

FIRST QUARTER FINANCIAL RESULTS | 2026



KEY FINANCIAL DATA

(\$ in millions)

	Three Months Ended March 31,	
INCOME STATEMENT	2026	2025
Net interest income	\$ 556	\$ 522
Provision for credit losses	19	77
Noninterest income	149	131
Operating expenses	157	147
Provision for income taxes	46	39
Net income	483	390

BALANCE SHEET (period-end)	March 31, 2026	December 31, 2025
Total loans	\$ 168,438	\$ 166,880
Total assets	222,557	223,477
Shareholders' equity	14,153	14,038

	Three Months Ended March 31,	
PROFITABILITY METRICS	2026	2025
Net interest margin	1.02 %	1.02 %
Return on average common equity	14.98 %	13.43 %
Return on average assets	0.88 %	0.75 %
Operating expense ratio (excluding insurance fund premiums)	22.03 %	21.65 %

MANAGEMENT COMMENTARY

"CoBank is pleased to report its financial results for the first quarter of 2026. In the midst of stress in the U.S. farm economy, the bank delivered strong financial performance for shareholders, supported by solid growth in loans and operating revenue. Overall, the bank remains in strong financial condition and well positioned to fulfill its mission in rural America."

– **Thomas Halverson**, CEO, CoBank

"The first quarter was highlighted by a 24 percent increase in net income driven by a lower provision for credit losses, higher net interest income and a return of excess insurance funds from the Farm Credit Insurance Fund. The quarter also reflected 4 percent loan growth, steady net interest margin, and strong capital levels."

– **Sean Burke**, CFO, CoBank

HIGHLIGHTS

- Average loans increased 4% year-over-year in Q1 compared to the same period in 2025. Loans outstanding totaled \$168.4 billion at March 31, 2026
 - Growth in year-over-year Q1 average loans driven by increases in our Farm Credit Banking and Rural Infrastructure operating segments, partially offset by a slight decline in lending in our Agribusiness operating segment
- Net income for Q1 increased 24% to \$483 million compared to \$390 million in Q1 2025
 - Q1 increase in net income resulted from a lower provision for credit losses and increased net interest income and noninterest income, partially offset by higher operating expenses and income taxes
- Net interest income in Q1 increased 7% to \$556 million from \$522 million in Q1 2025 primarily driven by higher average interest-earning assets
- Net interest margin was unchanged at 1.02% in Q1 2026 compared to Q1 2025
- Provision for credit losses in Q1 was \$19 million compared to \$77 million in Q1 2025
 - Lower provision in Q1 2026 reflects a decreased provision for credit losses in our Agribusiness operating segment and a credit loss reversal in our Rural Infrastructure operating segment. The provision in Q1 2025 was elevated in part due to macroeconomic forecasts and higher modeled credit losses required under CECL
- Noninterest income increased \$18 million in Q1 2026 compared to the same period in 2025 primarily due to a higher return of excess insurance funds from the Farm Credit System Insurance Corporation, partially offset by decreased patronage income, and lower loan-related fee income
- Operating expenses increased \$10 million in Q1 2026 compared to Q1 2025 primarily due to higher employee compensation expense and general and administrative expenses
- Capital and liquidity levels remain strong and were in excess of regulatory minimums as of March 31, 2026
 - Total shareholders' equity was \$14.2 billion at March 31, 2026 and increased slightly from year end, primarily due to current period earnings partially offset by accrued patronage, an increase in accumulated other comprehensive loss and retirements of common stock
 - Total capital ratio was 13.64%, compared with the 8.0% minimum
 - 177 days of liquidity, compared with the 90-day minimum

OPERATING SEGMENTS

(\$ in millions)

	Agribusiness		Rural Infrastructure		Farm Credit Banking		Total	
Three Months Ended March 31,	2026	2025	2026	2025	2026	2025	2026	2025
Average loans	\$ 44,507	\$ 44,845	\$ 35,984	\$ 34,540	\$ 87,920	\$ 83,090	\$ 168,411	\$ 162,475
Net income	212	169	187	145	84	76	483	390

	2026	2025	2026	2025	2026	2025	2026	2025
Period-end loans								
March 31, 2026 and December 31, 2025	\$ 44,473	\$ 42,144	\$ 36,278	\$ 35,893	\$ 87,687	\$ 88,843	\$ 168,438	\$ 166,880

NET INTEREST INCOME AND NET INTEREST MARGIN

Net interest income increased \$34 million, or 7 percent, to \$556 million for the three months ended March 31, 2026 as compared to \$522 million for the same period in 2025. The increase was primarily driven by higher average interest earning assets. Yields on interest-earning assets declined, reflecting lower loan yields and a higher proportion of investment securities; however, this was more than offset by a decrease in funding costs, resulting in a modest increase in interest rate spread. The impact of noninterest-bearing funding sources, principally equity, declined and net interest margin remained stable at 1.02 percent for the three months ended March 31, 2026 compared to the same period in 2025.

Net Interest Margin and Net Interest Income

Three Months Ended	March 31, 2026			March 31, 2025		
	Average Balance	Average Rate	Interest Income/Expense	Average Balance	Average Rate	Interest Income/Expense
(\$ in millions)						
Interest earning assets						
Loans	\$ 168,411	4.58 %	\$ 1,929	\$ 162,475	5.03 %	\$ 2,016
Investments	49,841	3.74 %	466	43,901	3.84 %	416
Federal funds sold and other overnight funds	2,233	3.60 %	20	1,804	4.38 %	19
Total	220,485	4.38 %	2,415	208,180	4.77 %	2,451
Interest bearing liabilities	204,915	3.63 %	1,859	193,734	4.04 %	1,929
Interest rate spread		0.75 %			0.73 %	
Impact of equity financing	14,201	0.27 %		12,823	0.29 %	
Net interest margin & net interest income		1.02 %	\$ 556		1.02 %	\$ 522

CREDIT QUALITY

Notwithstanding some credit quality deterioration, our overall loan quality measures remain manageable at March 31, 2026. Special Mention loans increased to 1.46 percent of total loans at March 31, 2026 compared to 1.26 percent of total loans at December 31, 2025 primarily due to agribusiness customers and to a lesser extent rural infrastructure customers that were transferred to Special Mention status. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 1.27 percent at March 31, 2026 compared to 1.19 percent at December 31, 2025 primarily due to customers in our Agribusiness operating segment that transferred to Substandard status. Nonaccrual loans, which are classified as Substandard and Doubtful loans, were 0.35 percent of total loans at March 31, 2026, compared to 0.37 percent at December 31, 2025. We believe credit quality deterioration in the future is possible due to market factors impacting our customers. Such factors include the macroeconomic environment, geopolitical and other disruptions related to the military conflict in Iran, higher oil, gas and fertilizer prices, transportation availability and costs, trade, tariff and economic uncertainty, an ongoing volatile agricultural commodity price environment, labor shortages, inflation, elevated level of interest rates, weather related events, and a significant level of industry, borrower and attributed concentration risk resulting from our defined mission of service to rural communities and agriculture. In addition, concentrations within our loan portfolio can cause the level of our loan quality, nonaccrual loans, charge-offs and provisions for credit losses or credit loss reversals to vary significantly from period to period.

Loan Quality Ratios

	March 31, 2026			December 31, 2025		
	Wholesale Loans	Commercial Loans	Total	Wholesale Loans	Commercial Loans	Total
Acceptable	100.00 %	94.32 %	97.27 %	100.00 %	94.78 %	97.55 %
Special Mention	—	3.05 %	1.46 %	—	2.68 %	1.26 %
Substandard	—	2.58 %	1.24 %	—	2.46 %	1.15 %
Doubtful	—	0.05 %	0.03 %	—	0.08 %	0.04 %
Loss	—	—	—	—	—	—
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

BALANCE SHEET INFORMATION

(period-end)	March 31, 2026		December 31, 2025	
(\$ in millions)	(Unaudited)		(Unaudited)	
Loans	\$	168,438	\$	166,880
Less: Allowance for loan losses		755		725
Net loans		167,683		166,155
Cash and cash equivalents		259		972
Federal funds sold and other overnight funds		2,749		3,955
Investment Securities (net of allowance of \$1 million at March 31, 2026 and December 31, 2025)		49,393		49,489
Interest rate swaps and other derivatives		346		456
Accrued interest receivable and other assets		2,127		2,450
Total assets	\$	222,557	\$	223,477
Bonds and notes	\$	205,473	\$	205,454
Interest rate swaps and other derivatives		517		576
Reserve for unfunded commitments		52		62
Patronage payable		223		935
Accrued interest payable and other liabilities		2,139		2,412
Total liabilities		208,404		209,439
Shareholders' equity		14,153		14,038
Total liabilities and shareholders' equity	\$	222,557	\$	223,477

STATEMENT OF INCOME INFORMATION

	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025	
(\$ in millions)	(Unaudited)		(Unaudited)	
Interest income	\$	2,415	\$	2,451
Interest expense		1,859		1,929
Net interest income		556		522
Provision for credit losses		19		77
Net interest income after provision for credit losses		537		445
Noninterest income		149		131
Operating expenses		157		147
Provision for income taxes		46		39
Net income	\$	483	\$	390

FORWARD-LOOKING STATEMENTS

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

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

ABOUT COBANK

CoBank is a cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving almost 80,000 farmers, ranchers and other rural borrowers in 23 states around the country. CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

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

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