

**CoBank Quarterly District
Financial Information
March 31, 2026**

District Financial Information

CoBank, ACB and Affiliated Associations

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 March 31, 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 March 31, 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.

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Financial Highlights

(\$ in Millions) (Unaudited)

	March 31, 2026	December 31, 2025
Total Loans	\$ 181,971	\$ 180,106
Less: Allowance for Loan Losses	1,284	1,192
Net Loans	180,687	178,914
Total Assets	239,939	240,739
Total Shareholders' Equity	29,450	28,974

For the Three Months Ended March 31,	2026	2025
Net Interest Income	\$ 1,247	\$ 1,175
Provision for Credit Losses	101	132
Loan-Related Fee Income	67	73
Net Income	877	778
Net Interest Margin	2.11 %	2.11 %
Net Charge-offs / Average Loans	0.03	0.09
Return on Average Assets	1.46	1.37
Return on Average Total Shareholders' Equity	11.93	11.51
Operating Expense / Net Interest Income and Noninterest Income	31.37	31.30
Average Loans	\$ 181,768	\$ 175,308
Average Earning Assets	236,462	223,023
Average Assets	240,321	226,495

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Discussion and Analysis of District Results of Operations and Financial Condition

District average loans increased 4 percent to \$181.8 billion for the three months ended March 31, 2026 as compared to \$175.3 billion for the same period in 2025. The increase in average loans was primarily due to growth in production and intermediate-term, agribusiness and rural power loans, partially offset by a decrease in agricultural export finance loans.

Average investment securities, federal funds sold and other overnight funds increased 15 percent to \$54.7 billion for the three months ended March 31, 2026 as compared to \$47.7 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 13 percent to \$877 million for the three months ended March 31, 2026 as compared to \$778 million for the same period in 2025. The increase in District earnings primarily resulted from higher net interest income and noninterest income, and a lower provision for credit losses, partially offset by higher operating expenses and a higher provision for income taxes.

District net interest income increased 6 percent to \$1.247 billion for the three months ended March 31, 2026 as compared to \$1.175 billion for the same period in 2025. The increase in net interest income was largely driven by higher interest earning assets. Interest rate spread increased, primarily resulting from lower funding costs, partially offset by changes in asset mix and 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 remained unchanged at 2.11 percent for the three months ended March 31, 2026 and 2025.

The District recorded a provision for credit losses of \$101 million for the three months ended March 31, 2026 as compared to \$132 million for the same period in 2025. CoBank recorded a provision for credit losses of \$19 million for the three months ended March 31, 2026 as compared to \$77 million for the same period in 2025. The 2026 provision for credit losses at CoBank included \$36 million in its Agribusiness operating segment driven by deterioration in credit quality that resulted in higher modeled credit losses and specific reserves as well as increased lending activity. This was partially offset by a credit loss reversal of \$17 million in its Rural Infrastructure operating segment due to an improvement in credit quality, partially offset by increased lending activity. The 2025 provision for credit losses at CoBank primarily related to deterioration in credit quality and macroeconomic forecasts that resulted in higher modeled credit losses in many of its lending portfolios, as well as increased lending activity. The Associations recorded a net combined provision for credit losses of \$82 million for the three months ended March 31, 2026 as compared to \$55 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 credit quality downgrades, higher specific reserves and increased lending activity across several Associations.

District noninterest income increased to \$246 million for the three months ended March 31, 2026 as compared to \$207 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 other miscellaneous gains and losses. The increase in noninterest income primarily related to a higher return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation), partially offset by losses on customer interest rate swaps and other derivatives, decreased patronage income, and lower loan-related fee income. Noninterest income for the three months ended March 31, 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 three months ended March 31, 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

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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. Losses from customer interest rate swaps and other derivatives were \$4 million for the three months ended March 31, 2026 as compared to gains of \$12 million for the same period in 2025. Gains and losses on derivatives are driven by the impact of market interest rate changes for derivatives not designated as hedging instruments. Loan-related fee income decreased \$6 million for the three months ended March 31, 2026 as compared to the same period in 2025, primarily from a lower level of fees on transactions at CoBank and several Associations. Patronage income decreased \$5 million for the three months ended March 31, 2026 as compared to 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.

District operating expenses increased to \$469 million for the three months ended March 31, 2026 as compared to \$433 million for the same period in 2025 primarily driven by increases in information services, general and administrative expenses, and employee compensation. Information services expense increased \$12 million for the three months ended March 31, 2026 as compared to the same period in 2025 due to higher expenses relating to hardware, software, network infrastructure and the modernization of existing technology platforms at several Associations. General and administrative expenses increased \$9 million for the three months ended March 31, 2026 as compared to the same period in 2025 primarily due to increased charitable contributions made by CoBank and several Associations in 2026 and higher other administrative costs. Employee compensation expense, which includes salaries, incentive compensation and employee benefits, increased \$8 million for the three months ended March 31, 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.

District income tax expense increased to \$46 million for the three months ended March 31, 2026 as compared to \$39 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.

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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)	March 31, 2026	December 31, 2025
Real Estate Mortgage	\$ 49,672	\$ 49,911
Nonaffiliated Associations	6,128	6,125
Production and Intermediate-term	28,166	29,952
Agribusiness:		
Loans to Cooperatives	22,160	18,632
Processing and Marketing	18,802	18,618
Farm Related Businesses	3,920	3,915
Communications	9,190	9,074
Rural Power	30,286	29,869
Water and Waste	3,587	3,569
Agricultural Export Finance	5,150	5,458
Rural Residential Real Estate	342	343
Lease Receivables	4,390	4,463
Other	178	177
Total	\$ 181,971	\$ 180,106

Overall District outstanding loans increased \$1.9 billion to \$182.0 billion at March 31, 2026, compared to \$180.1 billion at December 31, 2025 primarily due to increases in agribusiness loans to cooperatives and rural power loans, partially offset by decreases in production and intermediate-term, agricultural export finance and real estate mortgage 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, 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.

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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		
	March 31, 2026	December 31, 2025
Fruits, Nuts and Vegetables	16 %	16 %
Farm Supply, Grain and Marketing	12	11
Dairy	8	8
Electric Distribution	7	7
Cattle	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	3	3
Generation and Transmission	3	3
Agricultural Export Finance	2	3
Leasing	2	2
Rural Home	2	2
Other	14	14
Total	100 %	100 %

Geographic Distribution		
	March 31, 2026	December 31, 2025
California	20 %	20 %
Texas	7	7
Kansas	6	6
New York	5	5
Washington	4	5
Colorado	4	4
Idaho	3	3
Oklahoma	3	3
Illinois	3	3
Oregon	3	3
Iowa	3	3
Florida	2	2
Nebraska	2	2
Minnesota	2	2
Pennsylvania	2	2
Georgia	2	2
Ohio	2	2
Other (less than 2 percent each for the current year)	25	22
Total States	98 %	96 %
Latin America	1	3
Asia	1	1
Europe, Middle East and Africa	—	—
Total International	2 %	4 %
Total	100 %	100 %

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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		
	March 31, 2026	December 31, 2025
Acceptable	92.12 %	92.90 %
Special Mention	3.96	3.55
Substandard	3.81	3.45
Doubtful	0.11	0.10
Loss	—	—
Total	100.00 %	100.00 %

Notwithstanding some credit quality deterioration, overall loan quality within the District remains manageable. Acceptable loans were 92.12 percent of total loans at March 31, 2026, compared to 92.90 percent at December 31, 2025. Special Mention loans increased to 3.96 percent of total loans at March 31, 2026, compared to 3.55 percent at December 31, 2025 primarily due to credit quality deterioration related to agribusiness and rural energy loans. The level of adversely classified loans (“Substandard”, “Doubtful” and “Loss”) as a percent of total loans increased to 3.92 percent at March 31, 2026, compared to 3.55 percent at December 31, 2025 due primarily to credit quality deterioration related to production and intermediate-term, real estate mortgage and agribusiness loans.

Credit quality deterioration in the future is possible due to market factors impacting District customers, including the macroeconomic environment, geopolitical and other disruptions related to the military conflicts in Ukraine and 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 level of interest rates, and weather related events.

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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 March 31, 2026 and December 31, 2025.

Vintage by Credit Quality Indicator											
As of March 31, 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					
Real Estate Mortgage											
Acceptable	\$ 1,547	\$ 5,646	\$ 4,576	\$ 3,219	\$ 4,449	\$ 22,360	\$ 41,797	\$ 2,613	\$ 416	\$ 44,826	
Special Mention	41	121	166	246	226	1,005	1,805	90	30	1,925	
Substandard	23	116	174	252	427	1,682	2,674	97	63	2,834	
Doubtful	-	-	-	3	27	56	86	1	-	87	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 1,611	\$ 5,883	\$ 4,916	\$ 3,720	\$ 5,129	\$ 25,103	\$ 46,362	\$ 2,801	\$ 509	\$ 49,672	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ -	\$ -	\$ 6	
Nonaffiliated Associations											
Acceptable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,128	\$ -	\$ 6,128	
Special Mention	-	-	-	-	-	-	-	-	-	-	
Substandard	-	-	-	-	-	-	-	-	-	-	
Doubtful	-	-	-	-	-	-	-	-	-	-	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,128	\$ -	\$ 6,128	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Production and Intermediate-Term											
Acceptable	\$ 1,221	\$ 3,569	\$ 1,848	\$ 1,193	\$ 867	\$ 1,483	\$ 10,181	\$ 14,519	\$ 159	\$ 24,859	
Special Mention	32	176	106	68	228	87	697	913	14	1,624	
Substandard	68	258	98	107	61	73	665	839	139	1,643	
Doubtful	-	1	7	3	9	9	29	2	9	40	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 1,321	\$ 4,004	\$ 2,059	\$ 1,371	\$ 1,165	\$ 1,652	\$ 11,572	\$ 16,273	\$ 321	\$ 28,166	
Gross Charge-offs ⁽¹⁾	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ 5	\$ 8	\$ 1	\$ 1	\$ 10	
Agribusiness											
Acceptable	\$ 811	\$ 4,882	\$ 3,600	\$ 2,667	\$ 2,824	\$ 5,031	\$ 19,815	\$ 19,916	\$ 154	\$ 39,885	
Special Mention	53	255	317	260	308	374	1,567	1,315	23	2,905	
Substandard	31	266	144	183	131	349	1,104	883	50	2,037	
Doubtful	-	3	21	4	-	1	29	18	8	55	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 895	\$ 5,406	\$ 4,082	\$ 3,114	\$ 3,263	\$ 5,755	\$ 22,515	\$ 22,132	\$ 235	\$ 44,882	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Communications											
Acceptable	\$ 212	\$ 1,490	\$ 2,549	\$ 1,909	\$ 688	\$ 1,375	\$ 8,223	\$ 764	\$ -	\$ 8,987	
Special Mention	-	29	-	-	-	18	47	9	-	56	
Substandard	-	-	16	68	13	32	129	3	-	132	
Doubtful	-	-	1	9	2	1	13	2	-	15	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 212	\$ 1,519	\$ 2,566	\$ 1,986	\$ 703	\$ 1,426	\$ 8,412	\$ 778	\$ -	\$ 9,190	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rural Power											
Acceptable	\$ 565	\$ 4,199	\$ 3,454	\$ 4,599	\$ 3,238	\$ 11,226	\$ 27,281	\$ 2,439	\$ 5	\$ 29,725	
Special Mention	4	4	-	255	62	163	488	-	-	488	
Substandard	-	-	-	23	-	29	52	21	-	73	
Doubtful	-	-	-	-	-	-	-	-	-	-	
Loss	-	-	-	-	-	-	-	-	-	-	
Total	\$ 569	\$ 4,203	\$ 3,454	\$ 4,877	\$ 3,300	\$ 11,418	\$ 27,821	\$ 2,460	\$ 5	\$ 30,286	
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

⁽¹⁾ As of and for the three months ended March 31, 2026.

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Vintage by Credit Quality Indicator (Continued)

As of March 31, 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	\$ 241	\$ 200	\$ 422	\$ 615	\$ 510	\$ 1,295	\$ 3,283	\$ 246	\$ -	\$ 3,529
Special Mention	-	-	-	31	-	2	33	11	-	44
Substandard	-	-	-	-	14	-	14	-	-	14
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 241	\$ 200	\$ 422	\$ 646	\$ 524	\$ 1,297	\$ 3,330	\$ 257	\$ -	\$ 3,587
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agricultural Export Finance										
Acceptable	\$ 62	\$ 181	\$ 41	\$ 338	\$ 63	\$ 49	\$ 734	\$ 4,324	\$ 92	\$ 5,150
Special Mention	-	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 62	\$ 181	\$ 41	\$ 338	\$ 63	\$ 49	\$ 734	\$ 4,324	\$ 92	\$ 5,150
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rural Residential Real Estate										
Acceptable	\$ 10	\$ 44	\$ 32	\$ 21	\$ 18	\$ 211	\$ 336	\$ -	\$ -	\$ 336
Special Mention	-	-	-	-	-	2	2	-	-	2
Substandard	-	-	-	-	1	3	4	-	-	4
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 10	\$ 44	\$ 32	\$ 21	\$ 19	\$ 216	\$ 342	\$ -	\$ -	\$ 342
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Receivables										
Acceptable	\$ 302	\$ 866	\$ 741	\$ 681	\$ 540	\$ 894	\$ 4,024	\$ -	\$ -	\$ 4,024
Special Mention	2	13	63	24	14	49	165	-	-	165
Substandard	1	29	63	35	29	43	200	-	-	200
Doubtful	-	-	1	-	-	-	1	-	-	1
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 305	\$ 908	\$ 868	\$ 740	\$ 583	\$ 986	\$ 4,390	\$ -	\$ -	\$ 4,390
Gross Charge-offs ⁽¹⁾	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1
Other										
Acceptable	\$ -	\$ 1	\$ 1	\$ 32	\$ 1	\$ 11	\$ 46	\$ 130	\$ -	\$ 176
Special Mention	-	1	-	-	-	1	2	-	-	2
Substandard	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ 2	\$ 1	\$ 32	\$ 1	\$ 12	\$ 48	\$ 130	\$ -	\$ 178
Gross Charge-offs ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Loans of CoBank District										
Acceptable	\$ 4,971	\$ 21,078	\$ 17,264	\$ 15,274	\$ 13,198	\$ 43,935	\$ 115,720	\$ 51,079	\$ 826	\$ 167,625
Special Mention	132	599	652	884	838	1,701	4,806	2,338	67	7,211
Substandard	123	669	495	668	676	2,211	4,842	1,843	252	6,937
Doubtful	-	4	30	19	38	67	158	23	17	198
Loss	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,226	\$ 22,350	\$ 18,441	\$ 16,845	\$ 14,750	\$ 47,914	\$ 125,526	\$ 55,283	\$ 1,162	\$ 181,971
Gross Charge-offs ⁽¹⁾	\$ 1	\$ 1	\$ 2	\$ -	\$ -	\$ 11	\$ 15	\$ 1	\$ 1	\$ 17

⁽¹⁾ As of and for the three months ended March 31, 2026.

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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.

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.

District Financial Information

CoBank, ACB and Affiliated Associations

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

Nonperforming Assets			
(\$ in Millions)		March 31, 2026	December 31, 2025
Nonaccrual Loans:			
Real Estate Mortgage	\$	961	\$ 994
Production and Intermediate-term		437	423
Agribusiness		483	470
Communications		125	134
Rural Power		44	48
Water and Waste		—	3
Rural Residential Real Estate		1	1
Lease Receivables		33	34
Total Nonaccrual Loans		2,084	2,107
Accruing Loans 90 Days or More Past Due:			
Real Estate Mortgage		35	3
Production and Intermediate-term		77	46
Agribusiness		5	5
Lease Receivables		2	3
Total Accruing Loans 90 Days or More Past Due		119	57
Total Nonperforming Loans		2,203	2,164
Other Property Owned		22	11
Total Nonperforming Assets	\$	2,225	\$ 2,175
Nonaccrual Loans as a Percentage of Total Loans		1.15 %	1.17 %
Nonperforming Assets as a Percentage of Total Loans and Other Property Owned		1.22	1.21
Nonperforming Assets as a Percentage of Capital		7.55	7.50

Nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) totaled \$2.2 billion as of March 31, 2026, and December 31, 2025. District nonaccrual loans decreased \$23 million during the three months ended March 31, 2026. Nonaccrual loans at CoBank decreased \$24 million primarily due to loan payoffs somewhat offset by agribusiness customers that transferred to nonaccrual during the three months ended March 31, 2026. Nonaccrual loans at Associations increased \$1 million during the three months ended March 31, 2026. Total accruing loans 90 days or more past due increased by \$62 million during the three months ended March 31, 2026 primarily at Associations from real estate mortgage and production and intermediate term loans. Other property owned increased \$11 million at March 31, 2026 as compared to December 31, 2025 primarily due to acquisition of properties, partially offset by disposals at one Association. Nonperforming assets represented 1.22 percent and 1.21 percent percent of total District loans and other property owned at March 31, 2026 and December 31, 2025, respectively. Nonaccrual loans, the largest component of nonperforming assets, represented 1.15 percent of total loans at March 31, 2026 compared to 1.17 percent at December 31, 2025.

District Financial Information

CoBank, ACB and Affiliated Associations

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	
March 31, 2026							
Real Estate Mortgage	\$ 287	\$ 569	\$ 856	\$ 48,816	\$ 49,672	\$	35
Nonaffiliated Associations	—	—	—	6,128	6,128		—
Production and Intermediate-term	213	254	467	27,699	28,166		77
Agribusiness	124	115	239	44,643	44,882		5
Communications	71	1	72	9,118	9,190		—
Rural Power	15	—	15	30,271	30,286		—
Water and Waste	—	—	—	3,587	3,587		—
Agricultural Export Finance	—	—	—	5,150	5,150		—
Rural Residential Real Estate	1	1	2	340	342		—
Lease Receivables	30	24	54	4,336	4,390		2
Other	—	—	—	178	178		—
Total	\$ 741	\$ 964	\$ 1,705	\$ 180,266	\$ 181,971	\$	119
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 \$107 million at March 31, 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 March 31, 2026 totaled \$1.3 billion, compared to \$1.2 billion at December 31, 2025. Changes in the allowance included an overall provision for credit losses on loans of \$101 million, transfers from the reserve for unfunded commitments of \$5 million and loan recoveries of \$3 million, partially offset by loan charge-offs of \$17 million.

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.

(\$ in Millions)	Changes in Allowance for Credit Losses on Loans										Total
	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	
March 31, 2026											
Allowance for Loan Losses											
Beginning Balance	\$ 199	\$ —	\$ 195	\$ 421	\$ 120	\$ 158	\$ 35	\$ 20	\$ 1	\$ 43	\$ 1,192
Charge-offs	(6)	—	(10)	—	—	—	—	—	—	(1)	(17)
Recoveries	—	—	2	1	—	—	—	—	—	—	3
Provision for Credit Losses/ (Credit Loss Reversal)	33	—	24	57	(5)	(8)	—	(3)	—	3	101
Transfers (to) from Reserve for Unfunded Commitments	—	—	(3)	1	4	3	—	—	—	—	5
Ending Balance	\$ 226	\$ —	\$ 208	\$ 480	\$ 119	\$ 153	\$ 35	\$ 17	\$ 1	\$ 45	\$ 1,284
Reserve for Unfunded Commitments											
Beginning Balance	\$ 5	\$ —	\$ 25	\$ 47	\$ 16	\$ 16	\$ 2	\$ 1	\$ —	\$ —	\$ 112
Transfers from (to) Allowance for Loan Losses	—	—	3	(1)	(4)	(3)	—	—	—	—	(5)
Ending Balance	\$ 5	\$ —	\$ 28	\$ 46	\$ 12	\$ 13	\$ 2	\$ 1	\$ —	\$ —	\$ 107
Allowance for Credit Losses on Loans	\$ 231	\$ —	\$ 236	\$ 526	\$ 131	\$ 166	\$ 37	\$ 18	\$ 1	\$ 45	\$ 1,391
March 31, 2025											
Allowance for Loan Losses											
Beginning Balance	\$ 177	\$ —	\$ 175	\$ 394	\$ 118	\$ 161	\$ 31	\$ 17	\$ 1	\$ 38	\$ 1,112
Charge-offs	(7)	—	(17)	(3)	(15)	—	—	—	—	—	(42)
Recoveries	—	—	2	1	—	1	—	—	—	—	4
Provision for Credit Losses/ (Credit Loss Reversal)	31	—	29	55	14	(2)	2	2	—	1	132
Transfers from (to) Reserve for Unfunded Commitments	1	—	(3)	3	(1)	(2)	1	—	—	—	(1)
Ending Balance	\$ 202	\$ —	\$ 186	\$ 450	\$ 116	\$ 158	\$ 34	\$ 19	\$ 1	\$ 39	\$ 1,205
Reserve for Unfunded Commitments											
Beginning Balance	\$ 7	\$ —	\$ 22	\$ 48	\$ 10	\$ 13	\$ 2	\$ 1	\$ —	\$ —	\$ 103
Transfers (to) from Allowance for Loan Losses	(1)	—	3	(3)	1	2	(1)	—	—	—	1
Ending Balance	\$ 6	\$ —	\$ 25	\$ 45	\$ 11	\$ 15	\$ 1	\$ 1	\$ —	\$ —	\$ 104
Allowance for Credit Losses on Loans	\$ 208	\$ —	\$ 211	\$ 495	\$ 127	\$ 173	\$ 35	\$ 20	\$ 1	\$ 39	\$ 1,309

District Financial Information

CoBank, ACB and Affiliated Associations

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 and mortgage backed securities issued by the Federal Agricultural Mortgage Corporation (Farmer Mac) classified as "held to maturity."

Investment Information

(\$ in Millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2026				
CoBank Investments ⁽¹⁾	\$ 50,012	\$ 193	\$ (812)	\$ 49,393
Association Investments	2,711	11	(17)	2,705
Total	\$ 52,723	\$ 204	\$ (829)	\$ 52,098
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 allowances for credit losses of \$1 million at March 31, 2026 and December 31, 2025.

District investment securities increased to \$52.1 billion at March 31, 2026 from \$52.0 billion at December 31, 2025. The increase in investments was at Associations to maintain liquidity reserves resulting from loan growth, with further growth attributable to an Association that began purchasing and holding investments in 2025. These increases were partially offset by a decrease investments at CoBank due to an increase in unrealized losses resulting from changes in market interest rates.

Available-for-sale investment securities with unrealized losses are also 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 March 31, 2026 and December 31, 2025, CoBank's ACL on investment securities was \$1 million. CoBank recorded no provision or credit loss reversal for its investment securities during the three months ended March 31, 2026 and 2025. Associations with investment securities recorded no allowance for credit losses and no provision or credit loss reversal for the three months ended March 31, 2026 and 2025.

District Financial Information

CoBank, ACB and Affiliated Associations

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 \$341 million at March 31, 2026 compared to \$455 million at December 31, 2025. Derivative liabilities totaled \$513 million at March 31, 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 losses of \$4 million for the three months ended March 31, 2026 as compared to gains of \$12 million for the same period in 2025. Changes in the fair value of derivatives recorded as other comprehensive income (loss) totaled net gains of \$86 million for the three months ended March 31, 2026 as compared to net losses of \$159 million for the same period in 2025.

District Capital Resources

Combined District shareholders' equity at March 31, 2026 increased to \$29.5 billion as compared to \$29.0 billion at December 31, 2025. The change primarily resulted from District net income partially offset by an increase in accumulated other comprehensive loss, patronage accruals, 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)	March 31, 2026	December 31, 2025
Unrealized Losses on Investment Securities	\$ (564)	\$ (385)
Net Pension Adjustment	(204)	(209)
Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives	65	(21)
Accumulated Other Comprehensive Loss	\$ (703)	\$ (615)

⁽¹⁾ Amounts are presented net of tax.

The change in the District's total accumulated other comprehensive loss during the three months ended March 31, 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.

District Financial Information

CoBank, ACB and Affiliated Associations

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							
Ratio	Primary Components of Numerator	Regulatory Minimums	Minimum with Buffer*	March 31, 2026		December 31, 2025	
				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 %	11.20 %	11.49 - 18.52%	11.95 %	11.69 - 19.13%
Tier 1 capital ratio	CET1 Capital, non-cumulative perpetual preferred stock	6.0 %	8.5 %	12.92 %	12.64 - 18.52%	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 %	13.64 %	13.41 - 18.69%	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 %	13.03 %	13.50 - 18.55%	13.86 %	13.77 - 19.16%
Non-risk adjusted:							
Tier 1 leverage ratio**	Tier 1 Capital	4.0 %	5.0 %	6.50 %	13.96 - 21.43%	6.82 %	14.80 - 20.69%
UREE leverage ratio	URE and URE Equivalents	1.5 %	1.5 %	2.95 %	13.11 - 21.35%	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 March 31, 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.

Other Matters

Other Regulatory Matters

On April 10, 2024, the FCA issued a final rule that would amend the Tier 1/Tier 2 capital framework to define and establish a risk weight for high-volatility commercial real estate exposures by assigning a 150 percent risk-weighting to such exposures, instead of the current 100 percent risk-weighting. The final rule includes changes that are comparable with the capital rules of other federal banking regulatory agencies and recognizes the increased risk posed by high-volatility commercial real estate exposures. The final rule defines high-volatility commercial real estate exposures as acquisition, development or construction exposures that meet specific criteria, subject to certain exclusions. On October 16, 2024, the FCA extended the effective date of this final rule from January 1, 2025 to January 1, 2026. The final rule is required to be implemented on a prospective basis to loans originated or acquired after January 1, 2026 that meet the definition of high-volatility commercial real estate exposures. CoBank and its affiliated Associations implemented the final rule on January 1, 2026, and it did not have a material impact to the regulatory capital ratios of CoBank or its affiliated Associations.

District Financial Information

CoBank, ACB and Affiliated Associations

Subsequent Events

We have evaluated subsequent events through May 8, 2026, which is the date District financial information was issued and determined that there were no other events requiring disclosure.

District Financial Information

CoBank, ACB and Affiliated Associations

Combined Balance Sheets

(unaudited)

(\$ in Millions)

	March 31, 2026	December 31, 2025
Assets		
Total Loans	\$ 181,971	\$ 180,106
Less: Allowance for Loan Losses	1,284	1,192
Net Loans	180,687	178,914
Cash and Cash Equivalents	354	1,221
Federal Funds Sold and Other Overnight Funds	2,749	3,955
Investment Securities (net of allowance of \$1 million at March 31, 2026 and December 31, 2025)	52,098	51,997
Interest Rate Swaps and Other Derivatives	341	455
Accrued Interest Receivable and Other Assets	3,710	4,197
Total Assets	\$ 239,939	\$ 240,739
Liabilities		
Bonds and Notes	\$ 206,803	\$ 206,650
Subordinated Debt	198	198
Interest Rate Swaps and Other Derivatives	513	565
Reserve for Unfunded Commitments	107	112
Patronage Payable	369	1,433
Accrued Interest Payable and Other Liabilities	2,499	2,807
Total Liabilities	210,489	211,765
Shareholders' Equity		
Preferred Stock Issued by Bank	1,925	1,925
Preferred Stock Issued by Associations	324	322
Common Stock	2,058	2,072
Paid In Capital	3,852	3,852
Unallocated Retained Earnings	21,994	21,418
Accumulated Other Comprehensive Loss	(703)	(615)
Total Shareholders' Equity	29,450	28,974
Total Liabilities and Shareholders' Equity	\$ 239,939	\$ 240,739

District Financial Information

CoBank, ACB and Affiliated Associations

Combined Statements of Income

(unaudited)

(\$ in Millions)

	For the Three Months Ended March 31,	
	2026	2025
Interest Income		
Loans	\$ 2,619	\$ 2,679
Investment Securities	493	436
Federal Funds Sold and Other Overnight Funds	20	19
Total Interest Income	3,132	3,134
Interest Expense	1,885	1,959
Net Interest Income	1,247	1,175
Provision for Credit Losses	101	132
Net Interest Income After Provision for Credit Losses	1,146	1,043
Noninterest Income		
Loan-Related Fee Income	67	73
Patronage Income	58	63
Financially-Related Services Income	19	18
Customer Interest Rate Swaps and Other Derivatives (Expense) Income	(4)	12
Prepayment Income	1	—
Losses on Early Extinguishments of Debt	(1)	(3)
(Losses) Gains on Sales of Investment Securities	—	3
Return of Excess Insurance Funds	90	31
Other, Net	16	10
Total Noninterest Income	246	207
Operating Expenses		
Employee Compensation	256	248
Insurance Fund Premium	43	41
Information Services	67	55
General and Administrative	40	31
Occupancy and Equipment	16	15
Farm Credit System Related	11	11
Purchased Services	16	15
Other	20	17
Total Operating Expenses	469	433
Income Before Income Taxes	923	817
Provision for Income Taxes	46	39
Net Income	\$ 877	\$ 778

District Financial Information

CoBank, ACB and Affiliated Associations

Select Information on District Associations

(unaudited)

(\$ in Millions)

As of March 31, 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	\$ 29,346	36.05 %	\$ 36,738	\$ 5,742	15.15 %	2.37 %	2.03 %
American AgCredit, ACA	18,576	22.83	23,296	3,626	13.77	2.04	2.22
Farm Credit East, ACA	12,224	15.01	15,058	2,456	15.36	0.76	2.90
Yosemite Farm Credit, ACA	4,138	5.08	5,222	800	14.01	2.19	2.07
Frontier Farm Credit, ACA	2,898	3.56	3,576	581	14.74	0.82	1.83
Golden State Farm Credit, ACA	2,171	2.67	2,778	438	14.60	1.34	0.96
Oklahoma AgCredit, ACA	2,120	2.60	2,576	361	13.71	0.76	1.55
Farm Credit Western Oklahoma, ACA	1,839	2.26	2,253	341	15.83	0.26	1.77
High Plains Farm Credit, ACA	1,769	2.17	2,289	332	13.41	0.69	2.16
Farm Credit of Southern Colorado, ACA	1,453	1.78	1,846	293	15.76	0.91	0.28
Fresno-Madera Farm Credit, ACA	1,445	1.77	1,875	309	14.77	1.76	1.93
Western AgCredit, ACA	1,150	1.41	1,571	323	18.69	1.68	2.81
Premier Farm Credit, ACA	872	1.07	1,154	228	18.27	0.10	1.65
Farm Credit Services of Colusa-Glenn, ACA	520	0.64	745	163	18.46	1.17	2.08
Farm Credit of Western Kansas, ACA	488	0.60	642	116	17.53	—	2.03
Idaho AgCredit, ACA	411	0.50	530	77	15.54	0.67	0.96

District Financial Information

CoBank, ACB and Affiliated Associations

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.fwkw.com

Farm Credit of Western Oklahoma, ACA

3302 Williams Avenue
Woodward, OK 73801
800-299-3465
www.fwestok.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.yosemitfarmcredit.com