2026 Quarterly Report

September 30, 2026

Dear CoBank Customer-Owner:

CoBank is pleased to report strong financial results for the third quarter and first nine months of 2026. The Bank continued to generate solid growth in average loans and net interest income, contributing to a 9 percent increase in year-to-date net income compared to the prior year. Third quarter earnings remained relatively consistent with the prior year despite higher provisions for credit losses associated with ongoing challenges in certain rural infrastructure and agribusiness sectors. Overall, CoBank continues to demonstrate strong financial performance, with solid capital levels and a strong financial position that enables us to support our customer-owners and fulfill our mission in rural America.

Average loans increased 4 percent in the third quarter to $164.0 billion from $158.0 billion in the third quarter of 2025, driven by increased lending across all three operating segments. Loan growth included increased wholesale financing for affiliated associations in our Farm Credit Banking segment, increased commercial lending to rural power, electric distribution and communications customers in our Rural Infrastructure segment, and increased lending to farm supply and grain, protein and dairy customers in our Agribusiness segment. For the first nine months of 2026, average loans increased 4 percent to $166.5 billion from $160.3 billion in the same prior year period.

Net interest income for the third quarter of 2026 increased 10 percent to $562 million from $512 million for the same period in 2025, driven primarily by higher average loans and an improvement in net interest margin. For the first nine months of 2026, net interest income increased 9 percent to $1.679 billion compared to $1.547 billion in the same period of 2025.

Net income for the third quarter was $426 million compared to $429 million in the third quarter of 2025. For the first nine months of 2026, net income increased 9 percent to $1.356 billion compared to $1.240 billion in the same period of 2025, reflecting higher net interest income and a lower provision for credit losses.

The Bank's provision for credit losses was $60 million for the third quarter of 2026, compared to $30 million in the same period of 2025. For the nine months ended September 30, 2026, we recorded a $102 million provision for credit losses, compared to $129 million in the prior year period.

Operating expenses increased $8 million or 5 percent for the three months ended September 30, 2026 as compared to the same period in 2025 primarily due to higher employee compensation and information services expenses. Operating expenses increased $25 million or 6 percent for the first nine months of 2026 compared to the same period in 2025.

At quarter end, 94.86 percent of loans in our commercial portfolio were rated as acceptable, the highest category of loan quality, compared to 94.78 percent at December 31, 2025. Nonaccrual loans were 0.39 percent of total loans at September 30, 2026, compared to 0.37 percent of total loans at December 31, 2025.

Our total shareholders' equity was $14.7 billion at September 30, 2026 and increased from year end primarily due to earnings and the issuance of $500 million of preferred stock in 2026. The Bank's total capital ratio was 15.10 percent at September 30, 2026, compared with the 8.0 percent regulatory minimum (10.5 percent inclusive of the capital conservation buffer) established by the Farm Credit Administration, the Bank's independent regulator. At September 30, 2026, the Bank held approximately $50.3 billion in cash, investments and overnight funds and had 182 days of liquidity, compared to the 90-day minimum liquidity requirement.

The table below contains key financial performance data for the three- and nine- month periods ended September 30, 2026 and 2025 and balance sheet data as of September 30, 2026 and December 31, 2025. Complete financial information is provided in Management's Discussion and Analysis and the financial statements and footnotes that follow this letter.

KEY FINANCIAL DATA

($ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
INCOME STATEMENT	**2026**	**2025**	**2026**	**2025**
Net interest income	$ 562	$ 512	$ 1,679	$ 1,547
Provision for credit losses	60	30	102	129
Noninterest income	126	134	391	388
Operating expenses	157	149	478	453
Net income	426	429	1,356	1,240
BALANCE SHEET (period-end)	**September 30, 2026**		**December 31, 2025**	
Total loans	$ 165,023		$ 166,880	
Less: allowance for loan losses[1]	804		725	
Net loans	164,219		166,155	
Total assets	217,314		223,477	
Total shareholders' equity	14,660		14,038	

($ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
PROFITABILITY METRICS AND AVERAGES	**2026**	**2025**	**2026**	**2025**
Net interest margin	1.04%	0.99%	1.03%	0.99%
Return on average common equity	12.40%	13.73%	13.60%	13.74%
Return on average assets	0.78%	0.81%	0.82%	0.79%
Operating expense ratio (excluding insurance fund premiums)	21.81%	22.05%	22.03%	22.39%
Average total loans	$ 163,976	$ 157,970	$ 166,542	$ 160,331
Average earning assets	214,090	207,754	217,649	208,267
Average total assets	216,414	210,279	220,018	210,614

[1] Excludes our reserve for unfunded commitments of $51 million and $62 million at September 30, 2026 and December 31, 2025 which is classified in liabilities in our condensed consolidated balance sheets.

We remain grounded in our mission and focused on our long-term strategy and daily business decisions that position CoBank to deliver the reliable credit, financial services and expertise our customers depend on. We are grateful for the opportunity to support your success and the communities you serve. On behalf of our board, management team and associates, thank you for your continued trust and partnership.



Brandon J. Wittman
Chair of the Board



Thomas E. Halverson
Chief Executive Officer

November 6, 2026

Management's Discussion and Analysis of Financial Condition and Results of Operations

CoBank, ACB

Business Overview

CoBank, ACB (CoBank or the Bank) is one of the four banks in the Farm Credit System (System) and provides loans, leases and other financial services to vital industries across the rural communities of America. The System is a federally chartered network of borrower-owned cooperative lending institutions 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).

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. We provide a broad range of loans and other financial services through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure.

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated quarterly financial statements and related notes, the accompanying regulatory capital disclosures and our 2025 Annual Report to Shareholders.

Consolidated Results of Operations

CoBank's loans outstanding decreased 1 percent to $165.0 billion as of September 30, 2026, compared to $166.9 billion at December 31, 2025. The decrease in outstanding loans was primarily in our Agribusiness operating segment due to normal seasonality in lending to farm supply and grain customers. Average loans increased 4 percent to $166.5 billion for the nine months ended September 30, 2026 as compared to $160.3 billion for the same period in 2025. The increase in average loans resulted from growth in lending across all three operating segments.

Average investment securities, federal funds sold and other overnight funds increased 7 percent to $51.1 billion for the nine months ended September 30, 2026 as compared to $47.9 billion for the same period in 2025. The increase in our average investment securities compared to the prior period primarily reflects the need to maintain liquidity reserves in line with loan growth and favorable investment spread opportunities.

Our net income increased to $1.356 billion for the nine months ended September 30, 2026 as compared to $1.240 billion for the same period in 2025, due to higher net interest income and a lower provision for credit losses, partially offset by higher operating expenses and income taxes.

Net Interest Income and Net Interest Margin						
For the Nine Months Ended September 30,	**2026**			**2025**		
($ in Millions)	**Average Balance**	**Average Rate**	**Interest Income/ Expense**	**Average Balance**	**Average Rate**	**Interest Income/ Expense**
Interest-earning Assets[1]						
Total Loans	**$ 166,542**	**4.61 %**	**$ 5,753**	$ 160,331	5.00 %	$ 5,995
Investment Securities	**49,196**	**3.80**	**1,403**	46,099	3.87	1,332
Federal Funds Sold and Other Overnight Funds	**1,911**	**3.66**	**53**	1,837	4.36	60
Total Interest-earning Assets[1]	**217,649**	**4.42**	**7,209**	208,267	4.74	$ 7,387
Interest-bearing Liabilities	**201,926**	**3.65**	**5,530**	193,876	4.03	5,840
Interest Rate Spread		**0.77**			0.71	
Impact of Equity Financing	**14,515**	**0.26**		13,132	0.28	
Net Interest Margin and Net Interest Income		**1.03 %**	**$ 1,679**		0.99 %	$ 1,547

[1] Interest-earning assets exclude cash and cash equivalents.

Net interest income increased $132 million, or 9 percent, to $1.679 billion for the nine months ended September 30, 2026 as compared to $1.547 billion for the same period in 2025. The increase in net interest income was primarily driven by higher average interest-earning assets and interest rate spread. 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 an increase in interest rate spread. The impact of noninterest-bearing funding sources, principally equity, declined slightly and net interest margin increased to 1.03 percent for the nine months ended September 30, 2026 compared to 0.99 percent for the same period in 2025.

We recorded a provision for credit losses of $102 million for the nine months ended September 30, 2026. The 2026 provision for credit losses included $61 million in our Agribusiness operating segment and $41 million in our Rural Infrastructure operating segment. The 2026 provision was largely driven by deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments that resulted in higher modeled credit losses and specific reserves. The 2026 provision also included a credit loss reversal on our investment securities of $1 million in the Rural Infrastructure operating segment, which resulted from an improvement in modeled credit losses for these securities. For the nine months ended September 30, 2025, we recorded a provision for credit losses of $129 million. The 2025 provision for credit losses included $99 million in our Agribusiness operating segment and $30 million in our Rural Infrastructure operating segment. The 2025 provision was largely driven by deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments including increased charge-offs and specific reserves requiring a higher level of provisioning. As discussed in prior periods, CoBank's allowance for credit losses under the Current Expected Credit Losses (CECL) accounting standard utilizes third-party macroeconomic forecasts as an input to determine this estimate, which has introduced a higher level of volatility in credit loss provisions.

Special Mention loans were 1.07 percent of total loans at September 30, 2026 compared to 1.26 percent of total loans at December 31, 2025. Adversely classified loans increased to 1.31 percent of total loans at September 30, 2026, compared to 1.19 percent of total loans at December 31, 2025 primarily due to agribusiness and communications customers that were transferred to Substandard status. Total nonaccrual loans increased to $641 million, or 0.39 percent of total loans, at September 30, 2026 from $617 million, or 0.37 percent of total loans, at December 31, 2025 primarily due to agribusiness and communications customers that transferred to nonaccrual during 2026 partially offset by loan payoffs, reinstatements to accruing status and charge-offs. Gross charge-offs were $51 million for the nine months ended September 30, 2026 as compared to $134 million for the same period in 2025. The 2026 charge-offs primarily relate to communications, agribusiness, and leasing customers, and the 2025 charge-offs were primarily related to agribusiness and communications customers. Charge-offs have historically resulted from a relatively small number of customers and may fluctuate significantly period to period. Gross recoveries were $16 million for the nine months ended September 30, 2026 compared to $2 million for the same period in 2025. The 2026 recoveries were primarily related to agribusiness

and communications customers and the 2025 recoveries primarily related to agribusiness and rural power customers. Net charge-offs as a percentage of average loans were 0.03 percent for the nine months ended September 30, 2026 compared to net charge-offs of 0.11 percent for the same period in 2025.

Total noninterest income was $391 million for the nine months ended September 30, 2026 compared to $388 million for the same period in 2025. Noninterest income is primarily composed of loan-related fee income, patronage income, customer interest rate swaps and other derivatives income, loan prepayment income, gains and losses on sales of loans, investment securities and early extinguishments of debt, and other miscellaneous gains and losses. The modest increase in noninterest income primarily related to a higher return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation) and gains on early extinguishments of debt, partially offset by decreased patronage income and a loss on sale of loans. Noninterest income for the nine months ended September 30, 2026 included a return of excess insurance funds from the Insurance Corporation related to the Farm Credit Insurance Fund (Insurance Fund) of $42 million, compared to $14 million for the same period in 2025. As more fully explained in our 2025 Annual Report, when the Insurance Fund exceeds the statutory 2 percent secure base amount (SBA), the Insurance Corporation may reduce premiums and return excess amounts. In 2026 and 2025, the Insurance Fund began the year above the SBA, and the Insurance Corporation approved the distribution of the excess amounts to System entities. During the nine months ended September 30, 2026, we sold a pool of electric distribution loans totaling $197 million resulting in a loss of $17 million. The loss was more than offset by $21 million of gains on the early extinguishment of debt that funded the loans, resulting in a net gain of $4 million. There were no losses on sales of loans for the same period in 2025. Patronage income decreased to $139 million for the nine months ended September 30, 2026 as compared to $160 million for the same period in 2025, which reflects lower expected patronage rates on loans sold to affiliated Associations and other System institutions. Patronage income is accrued throughout the year and received in cash subsequent to year-end, with the patronage accrual estimated based on volume of loans sold and expected patronage rates from System institutions. The patronage rates from System institutions are subject to uncertainty due to their financial performance and capital levels.

Total operating expenses increased 6 percent to $478 million for the nine months ended September 30, 2026 as compared to $453 million for the same period in 2025. The higher level of operating expenses was primarily driven by increases in employee compensation, information services, purchased services, and Insurance Fund premium expense, partially offset by a decrease in occupancy and equipment. Employee compensation, which includes salaries, incentive compensation and employee benefits, increased to $252 million for the nine months ended September 30, 2026 from $234 million for the same period in 2025. The increase was primarily driven by employee headcount additions, merit, other pay increases and increased accrued incentive compensation. As of September 30, 2026, we had 1,323 employees compared to 1,302 employees at September 30, 2025. Information services increased to $61 million for the nine months ended September 30, 2026 as compared to $56 million for the same period in 2025 primarily due to higher subscription based software costs and capitalized software amortization. Purchased services increased to $20 million for the nine months ended September 30, 2026 as compared to $17 million for the same period in 2025 primarily due to higher legal and other costs associated with the workout and resolution of distressed borrowers. Insurance Fund premium expense increased to $70 million for the nine months ended September 30, 2026 as compared to $68 million for the same period in 2025 due to a higher volume of 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 nine months ended September 30, 2026 and 2025. In October 2026, the Insurance Corporation announced a premium rate of zero basis points of average adjusted insured debt obligations for the fourth quarter of 2026. Occupancy and equipment decreased to $12 million for the nine months ended September 30, 2026 as compared to $14 million for the same period in 2025 primarily due to property tax refunds received in 2026.

Our provision for income taxes increased to $134 million for the nine months ended September 30, 2026 from $113 million for the same period in 2025, and the effective tax rate was 9.0 percent and 8.4 percent for the nine months ended September 30, 2026 and 2025, respectively. The increase in the provision for income taxes and effective tax rate was primarily due to an increase in earnings attributable to taxable business activities during the nine months ended September 30, 2026.

Our annualized return on average common shareholders' equity decreased to 13.60 percent for the nine months ended September 30, 2026 from 13.74 percent for the same period in 2025 primarily due to higher average capital in 2026. Our annualized return on average assets increased to 0.82 percent for the nine months ended September 30, 2026 from 0.79 percent for the same period in 2025 primarily resulting from a higher level of earnings for the nine months ended September 30, 2026.

For the three months ended September 30, 2026, net income was $426 million as compared to $429 million for the same period in 2025. The modest decrease in quarterly net income was primarily driven by higher provisions for credit losses and income taxes, increased operating expenses and lower noninterest income, partially offset by higher net interest income. Net interest income increased $50 million for the three months ended September 30, 2026 as compared to the same period in 2025 due primarily to higher average loans. The provision for credit losses increased $30 million for the three months ended September 30, 2026 as compared to the same period in 2025 primarily due to deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments that resulted in higher modeled credit losses and specific reserves. Operating expenses increased $8 million for the three months ended September 30, 2026 primarily due to higher employee compensation expense and information services expense, partially offset by lower general and administrative expenses. Noninterest income decreased $8 million for the three months ended September 30, 2026 as compared to the same period in 2025 primarily due to lower loan-related fee income, patronage income, and customer derivative income, partially offset by gains on early extinguishments of debt. The provision for income taxes increased $7 million for the three months ended September 30, 2026 as compared to the same period in 2025 primarily due to an increase in earnings attributable to taxable business activities.

Operating Segment Financial Review

We provide financial services to agricultural cooperatives; other food and agribusiness companies; rural power, communications and water cooperatives and companies; rural community facilities; farmer-owned financial institutions and other businesses that serve agriculture and rural communities. We conduct lending operations through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure.

All customer activity, including loans and leases and related income, is specifically assigned to the business units that comprise the operating segments. Investment securities and federal funds sold and other overnight funds, which are primarily held as a liquidity reserve to support our banking operations are not specifically assigned to operating segments; however the income from investment securities and federal funds sold and other overnight funds is attributed to the operating segments. Average loans and net income by operating segment are summarized in the following table and are more fully detailed in Notes 3 and 11 to the accompanying condensed consolidated financial statements.

Average Loans and Net Income by Operating Segment ($ in Millions)

	Average Loans		Net Income	
For the Nine Months Ended September 30,	**2026**	**2025**	**2026**	**2025**
Agribusiness	**$ 41,905**	$ 41,580	**$ 599**	$ 539
Farm Credit Banking	**88,066**	83,821	**261**	230
Rural Infrastructure	**36,571**	34,930	**496**	471
Total	**$ 166,542**	$ 160,331	**$ 1,356**	$ 1,240

Agribusiness

The Agribusiness operating segment includes loans and other financial services provided to a diverse market of cooperatives and other businesses in various agricultural sectors including grain handling and marketing, farm supply, fruits, nuts, vegetables, forest products, dairy, livestock, biofuels, and food processing. A large portion of agribusiness loan volume financing grain and farm supply cooperatives is seasonal. This seasonal loan

volume typically peaks early in the year, then reaches a low in late summer or early fall. Seasonality is also affected by a number of factors, including grain volume, commodity prices, producer selling patterns, transportation availability, and the relationship between cash and futures prices in the grain commodities markets. Agribusiness loans outstanding totaled $39.1 billion at September 30, 2026 compared to $42.1 billion at December 31, 2025. The decrease in outstanding loans primarily resulted from lower seasonal lending to farm supply and grain cooperatives driven by lower levels of grain ownership by these customers. As of September 30, 2026, the Agricultural Export Finance Division (AEFD) had $4.9 billion in loans outstanding, 25 percent of which were guaranteed by the U.S. government under the General Sales Manager (GSM) program, compared to $4.7 billion in loans outstanding as of December 31, 2025, 29 percent of which were guaranteed under the GSM program. We mitigate our exposure for certain AEFD lending transactions by purchasing credit enhancement from non-government third parties. The Agribusiness segment also includes Farm Credit Leasing Services Corporation (FCL), a wholly-owned subsidiary which provides leases and lease-related products and financial services to agribusinesses, agricultural producers, Association partners, and rural infrastructure companies. As of September 30, 2026 and December 31, 2025, FCL had $4.0 billion and $4.2 billion, respectively, in leases outstanding.

Agribusiness average loans increased slightly to $41.9 billion for the nine months ended September 30, 2026 as compared to $41.6 billion for the same period in 2025. The increase in average loans primarily resulted from increased lending to farm supply and grain, protein, and dairy customers partially offset by a decrease in AEFD average loans over the same period.

Agribusiness net income increased to $599 million for the nine months ended September 30, 2026, as compared to $539 million for the same period in 2025, primarily due to increased net interest income and a lower provision for credit losses, partially offset by higher operating expenses and income taxes.

Agribusiness net interest income increased to $783 million for the nine months ended September 30, 2026 as compared to $739 million for the same period in 2025 primarily due to a change in asset mix resulting from higher average loans to farm supply and grain customers.

Agribusiness recorded a $61 million provision for credit losses for the nine months ended September 30, 2026, compared to a $99 million provision for credit losses for the same period in 2025. The 2026 provision was largely driven by deterioration in credit quality that resulted in higher modeled credit losses and specific reserves. The 2025 provision was largely driven by deterioration in credit quality including increased charge-offs and specific reserves requiring a higher level of provisioning. Agribusiness nonaccrual loans increased to $542 million at September 30, 2026 as compared to $480 million at December 31, 2025 primarily due to agribusiness customers that transferred to nonaccrual status partially offset by loan payoffs and charge-offs during 2026. Gross charge-offs were $18 million for the nine months ended September 30, 2026 as compared to $92 million for the same period in 2025. The 2026 charge-offs primarily related to leasing, beverage, tree fruits and other agribusiness customers and the 2025 charge-offs were related to food, beverage and other agribusiness customers. Gross recoveries were $12 million for the nine months ended September 30, 2026 compared to $1 million for the same period in 2025. The 2026 recoveries related to other agribusiness customers.

Agribusiness noninterest income increased to $202 million for the nine months ended September 30, 2026 compared to $201 million for the same period in 2025 primarily due to a higher return of excess insurance funds from the Insurance Corporation, partially offset by lower patronage income.

Agribusiness operating expenses increased to $280 million for the nine months ended September 30, 2026 as compared to $264 million for the same period in 2025, primarily due to higher allocated expenses related to increased employee compensation, information services, and purchased services.

Agribusiness income tax expense increased to $45 million for the nine months ended September 30, 2026 as compared to $38 million for the same period in 2025 primarily due to an increase in earnings attributable to taxable business activities during the nine months ended September 30, 2026.

Farm Credit Banking

The Farm Credit Banking operating segment includes wholesale loans from the direct funding relationships we have with our affiliated Association customer-owners and our wholesale funding relationships with other System institutions. As of September 30, 2026, we had 16 affiliated Associations operating in 23 states serving the West, Northwest, Southwest, Rocky Mountains, Mid-Plains, and Northeast regions of the United States. The Farm Credit Banking loan portfolio totaled $88.8 billion as of September 30, 2026 and December 31, 2025. At September 30, 2026 and December 31, 2025, Farm Credit Banking loans included $82.4 billion and $82.6 billion, respectively, in wholesale loans to our affiliated Associations and $6.3 billion and $6.2 billion of participations in wholesale loans made by other System banks to certain of their affiliated Associations as of September 30, 2026 and December 31, 2025. Such participations included $4.4 billion as of September 30, 2026 and December 31, 2025, in wholesale loans made by the Farm Credit Bank of Texas (FCBT). The balance of participations of $1.9 billion and $1.8 billion as of September 30, 2026 and December 31, 2025 represent the wholesale loans made by AgFirst Farm Credit Bank (AgFirst). The Farm Credit Banking operating segment also included loans made to a limited number of other financing institutions totaling $0.1 billion at September 30, 2026 and December 31, 2025.

Farm Credit Banking average loans increased 5 percent to $88.1 billion for the nine months ended September 30, 2026 as compared to $83.8 billion for the same period in 2025. The increase resulted from greater overall lending by our affiliated Associations to agricultural producers and processors and our affiliated Associations funding a higher level of syndicated loans and purchased participations.

Farm Credit Banking net income increased to $261 million for the nine months ended September 30, 2026, as compared to $230 million for the same period in 2025 primarily due to higher net interest income.

Farm Credit Banking net interest income increased to $301 million for the nine months ended September 30, 2026 as compared to $268 million for the same period in 2025, primarily due to growth in average loans.

As a wholesale lender to Associations, we benefit from the diversification of the Association loan portfolios and a strong collateral position. In addition, the earnings, capital and loan loss reserves of the Associations provide an additional layer of protection against losses in their respective loan portfolios. Lower spreads in the Farm Credit Banking operating segment are commensurate with the lower risk profile and lower regulatory capital requirements. No provisions for credit losses or allowance for credit losses (ACL) have been recorded related to any of our wholesale loans to Associations.

Farm Credit Banking noninterest income was unchanged at $2 million for the nine months ended September 30, 2026 and 2025. The operating results of Farm Credit Banking did not benefit from the previously mentioned return of excess insurance funds from the Insurance Corporation because these amounts were passed on directly to our Association customers.

Farm Credit Banking operating expenses increased to $42 million for the nine months ended September 30, 2026 as compared to $40 million for the same period in 2025. The levels of allocated expenses in the Farm Credit Banking operating segment are significantly lower than levels in the Agribusiness and Rural Infrastructure segments, as the activities to make and service wholesale loans are substantially less than similar activities for commercial lending. In addition, insurance premiums ascribed to the Farm Credit Banking operating segment are lower than the other two segments because premiums related to the associations' wholesale loans with CoBank are passed on directly to those associations and are not reflected in CoBank's financial statements.

Farm Credit Banking has no income tax expense as the earnings on its business activities are statutorily tax-exempt.

Rural Infrastructure

The Rural Infrastructure operating segment includes loans and other financial services provided to cooperatives and other companies in the power and energy, communications, water and waste industries as well as to community facilities in rural America. Power and energy industry customers include rural electric generation and transmission cooperatives, midstream energy and gas pipeline providers, electric distribution cooperatives, independent power producers including renewable energy providers, regulated utilities and investor-owned utilities. Our digital infrastructure banking serves communications industry customers and other companies providing local broadband services, long-haul and middle-mile fiber transport, and data center and cloud-based products to mostly rural communities. These customers also include regional and national communications providers with networks that are globally interconnected, who are essential to bringing connectivity and broadband services to rural America through their partnerships and contractual relationships with our rural customers. In addition, the Bank serves customers in the water industry, including rural water and waste companies, as well as rural health care and other community facilities. We also make equity investments in certain Rural Business Investment Companies (RBICs) which focus on small and middle market companies that create jobs and promote commerce in rural America. Rural Infrastructure loans outstanding totaled $37.2 billion and $35.9 billion at September 30, 2026 and December 31, 2025, respectively.

Rural Infrastructure average loans increased 5 percent to $36.6 billion for the nine months ended September 30, 2026 as compared to $34.9 billion for the same period in 2025. The increase in average loans was primarily related to rural power and electric distribution customers.

Rural Infrastructure net income increased to $496 million for the nine months ended September 30, 2026 as compared to $471 million for the same period in 2025, primarily due to increased net interest income, partially offset by higher provisions for credit losses and income taxes, and increased operating expenses.

Rural Infrastructure net interest income increased to $595 million for the nine months ended September 30, 2026 as compared to $540 million for the same period in 2025, primarily due to higher average loans.

Rural Infrastructure recorded a provision for credit losses of $41 million for the nine months ended September 30, 2026 compared to a provision for credit losses of $30 million for the same period in 2025. The 2026 provision for credit losses was primarily driven by deterioration in credit quality in our communications portfolio, partially offset by improvements in credit quality in our rural power and water portfolios. The 2026 provision also included a credit loss reversal on our investment securities of $1 million, which resulted from an improvement in modeled credit losses for these securities. The 2025 provision was largely driven by deterioration in credit quality in our communications portfolio, including increased charge-offs and specific reserves requiring a higher level of provisioning. Nonaccrual loans decreased to $99 million at September 30, 2026, compared to $137 million at December 31, 2025 primarily due to loan reinstatements to accruing status, charge-offs and loan payoffs, partially offset by communications customers that transferred to nonaccrual during 2026. Gross charge-offs were $33 million for the nine months ended September 30, 2026 compared to $42 million for the same period in 2025. The 2026 and 2025 charge-offs were related to communications customers. Gross recoveries were $4 million for the nine months ended September 30, 2026 and $1 million for the same period in 2025.

Rural Infrastructure noninterest income increased to $187 million for the nine months ended September 30, 2026 as compared to $185 million for the same period in 2025, primarily driven by gains on early extinguishments of debt and a higher return of excess insurance funds from the Insurance Corporation, partially offset by a loss on sale of electric distribution loans and lower patronage income.

Rural Infrastructure operating expenses increased to $156 million for the nine months ended September 30, 2026, compared to $149 million for the same period in 2025. The increase was driven by higher allocated expenses related to increased employee compensation and information services costs.

Rural Infrastructure income tax expense increased to $89 million for the nine months ended September 30, 2026 as compared to $75 million for the same period in 2025 primarily due to an increase in earnings attributable to taxable business activities during the nine months ended September 30, 2026.

Credit Quality, Liquidity, Capital Resources and Other

Credit Quality of Loans

The following table presents our loans, classified by management pursuant to our regulator's Uniform Loan Classification System, as a percent of total loans.

Loan Quality Ratios

	September 30, 2026			December 31, 2025		
	Wholesale Loans[1]	Commercial Loans[2]	Total Bank	Wholesale Loans[1]	Commercial Loans[2]	Total Bank
Acceptable	100.00 %	94.86 %	97.62 %	100.00 %	94.78 %	97.55 %
Special Mention	—	2.31	1.07	—	2.68	1.26
Substandard	—	2.76	1.28	—	2.46	1.15
Doubtful	—	0.07	0.03	—	0.08	0.04
Loss	—	—	—	—	—	—
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

[1] Represents loans in our Farm Credit Banking operating segment.

[2] Represents loans in our Agribusiness and Rural Infrastructure operating segments.

Notwithstanding some credit quality deterioration, our overall loan quality measures remain manageable at September 30, 2026. Special Mention loans were 1.07 percent of total loans at September 30, 2026 compared to 1.26 percent of total loans at December 31, 2025. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 1.31 percent at September 30, 2026, compared to 1.19 percent at December 31, 2025 primarily due to agribusiness and communications customers that were transferred to Substandard status. Nonaccrual loans, which are classified as Substandard and Doubtful loans, were 0.39 percent of total loans at September 30, 2026, compared to 0.37 percent of total loans at December 31, 2025.

We recorded a $102 million provision for credit losses, $51 million of gross charge-offs, and $16 million of gross recoveries in the nine months ended September 30, 2026. Net charge-offs as a percentage of average loans were 0.03 percent for the nine months ended September 30, 2026 compared to net charge-offs of 0.11 percent for the same period in 2025. Nonaccrual loans increased to $641 million at September 30, 2026 from $617 million at December 31, 2025. Additional discussion of these amounts can be found in the prior section titled "Operating Segment Financial Review". Total accruing loans 90 days or more past due were $3 million as of September 30, 2026, compared to $2 million at December 31, 2025. Our ACL on loans totaled $855 million at September 30, 2026, or 0.52 percent of total loans, compared to $787 million at December 31, 2025, or 0.47 percent of total loans. As a percent of loans outstanding excluding guaranteed and wholesale loans to Associations, our ACL on loans was 1.13 percent and 1.02 percent at September 30, 2026 and December 31, 2025, respectively.

We believe credit quality deterioration in the future is possible due to market factors impacting our customers, including customers of System institutions from which we have purchased loans. Such factors include the

macroeconomic environment, geopolitical and other disruptions related to the war in Ukraine and conflict involving Iran, higher oil, gas and fertilizer prices, transportation availability and costs, trade, tariff and economic uncertainty, an ongoing volatile agriculture commodity price environment, labor shortages, inflation, elevated 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.

Liquidity and Investments

Our liquidity management objectives are to provide a reliable source of funding to borrowers, meet maturing debt obligations, provide additional liquidity if market conditions deteriorate and fund operations on a cost effective basis.

We believe that sufficient resources are available to meet our liquidity management objectives through our debt maturity structure, holdings of liquid assets and access to the capital markets. Volatility of our loan volume and customer cash flow requirements may cause our liquidity needs to vary significantly from day to day.

One of the ways we measure and monitor our liquidity position is by assuming no ability to issue debt and calculating the number of days into the future we could meet maturing debt obligations by using available cash and eligible investments. System banks are required by regulation to maintain a minimum of 90 days of liquidity (cash and readily marketable, unencumbered investments generally discounted by 5 to 10 percent of market value) on a continuous basis and to establish an incremental liquidity reserve. At September 30, 2026 and December 31, 2025 our liquidity was 182 days and 174 days, respectively.

We hold cash, investment securities, federal funds sold and other overnight funds primarily to maintain a liquidity reserve and manage short-term surplus funds. Cash, federal funds sold and other overnight funds totaled $1.8 billion and $4.9 billion as of September 30, 2026 and December 31, 2025, respectively. Our investment securities were $48.4 billion at September 30, 2026, compared to $49.5 billion at December 31, 2025.

The table below summarizes our investment securities classified as available-for-sale and related unrealized losses and gains by asset class.

Investment Securities	September 30, 2026			December 31, 2025		
($ in Millions)	Amortized Cost	Fair Value	Net Unrealized Losses	Amortized Cost	Fair Value	Net Unrealized Gains (Losses)
U.S. Treasury Debt	**$ 22,263**	**$ 21,565**	**$ (698)**	$ 20,972	$ 20,973	$ 1
U.S. Agency Debt	**1,966**	**1,897**	**(69)**	2,220	2,223	3
Residential Mortgage-Backed:						
Ginnie Mae	**1,627**	**1,489**	**(138)**	1,647	1,541	(106)
U.S. Agency	**2,591**	**2,513**	**(78)**	3,051	3,002	(49)
Commercial Mortgage-Backed:						
U.S. Agency	**21,245**	**20,513**	**(732)**	21,480	21,191	(289)
Corporate Bonds	**328**	**320**	**(8)**	350	350	—
Asset-Backed and Other	**154**	**150**	**(4)**	210	209	(1)
Total	**$ 50,174**	**$ 48,447**	**$ (1,727)**	$ 49,930	$ 49,489	$ (441)

Credit risk in our investment portfolio primarily exists in the 1 percent of our investment securities that are not guaranteed by the U.S. government or a U.S. Agency, which currently include asset-backed securities (ABS) and corporate bonds of midstream energy and communications companies. The fair value of our ABS and corporate bonds of midstream energy and communications companies collectively total $470 million as of September 30, 2026. Credit risk in our investment portfolio also arises from counterparties to short-term investments, which include our overnight bank deposits and federal funds sold, which are transacted with highly-rated commercial banks. We held overnight bank deposits and federal funds sold instruments totaling $1.5 billion and $2.0 billion at September 30, 2026 and December 31, 2025, respectively. Short-term investments at December 31, 2025 also included reverse repurchase agreements with the Federal Reserve totaling $1.9 billion, and have minimal credit risk.

As of September 30, 2026, we had no ACL on investment securities. As of December 31, 2025, our ACL on investment securities was $1 million. We recorded a credit loss reversal of $1 million for our investment securities during the nine months ended September 30, 2026. We recorded no provision for credit losses or credit loss reversal for our investment securities during the nine months ended September 30, 2025.

Pursuant to FCA regulations, certain securities must be excluded from our liquidity reserve, including those that are not readily marketable, do not exhibit low credit and market risk or cannot be converted into cash with little or no loss in value. In addition, any non-guaranteed investments whose market value is less than 80 percent of book value must be excluded from the supplemental liquidity buffer. As of September 30, 2026, $357 million of securities were excluded from our liquidity reserve, the most significant of which were our corporate bonds of midstream energy and communications companies that are not held for liquidity purposes.

As all of our investment securities are classified as “available for sale,” we recognize changes in the fair value of our investment securities in accumulated other comprehensive income (loss), a component of shareholders’ equity, except for losses that are credit-related and related to securities not guaranteed by the U.S. government or U.S. agencies. This credit-related portion of the loss is recorded as an ACL with an offsetting amount in earnings. We recorded pre-tax net unrealized losses on our investment securities of $1.268 billion for the nine months ended September 30, 2026 as compared to pre-tax net unrealized gains of $931 million for the same period in 2025. The unrealized losses for 2026 and unrealized gains in 2025 primarily reflect the impact of market interest rate changes on the fair value of fixed-rate securities. As part of our risk management strategies, these unrealized losses related to changes in the fair value of our investment securities are partially offset in other comprehensive income (loss) by unrealized gains related to changes in the fair value of derivatives.

During the nine months ended September 30, 2026, we sold U.S. Treasury debt securities for total proceeds of $677 million resulting in a loss of $1 million. We sold U.S. Treasury debt securities for total proceeds of $472 million resulting in a gain of $7 million for the same period in 2025. The investment sales in 2026 and 2025 were primarily for liquidity management or tax planning purposes.

An additional source of liquidity is cash provided by our operating activities primarily generated from net interest income in excess of operating expenses, which totaled $1.208 billion and $934 million for the nine months ended September 30, 2026 and 2025, respectively.

Notwithstanding the various sources of liquidity discussed above, if no other sources existed to repay maturing Federal Farm Credit Banks Consolidated Systemwide bonds, medium term notes and discount notes (collectively referred to as Systemwide Debt Securities), the assets of the Insurance Fund would be used to repay such debt.

The Insurance Corporation has an agreement with the Federal Financing Bank, a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the Federal Financing Bank would advance funds to the Insurance Corporation under certain limited circumstances. Under its existing statutory authority, the Insurance Corporation may use these funds to provide assistance to the System Banks in exigent market circumstances that threaten the System Banks' ability to pay maturing debt obligations. The agreement provides for advances of up to $10 billion and remains in full force and effect until terminated by either the Insurance Corporation or the Federal Financing Bank. The decision whether to seek funds from the Federal Financing Bank is at the discretion of the Insurance Corporation, and each funding obligation of the Federal Financing Bank is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by the System.

Funding

The System is a government sponsored enterprise (GSE) and CoBank, as a member of the System, has historically benefited from the favorable funding costs and funding flexibility available to us through the issuance of Systemwide Debt Securities.

As a condition of a System Bank's participation in the issuance of Systemwide Debt Securities, the System Bank must have, and at all times thereafter maintain, free from any lien or other pledge, specified eligible assets (referred to in the Farm Credit Act as "collateral") at least equal in value to the total amount of outstanding debt securities of the System Bank that are subject to the collateral requirement. These securities include Systemwide Debt Securities for which the System Bank is primarily liable and investment bonds or other debt securities that the System Bank has issued individually. The collateral must consist of notes and other obligations representing loans or real or personal property acquired in connection with loans made under the authority of the Farm Credit Act (valued in accordance with FCA regulations and directives), obligations of the United States or any agency thereof direct or fully guaranteed, other FCA approved System Bank assets, including eligible marketable securities, or cash. These collateral requirements do not provide holders of Systemwide Debt Securities with a security interest in any assets of the System Banks. The System Banks may in the future issue Systemwide Debt Securities that are secured by specific assets. Each System Bank reports compliance with the collateral requirements through a calculation of the ratio of total collateral to total collateralized obligations (called the "Statutory Collateral Ratio"). Under FCA Regulations, the minimum requirement equates to a Statutory Collateral Ratio of 100 percent. At September 30, 2026 and December 31, 2025, total collateral exceeded our collateralized obligations by $15.0 billion and $14.0 billion, respectively, and our Statutory Collateral Ratio was 107.53 percent and 106.78 percent, respectively. At September 30, 2026 and December 31, 2025, we were, and we currently remain, in compliance with all of the conditions of participation in the issuance of Systemwide Debt Securities.

Included in our bonds and notes at September 30, 2026 and December 31, 2025 was $725 million and $875 million, respectively, of funding pursuant to a bond guarantee program offered by the Rural Utilities Service (RUS) of the United States Department of Agriculture. The funding is provided by the Federal Financing Bank and guaranteed by RUS. As part of the bond guarantee agreement with RUS, we are required to pledge collateral in an amount equal to at least 110 percent of the principal balance of all RUS bonds outstanding. In July 2026, we extinguished $25 million and $125 million of our RUS Series D and Series E funding, respectively. As of September 30, 2026, we had $225 million, $250 million, $200 million and $50 million outstanding on our Series D, Series E, Series F and Series G funding from RUS, respectively. The Series D, Series E and Series F facilities were fully drawn at September 30, 2026. We also had an additional $400 million, $450 million and $450 million of undrawn funding from RUS in Series G, Series H, and Series K facilities at September 30, 2026, which allow us to access funding through July 2028, July 2029, and July 2030, respectively.

Interest Rate Swaps and Other Derivatives

We use interest rate swaps and other derivatives as an integral part of our market risk management activities. Interest rate swaps and other derivatives are used to manage liquidity and the market risk arising from maturity and repricing mismatches between assets and liabilities. We also hedge cap and floor risk embedded within our floating-rate investments and loans by entering into derivative transactions. In addition, we execute foreign exchange spot and forward contracts to manage currency risk on our relatively nominal amount of loans denominated in foreign currencies. We also enter into derivatives for our customers as a service to enable them to transfer, modify or reduce their interest rate risk and foreign exchange risk.

Interest rate swaps and other derivatives are recorded at fair value as assets or liabilities in the accompanying condensed consolidated balance sheets. Interest rate swaps and other derivative assets totaled $460 million at September 30, 2026 compared to $456 million at December 31, 2025. Interest rate swaps and other derivative liabilities totaled $1.2 billion at September 30, 2026 compared to $576 million at December 31, 2025.

Changes in the fair value of our 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 and hedged items designated as hedging instruments are recorded in interest income and interest expense in the accompanying condensed consolidated statements of income and totaled net losses of $4 million and $9 million for the nine months ended September 30, 2026 and 2025. Net changes in the fair value of derivatives not designated as hedging instruments are recorded in noninterest income in the accompanying condensed consolidated statements of income and totaled net gains of $25 million and $24 million for the nine months ended September 30, 2026 and 2025, respectively. Net changes in the fair value of derivatives recorded as other comprehensive income (loss) before taxes totaled gains of $761 million for the nine months ended September 30, 2026 as compared to losses of $271 million in the same period of 2025, and primarily reflect the impact of market interest rate changes. As part of our risk management strategies, these unrealized gains related to changes in the fair value of derivatives are offset in other comprehensive income (loss) by unrealized losses resulting from changes in the fair value of our investment securities.

Capital Resources

We believe that a sound capital position is critical to our long-term financial success and future growth. Our shareholders’ equity is primarily composed of preferred and common stock, retained earnings and accumulated other comprehensive income (loss), which totaled $14.7 billion and $14.0 billion at September 30, 2026 and December 31, 2025, respectively. The increase in shareholders’ equity at September 30, 2026 primarily resulted from current period earnings and the issuance of preferred stock, partially offset by accrued patronage and an increase in accumulated other comprehensive loss. Included in our shareholders' equity is $888 million and $457 million of accumulated other comprehensive loss at September 30, 2026 and December 31, 2025, respectively, which is primarily related to unrealized losses on our investment securities. While the unrealized losses on investment securities result in a reduction of shareholders’ equity, they do not impact current period earnings or regulatory capital ratios. The level of these unrealized losses is subject to future fluctuations in interest rates.

On October 1, 2026, we redeemed all of our Series I non-cumulative perpetual preferred stock totaling $375 million. The dividend rate for our Series I preferred stock was 6.25 percent through the date of redemption.

On May 28, 2026, we issued $500 million of Series N non-cumulative perpetual preferred stock. We used the net proceeds from the Series N preferred stock issue for general corporate purposes, including to finance the redemption of our Series I preferred stock on October 1, 2026. Dividends on the Series N preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on October 1, 2026, and will accrue at a fixed annual rate of 6.75 percent from the date of issuance

up to, but excluding July 1, 2031. Thereafter, dividends will accrue at the five-year US Treasury rate as of the most recent reset dividend determination date plus a spread of 2.62 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after July 1, 2031.

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

At September 30, 2026 and December 31, 2025, our capital and leverage ratios exceeded regulatory minimums, as shown in the following table.

Regulatory Capital Requirements and Ratios

		September 30, 2026		December 31, 2025		
	Regulatory Minimums	Actual	Actual Buffer	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 Capital Ratio	4.5 %	**12.12 %**	**7.62 %**	11.95 %	7.45 %	2.5 %
Tier 1 Capital Ratio	6.0	**14.34**	**8.34**	13.75	7.75	2.5
Total Capital Ratio	8.0	**15.10**	**7.10**	14.50	6.50	2.5
Tier 1 Leverage Ratio[1]	4.0	**7.26**	**3.26**	6.82	2.82	1.0
Permanent Capital Ratio	7.0	**14.46**	**n/a**	13.86	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.5	**3.37**	**n/a**	3.27	n/a	n/a

(1) At least 1.5 percent must be URE and URE equivalents.

Senior Officer Changes

On August 17, 2026, CoBank announced Timothy Curran, the Bank's Chief Risk Officer will retire in 2027. His retirement date is preliminarily scheduled for summer 2027, subject to the appointment of his successor.

Business Outlook

Global economic growth has exceeded expectations in 2026 despite significant headwinds including geopolitical conflicts, trade tensions and policy uncertainties, including the ongoing war in Ukraine and conflict involving Iran. In spite of these challenges, the U.S. economy has remained resilient with economic expansion supported by strong consumer spending and healthy business investment, particularly in the infrastructure and technology-related sectors. From a monetary policy perspective, the Federal Reserve increased interest rates in September 2026 and future changes will be dependent on inflation trends, labor market conditions and broader economic activity. Government policy and regulatory priorities affecting the U.S. economy and agriculture include trade and tariff policy, immigration, tax policy, and continued uncertainty regarding reauthorization of the U.S. Farm Bill following the expiration of the most recent extension on September 30, 2026. Government policies are uncertain at this time particularly following the November mid-term elections.

The U.S. agriculture sector continues to face a challenging operating environment, particularly among crop producers, due to compressed margins, elevated operating costs, commodity price volatility, trade uncertainty and other factors. While certain livestock sectors continue to benefit from favorable pricing and profitability, many crop producers remain challenged by relatively weak commodity prices and high production costs. Geopolitical tensions and evolving trade dynamics continue to contribute to volatility in grain, fertilizer, fuel and other agricultural input markets, affecting costs, availability and transportation logistics. Drought, wildfire and tropical storm conditions exist in certain regions and could adversely affect agricultural production. Continued uncertainty surrounding trade, tariffs and agricultural policy, together with weather related events, may contribute to market volatility and pressure operating results. Interest rates remain elevated compared with levels experienced in recent years, and highly leveraged borrowers continue to experience increased financing

costs and reduced financial flexibility. The agricultural industry continues to face challenges, particularly in the fruits, nuts, vegetables, wine and beverage, and farm-related business services sectors. As a result of these market and operating conditions, deterioration in credit quality has continued among certain agribusiness borrowers.

In contrast, market conditions and the outlook for rural infrastructure sectors remain generally favorable. Demand for electricity, broadband and digital infrastructure continues to be influenced by data center development, artificial intelligence applications, electrification and manufacturing investment. The timing and scale of the related investment remain subject to power availability, permitting, construction costs, supply-chain constraints and varying levels of community and business support. Despite these favorable conditions, increased competition and changing technology in the rural broadband space has impacted certain sectors resulting in credit deterioration among communications borrowers.

Although challenges across our industry sectors could further reduce credit quality and impact the level of loan demand, CoBank believes it remains well positioned to assist our customers and to continue to serve rural America.

Under the guidance of our Board of Directors and our experienced executive management team, we remain focused on achieving continued success through execution of our business strategies. These include, among other objectives, creating mutually beneficial partnerships with other System institutions, maintaining effective access to the agency debt capital markets, opportunistically accessing the preferred stock capital markets, educating policy makers and other key stakeholders about the critical mission of CoBank and the System, prudently optimizing current lending authorities and maintaining compliance with laws and regulations. We continue to collaborate with our affiliated Associations on the fulfillment of our collective mission. We will also continue to explore strategic alliances and other opportunities with our customers, other System institutions, financial service providers and other public and private entities as we strive to fulfill our mission in rural America in a safe and sound manner.

Forward Looking Statements

Certain of the statements contained in this quarterly report 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, speak only as to the date they are made and are subject to various risks and uncertainties, including, but not limited to:

- The war in Ukraine and conflict involving Iran and the resulting impact on oil, gas and fertilizer prices, global trade for commodities, transportation availability and costs, and economic conditions;
- Changing domestic and global economic conditions;
- Changes in the economic environment that negatively impact the agricultural, power, communications, water and leasing industries;
- Credit performance of the loan portfolio;
- Valuation of the underlying collateral of our loans;
- Adverse food safety and weather events, disease, and other unfavorable conditions that periodically occur and impact agricultural productivity and income;
- Catastrophic events such as wildfires, floods and other natural disasters, political unrest or other similar occurrences, which may have a direct or indirect impact on certain of our borrowers;
- Changes in estimates underlying the allowance for credit losses;
- Cybersecurity, artificial intelligence, and fraud risks, including a failure or breach of our operational or security systems or infrastructure, that could adversely affect our business, customers, financial performance and reputation;
- Government trade policies in the United States and other countries, including tariffs and other restrictions that impact markets for agricultural and other products;
- Actions taken by the U.S. government to manage U.S. immigration and its impact on labor availability for the U.S. farming community;
- Inflation, recession, the level of interest rates and relationships between various interest rate indices and actions taken by the Federal Reserve to manage the monetary policy of the United States;
- Changes to tax laws and regulations;
- A decrease in the credit outlook or ratings of U.S. government debt, agency debt, the securities of Government Sponsored Enterprises (GSEs), including Systemwide Debt Securities, and our securities;
- Geopolitical uncertainties, conflicts and government policy developments in the United States and throughout the world that may impact the industries we lend to, or, economic, fiscal or monetary conditions;
- Changes in the U.S. government's support of the System, the agricultural industry, agricultural exports, rural infrastructure and rural economies and any new legislation passed that could impact our customers including reauthorization of the Farm Bill or other agriculture and nutrition policies outside of the Farm Bill;
- Changing perception of the environmental, social and governance trend in the financial services industry globally;
- Currency fluctuations that impact the value of the U.S. dollar in global markets;
- Changes in levels of global crop production, exports, imports, usage and inventories;
- Changes in consumer demand for agricultural and other products;
- Loan portfolio growth and seasonal factors;
- Volatility in energy prices including oil, natural gas and other fuel;
- Legislative or regulatory actions that affect our relationships with our employees;

- Actions taken by the U.S. Congress relative to other government-sponsored enterprises;
- Regulatory actions and interpretations adversely impacting our business;
- Our ability to attract and retain high quality employees;
- Failures of critical vendors and other third-party providers could disrupt our ability to conduct and manage our business;
- Disruptive technologies, such as artificial intelligence and other technologies, impacting the banking and financial services industries or implemented by our competitors which negatively impact our ability to compete in the marketplace;
- Technology transformation, upgrade and enhancement of our core banking platforms and other systems;
- Changes in investor confidence due to disruptions or other changes in the financial services and commercial banking sectors;
- Widespread health emergencies, such as pandemics, and related disruptions to businesses and the economy;
- Changes in assumptions underlying the valuations of financial instruments;
- Failure of our investment portfolio to perform as expected, deterioration in the credit quality of such investments or impact of higher interest rates on the value of our investment securities and other interest-bearing assets;
- Legal proceedings, judgments, settlements and related matters;
- Environmental-related conditions or laws impacting our lending activities;
- Nonperformance by counterparties under our derivative and vendor contracts;
- Executing on our strategy of developing further collaboration with other System institutions;
- Success of business model solutions focused on strengthening our ability to fulfill the System's collective mission; and
- Our ability to continue to partner with various System and other entities in light of ongoing consolidation within the System and the industries we serve.

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition to the above factors, we also caution that the amount and timing of any future patronage distributions will depend on the earnings, cash requirements and financial condition of CoBank, the impact on our balance sheet of expected customer activity, our capital requirements and long-term targeted capital structure, market conditions, regulatory considerations and other factors deemed relevant by CoBank.

Condensed Consolidated Balance Sheets

CoBank, ACB

($ in Millions)

	September 30, 2026 (Unaudited)	December 31, 2025
Assets		
Total Loans	**$ 165,023**	$ 166,880
Less: Allowance for Loan Losses	**804**	725
Net Loans	**164,219**	166,155
Cash and Cash Equivalents	**333**	972
Federal Funds Sold and Other Overnight Funds	**1,504**	3,955
Investment Securities	**48,447**	49,489
Interest Rate Swaps and Other Derivatives	**460**	456
Accrued Interest Receivable and Other Assets	**2,351**	2,450
Total Assets	**$ 217,314**	$ 223,477
Liabilities		
Bonds and Notes	**$ 198,294**	$ 205,454
Interest Rate Swaps and Other Derivatives	**1,154**	576
Reserve for Unfunded Commitments	**51**	62
Patronage Payable	**654**	935
Accrued Interest Payable and Other Liabilities	**2,501**	2,412
Total Liabilities	**202,654**	209,439
Commitments and Contingent Liabilities (Note 10)		
Shareholders' Equity		
Preferred Stock	**2,425**	1,925
Common Stock	**4,659**	4,599
Unallocated Retained Earnings	**8,464**	7,971
Accumulated Other Comprehensive Loss	**(888)**	(457)
Total Shareholders' Equity	**14,660**	14,038
Total Liabilities and Shareholders' Equity	**$ 217,314**	$ 223,477

The accompanying notes are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Income

CoBank, ACB

($ in Millions) (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Interest Income				
Loans	**$ 1,903**	$ 1,983	**$ 5,753**	$ 5,995
Investment Securities	**468**	469	**1,403**	1,332
Federal Funds Sold and Other Overnight Funds	**18**	20	**53**	60
Total Interest Income	**2,389**	2,472	**7,209**	7,387
Interest Expense	**1,827**	1,960	**5,530**	5,840
Net Interest Income	**562**	512	**1,679**	1,547
Provision for Credit Losses	**60**	30	**102**	129
Net Interest Income After Provision for Credit Losses	**502**	482	**1,577**	1,418
Noninterest Income				
Loan-Related Fee Income	**56**	66	**175**	175
Patronage Income	**46**	49	**139**	160
Customer Interest Rate Swaps and Other Derivatives Income	**7**	10	**25**	24
Prepayment Income	**1**	—	**4**	2
Gains (Losses) on Early Extinguishments of Debt	**19**	(1)	**21**	(4)
Loss on Sale of Loans	**—**	—	**(17)**	—
(Losses) Gains on Sales of Investment Securities	**(1)**	4	**(1)**	7
Return of Excess Insurance Funds	**—**	—	**42**	14
Other, Net	**(2)**	6	**3**	10
Total Noninterest Income	**126**	134	**391**	388
Operating Expenses				
Employee Compensation	**84**	78	**252**	234
Insurance Fund Premium	**23**	22	**70**	68
Information Services	**23**	18	**61**	56
General and Administrative	**8**	11	**32**	33
Occupancy and Equipment	**3**	4	**12**	14
Farm Credit System Related	**4**	4	**14**	14
Purchased Services	**7**	7	**20**	17
Other	**5**	5	**17**	17
Total Operating Expenses	**157**	149	**478**	453
Income Before Income Taxes	**471**	467	**1,490**	1,353
Provision for Income Taxes	**45**	38	**134**	113
Net Income	**$ 426**	$ 429	**$ 1,356**	$ 1,240

The accompanying notes are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

CoBank, ACB

($ in Millions) (Unaudited)

	For the Three Months September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net Income	**$ 426**	$ 429	**$ 1,356**	$ 1,240
Other Comprehensive (Loss) Income, Net of Tax:				
Net Change in Unrealized (Losses) Gains on Investment Securities	**(794)**	147	**(1,118)**	832
Net Change in Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives	**453**	(22)	**686**	(245)
Net Pension Adjustment	**—**	—	**1**	—
Other Comprehensive (Loss) Income	**(341)**	125	**(431)**	587
Comprehensive Income	**$ 85**	$ 554	**$ 925**	$ 1,827

The accompanying notes are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Shareholders' Equity

CoBank, ACB

($ in Millions) (Unaudited)

For the Nine Months Ended September 30,	2026	2025
Balance at December 31,	**$ 14,038**	$ 12,862
Comprehensive Income	**925**	1,827
Preferred Stock:		
Dividends	**(99)**	(88)
Redemptions	**—**	(300)
Issuance	**500**	**—**
Issuance Costs	**(5)**	**—**
Common Stock:		
Retirements	**(48)**	(50)
Cash Patronage Accrued	**(651)**	(647)
Balance at September 30,	**$ 14,660**	$ 13,604

The accompanying notes are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows
CoBank, ACB

($ in Millions) (Unaudited)

For the Nine Months Ended September 30,	2026	2025
Cash Flows Provided by Operating Activities		
Net Income	**$ 1,356**	$ 1,240
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Credit Losses	**102**	129
Deferred Income Taxes	**16**	44
Depreciation and Amortization/Accretion, Net	**(9)**	2
(Gains) Losses on Early Extinguishments of Debt	**(21)**	4
Loss on Sale of Loans	**17**	—
Losses (Gains) on Sales of Investment Securities	**1**	(7)
Increase in Accrued Interest Receivable and Other Assets	**(83)**	(223)
Decrease in Accrued Interest Payable and Other Liabilities	**(118)**	(247)
Net (Gains) Losses on Interest Rate Swaps and Other Derivatives	**(18)**	7
Payments on Operating Lease Liabilities	**(7)**	(8)
Other, Net	**(28)**	(7)
Net Cash Provided by Operating Activities	**1,208**	934
Cash Flows Provided by (Used in) Investing Activities		
Net Decrease in Loans	**1,690**	2,151
Proceeds from Sale of Loans	**180**	—
Net Decrease (Increase) in Investment Securities	**41**	(4,310)
Net Decrease in Federal Funds Sold and Other Overnight Funds	**2,451**	1,179
Other, Net	**175**	156
Net Cash Provided by (Used in) Investing Activities	**4,537**	(824)
Cash Flows Used in Financing Activities		
Net (Repayments) Issuances of Bonds and Notes	**(7,177)**	1,271
Proceeds (Payments) on Early Extinguishments of Debt	**21**	(4)
Preferred Stock Issued, Net	**495**	—
Preferred Stock Retired	**—**	(300)
Preferred Stock Dividends Paid	**(82)**	(84)
Net Retirements of Common Stock	**(48)**	(50)
Cash Patronage Distribution Paid	**(853)**	(790)
Special Cash Patronage Distribution Paid	**(79)**	(110)
Cash Collateral Received from (Paid to) Derivative Counterparties, Net	**140**	(196)
Variation Margin Received on (Paid on) Cleared Derivatives, Net	**1,199**	(321)
Net Cash Used in Financing Activities	**(6,384)**	(584)
Net Decrease in Cash and Cash Equivalents	**(639)**	(474)
Cash and Cash Equivalents at Beginning of Period	**972**	823
Cash and Cash Equivalents at End of Period	**$ 333**	$ 349

The accompanying notes are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Supplemental Cash Flow Information

CoBank, ACB

($ in Millions) (Unaudited)

For the Nine Months Ended September 30,	2026	2025
Schedule of Noncash Investing and Financing Activities		
Net Change in Accrued Securities Purchases	**$ (249)**	$ (119)
Net Change in Receivables from Investment Securities	**15**	7
Net Change in Unrealized (Losses) Gains on Investment Securities, Before Taxes	**(1,268)**	931
Net Change in Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives and Hedged Items, Before Taxes	**761**	(271)
Patronage in Common Stock	**108**	108
Change in Cash Patronage Payable	**651**	647
Supplemental Noncash Information Related to Leases		
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	**$ 6**	$ 6

The accompanying notes are an integral part of the condensed consolidated financial statements.

Note 1 – Organization, Lending Authority and Significant Accounting Policies

The accompanying condensed consolidated financial statements include the accounts of CoBank, ACB and its wholly-owned subsidiaries, CoBank, FCB and Farm Credit Leasing Services Corporation (FCL), collectively hereinafter referred to as CoBank or the Bank. All material inter-company accounts and transactions have been eliminated. In our opinion, all adjustments considered necessary for a fair presentation of the interim financial condition, results of operations and cash flows have been made. These adjustments are of a normal recurring nature, unless otherwise disclosed. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. Except as otherwise noted, leases in which we are the lessor are included in loans in the condensed consolidated financial statements and related footnotes.

CoBank is a member of the Farm Credit System (System). We provide loans, leases and other financial services to support agriculture, rural infrastructure and rural communities across the United States. 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.

These unaudited quarterly condensed consolidated financial statements should be read in conjunction with the 2025 Annual Report, which includes a description of our organization and lending authority. Also included in the 2025 Annual Report is a summary of significant accounting policies. These quarterly condensed consolidated financial statements have been prepared in accordance with these same accounting policies. CoBank is the funding bank for certain System Associations, which are collectively referred to as our "affiliated Associations." The accompanying condensed consolidated financial statements exclude financial information of our affiliated Associations. CoBank and our affiliated Associations are collectively referred to as the "District." Additional information about our affiliated Associations is contained in Note 12 to these condensed consolidated financial statements.

Copies of CoBank's financial reports are available on request by calling or visiting one of our banking center locations and through our website at www.cobank.com. Copies of financial reports of our affiliated Associations and the System are available on their respective websites. References to documents, information or websites outside this Quarterly Report to Shareholders shall not be deemed to be incorporated by reference into this report.

Note 2 – Recently Issued or Adopted Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". The amendments in this ASU provide all entities with a practical expedient and provide entities, other than public business entities, with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under

ASU, "Revenue from Contracts with Customers (Topic 606)". The practical expedient would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. CoBank adopted this ASU on January 1, 2026 and it did not have a material impact on our consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Pronouncements

Interim Reporting Narrow-Scope Improvements

In December 2025, the FASB issued ASU, "Interim Reporting (Topic 270): Narrow-Scope Improvements." The amendments in the ASU provide improvements to interim reporting guidance that enhance clarity, applicability, and completeness of interim financial statements and disclosures, without fundamentally changing interim reporting requirements. The amendment also newly requires interim disclosure of events since the end of the last annual reporting period that have a material impact on the entity. The amendment is effective for annual reporting periods beginning after December 15, 2027, including interim periods within those years. Early adoption is permitted. The adoption of this guidance is disclosure only and is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Hedge Accounting Improvements

In November 2025, the FASB issued ASU, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements." The amendment reduces complexity, simplifies hedge accounting and better aligns accounting with actual risk management in certain targeted areas. Specifically, the amendment permits cash flow hedging for a broader grouping of forecasted transactions with similar risk exposure, provides a new model for hedging choose-your-rate debt, expands nonfinancial component hedging, and clarifies the use of net written options as hedging instruments. The amendment is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Purchased Loans

In November 2025, the FASB issued ASU, "Financial Instruments - Credit Losses (Topic 326): Purchased Loans." The amendment simplifies accounting for purchased loans by expanding the gross-up method to purchased seasoned loans (PSLs). PSLs are defined as loans acquired in a business combination accounted for under the acquisition method or loans acquired more than 90 days after the origination date where the acquiror was not involved with the loan’s origination. Under the gross-up method, an allowance for credit losses on PSLs is estimated and recorded on the acquisition date with an offsetting entry to loans. This amendment eliminates the Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility by creating a more consistent accounting approach similar to that used for previously purchased credit-deteriorated (PCD) loans. The amendment is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Derivative Scope Refinements and Scope Clarification

In September 2025, FASB issued ASU, "Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract". The amendment updates the accounting rules for

businesses by providing a scope exception for certain derivative contracts that are based on operations or activities specific to one of the parties, and clarifies that the revenue guidance in ASC 606 applies to share-based noncash consideration received from customers. The standard is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The adoption of this ASU is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Internal-Use Software Costs

In September 2025, the FASB issued ASU, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". The amendment introduces several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software used as intended, (3) clarifies website development costs, and (4) modifies the disclosure requirements for capitalized software costs. However, the new standard does not change the types of costs that are capitalizable once the threshold for capitalization is met. The standard is effective for annual periods beginning after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. An entity may adopt the standard in one of three ways: prospectively, retrospectively through a cumulative effect adjustment to retained earnings or a modified transition approach. We are currently evaluating the impact of this ASU.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”. The amendments in this ASU require disaggregated disclosure of certain cost and expense line items in the income statement into more detail in the notes to the financial statements. Additional qualitative and quantitative disclosures are required to provide a clearer understanding of the drivers of these expenses. The amendments in this ASU are effective for public business entities for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027 and should be applied on a prospective basis, although retrospective application is permitted. The adoption of this guidance requires additional disclosure only and is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Note 3 – Loans, Loan Quality and Allowance for Credit Losses

Loans Outstanding

Loans outstanding by operating segment are shown below.

	September 30, 2026	December 31, 2025
Agribusiness	$ 39,063	$ 42,144
Farm Credit Banking	88,800	88,843
Rural Infrastructure	37,160	35,893
Total	$ 165,023	$ 166,880

Unamortized loan premiums and discounts, and unamortized deferred loan fees and costs totaled $159 million and $173 million as of September 30, 2026 and December 31, 2025, respectively.

Allowance for Credit Losses on Loans

The following tables present changes in the components of our ACL on loans and details of ending balances. The ACL on loans includes the allowance for loan losses and the reserve for unfunded commitments. The components of our ACL on loans are presented by operating segment.

	Agribusiness	Farm Credit Banking[1]	Rural Infrastructure	Total
September 30, 2026				
Allowance for Loan Losses				
Beginning Balance at December 31, 2025	**$ 461**	**$ —**	**$ 264**	**$ 725**
Charge-offs	**(18)**	**—**	**(33)**	**(51)**
Recoveries	**12**	**—**	**4**	**16**
Provision for Credit Losses[2]	**61**	**—**	**42**	**103**
Transfers from Reserve for Unfunded Commitments[3]	**3**	**—**	**8**	**11**
Ending Balance at September 30, 2026	**$ 519**	**$ —**	**$ 285**	**$ 804**
Reserve for Unfunded Commitments				
Beginning Balance at December 31, 2025	**$ 34**	**$ —**	**$ 28**	**$ 62**
Transfers to Allowance for Loan Losses[3]	**(3)**	**—**	**(8)**	**(11)**
Ending Balance at September 30, 2026	**$ 31**	**$ —**	**$ 20**	**$ 51**
Allowance for Credit Losses on Loans	**$ 550**	**$ —**	**$ 305**	**$ 855**
September 30, 2025				
Allowance for Loan Losses				
Beginning Balance at December 31, 2024	$ 450	$ —	$ 283	$ 733
Charge-offs	(92)	—	(42)	(134)
Recoveries	1	—	1	2
Provision for Credit Losses	99	—	30	129
Transfers to Reserve for Unfunded Commitments[3]	—	—	(2)	(2)
Ending Balance at September 30, 2025	$ 458	$ —	$ 270	$ 728
Reserve for Unfunded Commitments				
Beginning Balance at December 31, 2024	$ 36	$ —	$ 23	$ 59
Transfers from Allowance for Loan Losses[3]	—	—	2	2
Ending Balance at September 30, 2025	$ 36	$ —	$ 25	$ 61
Allowance for Credit Losses on Loans	$ 494	$ —	$ 295	$ 789

[1] As a result of a strong collateral position with respect to loans to Associations, along with the earnings, capital, portfolio diversification and loss reserves of Associations that serve as an additional layer of protection against losses, no ACL on loans is recorded in our Farm Credit Banking operating segment.

[2] Excludes credit loss reversal of $1 million on investment securities for the nine months ended September 30, 2026.

[3] These transfers generally occur as a result of advances on or repayments of seasonal lines of credit or other loans.

Our ACL on loans was $855 million at September 30, 2026 and $787 million at December 31, 2025. The increase in the ACL on loans primarily related to a provision for credit losses on loans of $103 million, partially offset by net charge-offs of $35 million. The 2026 provision was largely driven by deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments that resulted in higher modeled credit losses and specific reserves.

The information in the tables under the Vintage by Credit Quality Indicator, Aging Analysis and Nonaccrual Loans and Other Nonperforming Assets captions is presented by operating segment, with guaranteed and non-guaranteed loans in our Agribusiness segment separately identified.

Vintage by Credit Quality Indicator

The following tables present our 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.

As of September 30, 2026

	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term Loans	Total Loans
	2026	2025	2024	2023	2022	Prior				
Agribusiness Non-Guaranteed										
Acceptable	$ 2,577	$ 3,705	$ 2,831	$ 2,224	$ 1,974	$ 4,492	$ 17,803	$ 16,725	$ 171	$ 34,699
Special Mention	24	99	127	91	161	187	689	541	1	1,231
Substandard	32	81	162	244	107	303	929	967	4	1,900
Doubtful	—	—	10	—	—	2	12	14	—	26
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 2,633	$ 3,885	$ 3,130	$ 2,559	$ 2,242	$ 4,984	$ 19,433	$ 18,247	$ 176	$ 37,856
Gross Charge-offs[1]	$ —	$ 3	$ 2	$ —	$ 1	$ 3	$ 9	$ 9	$ —	$ 18
Agribusiness Guaranteed										
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,185	$ 22	$ 1,207
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,185	$ 22	$ 1,207
Gross Charge-offs[1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Farm Credit Banking										
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 88,800	$ —	$ 88,800
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 88,800	$ —	$ 88,800
Gross Charge-offs[1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural Infrastructure										
Acceptable	$ 3,236	$ 4,850	$ 4,391	$ 5,224	$ 3,596	$ 11,829	$ 33,126	$ 3,269	$ —	$ 36,395
Special Mention	—	—	—	80	22	399	501	34	—	535
Substandard	—	—	15	21	34	125	195	8	—	203
Doubtful	—	—	—	26	1	—	27	—	—	27
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 3,236	$ 4,850	$ 4,406	$ 5,351	$ 3,653	$ 12,353	$ 33,849	$ 3,311	$ —	$ 37,160
Gross Charge-offs[1]	$ —	$ —	$ —	$ 14	$ 5	$ 14	$ 33	$ —	$ —	$ 33
Total										
Acceptable	$ 5,813	$ 8,555	$ 7,222	$ 7,448	$ 5,570	$ 16,321	$ 50,929	$ 109,979	$ 193	$ 161,101
Special Mention	24	99	127	171	183	586	1,190	575	1	1,766
Substandard	32	81	177	265	141	428	1,124	975	4	2,103
Doubtful	—	—	10	26	1	2	39	14	—	53
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 5,869	$ 8,735	$ 7,536	$ 7,910	$ 5,895	$ 17,337	$ 53,282	$ 111,543	$ 198	$ 165,023
Gross Charge-offs[1]	$ —	$ 3	$ 2	$ 14	$ 6	$ 17	$ 42	$ 9	$ —	$ 51

[1] As of and for the nine months ended September 30, 2026.

As of December 31, 2025	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term Loans	Total Loans
	2025	2024	2023	2022	2021	Prior				
Agribusiness Non-Guaranteed										
Acceptable	$ 5,479	$ 3,247	$ 2,812	$ 2,604	$ 1,526	$ 3,902	$ 19,570	$ 17,480	$ 126	$ 37,176
Special Mention	180	184	119	240	77	168	968	891	9	1,868
Substandard	313	103	206	144	60	251	1,077	615	4	1,696
Doubtful	—	12	4	—	2	6	24	30	—	54
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 5,972	$ 3,546	$ 3,141	$ 2,988	$ 1,665	$ 4,327	$ 21,639	$ 19,016	$ 139	$ 40,794
Gross Charge-offs[1]	$ —	$ 76	$ 10	$ 17	$ 11	$ 5	$ 119	$ 36	$ —	$ 155
Agribusiness Guaranteed										
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,350	$ —	$ 1,350
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,350	$ —	$ 1,350
Gross Charge-offs[1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Farm Credit Banking										
Acceptable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 88,843	$ —	$ 88,843
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 88,843	$ —	$ 88,843
Gross Charge-offs[1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Rural Infrastructure										
Acceptable	$ 4,492	$ 4,837	$ 5,603	$ 3,936	$ 2,559	$ 10,829	$ 32,256	$ 3,181	$ —	$ 35,437
Special Mention	—	9	27	57	1	117	211	15	—	226
Substandard	—	15	70	13	9	90	197	26	—	223
Doubtful	3	—	—	2	—	—	5	2	—	7
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 4,495	$ 4,861	$ 5,700	$ 4,008	$ 2,569	$ 11,036	$ 32,669	$ 3,224	$ —	$ 35,893
Gross Charge-offs[1]	$ —	$ —	$ —	$ 10	$ 12	$ —	$ 22	$ 31	$ —	$ 53
Total										
Acceptable	$ 9,971	$ 8,084	$ 8,415	$ 6,540	$ 4,085	$ 14,731	$ 51,826	$ 110,854	$ 126	$ 162,806
Special Mention	180	193	146	297	78	285	1,179	906	9	2,094
Substandard	313	118	276	157	69	341	1,274	641	4	1,919
Doubtful	3	12	4	2	2	6	29	32	—	61
Loss	—	—	—	—	—	—	—	—	—	—
Total	$ 10,467	$ 8,407	$ 8,841	$ 6,996	$ 4,234	$ 15,363	$ 54,308	$ 112,433	$ 139	$ 166,880
Gross Charge-offs[1]	$ —	$ 76	$ 10	$ 27	$ 23	$ 5	$ 141	$ 67	$ —	$ 208

[1] As of and for the year ended December 31, 2025.

Aging Analysis

The following tables present an aging of past due loans.

September 30, 2026	Agribusiness Non-Guaranteed	Agribusiness Guaranteed	Farm Credit Banking	Rural Infrastructure	Total
30-89 Days Past Due	$ 40	$ —	$ —	$ 8	$ 48
90 Days Past Due	102	—	—	26	128
Total Past Due	$ 142	$ —	$ —	$ 34	$ 176
Current	37,714	1,207	88,800	37,126	164,847
Total	$ 37,856	$ 1,207	$ 88,800	$ 37,160	$ 165,023
Accruing Loans 90 Days or More Past Due	$ 3	$ —	$ —	$ —	$ 3
December 31, 2025					
30-89 Days Past Due	$ 76	$ —	$ —	$ —	$ 76
90 Days Past Due	66	—	—	45	111
Total Past Due	$ 142	$ —	$ —	$ 45	$ 187
Current	40,652	1,350	88,843	35,848	166,693
Total	$ 40,794	$ 1,350	$ 88,843	$ 35,893	$ 166,880
Accruing Loans 90 Days or More Past Due	$ 2	$ —	$ —	$ —	$ 2

Nonaccrual Loans and Other Nonperforming Assets

The following table reflects nonaccrual loans and other nonperforming assets and related credit quality statistics. Nonaccrual loans do not accrue interest income once placed in nonaccrual status. Loans past due 90 days or more and still accruing interest are adequately secured and in the process of collection.

September 30, 2026	Agribusiness Non-Guaranteed	Agribusiness Guaranteed[1]	Farm Credit Banking[1]	Rural Infrastructure	Total
Nonaccrual Loans	$ 542	$ —	$ —	$ 99	$ 641
Accruing Loans 90 Days or More Past Due	3	—	—	—	3
Other Property Owned	—	—	—	—	—
Total Nonaccrual Loans and Other Nonperforming Assets	$ 545	$ —	$ —	$ 99	$ 644
December 31, 2025					
Nonaccrual Loans	$ 480	$ —	$ —	$ 137	$ 617
Accruing Loans 90 Days or More Past Due	2	—	—	—	2
Other Property Owned	—	—	—	—	—
Total Nonaccrual Loans and Other Nonperforming Assets	$ 482	$ —	$ —	$ 137	$ 619

[1] There were no nonaccrual loans and other nonperforming assets in our Agribusiness Guaranteed or Farm Credit Banking portfolios for any of the periods presented.

The following tables present information on nonaccrual loans and other nonperforming assets with and without a related allowance for loan losses.

September 30, 2026	Agribusiness Non-Guaranteed	Agribusiness Guaranteed[1]	Farm Credit Banking[1]	Rural Infrastructure	Total
Nonperforming Assets With No Related Allowance for Loan Losses					
Carrying Amount	$ 37	$ —	$ —	$ —	$ 37
Unpaid Principal	135	—	—	33	168
Average Balance	37	—	—	2	39
Interest Income Recognized	2	—	—	—	2
Nonperforming Assets with Related Allowance for Loan Losses					
Carrying Amount	508	—	—	99	607
Unpaid Principal	566	—	—	150	716
Allowance for Loan Losses	105	—	—	34	139
Average Balance	388	—	—	59	447
Interest Income Recognized	—	—	—	—	—
Total Nonperforming Assets					
Carrying Amount	545	—	—	99	644
Unpaid Principal	701	—	—	183	884
Allowance for Loan Losses	105	—	—	34	139
Average Balance	425	—	—	61	486
Interest Income Recognized	2	—	—	—	2
December 31, 2025					
Nonperforming Assets With No Related Allowance for Loan Losses					
Carrying Amount	$ 81	$ —	$ —	$ 4	$ 85
Unpaid Principal	181	—	—	52	233
Average Balance	103	—	—	11	114
Interest Income Recognized	14	—	—	—	14
Nonperforming Assets with Related Allowance for Loan Losses					
Carrying Amount	401	—	—	133	534
Unpaid Principal	450	—	—	152	602
Allowance for Loan Losses	69	—	—	32	101
Average Balance	229	—	—	98	327
Interest Income Recognized	—	—	—	—	—
Total Nonperforming Assets					
Carrying Amount	482	—	—	137	619
Unpaid Principal	631	—	—	204	835
Allowance for Loan Losses	69	—	—	32	101
Average Balance	332	—	—	109	441
Interest Income Recognized	14	—	—	—	14

[1] There were no nonperforming assets in our Agribusiness Guaranteed or Farm Credit Banking portfolios for any of the periods presented.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Loan modifications may be granted to our borrowers who are experiencing financial difficulty. Our loan modifications are handled on a case-by-case basis and are negotiated to achieve mutually agreeable terms that maximize loan collectability and meet the borrower's financial needs. Modifications can be in the form of one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant payment delay or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

The following table presents the amount and percentage of loan modifications granted to borrowers experiencing financial difficulty at amortized cost, disaggregated by operating segment and type of modification granted.

	Agribusiness Non-Guaranteed		Agribusiness Guaranteed		Farm Credit Banking		Rural Infrastructure		
	Modification Amount	Percent Total Class of Financing Receivable	Modification Amount	Percent Total Class of Financing Receivable	Modification Amount	Percent Total Class of Financing Receivable	Modification Amount	Percent Total Class of Financing Receivable	Total Modification Amount
Nine Months Ended September 30, 2026									
Term Extension	$ 432	1.1%	$ -	-%	$ -	-%	$ 7	-%(1)	$ 439
Payment Extension	4	-%(1)	-	-%	-	-%	26	0.1%	30
Interest Rate Reduction and Term Extension	3	-%(1)	-	-%	-	-%	-	-%	3
Total	$ 439	1.1%	$ -	-%	$ -	-%	$ 33	0.1%	$ 472
(1) Represents less than 0.10 percent of total loans by operating segment.									
Nine Months Ended September 30, 2025									
Term Extension	$ 190	0.5%	$ -	-%	$ -	-%	$ 1	-%(1)	$ 191
Payment Extension	-	-%	-	-%	-	-%	14	-%(1)	14
Interest Rate Reduction	17	0.1%	-	-%	-	-%	-	-%	17
Term Extension and Payment Extension	-	-%	-	-%	-	-%	3	-%(1)	3
Interest Rate Reduction and Term Extension	7	-%(1)	-	-%	-	-%	-	-%	7
Total	$ 214	0.6%	$ -	-%	$ -	-%	$ 18	-%(1)	$ 232
(1) Represents less than 0.10 percent of total loans by operating segment.									

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $3 million and $1 million as of September 30, 2026 and 2025, respectively.

The following table presents the financial effect of the modifications made to borrowers experiencing financial difficulty.

Financial Effect of Modifications Granted	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Agribusiness Non-Guaranteed		
Term Extension	Extended weighted average maturity by 12 months	Extended weighted average maturity by 15 months
Payment Extension	Extended weighted average payment terms by 12 months	None
Interest Rate Reduction	None	Reduced weighted average interest rate by 150 bp
Interest Rate Reduction and Term Extension	Reduced weighted average interest rate by 325 bp and extended weighted average maturity by 50 months	Reduced weighted average interest rate by 260 bp and extended weighted average maturity by 41 months
Agribusiness Guaranteed	None	None
Farm Credit Banking	None	None
Rural Infrastructure		
Term Extension	Extended weighted average maturity by 6 months	Extended weighted average maturity by 6 months
Payment Extension	Extended weighted average payment terms by 8 months	Extended weighted average payment terms by 24 months
Term Extension and Payment Extension	None	Extended weighted average maturity by 6 months and extended weighted average payment terms by 6 months

There were no loans that were previously reported as loan modifications granted to borrowers experiencing financial difficulty within the last 12 months that had a payment default as of September 30, 2026. As of September 30, 2025, there were $5 million in loans that were previously reported as loan modifications granted to borrowers experiencing financial difficulty within the last 12 months that had a payment default.

The following table presents the payment status of loans at amortized cost that were modified within 12 months as of September 30, 2026 and 2025.

	Payment Status of Loans Modified				
	Agribusiness Non-Guaranteed	Agribusiness Guaranteed	Farm Credit Banking	Rural Infrastructure	Total
September 30, 2026					
30-89 Days Past Due	**$ —**	**$ —**	**$ —**	**$ 7**	**$ 7**
90 Days Past Due	**—**	**—**	**—**	**26**	**26**
Total Past Due	**$ —**	**$ —**	**$ —**	**$ 33**	**$ 33**
Current	**641**	**—**	**—**	**—**	**641**
Total	**$ 641**	**$ —**	**$ —**	**$ 33**	**$ 674**
September 30, 2025					
30-89 Days Past Due	$ —	$ —	$ —	$ —	$ —
90 Days Past Due	5	—	—	—	5
Total Past Due	$ 5	$ —	$ —	$ —	$ 5
Current	216	—	—	35	251
Total	$ 221	$ —	$ —	$ 35	$ 256

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified within the last 12 months were $205 million and $72 million as of September 30, 2026 and 2025, respectively.

Loans Held-For-Sale

Loans that we intend to sell for credit or other reasons are classified as held-for-sale and measured at lower of cost or fair value. Such held-for-sale loans are included in other assets and are excluded from the allowance for credit losses (ACL) on loans. Any further decreases or increases in fair value up to the loan cost basis are recognized in noninterest income. Increases in fair value above the loan cost basis are not recognized until the loans are sold. Loans held-for-sale were $6 million at September 30, 2026 and $18 million at December 31, 2025.

Note 4 – Investment Securities, Federal Funds Sold and Other Overnight Funds

A summary of the amortized cost and fair value of investment securities available-for-sale is as follows:

September 30, 2026	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury Debt	**$ 22,263**	**$ —**	**$ (698)**	**$ 21,565**
U.S. Agency Debt	**1,966**	**—**	**(69)**	**1,897**
Residential Mortgage-Backed Securities (MBS):				
Ginnie Mae	**1,627**	**—**	**(138)**	**1,489**
U.S. Agency	**2,591**	**4**	**(82)**	**2,513**
Commercial MBS:				
U.S. Agency	**21,245**	**5**	**(737)**	**20,513**
Corporate Bonds	**328**	**—**	**(8)**	**320**
Asset-Backed and Other	**154**	**—**	**(4)**	**150**
Total	**$ 50,174**	**$ 9**	**$ (1,736)**	**$ 48,447**
December 31, 2025				
U.S. Treasury Debt	$ 20,972	$ 156	$ (155)	$ 20,973
U.S. Agency Debt	2,220	33	(30)	2,223
Residential MBS:				
Ginnie Mae	1,647	7	(113)	1,541
U.S. Agency	3,051	10	(59)	3,002
Commercial MBS:				
U.S. Agency	21,480	113	(402)	21,191
Corporate Bonds[1]	350	2	(2)	350
Asset-Backed and Other	210	2	(3)	209
Total	$ 49,930	$ 323	$ (764)	$ 49,489

[1] Amortized cost and fair value include ACL on investments of $1 million at December 31, 2025.

Allowance for Credit Losses on Investment Securities

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 September 30, 2026 we had no ACL on investment securities. As of December 31, 2025, our ACL on investment securities was $1 million. A credit loss reversal of $1 million was recorded on our investment securities during the nine months ended September 30, 2026. No provision for credit loss or credit loss reversal was recorded on our investment securities during the nine months ended September 30, 2025.

A summary of the contractual maturity, amortized cost, fair value and weighted average yield of investment securities by investment category at September 30, 2026 is as follows:

	Contractual Maturity				
September 30, 2026	In One Year or Less	One to Five Years	Five to Ten Years	After Ten Years	Total
U.S. Treasury Debt Securities					
Amortized Cost	$ 5,172	$ 10,224	$ 6,867	$ —	$ 22,263
Fair Value	5,158	9,882	6,525	—	21,565
Weighted Average Yield	3.55 %	3.49 %	4.15 %	— %	3.71 %
U.S. Agency Debt Securities					
Amortized Cost	$ 354	$ 1,458	$ 128	$ 26	$ 1,966
Fair Value	351	1,412	112	22	1,897
Weighted Average Yield	2.55 %	4.02 %	2.60 %	3.31 %	3.65 %
Ginnie Mae Residential MBS					
Amortized Cost	$ —	$ —	$ 2	$ 1,625	$ 1,627
Fair Value	—	—	2	1,487	1,489
Weighted Average Yield	— %	— %	4.71 %	2.96 %	2.96 %
U.S. Agency Residential MBS					
Amortized Cost	$ —	$ 225	$ 1,420	$ 946	$ 2,591
Fair Value	—	198	1,387	928	2,513
Weighted Average Yield	— %	1.39 %	4.62 %	4.27 %	4.21 %
U.S. Agency Commercial MBS					
Amortized Cost	$ 252	$ 9,652	$ 11,275	$ 66	$ 21,245
Fair Value	249	9,360	10,840	64	20,513
Weighted Average Yield	1.92 %	3.66 %	4.21 %	3.16 %	3.93 %
Corporate Bonds					
Amortized Cost	$ 77	$ 251	$ —	$ —	$ 328
Fair Value	76	244	—	—	320
Weighted Average Yield	3.94 %	4.06 %	— %	— %	4.03 %
Asset-Backed and Other					
Amortized Cost	$ —	$ 134	$ —	$ 20	$ 154
Fair Value	—	134	—	16	150
Weighted Average Yield	— %	4.82 %	— %	5.98 %	4.97 %
Total					
Amortized Cost	$ 5,855	$ 21,944	$ 19,692	$ 2,683	$ 50,174
Fair Value	5,834	21,230	18,866	2,517	48,447
Weighted Average Yield	3.42 %	3.59 %	4.21 %	3.45 %	3.80 %

While a large portion of our residential MBS have contractual maturities in excess of 10 years, expected maturities for these securities are shorter than contractual maturities because borrowers have the right to call or prepay obligations with or without penalties.

The following table shows the fair value and gross unrealized losses for investments in a loss position aggregated by investment category, and the length of time the securities have been in a continuous unrealized loss position at September 30, 2026 and December 31, 2025. The continuous loss position is based on the date the impairment first occurred.

	Less Than 12 Months		Greater Than 12 Months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
September 30, 2026				
U.S. Treasury Debt	**$ 16,683**	**$ (540)**	**$ 3,285**	**$ (158)**
U.S. Agency Debt	**1,019**	**(26)**	**769**	**(43)**
Residential MBS:				
Ginnie Mae	**614**	**(4)**	**522**	**(134)**
U.S. Agency	**629**	**(20)**	**1,140**	**(62)**
Commercial MBS:				
U.S. Agency	**9,846**	**(266)**	**9,256**	**(471)**
Corporate Bonds	**159**	**(3)**	**145**	**(5)**
Asset-Backed and Other	**49**	**(1)**	**7**	**(3)**
Total	**$ 28,999**	**$ (860)**	**$ 15,124**	**$ (876)**
December 31, 2025				
U.S. Treasury Debt	$ 1,835	$ (6)	$ 5,061	$ (149)
U.S. Agency Debt	—	—	1,037	(30)
Residential MBS:				
Ginnie Mae	2	—	608	(113)
U.S. Agency	504	(2)	1,421	(57)
Commercial MBS:				
U.S. Agency	1,655	(11)	10,800	(391)
Corporate Bonds	—	—	183	(2)
Asset-Backed and Other	—	—	8	(3)
Total	$ 3,996	$ (19)	$ 19,118	$ (745)

As of September 30, 2026, we expect to collect all principal and interest payments on our investment securities. We do not intend to sell the securities in unrealized loss positions, nor is it likely that we will be required to sell such securities, for regulatory, liquidity or other purposes, before an anticipated recovery of our cost basis occurs.

Federal Funds Sold and Other Overnight Funds

Federal funds sold transactions involve lending excess cash reserve balances on a short-term basis, generally overnight. Other overnight funds include deposits with commercial banks and reverse repurchase agreements with the Federal Reserve. In each of these transactions, funds are returned to the Bank the following day and earn interest overnight. Such investments are reported at fair value, which is generally their face value. We held $1.5 billion and $2.0 billion of overnight bank deposits and federal funds sold instruments at September 30, 2026 and December 31, 2025, respectively. In addition, we held $1.9 billion of reverse repurchase agreements at December 31, 2025.

Investment Sales

During the nine months ended September 30, 2026, we sold U.S. Treasury debt securities for total proceeds of $677 million resulting in a loss of $1 million. During the nine months ended September 30, 2025, we sold U.S. Treasury debt securities for total proceeds of $472 million resulting in a gain of $7 million. The investment sales in 2026 and 2025 were primarily for liquidity management or tax planning purposes.

Note 5 – Bonds and Notes Payable

We are primarily liable for the following bonds and notes payable measured at amortized cost as of the respective periods.

	September 30, 2026	December 31, 2025
Bonds	$ 190,492	$ 183,725
Medium-term Notes	61	61
Discount Notes	5,813	19,533
Total Systemwide Debt Securities	196,366	203,319
Cash Investment Services Payable	958	1,156
Rural Utilities Service Bonds	725	875
Cash Collateral Payable to Derivative Counterparties	245	104
Total Bonds and Notes	$ 198,294	$ 205,454

We, along with the other System banks, obtain funds for lending activities and operations primarily from the sale of debt securities issued by System banks through the Funding Corporation. The debt securities are comprised of bonds, medium-term notes and discount notes, collectively referred to as Systemwide Debt Securities. Cash investment services payable relate to our customers and are generally short-term in nature and mature within one year. Rural Utilities Service (RUS) bonds relate to funding pursuant to a bond guarantee program offered by the RUS of the United States Department of Agriculture. The funding is provided under a bond purchase agreement with the Federal Financing Bank (FFB) and a bond guarantee agreement with the RUS, which provides guarantees to the FFB. The RUS bonds outstanding mature in 16-26 years. In July 2026, we extinguished $25 million and $125 million of our RUS Series D and Series E funding, respectively.

The aggregate contractual maturities and the weighted average interest rates of CoBank's Systemwide Debt Securities measured at amortized cost as of September 30, 2026 are shown in the following table. Weighted average interest rates include the effect of related interest rate swaps and other derivatives.

Maturities and Rates of Systemwide Debt Securities

	Bonds		Medium-term Notes		Discount Notes		Total	
Year of Contractual Maturity	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Due in 1 year or less	$ 81,166	3.85 %	$ —	— %	$ 5,813	3.58 %	$ 86,979	3.83 %
Due after 1 year through 2 years	66,274	3.88	—	—	—	—	66,274	3.88
Due after 2 years through 3 years	14,916	3.49	61	5.75	—	—	14,977	3.50
Due after 3 years through 4 years	7,052	2.90	—	—	—	—	7,052	2.90
Due after 4 years through 5 years	4,812	3.00	—	—	—	—	4,812	3.00
Due after 5 years	16,272	3.39	—	—	—	—	16,272	3.39
Total	$ 190,492	3.73 %	$ 61	5.75 %	$ 5,813	3.58 %	$ 196,366	3.73 %

Note 6 – Shareholders' Equity

On October 1, 2026 we redeemed all of our Series I non-cumulative perpetual preferred stock totaling $375 million. The dividend rate for our Series I preferred stock was 6.25 percent through the date of redemption.

On May 28, 2026, we issued $500 million of Series N non-cumulative perpetual preferred stock. We used the net proceeds from the Series N preferred stock issue for general corporate purposes, including to finance the redemption of our Series I preferred stock on October 1, 2026. Dividends on the Series N preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on October 1, 2026, and will accrue at a fixed annual rate of 6.75 percent from the date of issuance up to, but excluding July 1, 2031. Thereafter, dividends will accrue at the five-year US Treasury rate as of the most recent reset dividend determination date plus a spread of 2.62 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after July 1, 2031.

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

Changes in accumulated other comprehensive income (loss) for the nine months ended September 30, 2026 and 2025 are presented in the following table.

Changes in Accumulated Other Comprehensive Income (Loss) by Component[1]

	Unrealized Gains (Losses) on Investment Securities	Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives	Net Pension Adjustment	Total
Balance at December 31, 2025	**$ (404)**	**$ (21)**	**$ (32)**	**$ (457)**
Other comprehensive (loss) income before reclassifications	**(1,119)**	**682**	**—**	**(437)**
Amounts reclassified from accumulated other comprehensive income (loss) to net income	**1**	**4**	**1**	**6**
Net current-period other comprehensive (loss) income	**(1,118)**	**686**	**1**	**(431)**
Balance at September 30, 2026	**$ (1,522)**	**$ 665**	**$ (31)**	**$ (888)**
Balance at December 31, 2024	$ (1,332)	$ 160	$ (43)	$ (1,215)
Other comprehensive income (loss) before reclassifications	839	(254)	—	585
Amounts reclassified from accumulated other comprehensive income (loss) to net income	(7)	9	—	2
Net current-period other comprehensive income (loss)	832	(245)	—	587
Balance at September 30, 2025	$ (500)	$ (85)	$ (43)	$ (628)

[1] Amounts are presented net of tax. Amounts reclassified shown in parentheses indicate a decrease in accumulated other comprehensive income or an increase in accumulated other comprehensive loss.

The following table presents the effect of reclassifications from accumulated other comprehensive income (loss) to net income for the nine months ended September 30, 2026 and 2025.

Reclassifications from Accumulated Other Comprehensive Income (Loss) to Net Income			
	Location of Gain (Loss) Recognized in Income Statement	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	
For the Nine Months Ended September 30,		2026	2025
Unrealized Gains (Losses) on Available-For-Sale Investment Securities:			
Sales (Losses) Gains	Noninterest Income - Other, Net	$ (1)	$ 7
Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives:			
Interest Rate Contracts	Interest Expense	(6)	(9)
Foreign Exchange Contracts	Interest Income	2	—
Pension and Other Benefit Plans:			
Net Actuarial Loss	Operating Expenses - Employee Compensation	(1)	—
Total Reclassifications		**$ (6)**	**$ (2)**

Note 7 – Derivatives and Hedging Activities

Risk Management Objectives and Strategies

We maintain an overall interest rate risk management strategy that incorporates the use of interest rate swaps and other derivatives to manage liquidity risk, market risk and to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. Our goal is to manage interest rate sensitivity by modifying the repricing frequency or effective maturity of certain balance sheet assets and liabilities. We also maintain a foreign exchange risk management strategy to reduce the impact of currency fluctuations on our relatively nominal amount of foreign currency-denominated loans. As a result of interest rate and foreign exchange rate fluctuations, fixed-rate assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by gains and losses on the derivative instruments that are linked to these assets and liabilities. Interest rate and foreign exchange fluctuations also cause interest income and interest expense of variable-rate assets and liabilities to increase or decrease. The effect of this variability in earnings is expected to be substantially offset by gains and losses on the derivative instruments that are linked to these assets and liabilities.

Uses of Derivatives

To achieve risk management objectives and satisfy the financing needs of our borrowers, we execute various derivative transactions with other financial institutions. Derivatives (primarily interest rate swaps) are used to lower funding costs, and manage liquidity and the interest rate risk arising from maturity and repricing mismatches between assets and liabilities. Under interest rate swap arrangements, we agree with a counterparty to exchange, at specified intervals, payment streams calculated on a specified notional amount, with at least one payment stream based on a specified floating-rate index. We use a variety of interest rate swaps including the exchange of floating-rate for fixed-rate swaps, fixed-rate for floating-rate swaps and floating-rate for floating-rate swaps with payment obligations tied to specific indices. In the course of managing risk in our investment and loan portfolios, we also periodically hedge cap and floor risk embedded within our floating-rate investments and loans by entering into derivative transactions. In addition, we execute foreign exchange spot and forward contracts to manage currency risk on loans denominated in foreign currencies. We also enter into derivatives for our customers as a service to enable them to transfer, modify or reduce their interest rate risk and foreign exchange risk by transferring such risk to us. We substantially offset this risk transference by concurrently entering into offsetting agreements with counterparties.

The notional amounts and related activity of derivatives at September 30, 2026 and 2025 are shown in the following table.

Activity in the Notional Amounts of Derivatives

	Swaps	Caps / Floors	Spots / Forwards	Total
December 31, 2025	**$ 175,281**	**$ 3,882**	**$ 57**	**$ 179,220**
Additions / Accretion	**484,562**	**598**	**2,532**	**487,692**
Maturities / Amortization	**(495,324)**	**(617)**	**(2,217)**	**(498,158)**
Terminations	**(2,027)**	**—**	**—**	**(2,027)**
September 30, 2026	**$ 162,492**	**$ 3,863**	**$ 372**	**$ 166,727**
December 31, 2024	$ 72,575	$ 3,506	$ 39	$ 76,120
Additions / Accretion	412,453	866	3,493	416,812
Maturities / Amortization	(333,079)	(501)	(3,473)	(337,053)
Terminations	(1,284)	—	—	(1,284)
September 30, 2025	$ 150,665	$ 3,871	$ 59	$ 154,595

Accounting for Derivative Instruments and Hedging Activities

We record derivatives as assets or liabilities at their fair value on the condensed consolidated balance sheets. We record changes in the fair value of a derivative in current period earnings or accumulated other comprehensive income (loss), depending on the use of the derivative and whether it qualifies for hedge accounting. Further information regarding our accounting policies for derivatives is provided in Note 1 ("Description of Business and Summary of Significant Accounting Policies") under the heading "Derivatives and Hedging Activities" of our 2025 Annual Report to Shareholders. Our derivative strategies and related risk management objectives are described in Note 10 ("Derivatives and Hedging Activities") of our 2025 Annual Report to Shareholders.

Fair Value Hedges

The majority of our fair value hedging activity relates to entering into receive fixed, pay floating interest rate swaps to hedge changes in the fair value of our fixed-rate debt to achieve our liquidity management strategy. The amount of fixed-rate debt hedged depends on contractual interest rates and maturities of the funding for the assets on our balance sheet. For the remaining fair value hedges of our fixed-rate debt, we enter into receive fixed, pay floating swaps for our equity positioning strategy and lower funding cost strategy. We also enter into pay fixed, receive float interest rate swaps to hedge changes in the fair value of our fixed-rate investment securities under our asset swap strategy. For fair value hedges, the amount of hedge ineffectiveness is recognized as net interest income in current period earnings.

Cash Flow Hedges

Cash flow hedges primarily include pay fixed interest rate swaps that convert certain of our floating-rate debt to fixed rate to manage re-pricing intervals and lower funding costs. Our cash flow hedges also include interest rate caps and interest rate floors to hedge cap and floor risk embedded within a portion of our floating-rate investment securities and loans. Interest rate caps and floors are an integral part of our interest rate hedging strategies. The interest rate caps hedge floating-rate debt cash flows that fund the cash flows from floating-rate investment securities. If the strike rates in the purchased interest rate caps are exceeded, we receive cash flows on the derivative to hedge our floating-rate funding exposure above such strike levels. The interest rate floors hedge cash flows from floating-rate loans. If market index rates underlying our floating-rate loans decline below strike levels, we receive cash flows on the derivative. We also enter into foreign exchange spot and forward contracts to manage currency risk on loans denominated in foreign currencies. Typically, foreign currency contracts are purchased to fund the principal cash flows of the loan and simultaneously sold to lock in the

principal and interest cash flows upon repricing or maturity date of the loan. For cash flow hedges, the amount excluded from effectiveness assessment and the amounts reclassified from accumulated other comprehensive income (loss) into current period earnings are all reflected in net interest income. For cash flow hedges in which the forecasted transaction is not probable of occurring, the amounts reclassified from accumulated other comprehensive income (loss) are reflected in current period earnings. At September 30, 2026, we expect that $5 million of expense will be reclassified from accumulated other comprehensive income (loss) into earnings in the next 12 months, based on the anticipated cash flows of existing financial instruments. The significant majority of our cash flow hedges are of exposure to the variability of cash flows for a period of 10 years or less. The maximum term over which we are hedging our exposure to the variability of future cash flows for all forecasted transactions is approximately 29 years.

Derivatives Not Designated As Hedges

Derivative agreements with our customers and the related offsetting derivative agreements with counterparties as well as our short-term interest rate swaps indexed to Secured Overnight Financing Rate (SOFR) under our basis risk management strategy and certain other derivatives are not designated as hedging instruments and do not receive hedge accounting treatment. Accordingly, any changes in the fair value of customer related derivatives are recognized immediately as noninterest income/expense in current period earnings. Changes in the fair value of short-term SOFR interest rate swaps and certain other derivatives are recognized immediately as interest expense in current period earnings.

Counterparty Credit Risk

The use of derivatives for risk management introduces credit risk related to customers and counterparties. Generally, when the fair value of a derivative contract is positive, we are exposed to credit risk. When the fair value of a derivative contract is negative, the counterparty is exposed to us.

Derivative transactions with our customers are typically secured through our loan agreements. We record a credit valuation adjustment to the fair value estimate of derivative assets with our customers to incorporate the impact of nonperformance risk, including credit risk. As of September 30, 2026 and December 31, 2025 the notional amount of derivatives with our customers totaled $43.9 billion and $49.8 billion, respectively.

CoBank is subject to regulations requiring certain derivative transactions to be cleared through a central clearinghouse and traded on regulated swap execution facilities, with exceptions for certain qualifying swaps entered into by end-users and financial cooperatives. As a result, certain of our derivative transactions are cleared through a futures commission merchant (FCM) with a clearinghouse or central counterparty (CCP). When these swaps are cleared, a single bilateral swap is divided into two separate swaps with the CCP becoming the counterparty to both of the initial parties to the swap. FCMs prequalify counterparties to all cleared swaps, set exposure limits for each counterparty and collect initial margin and variation margin or settlement payments daily for changes in the value of cleared derivatives, which protect against credit risk in the event of a counterparty default. As of September 30, 2026 and December 31, 2025, the notional amount of our cleared derivatives was $111.3 billion and $119.5 billion, respectively. Initial margin and settlement payments totaling $686 million and $1.5 billion, respectively, were held by our CCP for our cleared derivatives as of September 30, 2026 and $621 million and $275 million, respectively, as of December 31, 2025.

Our remaining non-customer derivatives are transacted with derivative counterparties and governed by master swap agreements, which include bilateral collateral arrangements, requiring the Bank or our counterparties to post collateral on a daily basis with thresholds set at zero for all active counterparties. The master swap agreements also include netting agreements requiring the net settlement of covered contracts with the same counterparty in the event of default by the other party. The “net” mark-to-market exposure represents the netting of the positive and negative exposures with that counterparty. Notwithstanding these protections, we are exposed to credit risk with these counterparties due to the timing of daily margining activities. As of

September 30, 2026 and December 31, 2025, the notional amount of derivatives with our non-customer counterparties, excluding cleared derivatives, totaled $11.5 billion and $9.9 billion, respectively.

We record derivative exposures and related cash collateral balances at gross amounts in our consolidated balance sheets. Pursuant to our master swap agreements, our non-customer counterparties posted $245 million in cash collateral and $39 million in securities collateral with us at September 30, 2026 and $104 million in cash collateral and $27 million in securities collateral with us at December 31, 2025.

At September 30, 2026 and December 31, 2025, the net fair value of our derivatives to all of our dealer counterparties was a net asset and was offset by the collateral we received from our dealer counterparties. The amount of losses related to derivatives we are exposed to in the event of nonperformance by dealer counterparties to our derivative positions is mitigated by collateral held by us.

Hedge Terminations

We terminated interest rate swaps with customers and offsetting dealer counterparties totaling notional value of $2.0 billion and $1.3 billion during the nine months ended September 30, 2026 and 2025, respectively. Proceeds from the customer terminations were offset by payments for the offsetting dealer terminations.

A summary of the impact of interest rate swaps and other derivatives on our condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 is shown in the following table.

Fair Value of Derivatives

	September 30, 2026		December 31, 2025	
Fair Value of Derivatives	**Derivative Assets[1]**	**Derivative Liabilities[2]**	**Derivative Assets[1]**	**Derivative Liabilities[2]**
Derivatives Designated as Hedging Instruments				
Interest Rate Contracts	**$ 761**	**$ 76**	$ 205	$ 134
Foreign Exchange Contracts	**2**	**—**	—	—
Total Derivatives Designated as Hedging Instruments	**$ 763**	**$ 76**	$ 205	$ 134
Derivatives Not Designated as Hedging Instruments				
Interest Rate Contracts	**$ 1,170**	**$ 1,078**	$ 526	$ 442
Foreign Exchange Contracts	**—**	**—**	—	—
Total Derivatives Not Designated as Hedging Instruments	**$ 1,170**	**$ 1,078**	$ 526	$ 442
Settlement Payments	**$ (1,473)**	**$ —**	$ (275)	$ —
Total Derivatives	**$ 460**	**$ 1,154**	$ 456	$ 576

[1] These assets make up the interest rate swaps and other derivatives in the condensed consolidated balance sheets.

[2] These liabilities make up the interest rate swaps and other derivatives in the condensed consolidated balance sheets.

A summary of the impact of interest rate swaps and other derivatives on our condensed consolidated statements of income and comprehensive income for the nine months ended September 30, 2026 and 2025 is shown in the following tables.

Effect of Fair Value and Cash Flow Hedge Accounting on the Condensed Consolidated Statement of Income	Interest Income Loans	Interest Income Investments[1]	Total Interest Income	Interest Expense	Net Interest Income
Nine Months Ended September 30, 2026					
Total Amount of Line Items Presented in Condensed Consolidated Statement of Income	**$ 5,753**	**$ 1,456**	**$ 7,209**	**$ (5,530)**	**$ 1,679**
Gain (Loss) on Fair Value Hedge Relationships:					
Interest Rate Contracts:					
Recognized on Derivatives	**$ —**	**$ 17**	**$ 17**	**$ (157)**	**$ (140)**
Recognized on Hedged Items	**—**	**(17)**	**(17)**	**156**	**139**
Net Expense Recognized on Fair Value Hedges	**$ —**	**$ —**	**$ —**	**$ (1)**	**$ (1)**
Gain (Loss) on Cash Flow Hedge Relationships:					
Interest Rate Contracts:					
Amount of Loss Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss)	**$ —**	**$ —**	**$ —**	**$ (6)**	**$ (6)**
Foreign Exchange Contracts:					
Amount of Gain Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) [2]	**2**	**—**	**2**	**—**	**2**
Amount Excluded from Effectiveness Testing Recognized in Earnings Based on an Amortization Approach	**1**	**—**	**1**	**—**	**1**
Net Income (Expense) Recognized on Cash Flow Hedges	**$ 3**	**$ —**	**$ 3**	**$ (6)**	**$ (3)**
Net Income (Expense) Recognized on Fair Value and Cash Flow Hedges	**$ 3**	**$ —**	**$ 3**	**$ (7)**	**$ (4)**
Nine Months Ended September 30, 2025					
Total Amount of Line Items Presented in Condensed Consolidated Statement of Income	$ 5,995	$ 1,392	$ 7,387	$ (5,840)	$ 1,547
Gain (Loss) on Fair Value Hedge Relationships:					
Interest Rate Contracts:					
Recognized on Derivatives	$ —	$ —	$ —	$ 103	$ 103
Recognized on Hedged Items	—	—	—	(105)	(105)
Net Expense Recognized on Fair Value Hedges	$ —	$ —	$ —	$ (2)	$ (2)
Gain (Loss) on Cash Flow Hedge Relationships:					
Interest Rate Contracts:					
Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Loss	$ (1)	$ —	$ (1)	$ (8)	$ (9)
Foreign Exchange Contracts:					
Amount Excluded from Effectiveness Testing Recognized in Earnings Based on an Amortization Approach	2	—	2	—	2
Net Income (Expense) Recognized on Cash Flow Hedges	$ 1	$ —	$ 1	$ (8)	$ (7)
Net Income (Expense) Recognized on Fair Value and Cash Flow Hedges	$ 1	$ —	$ 1	$ (10)	$ (9)

[1] Includes interest income on investment securities, federal funds sold and other overnight funds.

[2] Fully offset by a $2 million loss on foreign currency denominated loans (hedged items) which is also located in Interest Income - Loans in the condensed consolidated statements of income for the nine months ended September 30, 2026.

Effect of Cash Flow Hedge Accounting on the Condensed Consolidated Balance Sheets		
	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Income (Loss) on Derivatives	
For the Nine Months Ended September 30,	2026	2025
Interest Rate Contracts	$ 754	$ (280)
Foreign Exchange Contracts	2	—
Total	$ 756	$ (280)

Effect of Derivatives not Designated as Hedging Relationships on the Condensed Consolidated Statements of Income		
	Net Amount of Gain or (Loss) Recognized	
For the Nine Months Ended September 30,	2026	2025
Interest Rate Contracts	$ 6	$ 9
Total	$ 6	$ 9

A summary of the cumulative basis adjustment for fair value hedging relationships included in the carrying amount of hedged assets and liabilities as of September 30, 2026 and December 31, 2025 is shown in the following table.

Derivatives in Fair Value Hedging Relationships		
	September 30, 2026	December 31, 2025
Carrying Amount of Hedged Assets	$ 1,630	$ —
Cumulative Basis Adjustment Included in Carrying Amount of Hedged Assets:		
Hedged Items Currently Designated	(17)	—
Carrying Amount of Hedged Liabilities	10,407	15,295
Cumulative Basis Adjustment Included in Carrying Amount of Hedged Liabilities:		
Hedged Items Currently Designated	(75)	81

Asset/Liability Offsetting

As noted previously, derivative transactions with swap dealers include bilateral collateral and netting agreements that require the net settlement of covered contracts. Derivative transactions with customers are collateralized through loan agreements. Notwithstanding collateral and netting provisions, our derivative assets and liabilities are not offset in the accompanying condensed consolidated balance sheets. The amount of collateral received or pledged is calculated on a net basis, by counterparty.

The following tables summarize derivative assets and liabilities, related accrued interest and amounts of collateral exchanged pursuant to our agreements.

Offsetting of Derivatives and Collateral

	Gross Amounts of Assets/ Liabilities Presented in the Condensed Consolidated Balance Sheets	Amounts Not Offset In the Condensed Consolidated Balance Sheets		Net Amount
		Cash Collateral Received/Pledged[1]	Investment Securities Received/Pledged as Collateral[1]	
As of September 30, 2026				
Assets:				
Interest Rate Swaps and Other Derivatives:				
Dealer	**$ 297**	**$ (245)**	**$ (39)**	**$ 13**
Customer	**55**	**—**	**—**	**55**
Clearinghouse	**108**	**—**	**—**	**108**
Accrued Interest Receivable on Derivative Contracts	**22**	**—**	**—**	**22**
Liabilities:				
Interest Rate Swaps and Other Derivatives:				
Dealer	**18**	**—**	**—**	**18**
Customer	**1,024**	**—**	**—**	**1,024**
Clearinghouse	**112**	**—**	**(686)**	**— [2]**
Accrued Interest Payable on Derivative Contracts	**8**	**—**	**—**	**8**
As of December 31, 2025				
Assets:				
Interest Rate Swaps and Other Derivatives:				
Dealer	$ 155	$ (104)	$ (27)	$ 24
Customer	95	—	—	95
Clearinghouse	206	—		206
Accrued Interest Receivable on Derivative Contracts	24	—	—	24
Liabilities:				
Interest Rate Swaps and Other Derivatives:				
Dealer	24	—	—	24
Customer	372	—	—	372
Clearinghouse	180	—	(621)	— [2]
Accrued Interest Payable on Derivative Contracts	18	—	—	18

[1] Cash collateral received/pledged is recognized in the condensed consolidated balance sheets whereas investment securities received are not.

[2] Cash and investment securities received as collateral fully offset the related gross asset and gross liability in the condensed consolidated balance sheets.

Note 8 – Fair Value Measurements

The fair value of financial instruments represents the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability (an exit price) in active markets among willing participants at the reporting date. Information regarding our accounting policies for determining fair value is provided in Note 1 ("Description of Business and Summary of Significant Accounting Policies") under the heading "Fair Value Measurements" and in Note 11 ("Fair Value Measurements") of our 2025 Annual Report to Shareholders.

A description of the methods, assumptions and inputs to the valuation process used to determine or estimate the fair value of each class of financial instruments within the three-level hierarchy follows.

Level 1

Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Our Level 1 assets at September 30, 2026 consist of assets held in a trust fund related to deferred compensation and nonqualified retirement plans. The trust fund includes investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

Level 2

Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability. Our Level 2 assets and liabilities at September 30, 2026 include our derivative contracts, collateral balances related to derivative contracts, federal funds sold and other overnight funds, U.S. Treasury and agency debt investment securities, Ginnie Mae MBS, corporate bonds, and the substantial majority of agency MBS and asset-backed securities (ABS).

The following table presents information about valuation techniques and inputs to Level 2 fair value measurements.

Information About Valuation Techniques and Inputs to Level 2 Fair Value Measurements

Level 2 Asset	Valuation Technique	Inputs
Federal Funds Sold and Other Overnight Funds	Carrying Value	Par/Principal Plus Accrued Interest
Investment Securities	Third-Party Pricing Service	Prepayment Rate
		Lifetime Default Rate
		Loss Severity
		Benchmark Yield Curve
		Quoted Prices
Interest Rate Swaps and Other Derivatives	Discounted Cash Flow	Benchmark Yield Curve
		Counterparty Credit Risk
		Volatility
Collateral Assets and Collateral Liabilities	Carrying Value	Par/Principal Plus Accrued Interest

Level 3

Level 3 inputs are unobservable and supported by limited or no market activity. Our Level 3 assets at September 30, 2026 include a small portion of agency MBS and ABS. Based on the lack of active trading volume and an orderly market for these securities, we classified these securities as Level 3. Fair value for Level 3 agency MBS is estimated through a third-party pricing service that uses valuation models to estimate current market prices. Fair value for a small portion of our Level 3 ABS is calculated internally using third-party models. Inputs into all of these valuation models include underlying collateral data and projected losses as well as information for prepayment speeds and discounting spreads. Due to the lack of marketplace information, the inputs into these valuation models primarily represent management assumptions, with some corroboration to market inputs where information is available.

Level 3 assets at September 30, 2026 also include $478 million of loans originally measured at cost, which were written down to fair value as a result of impairment. The valuation of these assets is based on either the fair value of the underlying collateral, if the loan is collateral dependent, or the present value of expected future cash flows. Such valuations may include the use of independent appraisals or other market-based information to develop a management estimate of fair value. As a result, these fair value measurements fall under Level 3 in the fair value hierarchy; however, they are excluded from the ‘Assets and Liabilities Measured at Fair Value on

a Recurring Basis' tables in the "Assets and Liabilities Measured at Fair Value on a Recurring Basis" section because they are not measured on a recurring basis.

Our Level 3 liabilities at September 30, 2026 include standby letters of credit whose market value is internally calculated based on information that is not observable either directly or indirectly in the marketplace.

No transfers into or out of Level 3 assets or liabilities occurred in 2026 and 2025.

The following table presents quantitative information about Level 3 fair value measurements as of September 30, 2026.

Quantitative Information About Valuation Techniques and Unobservable Inputs to Level 3 Fair Value Measurements

	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Assets				
Investment Securities:				
U.S. Agency MBS	$ 36	Third-Party Pricing Service	Prepayment Rate	*
			Lifetime Default Rate	*
			Loss Severity	*
Other (included in Asset Backed)	16	Discounted Cash Flow	Prepayment Rate	0% (0%)
Nonperforming Loans	478	Appraisal / Discounted Cash Flow	Income/Expense Data	**
			Comparable Sales	**
			Replacement Cost	**
Liabilities				
Standby Letters of Credit	$ 20	Discounted Cash Flow	Mark-to-Market Spread	0.1%-1.5% (1%)

*Excludes ranges which are determined by a third-party pricing service

**Range of inputs are unique to each collateral property

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the assets and liabilities that are measured at fair value on a recurring basis at September 30, 2026 and December 31, 2025 for each of the fair value hierarchy levels.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	September 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Federal Funds Sold and Other Overnight Funds	$ —	$ 1,504	$ —	$ 1,504	$ —	$ 3,955	$ —	$ 3,955
Investment Securities:								
U.S. Treasury Debt	—	21,565	—	21,565	—	20,973	—	20,973
U.S. Agency Debt	—	1,897	—	1,897	—	2,223	—	2,223
Residential MBS:								
Ginnie Mae	—	1,489	—	1,489	—	1,541	—	1,541
U.S. Agency	—	2,477	36	2,513	—	2,963	39	3,002
Commercial MBS:								
U.S. Agency	—	20,513	—	20,513	—	21,191	—	21,191
Corporate Bonds	—	320	—	320	—	350	—	350
Asset-Backed and Other	—	134	16	150	—	201	8	209
Interest Rate Swaps and Other Derivatives	—	460		460	—	456	—	456
Assets Held in Trust (included in Other Assets)	175	—	—	175	164	—	—	164
Total Assets	$ 175	$ 50,359	$ 52	$ 50,586	$ 164	$ 53,853	$ 47	$ 54,064
Liabilities								
Interest Rate Swaps and Other Derivatives	$ —	$ 1,154	$ —	$ 1,154	$ —	$ 576	$ —	$ 576
Collateral Liabilities (included in Bonds and Notes)	—	245	—	245	—	104	—	104
Standby Letters of Credit (Included in Other Liabilities)	—	—	20	20	—	—	19	19
Total Liabilities	$ —	$ 1,399	$ 20	$ 1,419	$ —	$ 680	$ 19	$ 699

The following table presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis.

Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis	U.S. Agency Residential MBS	Asset-Backed Securities and Other	Standby Letters of Credit
Balance at December 31, 2025	**$ 39**	**$ 8**	**$ 19**
Total Gains or Losses (Realized/Unrealized)			
Included in Other Comprehensive Income	**2**	**(1)**	**—**
Purchases	**—**	**9**	**—**
Issuances	**—**	**—**	**20**
Settlements	**(5)**	**—**	**(19)**
Balance at September 30, 2026	**$ 36**	**$ 16**	**$ 20**
Balance at December 31, 2024	$ 43	$ 8	$ 17
Total Gains or Losses (Realized/Unrealized)			
Included in Other Comprehensive Income	1	—	—
Issuances	—	—	19
Settlements	(4)	—	(18)
Balance at September 30, 2025	$ 40	$ 8	$ 18

Estimated Fair Value of Certain Other Financial Instruments

The following table presents the estimated fair value of net loans and bonds and notes that are recorded in the condensed consolidated balance sheets at cost, loans held-for-sale that are recorded in the condensed consolidated balance sheets at the lower of cost or fair value, and certain off-balance sheet financial instruments, as of September 30, 2026 and December 31, 2025.

	September 30, 2026			December 31, 2025		
	Carrying Amount	Estimated Fair Value	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Fair Value Hierarchy
Financial Assets:						
Net Loans	**$ 164,219**	**$ 160,445**	**Level 3**	$ 166,155	$ 164,626	Level 3
Loans Held-for-Sale (Included in Other Assets)	**6**	**6**	**Level 3**	18	18	Level 3
Financial Liabilities:						
Bonds and Notes	**$ 198,294**	**$ 194,306**	**Level 3**	$ 205,454	$ 203,650	Level 3
Off-Balance Sheet Financial Instruments:						
Commitments to Extend Credit	**$ —**	**$ (172)**	**Level 3**	$ —	$ (166)	Level 3

Note 9 – Employee Benefit Plans and Incentive Compensation Plans

We have an employer-funded, qualified defined benefit pension plan, which is noncontributory and covers employees hired prior to January 1, 2007. We also have noncontributory, unfunded nonqualified supplemental executive retirement plans covering certain senior officers and specified other senior managers, as well as a noncontributory, unfunded nonqualified executive retirement plan covering certain former senior officers. We have a 401(k) retirement savings plan pursuant to which we match a certain percentage of employees' elective contributions. In addition, under this plan, employees hired on or after January 1, 2007 receive additional, non-elective employer defined contributions. For eligible senior managers, including our senior officers, we also have a nonqualified deferred compensation plan, which includes benefits not provided under the employee savings plan due to certain Internal Revenue Code limitations.

All retirement-eligible employees are also currently eligible for other postretirement benefits, which primarily include access to health care benefits. Substantially all participants pay the full premiums associated with these other postretirement health care benefits. Participant contributions are adjusted annually.

We have not made any contributions to our funded qualified defined benefit pension plans during the nine months ended September 30, 2026 and anticipate no additional contributions to such plans during the remainder of 2026. We also do not expect to contribute to our other postretirement benefit plans in 2026. We have not made any contributions to our trust funds related to our nonqualified retirement plans during the nine months ended September 30, 2026. Our actual contributions could differ from the estimates noted above.

Note 10 – Commitments and Contingent Liabilities

At September 30, 2026, outstanding commitments to extend credit and commercial letters of credit were $53 billion and $205 million, respectively.

Under the Farm Credit Act, we are primarily liable for the portion of outstanding Systemwide Debt Securities issued by CoBank. We are also contingently liable, as defined in statutory joint and several liability provisions, for the outstanding Systemwide Debt Securities issued by the other System banks. Total Systemwide Debt Securities of the System were $483 billion at September 30, 2026.

There are several mechanisms in place affecting exposure to statutory joint and several liabilities. System banks are statutorily required to maintain eligible, unencumbered assets at a level at least equal in value to the total amount of debt for which such System bank is primarily liable. In addition, in the event of a default by a System bank, the Farm Credit Insurance Fund (Insurance Fund) would be required to make timely payment of principal and interest on Systemwide Debt Securities, to the extent that net assets are available in the Insurance Fund, before the joint and several liability of the System banks would be triggered. At September 30, 2026, the aggregated assets of the Insurance Fund totaled $9 billion. Finally, System banks must maintain certain financial criteria in order to participate in Systemwide debt issuances. If these criteria are not met, a troubled System bank's access to and participation in Systemwide debt issuances could be limited or denied.

On at least a quarterly basis, we assess our liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. For those matters where it is probable that we will incur a loss, and the amount of the loss can be reasonably estimated, we record a liability in our condensed consolidated financial statements. For other matters, where a loss is not probable or the amount of the loss is not estimable, we will not accrue legal reserves.

We are involved in various judicial, regulatory and arbitration proceedings concerning matters arising in connection with our business. While the outcome of such proceedings is inherently uncertain, based on information currently available, advice of legal counsel and available insurance coverage, we believe that the liabilities, if any, arising from such proceedings will not have a material adverse effect on our condensed consolidated financial position, results of operations or cash flows. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the Bank's condensed consolidated financial position, results of operations or cash flows.

Note 11 – Segment Financial Information

We conduct our lending operations through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure.

The accompanying tables present condensed disaggregated information for the segments. Allocations of resources and corporate items, as well as measurement of financial performance, are made at these operating segment levels. The Bank's chief operating decision maker (CODM) is our Management Executive Committee, collectively, who use these reportable measures of segment profit or loss when assessing performance and allocating resources to each of our operating segments. All customer activity, including loans and leases and related income, is specifically assigned to the business units that make up the operating segments. Investment securities and federal funds sold and other overnight funds, which are primarily held as a liquidity reserve to support our banking operations, are not specifically assigned to operating segments; however, the income or loss from investment securities and federal funds sold and other overnight funds is attributed to the operating segments. Intersegment transactions are generally insignificant and significant amounts are eliminated upon consolidation.

We do not hold significant assets in any foreign country. Substantially all of our agricultural export finance loans are U.S. dollar-denominated and 25 percent of these loans are guaranteed by the U.S. government.

For the nine months ended September 30, 2026 and 2025, no commercial loan customer made up 10 percent or more of our gross or net interest income. Gross interest income on one wholesale loan to our affiliated Associations exceeded 10 percent of our gross interest income for the nine months ended September 30, 2026 and 2025.

Segment Financial Information				
	Agribusiness	Farm Credit Banking	Rural Infrastructure	Total CoBank
For the Three Months Ended September 30, 2026				
Results of Operations				
Interest Income	**$ 784**	**$ 889**	**$ 716**	**$ 2,389**
Interest Expense	**536**	**784**	**507**	**1,827**
Net Interest Income	**248**	**105**	**209**	**562**
Provision for Credit Losses	**21**	**—**	**39**	**60**
Net Interest Income After Provision for Credit Losses	**227**	**105**	**170**	**502**
Noninterest Income	**57**	**1**	**68**	**126**
Operating Expenses				
Direct Expenses	**18**	**1**	**13**	**32**
Insurance Fund Premium	**9**	**4**	**10**	**23**
Allocated Expenses [1]	**64**	**9**	**29**	**102**
Operating Expenses	**91**	**14**	**52**	**157**
Provision for Income Taxes	**18**	**—**	**27**	**45**
Net Income	**$ 175**	**$ 92**	**$ 159**	**$ 426**
For the Three Months Ended September 30, 2025				
Results of Operations				
Interest Income	$ 831	$ 924	$ 717	$ 2,472
Interest Expense	596	834	530	1,960
Net Interest Income	235	90	187	512
Provision for Credit Losses	17	—	13	30
Net Interest Income After Provision for Credit Losses	218	90	174	482
Noninterest Income	71	—	63	134
Operating Expenses				
Direct Expenses	18	2	11	31
Insurance Fund Premium	9	4	9	22
Allocated Expenses [1]	59	8	29	96
Operating Expenses	86	14	49	149
Provision for Income Taxes	13	—	25	38
Net Income	$ 190	$ 76	$ 163	$ 429

[1] Allocated expenses include technology, operations, finance and other corporate expenses.

Segment Financial Information (Continued)

	Agribusiness	Farm Credit Banking	Rural Infrastructure	Total CoBank
For the Nine Months Ended September 30, 2026				
Results of Operations				
Interest Income	$ 2,507	$ 2,611	$ 2,091	$ 7,209
Interest Expense	1,724	2,310	1,496	5,530
Net Interest Income	783	301	595	1,679
Provision for Credit Losses	61	—	41	102
Net Interest Income After Provision for Credit Losses	722	301	554	1,577
Noninterest Income	202	2	187	391
Operating Expenses				
Direct Expenses	54	5	37	96
Insurance Fund Premium	30	12	28	70
Allocated Expenses [1]	196	25	91	312
Operating Expenses	280	42	156	478
Provision for Income Taxes	45	—	89	134
Net Income	$ 599	$ 261	$ 496	$ 1,356
Selected Financial Information at September 30, 2026				
Loans	$ 39,063	$ 88,800	$ 37,160	$ 165,023
Less: Allowance for Loan Losses	(519)	—	(285)	(804)
Net Loans	$ 38,544	$ 88,800	$ 36,875	$ 164,219
Accrued Interest Receivable and Other Assets	689	553	1,151	2,393
Total Segment Assets	$ 39,233	$ 89,353	$ 38,026	$ 166,612
Federal Funds Sold and Other Overnight Funds				1,504
Investment Securities				48,447
Other Assets				751
Total Assets	$ 39,233	$ 89,353	$ 38,026	$ 217,314
For the Nine Months Ended September 30, 2025				
Results of Operations				
Interest Income	$ 2,625	$ 2,708	$ 2,054	$ 7,387
Interest Expense	1,886	2,440	1,514	5,840
Net Interest Income	739	268	540	1,547
Provision for Credit Losses	99	—	30	129
Net Interest Income After Provision for Credit Losses	640	268	510	1,418
Noninterest Income	201	2	185	388
Operating Expenses				
Direct Expenses	51	5	34	90
Insurance Fund Premium	30	11	27	68
Allocated Expenses [1]	183	24	88	295
Operating Expenses	264	40	149	453
Provision for Income Taxes	38	—	75	113
Net Income	$ 539	$ 230	$ 471	$ 1,240
Selected Financial Information at September 30, 2025				
Loans	$ 36,667	$ 84,826	$ 35,064	$ 156,557
Less: Allowance for Loan Losses	(458)	—	(270)	(728)
Net Loans	$ 36,209	$ 84,826	$ 34,794	$ 155,829
Accrued Interest Receivable and Other Assets	709	550	1,140	2,399
Total Segment Assets	$ 36,918	$ 85,376	$ 35,934	$ 158,228
Federal Funds Sold and Other Overnight Funds				2,311
Investment Securities				48,819
Other Assets				821
Total Assets	$ 36,918	$ 85,376	$ 35,934	$ 210,179

[1] Allocated expenses include technology, operations, finance and other corporate expenses.

Note 12 – Affiliated Associations

CoBank is 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. The Associations are not authorized by the Farm Credit Act to participate directly in the issuance of Systemwide Debt Securities. Therefore, we are the primary funding source for our affiliated Associations. As of September 30, 2026, we have 16 affiliated Associations serving 23 states across the West, Northwest, Southwest, Rocky Mountains, Mid-Plains, and Northeast regions of the United States.

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.

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

Our affiliated Associations are considered customers and thus operate independently and maintain an arm's-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. Accordingly, the financial information of affiliated Associations is not included in our condensed consolidated financial statements. We separately publish certain unaudited combined financial information of the District, including a combined statement of condition and statement of income, which can be found on our website at www.cobank.com.

Note 13 – Subsequent Events

On October 1, 2026, we redeemed all of our Series I non-cumulative perpetual preferred stock totaling $375 million. The dividend rate for our Series I preferred stock was 6.25 percent through the date of redemption.

In October 2026, we transferred a communications borrower with net loan exposure totaling $306 million to nonaccrual status due to the current circumstances affecting this borrower. At this time and based on current information, we do not expect the financial impact of these loans to be material to our financial condition or results of operations. However, given the uncertainty regarding the borrower's current circumstances and the ultimate resolution of the loans, the financial impact remains uncertain.

We have evaluated subsequent events through November 6, 2026, which is the date the financial statements were issued and determined that there were no other events requiring disclosure.

Regulatory Capital Disclosures

CoBank, ACB

(Unaudited) ($ in Millions, Except as Noted)

Overview

These quarterly regulatory capital disclosures (set forth in Title 12 of the Code of Federal Regulations parts 628.61 through 628.63) should be read in conjunction with our 2025 Annual Report to Shareholders, which includes additional qualitative disclosures. Unless otherwise noted, there have been no material changes to the qualitative disclosures contained in our 2025 Annual Report.

The following table summarizes the interim disclosure requirements and indicates where each matter is disclosed in this quarterly report.

Disclosure Requirement	Description	Q3 2026 Quarterly Report Reference
Scope of Application	Corporate entity and consolidated subsidiaries	Page 56
Capital Structure	Regulatory capital components	Page 56
Capital Adequacy	Risk-weighted assets	Page 58
	Regulatory capital ratios	Page 15
Capital Buffers	Quantitative disclosures	Page 15, Page 58
Credit Risk	Summary of exposures	Page 59
	Geographic distribution	Page 60
	Industry distribution	Page 61
	Nonperforming loans and ACL	Page 61
	Contractual maturity	Page 62
Counterparty Credit Risk-Related Exposures	Counterparty exposures	Page 62
Credit Risk Mitigation	Exposures with reduced capital requirements	Page 62
Securitization	Securitization exposures	Page 63
Equities	General description	Page 64
Interest Rate Risk for Non-Trading Activities	Interest rate sensitivity	Page 64

Scope of Application

The disclosures contained herein relate to CoBank, ACB and its wholly-owned subsidiaries, CoBank, FCB and Farm Credit Leasing Services Corporation (FCL), collectively hereinafter referred to as CoBank or the Bank. These entities are also consolidated in our financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Capital Structure

Common equity tier 1, which includes common stock and retained earnings, is the largest component of the Bank's capital structure. Preferred stock is included in tier 1 regulatory capital, subject to certain limitations. In addition, our allowance for credit losses on loans is included in tier 2 regulatory capital, subject to certain limitations.

The following table provides a summary of the Bank's regulatory capital components.

Regulatory Capital Components		
Three Months Ended September 30, 2026		**Average Balance**
Common Equity Tier 1 Capital (CET1)		
Common Cooperative Equities:		
Statutory Minimum Purchased Borrower Stock	$	2
Other Required Member Purchased Stock		1,417
Allocated Equities:		
Qualified Allocated Equities Subject to Retirement		3,132
Nonqualified Allocated Equities Subject to Retirement		—
Nonqualified Allocated Equities Not Subject to Retirement		4,290
Unallocated Retained Earnings		4,166
Paid-In Capital		—
Regulatory Adjustments and Deductions Made to CET1		255
Total CET1	$	13,262
Tier 1 Capital		
Non-Cumulative Perpetual Preferred Stock	$	2,425
Regulatory Adjustments and Deductions Made to Tier 1 Capital		—
Total Additional Tier 1 Capital	$	2,425
Total Tier 1 Capital	$	15,687
Tier 2 Capital		
Common Cooperative Equities Not Included in CET1	$	—
Tier 2 Capital Elements:		
ACL on Loans		839
Regulatory Adjustments and Deductions Made to Tier 2 Capital		—
Total Tier 2 Capital	$	839
Total Capital	$	16,526

Capital Adequacy and Capital Buffers

Our risk-adjusted regulatory capital ratios are calculated by dividing the relevant total capital elements (e.g. Total CET1) by risk-weighted assets. The following table presents information on the components of risk-weighted assets included in the calculation of regulatory capital ratios.

Risk-Weighted Assets		
Three Months Ended September 30, 2026	**Average Balance**	
On-Balance Sheet Assets:		
Exposures to Sovereign Entities	$ —	
Exposures to Supranational Entities and Multilateral Development Banks	85	
Exposures to Government-Sponsored Enterprises	22,420	(1)
Exposures to Depository Institutions, Foreign Banks, and Credit Unions	2,797	(2)
Exposures to Public Sector Entities	61	
Corporate Exposures, including Borrower Loans and Leases	63,958	
Residential Mortgage Exposures	—	
High Volatility Commercial Real Estate Exposures	193	
Past Due and Nonaccrual Exposures	734	
Securitization Exposures	149	
Equity Investment Exposures	200	
Other Assets	1,110	
Off-Balance Sheet:		
Unfunded Loan Commitments	15,122	
Equity Investment Commitments	167	
Over-the-Counter Derivatives	124	
Cleared Derivative Transactions	6	
Letters of Credit	2,328	
Reverse Repurchase Transactions	—	
Unsettled Transactions	—	
Total Risk-Weighted Assets Before Additions (Deductions)	$ 109,454	
Additions:		
Intra-System Equity Investments	$ 174	
Other Regulatory Adjustments and Additions	(458)	
Deductions:		
Regulatory Adjustments and Deductions Made to CET1	255	
Regulatory Adjustments and Deductions Made to Additional Tier 1 Capital	—	
Regulatory Adjustments and Deductions Made to Tier 2 Capital	—	
Total Risk-Weighted Assets	$ 109,425	(3)

(1) Includes exposures to Farm Credit System entities.

(2) Also includes exposures to other financial institutions that are risk-weighted as exposures to U.S. depository institutions and credit unions.

(3) For purposes of calculating the permanent capital ratio, average risk-weighted assets for the three months ended September 30, 2026 was $108.7 billion.

As shown in the section titled "Capital Resources" of Management's Discussion and Analysis of this quarterly report, the Bank exceeded all capital requirements as of September 30, 2026 to which it was subject, including applicable capital buffers. Because capital exceeded the buffer requirements, the Bank currently has no limitations on its distributions and discretionary bonus payments. The aggregate amount of eligible retained income was $1.3 billion as of September 30, 2026.

Credit Risk

The following table summarizes credit exposures related to loans, unfunded loan commitments, investment securities, letters of credit, equity investments and reverse repurchase transactions. The contractual amount of a commitment to extend credit represents our maximum exposure to credit loss in the event of default by the borrower, if the borrower were to fully draw against the commitment.

Major Credit Exposures - Lending and Investments		
Three Months Ended and As of September 30, 2026	**Average Balance**	**End of Period**
Loans Outstanding	$ 163,976	$ 165,023
Unfunded Loan Commitments	63,425	63,772
Investment Securities	48,274	48,447
Letters of Credit	2,887	2,746
Equity Investments Outstanding	200	190
Equity Investment Commitments	167	166
Reverse Repurchase Transactions	2	—

The table below shows derivatives by underlying exposure type, segregated between contracts traded in over-the-counter markets and those cleared through a central clearinghouse. Gross positive fair value represents the credit exposure attributed to derivatives before the mitigating effects of counterparty collateral.

Major Credit Exposures - Derivatives				
Three Months Ended and As of September 30, 2026	**Average Balance**		**End of Period**	
	Notional Amount	**Gross Positive Fair Value**	**Notional Amount**	**Gross Positive Fair Value**
Over-the-Counter Derivatives:				
Interest Rate Contracts	$ 41,316	$ 194	$ 55,088	$ 350
Foreign Exchange Contracts	193	—	371	2
Total Over-the-Counter Derivatives	$ 41,509	$ 194	$ 55,459	$ 352
Cleared Derivatives:				
Interest Rate Contracts	85,447	155	111,268	108
Total Derivatives	$ 126,956	$ 349	$ 166,727	$ 460

The following table illustrates the geographic distribution of our total loan commitments as of September 30, 2026.

Total Lending Portfolio - Geographic Distribution				
As of September 30, 2026	**Wholesale Loans**[1]		**Commercial Loans**	
California	30	%	7	%
Washington	33		2	
Connecticut	14		1	
Texas	4	[2]	9	
Kansas	6		3	
Oklahoma	4		2	
Colorado	3		4	
Illinois	—		5	
Iowa	—		4	
Minnesota	—		4	
Latin America	—		4	
Pennsylvania	2	[2]	1	
Florida	—		3	
New York	—		3	
Ohio	—		3	
Missouri	—		3	
Georgia	—		3	
Asia	—		3	
Mississippi	—		2	
Nebraska	—		2	
Utah	1		1	
Wisconsin	—		2	
Michigan	—		2	
Arkansas	—		2	
Indiana	—		2	
Massachusetts	—		2	
Arizona	—		2	
Idaho	—		1	
Alabama	—		1	
North Carolina	—		1	
Other	3		16	
Total	100	%	100	%

[1] The distribution of wholesale loan commitments to Associations is based on the state in which the Association is headquartered and may not be representative of their underlying loan portfolio.

[2] Includes participation interests in loan commitments to nonaffiliated Associations.

The following table illustrates the geographic distribution of our nonperforming loans as of September 30, 2026.

Nonperforming Loans - Geographic Distribution	
As of September 30, 2026	**Share[1]**
Florida	21 %
New York	14
Washington	12
Utah	12
California	11
North Carolina	9
Missouri	6
Nebraska	4
Tennessee	2
Pennsylvania	2
Wyoming	1
Other	6
Total	100 %

[1] The distribution of nonperforming loans is based on the state in which the borrower is headquartered and may not be representative of their operations and business activities.

The following table illustrates the primary business/commodity distribution of our total loan commitments as of September 30, 2026.

Total Lending Portfolio - Distribution by Primary Business/Commodity	
As of September 30, 2026	**Share**
Affiliated Associations	50 %
Electric Distribution	8
Farm Supply, Grain and Marketing	6
Regulated Utilities	5
Nonaffiliated Associations	4
Agricultural Export Finance	3
Generation and Transmission	3
Fruits, Nuts and Vegetables	3
Lease Financing (through FCL)	2
Forest Products	2
Dairy	2
Competitive Local Telephone Exchange Carriers	2
Water and Waste	2
Independent Power Producer	1
Livestock, Fish and Poultry	1
Cattle	1
Local Exchange Carriers	1
Cable	1
Other	3
Total	100 %

The following table presents a summary of the remaining contractual maturity of our loans, unfunded loan commitments, investment securities, letters of credit, derivatives and equity investments at September 30, 2026.

($ in Millions)

Contractual Maturity				
As of September 30, 2026	In One Year or Less	One to Five Years	After Five Years	Total
Loans Outstanding	$ 105,922	$ 31,700	$ 27,401	$ 165,023
Unfunded Loan Commitments	41,334	18,161	4,277	63,772
Investment Securities	5,834	21,230	21,383	48,447
Letters of Credit	205	—	2,541	2,746
Derivatives (Notional Amounts)	109,065	31,654	26,008	166,727
Equity Investments Outstanding	51	123	16	190
Equity Investment Commitments	41	99	26	166

Refer to Note 3 to the condensed consolidated financial statements in this quarterly report for amounts of nonperforming loans (with or without related ACL), loans in nonaccrual status and greater than 90 days past due, loans past due greater than 90 days and still accruing interest, the ACL, charge-offs, and changes in components of our ACL.

Counterparty Credit Risk

Refer to Note 7 to the condensed consolidated financial statements in this quarterly report for information related to interest rate swaps and other derivatives utilized by CoBank including a summary of the fair value of derivative assets and liabilities, collateral held and net unsecured exposure.

Credit Risk Mitigation

CoBank uses various strategies to mitigate credit risk in its lending, leasing, investing and derivatives activities. The disclosures in this section relate solely to credit risk mitigation instruments and activities that reduce regulatory capital requirements, which include certain guarantees in our lending and investment portfolios, and collateral or settlement payments in our derivatives portfolio.

Loans

Our Agricultural Export Finance Division (AEFD) utilizes the U.S. government-sponsored export loan guarantee General Sales Manager (GSM) program for a portion of its export financing which guarantees payment in the event of default by the borrower. We further mitigate our exposure for certain agricultural export financing transactions by purchasing credit enhancement from non-government third parties. Refer to the Operating Segment Financial Review section beginning on page 6 of this quarterly report for additional discussion related to our AEFD.

As discussed in the section titled “Credit Quality of Loans” of Management’s Discussion and Analysis of this quarterly report, our loans to affiliated Associations are collateralized by substantially all of the Association assets. In addition, the earnings, capital and loan loss reserves of the Associations provide additional layers of protection against losses in their respective retail loan portfolios. Lower regulatory capital requirements are commensurate with the lower risk profile associated with our loans to affiliated Associations.

Investments

Credit risk in our investment portfolio is mitigated by investing primarily in securities issued or guaranteed by the U.S. government or a government-sponsored enterprise (U.S. Agency). Credit risk in our investment portfolio primarily exists in the 1 percent of our investment securities that are not guaranteed by the U.S. government or a U.S. Agency, which currently include asset-backed securities (ABS) and corporate bonds of midstream energy and communications companies. Our corporate bonds of midstream energy and communications companies are purchased under our lending authorities and not held for liquidity purposes. These ABS and corporate bonds of midstream energy and communications companies collectively total $470 million of our total investment portfolio as of September 30, 2026. Credit risk in our investment portfolio also arises in a portion of our short-term investments, which include our overnight bank deposits and federal funds sold instruments which are transacted with highly-rated commercial bank counterparties. We held overnight bank deposits and federal funds sold instruments totaling $1.5 billion at September 30, 2026. Corporate bonds are risk-weighted based on the corporate counterparty and ABS exposures are captured in the Securitization section below.

The following table summarizes the loan and investment exposures whose capital requirements are reduced as a result of credit risk mitigants.

Loan and Investment Exposures

Three Months Ended September 30, 2026	Average Exposure	Risk Weighted Exposures
Guaranteed Loans	$ 1,356	$ —
Loans to Farm Credit System Entities	88,330	17,666
Investment Securities Issued or Guaranteed by U.S. Government	25,396	—
Investment Securities Issued or Guaranteed by a U.S. Agency	23,771	4,754
Total	$ 138,853	$ 22,420

Derivatives

As described in Note 7 to the condensed consolidated financial statements in this quarterly report, transactions with dealers in our over-the-counter derivative portfolio as well as those cleared through a clearinghouse are collateralized or otherwise secured through settlement payments. As a result, at September 30, 2026, we held financial collateral with dealers totaling $245 million that was included in calculating risk-weighted assets. Total risk-weighted assets for our over-the-counter derivatives and cleared derivative transactions amounted to $124 million and $6 million, respectively, for the three-month period ended September 30, 2026.

Securitization

The Bank participates in securitizations as investors through the purchase of MBS and ABS, which are included in our investment portfolio. As of September 30, 2026, CoBank did not retain any resecuritization exposures. The following disclosures relate only to ABS not guaranteed by the U.S. government or a U.S. Agency. The average balance of these non-guaranteed securities was $149 million for the three-month period ended September 30, 2026.

Below is a summary of our securitization exposures held during the three months ended September 30, 2026 by exposure type and categorized by risk-weight band.

Securitization Exposures		
Three Months Ended September 30, 2026	Average Exposure	Risk Weighted Asset (Gross Up Approach)
Asset-Backed Securities	$ 149	$ 149
Total	$ 149	$ 149

Securitization Risk-Weight Bands		
Three Months Ended September 30, 2026	Average Exposure	Risk Weighted Asset (Gross Up Approach)
Gross-Up Risk-Weight Bands:		
100% - 125%	$ 149	$ 149
Total	$ 149	$ 149

For the three months ended September 30, 2026, we did not hold any off-balance sheet securitization exposures nor were any securitization exposures deducted from capital.

Refer to Note 4 to the condensed consolidated financial statements in this quarterly report for the amortized cost, unrealized gains (losses) and fair value of MBS and ABS held in our investment portfolio. In addition, Note 8 to the condensed consolidated financial statements in this quarterly report describes the methods and assumptions, including any changes as applicable, applied in valuing our MBS and ABS.

Equities

The Bank has certain exposure to equity investments. We make investments and are a limited partner in certain Rural Business Investment Companies (RBICs). These RBICs focus on small and middle market companies that create jobs and promote commerce in rural America. CoBank also holds investments in various unincorporated business entities (UBEs), as defined by FCA regulation. We hold these investments to acquire and manage unusual or complex collateral associated with loan workouts as well as to make mission-related investments. Our investments in RBICs and UBEs are not publicly traded and are accounted for under the equity method. All of our equity investments are classified within other assets in the condensed consolidated balance sheets. There have been no sales or liquidations of these investments during the three months ended September 30, 2026.

As of September 30, 2026	End of Period	Life-to-Date Net Gains Recognized in Retained Earnings[1]
Equity Investments in RBICs, UBEs, Other	$ 190	$ 8

[1] Retained earnings is included in common equity tier 1, tier 1 and total capital ratios.

Interest Rate Risk

Interest rate risk, also referred to as market risk, is the risk that changes in interest rates may adversely affect operating results and financial condition. We use asset/liability models to evaluate the dynamics of our balance sheet and to estimate earnings volatility under different interest rate scenarios. Our analysis includes calculating the impact of significant increases or decreases in interest rates on net interest income, over a 12-month period, and the estimated market value of equity.

This analysis estimates the effect of immediate and sustained parallel positive (up) and negative (down) shifts in the yield curve (called “shocks”) of down 200, down 100, up 100, and up 200 basis points.

The following tables summarize the impact of interest rate changes on net interest income and the market value of equity.

Net Interest Income at Risk	
September 30, 2026	
Scenario:	
- 200 bp shock	3.6 %
- 100 bp shock	0.7
+ 100 bp shock	(0.6)
+ 200 bp shock	(1.3)

Market Value of Equity at Risk	
September 30, 2026	
Scenario:	
- 200 bp shock	10.1 %
- 100 bp shock	4.7
+ 100 bp shock	(4.4)
+ 200 bp shock	(8.7)

Controls and Procedures

CoBank, ACB

We maintain a system of disclosure controls and procedures. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information disclosed by us in our quarterly and annual reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate, to allow timely decisions to be made regarding disclosure. The chief executive officer and the chief financial officer have evaluated our disclosure controls and procedures as of the end of the period covered by this quarterly report and have concluded that our disclosure controls and procedures are effective as of that date.

We also maintain a system of internal controls. The term "internal controls," as defined by the American Institute of Certified Public Accountants' Codification of Statement on Auditing Standards, AU-C Section 315, means a process - effected by the board of directors, management and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. We continually assess the adequacy of our internal control over financial reporting and enhance our controls in response to internal control assessments and internal and external audit and regulatory requirements and recommendations. There have been no significant changes in our internal controls or in other factors that could significantly affect such controls subsequent to the date we carried out our evaluations. In accordance with our internal control procedures, these financial statements were prepared under the oversight of the Audit Committee of our Board of Directors.

Certification Required by Farm Credit Administration Regulations

The undersigned have reviewed this quarterly report which has been prepared in accordance with all applicable statutory or regulatory requirements and certify that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Signed this 6th day of November, 2026.

/s/ BRANDON J. WITTMAN

Brandon J. Wittman
Chair of the Board

/s/ THOMAS E. HALVERSON

Thomas E. Halverson
Chief Executive Officer

/s/ SEAN BURKE

Sean Burke
Chief Financial Officer

CERTIFICATION

I, Thomas E. Halverson, Chief Executive Officer of CoBank, ACB (CoBank or the Bank), a federally chartered instrumentality under the Farm Credit Act of 1971, as amended, certify that:

(1) I have reviewed this quarterly report of CoBank;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of CoBank as of, and for, the periods presented in this report;

(4) CoBank's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for CoBank and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Bank's internal control over financial reporting that occurred during the Bank's most recent fiscal quarter (the Bank's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting; and

(5) CoBank's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Bank's auditors and the audit committee of the Bank's Board of Directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Bank's ability to record, process, summarize, and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control over financial reporting.

/s/ THOMAS E. HALVERSON

Thomas E. Halverson

Chief Executive Officer

Dated: November 6, 2026

CERTIFICATION

I, Sean Burke, Chief Financial Officer of CoBank, ACB (CoBank or the Bank), a federally chartered instrumentality under the Farm Credit Act of 1971, as amended, certify that:

(1) I have reviewed this quarterly report of CoBank;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of CoBank as of, and for, the periods presented in this report;

(4) CoBank's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for CoBank and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Bank's internal control over financial reporting that occurred during the Bank's most recent fiscal quarter (the Bank's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting; and

(5) CoBank's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Bank's auditors and the audit committee of the Bank's Board of Directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Bank's ability to record, process, summarize, and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control over financial reporting.

/s/ SEAN BURKE

Sean Burke

Chief Financial Officer

Dated: November 6, 2026

Office Locations

CoBank, ACB

CoBank National Office
6340 S. Fiddlers Green Circle
Greenwood Village, CO 80111
(303) 740-4000
(800) 542-8072

Farm Credit Leasing Services Corporation
1665 Utica Avenue South,
Suite 400
Minneapolis, MN 55416
(952) 417-7800
(800) 444-2929

Washington, D.C. Office
50 F Street, N.W.,
Suite 900
Washington, DC 20001
(202) 650-5860

U.S. Regional Offices

Atlanta Banking Center *
2300 Windy Ridge Parkway,
Suite 370S
Atlanta, GA 30339
(770) 618-3200
(800) 255-7429
FCL: (770) 618-3226

Austin Banking Center
4801 Plaza on the Lake Drive
Austin, TX 78746
(855) 738-6606

Enfield Banking Center
240B South Road
Enfield, CT 06082-4451
(860) 814-4043
(800) 876-3227

Fargo Banking Center
4143 26th Avenue South,
Suite 101
Fargo, ND 58104
(701) 277-5007
(866) 280-2892

Louisville Banking Center *
2000 High Wickham Place,
Suite 101
Louisville, KY 40245
(502) 423-5650
(800) 262-6599
FCL: (800) 942-3309

Lubbock Banking Center *
5715 West 50th
Lubbock, TX 79414
(806) 788-3700
FCL: (806) 788-3705

Minneapolis Banking Center *
1665 Utica Avenue South, Suite 400
Minneapolis, MN 55416
(952) 417-7900
(800) 282-4150
FCL: (800) 444-2929

Omaha Banking Center *
18205 Capitol Avenue, Suite 325
Elkhorn, NE 68022
(402) 492-2000
(800) 346-5717

Sacramento Banking Center *
3755 Atherton Road
Rocklin, CA 95765
(916) 380-3524
(800) 457-0942
FCL: (800) 289-7080

Spokane Banking Center
601 W. Riverside Avenue, Suite 650
Spokane, WA 99201
(509) 363-8700
(800) 378-5577

Sterling Banking Center
229 South 3rd Street
Sterling, CO 80751
(970) 521-2774

St. Louis Banking Center *
635 Maryville Centre Drive,
Suite 130
St. Louis, MO 63141
(314) 835-4200
(800) 806-4144
FCL: (800) 853-5480

Wichita Banking Center *
245 North Waco, Suite 130
Wichita, KS 67202
(316) 290-2000
(800) 322-3654
FCL: (800) 322-6558

International

Singapore Representative Office
350 Orchard Road
#17-07 Shaw House
Singapore 238868
(65) 6534-5261

**Farm Credit Leasing office within this CoBank location*