INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>383</td>
<td>360</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Noninterest income</td>
<td>72</td>
<td>64</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Net income</td>
<td>294</td>
<td>272</td>
</tr>
</tbody>
</table>

BALANCE SHEET (period-end)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loans</td>
<td>$111,165</td>
<td>$108,854</td>
</tr>
<tr>
<td>Total assets</td>
<td>157,995</td>
<td>145,004</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>11,327</td>
<td>10,567</td>
</tr>
</tbody>
</table>

PROFITABILITY METRICS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest margin</td>
<td>1.08%</td>
<td>1.06%</td>
</tr>
<tr>
<td>Return on average common equity</td>
<td>11.64%</td>
<td>12.47%</td>
</tr>
<tr>
<td>Return on average assets</td>
<td>0.81%</td>
<td>0.80%</td>
</tr>
<tr>
<td>Operating expense ratio</td>
<td>21.07%</td>
<td>20.54%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Outstanding loan volume increased 2% to $111.2 billion at March 31, 2020, compared to $108.9 billion at year end
- Average loan volume increased 4% in Q1 compared to Q1 2019
  - Loan volume increased 8% in our Farm Credit Banking (affiliated Associations) operating segment
  - Loan volume growth was more modest in our Rural Infrastructure and Agribusiness operating segments
- Net income for Q1 was $294.1 million, compared to $272.5 million during Q1 2019
  - The 8% increase in earnings resulted primarily from increases in net interest income and noninterest income. These items were somewhat offset by an increase in operating expenses and a higher provision for income taxes in the 2020 period
- Net interest income for Q1 increased 7% to $383.3 million, primarily driven by interest income recognized on a nonaccrual loan to an agribusiness customer that was paid off in 2020, higher average loan volume, and an increase in earnings on invested capital
  - Net interest margin for Q1 improved to 1.08%, which includes the favorable impact of interest income on the nonaccrual loan repayment
- Provision for loan losses in Q1 was $26.0 million and reflects higher exposure in our Agribusiness operating segment somewhat offset by improvement in credit quality in our Rural Infrastructure operating segment. The Q1 provision also reflects deterioration in the macro environment and business disruptions related to COVID-19
- Operating expenses for Q1 increased $6.8 million, primarily driven by an increase in employee compensation, information services and purchased services expenses to support planned business initiatives and maintain high levels of customer service
  - As of March 31, 2020 and 2019, the bank had 1,129 and 1,063 employees, respectively
  - Capital and liquidity levels were in excess of regulatory minimums established by the Farm Credit Administration, the bank’s independent regulator, as of March 31, 2020
    - Total capital ratio was 15.18%, compared with the 8.0% minimum
    - 215 days of liquidity, compared with the 90 days minimum

CEO COMMENTARY

“Like every other business enterprise, CoBank has been focused on responding to the COVID-19 crisis by enacting measures to protect the health and safety of our employees while continuing to serve our customers. Key areas of focus in our business have included implementing remote operations for over 95% of our employees, building an even stronger liquidity position, proactively reaching out to customers to understand their credit needs, and investing in corporate philanthropy programs that will help rural communities deal with the impacts of the pandemic. We’re extremely pleased with the bank’s performance during the initial phase of this crisis event.

“From a financial results standpoint, CoBank performed well during the first quarter despite the disruption of COVID-19, with average loan volume up 4% and net income up 8%. While our board and executive team are hopeful that the pandemic will subside in coming months and that the economy will begin to rebound, we are also realistic and prepared for a drawn-out timeframe for recovery.”

– Thomas Halverson, President and CEO, CoBank
NET INTEREST MARGIN AND NET INTEREST INCOME

Net interest income increased $23.6 million to $383.3 million for the three months ended March 31, 2020, compared to $359.7 million for the same prior-year period. The 7% increase in net interest income was primarily driven by interest income recognized on a nonaccrual loan to an agribusiness customer that was paid off in 2020, higher average loan volume, and an increase in earnings on invested capital. Net interest margin improved to 1.08% for the first three months of 2020 compared to 1.06% for the same period in 2019. The increase in our net interest margin included the favorable impact of interest income related to the agribusiness customer nonaccrual loan repayment. This was partially offset by changes in asset mix, including increased lending to affiliated Associations which has lower spreads commensurate with lower risk.

### Net Interest Margin and Net Interest Income

<table>
<thead>
<tr>
<th>Three months ended</th>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Balance</td>
<td>Average Rate</td>
</tr>
<tr>
<td><strong>Interest earning assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$ 110,130</td>
<td>3.11%</td>
</tr>
<tr>
<td>Investments</td>
<td>32,761</td>
<td>2.13%</td>
</tr>
<tr>
<td>Total</td>
<td>142,891</td>
<td>2.89%</td>
</tr>
<tr>
<td><strong>Interest bearing liabilities</strong></td>
<td>132,182</td>
<td>1.96%</td>
</tr>
<tr>
<td>Interest rate spread</td>
<td>0.93%</td>
<td></td>
</tr>
<tr>
<td>Impact of equity financing</td>
<td>10,918</td>
<td>0.15%</td>
</tr>
<tr>
<td><strong>Net interest margin &amp; net interest income</strong></td>
<td>1.08%</td>
<td>$ 383</td>
</tr>
</tbody>
</table>

**CREDIT QUALITY**

The overall credit quality of our loan portfolio remained strong during the first three months of 2020. Adverse assets improved to 1.21% of total loans and accrued interest compared to 1.30% at the end of last year. Nonaccrual loans increased to $258.7 million at March 31, 2020, from $240.7 million at December 31, 2019. Our allowance for credit losses at March 31, 2020, totaled $773.7 million, or 1.40% of non-guaranteed loans when loans to Farm Credit associations are excluded. The introduction and spread of COVID-19 around the world in the first quarter of 2020 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, which could reduce our credit quality. Further credit quality deterioration could also result from other market factors impacting our customers, including ongoing trade disputes among the United States and its trading partners, declining farm income and weather related events.

### Loan Quality Ratios

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale Loans</td>
<td>Commercial Loans</td>
</tr>
<tr>
<td>Acceptable</td>
<td>94.77%</td>
<td>95.12%</td>
</tr>
<tr>
<td>Special Mention</td>
<td>5.23%</td>
<td>2.49%</td>
</tr>
<tr>
<td>Substandard</td>
<td>-</td>
<td>2.35%</td>
</tr>
<tr>
<td>Doubtful</td>
<td>-</td>
<td>0.04%</td>
</tr>
<tr>
<td>Loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
**BALANCE SHEET INFORMATION**  
*(period-end)*  

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2020 (Unaudited)</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$111,165</td>
<td>$108,854</td>
</tr>
<tr>
<td>Less: Allowance for loan losses</td>
<td>683</td>
<td>655</td>
</tr>
<tr>
<td>Net loans</td>
<td>$110,482</td>
<td>108,199</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11,484</td>
<td>949</td>
</tr>
<tr>
<td>Federal funds sold and other overnight funds</td>
<td>2,350</td>
<td>1,810</td>
</tr>
<tr>
<td>Investment securities</td>
<td>31,227</td>
<td>32,426</td>
</tr>
<tr>
<td>Interest rate swaps and other financial instruments</td>
<td>1,099</td>
<td>381</td>
</tr>
<tr>
<td>Accrued interest receivable and other assets</td>
<td>1,353</td>
<td>1,239</td>
</tr>
<tr>
<td>Total assets</td>
<td>$157,995</td>
<td>$145,004</td>
</tr>
<tr>
<td>Bonds and notes</td>
<td>$144,237</td>
<td>$132,230</td>
</tr>
<tr>
<td>Interest rate swaps and other financial instruments</td>
<td>732</td>
<td>263</td>
</tr>
<tr>
<td>Reserve for unfunded commitments</td>
<td>90</td>
<td>92</td>
</tr>
<tr>
<td>Accrued interest payable and other liabilities</td>
<td>1,609</td>
<td>1,852</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>146,668</td>
<td>134,437</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>11,327</td>
<td>10,567</td>
</tr>
<tr>
<td>Total liabilities and shareholders' equity</td>
<td>$157,995</td>
<td>$145,004</td>
</tr>
</tbody>
</table>

**STATEMENT OF INCOME INFORMATION**  

<table>
<thead>
<tr>
<th></th>
<th>Three months ended March 31, 2020 (Unaudited)</th>
<th>Three months ended March 31, 2019 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$1,029</td>
<td>$1,167</td>
</tr>
<tr>
<td>Interest expense</td>
<td>646</td>
<td>807</td>
</tr>
<tr>
<td>Net interest income</td>
<td>383</td>
<td>360</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Net interest income after provision for loan losses</td>
<td>357</td>
<td>332</td>
</tr>
<tr>
<td>Noninterest income</td>
<td>72</td>
<td>64</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Net income</td>
<td>$294</td>
<td>$272</td>
</tr>
</tbody>
</table>
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 $158 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 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.