CoBank Quarterly District Financial Information September 30, 2020

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 short- 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 September 30, 2020, we have 21 affiliated Associations serving customers in 23 states across the Northwest, West, 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 financial information of affiliated Associations is not included in the condensed consolidated quarterly financial statements presented in CoBank's September 30, 2020 Quarterly Report to Shareholders. However, the FCA authorizes CoBank to present combined Bank and Association quarterly financial information in a separate report.

The Financial Highlights, Management's Discussion and Analysis, and the Condensed 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.

Financial Highlights

($ in Thousands) (Unaudited)

	September 30, 2020	December 31, 2019
Total Loans	**$ 123,344,155**	$ 119,995,001
Less: Allowance for Loan Losses	**970,194**	985,645
Net Loans	**122,373,961**	119,009,356
Total Assets	**161,289,034**	157,191,842
Total Shareholders' Equity	**22,945,074**	20,998,810

For the Nine Months Ended September 30,	2020	2019
Net Interest Income	**$ 2,478,446**	$ 2,304,325
Provision for Loan Losses	**79,778**	53,732
Net Fee Income	**153,974**	106,936
Net Income	**1,723,500**	1,567,387
Net Interest Margin	**2.10 %**	2.08 %
Net Charge-offs / Average Loans	**0.04**	0.01
Return on Average Assets	**1.41**	1.39
Return on Average Total Shareholders' Equity	**10.33**	10.22
Operating Expense / Net Interest Income and Noninterest Income	**32.50**	33.75
Average Loans	**$ 122,468,999**	$ 115,184,205
Average Earning Assets	**157,457,864**	147,936,565
Average Assets	**162,704,094**	149,980,885

Discussion and Analysis of District Results of Operations and Financial Condition

District average loan volume increased 6 percent to $122.5 billion in the first nine months of 2020, compared to $115.2 billion for the same period of 2019. The increase in average loan volume primarily reflected growth in real estate mortgage, production and intermediate-term, rural power, communications, agricultural export finance and lease receivables.

District net income increased $156.1 million to $1.724 billion for the nine-month period ended September 30, 2020, compared to $1.567 billion for the same period of 2019. The increase in earnings primarily resulted from an increase in net interest income and noninterest income. These items were somewhat offset by an increase in operating expenses and higher provisions for loan losses and income taxes in the 2020 period.

Net interest income increased $174.1 million to $2.478 billion for the first nine months of 2020 from $2.304 billion for the same period in 2019. The increase in net interest income was primarily driven by growth in average loan volume across the District and higher earnings on balance sheet positioning at the Bank. The District's overall net interest margin improved to 2.10 percent for the nine months ended September 30, 2020, from 2.08 percent for the same period in 2019. The increase in net interest margin included higher earnings on balance sheet positioning at the Bank, improved lending spreads across certain portions of the District loan portfolio and the favorable impact of interest income recognized on a nonaccrual loan to an agribusiness customer at the Bank and two Associations that was paid off in 2020.

The District recorded a provision for loan losses of $79.8 million in the nine-month period ended September 30, 2020, compared to $53.7 million for the same period of 2019. CoBank recorded a provision for loan losses of $46.0 million in the first nine months of 2020 compared to $26.0 million during the 2019 period. The 2020 provision at CoBank primarily relates to agribusiness loans resulting from deterioration in credit quality and increased lending and leasing activity. This was somewhat offset by a loan loss reversal at the Bank associated with rural infrastructure loans due to an improvement in credit quality in these portfolio sectors. The Bank's provision for loan losses in the 2020 period also included an additional level of reserves to reflect inherent losses in its loan portfolio resulting from deterioration in the macro environment and business disruptions related to COVID-19. The 2019 provision at CoBank largely reflected deterioration in credit quality in agribusiness and rural power loans. The Associations recorded a net combined provision for loan losses of $33.8 million in the first nine months of 2020, compared to a net combined provision of $27.7 million in the same period of 2019. The net combined 2020 provision for loan losses at the Associations was primarily due to provisions at several Associations resulting from a higher level of lending activity, deterioration in credit quality and other concerns causing stress to specific industries as well as the impacts of COVID-19. The net combined 2019 provision for loan losses at the Associations were primarily due to provisions at several Associations resulting from deterioration in credit quality and other concerns causing stress to specific industries. CoBank and Associations in the District are not yet required and have not implemented the Current Expected Credit Losses (CECL) accounting standard.

Noninterest income increased $70.0 million to $362.6 million in the first nine months of 2020 from $292.6 million for the same period in 2019. Noninterest income is primarily composed of fee income, patronage income, loan prepayment income, gains on derivatives, and miscellaneous gains and losses, offset by losses on early extinguishments of debt. The increase in noninterest income resulted largely from a $47.0 million increase in net fee income at CoBank and certain Associations due to a higher level of transaction-related lending fees in the first nine months of 2020 compared to 2019. Gains on derivatives increased $27.6 million in the first nine months of 2020 compared to 2019 resulting from the impact of market interest rate changes in the 2020 period and higher customer derivative income at the Bank. Patronage income received from other System institutions on loan participations sold by CoBank and certain Associations increased by $16.2 million in the first nine months of 2020 compared to 2019. These increases in noninterest income were partially offset by an $18.5 million increase in losses on early extinguishments of debt, net of prepayment income in the first nine months of 2020 compared to 2019.

District operating expenses increased $46.9 million to $923.3 million in the first nine months of 2020 from $876.4 million for the same period of 2019. Higher operating expenses included an increase in employee compensation expense of $48.8 million to $540.2 million in the first nine months of 2020, compared to $491.4 million for the same period of 2019. The increase in employee compensation expense was driven by merit increases and an increase in the number of employees to support increased investments in operating and technology platforms and other new business initiatives as well as to maintain high levels of customer service. Information services expense increased $8.4 million in the nine months ended September 30, 2020 compared to the 2019 period primarily due to greater expenditures at CoBank and certain Associations to enhance service offerings, technology platforms and digital banking capabilities. Purchased services expense increased $5.6 million in the nine months ended September 30, 2020 compared to the 2019 period primarily due to enhancement of the enterprise information capabilities at CoBank. Insurance Fund premium expense increased $4.8 million in the first nine months of 2020 compared to the 2019 period due to an increase in debt funding growth in loan volume. Insurance Fund premium rates are set by the Insurance Corporation and were 8 basis points of adjusted insured debt obligations in the first half of 2020 and 11 basis points in the three months ended September 30, 2020 compared to 9 basis points throughout 2019. The premium rate will remain 11 basis points of adjusted insured debt obligations for the remainder of 2020. These increases in operating expenses were partially offset by decreases in general and administrative expense of $13.0 million and other operating expenses of $9.2 million in the first nine months of 2020 compared to the 2019 period. The decrease in general and administrative expense is primarily due to a reduction in training and other miscellaneous expenses. The decrease in other operating expenses primarily related to a lower level of expenditures for business travel and meeting related expenses due to COVID-19 restrictions.

Income tax expense increased $15.0 million in the nine-month period ended September 30, 2020, compared to the same period of 2019 primarily reflecting a higher level of taxable earnings. 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.

Loan Portfolio

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

($ in Thousands)

District Loans by Loan Type

	September 30, 2020	December 31, 2019
Real Estate Mortgage	$ 38,639,491	$ 35,996,091
Nonaffiliated Associations	4,942,517	4,936,794
Production and Intermediate-term	17,776,451	17,918,614
Agribusiness:		
Loans to Cooperatives	12,650,657	15,382,653
Processing and Marketing Operations	10,153,726	9,823,770
Farm-Related Businesses	2,072,734	2,055,529
Communications	5,283,729	4,462,820
Rural Power	18,384,695	16,457,334
Water/Wastewater	2,250,801	1,956,484
Agricultural Export Finance	6,175,892	6,208,574
Rural Residential Real Estate	604,342	680,001
Lease Receivables	4,318,110	3,984,289
Other	91,010	132,048
Total	$ 123,344,155	$ 119,995,001

Overall District loan volume increased $3.3 billion to $123.3 billion at September 30, 2020, as compared to loan volume of $120.0 billion as of December 31, 2019. The increase was driven primarily by increases in real estate mortgage, rural power, communications, lease receivables and water/wastewater loans, partially offset by a decrease in agribusiness 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 Northwest, West, 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.

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

	September 30, 2020	December 31, 2019
Fruits, Nuts and Vegetables	**17 %**	16 %
Farm Supply, Grain and Marketing	**10**	13
Dairy	**9**	9
Electric Distribution	**6**	6
Cattle	**6**	6
Forest Products	**6**	6
Agricultural Export Finance	**5**	5
Field Crops Except Grains	**5**	4
Nonaffiliated Associations	**4**	4
Livestock, Fish and Poultry	**4**	4
Farm-Related Businesses	**4**	4
Generation and Transmission	**4**	3
Leasing	**3**	3
Regulated Utilities	**3**	2
Rural Home	**2**	2
Independent Power Producers	**2**	2
Water/Wastewater	**2**	1
Other	**8**	10
Total	**100 %**	100 %

Geographic Distribution		
	September 30, 2020	**December 31, 2019**
California	**23 %**	22 %
Kansas	**6**	6
Texas	**6**	6
New York	**5**	5
Washington	**4**	4
Colorado	**4**	3
Idaho	**3**	3
Oklahoma	**3**	3
Oregon	**3**	3
Illinois	**2**	3
Minnesota	**2**	2
Iowa	**2**	2
Florida	**2**	2
Connecticut	**2**	1
Other (less than 2 percent each for the current year)	**28**	30
Total States	**95 %**	95 %
Latin America	**2**	2
Asia	**2**	2
Europe, Middle East and Africa	**1**	1
Total International	**5 %**	5 %
Total	**100 %**	100 %

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 and accrued interest.

District Loan Quality		
	September 30, 2020	**December 31, 2019**
Acceptable	**94.53 %**	93.59 %
Special Mention	**3.01**	3.52
Substandard	**2.44**	2.87
Doubtful	**0.02**	0.02
Loss	**-**	-
Total	**100.00 %**	100.00 %

Our overall loan quality within the District remains strong at September 30, 2020 and improved in total across most credit quality classifications compared to December 31, 2019. Acceptable loans and accrued interest increased to 94.53 percent of total loans and accrued interest at September 30, 2020, compared to 93.59 percent at December 31, 2019. Special Mention loans and accrued interest improved to 3.01 percent of total loans and accrued interest at September 30, 2020, compared to

3.52 percent at December 31, 2019. Special Mention loans and accrued interest in total improved primarily due to an upgrade from Special Mention to Acceptable of a participation in a wholesale loan made by FCBT to one of its affiliated Associations. The level of adversely classified loans (“Substandard”, “Doubtful” and “Loss”) and related accrued interest as a percent of total loans and accrued interest improved to 2.46 percent at September 30, 2020, compared to 2.89 percent at December 31, 2019.

Although overall credit quality of the District loan portfolio remained strong during the first nine months of 2020, economic conditions in the broader economy deteriorated rapidly during the latter part of March 2020. The introduction and spread of COVID-19 around the world has caused significant volatility and unfavorable conditions in the U.S. and international markets. There is significant uncertainty around the magnitude and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. As such, it is uncertain the level of impact COVID-19 business disruptions will have on credit quality at District institutions. Since the onset of COVID-19, CoBank and certain Associations elected to modify a number of loans and leases to give short-term relief to borrowers in need of temporary assistance. As of September 30, 2020, loan and lease modifications at CoBank and the Associations in the District involving short-term principal and/or interest deferrals related to COVID-19 business disruptions were approximately four percent of total loans. At this time, the credit quality impacts within the District’s loan portfolio resulting from COVID-19 business disruptions are expected to be mixed with certain industries negatively impacted. District institutions have identified the biofuels, dairy, protein, forest products, and fruits/nuts and vegetables industries as the most likely to be negatively impacted due to lower demand and supply chain disruptions in the current environment. However, there is uncertainty as to the magnitude and severity of the credit quality impacts to their loans in these sectors based on the information available in the marketplace at this time. Unfavorable changes to other industries from COVID-19 business disruptions may also negatively impact District credit quality in future periods.

Nonperforming assets (which consist of nonaccrual loans, accruing restructured loans, accruing loans 90 days or more past due and other property owned) totaled $682.8 million as of September 30, 2020, compared to $728.8 million at December 31, 2019. Nonaccrual loans improved $42.1 million during the first nine months of 2020. Nonaccrual loans at CoBank improved $61.3 million primarily due to payment activity and charge-offs on several nonaccrual loans to agribusiness and rural infrastructure customers. Nonaccrual loans at Associations increased by $19.2 million primarily due to additions of several real estate mortgage loans during 2020. Accruing restructured loans decreased to $26.9 million at September 30, 2020 compared to $36.5 million at December 31, 2019 primarily due to a real estate mortgage loan that moved to nonaccrual status during 2020. Total accruing loans 90 days or more past due increased by $6.6 million during the first nine months of 2020 primarily driven by increases in real estate mortgage and agribusiness loans. Nonperforming assets represented 0.55 percent of total District loan volume and other property owned at September 30, 2020, compared to 0.61 percent at December 31, 2019. Nonaccrual loan volume, the largest component of nonperforming assets, represented 0.50 percent of total loans at September 30, 2020 compared to 0.55 percent at December 31, 2019.

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

($ in Thousands)

Nonperforming Assets	September 30, 2020	December 31, 2019
Nonaccrual Loans:		
Real Estate Mortgage	$ **259,818**	$ 230,581
Production and Intermediate-term	**156,506**	151,335
Agribusiness	**164,937**	224,854
Rural Power	**7,103**	19,368
Rural Residential Real Estate	**4,306**	3,545
Lease Receivables	**26,077**	31,067
Other	**1,695**	1,838
Total Nonaccrual Loans	**620,442**	662,588
Accruing Restructured Loans:		
Real Estate Mortgage	**16,216**	24,482
Production and Intermediate-term	**9,543**	10,806
Rural Residential Real Estate	**1,153**	1,190
Total Accruing Restructured Loans	**26,912**	36,478
Accruing Loans 90 Days or More Past Due:		
Real Estate Mortgage	**13,639**	8,685
Production and Intermediate-term	**3,932**	4,410
Agribusiness	**6,237**	3,643
Rural Power	**-**	1,377
Rural Residential Real Estate	**387**	-
Lease Receivables	**1,627**	1,138
Total Accruing Loans 90 Days or More Past Due	**25,822**	19,253
Total Nonperforming Loans	**673,176**	718,319
Other Property Owned	**9,661**	10,470
Total Nonperforming Assets	$ **682,837**	$ 728,789
Nonaccrual Loans as a Percentage of Total Loans	**0.50** %	0.55 %
Nonperforming Assets as a Percentage of Total Loans and Other Property Owned	**0.55**	0.61
Nonperforming Assets as a Percentage of Capital	**2.98**	3.47

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

($ in Thousands)

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 and Accrued Interest	Recorded Investment >90 Days and Accruing
September 30, 2020						
Real Estate Mortgage	**$ 61,273**	**$ 99,752**	**$ 161,025**	**$ 39,043,592**	**$ 39,204,617**	**$ 13,639**
Nonaffiliated Associations	**-**	**-**	**-**	**4,945,556**	**4,945,556**	**-**
Production and Intermediate-term	**58,386**	**74,734**	**133,120**	**17,781,706**	**17,914,826**	**3,932**
Agribusiness	**7,370**	**50,396**	**57,766**	**24,894,576**	**24,952,342**	**6,237**
Communications	**11,091**	**-**	**11,091**	**5,279,213**	**5,290,304**	**-**
Rural Power	**-**	**5,102**	**5,102**	**18,446,444**	**18,451,546**	**-**
Water/Wastewater	**-**	**-**	**-**	**2,259,630**	**2,259,630**	**-**
Agricultural Export Finance	**-**	**-**	**-**	**6,191,633**	**6,191,633**	**-**
Rural Residential Real Estate	**4,660**	**1,266**	**5,926**	**600,575**	**606,501**	**387**
Lease Receivables	**17,041**	**9,800**	**26,841**	**4,292,285**	**4,319,126**	**1,627**
Other	**-**	**-**	**-**	**91,161**	**91,161**	**-**
Total	**$ 159,821**	**$ 241,050**	**$ 400,871**	**$ 123,826,371**	**$ 124,227,242**	**$ 25,822**
December 31, 2019						
Real Estate Mortgage	$ 77,397	$ 70,921	$ 148,318	$ 36,301,625	$ 36,449,943	$ 8,685
Nonaffiliated Associations	2	-	2	4,946,229	4,946,231	-
Production and Intermediate-term	94,186	48,591	142,777	17,919,755	18,062,532	4,410
Agribusiness	6,742	40,515	47,257	27,319,144	27,366,401	3,643
Communications	30,086	-	30,086	4,440,806	4,470,892	-
Rural Power	-	14,944	14,944	16,506,579	16,521,523	1,377
Water/Wastewater	1,272	-	1,272	1,964,563	1,965,835	-
Agricultural Export Finance	-	-	-	6,232,305	6,232,305	-
Rural Residential Real Estate	3,317	1,381	4,698	677,409	682,107	-
Lease Receivables	16,150	8,218	24,368	3,960,912	3,985,280	1,138
Other	-	-	-	132,364	132,364	-
Total	$ 229,152	$ 184,570	$ 413,722	$ 120,401,691	$ 120,815,413	$ 19,253

District entities maintain an allowance for loan losses at a level consistent with the probable losses identified by management of each institution, considering such factors as current 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 $188.4 million at September 30, 2020.

Although aggregated in the District's condensed 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 September 30, 2020 totaled $970.2 million compared to $985.6 million at December 31, 2019. Changes in the allowance during the first nine months of 2020 included a $56.9 million net transfer to the reserve for unfunded commitments, loan charge-offs of $45.4 million, an overall provision for loan losses of $79.8 million, which is described on page 3, and loan recoveries of $7.2 million.

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

($ in Thousands)

Changes in Allowance for Loan Losses

	Real Estate Mortgage	Non-affiliated Associations	Production and Intermediate-term	Agri-business	Communi-cations	Rural Power	Water/ Wastewater	Agricultural Export Finance	Rural Residential Real Estate	Lease Receivables and Other	Total
September 30, 2020											
Allowance for Loan Losses											
Beginning Balance	$ 127,072	$ -	$ 203,523	$ 388,248	$ 40,244	$ 135,323	$ 15,168	$ 21,237	$ 2,438	$ 52,392	$ 985,645
Charge-offs	(1,336)	-	(6,715)	(3,889)	(17,162)	(15,009)	-	-	(51)	(1,276)	(45,438)
Recoveries	1,515	-	2,899	938	238	41	-	802	3	722	7,158
Provision for Loan Losses/ (Loan Loss Reversal)	17,906	-	16,073	28,307	19,940	(12,527)	(2,792)	3,580	2,894	6,397	79,778
Transfers (to) from Reserve for Unfunded Commitments	(9,520)	-	(9,480)	(34,065)	(1,281)	(1,992)	61	(27)	(633)	(12)	(56,949)
Ending Balance	$ 135,637	$ -	$ 206,300	$ 379,539	$ 41,979	$ 105,836	$ 12,437	$ 25,592	$ 4,651	$ 58,223	$ 970,194
Allowance for Loan Losses											
Ending Balance, Allowance for Credit Losses Related to Loans:											
Individually Evaluated for Impairment	$ 7,781	$ -	$ 12,100	$ 43,350	$ -	$ -	$ -	$ -	$ 13	$ 4,663	$ 67,907
Collectively Evaluated for Impairment	127,856	-	194,200	336,189	41,979	105,836	12,437	25,592	4,638	53,560	902,287
Total	$ 135,637	$ -	$ 206,300	$ 379,539	$ 41,979	$ 105,836	$ 12,437	$ 25,592	$ 4,651	$ 58,223	$ 970,194
Loans											
Ending Balance for Loans and Related Accrued Interest:											
Individually Evaluated for Impairment	$ 319,706	$ 4,945,556	$ 178,763	$ 176,538	$ 255	$ 7,305	$ 9	$ 100	$ 5,928	$ 91,520	$ 5,725,680
Collectively Evaluated for Impairment	38,884,911	-	17,736,063	24,775,804	5,290,049	18,444,241	2,259,621	6,191,533	600,573	4,318,767	118,501,562
Total	$ 39,204,617	$ 4,945,556	$ 17,914,826	$ 24,952,342	$ 5,290,304	$ 18,451,546	$ 2,259,630	$ 6,191,633	$ 606,501	$ 4,410,287	$ 124,227,242
September 30, 2019											
Allowance for Loan Losses											
Beginning Balance	$ 126,347	$ -	$ 174,805	$ 369,193	$ 55,768	$ 119,415	$ 13,657	$ 18,441	$ 3,032	$ 50,113	$ 930,771
Charge-offs	(356)	-	(6,422)	(616)	-	-	-	-	(1)	(3,313)	(10,708)
Recoveries	839	-	1,403	1,281	315	300	-	100	18	565	4,821
Provision for Loan Losses/ (Loan Loss Reversal)	5,930	-	40,620	(3,346)	(18,329)	21,299	2,316	(274)	(247)	5,763	53,732
Transfers from (to) Reserve for Unfunded Commitments	(3,811)	-	(3,622)	(19,955)	112	1,314	142	115	-	(13)	(25,718)
Association Merger Impact	(918)	-	(482)	-	-	-	-	-	-	-	(1,400)
Ending Balance	$ 128,031	$ -	$ 206,302	$ 346,557	$ 37,866	$ 142,328	$ 16,115	$ 18,382	$ 2,802	$ 53,115	$ 951,498
Allowance for Loan Losses											
Ending Balance, Allowance for Credit Losses Related to Loans:											
Individually Evaluated for Impairment	$ 2,028	$ -	$ 14,379	$ 53,774	$ -	$ 21,997	$ -	$ -	$ 9	$ 4,866	$ 97,053
Collectively Evaluated for Impairment	126,003	-	191,923	292,783	37,866	120,331	16,115	18,382	2,793	48,249	854,445
Total	$ 128,031	$ -	$ 206,302	$ 346,557	$ 37,866	$ 142,328	$ 16,115	$ 18,382	$ 2,802	$ 53,115	$ 951,498
Loans											
Ending Balance for Loans and Related Accrued Interest:											
Individually Evaluated for Impairment	$ 290,254	$ 4,930,950	$ 197,949	$ 308,169	$ 336	$ 27,878	$ 12	$ 132	$ 5,867	$ 111,975	$ 5,873,522
Collectively Evaluated for Impairment	35,409,873	-	16,818,222	23,320,061	4,436,218	16,112,691	1,954,289	5,760,677	705,996	3,657,889	108,175,916
Total	$ 35,700,127	$ 4,930,950	$ 17,016,171	$ 23,628,230	$ 4,436,554	$ 16,140,569	$ 1,954,301	$ 5,760,809	$ 711,863	$ 3,769,864	$ 114,049,438

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 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".

($ in Millions)

Investment Information

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2020				
CoBank Investments	**$ 32,426**	**$ 1,022**	**$ (29)**	**$ 33,419**
Association Investments	**535**	**1**	**-**	**536**
Total	**$ 32,961**	**$ 1,023**	**$ (29)**	**$ 33,955**
December 31, 2019				
CoBank Investments	$ 32,159	$ 318	$ (51)	$ 32,426
Association Investments	25	-	-	25
Total	$ 32,184	$ 318	$ (51)	$ 32,451

Derivatives

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 condensed combined balances sheets and statements of income. 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 condensed combined balance sheets. Derivative assets totaled $1,046.8 million at September 30, 2020 compared to $379.8 million at December 31, 2019. Derivative liabilities totaled $683.8 million at September 30, 2020 compared to $247.0 million at December 31, 2019. The increases in derivative assets and derivative liabilities at September 30, 2020 are primarily the result of a higher level of customer derivative and liquidity management hedging activity at the Bank, as well as lower interest rates compared to December 31, 2019.

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 condensed combined statements of income included gains of $47.1 million and $19.5 million for the first nine months of 2020 and 2019, respectively. Changes in the fair value of derivatives recorded as other comprehensive income (loss) totaled net gains of $20.6 million for the first nine months of 2020 compared to net losses of $37.6 million for the same period of the prior year.

District Capital Resources and Other

Combined District shareholders' equity at September 30, 2020 totaled $22.9 billion, a net increase of $1.9 billion as compared to $21.0 billion at December 31, 2019. The increase primarily resulted from District net income of $1.7 billion, an increase in accumulated other comprehensive income of $693.5 million, an increase in preferred stock at Associations of $50.8 million and an increase in common stock of $33.5 million. These items were somewhat offset by accrued patronage of $480.0 million and preferred stock dividends of $68.1 million.

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

($ in Thousands)

Accumulated Other Comprehensive Income (Loss)[(1)]

	September 30, 2020	December 31, 2019
Unrealized Gains on Investment Securities	**$ 876,106**	$ 232,924
Net Pension Adjustment	**(393,266)**	(423,024)
Unrealized Losses on Interest Rate Swaps and Other Financial Instruments	**(42,872)**	(63,443)
Accumulated Other Comprehensive Income (Loss)	**$ 439,968**	$ (253,543)

(1) Amounts are presented net of tax.

The increase in the District's total accumulated other comprehensive income during the first nine months of 2020 is largely due to an increase in unrealized gains on investment securities driven by the impact of market interest rate changes on the fair value of fixed rate securities.

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

				September 30, 2020		December 31, 2019	
Ratio	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer	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%	**12.73%**	**11.79 - 24.29%**	12.70%	13.40 - 25.89%
Tier 1 capital ratio	CET1 Capital, non-cumulative perpetual preferred stock	6.0%	8.5%	**14.75%**	**11.79 - 24.29%**	14.83%	13.40 - 25.89%
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%	**15.80%**	**12.04 - 24.81%**	15.86%	13.60 - 26.42%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0%	7.0%	**14.88%**	**13.00 - 24.40%**	14.95%	13.91 - 26.06%
Non-risk adjusted:							
Tier 1 leverage ratio*	Tier 1 Capital	4.0%	5.0%	**7.35%**	**13.42 - 23.01%**	7.51%	14.49 - 24.57%
UREE leverage ratio	URE and URE Equivalents	1.5%	1.5%	**3.23%**	**14.22 - 24.73%**	3.24%	15.67 - 26.40%

* Must include the 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 September 30, 2020, CoBank and all affiliated Associations exceeded the FCA's regulatory minimum capital ratios and any required buffers. Although aggregated in the District's condensed 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.

Association Mergers and Other Matters

Impacts of COVID-19

The COVID-19 pandemic rapidly evolved from a global public health crisis into a global economic crisis. Actions by government authorities to stem the spread of the disease have shut down entire sectors of the global economy, significantly increased unemployment levels, and precipitated a contraction in economic output. In the United States, the Federal Reserve has deployed a full range of emergency monetary stimulus tools to ensure the financial system continues to function. The administration and Congress have also passed aggressive fiscal stimulus measures. However, it remains to be seen if such stimulus measures continue and how effective these policy responses will be given the unique attributes of the pandemic.

The crisis has forced the agriculture/food, power, water and communications industries to adapt quickly to maintain continuity in their operations. Consumer consumption patterns have changed dramatically as a result of COVID-19. Food supply chains have had to rapidly shift away from foodservice consumption to a higher share of grocery store food purchases. The power sector is grappling with weakening electricity consumption by the commercial and industrial sectors. Demand for water has also shifted from commercial use to residential, altering needs for many water authorities. Broadband providers are keeping up with a significant increase in internet usage. Additionally, the U.S. agricultural industry is dealing with volatile commodity prices for most major commodities, while exports could be challenged by logistics and the volatility of the U.S. dollar. Protein processing plant capacity utilization has rebounded, but could still be susceptible to further disruptions due to COVID-19. Milk prices initially decreased precipitously due to COVID-19 with forced school closures impacting fluid milk consumption. Milk prices have improved more recently although risks to dairy producers remain. The U.S. ethanol complex is navigating through a difficult environment exacerbated by volatile crude oil and gasoline prices and, while demand has improved recently, it is lower than comparable historical periods. The financial distress that is being experienced by borrowers in the District due to the impacts of COVID-19 could have an adverse impact on CoBank and Associations in the District in the event that these borrowers are unable to fulfill their obligations.

Litigation

In June 2016, a lawsuit was commenced by the filing of a complaint in the United States District Court Southern District of New York against CoBank by a number of investors (the “Plaintiffs”) who had held CoBank’s 7.875 percent Subordinated Notes due in 2019 (the “Notes”). The Notes were redeemed at par plus accrued interest by CoBank in April 2016 due to the occurrence of a “Regulatory Event” (as defined under the terms of the Notes). The Plaintiffs have asserted a breach of contract claim and a breach of implied covenant of good faith and fair dealing claim alleging that CoBank impermissibly redeemed the Notes. The Plaintiffs have requested damages in an amount to be determined at trial, reasonable attorneys’ fees and any other such relief as the court may deem just and proper. CoBank filed its answer in September 2016 and discovery concluded in January 2018. CoBank and Plaintiffs filed their respective motions for summary judgment in March 2018. There is presently no indication of when the court will rule on the motions for summary judgment. CoBank intends to vigorously defend against these allegations. The likelihood of any outcome of this proceeding cannot be determined at this time.

Mergers

On March 3, 2020 and March 4, 2020, respectively, the boards of Farm Credit of Western Oklahoma, ACA and AgPreference, ACA approved a letter of intent to pursue a merger. The Associations anticipate a merger date of January 1, 2021 subject to receiving all regulatory and shareholder approvals required.

Future of LIBOR

In 2017, the United Kingdom's Financial Conduct Authority, which regulates the London Inter-Bank Offered Rate (LIBOR), announced its intention to stop persuading or compelling the group of major banks that sustains LIBOR to submit rate quotations after 2021. As a result, it is uncertain whether LIBOR will continue to be quoted after 2021. The FCA announced that it intends to make a formal announcement about the timing and the manner of LIBOR cessation prior to the end of 2021, and potentially as early as November 2020. The FCA has the authority and may announce that LIBOR, as of a future date, will no longer be representative of the underlying funding markets. This announcement by the FCA could be a triggering event for the purposes of LIBOR cessation under certain of our contracts and may require that the parties, as of such future date, cease use of LIBOR as their reference rate and apply a fallback rate as determined under such contracts.

The System institutions that comprise the District have exposure to various LIBOR-indexed financial instruments that mature after 2021. This exposure includes loans that are made to customers, investment securities that are purchased, Systemwide Debt Securities that are issued by the Federal Farm Credit Banks Funding Corporation (Funding Corporation) on CoBank's behalf, preferred stock that is issued and derivative transactions. Alternative reference rates that replace LIBOR may not yield the same or similar economic results over the terms of the financial instruments, which could adversely affect the value of, and return on, instruments held. The transition from LIBOR could result in System institutions in the District paying higher interest rates on current LIBOR-indexed Systemwide Debt Securities, adversely affect the yield on, and fair value of, the instruments District institutions hold that reference LIBOR, and increase the costs of or affect the ability to effectively use derivative instruments to manage interest rate risk. In addition, to the extent that LIBOR-indexed financial instruments cannot be successfully transitioned to an alternative rate-based index that is endorsed or supported by regulators and generally accepted by the market as a replacement to LIBOR, there could be other ramifications including those that may arise as a result of the need to redeem or terminate such instruments. Disputes and litigation with counterparties and borrowers relating to the transition are also possible. Due to the uncertainty regarding the transition from LIBOR-indexed financial instruments, including when it will happen, the manner in which an alternative reference rate will apply, and the mechanisms for transitioning LIBOR-indexed instruments to instruments with an alternative rate, the expected financial impact of the LIBOR transition cannot yet be reasonably estimated.

The following table presents the District LIBOR-indexed financial instruments by contractual maturity.

LIBOR-Indexed Financial Instruments at September 30, 2020 ($ in Millions)

	Due in 2020	Due in 2021	Due in 2022 and After	Total
Commercial Loans (1)	$ 2,158	$ 11,876	$ 27,643	$ 41,677
Investment Securities	-	36	4,486	4,522
Debt	6,565	24,195	1,846	32,606
Derivatives (Notional Amounts)	2,484	6,841	32,347	41,672
Preferred Stock (2)	-	-	1,300	1,300

(1) Represents District combined loans after elimination of the direct note between CoBank and its affiliated Associations.

(2) Represents CoBank's non-cumulative perpetual preferred stock with a fixed-to-floating rate dividend feature indexed to 3-month USD LIBOR, and does not have a contractual maturity date. Includes $225 million of CoBank preferred stock that pays a dividend currently indexed to 3-month USD LIBOR plus a spread as of September 30, 2020. Dividends on an additional $400 million, $300 million and $375 million of CoBank preferred stock convert from a fixed rate to 3-month USD LIBOR plus a spread in 2022, 2025, and 2026, respectively. There is no Association preferred stock indexed to LIBOR.

In the United States, efforts to identify a set of alternative U.S. dollar reference interest rates include proposals by the Alternative Reference Rates Committee (ARRC) of the Federal Reserve Board and the Federal Reserve Bank of New York. Specifically, the ARRC has proposed the Secured Overnight Financing Rate (SOFR) as the recommended alternative to LIBOR and the Federal Reserve Bank of New York began publishing SOFR in April of 2018.

On September 11, 2018 the FCA issued guidance for System institutions to follow as they prepare for the expected phase-out of LIBOR. Pursuant to the guidance, System institutions have developed a LIBOR transition plan. The FCA identified the following as important considerations in the development of transition plans.

- a governance structure to manage the transition,
- an assessment of exposures to LIBOR,
- an assessment of the fallback provisions in contracts and the impact of a LIBOR phase-out under those provisions,
- the establishment of strategies for reducing each type of LIBOR exposure,
- assessment of operational processes that need to be changed,
- communication strategies with customers and stakeholders,
- the establishment of a process to stay abreast of industry developments and best practices,
- the establishment of a process to ensure a coordinated approach, to the extent possible, across the System, and
- a timeframe and action steps for completing key objectives.

As more fully described as 'Subsequent Events' on page 17, in October 2020, the Bank completed both the mandatory transition of its LIBOR-indexed cleared derivative transactions with its clearinghouse (CCP) to SOFR discounting as well as a debt exchange of a significant portion of its LIBOR-indexed floating rate debt maturing beyond December 31, 2021 to insert ARRC reference rate contractual fallback language in the event LIBOR is discontinued or no longer remains a representative rate index.

System institutions in the District continue to analyze potential risks associated with the LIBOR transition, including financial, market, accounting, operational, legal, tax, reputational and compliance risks. At this time, System institutions are unable to precisely predict whether or when LIBOR will cease to be available or become unrepresentative, or if SOFR or any other alternative reference rate will become the benchmark to replace LIBOR. Because System institutions in the District routinely engage in transactions involving financial instruments that reference LIBOR, these developments could have a material impact on those institutions, their borrowers, investors, customers and counterparties.

Other Regulatory Matters

On September 10, 2020, the FCA approved a final rule on criteria to reinstate nonaccrual loans that clarifies the factors that System institutions should consider when categorizing high-risk loans and placing them in nonaccrual status. The rule also revised the criteria by which loans are reinstated to accrual status, and it revised the application of the criteria to certain loans in nonaccrual status to distinguish between the types of risk that cause loans to be placed in nonaccrual status. The application of this rule did not impact the classification of District recorded nonaccrual balances at September 30, 2020.

On September 10, 2020, the FCA approved a proposed rule that would amend certain sections of FCA's regulations to provide technical corrections, amendments, and clarification to certain provisions in FCA's Tier 1/Tier 2 capital framework for the Farm Credit System. The proposed rule incorporates guidance previously provided by the FCA related to its Tier 1/Tier 2 capital framework as well as ensures that the FCA's capital requirements continue to be comparable to the standardized approach that the other federal banking regulatory agencies have adopted. The public comment period ends on November 9, 2020.

On April 1, 2020, the FCA issued an informational memorandum for reporting troubled debt restructurings (TDR) for customers affected by the COVID-19 outbreak. Pursuant to this guidance, borrowers experiencing short-term economic difficulties arising from the COVID-19 outbreak and who receive loan modifications including payment deferrals, fee waivers or other extensions of repayment terms are not required to be accounted for and reported as TDRs. This guidance covers the period beginning March 1, 2020, and ending on December 31, 2020, or 60 days after termination of the COVID-19 national emergency, whichever is earlier. As discussed on page 7, loan and lease modifications involving short-term principal and/or interest deferrals related to COVID-19 business disruptions were approximately four percent of total loans. None of these COVID-19 payment deferrals were treated as TDRs.

On September 23, 2019, the FCA issued a proposed rule to address changes to its capital regulation and certain other regulations in response to the CECL accounting standard. The proposed rule identifies which credit loss allowances under CECL are eligible for inclusion in a System institution's regulatory capital. Credit loss allowances related to loans, lessor's net investments in leases, and held-to-maturity debt securities would be included in a System institution's Tier 2 capital up to 1.25% of the System institution's total risk-weighted assets. Credit loss allowances for available-for-sale debt securities and purchased credit impaired assets would not be eligible for inclusion in a System institution's Tier 2 capital. In addition, the proposed regulation does not include a transition phase-in period for the CECL day 1 cumulative effect adjustment to retained earnings on a System institution's regulatory capital ratios. The public comment period ended on November 22, 2019.

Subsequent Events

On October 19, 2020, the Bank participated in the mandatory transition of $24.4 billion of its LIBOR-indexed cleared derivative transactions with its clearinghouse (CCP) from Overnight Index Swap (OIS) discounting to SOFR discounting. As part of this transition, the Bank received approximately $218.1 million in notional value of Effective Federal Funds Rate vs. SOFR basis swaps with various maturity dates based on its cleared derivative position with the CCP on this date. The Bank participated in the CCP auction of its basis swaps on October 22, 2020 and liquidated all of these basis swaps for a nominal amount to eliminate future interest rate risk.

On October 28, 2020, the Funding Corporation completed a debt exchange of approximately $1.4 billion, or 83 percent, of the Bank's LIBOR-indexed floating rate debt maturing beyond December 31, 2021 to insert ARRC reference rate contractual fallback language in the event LIBOR is discontinued or no longer remains a representative rate index. No other contractual terms were modified in the debt exchange that would impact the amount or timing of cash flows of these LIBOR-indexed floating rate debt instruments.

Condensed Combined Balance Sheets

(unaudited)

($ in Thousands)

	September 30, 2020	December 31, 2019
Assets		
Total Loans	**$ 123,344,155**	$ 119,995,001
Less: Allowance for Loan Losses	**970,194**	985,645
Net Loans	**122,373,961**	119,009,356
Cash and Cash Equivalents	**343,337**	1,217,737
Federal Funds Sold and Other Overnight Funds	**878,000**	1,810,000
Investment Securities	**33,955,209**	32,451,412
Interest Rate Swaps and Other Financial Instruments	**1,046,830**	379,833
Accrued Interest Receivable and Other Assets	**2,691,697**	2,323,504
Total Assets	**$ 161,289,034**	$ 157,191,842
Liabilities		
Bonds and Notes	**$ 135,427,747**	$ 133,101,632
Interest Rate Swaps and Other Financial Instruments	**683,801**	247,003
Reserve for Unfunded Commitments	**188,386**	131,437
Accrued Interest Payable and Other Liabilities	**2,044,026**	2,712,960
Total Liabilities	**138,343,960**	136,193,032
Shareholders' Equity		
Preferred Stock Issued by Bank	**1,500,000**	1,500,000
Preferred Stock Issued by Associations	**552,426**	501,587
Common Stock	**1,735,165**	1,701,655
Paid In Capital	**1,346,166**	1,346,166
Unallocated Retained Earnings	**17,371,349**	16,202,945
Accumulated Other Comprehensive Income (Loss)	**439,968**	(253,543)
Total Shareholders' Equity	**22,945,074**	20,998,810
Total Liabilities and Shareholders' Equity	**$ 161,289,034**	$ 157,191,842

Condensed Combined Statements of Income
(unaudited)

($ in Thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Interest Income				
Loans	**$ 1,049,088**	$ 1,335,733	**$ 3,454,626**	$ 4,099,094
Investment Securities, Federal Funds Sold and Other Overnight Funds	**133,442**	200,161	**453,927**	595,103
Total Interest Income	**1,182,530**	1,535,894	**3,908,553**	4,694,197
Interest Expense	**349,239**	770,089	**1,430,107**	2,389,872
Net Interest Income	**833,291**	765,805	**2,478,446**	2,304,325
Provision for Loan Losses	**1,642**	14,106	**79,778**	53,732
Net Interest Income After Provision for Loan Losses	**831,649**	751,699	**2,398,668**	2,250,593
Noninterest Income				
Net Fee Income	**48,532**	38,095	**153,974**	106,936
Patronage Income	**28,943**	22,857	**92,464**	76,287
Prepayment Income	**13,991**	5,930	**27,547**	9,907
Losses on Early Extinguishments of Debt	**(24,562)**	(6,558)	**(45,110)**	(9,003)
Return of Excess Insurance Funds	**-**	-	**25,570**	27,004
Gains on Derivatives	**9,236**	2,599	**47,146**	19,503
Other, Net	**24,962**	21,755	**60,969**	61,989
Total Noninterest Income	**101,102**	84,678	**362,560**	292,623
Operating Expenses				
Employee Compensation	**184,247**	165,296	**540,196**	491,404
Insurance Fund Premium	**29,846**	22,602	**73,796**	68,977
Information Services	**26,007**	22,467	**74,524**	66,155
General and Administrative	**13,783**	21,341	**48,569**	61,596
Occupancy and Equipment	**20,435**	19,643	**56,563**	54,590
Farm Credit System Related	**6,816**	7,792	**24,351**	24,781
Purchased Services	**21,774**	20,004	**63,613**	58,004
Other	**11,687**	18,333	**41,653**	50,899
Total Operating Expenses	**314,595**	297,478	**923,265**	876,406
Income Before Income Taxes	**618,156**	538,899	**1,837,963**	1,666,810
Provision for Income Taxes	**40,130**	32,922	**114,463**	99,423
Net Income	**$ 578,026**	$ 505,977	**$ 1,723,500**	$ 1,567,387

Select Information on District Associations
(unaudited)

($ in Thousands)

As of September 30, 2020	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
American AgCredit, ACA	$ 11,406,251	21.70 %	$ 14,133,757	$ 1,848,526	12.04 %	0.54 %	1.77 %
Northwest Farm Credit Services, ACA	10,039,437	19.09	13,388,964	2,499,404	18.41	0.56	2.30
Farm Credit West, ACA	8,825,736	16.78	11,833,232	1,798,940	14.38	1.10	2.64
Farm Credit East, ACA	6,423,863	12.21	8,207,965	1,558,527	18.58	0.58	2.52
Yosemite Farm Credit, ACA	2,798,856	5.32	3,456,981	491,950	14.17	0.67	1.57
Frontier Farm Credit, ACA	1,787,042	3.40	2,300,158	446,292	18.08	0.76	2.00
Golden State Farm Credit, ACA	1,521,216	2.89	1,905,636	289,015	15.08	0.40	1.80
Farm Credit of New Mexico, ACA	1,431,198	2.72	1,901,783	397,765	22.33	2.74	1.68
Oklahoma AgCredit, ACA	1,305,914	2.48	1,625,606	263,389	16.50	0.99	1.54
Fresno-Madera Farm Credit, ACA	990,217	1.88	1,345,731	257,465	17.29	0.99	1.90
High Plains Farm Credit, ACA	1,055,096	2.01	1,345,126	221,533	15.95	0.18	1.95
Western AgCredit, ACA	922,996	1.75	1,202,323	209,506	16.51	3.66	2.08
Farm Credit of Southern Colorado, ACA	907,008	1.72	1,198,377	236,323	19.70	0.83	1.04
Farm Credit Western Oklahoma, ACA	790,314	1.50	984,089	149,315	16.70	0.18	1.18
Premier Farm Credit, ACA	602,317	1.15	799,595	159,785	18.99	0.04	1.79
Yankee Farm Credit, ACA	446,695	0.85	575,145	104,273	19.89	1.06	2.24
Farm Credit Services of Colusa-Glenn, ACA	390,743	0.74	545,996	112,494	18.62	-	1.98
Farm Credit of Western Kansas, ACA	287,972	0.55	401,326	90,216	23.01	0.92	1.70
Idaho AgCredit, ACA	256,763	0.49	330,402	54,244	17.10	0.49	1.72
AgPreference, ACA	210,388	0.40	266,837	45,520	21.57	0.65	0.58
Farm Credit of Enid, ACA	195,930	0.37	262,036	58,029	24.81	1.17	0.65

Association Information

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3120 North Main
Altus, OK 73521
580-482-3030
www.agpreference.com

American AgCredit, ACA
400 Aviation Boulevard, Suite 100
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 Enid, ACA
1605 W. Owen K. Garriott Road
Enid, OK 73703
580-233-3489
www.fcenid.com

Farm Credit of New Mexico, ACA
5651 Balloon Fiesta Parkway NE
Albuquerque, NM 87113
505-884-1048
www.farmcreditnm.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
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785-462-6714
www.fcwk.com

Farm Credit of Western Oklahoma, ACA
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188 West Judicial Street
Blackfoot, ID 83221-0985
208-785-1510
www.idahoagcredit.com

Northwest Farm Credit Services, ACA
2001 South Flint Road
Spokane, WA 99224
509-340-5300
www.northwestfcs.com

Oklahoma AgCredit, ACA
601 E. Kenosha Street
Broken Arrow, OK 74012
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

Yankee Farm Credit, ACA
289 Hurricane Lane, Suite 202
Williston, VT 05495-0467
802-879-4700
www.yankeefarmcredit.com

Yosemite Farm Credit, ACA
806 West Monte Vista Avenue
Turlock, CA 95382
209-667-2366
www.yosemitefarmcredit.com