	2,979	2,979		—
Agricultural Export Finance	—	—	—	9,292	9,292		—
Rural Residential Real Estate	2	—	2	406	408		—
Lease Receivables	52	20	72	4,077	4,149		15
Other	—	—	—	115	115		—
Total	\$ 266	\$ 169	\$ 435	\$ 153,345	\$ 153,780	\$	19

⁽¹⁾ Prior to the adoption of CECL on January 1, 2023, aging of past due loans included accrued interest.

District entities maintain an allowance for loan losses at a level consistent with the expected credit losses identified by management of each institution, considering such factors as reasonable and supportable forecasts of agricultural and economic conditions, loan loss experience, portfolio quality and loan portfolio composition and concentrations. CoBank and certain Associations also maintain a reserve for unfunded commitments, which totaled \$103 million at December 31, 2024.

District Financial Information

CoBank, ACB and Affiliated Associations

Although aggregated in the District's combined financial statements, the allowance for loan losses for each District entity is particular to that institution and is not available to absorb losses realized by other District entities. The allowance for loan losses at December 31, 2024 totaled \$1.112 billion, compared to \$1.010 billion at December 31, 2023. Changes in the allowance included an overall provision for credit losses on loans of \$209 million, loan charge-offs of \$153 million, loan recoveries of \$12 million and a \$34 million net transfer from the reserve for unfunded commitments. Loan charge-offs in 2024 were primarily related to agribusiness, production and intermediate-term, water and waste and real estate mortgage loans.

The following table presents detailed changes in the allowance for credit losses for loans in the District for the periods presented.

(\$ in Millions)	Changes in Allowance for Credit Losses on Loans										Total
	Real Estate Mortgage	Non- affiliated Associations	Production and Intermediate- term	Agri- business	Communi- cations	Rural Power	Water and Waste	Agricultural Export Finance	Rural Residential Real Estate	Lease Receivables and Other	
December 31, 2024											
Allowance for Loan Losses											
Beginning Balance	\$ 130	\$ —	\$ 133	\$ 376	\$ 106	\$ 165	\$ 27	\$ 27	\$ 2	\$ 44	\$ 1,010
Charge-offs	(12)	—	(28)	(86)	(8)	(3)	(13)	—	—	(3)	(153)
Recoveries	—	—	5	6	—	1	—	—	—	—	12
Provision for Credit Losses/ (Credit Loss Reversal) ⁽¹⁾	59	—	58	77	19	(5)	17	(12)	(1)	(3)	209
Transfers from Reserve for Unfunded Commitments	—	—	7	21	1	3	—	2	—	—	34
Ending Balance	\$ 177	\$ —	\$ 175	\$ 394	\$ 118	\$ 161	\$ 31	\$ 17	\$ 1	\$ 38	\$ 1,112
Reserve for Unfunded Commitments											
Beginning Balance	\$ 7	\$ —	\$ 29	\$ 69	\$ 11	\$ 16	\$ 2	\$ 3	\$ —	\$ —	\$ 137
Transfers to Allowance for Loan Losses	—	—	(7)	(21)	(1)	(3)	—	(2)	—	—	(34)
Ending Balance	\$ 7	\$ —	\$ 22	\$ 48	\$ 10	\$ 13	\$ 2	\$ 1	\$ —	\$ —	\$ 103
Allowance for Credit Losses on Loans	\$ 184	\$ —	\$ 197	\$ 442	\$ 128	\$ 174	\$ 33	\$ 18	\$ 1	\$ 38	\$ 1,215
December 31, 2023											
Allowance for Loan Losses											
Beginning Balance	\$ 127	\$ —	\$ 195	\$ 411	\$ 52	\$ 108	\$ 14	\$ 30	\$ 1	\$ 50	\$ 988
Change in Accounting Principle ⁽²⁾	(10)	—	(68)	(39)	39	15	10	8	1	(6)	(50)
Charge-offs	—	—	(27)	(20)	(6)	(5)	—	—	—	(3)	(61)
Recoveries	—	—	6	6	—	—	—	1	—	1	14
Provision for Credit Losses/ (Credit Loss Reversal) ⁽¹⁾	24	—	71	47	25	47	4	(11)	—	7	214
Transfers (to) from Reserve for Unfunded Commitments	(2)	—	(11)	(12)	(3)	1	(1)	(1)	—	—	(29)
Association Merger Impact, Net	(9)	—	(33)	(17)	(1)	(1)	—	—	—	(5)	(66)
Ending Balance	\$ 130	\$ —	\$ 133	\$ 376	\$ 106	\$ 165	\$ 27	\$ 27	\$ 2	\$ 44	\$ 1,010
Reserve for Unfunded Commitments											
Beginning Balance	\$ 6	\$ —	\$ 28	\$ 98	\$ 16	\$ 30	\$ 2	\$ 2	\$ —	\$ —	\$ 182
Change in Accounting Principle ⁽²⁾	(1)	—	(10)	(41)	(8)	(13)	(1)	—	—	—	(74)
Transfers from (to) Allowance for Loan Losses	2	—	11	12	3	(1)	1	1	—	—	29
Ending Balance	\$ 7	\$ —	\$ 29	\$ 69	\$ 11	\$ 16	\$ 2	\$ 3	\$ —	\$ —	\$ 137
Allowance for Credit Losses on Loans	\$ 137	\$ —	\$ 162	\$ 445	\$ 117	\$ 181	\$ 29	\$ 30	\$ 2	\$ 44	\$ 1,147

⁽¹⁾ Excludes credit loss reversals of \$2 million and \$3 million on investment securities for the years ended December 31, 2024 and 2023, respectively.

⁽²⁾ Effective January 1, 2023, CoBank and its affiliated Associations adopted the CECL accounting standard.

District Financial Information

CoBank, ACB and Affiliated Associations

Changes in Allowance for Credit Losses on Loans (Continued)

(\$ in Millions)	Production and Intermediate-term										Total
	Real Estate Mortgage	Non-affiliated Associations	Production and Intermediate-term	Agri-business	Communi-cations	Rural Power	Water and Waste	Agricultural Export Finance	Rural Residential Real Estate	Lease Receivables and Other	
December 31, 2022											
Allowance for Loan Losses											
Beginning Balance	\$ 129	\$ —	\$ 192	\$ 401	\$ 44	\$ 104	\$ 13	\$ 25	\$ 2	\$ 52	\$ 962
Charge-offs	(2)	—	(4)	(20)	—	(24)	—	—	—	(2)	(52)
Recoveries	—	—	2	2	—	1	—	—	—	—	5
Provision for Credit Losses/ (Credit Loss Reversal)	6	—	9	52	10	28	1	5	(1)	—	110
Transfers to Reserve for Unfunded Commitments	(3)	—	(2)	(24)	(2)	(1)	—	—	—	—	(32)
Association Merger Impact, Net	(3)	—	(2)	—	—	—	—	—	—	—	(5)
Ending Balance	\$ 127	\$ —	\$ 195	\$ 411	\$ 52	\$ 108	\$ 14	\$ 30	\$ 1	\$ 50	\$ 988
Reserve for Unfunded Commitments											
Beginning Balance	\$ 3	\$ —	\$ 26	\$ 74	\$ 14	\$ 29	\$ 2	\$ 2	\$ —	\$ —	\$ 150
Transfers from Allowance for Loan Losses	3	—	2	24	2	1	—	—	—	—	32
Ending Balance	\$ 6	\$ —	\$ 28	\$ 98	\$ 16	\$ 30	\$ 2	\$ 2	\$ —	\$ —	\$ 182
Allowance for Credit Losses on Loans	\$ 133	\$ —	\$ 223	\$ 509	\$ 68	\$ 138	\$ 16	\$ 32	\$ 1	\$ 50	\$ 1,170

District Financial Information

CoBank, ACB and Affiliated Associations

Investment Portfolio

As the funding bank for the District, CoBank is responsible for meeting the District's funding and liquidity needs. While access to the unsecured debt capital markets remains the District's primary source of liquidity, the District also maintains a secondary source of liquidity through a high credit quality investment portfolio and other short-term liquid assets which are primarily held at CoBank. All of CoBank's investment securities are classified as "available for sale". Refer to the CoBank 2024 Annual Report for additional description of the types of investments held by the Bank and related yield information and maturities. Associations have regulatory authority to enter into certain investments that carry an explicit government guarantee and certain other securities. Association investments included U.S. Treasury and Small Business Administration (SBA) debt securities classified as "available-for-sale" and mortgage backed securities issued by the Federal Agricultural Mortgage Corporation (Farmer Mac) classified as "held to maturity".

Investment Information

(\$ in Millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
CoBank Investments ⁽¹⁾	\$ 44,883	\$ 54	\$ (1,530)	\$ 43,407
Association Investments	1,958	—	(31)	1,927
Total	\$ 46,841	\$ 54	\$ (1,561)	\$ 45,334
December 31, 2023				
CoBank Investments ⁽¹⁾	\$ 39,957	\$ 62	\$ (1,676)	\$ 38,343
Association Investments	1,799	6	(26)	1,779
Total	\$ 41,756	\$ 68	\$ (1,702)	\$ 40,122
December 31, 2022				
CoBank Investments	\$ 35,222	\$ 10	\$ (2,135)	\$ 33,097
Association Investments	1,537	—	(85)	1,452
Total	\$ 36,759	\$ 10	\$ (2,220)	\$ 34,549

⁽¹⁾ Amortized cost and fair value include allowances for credit losses of \$1 million and \$3 million at December 31, 2024 and 2023, respectively.

Investment securities increased to \$45.3 billion at December 31, 2024 from \$40.1 billion at December 31, 2023. The increase in investments was primarily at CoBank to maintain its liquidity reserve associated with higher outstanding loans at December 31, 2024 as compared to December 31, 2023.

Available-for-sale investment securities with unrealized losses are also evaluated for an allowance for credit losses (ACL) under ASU 326. Management excludes those investment securities with no risk of credit loss from the ACL evaluation because they carry a full faith and credit guarantee of the U.S. government or are issued by U.S. agencies with an implicit guarantee from the U.S. government. For non-guaranteed investment securities, an analysis is performed at the individual security level to determine whether any portion of the unrealized loss is a credit loss. As of December 31, 2024 and 2023, CoBank's ACL on investment securities was \$1 million and \$3 million, respectively. CoBank recorded credit loss reversals of \$2 million and \$3 million for its investment securities during the years ended December 31, 2024 and 2023, respectively. Associations with investment securities recorded no allowance for credit losses at December 31, 2024 and 2023 or provision for credit losses during 2024 and 2023.

District Financial Information

CoBank, ACB and Affiliated Associations

Derivatives and Hedging Activities

CoBank, and to a much lesser extent certain Associations in the District, use derivatives as part of their market risk management activities. Derivatives (primarily interest rate swaps) are used by the Bank and Associations to manage liquidity and the market risk arising from maturity and repricing mismatches between assets and liabilities. Derivatives (interest rate caps and floors) are also used by the Bank to hedge cap and floor risk embedded within its floating-rate investments and loans. The Bank also enters into derivatives with its retail customers and Associations in the District as a service to enable them to transfer, modify or reduce their interest rate risk. Derivative transactions between CoBank and the Associations in the District and the assets/liabilities and income/expense related thereto, are eliminated in the District's combined balances sheets and statements of income. Derivative transactions between CoBank and its retail customers and to offset the interest rate risk in derivatives between the Bank and Associations in the District are not designated as hedging instruments and not eliminated, and therefore, changes in fair value related to these derivatives are recorded in current period earnings. Refer to the CoBank Annual Report for additional description and disclosure of the Bank's derivatives.

Derivatives are recorded at fair value as assets or liabilities in the District combined balance sheets. Derivative assets totaled \$457 million at December 31, 2024 compared to \$791 million at December 31, 2023. Derivative liabilities totaled \$699 million at December 31, 2024 compared to \$827 million at December 31, 2023. The decreases in derivative assets and derivative liabilities at December 31, 2024 are primarily the result of changes in market interest rates during 2024.

Changes in the fair value of District derivatives are accounted for as gains or losses through current period earnings or as a component of accumulated other comprehensive income (loss), depending on the use of the derivatives and whether they qualify for hedge accounting treatment. Net changes in the fair value of derivatives recorded in noninterest income in the accompanying combined statements of income included expense of \$1 million during 2024 as compared to income of \$8 million in 2023. Changes in the fair value of derivatives recorded as other comprehensive income (loss) totaled net gains of \$160 million during 2024 as compared to net losses of \$64 million in 2023.

District Capital Resources

Combined District shareholders' equity at December 31, 2024 increased to \$26.8 billion as compared to \$24.4 billion at December 31, 2023. The change primarily resulted from District net income, preferred stock issuances at CoBank and a decrease in accumulated other comprehensive loss, partially offset by accrued patronage.

CoBank management and its board continuously evaluate the Bank's capital plans based on financial performance, capital requirements, asset growth, emerging risks and other items. Any future changes to patronage and capital distributions would be subject to FCA regulations and Board approval.

On January 1, 2022, CoBank redeemed all of its outstanding Series G non-cumulative perpetual preferred stock totaling \$200 million. The dividend rate for the Series G preferred stock was 6.125 percent through the date of redemption.

On August 16, 2022, CoBank issued \$400 million of Series K non-cumulative perpetual preferred stock. CoBank used the net proceeds from the Series K preferred stock issuance to increase regulatory capital pursuant to FCA regulations and for general corporate purposes, including the redemption of Series F non-cumulative perpetual preferred stock as described below. Dividends on the Series K preferred stock, if declared by the CoBank Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears at a fixed annual rate of 6.45 percent from the date of issuance up to, but excluding October 1, 2027. Thereafter, dividends will accrue at the five year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 3.487 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at CoBank's option quarterly beginning on or after October 1, 2027.

On October 1, 2022, CoBank redeemed all of its outstanding Series F non-cumulative perpetual preferred stock totaling \$400 million. The dividend rate for the Series F preferred stock was 6.25 percent through the date of redemption.

During 2023 and 2022, CoBank retired \$8 million and \$69 million, respectively, of its outstanding Series E non-cumulative perpetual preferred stock in a series of open market purchase transactions. The Series E preferred stock was purchased at a discount from par value resulting in modest gains on retirement recorded in unallocated retained earnings.

District Financial Information

CoBank, ACB and Affiliated Associations

On April 11, 2024, CoBank issued \$300 million of Series L non-cumulative perpetual preferred stock. CoBank used the net proceeds from the Series L preferred stock issuance to increase its regulatory capital pursuant to FCA regulations and for general corporate purposes. Dividends on the Series L preferred stock, if declared by the CoBank Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on July 1, 2024, and will accrue at a fixed annual rate of 7.25 percent from the date of issuance up to, but excluding July 1, 2029. Thereafter, dividends will accrue at the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.88 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at CoBank's option quarterly beginning on or after July 1, 2029.

On November 25, 2024, CoBank issued \$300 million of Series M non-cumulative perpetual preferred stock. CoBank used the net proceeds from the Series M preferred stock issuance to redeem all issued and outstanding shares of Series H non-cumulative perpetual preferred stock on January 1, 2025. Dividends on the Series M preferred stock, if declared by the CoBank Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on April 1, 2025, and will accrue at a fixed annual rate of 7.125 percent from the date of issuance up to, but excluding January 1, 2030. Thereafter, dividends will accrue at the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.818 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at CoBank's option quarterly beginning on or after January 1, 2030.

On January 1, 2025, CoBank redeemed all of its Series H non-cumulative perpetual preferred stock totaling \$300 million. The dividend rate for the Series H preferred stock was 6.20 percent through the date of redemption.

The components of the District's accumulated other comprehensive loss are detailed in the following table.

Accumulated Other Comprehensive Loss⁽¹⁾			
(\$ in Millions)	December 31, 2024	December 31, 2023	December 31, 2022
Unrealized Losses on Investment Securities	\$ (1,363)	\$ (1,489)	\$ (2,013)
Net Pension Adjustment	(237)	(285)	(340)
Unrealized Gains on Interest Rate Swaps and Other Derivatives	160	—	64
Accumulated Other Comprehensive Loss	\$ (1,440)	\$ (1,774)	\$ (2,289)

⁽¹⁾ Amounts are presented net of tax.

The change in the District's total accumulated other comprehensive loss in 2024 is largely due unrealized gains on derivatives and lower unrealized losses on investment securities driven by the impact of market interest rate changes on the fair value of fixed rate securities.

District Financial Information

CoBank, ACB and Affiliated Associations

The following table presents regulatory capital and leverage ratios for CoBank and the range of ratios at the affiliated Associations.

Regulatory Capital Requirements and Ratios									
December 31,				2024		2023		2022	
Ratio	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer*	CoBank	District Associations	CoBank	District Associations	CoBank	District Associations
Risk Adjusted:									
Common equity tier 1 (CET1) capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity) ⁽¹⁾	4.5 %	7.0 %	11.62 %	11.53-19.23%	11.58 %	11.14-21.06%	11.62%	10.09-22.00%
Tier 1 capital ratio	CET1 Capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	13.62 %	12.73-19.23%	13.27 %	12.41-21.06%	13.39%	11.58-22.00%
Total capital ratio	Tier 1 Capital, allowance for loan losses ⁽²⁾ , common cooperative equities ⁽³⁾ and term preferred stock and subordinated debt ⁽⁴⁾	8.0 %	10.5 %	14.39 %	13.66-19.49%	14.11 %	13.37-21.32%	14.25%	12.81-22.37%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0 %	7.0 %	13.73 %	13.65-19.27%	13.37 %	13.44-21.11%	13.51%	12.82-22.07%
Non-risk adjusted:									
Tier 1 leverage ratio**	Tier 1 Capital	4.0 %	5.0 %	6.90 %	14.56-20.49%	6.79 %	14.15-22.01%	6.80 %	13.29-22.65%
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	3.23 %	13.14-20.90%	3.23 %	12.64-21.86%	3.13 %	11.51-22.47%

* The capital conservation buffer is 2.5 percentage points in addition to certain risk-adjusted capital ratios stated in the Regulatory Minimums column.

** Must include the 1.5 percent regulatory minimum requirement for the URE and UREE Leverage ratio.

⁽¹⁾ Equities outstanding 7 or more years

⁽²⁾ Capped at 1.25% of risk-adjusted assets

⁽³⁾ Equities outstanding 5 or more years, but less than 7 years

⁽⁴⁾ Debt and equities outstanding 5 or more years

As depicted in the table above, at December 31, 2024, 2023 and 2022, CoBank and all affiliated Associations exceeded the FCA's regulatory minimum capital ratios and any required buffers. Although aggregated in the District's combined financial statements, capital for each District entity is particular to that institution. In addition, the provisions of joint and several liability for Systemwide Debt Securities are applicable only to System banks and do not include Associations. CoBank has no access to Association capital beyond their required investment in the Bank. There are no capital sharing agreements between CoBank and its affiliated Associations.

Employee Benefit Plans

CoBank and each of its affiliated Associations have employer-funded qualified defined benefit pension plans all of which are closed to new participants. Northwest Farm Credit Services, ACA and Farm Credit West, ACA merged and are doing business as AgWest, ACA effective January 1, 2023; however this merger did not affect the plan eligibility of the employees of either Association. Farm Credit of New Mexico, ACA merged into American AgCredit, ACA effective October 1, 2023; however this merger did not affect the plan eligibility of the employees of Farm Credit of New Mexico. Yankee Farm Credit, ACA merged with and into Farm Credit East, ACA effective January 1, 2022; however, this merger did not affect the plan eligibility of the employees of Yankee Farm Credit, ACA.

CoBank and Farm Credit East, ACA have a noncontributory plan which covers CoBank and Farm Credit East, ACA employees hired prior to January 1, 2007 and employees of the former Yankee Farm Credit, ACA hired prior to October 1, 1997. This multiemployer plan is referred to as the CoBank Defined Benefit Pension Plan. Depending on the date of hire, benefits are determined either by a formula based on years of service and final average pay, or by the accumulation of a cash balance with interest credits and contribution credits based on years of service and eligible compensation.

CoBank also has noncontributory, unfunded nonqualified supplemental executive retirement plans (SERPs) covering certain senior officers and specified other senior managers. In addition, CoBank has a noncontributory, unfunded nonqualified executive retirement plan (ERP) covering certain former senior officers. CoBank holds assets in trust accounts related to the SERPs and ERP; however, such funds remain Bank assets and are not included as plan assets in the accompanying disclosures.

District Financial Information

CoBank, ACB and Affiliated Associations

CoBank and Farm Credit East, ACA also provide eligible retirees with other postemployment benefits (OPEB), which primarily include access to health care benefits. This unfunded multiemployer plan is collectively referred to as the CoBank OPEB. Most participants pay the full premiums associated with these postemployment health care benefits. Premiums are adjusted annually.

Certain of CoBank's affiliated Associations participate in defined benefit pension plans of former districts of U.S. AgBank, FCB (AgBank). The Ninth Farm Credit District Pension Plan (Ninth Retirement Plan) is a defined benefit pension plan covering eligible employees of the former AgBank, AgVantis, Inc. and Associations in the former Ninth Farm Credit District (Ninth District Associations). The Ninth Retirement Plan is classified as a single-employer plan from a legal and tax perspective. It is noncontributory and is based on compensation and years of service. It was closed to new employees on January 1, 2007. All participants are subject to the same benefits under the same determinations and there are no carve-outs for any individual or Association employer. The Ninth District Associations also participate in an unfunded OPEB Plan where all the employers are jointly and severally liable. Certain Ninth District Associations participate in a Pension Restoration Plan (non-qualified pension plan) with unfunded liabilities that are legally attributed and unique to a specific entity.

The Eleventh Farm Credit District Employees' Retirement Plan (Eleventh Retirement Plan) is a defined benefit pension plan covering eligible employees of the former Western Farm Credit Bank and the Production Credit Associations, Federal Land Credit Associations, and Associations of the former Eleventh Farm Credit District (Eleventh District Associations). The Eleventh Retirement Plan is also classified as a single-employer plan from a legal and tax perspective. It is noncontributory and is based on compensation and years of service. It was closed to new employees on December 31, 1997. Similar to the Ninth Retirement Plan, all participants are subject to the same benefits under the same determinations and there are no carve outs for any individual or Association employer. There is also an OPEB Plan for the Eleventh District Associations where all employers are jointly and severally liable. Certain Eleventh District Associations participate in a Pension Restoration Plan (non-qualified pension plan) with unfunded liabilities that are legally attributed and unique to a specific entity.

The Northwest Farm Credit Foundations Retirement Plan (Northwest Retirement Plan) is a noncontributory defined benefit pension plan covering eligible employees of the former Farm Credit Bank of Spokane and Northwest Farm Credit Services, ACA. Employees eligible to participate in the Northwest Retirement Plan are those employees who had completed five years of service or attained age 45 as of January 1, 1995, and who elected not to participate in the money purchase component of the AgAmerica District Savings Plan. The Northwest Retirement Plan was closed to new employees on January 1, 1995 and there are no active participants.

During 2024, CoBank terminated one of its employer-funded, qualified defined benefit pension plans, which covered a small number of former and active employees of its Farm Credit Leasing subsidiary who were participants in this plan (the "Plan"). There were no changes to participants' benefits as a result of the Plan termination. In July 2024, CoBank signed a nonparticipating annuity contract and transferred the Plan's accumulated benefits liability to a third-party insurance company, who will make benefit payments to participants in the Plan going forward. The premium payment for the annuity contract was funded by assets in the Plan. Remaining assets in the Plan will be used to pay administrative and other termination expenses. CoBank recorded a one-time expense of \$12 million in 2024 to write-off actuarial losses previously deferred in accumulated other comprehensive loss related to this terminated Plan.

District Financial Information

CoBank, ACB and Affiliated Associations

The following tables provide a summary of the plans' projected benefit obligations (PBO), fair values of plan assets, accumulated benefit obligation and funded status December 31, 2024, 2023 and 2022, as well as the most significant assumptions underlying the plans' PBO as of December 31, 2024, 2023 and 2022 and the net periodic benefit cost for the years ended December 31, 2024, 2023 and 2022.

(\$ in Millions)

Retirement Plans					
	CoBank⁽¹⁾	Eleventh⁽²⁾	Ninth⁽²⁾	AgWest⁽²⁾	Total
December 31, 2024					
Projected benefit obligation	\$ 439	\$ 245	\$ 285	\$ 57	\$ 1,026
Fair value of plan assets	407	221	274	57	959
(Unfunded) Funded status	(32)	(24)	(11)	—	(67)
Accumulated benefit obligation	\$ 415	\$ 244	\$ 274	\$ 57	\$ 990
Assumptions used to determine benefit obligations:					
Discount rate	5.70 %	5.61 %	5.66 %	5.54 %	
Rate of compensation increase	3.68 %	6.70 %	7.10 %	— %	
Assumption used to determine net periodic benefit cost:					
Expected long-term rate of return	5.61 %	6.50 %	6.50 %	5.50 %	
December 31, 2023					
Projected benefit obligation	\$ 495	\$ 274	\$ 317	\$ 63	\$ 1,149
Fair value of plan assets	442	243	298	62	1,045
(Unfunded) Funded status	(53)	(31)	(19)	(1)	(104)
Accumulated benefit obligation	\$ 468	\$ 268	\$ 303	\$ 62	\$ 1,101
Assumptions used to determine benefit obligations:					
Discount rate	5.00 %	4.96 %	5.00 %	4.92 %	
Rate of compensation increase	3.68 %	6.70 %	7.10 %	3.50 %	
Assumption used to determine net periodic benefit cost:					
Expected long-term rate of return	5.90 %	6.00 %	6.00 %	5.75 %	
December 31, 2022					
Projected benefit obligation	\$ 482	\$ 264	\$ 304	\$ 63	\$ 1,113
Fair value of plan assets	414	237	282	63	996
(Unfunded) Funded status	(68)	(27)	(22)	—	(117)
Accumulated benefit obligation	\$ 458	\$ 258	\$ 287	\$ 63	\$ 1,066
Assumptions used to determine benefit obligations:					
Discount rate	5.20 %	5.10 %	5.12 %	5.11 %	
Rate of compensation increase	3.54 %	6.70 %	7.10 %	3.50 %	
Assumption used to determine net periodic benefit cost:					
Expected long-term rate of return	5.83 %	4.75 %	5.00 %	4.00 %	

⁽¹⁾ Includes the multiemployer-funded qualified CoBank Defined Benefit Pension Plan and unfunded nonqualified CoBank SERPs and ERP at December 31, 2024, 2023 and 2022. The Farm Credit Leasing Defined Benefit Pension Plan was included only at December 31, 2023 and 2022 as this Plan was terminated during 2024.

⁽²⁾ Includes the respective funded qualified Defined Benefit Pension Plan and corresponding unfunded nonqualified Pension Restoration Plan.

District Financial Information

CoBank, ACB and Affiliated Associations

(\$ in Millions)

Other Postretirement Benefits

	CoBank	Eleventh	Ninth	AgWest ⁽¹⁾	Total
December 31, 2024					
Projected benefit obligation	\$ 2	\$ 3	\$ 1	\$ —	\$ 6
Fair value of plan assets	—	—	—	—	—
Unfunded status	(2)	(3)	(1)	—	(6)
Assumptions used to determine benefit obligations:					
Discount rate	5.70 %	5.65 %	5.36 %	— %	
December 31, 2023					
Projected benefit obligation	\$ 2	\$ 3	\$ 1	\$ —	\$ 6
Fair value of plan assets	—	—	—	—	—
Unfunded status	(2)	(3)	(1)	—	(6)
Assumptions used to determine benefit obligations:					
Discount rate	5.00 %	4.99 %	4.93 %	— %	
December 31, 2022					
Projected benefit obligation	\$ 2	\$ 3	\$ 1	\$ —	\$ 6
Fair value of plan assets	—	—	—	—	—
Unfunded status	(2)	(3)	(1)	—	(6)
Assumptions used to determine benefit obligations:					
Discount rate	5.20 %	5.18 %	5.07 %	— %	

⁽¹⁾ AgWest, ACA does not have an OPEB plan.

Association Mergers Other Matters

Association Mergers

Effective January 1, 2022, two of our affiliated Associations, Farm Credit East, ACA and Yankee Farm Credit, ACA merged and are doing business as Farm Credit East, ACA.

Effective November 1, 2022, two of our affiliated Associations, Farm Credit of Western Oklahoma, ACA and Farm Credit of Enid, ACA merged and are doing business as Farm Credit of Western Oklahoma, ACA.

Effective January 1, 2023, two of our affiliated Associations, Northwest Farm Credit Services, ACA and Farm Credit West, ACA merged and are doing business as AgWest, ACA.

Effective October 1, 2023, two of our affiliated Associations, American AgCredit, ACA and Farm Credit of New Mexico, ACA merged and are doing business as American AgCredit, ACA.

Current Expected Credit Losses

In June 2016, the FASB issued Accounting Standards Update (ASU), “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The ASU introduced a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The new model applied to: (1) loans, accounts receivable, trade receivables and other financial assets measured at amortized cost; (2) loan commitments and certain other off-balance sheet credit exposures; (3) debt securities and other financial assets measured at fair value through other comprehensive income (loss); and (4) beneficial interests in securitized financial assets. The ASU also required certain new loan and allowance for credit losses disclosures, including loan vintage information. CoBank and the Associations in the District adopted this ASU on January 1, 2023. On adoption, CoBank recorded a decrease of \$75 million in the allowance for credit losses related to loans, leases and unfunded commitments with an offsetting increase to shareholders’ equity, net of taxes. The Associations recorded a net combined decrease of \$49 million in their

District Financial Information

CoBank, ACB and Affiliated Associations

allowance for credit losses upon adoption of CECL. The decrease in the District allowance for credit losses under CECL is due to the measurement of credit losses under CECL over the contractual life of a loan compared to requirements under previous accounting principles generally accepted in the United States of America (GAAP) which were based on management's estimate of the loss emergence period for a loan. As a result of this measurement change, a large portion of the District's agribusiness loan volume, including seasonal lending to grain and farm supply cooperatives as well as other short-term loans, have a lower allowance for credit losses under CECL. In contrast, and partially offsetting this reduction, the District's long-term rural infrastructure loans to many of communications, energy and water customers as well as real estate mortgage loans have a higher CECL allowance for credit losses. In addition, on adoption of the ASU, CoBank recorded a \$6 million allowance for credit losses on its investment portfolio of available-for-sale debt securities with an offsetting decrease to shareholders' equity, net of taxes. The affiliated Association with investment securities recorded no allowance for credit losses upon adoption of the ASU. The substantial majority of the District's investments have no risk of credit loss because they carry a full faith and credit guarantee of the U.S. government or are issued by U.S. agencies with an implicit guarantee from the U.S. government. CoBank's allowance for credit losses recorded upon adoption related to investments in corporate bonds that are not guaranteed by the U.S. government or U.S. agencies.

Funding

The System is a government sponsored enterprise (GSE) and CoBank and its affiliated Associations, as members of the System, have historically benefited from the favorable funding costs and funding flexibility available through the issuance of Systemwide debt securities. The credit ratings of GSEs, including the System, are influenced by the sovereign credit rating of the United States. S&P Global Ratings (S&P) and Fitch Ratings, Inc. (Fitch) currently maintain the long-term sovereign credit rating of the United States of AA+, which continues to drive their AA+ long-term debt rating of the System. Moody's Investors Service (Moody's) currently maintains the long-term sovereign credit rating for the United States and its agency securities of Aaa, which continues to drive their respective Aaa long-term debt rating of the System. S&P and Fitch currently maintain individual credit ratings for CoBank of AA- and A+, respectively, and Moody's does not provide an individual credit rating for CoBank. Any future ratings downgrades could negatively impact funding costs, earnings and funding flexibility for CoBank and other System institutions.

Other Regulatory Matters

On April 10, 2024, the FCA issued a final rule that would amend the Tier 1/Tier 2 capital framework to define and establish a risk weight for high-volatility commercial real estate exposures by assigning a 150 percent risk-weighting to such exposures, instead of the current 100 percent risk-weighting. The final rule includes changes that are comparable with the capital rules of other federal banking regulatory agencies and recognizes the increased risk posed by high-volatility commercial real estate exposures. The final rule defines high-volatility commercial real estate exposures as acquisition, development or construction exposures that meet certain criteria and subject to certain exclusions. On October 16, 2024, the FCA extended the implementation date of this final rule from January 1, 2025 to January 1, 2026. CoBank and its affiliated Associations are currently evaluating the final rule to determine if any loans meet the definitions in the final rule and the related impact, if any, on their regulatory capital ratios.

Subsequent Events

On January 1, 2025, CoBank redeemed all of its Series H non-cumulative perpetual preferred stock totaling \$300 million. The dividend rate for the Series H preferred stock was 6.20 percent through the date of redemption.

We have evaluated subsequent events through February 28, 2025, which is the date District financial information was issued and determined that there were no other events requiring disclosure.

District Financial Information

CoBank, ACB and Affiliated Associations

Combined Balance Sheets

(unaudited)

(\$ in Millions)

As of December 31,	2024	2023	2022
Assets			
Total Loans	\$ 171,392	\$ 160,022	\$ 152,605
Less: Allowance for Loan Losses	1,112	1,010	988
Net Loans	170,280	159,012	151,617
Cash and Cash Equivalents	1,070	1,306	1,123
Federal Funds Sold and Other Overnight Funds	3,490	4,615	12,401
Investment Securities (net of allowance of \$1 million and \$3 million at December 31, 2024 and 2023, respectively)	45,334	40,122	34,549
Interest Rate Swaps and Other Derivatives	457	791	942
Accrued Interest Receivable and Other Assets	3,930	3,780	3,304
Total Assets	\$ 224,561	\$ 209,626	\$ 203,936
Liabilities			
Bonds and Notes	\$ 192,486	\$ 179,770	\$ 176,230
Subordinated Debt	198	198	198
Interest Rate Swaps and Other Derivatives	699	827	1,079
Reserve for Unfunded Commitments	103	137	182
Patronage Payable	1,386	1,300	1,267
Accrued Interest Payable and Other Liabilities	2,863	3,029	2,349
Total Liabilities	197,735	185,261	181,305
Shareholders' Equity			
Preferred Stock Issued by Bank	2,225	1,625	1,633
Preferred Stock Issued by Associations	325	319	303
Common Stock	1,994	1,928	1,930
Paid In Capital	3,852	3,855	1,578
Unallocated Retained Earnings	19,870	18,412	19,476
Accumulated Other Comprehensive Loss	(1,440)	(1,774)	(2,289)
Total Shareholders' Equity	26,826	24,365	22,631
Total Liabilities and Shareholders' Equity	\$ 224,561	\$ 209,626	\$ 203,936

District Financial Information

CoBank, ACB and Affiliated Associations

Combined Statements of Income

(unaudited)

(\$ in Millions)			
Year Ended December 31,	2024	2023	2022
Interest Income			
Loans	\$ 10,807	\$ 9,827	\$ 6,099
Investment Securities	1,597	1,331	697
Federal Funds Sold and Other Overnight Funds	125	393	159
Total Interest Income	12,529	11,551	6,955
Interest Expense			
Net Interest Income	4,495	4,295	4,064
Provision for Credit Losses	207	211	110
Net Interest Income After Provision for Credit Losses	4,288	4,084	3,954
Noninterest Income			
Loan-Related Fee Income	298	268	200
Patronage Income	226	208	168
Financially-Related Services Income	85	86	78
Prepayment Income	4	5	14
(Losses) Gains on Early Extinguishments of Debt	(3)	—	1
Gains (Losses) on Sales of Investment Securities	1	(7)	2
Customer Interest Rate Swaps and Other Derivatives (Expense) Income	(1)	8	(39)
Return of Excess Insurance Funds	50	—	—
Other, Net	31	110	65
Total Noninterest Income	691	678	489
Operating Expenses			
Employee Compensation	976	900	821
Insurance Fund Premium	153	256	268
Information Services	208	184	150
General and Administrative	122	117	109
Occupancy and Equipment	63	64	65
Farm Credit System Related	40	39	36
Purchased Services	74	63	109
Merger Related Costs	15	34	11
Other	119	92	68
Total Operating Expenses	1,770	1,749	1,637
Income Before Income Taxes	3,209	3,013	2,806
Provision for Income Taxes	142	132	114
Net Income	\$ 3,067	\$ 2,881	\$ 2,692

District Financial Information

CoBank, ACB and Affiliated Associations

Select Information on District Associations

(unaudited)

(\$ in Millions)

As of December 31, 2024	Wholesale Loans	% of Wholesale Loans	Total Assets	Total Regulatory Capital	Total Regulatory Capital Ratio	Non- performing Assets as a % of Total Loans	Return on Average Assets
AgWest, ACA	\$ 28,295	36.30 %	\$ 35,333	\$ 5,240	15.36 %	1.13 %	2.28 %
American AgCredit, ACA	18,641	23.91	23,174	3,284	13.66	2.11	1.86
Farm Credit East, ACA	10,737	13.77	13,417	2,245	16.51	0.53	2.70
Yosemite Farm Credit, ACA	4,016	5.15	5,015	722	14.45	1.87	2.34
Frontier Farm Credit, ACA	2,791	3.58	3,458	529	15.13	1.54	1.79
Golden State Farm Credit, ACA	2,264	2.90	2,803	411	14.44	2.31	2.07
Oklahoma AgCredit, ACA	1,812	2.32	2,235	335	15.32	0.85	1.66
High Plains Farm Credit, ACA	1,636	2.10	2,085	298	14.16	0.99	2.13
Farm Credit Western Oklahoma, ACA	1,657	2.13	2,042	307	16.74	0.30	1.63
Fresno-Madera Farm Credit, ACA	1,366	1.75	1,796	292	15.44	0.45	1.66
Farm Credit of Southern Colorado, ACA	1,332	1.71	1,701	281	16.52	0.29	1.38
Western AgCredit, ACA	1,149	1.47	1,534	295	19.13	1.38	2.45
Premier Farm Credit, ACA	857	1.10	1,118	208	17.98	0.19	2.19
Farm Credit Services of Colusa-Glenn, ACA	618	0.79	802	148	16.48	0.71	2.18
Farm Credit of Western Kansas, ACA	429	0.55	565	107	19.49	—	2.20
Idaho AgCredit, ACA	369	0.47	474	75	16.32	0.69	1.98

District Financial Information

CoBank, ACB and Affiliated Associations

Association Information

AgWest, ACA

2001 South Flint Road
Spokane, WA 99224
509-340-5300
www.agwestfc.com

American AgCredit, ACA

4845 Old Redwood Hwy
Santa Rosa, CA 95403
707-545-1200
www.agloan.com

Farm Credit East, ACA

240 South Road
Enfield, CT 06082
860-741-4380
www.farmcrediteast.com

Farm Credit of Southern Colorado, ACA

5110 Edison Avenue
Colorado Springs, CO 80915
719-570-1087
www.aglending.com

Farm Credit of Western Kansas, ACA

1190 South Range Avenue
Colby, KS 67701-3503
785-462-6714
www.fwkw.com

Farm Credit of Western Oklahoma, ACA

3302 Williams Avenue
Woodward, OK 73801
580-256-3465
www.fwestok.com

Farm Credit Services of Colusa-Glenn, ACA

2970 Davison Court
Colusa, CA 95932
530-458-2163
www.fcscolusaglenn.com

Fresno-Madera Farm Credit, ACA

4635 West Spruce Avenue
Fresno, CA 93722
559-277-7000
www.fmfarmcredit.com

Frontier Farm Credit, ACA

2009 Vanesta Place
Manhattan, KS 66503
785-776-6931
www.frontierfarmcredit.com

Golden State Farm Credit, ACA

3013 Ceres Avenue
Chico, CA 95973
530-895-8698
www.goldenstatefarmcredit.com

High Plains Farm Credit, ACA

605 Main
Larned, KS 67550-0067
620-285-6978
www.highplainsfarmcredit.com

Idaho AgCredit, ACA

188 West Judicial Street
Blackfoot, ID 83221-0985
208-785-1510
www.idahoagcredit.com

Oklahoma AgCredit, ACA

3033 Progressive Drive
Edmond, OK 73034
918-251-8596
www.okagcredit.com

Premier Farm Credit, ACA

202 Poplar Street
Sterling, CO 80751-1785
970-522-2330
www.premieraca.com

Western AgCredit, ACA

10980 South Jordan Gateway
South Jordan, UT 84095-0850
801-571-9200
www.westernagcredit.com

Yosemite Farm Credit, ACA

806 West Monte Vista Avenue
Turlock, CA 95382
209-667-2366
www.yosemitfarmcredit.com



6340 South Fiddlers Green Circle
Greenwood Village, Colorado 80111
800.542.8072