CoBank Quarterly District Financial Information September 30, 2026

Introduction and District Overview

CoBank, ACB (CoBank, the Bank, we, our, or us) is one of the four banks in the Farm Credit System (System) and provides loans, leases and other financial services to support agriculture, rural infrastructure and rural communities across the United States. The System is a federally chartered network of borrower-owned lending institutions composed of cooperatives and related service organizations. The System was established in 1916 by the U.S. Congress, and is a Government Sponsored Enterprise. CoBank is federally chartered under the Farm Credit Act of 1971, as amended (the Farm Credit Act), and is subject to supervision, examination, and safety and soundness regulation by an independent federal agency, the Farm Credit Administration (FCA).

We are cooperatively owned by our eligible U.S. customers. Our customers consist of agricultural cooperatives; other food and agribusiness companies; rural power, communications and water cooperatives and companies; rural community facilities; Agricultural Credit Associations (Associations), which are regulated, farmer-owned financial institutions and members of the System; and other businesses that serve agriculture and rural communities. The Associations originate and service long-term real estate mortgage loans as well as production and intermediate-term loans for agricultural and other purposes to full and part-time farmers. Associations may also make loans to, among others, processing and marketing entities, farm-related businesses and rural residents for home purchase and improvements. The Associations may also purchase eligible loan participations from System entities and other lending institutions. Additionally, the Associations may serve as an intermediary in offering multi-peril crop insurance and credit life insurance and providing additional financial services to borrowers.

We are chartered by the FCA to serve the Associations that provide credit and related financial services to or for the benefit of eligible borrowers/shareholders for qualified purposes in specific geographic areas in the United States. We collectively refer to these entities as our affiliated Associations. The Associations are not authorized by the Farm Credit Act to participate directly in the issuance of Systemwide bonds, medium term notes and discount notes (collectively referred to as Systemwide Debt Securities). Therefore, we are the primary funding source for our affiliated Associations. As of September 30, 2026, we had 16 affiliated Associations serving customers in 23 states across the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States.

Our affiliated Associations are considered customers and thus operate independently and maintain an arms-length relationship with us, except to the extent that the Farm Credit Act requires us, as the funding bank, to monitor and approve certain activities of these Associations.

As authorized by the FCA, the affiliated Associations' financial information is not included in the condensed consolidated quarterly financial statements presented in CoBank's September 30, 2026 Quarterly Report to Shareholders. However, the FCA authorizes CoBank to present combined Bank and Association financial information in a District Report. CoBank does not have the corporate or direct regulatory authority to compel its affiliated Associations to disclose information or to establish and maintain their disclosure controls and procedures or internal controls over financial reporting. Accordingly, CoBank's preparation of this District Report and the establishment of adequate controls relating to this District Report are dependent on our affiliated Associations themselves satisfying their regulatory obligations and complying with agreed upon disclosure policies and procedures. Failure by an affiliated Association to provide accurate or timely information for District financial reporting or to have adequate disclosure controls or procedures or internal controls over financial reporting, as required by regulation or as agreed to under the disclosure policies and procedures, could jeopardize the accuracy of certain information in this District Report or CoBank's ability to timely issue this District Report.

The Financial Highlights, Discussion and Analysis, and the Combined Balance Sheets and Statements of Income included on the following pages present unaudited combined financial information and related analysis of CoBank and its affiliated Associations, which are collectively referred to as the "District." As part of the combining process, all significant transactions between CoBank and the Associations, including loans made by the Bank to the affiliated Associations and the interest income/interest expense related thereto, and investments of the affiliated Associations in the Bank and the earnings related thereto, have been eliminated.

Financial Highlights

($ in Millions) (Unaudited)

	September 30, 2026	December 31, 2025
Total Loans	**$ 178,716**	$ 180,106
Less: Allowance for Loan Losses	**1,364**	1,192
Net Loans	**177,352**	178,914
Total Assets	**235,350**	240,739
Total Shareholders' Equity	**30,324**	28,974

For the Nine Months Ended September 30,	2026	2025
Net Interest Income	**$ 3,782**	$ 3,562
Provision for Credit Losses	**309**	346
Loan-Related Fee Income	**228**	233
Net Income	**2,479**	2,382
Net Interest Margin	**2.16 %**	2.13 %
Net Charge-offs / Average Loans	**0.11**	0.17
Return on Average Assets	**1.39**	1.40
Return on Average Total Shareholders' Equity	**11.00**	11.44
Operating Expense / Net Interest Income and Noninterest Income	**32.79**	31.50
Average Loans	**$ 180,029**	$ 173,230
Average Earning Assets	**233,890**	223,344
Average Assets	**237,540**	227,009

Discussion and Analysis of District Results of Operations and Financial Condition

District average loans increased 4 percent to $180.0 billion for the nine months ended September 30, 2026 as compared to $173.2 billion for the same period in 2025. The increase in average loans was primarily due to growth in production and intermediate-term, agribusiness, rural power, and real estate mortgage loans, partially offset by a decrease in agricultural export finance loans.

Average investment securities, federal funds sold and other overnight funds increased 8 percent to $53.9 billion for the nine months ended September 30, 2026 as compared to $50.1 billion for the same period in 2025. The increase in District average investment security balances compared to the prior period primarily reflects the need to maintain liquidity reserves in line with loan growth and favorable investment spread opportunities.

District net income increased 4 percent to $2.479 billion for the nine months ended September 30, 2026 as compared to $2.382 billion for the same period in 2025. The increase in District earnings resulted from higher net interest income and a lower provision for credit losses, partially offset by higher operating expenses and income taxes, and lower noninterest income.

District net interest income increased 6 percent to $3.782 billion for the nine months ended September 30, 2026 as compared to $3.562 billion for the same period in 2025. The increase in net interest income was largely driven by higher average interest earning assets. Interest rate spread increased, primarily resulting from lower funding costs, partially offset by lower yields on interest earning assets. The impact of non-interest bearing funding sources, principally equity, declined slightly and the District's overall net interest margin increased to 2.16 percent for the nine months ended September 30, 2026 compared to 2.13 percent for the same period in 2025.

The District recorded a provision for credit losses of $309 million for the nine months ended September 30, 2026 as compared to $346 million for the same period in 2025. CoBank recorded a provision for credit losses of $102 million for the nine months ended September 30, 2026 as compared to $129 million for the same period in 2025. The 2026 provision was largely driven by deterioration in credit quality within certain sectors of its Agribusiness and Rural Infrastructure operating segments that resulted in higher modeled credit losses and specific reserves. The 2026 provision for credit losses at CoBank also included a credit loss reversal on investment securities of $1 million in its Rural Infrastructure operating segment, which resulted from an improvement in modeled credit losses for these securities. The 2025 provision for credit losses at CoBank primarily related to deterioration in credit quality, including increased charge-offs and specific reserves requiring a higher level of provisioning. The Associations recorded a net combined provision for credit losses of $207 million for the nine months ended September 30, 2026 as compared to $217 million for the same period in 2025. The net combined 2026 provision for credit losses at the Associations was primarily due to higher customer and industry specific reserves and other credit quality deterioration. The net combined 2025 provision for credit losses at the Associations was primarily due to increased charge-offs, higher customer and industry specific reserves, and other credit quality deterioration.

District noninterest income decreased to $570 million for the nine months ended September 30, 2026 as compared to $590 million for the same period in 2025. Noninterest income is primarily composed of loan-related fee income, patronage income, financially-related services income, customer interest rate swaps and other derivatives income and expense, and other miscellaneous gains and losses. The decrease in noninterest income primarily related to customer interest rate swaps and other derivatives expense, decreased patronage income, and a loss on sale of loans, partially offset by a higher return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation) and gains on early extinguishments of debt. Customer interest rate swaps and other derivatives expense was $14 million for the nine months ended September 30, 2026 as compared to income of $30 million for the same period in 2025. Income and expense on derivatives are driven by the impact of market interest rate changes for derivatives not designated as hedging instruments. Patronage income decreased to $164 million for the nine months ended September 30, 2026 compared to $189 million in the same period in 2025 due to lower expected patronage rates on loans sold to other System institutions. Patronage income in the District primarily related to CoBank and is accrued throughout the year and received

in cash subsequent to year-end. The patronage accrual is estimated based on volume of loans sold and expected patronage rates from System institutions, which are subject to uncertainty due to their financial performance and capital levels. During the nine months ended September 30, 2026, CoBank 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 early extinguishments of debt that funded these loans, resulting in a net gain of $4 million. There were no losses on sales of loans for the same period in 2025. 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 $90 million, of which $42 million was recognized by CoBank and $48 million by the Associations in the District. Noninterest income for the nine months ended September 30, 2025 included a return of excess insurance funds from the Insurance Corporation related to the Insurance Fund of $31 million, of which $14 million was recognized by CoBank and $17 million by the Associations in the District. As more fully explained in the CoBank 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.

District operating expenses increased to $1.427 billion for the nine months ended September 30, 2026 as compared to $1.308 billion for the same period in 2025 primarily driven by increases in employee compensation, information services, general and administrative expenses, purchased services, and Insurance Fund premium expense. Employee compensation expense, which includes salaries, incentive compensation and employee benefits, increased $46 million for the nine months ended September 30, 2026 as compared to the same period in 2025, primarily due to an increase in salary expenses from employee headcount additions, merit and other pay increases and increased accrued incentive compensation. Information services expense increased $35 million for the nine months ended September 30, 2026 as compared to the same period in 2025 due to higher costs related to hardware, software infrastructure and the modernization of existing technology platforms. General and administrative expenses increased $15 million for the nine months ended September 30, 2026 as compared to the same period in 2025, primarily due to increased training costs and charitable contributions made by CoBank and several Associations in 2026. Purchased Services increased $11 million for the nine months ended September 30, 2026 as compared to the same period in 2025, primarily due to increased consulting, and legal and other costs associated with the workout and resolution of distressed borrowers at CoBank and several Associations in 2026. Insurance Fund premium expense increased to $128 million for the nine months ended September 30, 2026 as compared to $123 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 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 outstanding adjusted insured debt obligations for the fourth quarter of 2026.

District income tax expense increased to $137 million for the nine months ended September 30, 2026 as compared to $116 million for the same period in 2025 primarily due to an increase in earnings attributable to taxable business activities at CoBank during 2026. The income tax expense at the District predominantly relates to CoBank, as a substantial majority of the business activities at Associations are exempt from federal income tax.

Loan Portfolio

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

District Loans by Loan Type

($ in Millions)	September 30, 2026	December 31, 2025
Real Estate Mortgage	**$ 50,064**	$ 49,911
Nonaffiliated Associations	**6,308**	6,125
Production and Intermediate-term	**28,151**	29,952
Agribusiness:		
Loans to Cooperatives	**15,911**	18,632
Processing and Marketing	**19,291**	18,618
Farm Related Businesses	**4,127**	3,915
Communications	**9,386**	9,074
Rural Power	**31,467**	29,869
Water and Waste	**3,703**	3,569
Agricultural Export Finance	**5,592**	5,458
Rural Residential Real Estate	**339**	343
Lease Receivables	**4,247**	4,463
Other	**130**	177
Total	**$ 178,716**	$ 180,106

Overall District outstanding loans decreased $1.4 billion to $178.7 billion at September 30, 2026, compared to $180.1 billion at December 31, 2025 primarily due to decreases in agribusiness loans to cooperatives and production & intermediate-term loans. The decrease in agribusiness loans to cooperatives primarily resulted from lower seasonal financing requirements at grain and farm supply cooperatives, which typically reach a low in late summer or early fall. These decreases were partially offset by increases in rural power,and processing and marketing loans.

Portfolio Diversification

Loan concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities, or within close proximity, which could cause them to be similarly impacted by economic or other conditions. Credit risk in the District's loan portfolio is spread broadly among customers, industries and geographic territory. The District serves a diversified spectrum of agricultural and rural infrastructure borrowers with the largest commodity and industry concentration in the fruits, nuts, and vegetables, farm supply, grain and marketing, dairy, cattle and electric distribution sectors. Association retail loans in the District loan portfolio are geographically concentrated in the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States. CoBank's retail loan portfolio also has moderate levels of geographic concentration in the Midwest region of the country.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

The following tables present the District's combined loan portfolio by primary business/commodity and geographic distribution, as a percent of total loans for the periods presented.

Distribution by Primary Business / Commodity	September 30, 2026	December 31, 2025
Fruits, Nuts and Vegetables	**16 %**	16 %
Farm Supply, Grain and Marketing	**10**	11
Dairy	**8**	8
Cattle	**7**	7
Electric Distribution	**7**	7
Regulated Utilities	**6**	6
Forest Products	**5**	5
Livestock, Fish and Poultry	**5**	5
Field Crops Except Grains	**4**	4
Farm Related Business Services	**4**	4
Nonaffiliated Associations	**4**	3
Agricultural Export Finance	**3**	3
Generation and Transmission	**3**	3
Lease Receivables	**2**	2
Rural Home	**2**	2
Other	**14**	14
Total	**100 %**	100 %

Geographic Distribution	September 30, 2026	December 31, 2025
California	**20 %**	20 %
Texas	**7**	7
Kansas	**5**	6
New York	**5**	5
Washington	**4**	5
Colorado	**4**	4
Idaho	**4**	3
Oklahoma	**3**	3
Illinois	**3**	3
Oregon	**3**	3
Florida	**2**	2
Minnesota	**2**	2
Pennsylvania	**2**	2
Iowa	**2**	3
Missouri	**2**	2
Georgia	**2**	2
Other (less than 2 percent each for the current year)	**27**	24
Total United States	**97 %**	96 %
Latin America	**2**	3
Asia	**1**	1
Europe, Middle East and Africa	**—**	—
Total International	**3 %**	4 %
Total	**100 %**	100 %

Loan Quality

One credit quality indicator utilized by the Bank and Associations is the FCA Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality,
- Special Mention – assets are currently collectible but exhibit some potential weakness,
- Substandard – assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan,
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable, and
- Loss – assets are considered uncollectible.

The following table presents loans, classified by management at the various District entities pursuant to the FCA's Uniform Loan Classification System, as a percent of total loans.

District Loan Quality

	September 30, 2026	December 31, 2025
Acceptable	**92.63 %**	92.90 %
Special Mention	**3.13**	3.55
Substandard	**4.14**	3.45
Doubtful	**0.10**	0.10
Loss	**—**	—
Total	**100.00 %**	100.00 %

Notwithstanding some credit quality deterioration, overall loan quality within the District remains manageable. Acceptable loans were 92.63 percent of total loans at September 30, 2026, compared to 92.90 percent at December 31, 2025. Special Mention loans decreased to 3.13 percent of total loans at September 30, 2026, compared to 3.55 percent at December 31, 2025. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 4.24 percent at September 30, 2026, compared to 3.55 percent at December 31, 2025 due primarily to credit quality deterioration related to agribusiness, real estate mortgage, production and intermediate, rural power and communications loans.

We believe that credit quality deterioration in the future is possible due to market factors impacting District customers, including customers of System institutions from which the District has 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, and weather related events.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

The following tables present the District's loans, classified by management pursuant to our regulator's Uniform Loan Classification System. As required under CECL, loan vintage information, including term loans, revolving loans and revolving loans converted to term loans, is also presented within the credit quality information for the periods ended September 30, 2026 and December 31, 2025.

Vintage by Credit Quality Indicator

As of September 30, 2026

	Term Loans by Origination Year									
($ in Millions)	2026	2025	2024	2023	2022	Prior	Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
Real Estate Mortgage										
Acceptable	$ 4,090	$ 5,314	$ 4,331	$ 3,052	$ 4,231	$ 21,324	$ 42,342	$ 2,616	$ 410	$ 45,368
Special Mention	82	129	139	168	223	916	1,657	69	29	1,755
Substandard	64	149	205	255	411	1,664	2,748	93	65	2,906
Doubtful	11	-	1	2	2	19	35	-	-	35
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 4,247	$ 5,592	$ 4,676	$ 3,477	$ 4,867	$ 23,923	$ 46,782	$ 2,778	$ 504	$ 50,064
Gross Charge-offs[1]	$ 1	$ -	$ 2	$ 2	$ 11	$ 22	$ 38	$ -	$ -	$ 38
Nonaffiliated Associations										
Acceptable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,308	$ -	$ 6,308
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,308	$ -	$ 6,308
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Production and Intermediate-Term										
Acceptable	$ 2,942	$ 2,800	$ 1,617	$ 948	$ 717	$ 1,311	$ 10,335	$ 14,649	$ 152	$ 25,136
Special Mention	144	92	101	34	202	35	608	753	27	1,388
Substandard	129	216	105	57	51	60	618	749	199	1,566
Doubtful	-	3	11	18	12	8	52	-	9	61
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 3,215	$ 3,111	$ 1,834	$ 1,057	$ 982	$ 1,414	$ 11,613	$ 16,151	$ 387	$ 28,151
Gross Charge-offs[1]	$ -	$ 6	$ 8	$ 10	$ 3	$ 6	$ 33	$ 4	$ 5	$ 42
Agribusiness										
Acceptable	$ 2,855	$ 4,427	$ 3,349	$ 2,657	$ 2,387	$ 4,498	$ 20,173	$ 15,084	$ 205	$ 35,462
Special Mention	71	142	215	124	220	185	957	597	19	1,573
Substandard	94	145	196	159	115	435	1,144	1,013	100	2,257
Doubtful	-	3	14	1	-	1	19	15	3	37
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 3,020	$ 4,717	$ 3,774	$ 2,941	$ 2,722	$ 5,119	$ 22,293	$ 16,709	$ 327	$ 39,329
Gross Charge-offs[1]	$ -	$ 6	$ 8	$ 3	$ -	$ 5	$ 22	$ 8	$ 2	$ 32
Communications										
Acceptable	$ 904	$ 1,700	$ 2,155	$ 1,604	$ 578	$ 995	$ 7,936	$ 854	$ -	$ 8,790
Special Mention	2	17	-	144	-	300	463	15	-	478
Substandard	-	-	15	2	-	60	77	-	-	77
Doubtful	-	-	-	40	1	-	41	-	-	41
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 906	$ 1,717	$ 2,170	$ 1,790	$ 579	$ 1,355	$ 8,517	$ 869	$ -	$ 9,386
Gross Charge-offs[1]	$ -	$ 2	$ 1	$ 32	$ 5	$ 14	$ 54	$ -	$ -	$ 54
Rural Power										
Acceptable	$ 3,018	$ 4,331	$ 3,286	$ 4,414	$ 2,981	$ 10,340	$ 28,370	$ 2,486	$ 4	$ 30,860
Special Mention	4	-	-	15	27	208	254	20	-	274
Substandard	4	-	-	249	34	46	333	-	-	333
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 3,026	$ 4,331	$ 3,286	$ 4,678	$ 3,042	$ 10,594	$ 28,957	$ 2,506	$ 4	$ 31,467
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

Vintage by Credit Quality Indicator (Continued)

As of September 30, 2026

($ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2026	2025	2024	2023	2022	Prior				
Water and Waste										
Acceptable	$ 523	$ 227	$ 413	$ 493	$ 459	$ 1,267	$ 3,382	$ 264	$ -	$ 3,646
Special Mention	-	-	-	6	-	2	8	-	-	8
Substandard	-	-	-	25	13	-	38	11	-	49
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 523	$ 227	$ 413	$ 524	$ 472	$ 1,269	$ 3,428	$ 275	$ -	$ 3,703
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agricultural Export Finance										
Acceptable	$ 131	$ 181	$ 16	$ 333	$ 75	$ 37	$ 773	$ 4,767	$ 52	$ 5,592
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 131	$ 181	$ 16	$ 333	$ 75	$ 37	$ 773	$ 4,767	$ 52	$ 5,592
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rural Residential Real Estate										
Acceptable	$ 32	$ 44	$ 29	$ 19	$ 16	$ 194	$ 334	$ -	$ -	$ 334
Special Mention	-	-	-	-	-	2	2	-	-	2
Substandard	-	-	-	-	1	2	3	-	-	3
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 32	$ 44	$ 29	$ 19	$ 17	$ 198	$ 339	$ -	$ -	$ 339
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lease Receivables										
Acceptable	$ 673	$ 779	$ 670	$ 597	$ 469	$ 733	$ 3,921	$ -	$ -	$ 3,921
Special Mention	5	17	38	18	7	33	118	-	-	118
Substandard	3	33	75	34	28	35	208	-	-	208
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 681	$ 829	$ 783	$ 649	$ 504	$ 801	$ 4,247	$ -	$ -	$ 4,247
Gross Charge-offs[1]	$ -	$ 3	$ 2	$ -	$ 1	$ 1	$ 7	$ -	$ -	$ 7
Other										
Acceptable	$ 1	$ 1	$ 1	$ 33	$ 1	$ 10	$ 47	$ 82	$ -	$ 129
Special Mention	-	-	-	-	-	2	2	-	-	2
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 1	$ 1	$ 1	$ 33	$ 1	$ 12	$ 49	$ 82	$ -	$ 131
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Loans of CoBank District										
Acceptable	$ 15,169	$ 19,804	$ 15,867	$ 14,150	$ 11,914	$ 40,709	$ 117,613	$ 47,110	$ 823	$ 165,546
Special Mention	307	397	493	509	679	1,683	4,068	1,454	75	5,597
Substandard	294	543	596	781	653	2,302	5,169	1,866	364	7,399
Doubtful	11	6	26	61	15	28	147	15	12	174
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 15,781	$ 20,750	$ 16,982	$ 15,501	$ 13,261	$ 44,722	$ 126,997	$ 50,445	$ 1,274	$ 178,716
Gross Charge-offs[1]	$ 1	$ 17	$ 21	$ 47	$ 20	$ 48	$ 154	$ 12	$ 7	$ 173

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

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Vintage by Credit Quality Indicator

As of December 31, 2025

($ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2025	2024	2023	2022	2021	Prior				
Real Estate Mortgage										
Acceptable	$ 5,659	$ 4,692	$ 3,253	$ 4,622	$ 6,101	$ 17,659	$ 41,986	$ 2,849	$ 436	$ 45,271
Special Mention	120	173	268	274	185	829	1,849	114	24	1,987
Substandard	88	115	209	395	270	1,333	2,410	87	81	2,578
Doubtful	-	-	3	18	4	49	74	-	1	75
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 5,867	$ 4,980	$ 3,733	$ 5,309	$ 6,560	$ 19,870	$ 46,319	$ 3,050	$ 542	$ 49,911
Gross Charge-offs[1]	$ -	$ -	$ 4	$ 24	$ 11	$ 10	$ 49	$ 19	$ -	$ 68
Nonaffiliated Associations										
Acceptable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,125	$ -	$ 6,125
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,125	$ -	$ 6,125
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Production and Intermediate-Term										
Acceptable	$ 4,222	$ 2,196	$ 1,231	$ 1,025	$ 643	$ 1,234	$ 10,551	$ 16,183	$ 142	$ 26,876
Special Mention	194	118	60	238	20	58	688	1,028	18	1,734
Substandard	257	89	109	59	31	62	607	561	136	1,304
Doubtful	1	7	3	10	-	2	23	4	11	38
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 4,674	$ 2,410	$ 1,403	$ 1,332	$ 694	$ 1,356	$ 11,869	$ 17,776	$ 307	$ 29,952
Gross Charge-offs[1]	$ 1	$ 4	$ 21	$ 7	$ 7	$ 13	$ 53	$ 8	$ 33	$ 94
Agribusiness										
Acceptable	$ 6,168	$ 3,690	$ 2,829	$ 3,089	$ 1,818	$ 3,504	$ 21,098	$ 15,762	$ 143	$ 37,003
Special Mention	179	270	221	303	105	157	1,235	922	22	2,179
Substandard	369	106	229	136	115	234	1,189	699	39	1,927
Doubtful	3	12	4	-	-	1	20	31	5	56
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 6,719	$ 4,078	$ 3,283	$ 3,528	$ 2,038	$ 3,896	$ 23,542	$ 17,414	$ 209	$ 41,165
Gross Charge-offs[1]	$ 1	$ 63	$ 14	$ 5	$ 13	$ 4	$ 100	$ 65	$ 1	$ 166
Communications										
Acceptable	$ 1,442	$ 2,512	$ 1,972	$ 692	$ 632	$ 846	$ 8,096	$ 751	$ -	$ 8,847
Special Mention	30	12	-	-	-	27	69	10	-	79
Substandard	-	16	63	13	-	29	121	5	3	129
Doubtful	3	1	9	2	-	-	15	2	2	19
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 1,475	$ 2,541	$ 2,044	$ 707	$ 632	$ 902	$ 8,301	$ 768	$ 5	$ 9,074
Gross Charge-offs[1]	$ -	$ -	$ -	$ 22	$ 22	$ 3	$ 47	$ -	$ -	$ 47
Rural Power										
Acceptable	$ 3,993	$ 3,434	$ 4,852	$ 3,257	$ 2,092	$ 9,472	$ 27,100	$ 2,476	$ 5	$ 29,581
Special Mention	-	-	12	62	-	112	186	-	-	186
Substandard	-	-	27	-	13	41	81	21	-	102
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 3,993	$ 3,434	$ 4,891	$ 3,319	$ 2,105	$ 9,625	$ 27,367	$ 2,497	$ 5	$ 29,869
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water and Waste										
Acceptable	$ 179	$ 615	$ 652	$ 586	$ 191	$ 1,119	$ 3,342	$ 171	$ -	$ 3,513
Special Mention	-	-	25	-	1	2	28	11	-	39
Substandard	-	-	3	14	-	-	17	-	-	17
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 179	$ 615	$ 680	$ 600	$ 192	$ 1,121	$ 3,387	$ 182	$ -	$ 3,569
Gross Charge-offs[1]	$ -	$ 6	$ 4	$ -	$ -	$ -	$ 10	$ -	$ -	$ 10

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

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

Vintage by Credit Quality Indicator

As of December 31, 2025

($ in Millions)	Term Loans by Origination Year						Total Term Loans	Revolving Loans	Revolving Loans Converted to Term	Total Loans
	2025	2024	2023	2022	2021	Prior				
Agricultural Export Finance										
Acceptable	$ 6	$ 41	$ 498	$ 67	$ 41	$ 20	$ 673	$ 4,766	$ 19	$ 5,458
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 6	$ 41	$ 498	$ 67	$ 41	$ 20	$ 673	$ 4,766	$ 19	$ 5,458
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rural Residential Real Estate										
Acceptable	$ 42	$ 35	$ 21	$ 19	$ 22	$ 198	$ 337	$ -	$ -	$ 337
Special Mention	-	-	-	-	-	2	2	-	-	2
Substandard	-	-	-	1	-	3	4	-	-	4
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 42	$ 35	$ 21	$ 20	$ 22	$ 203	$ 343	$ -	$ -	$ 343
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lease Receivables										
Acceptable	$ 1,011	$ 789	$ 735	$ 591	$ 318	$ 677	$ 4,121	$ -	$ -	$ 4,121
Special Mention	14	82	25	15	14	30	180	-	-	180
Substandard	21	33	34	28	13	32	161	-	-	161
Doubtful	-	1	-	-	-	-	1	-	-	1
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 1,046	$ 905	$ 794	$ 634	$ 345	$ 739	$ 4,463	$ -	$ -	$ 4,463
Gross Charge-offs[1]	$ -	$ 1	$ 1	$ -	$ 1	$ 1	$ 4	$ -	$ -	$ 4
Other										
Acceptable	$ 1	$ 2	$ 33	$ 1	$ 1	$ 10	$ 48	$ 128	$ -	$ 176
Special Mention	-	-	-	-	-	1	1	-	-	1
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 1	$ 2	$ 33	$ 1	$ 1	$ 11	$ 49	$ 128	$ -	$ 177
Gross Charge-offs[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Loans of CoBank District										
Acceptable	$ 22,723	$ 18,006	$ 16,076	$ 13,949	$ 11,859	$ 34,739	$ 117,352	$ 49,211	$ 745	$ 167,308
Special Mention	537	655	611	892	325	1,218	4,238	2,085	64	6,387
Substandard	735	359	674	646	442	1,734	4,590	1,373	259	6,222
Doubtful	7	21	19	30	4	52	133	37	19	189
Loss	-	-	-	-	-	-	-	-	-	-
Total	$ 24,002	$ 19,041	$ 17,380	$ 15,517	$ 12,630	$ 37,743	$ 126,313	$ 52,706	$ 1,087	$ 180,106
Gross Charge-offs[1]	$ 2	$ 74	$ 44	$ 58	$ 54	$ 31	$ 263	$ 92	$ 34	$ 389

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

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

Nonperforming Assets

($ in Millions)	September 30, 2026	December 31, 2025
Nonaccrual Loans:		
Real Estate Mortgage	$ 929	$ 994
Production and Intermediate-term	463	423
Agribusiness	657	470
Communications	98	134
Rural Power	24	48
Water and Waste	—	3
Rural Residential Real Estate	—	1
Lease Receivables	43	34
Total Nonaccrual Loans	2,214	2,107
Accruing Loans 90 Days or More Past Due:		
Real Estate Mortgage	36	3
Production and Intermediate-term	46	46
Agribusiness	43	5
Rural Residential Real Estate	1	—
Lease Receivables	4	3
Total Accruing Loans 90 Days or More Past Due	130	57
Total Nonperforming Loans	2,344	2,164
Other Property Owned	55	11
Total Nonperforming Assets	$ 2,399	$ 2,175
Nonaccrual Loans as a Percentage of Total Loans	1.24 %	1.17 %
Nonperforming Assets as a Percentage of Total Loans and Other Property Owned	1.34	1.21
Nonperforming Assets as a Percentage of Capital	7.91	7.50

Nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) totaled $2.4 billion and $2.2 billion as of September 30, 2026 and December 31, 2025, respectively. District nonaccrual loans increased $107 million during the nine months ended September 30, 2026. Nonaccrual loans at CoBank increased $24 million 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. Nonaccrual loans at Associations increased $83 million during the nine months ended September 30, 2026, primarily due to agribusiness and production and intermediate-term customers that transferred to nonaccrual during 2026, partially offset by repayments, charge-offs, reinstatements to accruing status, and transfers to other property owned. Total accruing loans 90 days or more past due increased by $73 million during the nine months ended September 30, 2026 primarily at Associations from increases in agribusiness, and real estate mortgage loans in the fruit and vegetable sectors. Other property owned increased $44 million at September 30, 2026 as compared to December 31, 2025 primarily at several Associations due to the acquisition of properties primarily in the tree nuts and fruits sectors, partially offset by the disposal of a property. Nonperforming assets represented 1.34 percent and 1.21 percent of total District loans and other property owned at September 30, 2026 and December 31, 2025, respectively. Nonaccrual loans, the largest component of nonperforming assets, represented 1.24 percent of total loans at September 30, 2026 compared to 1.17 percent at December 31, 2025.

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

($ in Millions)

Aging of Past Due Loans

	30-90 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
September 30, 2026						
Real Estate Mortgage	$ 115	$ 537	$ 652	$ 49,412	$ 50,064	$ 36
Nonaffiliated Associations	—	—	—	6,308	6,308	—
Production and Intermediate-term	202	220	422	27,729	28,151	46
Agribusiness	38	191	229	39,100	39,329	43
Communications	7	40	47	9,339	9,386	—
Rural Power	—	—	—	31,467	31,467	—
Water and Waste	—	—	—	3,703	3,703	—
Agricultural Export Finance	—	—	—	5,592	5,592	—
Rural Residential Real Estate	1	1	2	337	339	1
Lease Receivables	39	31	70	4,177	4,247	4
Other	—	—	—	130	130	—
Total	$ 402	$ 1,020	$ 1,422	$ 177,294	$ 178,716	$ 130
December 31, 2025						
Real Estate Mortgage	$ 171	$ 441	$ 612	$ 49,299	$ 49,911	$ 3
Nonaffiliated Associations	—	—	—	6,125	6,125	—
Production and Intermediate-term	191	196	387	29,565	29,952	46
Agribusiness	52	102	154	41,011	41,165	5
Communications	7	48	55	9,019	9,074	—
Rural Power	—	—	—	29,869	29,869	—
Water and Waste	—	3	3	3,566	3,569	—
Agricultural Export Finance	—	—	—	5,458	5,458	—
Rural Residential Real Estate	1	1	2	341	343	—
Lease Receivables	33	20	53	4,410	4,463	3
Other	—	—	—	177	177	—
Total	$ 455	$ 811	$ 1,266	$ 178,840	$ 180,106	$ 57

District entities maintain an allowance for loan losses at a level consistent with the expected credit losses identified by management of each institution, considering such factors as reasonable and supportable forecasts of agricultural and economic conditions, loan loss experience, portfolio quality and loan portfolio composition and concentrations. CoBank and certain Associations also maintain a reserve for unfunded commitments, which totaled $103 million at September 30, 2026.

Although aggregated in the District's combined financial statements, the allowance for loan losses for each District entity is particular to that institution and is not available to absorb losses realized by other District entities. The allowance for loan losses at September 30, 2026 totaled $1.4 billion, compared to $1.2 billion at December 31, 2025. Changes in the allowance included an overall provision for credit losses on loans of $310 million, loan recoveries of $26 million, and transfers from the reserve for unfunded commitments of $9 million, partially offset by loan charge-offs of $173 million.

Quarterly District Financial Information

CoBank, ACB and Affiliated Associations

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

Changes in Allowance for Credit Losses on Loans

($ in Millions)	Real Estate Mortgage	Non-affiliated Associations	Production and Intermediate-term	Agri-business	Communi-cations	Rural Power	Water and Waste	Agricultural Export Finance	Rural Residential Real Estate	Lease Receivables and Other	Total
September 30, 2026											
Allowance for Loan Losses											
Beginning Balance	$ 199	$ —	$ 195	$ 421	$ 120	$ 158	$ 35	$ 20	$ 1	$ 43	$ 1,192
Charge-offs	(38)	—	(42)	(32)	(54)	—	—	—	—	(7)	(173)
Recoveries	5	—	5	12	3	1	—	—	—	—	26
Provision for Credit Losses/ (Credit Loss Reversal)[1]	82	—	60	71	63	19	(2)	(6)	—	23	310
Transfers (to) from Reserve for Unfunded Commitments	—	—	(1)	1	5	3	1	—	—	—	9
Ending Balance	$ 248	$ —	$ 217	$ 473	$ 137	$ 181	$ 34	$ 14	$ 1	$ 59	$ 1,364
Reserve for Unfunded Commitments											
Beginning Balance	$ 5	$ —	$ 25	$ 47	$ 16	$ 16	$ 2	$ 1	$ —	$ —	$ 112
Transfers from (to) Allowance for Loan Losses	—	—	1	(1)	(5)	(3)	(1)	—	—	—	(9)
Ending Balance	$ 5	$ —	$ 26	$ 46	$ 11	$ 13	$ 1	$ 1	$ —	$ —	$ 103
Allowance for Credit Losses on Loans	$ 253	$ —	$ 243	$ 519	$ 148	$ 194	$ 35	$ 15	$ 1	$ 59	$ 1,467
September 30, 2025											
Allowance for Loan Losses											
Beginning Balance	$ 177	$ —	$ 175	$ 394	$ 118	$ 161	$ 31	$ 17	$ 1	$ 38	$ 1,112
Charge-offs	(37)	—	(52)	(94)	(42)	—	—	—	—	(2)	(227)
Recoveries	1	—	5	1	—	1	—	—	—	—	8
Provision for Credit Losses/ (Credit Loss Reversal)	63	—	101	131	44	(1)	3	2	—	3	346
Transfers to Reserve for Unfunded Commitments	—	—	(5)	(3)	(4)	(2)	(1)	—	—	—	(15)
Ending Balance	$ 204	$ —	$ 224	$ 429	$ 116	$ 159	$ 33	$ 19	$ 1	$ 39	$ 1,224
Reserve for Unfunded Commitments											
Beginning Balance	$ 5	$ —	$ 22	$ 51	$ 11	$ 13	$ 1	$ —	$ —	$ —	$ 103
Transfers from Allowance for Loan Losses	—	—	5	3	4	2	1	—	—	—	15
Ending Balance	$ 5	$ —	$ 27	$ 54	$ 15	$ 15	$ 2	$ —	$ —	$ —	$ 118
Allowance for Credit Losses on Loans	$ 209	$ —	$ 251	$ 483	$ 131	$ 174	$ 35	$ 19	$ 1	$ 39	$ 1,342

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

Investment Portfolio

As the funding bank for the District, CoBank is responsible for meeting the District's funding and liquidity needs. While access to the unsecured debt capital markets remains the District's primary source of liquidity, the District also maintains a secondary source of liquidity through a high credit quality investment portfolio and other short-term liquid assets which are primarily held at CoBank. All of CoBank's investment securities are classified as "available for sale." Refer to the CoBank Annual Report for additional description of the types of investments held by the Bank and related yield information and maturities. Associations have regulatory authority to enter into certain investments that carry an explicit government guarantee and certain other securities. Association investments included U.S. Treasury securities classified as "available-for-sale" and Small Business Administration (SBA) debt securities classified as "held to maturity."

Investment Information

($ in Millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2026				
CoBank Investments	**$ 50,174**	**$ 9**	**$ (1,736)**	**$ 48,447**
Association Investments	**2,947**	**—**	**(107)**	**2,840**
Total	**$ 53,121**	**$ 9**	**$ (1,843)**	**$ 51,287**
December 31, 2025				
CoBank Investments[(1)]	$ 49,930	$ 323	$ (764)	$ 49,489
Association Investments	2,491	25	(8)	2,508
Total	$ 52,421	$ 348	$ (772)	$ 51,997

[(1)] Amortized cost and fair value include an allowance for credit losses of $1 million at December 31, 2025.

Available-for-sale investment securities with unrealized losses are evaluated for an allowance for credit losses (ACL) under ASU 326. Management excludes those investment securities with no risk of credit loss from the ACL evaluation because they carry a full faith and credit guarantee of the U.S. government or are issued by U.S. agencies with an implicit guarantee from the U.S. government. For non-guaranteed investment securities, an analysis is performed at the individual security level to determine whether any portion of the unrealized loss is a credit loss. As of September 30, 2026 CoBank had no ACL on investment securities. As of December 31, 2025, CoBank's ACL on investment securities was $1 million. CoBank recorded a credit loss reversal of $1 million for its investment securities during the nine months ended September 30, 2026 and recorded no provision for credit losses or credit loss reversal for the same period in 2025. Associations with investment securities recorded no ACL and no provision or credit loss reversal for the nine months ended September 30, 2026 and 2025.

Derivatives and Hedging Activities

CoBank, and to a much lesser extent certain Associations in the District, use derivatives as part of their market risk management activities. Derivatives (primarily interest rate swaps) are used by the Bank and Associations to lower funding costs, and manage liquidity and the market risk arising from maturity and repricing mismatches between assets and liabilities. Derivatives (interest rate caps and floors) are also used by the Bank to hedge cap and floor risk embedded within its floating-rate investments and loans. The Bank also enters into derivatives with its retail customers and Associations in the District as a service to enable them to transfer, modify or reduce their interest rate risk. Derivative transactions between CoBank and the Associations in the District and the assets/liabilities and income/expense related thereto, are eliminated in the District's combined balances sheets and statements of income. Derivative transactions between CoBank and its retail customers and to offset the interest rate risk in derivatives between the Bank and Associations in the District are not designated as hedging instruments and not eliminated, and therefore, changes in fair value related to these derivatives are recorded in current period earnings. Refer to the CoBank Annual Report for additional description and disclosure of the Bank's derivatives.

Derivatives are recorded at fair value as assets or liabilities in the District combined balance sheets. Derivative assets totaled $427 million at September 30, 2026 compared to $455 million at December 31, 2025. Derivative liabilities totaled $1.2 billion at September 30, 2026 compared to $565 million at December 31, 2025.

Changes in the fair value of District derivatives are accounted for as gains or losses through current period earnings or as a component of accumulated other comprehensive income (loss), depending on the use of the derivatives and whether they qualify for hedge accounting treatment. Net changes in the fair value of derivatives recorded in noninterest income in the accompanying combined statements of income included expense of $14 million for the nine months ended September 30, 2026 as compared to income of $30 million for the same period in 2025. Changes in the fair value of derivatives recorded as other comprehensive income (loss) totaled net gains of $687 million for nine months ended September 30, 2026 as compared to losses of $245 million for the same period in 2025.

District Capital Resources

Combined District shareholders' equity at September 30, 2026 increased to $30.3 billion as compared to $29.0 billion at December 31, 2025. The change primarily resulted from District net income and a preferred stock issuance by CoBank, partially offset by patronage accruals, an increase in accumulated other comprehensive loss, a partial redemption of preferred stock at one District Association, and preferred stock dividends.

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

Accumulated Other Comprehensive Loss[1]

($ in Millions)	September 30, 2026	December 31, 2025
Unrealized Losses on Investment Securities	**$ (1,629)**	$ (385)
Net Pension Adjustment	**(194)**	(209)
Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives	**666**	(21)
Accumulated Other Comprehensive Loss	**$ (1,157)**	$ (615)

[1] Amounts are presented net of tax.

The change in the District's total accumulated other comprehensive loss during nine months ended September 30, 2026 is largely due to higher unrealized losses on investment securities driven by the impact of market interest rate changes, partially offset by unrealized gains on interest rate swaps and other derivatives.

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

On September 16, 2026, one District Association issued $150 million of unsecured subordinated notes maturing on September 15, 2041. The proceeds from the subordinated notes were used to redeem a portion of its outstanding Series A fixed-rate reset non-cumulative preferred stock. The subordinated notes will bear interest at a rate of 6.75 percent per annum, payable semi-annually in arrears, beginning March 15, 2027. From and including September 15, 2036, to, but excluding, September 15, 2041 or the date of earlier redemption, the subordinated notes will bear interest at a floating rate per annum equal to a benchmark rate (which is expected to be three-month term SOFR) plus 2.335 percent, payable quarterly in arrears, commencing on December 15, 2036. The Association may, at their option, redeem the subordinated notes, in whole or in part beginning with the interest payment date of September 15, 2036, and on any interest payment date thereafter.

On May 28, 2026, CoBank issued $500 million of Series N non-cumulative perpetual preferred stock. CoBank used the net proceeds from the Series N preferred stock issue for general corporate purposes, including to finance the redemption of its Series I preferred stock on October 1, 2026. Dividends on the Series N preferred stock, if declared by the CoBank Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on 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 CoBank's option quarterly beginning on or after July 1, 2031.

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

The following table presents regulatory capital and leverage ratios for CoBank and the range of ratios at the affiliated Associations.

Regulatory Capital Requirements and Ratios

				September 30, 2026		December 31, 2025	
Ratio	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer*	CoBank	District Associations	CoBank	District Associations
Risk Adjusted:							
Common equity tier 1 (CET1) capital ratio	Unallocated retained earnings (URE), common cooperative equities (qualifying capital stock and allocated equity)(1)	4.5 %	7.0 %	**12.12 %**	**12.21 - 19.01%**	11.95 %	11.69 - 19.13%
Tier 1 capital ratio	CET1 Capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	**14.34 %**	**13.22 - 19.01%**	13.75 %	12.85 - 19.13%
Total capital ratio	Tier 1 Capital, allowance for loan losses(2), common cooperative equities(3) and term preferred stock and subordinated debt(4)	8.0 %	10.5 %	**15.10 %**	**14.10 - 19.40%**	14.50 %	13.81 - 19.30%
Permanent capital ratio	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	7.0 %	7.0 %	**14.46 %**	**14.14 - 19.08%**	13.86 %	13.77 - 19.16%
Non-risk adjusted:							
Tier 1 leverage ratio**	Tier 1 Capital	4.0 %	5.0 %	**7.26 %**	**14.35 - 21.11%**	6.82 %	14.80 - 20.69%
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	**3.37 %**	**14.08 - 21.40%**	3.27 %	13.43 - 21.18%

* The capital conservation buffer is 2.5 percentage points in addition to certain risk-adjusted capital ratios stated in the Regulatory Minimums column.

** Must include the 1.5 percent regulatory minimum requirement for the URE and UREE Leverage ratio.

(1) Equities outstanding 7 or more years

(2) Capped at 1.25% of risk-adjusted assets

(3) Equities outstanding 5 or more years, but less than 7 years

(4) Debt and equities outstanding 5 or more years

As depicted in the table above, at September 30, 2026 and December 31, 2025, CoBank and all affiliated Associations exceeded the FCA's regulatory minimum capital ratios and any required buffers. Although aggregated in the District's combined financial statements, capital for each District entity is particular to that institution. In addition, the provisions of joint and several liability for Systemwide Debt Securities are applicable only to System banks and do not include Associations. CoBank has no access to Association capital beyond their required investment in the Bank. There are no capital sharing agreements between CoBank and its affiliated Associations.

Subsequent Events

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

In October 2026, CoBank and its affiliated Associations transferred a communications borrower with net loan exposure totaling $466 million to nonaccrual status due to the current circumstances affecting this borrower. At this time and based on current information, the financial impact of these loans is not expected to be material to the District 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 District financial information was issued and determined that there were no other events requiring disclosure.

Combined Balance Sheets

(unaudited)

($ in Millions)

	September 30, 2026	December 31, 2025
Assets		
Total Loans	**$ 178,716**	$ 180,106
Less: Allowance for Loan Losses	**1,364**	1,192
Net Loans	**177,352**	178,914
Cash and Cash Equivalents	**445**	1,221
Federal Funds Sold and Other Overnight Funds	**1,504**	3,955
Investment Securities	**51,287**	51,997
Interest Rate Swaps and Other Derivatives	**427**	455
Accrued Interest Receivable and Other Assets	**4,335**	4,197
Total Assets	**$ 235,350**	$ 240,739
Liabilities		
Bonds and Notes	**$ 199,787**	$ 206,650
Subordinated Debt	**346**	198
Interest Rate Swaps and Other Derivatives	**1,154**	565
Reserve for Unfunded Commitments	**103**	112
Patronage Payable	**768**	1,433
Accrued Interest Payable and Other Liabilities	**2,868**	2,807
Total Liabilities	**205,026**	211,765
Shareholders' Equity		
Preferred Stock Issued by Bank	**2,425**	1,925
Preferred Stock Issued by Associations	**121**	322
Common Stock	**2,120**	2,072
Paid In Capital	**3,852**	3,852
Unallocated Retained Earnings	**22,963**	21,418
Accumulated Other Comprehensive Loss	**(1,157)**	(615)
Total Shareholders' Equity	**30,324**	28,974
Total Liabilities and Shareholders' Equity	**$ 235,350**	$ 240,739

Combined Statements of Income

(unaudited)

($ in Millions)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Interest Income				
Loans	**$ 2,604**	$ 2,677	**$ 7,847**	$ 8,032
Investment Securities	**497**	494	**1,489**	1,400
Federal Funds Sold and Other Overnight Funds	**18**	19	**53**	60
Total Interest Income	**3,119**	3,190	**9,389**	9,492
Interest Expense	**1,852**	1,988	**5,607**	5,930
Net Interest Income	**1,267**	1,202	**3,782**	3,562
Provision for Credit Losses	**88**	116	**309**	346
Net Interest Income After Provision for Credit Losses	**1,179**	1,086	**3,473**	3,216
Noninterest Income				
Loan-Related Fee Income	**75**	85	**228**	233
Patronage Income	**50**	56	**164**	189
Financially-Related Services Income	**20**	25	**56**	60
Customer Interest Rate Swaps and Other Derivatives (Expense) Income	**(10)**	9	**(14)**	30
Prepayment Income	**1**	1	**4**	3
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	**—**	—	**90**	31
Other, Net	**11**	15	**39**	41
Total Noninterest Income	**165**	194	**570**	590
Operating Expenses				
Employee Compensation	**268**	246	**790**	744
Insurance Fund Premium	**42**	41	**128**	123
Information Services	**73**	58	**203**	168
General and Administrative	**30**	25	**105**	90
Occupancy and Equipment	**14**	15	**44**	44
Farm Credit System Related	**8**	8	**30**	29
Purchased Services	**25**	19	**61**	50
Other	**24**	22	**66**	60
Total Operating Expenses	**484**	434	**1,427**	1,308
Income Before Income Taxes	**860**	846	**2,616**	2,498
Provision for Income Taxes	**47**	39	**137**	116
Net Income	**$ 813**	$ 807	**$ 2,479**	$ 2,382

Select Information on District Associations

(unaudited)

($ in Millions)

As of September 30, 2026	Wholesale Loans	% of Wholesale Loans	Total Assets	Total Regulatory Capital	Total Regulatory Capital Ratio	Non-performing Assets as a % of Total Loans	Return on Average Assets
AgWest, ACA	$ 29,646	35.98 %	$ 37,515	$ 6,007	15.88 %	2.43 %	1.98 %
American AgCredit, ACA	18,424	22.36	23,268	3,577	14.58	2.36	1.97
Farm Credit East, ACA	12,612	15.31	15,627	2,610	15.93	1.07	2.57
Yosemite Farm Credit, ACA	4,282	5.20	5,430	842	14.58	1.58	2.17
Frontier Farm Credit, ACA	2,983	3.62	3,708	603	14.90	0.59	1.83
Golden State Farm Credit, ACA	2,247	2.73	2,838	456	15.22	0.69	1.46
Oklahoma AgCredit, ACA	2,089	2.52	2,561	377	14.93	0.85	1.72
High Plains Farm Credit, ACA	1,847	2.24	2,341	354	14.10	0.67	2.07
Farm Credit Western Oklahoma, ACA	1,744	2.12	2,186	357	17.47	0.94	1.87
Fresno-Madera Farm Credit, ACA	1,532	1.86	1,962	318	14.74	1.64	1.56
Farm Credit of Southern Colorado, ACA	1,459	1.77	1,857	299	15.88	1.45	0.68
Western AgCredit, ACA	1,185	1.44	1,616	338	19.40	2.10	2.13
Premier Farm Credit, ACA	855	1.04	1,157	238	18.94	0.05	2.05
Farm Credit Services of Colusa-Glenn, ACA	588	0.71	812	169	18.12	0.94	2.13
Farm Credit of Western Kansas, ACA	486	0.59	644	122	18.71	—	2.25
Idaho AgCredit, ACA	424	0.51	555	82	15.29	0.27	1.85

Association Information

AgWest, ACA
2001 South Flint Road
Spokane, WA 99224
509-340-5300
www.agwestfc.com

American AgCredit, ACA
4845 Old Redwood Hwy
Santa Rosa, CA 95403
800-800-4865
www.agloan.com

Farm Credit East, ACA
240 South Road
Enfield, CT 06082
860-741-4380
www.farmcrediteast.com

Farm Credit of Southern Colorado, ACA
5110 Edison Avenue
Colorado Springs, CO 80915
719-570-1087
www.aglending.com

Farm Credit of Western Kansas, ACA
1190 South Range Avenue
Colby, KS 67701-3503
800-657-6048
www.fcwk.com

Farm Credit of Western Oklahoma, ACA
3302 Williams Avenue
Woodward, OK 73801
800-299-3465
www.fcwestok.com

Farm Credit Services of Colusa-Glenn, ACA
2970 Davison Court
Colusa, CA 95932
530-458-2163
www.fcscolusaglenn.com

Fresno-Madera Farm Credit, ACA
4635 West Spruce Avenue
Fresno, CA 93722
559-277-7000
www.fmfarmcredit.com

Frontier Farm Credit, ACA
2009 Vanesta Place
Manhattan, KS 66503
785-776-6931
www.frontierfarmcredit.com

Golden State Farm Credit, ACA
3013 Ceres Avenue
Chico, CA 95973
530-895-8698
www.goldenstatefarmcredit.com

High Plains Farm Credit, ACA
605 Main
Larned, KS 67550-0067
620-285-6978
www.highplainsfarmcredit.com

Idaho AgCredit, ACA
188 West Judicial Street
Blackfoot, ID 83221-0985
208-785-1510
www.idahoagcredit.com

Oklahoma AgCredit, ACA
3033 Progressive Drive
Edmond, OK 73034
405-938-1700
www.okagcredit.com

Premier Farm Credit, ACA
202 Poplar Street
Sterling, CO 80751-1785
970-522-5295
www.premieraca.com

Western AgCredit, ACA
10980 South Jordan Gateway
South Jordan, UT 84095-0850
801-571-9200
www.westernagcredit.com

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