

**CoBank Quarterly District
Financial Information
June 30, 2025**

Quarterly 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 June 30, 2025, 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 condensed consolidated quarterly financial statements presented in CoBank's June 30, 2025 Quarterly Report to Shareholders. However, the FCA authorizes CoBank to present combined Bank and Association quarterly financial information in a separate 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.

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)

	June 30, 2025	December 31, 2024
Total Loans	\$ 172,145	\$ 171,392
Less: Allowance for Loan Losses	1,216	1,112
Net Loans	170,929	170,280
Total Assets	227,378	224,561
Total Shareholders' Equity	28,017	26,826

For the Six Months Ended June 30,	2025	2024
Net Interest Income	\$ 2,360	\$ 2,207
Provision for Credit Losses	230	42
Loan-Related Fee Income	148	154
Net Income	1,575	1,591
Net Interest Margin	2.11 %	2.17 %
Net Charge-offs / Average Loans	0.13	0.09
Return on Average Assets	1.39	1.53
Return on Average Total Shareholders' Equity	11.50	12.70
Operating Expense / Net Interest Income and Noninterest Income	31.71	32.49
Average Loans	\$ 174,382	\$ 162,162
Average Earning Assets	223,498	203,145
Average Assets	227,000	207,757

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Discussion and Analysis of District Results of Operations and Financial Condition

District average loans increased 8 percent to \$174.4 billion for the six months ended June 30, 2025 as compared to \$162.2 billion for the same period in 2024. The increase in average loans primarily reflected growth in agribusiness, production and intermediate-term loans, real estate mortgage, rural power, and communications loans. These increases were partially offset by a decrease in agricultural export finance loans.

Average investment securities, federal funds sold and other overnight funds increased 20 percent to \$49.1 billion during the six months ended June 30, 2025 as compared to \$41.0 billion for the same period in 2024. The increase in CoBank's average investment security balances compared to the prior period was primarily to maintain liquidity reserves in line with loan growth and to take advantage of favorable investment spread opportunities in the marketplace.

District net income decreased 1 percent to \$1.575 billion for the six months ended June 30, 2025 as compared to \$1.591 billion for the same period in 2024. The decrease in current period earnings primarily resulted from a higher provision for credit losses and increased operating expenses, partially offset by higher net interest income and noninterest income and lower income taxes.

District net interest income increased 7 percent to \$2.360 billion for the six months ended June 30, 2025 as compared to \$2.207 billion for the same period in 2024. 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 2.11 percent for the six months ended June 30, 2025 as compared to 2.17 percent for the same period in 2024. The decrease in net interest margin was driven by spread compression across certain Associations and lower returns on equity due to the impact of a lower interest rate environment in 2025.

The District recorded a provision for credit losses of \$230 million for the six months ended June 30, 2025 as compared to \$42 million for the same period in 2024. CoBank recorded a provision for credit losses of \$99 million for the six months ended June 30, 2025 as compared to a credit loss reversal of \$23 million for the same period in 2024. The 2025 provision for credit losses at CoBank primarily related to deterioration in credit quality, worsening macroeconomic forecasts that resulted in higher modeled credit losses in many of its lending portfolios, and increased lending activity. The 2024 credit loss reversal at CoBank primarily related to an improvement in macroeconomic forecasts and to a lesser extent regular model assumption updates resulting in lower modeled credit losses in many of its lending portfolios. The Associations recorded a net combined provision for credit losses of \$131 million for the six months ended June 30, 2025 as compared to \$65 million for the same period in 2024. The net combined 2025 provision for credit losses at the Associations was primarily due to deterioration in credit quality and increased lending activity across several Associations. The net combined 2024 provision for credit losses at the Associations was primarily due to higher specific reserves and increased lending activity across several Associations. As discussed in prior periods, the District allowance for credit losses under the CECL accounting standards utilize third-party macroeconomic forecasts as an input to determine the estimate, which has introduced a higher level of volatility in credit loss provisions.

District noninterest income increased to \$396 million for the six months ended June 30, 2025 as compared to \$352 million for the same period in 2024. Noninterest income is primarily composed of loan-related fee income, patronage income, financially-related services income, customer interest rate swaps and other derivatives income and expense, and other miscellaneous gains and losses. The increase in noninterest income primarily related to higher customer interest rate swaps and other derivatives income, and increased patronage income, partially offset by a lower return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation) and decreased loan-related fee income. Gains from customer interest rate swaps and other derivatives were \$21 million for the six months ended June 30, 2025 as compared to losses of \$19 million for the same period in 2024. Gains and losses on derivatives are driven by the impact of market interest rate changes for derivatives not designated as hedging instruments. Patronage income increased \$15 million for the six months ended June 30, 2025 as compared to the same period in 2024 from a higher level of District loans sold to other System institutions. Noninterest income for the six months ended June 30, 2025 included a return of excess insurance funds from the Insurance Corporation related to the Farm Credit Insurance Fund (Insurance

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Fund) of \$31 million, of which \$14 million was recognized by CoBank and \$17 million by Associations in the District. Noninterest income for the six months ended June 30, 2024 included a return of excess insurance funds from the Insurance Corporation related to the Insurance Fund of \$50 million, of which \$25 million was recognized by CoBank and \$25 million by the Associations in the District. As more fully explained in the CoBank Annual Report, when the Insurance Fund exceeds the statutory 2 percent secure base amounts (SBA), the Insurance Corporation may reduce premiums and return excess amounts. In 2025, the Insurance Fund commenced above the SBA. Consequently, the Insurance Corporation approved distribution of excess amounts for which System Entities received appropriate refunds. Loan-related fee income decreased \$6 million for the six months ended June 30, 2025 as compared to the same period in 2024, primarily from a lower level of transaction-related fees at CoBank.

District operating expenses increased to \$874 million for the six months ended June 30, 2025 as compared to \$831 million for the same period in 2024 primarily driven by increases in employee compensation, information services, general and administrative and Insurance Fund premium expenses. Employee compensation expense, which includes salaries, incentive compensation and employee benefits, increased \$29 million for the six months ended June 30, 2025 as compared to the same period in 2024, primarily due to an increase in salary expenses from employee headcount additions and, to a lesser degree, merit and other pay increases. Information services expense increased \$16 million for the six months ended June 30, 2025 as compared to the same period in 2024 due to higher expenses relating to hardware, software, network infrastructure and the modernization of existing technology platforms. General and administrative expenses increased \$14 million for the six months ended June 30, 2025 as compared to the same period in 2024 due to higher charitable contributions and other administrative costs at several Associations. Insurance Fund premium expenses increased \$7 million for the six months ended June 30, 2025 as compared to the same period in 2024 due to 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 for the six months ended June 30, 2025 and 2024. In July 2025, the Insurance Corporation announced a premium rate of 10 basis points of average outstanding adjusted insured debt obligations for the remainder of 2025.

District income tax expense decreased to \$77 million for the six months ended June 30, 2025 as compared to \$95 million for the same period in 2024 primarily due to a decrease 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.

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Loan Portfolio

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

District Loans by Loan Type		
(\$ in Millions)	June 30, 2025	December 31, 2024
Real Estate Mortgage	\$ 48,889	\$ 48,502
Nonaffiliated Associations	6,129	5,966
Production and Intermediate-term	25,961	27,200
Agribusiness:		
Loans to Cooperatives	15,801	16,382
Processing and Marketing	18,224	17,909
Farm Related Businesses	3,941	3,160
Communications	8,847	8,478
Rural Power	29,264	28,218
Water and Waste	3,737	3,972
Agricultural Export Finance	6,506	6,554
Rural Residential Real Estate	346	351
Lease Receivables	4,368	4,539
Other	132	161
Total	\$ 172,145	\$ 171,392

Overall District outstanding loans increased \$753 million to \$172.1 billion at June 30, 2025, compared to \$171.4 billion at December 31, 2024 primarily due to increases in rural power, real estate mortgage, farm related businesses, and communications loans, partially offset by decreases in production and intermediate-term loans, and loans to cooperatives.

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		
	June 30, 2025	December 31, 2024
Fruits, Nuts and Vegetables	17 %	17 %
Farm Supply, Grain and Marketing	10	11
Dairy	8	8
Electric Distribution	7	7
Cattle	7	7
Forest Products	5	5
Regulated Utilities	5	5
Livestock, Fish and Poultry	5	5
Field Crops Except Grains	4	4
Farm Related Business Services	4	4
Nonaffiliated Associations	4	3
Agricultural Export Finance	3	3
Generation and Transmission	3	3
Lease Financing (through FCL)	2	2
Rural Home	2	2
Other	14	14
Total	100 %	100 %

Geographic Distribution		
	June 30, 2025	December 31, 2024
California	21 %	21 %
Texas	7	7
Kansas	5	5
New York	5	5
Washington	5	5
Colorado	4	4
Idaho	3	3
Oklahoma	3	3
Oregon	3	2
Illinois	2	3
Iowa	2	2
Florida	2	2
Minnesota	2	2
Ohio	2	2
Nebraska	2	2
Pennsylvania	2	2
Georgia	2	2
Massachusetts	2	2
Other (less than 2 percent each for the current year)	22	22
Total States	96 %	96 %
Latin America	2	2
Asia	1	1
Europe, Middle East and Africa	1	1
Total International	4 %	4 %
Total	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		
	June 30, 2025	December 31, 2024
Acceptable	93.21 %	93.57 %
Special Mention	3.28	3.54
Substandard	3.41	2.79
Doubtful	0.10	0.10
Loss	—	—
Total	100.00 %	100.00 %

Notwithstanding some credit quality deterioration, overall loan quality within the District remains manageable. Acceptable loans were 93.21 percent of total loans at June 30, 2025, compared to 93.57 percent at December 31, 2024. Special Mention loans were 3.28 percent of total loans at June 30, 2025, compared to 3.54 percent at December 31, 2024. The level of adversely classified loans (“Substandard”, “Doubtful” and “Loss”) as a percent of total loans increased to 3.51 percent at June 30, 2025, compared to 2.89 percent at December 31, 2024 due primarily to credit quality deterioration related to agribusiness, real estate mortgage, production and intermediate-term, and communications 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 trade, tariff and economic uncertainties, an ongoing volatile agricultural commodity price environment, labor shortages, inflation, elevated level of interest rates, weather related events, as well as the war in Ukraine and instability in the Middle East.

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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 June 30, 2025 and December 31, 2024.

Vintage by Credit Quality Indicator											
As of June 30, 2025											
	Term Loans by Origination Year									Revolving Loans Converted to Term	Total Loans
(\$ in Millions)	2025	2024	2023	2022	2021	Prior	Total Term Loans	Revolving Loans			
Real Estate Mortgage											
Acceptable	\$ 2,867	\$ 4,899	\$ 3,505	\$ 4,936	\$ 6,390	\$ 18,803	\$ 41,400	\$ 2,588	\$ 434	\$ 44,422	
Special Mention	51	141	261	244	174	800	1,671	98	32	1,801	
Substandard	40	112	201	432	270	1,387	2,442	101	68	2,611	
Doubtful	-	-	2	5	2	46	55	-	-	55	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 2,958	\$ 5,152	\$ 3,969	\$ 5,617	\$ 6,836	\$ 21,036	\$ 45,568	\$ 2,787	\$ 534	\$ 48,889	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 4	\$ 5	\$ 14	\$ -	\$ 19	
Nonaffiliated Associations											
Acceptable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,129	\$ -	\$ 6,129	
Special Mention	-	-	-	-	-	-	-	-	-	-	
Substandard	-	-	-	-	-	-	-	-	-	-	
Doubtful	-	-	-	-	-	-	-	-	-	-	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,129	\$ -	\$ 6,129	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Production and Intermediate-Term											
Acceptable	\$ 1,918	\$ 2,609	\$ 1,480	\$ 1,231	\$ 876	\$ 1,777	\$ 9,891	\$ 12,958	\$ 158	\$ 23,007	
Special Mention	132	215	61	228	22	36	694	912	17	1,623	
Substandard	135	131	91	65	60	115	597	570	118	1,285	
Doubtful	5	-	2	15	2	3	27	4	15	46	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 2,190	\$ 2,955	\$ 1,634	\$ 1,539	\$ 960	\$ 1,931	\$ 11,209	\$ 14,444	\$ 308	\$ 25,961	
Gross Charge-offs ⁽¹⁾	\$ 11	\$ 2	\$ 5	\$ 5	\$ 1	\$ 4	\$ 28	\$ 5	\$ 13	\$ 46	
Agribusiness											
Acceptable	\$ 1,943	\$ 4,029	\$ 3,858	\$ 3,468	\$ 2,337	\$ 4,178	\$ 19,813	\$ 14,686	\$ 145	\$ 34,644	
Special Mention	39	240	97	285	119	158	938	659	21	1,618	
Substandard	106	117	196	95	91	309	914	690	52	1,656	
Doubtful	-	1	-	-	16	1	18	19	11	48	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 2,088	\$ 4,387	\$ 4,151	\$ 3,848	\$ 2,563	\$ 4,646	\$ 21,683	\$ 16,054	\$ 229	\$ 37,966	
Gross Charge-offs ⁽¹⁾	\$ -	\$ 15	\$ 7	\$ 4	\$ -	\$ -	\$ 26	\$ 1	\$ -	\$ 27	
Communications											
Acceptable	\$ 509	\$ 2,325	\$ 2,078	\$ 962	\$ 936	\$ 1,051	\$ 7,861	\$ 634	\$ -	\$ 8,495	
Special Mention	2	77	-	-	18	75	172	-	-	172	
Substandard	-	15	70	26	-	59	170	3	-	173	
Doubtful	-	-	-	4	-	-	4	3	-	7	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 511	\$ 2,417	\$ 2,148	\$ 992	\$ 954	\$ 1,185	\$ 8,207	\$ 640	\$ -	\$ 8,847	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ 9	\$ 13	\$ 3	\$ 25	\$ -	\$ -	\$ 25	
Rural Power											
Acceptable	\$ 1,940	\$ 3,746	\$ 4,859	\$ 3,332	\$ 2,102	\$ 10,621	\$ 26,600	\$ 2,329	\$ 5	\$ 28,934	
Special Mention	-	4	10	88	69	122	293	1	-	294	
Substandard	-	-	14	-	-	22	36	-	-	36	
Doubtful	-	-	-	-	-	-	-	-	-	-	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 1,940	\$ 3,750	\$ 4,883	\$ 3,420	\$ 2,171	\$ 10,765	\$ 26,929	\$ 2,330	\$ 5	\$ 29,264	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Water and Waste											
Acceptable	\$ 50	\$ 569	\$ 737	\$ 742	\$ 193	\$ 1,145	\$ 3,436	\$ 272	\$ -	\$ 3,708	
Special Mention	-	-	3	-	-	3	6	-	-	6	
Substandard	-	-	1	13	-	-	14	-	-	14	
Doubtful	-	3	3	-	-	-	6	3	-	9	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 50	\$ 572	\$ 744	\$ 755	\$ 193	\$ 1,148	\$ 3,462	\$ 275	\$ -	\$ 3,737	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

⁽¹⁾ As of and for the six months ended June 30, 2025.

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Vintage by Credit Quality Indicator (Continued)

As of June 30, 2025

	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans										
(\$ in Millions)	2025	2024	2023	2022	2021	Prior														
Agricultural Export Finance																				
Acceptable	\$	-	\$	50	\$	498	\$	67	\$	41	\$	35	\$	691	\$	5,796	\$	19	\$	6,506
Special Mention		-		-		-		-		-		-		-		-		-		-
Substandard		-		-		-		-		-		-		-		-		-		-
Doubtful		-		-		-		-		-		-		-		-		-		-
Loss		-		-		-		-		-		-		-		-		-		-
Total	\$	-	\$	50	\$	498	\$	67	\$	41	\$	35	\$	691	\$	5,796	\$	19	\$	6,506
Gross Charge-offs ⁽¹⁾	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Rural Residential Real Estate																				
Acceptable	\$	21	\$	35	\$	23	\$	22	\$	23	\$	215	\$	339	\$	-	\$	-	\$	339
Special Mention		-		1		-		-		-		2		3		-		-		3
Substandard		-		-		-		1		-		3		4		-		-		4
Doubtful		-		-		-		-		-		-		-		-		-		-
Loss		-		-		-		-		-		-		-		-		-		-
Total	\$	21	\$	36	\$	23	\$	23	\$	23	\$	220	\$	346	\$	-	\$	-	\$	346
Gross Charge-offs ⁽¹⁾	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Lease Receivables																				
Acceptable	\$	434	\$	940	\$	841	\$	712	\$	387	\$	828	\$	4,142	\$	-	\$	-	\$	4,142
Special Mention		10		34		26		21		16		29		136		-		-		136
Substandard		3		15		15		10		16		31		90		-		-		90
Doubtful		-		-		-		-		-		-		-		-		-		-
Loss		-		-		-		-		-		-		-		-		-		-
Total	\$	447	\$	989	\$	882	\$	743	\$	419	\$	888	\$	4,368	\$	-	\$	-	\$	4,368
Gross Charge-offs ⁽¹⁾	\$	-	\$	-	\$	1	\$	-	\$	-	\$	-	\$	1	\$	-	\$	-	\$	1
Other																				
Acceptable	\$	-	\$	2	\$	33	\$	1	\$	1	\$	11	\$	48	\$	83	\$	-	\$	131
Special Mention		-		-		-		-		-		1		1		-		-		1
Substandard		-		-		-		-		-		-		-		-		-		-
Doubtful		-		-		-		-		-		-		-		-		-		-
Loss		-		-		-		-		-		-		-		-		-		-
Total	\$	-	\$	2	\$	33	\$	1	\$	1	\$	12	\$	49	\$	83	\$	-	\$	132
Gross Charge-offs ⁽¹⁾	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Loans of CoBank District																				
Acceptable	\$	9,682	\$	19,204	\$	17,912	\$	15,473	\$	13,286	\$	38,664	\$	114,221	\$	45,475	\$	761	\$	160,457
Special Mention		234		712		458		866		418		1,226		3,914		1,670		70		5,654
Substandard		284		390		588		642		437		1,926		4,267		1,364		238		5,869
Doubtful		5		4		7		24		20		50		110		29		26		165
Loss		-		-		-		-		-		-		-		-		-		-
Total	\$	10,205	\$	20,310	\$	18,965	\$	17,005	\$	14,161	\$	41,866	\$	122,512	\$	48,538	\$	1,095	\$	172,145
Gross Charge-offs ⁽¹⁾	\$	11	\$	17	\$	13	\$	18	\$	15	\$	11	\$	85	\$	20	\$	13	\$	118

⁽¹⁾ As of and for the six months ended June 30, 2025.

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Vintage by Credit Quality Indicator

As of December 31, 2024

As of December 31, 2024											
	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans	
(\$ in Millions)	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	\$ 3,672	\$ 296	\$ -	\$ 3,972	
Gross Charge-offs ⁽¹⁾	\$ 2	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 2	\$ -	\$ 13	

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

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Vintage by Credit Quality Indicator (Continued)

As of December 31, 2024

	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans	
(\$ in Millions)	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.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

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

Nonperforming Assets			
(\$ in Millions)	June 30, 2025		December 31, 2024
Nonaccrual Loans:			
Real Estate Mortgage	\$	823	\$ 649
Production and Intermediate-term		301	333
Agribusiness		497	402
Communications		33	41
Rural Power		14	15
Water and Waste		10	12
Rural Residential Real Estate		2	1
Lease Receivables		33	25
Total Nonaccrual Loans		1,713	1,478
Accruing Loans 90 Days or More Past Due:			
Real Estate Mortgage		117	29
Production and Intermediate-term		36	20
Agribusiness		33	—
Lease Receivables		2	5
Total Accruing Loans 90 Days or More Past Due		188	54
Total Nonperforming Loans		1,901	1,532
Other Property Owned		21	23
Total Nonperforming Assets	\$	1,922	\$ 1,555
Nonaccrual Loans as a Percentage of Total Loans			
		1.00 %	0.86 %
Nonperforming Assets as a Percentage of Total Loans and Other Property Owned			
		1.12	0.91
Nonperforming Assets as a Percentage of Capital			
		6.86	5.80

Nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) totaled \$1.9 billion as of June 30, 2025, compared to \$1.6 billion at December 31, 2024. District nonaccrual loans increased \$235 million during the six months ended June 30, 2025. Nonaccrual loans at CoBank increased \$58 million mostly due to agribusiness customers that transferred to nonaccrual during 2025. Nonaccrual loans at Associations increased \$177 million primarily due to an increase in real estate mortgage and agribusiness customers that transferred to nonaccrual. The increase in nonaccrual loans was mainly concentrated in Associations located in the Western regions of the United States and due to borrowers in the poultry and egg, fruits, vegetables, agribusiness, and tree and nursery sectors that transferred to nonaccrual status during 2025. Total accruing loans 90 days or more past due increased by \$134 million during the six months ended June 30, 2025 primarily at the Associations from real estate mortgage and agribusiness loans. Other property owned decreased \$2 million at June 30, 2025 as compared to December 31, 2024 primarily due to disposal of properties. Nonperforming assets represented 1.12 percent and 0.91 percent of total District loans and other property owned at June 30, 2025 and December 31, 2024, respectively. Nonaccrual loans, the largest component of nonperforming assets, represented 1.00 percent of total loans at June 30, 2025 compared to 0.86 percent at December 31, 2024.

Quarterly 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.

Aging of Past Due Loans							
(\$ in Millions)	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	
June 30, 2025							
Real Estate Mortgage	\$ 214	\$ 601	\$ 815	\$ 48,074	\$ 48,889	\$ 117	
Nonaffiliated Associations	—	—	—	6,129	6,129	—	
Production and Intermediate-term	209	202	411	25,550	25,961	36	
Agribusiness	136	123	259	37,707	37,966	33	
Communications	—	1	1	8,846	8,847	—	
Rural Power	—	—	—	29,264	29,264	—	
Water and Waste	—	—	—	3,737	3,737	—	
Agricultural Export Finance	—	—	—	6,506	6,506	—	
Rural Residential Real Estate	2	—	2	344	346	—	
Lease Receivables	25	23	48	4,320	4,368	2	
Other	—	—	—	132	132	—	
Total	\$ 586	\$ 950	\$ 1,536	\$ 170,609	\$ 172,145	\$ 188	
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	

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 \$116 million at June 30, 2025.

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 June 30, 2025 totaled \$1.2 billion, compared to \$1.1 billion at December 31, 2024. Changes in the allowance included an overall provision for credit losses on loans of \$230 million, loan charge-offs of \$118 million, loan recoveries of \$5 million and a \$13 million net transfer to the reserve for unfunded commitments.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

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

Changes in Allowance for Credit Losses on Loans											
(\$ in Millions)	Real Estate	Non-	Production	Agri-	Communi-	Rural	Water	Agricultural	Rural	Lease	Total
	Mortgage	affiliated	and Intermediate-	business	cations	Power	and Waste	Export	Residential	Receivables	
		Associations	term					Finance	Real Estate	and Other	
June 30, 2025											
Allowance for Loan Losses											
Beginning Balance	\$ 177	\$ —	\$ 175	\$ 394	\$ 118	\$ 161	\$ 31	\$ 17	\$ 1	\$ 38	\$ 1,112
Charge-offs	(19)	—	(46)	(27)	(25)	—	—	—	—	(1)	(118)
Recoveries	—	—	2	2	—	1	—	—	—	—	5
Provision for Credit Losses/ (Credit Loss Reversal)	51	—	65	95	21	(6)	3	(1)	—	2	230
Transfers to Reserve for Unfunded Commitments	(1)	—	(5)	(3)	(2)	(1)	(1)	—	—	—	(13)
Ending Balance	\$ 208	\$ —	\$ 191	\$ 461	\$ 112	\$ 155	\$ 33	\$ 16	\$ 1	\$ 39	\$ 1,216
Reserve for Unfunded Commitments											
Beginning Balance	\$ 5	\$ —	\$ 22	\$ 51	\$ 11	\$ 13	\$ 1	\$ —	\$ —	\$ —	\$ 103
Transfers from Allowance for Loan Losses	1	—	5	3	2	1	1	—	—	—	13
Ending Balance	\$ 6	\$ —	\$ 27	\$ 54	\$ 13	\$ 14	\$ 2	\$ —	\$ —	\$ —	\$ 116
Allowance for Credit Losses on Loans	\$ 214	\$ —	\$ 218	\$ 515	\$ 125	\$ 169	\$ 35	\$ 16	\$ 1	\$ 39	\$ 1,332
June 30, 2024											
Allowance for Loan Losses											
Beginning Balance	\$ 130	\$ —	\$ 133	\$ 376	\$ 106	\$ 165	\$ 27	\$ 27	\$ 2	\$ 44	\$ 1,010
Charge-offs	(7)	—	(15)	(51)	—	(3)	—	—	—	(2)	(78)
Recoveries	—	—	3	3	—	—	—	—	—	—	6
Provision for Credit Losses/ (Credit Loss Reversal) ⁽¹⁾	33	—	6	10	(1)	2	3	(7)	—	(3)	43
Transfers from Reserve for Unfunded Commitments	—	—	2	10	—	1	—	—	—	—	13
Ending Balance	\$ 156	\$ —	\$ 129	\$ 348	\$ 105	\$ 165	\$ 30	\$ 20	\$ 2	\$ 39	\$ 994
Reserve for Unfunded Commitments											
Beginning Balance	\$ 7	\$ —	\$ 29	\$ 69	\$ 11	\$ 16	\$ 2	\$ 3	\$ —	\$ —	\$ 137
Transfers to Allowance for Loan Losses	—	—	(2)	(10)	—	(1)	—	—	—	—	(13)
Ending Balance	\$ 7	\$ —	\$ 27	\$ 59	\$ 11	\$ 15	\$ 2	\$ 3	\$ —	\$ —	\$ 124
Allowance for Credit Losses on Loans	\$ 163	\$ —	\$ 156	\$ 407	\$ 116	\$ 180	\$ 32	\$ 23	\$ 2	\$ 39	\$ 1,118

⁽¹⁾ Excludes credit loss reversal of \$1 million on investment securities for the six months ended June 30, 2024.

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 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".

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Investment Information							
	Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Fair Value
(\$ in Millions)							
June 30, 2025							
CoBank Investments ⁽¹⁾	\$	48,336	\$	262	\$	(970)	\$ 47,628
Association Investments		2,312		17		(10)	2,319
Total	\$	50,648	\$	279	\$	(980)	\$ 49,947
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

⁽¹⁾ Amortized cost and fair value include allowance for credit losses of \$1 million at June 30, 2025 and December 31, 2024.

⁽¹⁾ Amortized cost and fair value include allowance for credit losses of \$1 million at June 30, 2025 and December 31, 2024.

Investment securities increased to \$49.9 billion at June 30, 2025 from \$45.3 billion at December 31, 2024. The increase in investments was primarily at CoBank to maintain its liquidity reserve associated with higher lending at June 30, 2025 as compared to December 31, 2024 and to take advantage of favorable investment spread opportunities in the marketplace. Association investments also increased to maintain liquidity reserves in line with loan growth and at one Association which began purchasing and holding investments in the second quarter of 2025.

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 June 30, 2025, CoBank's ACL on investment securities was \$1 million. CoBank recorded no provision for credit losses or credit loss reversal for its investment securities during the six months ended June 30, 2025 as compared to a credit loss reversal of \$1 million for its investment securities for the same period in 2024. The Associations with investment securities recorded no allowance for credit losses or provision for credit losses for the six months ended June 30, 2025 and 2024.

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 \$453 million at June 30, 2025 compared to \$457 million at December 31, 2024. Derivative liabilities totaled \$615 million at June 30, 2025 compared to \$699 million at December 31, 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

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

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 net gains of \$21 million for the six months ended June 30, 2025 as compared to net losses of \$19 million for the same period in 2024. Changes in the fair value of derivatives recorded as other comprehensive income (loss) totaled net losses of \$222 million for the six months ended June 30, 2025 as compared to net gains of \$80 million for the same period in 2024.

District Capital Resources

Combined District shareholders' equity at June 30, 2025 increased to \$28.0 billion as compared to \$26.8 billion at December 31, 2024. The change primarily resulted from District net income and a decrease in accumulated other comprehensive loss, partially offset by preferred and common stock retirements at the Bank and accrued patronage.

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

Accumulated Other Comprehensive Loss⁽¹⁾		
(\$ in Millions)	June 30, 2025	December 31, 2024
Unrealized Losses on Investment Securities	\$ (641)	\$ (1,363)
Net Pension Adjustment	(228)	(237)
Unrealized (Losses) Gains on Interest Rate Swaps and Other Derivatives	(62)	160
Accumulated Other Comprehensive Loss	\$ (931)	\$ (1,440)

⁽¹⁾ Amounts are presented net of tax.

The change in the District's total accumulated other comprehensive loss during the six months ended June 30, 2025 is largely due to lower unrealized losses on investment securities driven by the impact of market interest rate changes on the fair value of fixed rate securities.

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 Series H preferred stock was 6.20 percent through the date of redemption.

Quarterly 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							
Ratio	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer*	June 30, 2025		December 31, 2024	
				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 %	11.42 %	11.25-18.75%	11.62 %	11.53-19.23%
Tier 1 capital ratio	CET1 Capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	13.23 %	12.43-18.75%	13.62 %	12.73-19.23%
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 %	14.05 %	13.41-19.03%	14.39 %	13.66-19.49%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0 %	7.0 %	13.35 %	13.36-18.80%	13.73 %	13.65-19.27%
Non-risk adjusted:							
Tier 1 leverage ratio**	Tier 1 Capital	4.0 %	5.0 %	6.65 %	14.35-20.70%	6.90 %	14.56-20.49%
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	3.07 %	12.93-20.84%	3.23 %	13.14-20.90%

* 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 June 30, 2025, 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.

Other Matters

Downgrade of the Long-Term Sovereign Credit Rating on the United States and the Long-Term Issuer Default Rating of the System

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 associated with the debt securities issued through the Funding Corporation. The credit ratings of GSEs, including the System, are influenced by the sovereign credit rating of the United States.

On May 16, 2025, Moody's Ratings (Moody's) downgraded the long-term sovereign credit rating on the United States to Aa1 from Aaa. The outlook on the long-term rating of the United States was revised to stable from ratings watch negative. Subsequently, on May 19, 2025, Moody's also downgraded the long-term senior unsecured debt rating for the System to Aa1 from Aaa and affirmed the P-1 short-term rating. The outlook on the long-term default rating of the System was revised to stable from ratings watch negative. The downgrade of the System rating reflects the downgrade of the U.S. sovereign rating.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

S&P Global Ratings (S&P) and Fitch Ratings (Fitch) currently maintain a long-term sovereign credit rating on the United States of AA+, a long-term issuer default rating for the System of AA+ and a short-term issuer default rating for the System of A-1+ and F1+, respectively. The rating outlooks are stable. S&P and Fitch currently maintain individual credit ratings for CoBank of AA- and A+, respectively. Moody's does not provide an individual credit rating for CoBank.

Notwithstanding these actions, to date CoBank has continued to access competitively priced funding necessary to support its lending and business operations. However, such actions and any future downgrades from ratings agencies could negatively impact the access to debt capital markets, funding flexibility, funding costs and earnings for CoBank, its affiliated Associations, 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

We have evaluated subsequent events through August 8, 2025, which is the date District financial information was issued and determined that there were no other events requiring disclosure.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Combined Balance Sheets

(unaudited)

(\$ in Millions)

	June 30, 2025	December 31, 2024
Assets		
Total Loans	\$ 172,145	\$ 171,392
Less: Allowance for Loan Losses	1,216	1,112
Net Loans	170,929	170,280
Cash and Cash Equivalents	538	1,070
Federal Funds Sold and Other Overnight Funds	1,595	3,490
Investment Securities (net of allowance of \$1 million at June 30, 2025 and December 31, 2024)	49,947	45,334
Interest Rate Swaps and Other Derivatives	453	457
Accrued Interest Receivable and Other Assets	3,916	3,930
Total Assets	\$ 227,378	\$ 224,561
Liabilities		
Bonds and Notes	\$ 195,229	\$ 192,486
Subordinated Debt	198	198
Interest Rate Swaps and Other Derivatives	615	699
Reserve for Unfunded Commitments	116	103
Patronage Payable	512	1,386
Accrued Interest Payable and Other Liabilities	2,691	2,863
Total Liabilities	199,361	197,735
Shareholders' Equity		
Preferred Stock Issued by Bank	1,925	2,225
Preferred Stock Issued by Associations	326	325
Common Stock	2,010	1,994
Paid In Capital	3,852	3,852
Unallocated Retained Earnings	20,835	19,870
Accumulated Other Comprehensive Loss	(931)	(1,440)
Total Shareholders' Equity	28,017	26,826
Total Liabilities and Shareholders' Equity	\$ 227,378	\$ 224,561

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Combined Statements of Income

(unaudited)

(\$ in Millions)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Interest Income				
Loans	\$ 2,676	\$ 2,696	\$ 5,355	\$ 5,378
Investment Securities	470	385	906	747
Federal Funds Sold and Other Overnight Funds	22	36	41	69
Total Interest Income	3,168	3,117	6,302	6,194
Interest Expense	1,983	2,012	3,942	3,987
Net Interest Income	1,185	1,105	2,360	2,207
Provision for Credit Losses	98	40	230	42
Net Interest Income After Provision for Credit Losses	1,087	1,065	2,130	2,165
Noninterest Income				
Loan-Related Fee Income	75	90	148	154
Patronage Income	70	61	133	118
Financially-Related Services Income	17	17	35	32
Prepayment Income	2	1	2	2
Losses on Early Extinguishments of Debt	—	(2)	(3)	(2)
Gains on Sales of Investment Securities	—	1	3	1
Customer Interest Rate Swaps and Other Derivatives Income (Expense)	9	(6)	21	(19)
Return of Excess Insurance Funds	—	50	31	50
Other, Net	16	8	26	16
Total Noninterest Income	189	220	396	352
Operating Expenses				
Employee Compensation	250	243	498	469
Insurance Fund Premium	41	37	82	75
Information Services	55	48	110	94
General and Administrative	34	24	65	51
Occupancy and Equipment	14	15	29	30
Farm Credit System Related	10	9	21	19
Purchased Services	16	18	31	31
Merger Related Costs	—	4	—	6
Other	21	38	38	56
Total Operating Expenses	441	436	874	831
Income Before Income Taxes	835	849	1,652	1,686
Provision for Income Taxes	38	44	77	95
Net Income	\$ 797	\$ 805	\$ 1,575	\$ 1,591

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Select Information on District Associations

(unaudited)

(\$ in Millions)

As of June 30, 2025	Wholesale Loans	% of Wholesale Loans	Total Assets	Total Regulatory Capital	Total Regulatory Capital Ratio	Non- performing Loans as a % of Total Loans	Return on Average Assets
AgWest, ACA	\$ 28,181	36.12 %	\$ 35,445	\$ 5,535	15.33 %	1.88 %	2.07 %
American AgCredit, ACA	18,357	23.53	22,866	3,433	13.41	2.32	1.88
Farm Credit East, ACA	10,926	14.00	13,595	2,324	16.10	0.38	2.71
Yosemite Farm Credit, ACA	4,013	5.15	5,056	768	14.44	2.25	2.26
Frontier Farm Credit, ACA	2,831	3.63	3,483	565	14.86	1.34	1.60
Golden State Farm Credit, ACA	2,153	2.76	2,724	437	15.17	2.61	1.82
Oklahoma AgCredit, ACA	1,908	2.45	2,340	351	14.71	1.08	1.63
High Plains Farm Credit, ACA	1,749	2.24	2,185	317	13.80	0.86	2.78
Farm Credit Western Oklahoma, ACA	1,696	2.17	2,094	324	16.50	0.14	2.02
Fresno-Madera Farm Credit, ACA	1,406	1.80	1,803	303	15.49	0.96	1.77
Farm Credit of Southern Colorado, ACA	1,380	1.77	1,755	290	16.50	0.85	1.33
Western AgCredit, ACA	1,141	1.46	1,538	312	19.03	1.08	2.77
Premier Farm Credit, ACA	861	1.10	1,130	219	18.07	0.40	2.09
Farm Credit Services of Colusa-Glenn, ACA	575	0.74	777	155	17.83	1.04	2.85
Farm Credit of Western Kansas, ACA	474	0.61	614	113	18.45	0.00	2.16
Idaho AgCredit, ACA	370	0.47	483	75	15.72	0.69	2.21

Quarterly 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.fcwkc.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
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