



ANNUAL REPORT

2025

GROUNDING IN PURPOSE

FINANCIAL HIGHLIGHTS

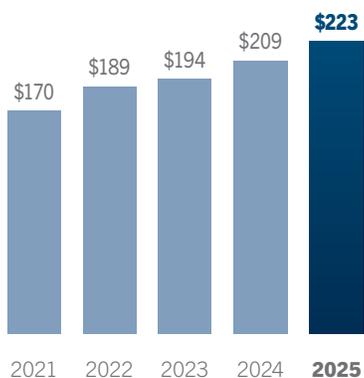
| For the Year (\$ in millions) | 2025 | 2024 | 2023 | 2022 | 2021 |
|--------------------------------------|-----------------|----------|----------|----------|----------|
| Net Interest Income | \$ 2,090 | \$ 1,936 | \$ 1,847 | \$ 1,884 | \$ 1,726 |
| Provision for Credit Losses | \$ 199 | \$ 49 | \$ 76 | \$ 111 | \$ 18 |
| Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 | \$ 1,449 | \$ 1,314 |
| Patronage Distributions | \$ 1,079 | \$ 1,032 | \$ 965 | \$ 995 | \$ 885 |

| At Year-End (\$ in millions) | 2025 | 2024 | 2023 | 2022 | 2021 |
|-------------------------------------|-------------------|------------|------------|------------|------------|
| Agribusiness | \$ 42,144 | \$ 40,463 | \$ 37,785 | \$ 40,098 | \$ 38,094 |
| Farm Credit Banking | \$ 88,843 | \$ 84,059 | \$ 77,658 | \$ 71,529 | \$ 65,632 |
| Rural Infrastructure | \$ 35,893 | \$ 34,337 | \$ 32,572 | \$ 28,462 | \$ 24,803 |
| Total Loans | \$ 166,880 | \$ 158,859 | \$ 148,015 | \$ 140,089 | \$ 128,529 |
| Allowance for Credit Losses | \$ 787 | \$ 792 | \$ 814 | \$ 825 | \$ 757 |
| Total Assets | \$ 223,477 | \$ 208,574 | \$ 194,359 | \$ 188,843 | \$ 170,306 |
| Total Shareholders' Equity | \$ 14,038 | \$ 12,862 | \$ 11,193 | \$ 10,225 | \$ 12,234 |

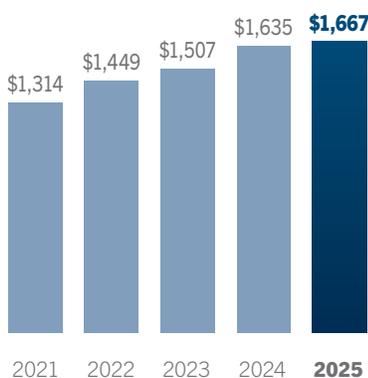
| Financial Ratios | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------|---------|---------|---------|---------|
| Return on Average Common Equity | 13.61 % | 15.05 % | 15.78 % | 14.59 % | 11.78 % |
| Return on Average Assets | 0.79 % | 0.84 % | 0.80 % | 0.80 % | 0.82 % |
| Return on Average Active Patron Investment | 25.56 % | 26.13 % | 25.57 % | 26.07 % | 23.17 % |
| Net Interest Margin | 1.00 % | 1.00 % | 0.99 % | 1.06 % | 1.10 % |
| Total Capital Ratio | 14.50 % | 14.39 % | 14.11 % | 14.25 % | 15.63 % |
| Tier 1 Leverage Ratio | 6.82 % | 6.90 % | 6.79 % | 6.80 % | 7.47 % |

KEY METRICS

Total Assets (\$ in billions)



Net Income (\$ in millions)



Patronage Distributions (\$ in millions)

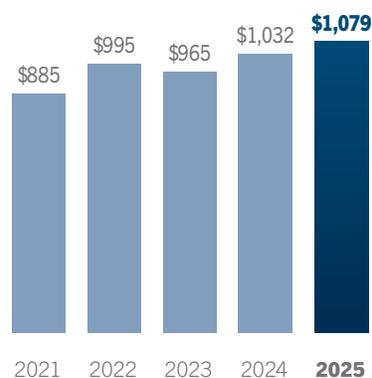
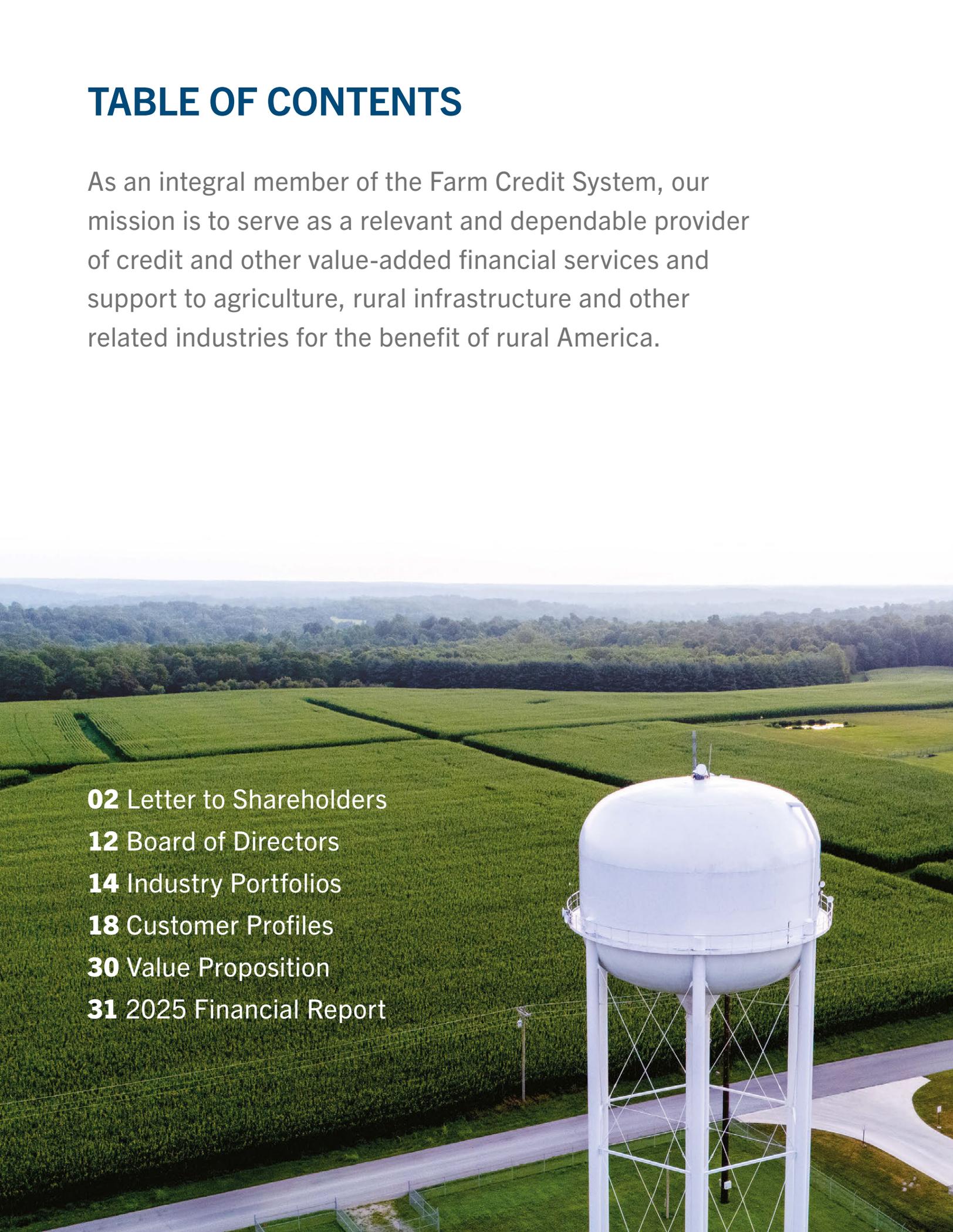


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As an integral member of the Farm Credit System, our mission is to serve as a relevant and dependable provider of credit and other value-added financial services and support to agriculture, rural infrastructure and other related industries for the benefit of rural America.



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LETTER TO SHAREHOLDERS

To our customers and other stakeholders

On behalf of our board of directors and executive team, we are pleased to provide CoBank's annual report for 2025. Despite significant stresses in the U.S. farm economy and challenging credit conditions in many of the sectors we finance, the bank delivered another year of strong financial performance and made solid progress against important key objectives for our business.

Growth in 2025 was robust and broad-based, with outstanding loans increasing in both the wholesale and commercial portions of our portfolio. Net income increased to a record \$1.667 billion.

Patronage distributions for the year are \$1.079 billion, the highest level in the history of the enterprise.

Notwithstanding an increase in credit losses, CoBank's capital position strengthened year over year, reflecting disciplined balance sheet management and strong earnings. In addition, we maintained a firm focus on operating expense and cost control. We continued to invest prudently in our operating platform to promote efficiency, enhance the capabilities of our team and improve the experience we provide our customers. Importantly, we allowed customers, associates and other stakeholders to share in our success through a wide range of corporate philanthropy programs.

Pictured left to right

THOMAS HALVERSON
Chief Executive Officer

BRANDON J. WITTMAN
Board Chair



We are proud of the performance that CoBank delivered last year and the strong results that are detailed throughout this report. Looking ahead, we expect the bank to remain financially strong and exceptionally well positioned to support the capital needs of our customers throughout rural America.

Financial Results

For the full-year 2025, CoBank's average loans outstanding increased by approximately 6%, to \$160.8 billion. Period-end loans increased 5%, to \$166.9 billion.

CoBank conducts lending operations through three operating segments: Agribusiness, Rural Infrastructure and Farm Credit

Banking. Our Agribusiness segment covers the business we do with farmer-owned cooperatives and other food and agribusiness borrowers in a wide variety of agricultural sectors. Rural Infrastructure includes loans to customers in the rural electric, rural water and rural communications sectors, as well as adjacent industries. Farm Credit Banking primarily includes wholesale loans to 16 affiliated associations serving almost 80,000 farmers and ranchers operating in 23 states around the country. CoBank has a long track record of sustained growth in these segments despite our relatively narrow lending authorities, significant market share and the mature profile of many of the industries we serve.

Period End and Average Loans (\$ in billions)

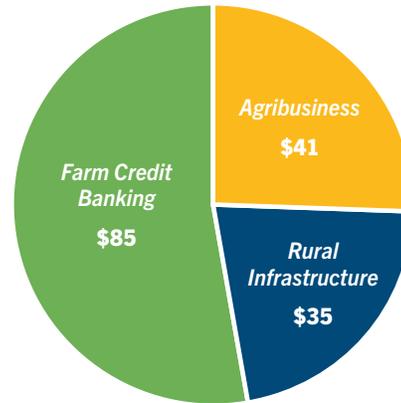


“
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 FOR OUR BUSINESS.”

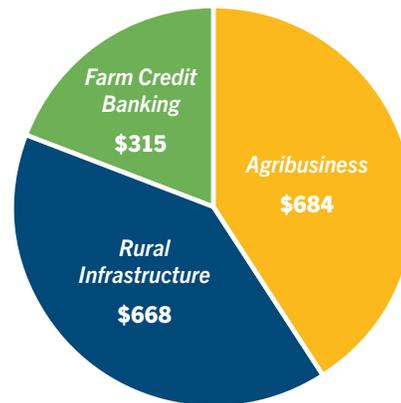
For 2025, loan growth occurred in a number of areas across our franchise, including:

- **Grain and farm supply**, driven by farmer selling patterns and their impacts on seasonal financing requirements at country grain elevators throughout the Midwest
- **Regulated utilities**, driven by lending to electric utilities and midstream oil and gas companies
- **Digital infrastructure**, including loans for broadband deployments by communications service providers delivering high-speed internet services to rural communities

2025 Average Loans by Operating Segment (\$ in billions)



2025 Net Income by Operating Segment (\$ in millions)



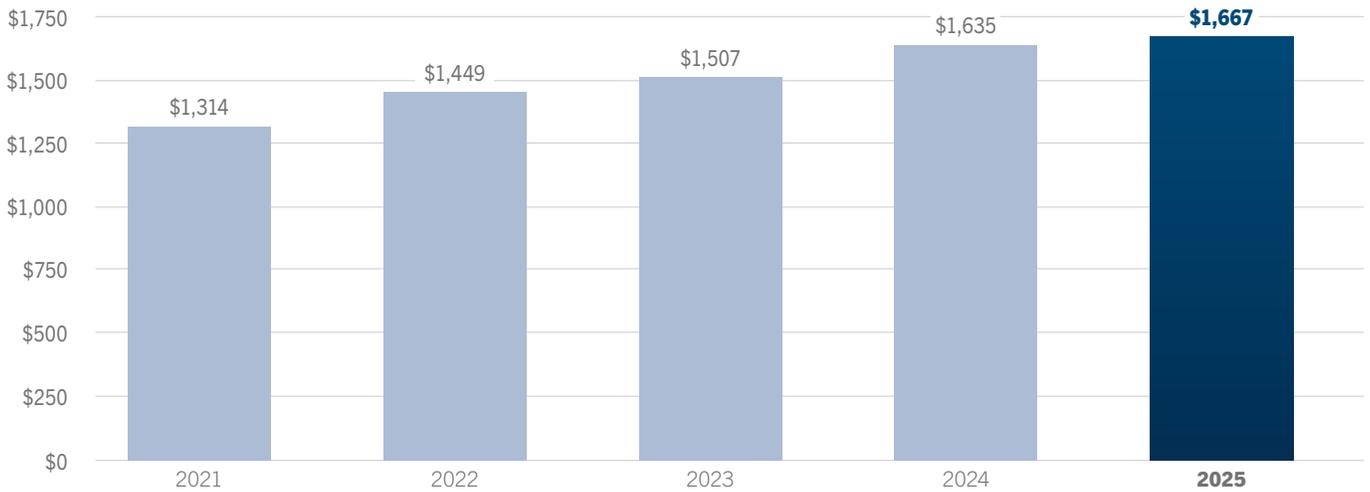
- **Livestock**, driven by increased prices for cattle and higher levels of purchased participation volume in this sector from Farm Credit associations
- **Farm Credit Banking**, driven by increased demand for credit from farmers and ranchers served by our affiliated associations

This growth is a direct result of CoBank's hard-earned marketplace reputation as a reliable provider of credit and financial services to rural industries and our ability to deliver value through consistent patronage, deep industry knowledge and an exceptional overall customer experience.

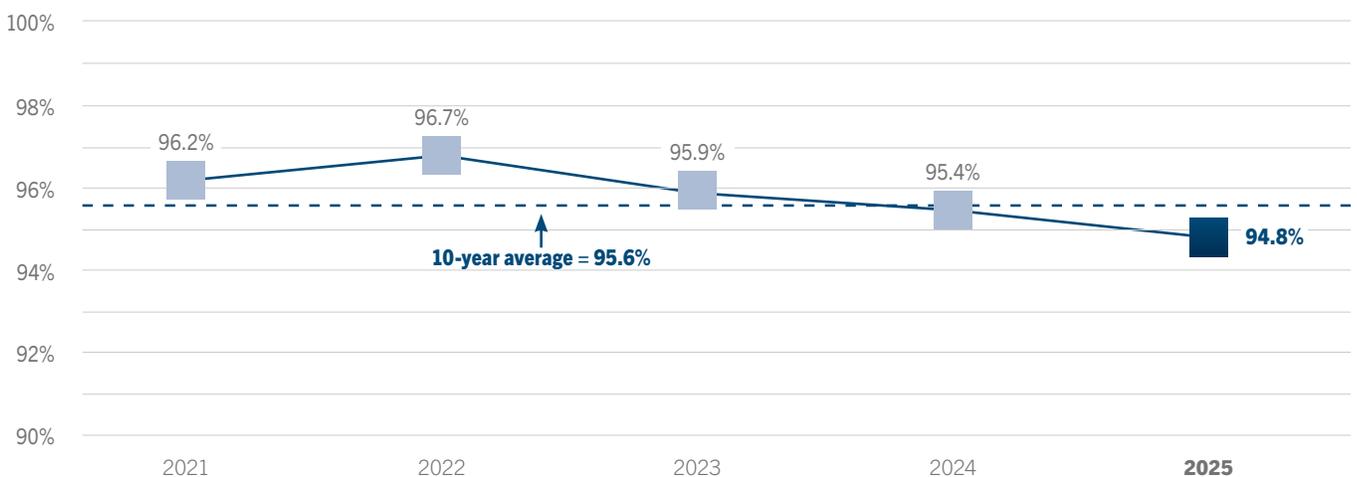
Net income for CoBank rose approximately 2% in 2025 to \$1.667 billion, from \$1.635 billion in 2024. The increase reflected strong revenue generation and disciplined expense management, partially offset by a significantly higher provision for credit losses, as further detailed below.

Credit quality in CoBank's loan portfolio remained manageable throughout 2025, though we did experience deterioration in light of elevated levels of borrower stress in distinct portions of our agribusiness and infrastructure portfolios. At year-end, 94.8% of our commercial loans were classified as Acceptable (the highest category of loan quality), slightly below our 10-year trailing average for this metric of 95.6%. Nonaccrual loans increased

Net Income (\$ in millions)



Credit Quality (% Acceptable at period-end)*



* Commercial loan portfolio.

to \$617 million, or 0.37% of total loans, at December 31, 2025, compared to \$376 million, or 0.24% of total loans, at the end of 2024. The bank's provision for credit losses was \$199 million for 2025 compared to \$49 million in 2024. CoBank's allowance for credit losses, which protects the bank's capital base against expected losses in our loan portfolio, totaled \$787 million, or 1.02% of total loans, as of December 31, 2025, excluding guaranteed loans and loans to Farm Credit associations.

Patronage Distributions

For 2025, patronage distributions total \$1.079 billion — \$935 million in cash plus an additional \$144 million in equity. This year's patronage payout is the highest in the history of the bank and includes \$79 million in all-cash special patronage approved by our board in December 2025.

The below table details 2025 patronage distributions by customer or loan type under our various capital plans and patronage programs. Including special patronage, our agribusiness, communications and project finance borrowers earned 110 basis points of patronage for the year, while rural

| Key Credit Quality Indicators (\$ in millions)* | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------|--------|--------|--------|---------------|
| Nonaccrual Loans | \$ 123 | \$ 145 | \$ 117 | \$ 376 | \$ 617 |
| Nonaccrual Loans / Total Loans | 0.10 % | 0.10 % | 0.08 % | 0.24 % | 0.37% |
| Provision for Credit Losses | \$ 18 | \$ 111 | \$ 76 | \$ 49 | \$ 199 |
| Net Charge-offs (Recoveries) / Average Loans | (0.01 %) | 0.03 % | 0.01 % | 0.05 % | 0.13% |
| Allowance for Credit Losses / Total Loans | 0.59 % | 0.59 % | 0.55 % | 0.50 % | 0.47% |

*As of period-end

| 2025 Patronage Distributions by Pool (\$ in millions) | Program Patronage | Special Patronage | Total Patronage | BPS* |
|--|--------------------------|--------------------------|------------------------|-------------|
| Agribusiness, Communications and Project Finance | \$ 321 | \$ 19 | \$ 340 | 110.0 |
| Rural Electric and Water | \$ 125 | \$ 11 | \$ 136 | 88.0 |
| Affiliated Farm Credit Associations | \$ 353 | \$ 35 | \$ 388 | 49.5 |
| Loans Purchased from Farm Credit Institutions | \$ 182 | \$ 13 | \$ 195 | 110.0 |
| Non-Affiliated Farm Credit and Other Financing Institutions | \$ 19 | \$ 1 | \$ 20 | 32.3 |

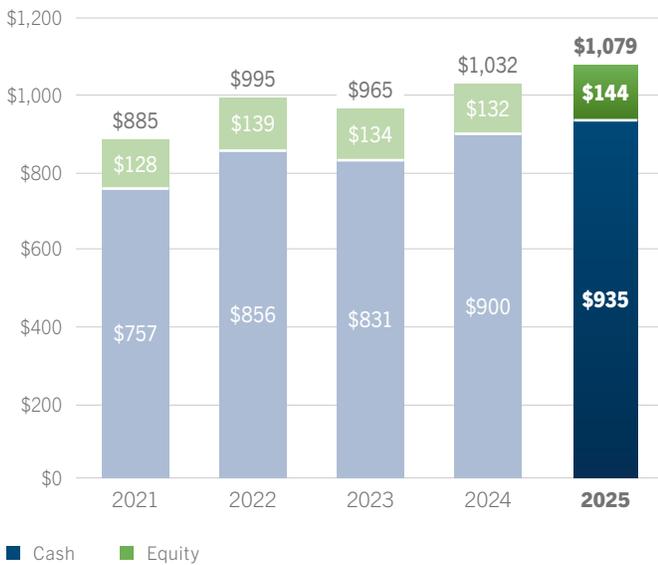
*Basis points of qualifying loans.

electric and water customers earned 88 basis points. Affiliated Farm Credit associations received 49.5 basis points of all-cash patronage under their capital plan.

Our board and executive team are committed to delivering tangible economic value to our customer-owners through patronage and to growing that value over time. Since 2021, the bank has distributed approximately \$4.3 billion in cash patronage, along with an additional \$677 million in bank equity. Since 2020, the compound annual growth rate for CoBank patronage has exceeded 8%. This is one of the most powerful ways the bank creates value for its shareholders as a customer-owned financial cooperative.

SINCE 2021, THE BANK HAS DISTRIBUTED APPROXIMATELY \$4.3 BILLION IN CASH PATRONAGE, ALONG WITH AN ADDITIONAL \$677 MILLION IN BANK EQUITY.

Patronage Distributions (\$ in millions)



Capital and Liquidity

Throughout 2025, CoBank’s capital and liquidity levels remained well in excess of regulatory minimums. At year-end, the bank’s total capital ratio was 14.5%, compared with the 8.0% minimum (10.5% inclusive of the capital conservation buffer) established by the Farm Credit Administration, the bank’s independent regulator. As of December 31, 2025, we held a total of \$54.4 billion in cash and investments, and our days liquidity was 174 days, significantly higher than the regulatory requirement of 90 days.

An important achievement in 2025 was our work to maintain the bank’s ability to leverage third-party capital through continued issuances of preferred stock. Preferred stock plays an important role in our overall capital strategy, supplementing member capital and providing the bank with increased flexibility to support growth and serve customers across a wide range of marketplace conditions. The bank’s previous preferred stock

shelf, approved by shareholders in 2016, was capped at \$2.5 billion and set to expire at the end of 2026. With the support of our board of directors, we put forward a recommendation to shareholders for a new 10-year shelf with an increased ceiling of \$4.5 billion. We’re pleased that shareholders approved the capitalization bylaw amendment in December 2025.

Operating Expenses

Operating expenses for the bank totaled \$612 million in 2025, an increase of approximately 2.5% from \$597 million in 2024. As is typical, employee compensation was the largest single component of controllable operating expense during the year, followed by spending on information services. We continue to benefit from the innate efficiency of CoBank’s business model, including our membership in the Farm Credit System and the System’s favorable access to funding as a Government Sponsored Enterprise. Nonetheless, our board and management

Total Capital Ratio



| Shareholders' Equity (\$ in millions) | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------|------------|------------|------------|-----------|
| Preferred Stock | \$ 1,902 | \$ 1,633 | \$ 1,625 | \$ 2,225 | \$ 1,925 |
| Common Stock | \$ 4,013 | \$ 4,000 | \$ 4,076 | \$ 4,352 | \$ 4,599 |
| Retained Earnings | \$ 6,164 | \$ 6,519 | \$ 7,016 | \$ 7,500 | \$ 7,971 |
| Accumulated Other Comprehensive (Loss) Income | \$ 155 | \$ (1,927) | \$ (1,524) | \$ (1,215) | \$ (457) |
| Total Shareholders' Equity | \$ 12,234 | \$ 10,225 | \$ 11,193 | \$ 12,862 | \$ 14,038 |

team remain committed to expense discipline and ensuring that operating expense grows in appropriate proportion to revenue over time. We're pleased that our operating expense ratio, defined as operating expense (excluding insurance fund premiums) as a percentage of net interest income and fee income, improved to 22.3% for the year, from 23.6% in 2024.

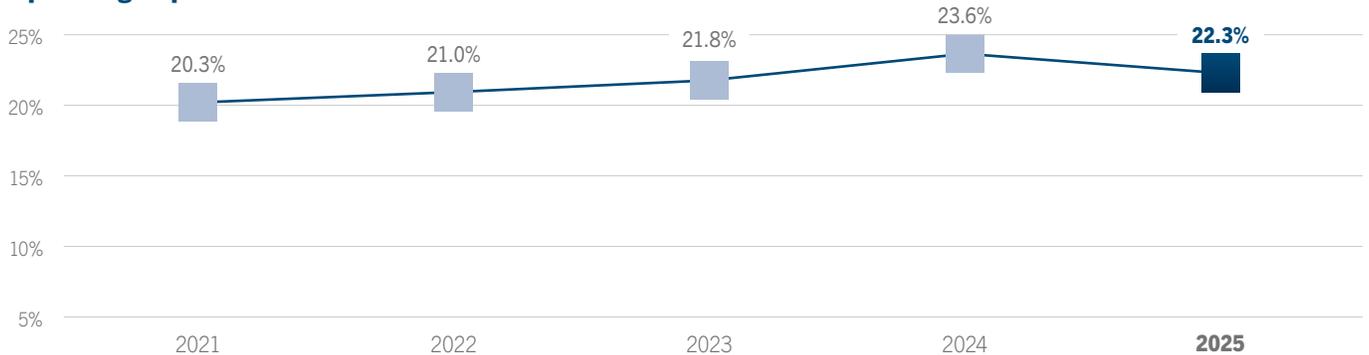
Commitment to Mission

As a member of the Farm Credit System, CoBank is specifically chartered to provide dependable credit and other financial services to vital sectors of the U.S. rural economy. The theme of this year's report — "Grounded in Purpose" — is meant to reflect that mission and the singular focus we have on supporting the capital needs of our customers across rural America.

Mission service at CoBank extends well beyond our core lending operations and encompasses a wide range of other programs and investments. Through our board-approved corporate

sustainability strategy, we continue to take a customer-centric approach to environmental stewardship, supporting borrowers with their own initiatives and on their own timelines. We have built a targeted portfolio of investments in rural-focused equity funds, which drive job growth and economic development in rural areas. We also remain committed to corporate citizenship: Through Sharing Success and the bank's other charitable programs, we contributed approximately \$16.7 million to nonprofit organizations in 2025, most of them in rural communities. Within the bank, we invest heavily in programs that benefit our associates, including programs designed to build a respectful and inclusive workplace where every associate feels welcome and able to contribute their best on a daily basis. CoBank's 2025 sustainability report, a companion document to our annual report, contains a wealth of information about these activities, and we urge all of our stakeholders to review it in detail.

Operating Expense Ratio*



*Excludes insurance fund premium expense

Looking Ahead

As of this writing, economic conditions in much of the U.S. rural economy remain challenging and highly uncertain. Producers across multiple agricultural sectors face tighter margins due to the combination of lower revenues from crop sales and elevated input costs. Farmer-owned cooperatives continue to play their role as a dependable sales channel for their members, but they are managing significant marketplace complexity as well as the erosion of demand for U.S. agricultural exports. In the power sector, rural electric cooperatives and other market participants are grappling with a rapidly emerging supply-demand imbalance in the industry driven by investment in artificial intelligence and the proliferation of data centers. Many rural industries are capital intensive and have been impacted by the trajectory of interest rates over the past couple of years.

Against that backdrop, our board and executive team remain dedicated to the mission of the bank and the Farm Credit System, as are the more than 1,300 team members at CoBank who are fully invested in the success of our customers and of America's rural communities. CoBank's purpose is to be a dependable source of capital for our customers regardless of conditions in the marketplace. We will continue to play that role and serve as a stabilizing force for the rural economy in an unpredictable and volatile world.

As always, we are grateful for the enormous trust our customers place in CoBank as their financial partner. We thank you for your support and look forward to reporting back about our progress against these mission service and commercial goals.



BRANDON J. WITTMAN
Board Chair



THOMAS HALVERSON
Chief Executive Officer

OUR BOARD AND
EXECUTIVE TEAM
REMAIN DEDICATED TO
THE MISSION OF THE
BANK AND THE FARM
CREDIT SYSTEM.





Honoring Kevin Still

The CoBank board of directors expresses its heartfelt gratitude to Kevin Still, who stepped down as board chair at the end of 2025 after four impactful years in that role. He will continue his service on the board through the expiration of his term at the end of 2026, wrapping up a quarter century of dedicated board service at CoBank.

Kevin's professional career spans 45 years within the U.S. cooperative system. As CEO of Indiana-based Keystone Cooperative, he leads one of the largest and most successful farmer-owned cooperatives in the country. Over his tenure at Keystone and predecessor cooperatives, Kevin has relentlessly pursued scale, innovation and financial strength as the pillars of success and value creation for farmer-members. Today, Keystone provides a wide variety of essential services to more than 20,000 farmer-members in Indiana, Ohio, Michigan and Illinois.

Kevin joined CoBank's board in 2002 and is its longest-serving director. He assumed the role of board chair in January 2022 and has been a highly trusted and credible advocate for the bank and its key stakeholders — including cooperative borrowers, Farm Credit associations, trade organizations and policymakers.

“Kevin Still's contributions to America's cooperative system have been truly remarkable over a lifetime of service and professional success,” said Brandon Wittman, who succeeded Kevin as CoBank board chair in January 2026. “His deep knowledge of American agriculture and his perspective as the chief executive of a farmer-owned agricultural cooperative, have been enormous assets in our boardroom. We deeply appreciate his leadership and his many contributions to agriculture and rural America.”

2026 BOARD OF DIRECTORS



BRANDON J. WITTMAN
Occupation: Electric
Cooperative Management
Hometown: Billings, MT



MATTHEW W. BEATON
Occupation: Farming
Hometown: East Sandwich, MA



MICHAEL W. MARLEY
Occupation: Farming
Hometown: Roswell, NM



DUANE R. ANDERSON
Occupation: Agribusiness
Management
Hometown: Seneca, KS



MICHAEL S. BROWN
Occupation: Retired,
Commercial Banking
Hometown: San Diego, CA



RUSSELL G. BROWN
Occupation: Retired,
Community Banking
Hometown: Warsaw, VA



WILLIAM M. FARROW III
Occupation: Retired,
Commercial Banking
Hometown: Evanston, IL



JOHN S. FORLINES
Occupation: Retired,
Financial Services
Hometown: Bluffton, SC



SCOTT R. HENDRIX
Occupation: Electric
Cooperative Management
Hometown: Tupelo, MS



JASON T. LAY
Occupation: Farming
Hometown: Bloomington, IL



JON E. MARTHEDAL
Occupation: Farming
Hometown: Fresno, CA



ROBERT (MAC) N. MCLENNAN
Occupation: Electric
Cooperative Management
Hometown: Grand Forks, ND



GARY A. MILLER
Occupation: Electric
Cooperative Management
Hometown: Douglasville, GA



CATHERINE MOYER
Occupation: Rural
Communications Management
Hometown: Ulysses, KS



NATHAN D. RIGGERS
Occupation: Farming
Hometown: Nezperce, ID



KEVIN A. STILL
Occupation: Agribusiness
Cooperative Management
Hometown: Carmel, IN



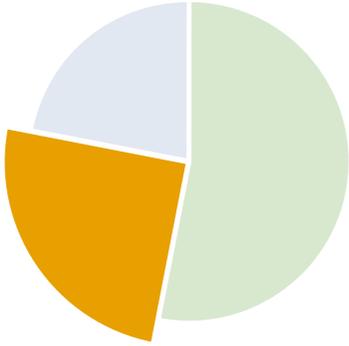
EDGAR A. TERRY
Occupation: Farming
Hometown: Ventura, CA



SUREENA S. BAINS THIARA
Occupation: Farming,
Crop Insurance Service
Hometown: Yuba City, CA

GROUNDING IN PURPOSE

AGRIBUSINESS PORTFOLIO



\$42B

LOANS AT YEAR-END

25%

OF TOTAL LOAN PORTFOLIO

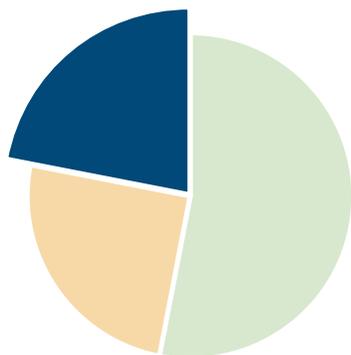
CoBank's Agribusiness operating segment includes lending to regional and corporate agribusiness customers, export finance customers and leasing customers. It serves cooperatives and other customers involved in a wide variety of industries, including grain handling and marketing, farm supply, food processing, dairy, livestock, fruits, nuts, vegetables, cotton, biofuels and forest products.

For the Year

| (\$ in millions) | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------|-----------|-----------|-----------|-----------|-----------|
| Period-end Loans | \$ 42,144 | \$ 40,463 | \$ 37,785 | \$ 40,098 | \$ 38,094 |
| Average Loans | \$ 41,341 | \$ 38,870 | \$ 40,044 | \$ 43,323 | \$ 37,656 |
| Net Income | \$ 684 | \$ 714 | \$ 731 | \$ 774 | \$ 677 |



RURAL INFRASTRUCTURE PORTFOLIO



\$36B

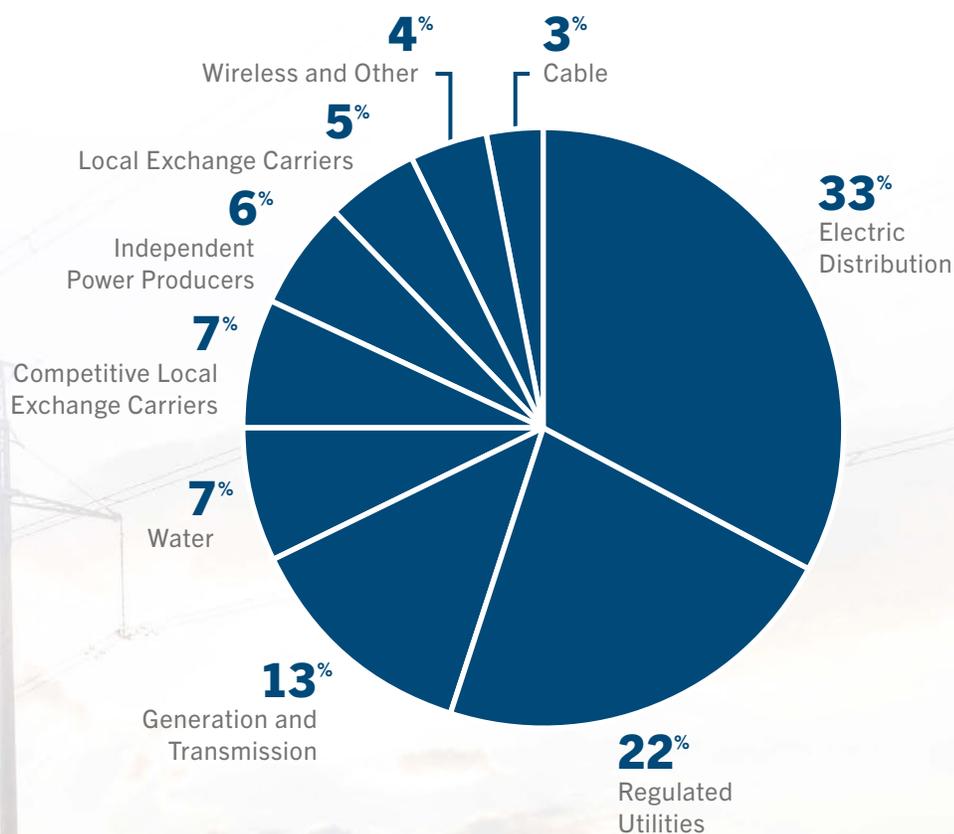
LOANS AT YEAR-END

22%
OF TOTAL LOAN
PORTFOLIO

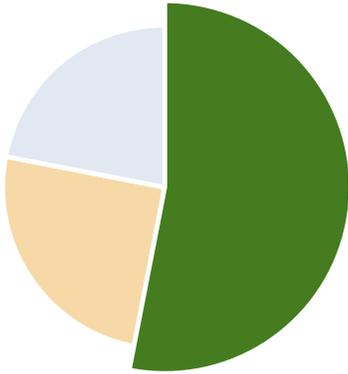
CoBank's Rural Infrastructure operating segment includes lending to rural infrastructure borrowers across the United States. It serves rural utilities and other customers across a wide variety of industries, including electric generation, transmission and distribution cooperatives; midstream energy and gas pipeline providers; water and waste companies; broadband, data centers, wireline, cable and wireless communications service providers; and rural health care and other community facilities.

For the Year

| (\$ in millions) | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------|------------------|-----------|-----------|-----------|-----------|
| Period-end Loans | \$ 35,893 | \$ 34,337 | \$ 32,572 | \$ 28,462 | \$ 24,803 |
| Average Loans | \$ 34,997 | \$ 33,325 | \$ 30,215 | \$ 25,734 | \$ 24,379 |
| Net Income | \$ 668 | \$ 622 | \$ 495 | \$ 424 | \$ 392 |



FARM CREDIT BANKING PORTFOLIO



\$89B

LOANS AT YEAR-END

53%

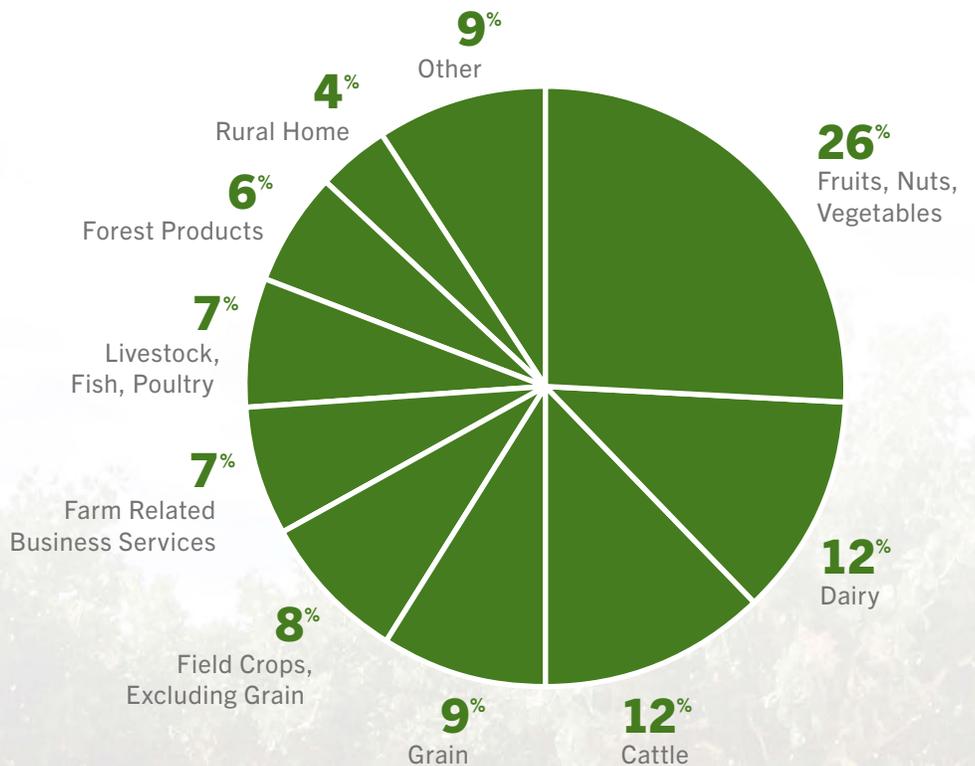
OF TOTAL LOAN PORTFOLIO

In addition to providing loans to cooperatives and other commercial customers in all 50 states, CoBank serves as a funding bank for 16 affiliated Farm Credit associations across the country. Those associations provide loans and financial services to almost 80,000 farmers, ranchers and other rural borrowers in 23 states. They serve a diverse array of industries, from fruits, nuts and vegetables, to grains and other row crops, to dairy, beef, poultry and forest products.

CoBank provides these association customers with wholesale financing as well as other value-added products and services. Our relationships with these associations provide the bank with added lending capacity by serving as participation partners on large credit transactions. CoBank also derives additional value from purchasing participations in their loans.

For the Year

| (\$ in millions) | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------|------------------|-----------|-----------|-----------|-----------|
| Period-end Loans | \$ 88,843 | \$ 84,059 | \$ 77,658 | \$ 71,529 | \$ 65,632 |
| Average Loans | \$ 84,476 | \$ 79,272 | \$ 72,816 | \$ 67,855 | \$ 61,304 |
| Net Income | \$ 315 | \$ 299 | \$ 281 | \$ 251 | \$ 245 |



FARM CREDIT BANKING GROUP

AFFILIATED FARM CREDIT ASSOCIATIONS

CALIFORNIA

- 1 American AgCredit
SANTA ROSA
- 2 Farm Credit Services
of Colusa-Glenn
COLUSA
- 3 Fresno Madera Farm Credit
FRESNO
- 4 Golden State Farm Credit
KINGSBURG
- 5 Yosemite Farm Credit
TURLOCK

COLORADO

- 6 Farm Credit of
Southern Colorado
COLORADO SPRINGS
- 7 Premier Farm Credit
STERLING

CONNECTICUT

- 8 Farm Credit East
ENFIELD

IDAHO

- 9 Idaho AgCredit
BLACKFOOT

KANSAS

- 10 Farm Credit of
Western Kansas
COLBY
- 11 Frontier Farm Credit
MANHATTAN
- 12 High Plains Farm Credit
LARNED

OKLAHOMA

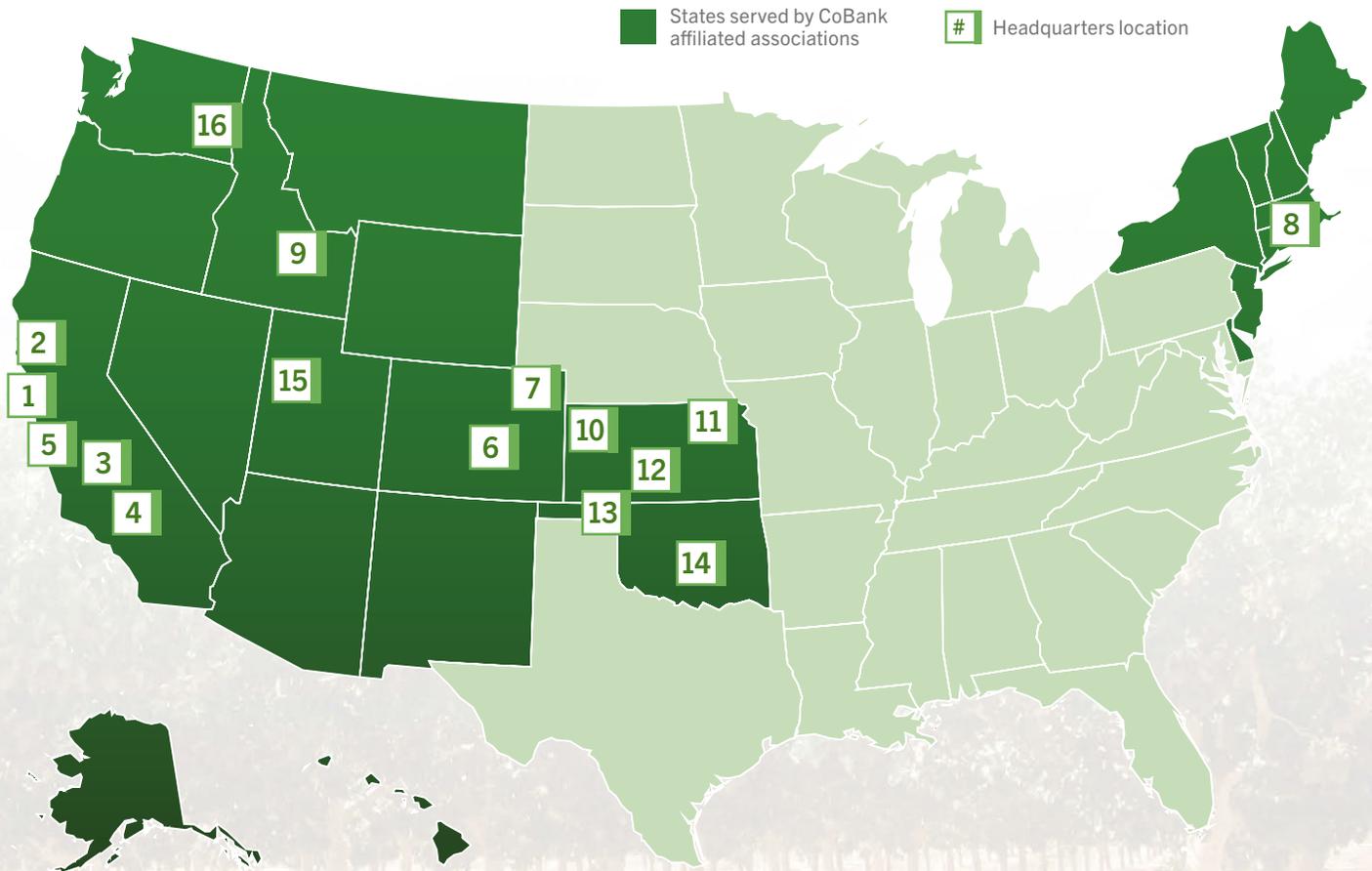
- 13 Farm Credit of
Western Oklahoma
WOODWARD
- 14 Oklahoma AgCredit
EDMOND

UTAH

- 15 Western AgCredit
SOUTH JORDAN

WASHINGTON

- 16 AgWest Farm Credit
SPOKANE



Farm Credit of Western Kansas

Colby, Kansas

Pictured left to right

- 1 Raymond Wagester**
Lead Relationship Manager, FCBG
CoBank
- 2 Chris Halbleib**
Chief Financial Officer
Farm Credit of Western Kansas
- 3 Jon Hornung**
Sr. VP of Participations
Farm Credit of Western Kansas
- 4 Darris DeGood**
Chief Credit Officer
Farm Credit of Western Kansas
- 5 Jessica Vaughn**
Chief Executive Officer
Farm Credit of Western Kansas
- 6 Scott Brown**
VP of Appraisals
Farm Credit of Western Kansas
- 7 Kris Harper**
VP of Loan Documentation
Farm Credit of Western Kansas
- 8 Brett Arnberger**
Sr. VP of Credit
Farm Credit of Western Kansas



FARM CREDIT
OF WESTERN KANSAS



Supporting rural communities, one generation at a time

For Farm Credit of Western Kansas, agriculture isn't just an industry — it's a way of life. Through it all, strong partnerships ensure the association can serve its member-owners through the good times and hardships.

For nearly 110 years, FCWK has been a vital resource for rural agricultural producers across the region. Amid economic uncertainties and the inherent volatility of the industry, the association provides critical financing for local corn, wheat and cattle producers across nine counties — ensuring future growth and sustainability for its members.

“Our tagline is ‘financing agriculture for generations,’ and we take that very seriously,” said Jessica Vaughn, CEO of FCWK. “Partners like CoBank are a big factor in our success — our missions align, and we share the same values.”

FCWK is one of CoBank's 16 affiliated associations, receiving wholesale funding and other products and services from the bank to support its membership. FCWK also partners with CoBank at the community level, including its participation in the bank's Sharing Success program — an annual \$6 million fund that matches up to \$15,000 in contributions where its member-owners live and work.

“Our service area is very rural, which makes community support so impactful,” said Vaughn.

Both organizations also recently made a joint contribution to the Citizens Health Foundation, a new hospital that is currently under construction in Colby, Kansas. The medical facility will give the region better access to specialized health care and treatment options while improving accessibility and convenience. FCWK and CoBank partnered to donate a combined \$35,000 for the project, with the association contributing \$20,000 and CoBank donating \$15,000 — nearly doubling the impact. The hospital is projected to open in the spring of 2026.

“Not only does CoBank provide funding to us so that we can support our members and community, but they are also just supreme leaders within the agricultural industry. They provide valuable educational opportunities — including webinars and in-person meetings to provide industry outlooks. Their capital markets program is also extremely beneficial, allowing us to participate in larger financial opportunities, which supports our diversification and future growth,” Vaughn said.

Together, FCWK and CoBank have built a foundation of support in the region, strengthening local agriculture and its surrounding communities to make a meaningful impact.

“The economy has been tough, but CoBank has weathered these storms before for rural America. We are also here to stand strong for our farmers and ranchers. We are a mainstay in western Kansas — and we plan to be here for many generations to come. CoBank is a key part of that promise,” Vaughn said.



Sustaining family farms and rural communities through generations

For over 90 years, Idaho AgCredit has helped shape the future for generations of family farms across the state. As one of the smaller associations within the Farm Credit System, its strong tie to the community sets it apart — positioning the association for continued growth as it welcomes a new wave of producers.

Idaho AgCredit delivers financial services to farmers, ranchers and agribusinesses across its territory in the state and two counties in Wyoming, financing commodities from potatoes and sugar beets to alfalfa, wheat, malt barley, dairy and cattle. With only one territorial expansion more than 40 years ago, it has maintained a stable service area and fostered strong, personal relationships with its customers-owners.

“Many of our customers are multigenerational, and we continue to welcome new members each year as well. And we are actively working to engage and support these young, beginning and small farmers — it’s incredibly important that we build relationships with the next generation of agriculture and help facilitate their entry into the industry,” said Marc Fannesbeck, president and chief executive officer of Idaho AgCredit.

To help strengthen these relationships and support steady growth, Idaho AgCredit works with CoBank. As one of the bank’s 16 affiliated associations, it receives wholesale funding from the bank that supports the loans it provides its farmers and ranchers.

“We’re a small institution, but we feel significant to CoBank ... and that trickles down to our members. They are significant to them, too,” Fannesbeck said.

Idaho AgCredit uses several resources from the bank to better serve its members — including CoBank’s cash management service, which provides tailored financial services and tools that help the association’s farmer-members manage payments, pay down loans and protect against fraud. Idaho AgCredit and CoBank also partner on loan participations, each buying loans that the other institutions has originated.

“We appreciate the ability to sell volume to CoBank and then receive volume back — it creates a cohesive partnership and has helped us continue to expand our footprint while broadening the services we offer,” Fannesbeck said.

Fannesbeck notes that Idaho AgCredit recently achieved an important growth milestone, surpassing \$500 million in assets. But staying small, he said, “will always be one of our greatest strengths.”

“We’re highly efficient, and our staff wears many hats. Because of that, we can interact with our members and the community from every level of leadership. And CoBank has helped strengthen our ability to serve them, creating lasting relationships and value,” Fannesbeck said.

Idaho AgCredit

Blackfoot, Idaho

Pictured left to right

- 1 Sara Reid**
VP, FCBG
CoBank
- 2 Brett Crowther**
Blackfoot Branch Manager
Idaho AgCredit
- 3 Adam Jensen**
EVP and Chief
Credit Officer
Idaho AgCredit
- 4 Marc Fannesbeck**
President and Chief
Executive Officer
Idaho AgCredit
- 5 Dana Wood**
Secretary and Chief
Financial Officer
Idaho AgCredit
- 6 Ryan Funk**
VP and Chief
Information Officer
Idaho AgCredit
- 7 Kirk Powell**
VP and Branch Manager,
Capital Markets
Idaho AgCredit
- 8 Brendan Ronayne**
VP, FCBG
CoBank
- 9 Katie Wallace**
VP, Lending
Idaho AgCredit



Idaho
AgCredit



Ag Plus, Inc.
South Whitley, Indiana

Pictured left to right

- 1 Joe Heintzleman**
Briggs Dry
Operations Manager
Ag Plus
- 2 Louis McIntire**
Sr. Relationship Manager
CoBank
- 3 Jeff Mize**
President and Chief
Executive Officer
Ag Plus
- 4 Chase Brown**
VP of Agronomy
Ag Plus
- 5 David Reynolds**
Sr. Relationship Manager
Farm Credit Leasing
- 6 John Dusseau**
Sr. Credit Officer
CoBank



Solid roots, steady growth and strong partnerships

Indiana-based Ag Plus is deeply rooted in the community it serves. Through mergers and acquisitions, the century-old cooperative has expanded its reach to serve a diverse membership — from small weekend farmers to large-scale producers, including multigenerational families and Amish communities.

Ag Plus was formed in 1912 as a farmer-owned grain elevator and now generates approximately \$270 million in annual sales. It operates across five divisions — covering grain, agronomy, feed, energy and retail and serving approximately 1,145 member-owners in Indiana and Ohio. Through its evolution, it hasn't lost sight of its community-first values, positioning itself as a mainstay in the region's agricultural landscape.

"Many of the producers we work with today have grown up coming to our grain elevator, and now they bring their own children. For some members, it's a passed-down tradition — and we strive to be in operation for many more generations to come," said Jeff Mize, president and CEO of Ag Plus.

Ag Plus has a long-standing relationship with CoBank, using a variety of financial services from the bank — including its positive pay, cash management solutions and Farm Credit Leasing programs to help support operational needs.

"We have worked with CoBank for decades. They understand our need for capital, helping to analyze our plans for future projects. And they especially know the nuances of the grain industry — there has been a lot of trust built over the years, and they have been extremely instrumental in our continued growth," Mize said.

In 2025, Ag Plus partnered with CoBank to complete an \$8.8 million grain facility upgrade, increasing drying speeds to over 6,000 bushels per hour and adding 1 million bushels of additional storage. Ag Plus also upgraded its electrical systems and conveyor equipment during the overhaul while financing equipment and vehicles through CoBank's Farm Credit Leasing subsidiary.

Ag Plus currently has \$65 million in total commitments with the bank, which also helps with various other operational endeavors — including a new software system and drone technology to modernize its approach.

"With continued growth, there's also a need for efficiency. CoBank understands that need and ultimately understands what is at the heart of our mission," Mize said. "We also wouldn't be successful for all these years without our members and employees — they are the ones working the long hours out in the field and at the grain elevator. It's all a cohesive relationship. CoBank supports us so we can support them — and that's what matters," Mize said.





Agtegra Cooperative
Aberdeen, South Dakota

Pictured left to right

- 1 Milt Handcock**
Sr. VP of Energy and Feed
Agtegra Cooperative
- 2 Travis Antonsen**
Sr. VP of Grain Marketing and Rail Logistics
Agtegra Cooperative
- 3 Paul Forst**
Chief Finance and Technology Officer
Agtegra Cooperative
- 4 Jason Klootwyk**
Chief Executive Officer
Agtegra Cooperative
- 5 Mike Traxinger**
Sr. VP and General Counsel, Government Affairs
Agtegra Cooperative
- 6 Kristi Johnson**
Chief Human Resources Officer
Agtegra Cooperative
- 7 Daryl Molskness**
Sr. VP of Agronomy
Agtegra Cooperative
- 8 Cary Sandell**
Lead Relationship Manager
CoBank

Not Pictured:

Mike Rizor
Chief Operating Officer
Agtegra Cooperative



Investing in innovation

With roots dating back more than a century, Agtegra Cooperative continues to evolve through strategic mergers and bold acquisitions, leveraging long-standing partnerships to fuel growth and innovation across the Northern Plains.

Agtegra was formed in 2018 through the merger of two legacy cooperatives: North Central Farmers Elevator and South Dakota Wheat Growers. Today, it serves 7,000 members across South Dakota, North Dakota, Minnesota, Montana and Wyoming. From its headquarters in Aberdeen, South Dakota, the co-op operates more than 60 locations that handle 250 million bushels of grain and 500,000 tons of fertilizer annually. As an agricultural retailer, the co-op also offers a wide range of other products and services — including storage, shipping, agronomy products, seed, crop protection, energy, feed and animal nutrition.

“Most of our business lines were inherited from the legacy cooperatives. The merger allowed us to pool our resources, resulting in a larger, more diversified organization,” said Jason Klootwyk, Agtegra’s chief executive officer. “Industry partners like CoBank have been instrumental in our growth, especially with the purchase of our export facility, which opened new doors and even more opportunities.”

In 2022, Agtegra expanded into the grain export market by joining forces with Bunge and Pan Ocean America, becoming joint owners of a state-of-the-art export grain terminal in the Pacific Northwest, a hub for moving grain to international markets. Agtegra acquired a minority interest in the facility, improving market access and export capabilities, especially for soybeans and corn.

“Agtegra ships more than 325 trains a year, and we needed ownership in that downstream supply chain to have greater visibility into the world markets. We set out to find the right partners, and our investment in EGT made that possible,” said Klootwyk. “Through this venture, our partners have been extremely receptive to a farmer-owned cooperative joining the team. Our size and scale make us the largest independent shipper to the Pacific Northwest, which provides a steady flow of business that our partnership has been able to leverage and add value to. With CoBank’s support, we’ve been able to make a substantial investment,” Klootwyk said.

CoBank helped Agtegra fund the investment in the export facility, expanding its presence in the international grain market while financing other significant projects and investments totaling close to \$175 million in the past three years. The bank, along with other Farm Credit System partners, also recently re-syndicated Agtegra’s line of credit, ensuring access to the capital and financial resources needed to continue its operational growth.

“We’ve had two phenomenal years in a row at Agtegra, and that has added even more enthusiasm and energy about our future,” Klootwyk said. “CoBank has been a big part of our expansion and success. They rally around us through challenging times and celebrate our wins, helping ensure we stay relevant for the next 100 years.”



American Crystal Sugar Company
Moorhead, Minnesota

Pictured left to right

- 1 Bentley Hodges**
Lead Relationship Manager
CoBank
- 2 Teresa Warne**
VP, Finance
American Crystal Sugar Company
- 3 Thomas Astrup**
President and Chief Executive Officer
American Crystal Sugar Company
- 4 Natalya Rivkin**
Managing Director
CoBank



American Crystal Sugar Company



Securing a sweet future

American Crystal Sugar Company is an iconic brand, producing crystal sugar as well as powdered and liquid varieties for retail and food and beverage manufacturers across the United States.

The sugar cooperative operates five plants in Minnesota and North Dakota, processing sugar beets grown by its 2,600 members who farm across 400,000 acres. Once harvested, the beets are delivered to a receiving station, then moved to one of its processing plants, where 3 billion pounds of sugar are produced each year.

Operating at that scale, combined with its evolution as a farmer-owned cooperative, has made American Crystal Sugar a mainstay across the Red River Valley.

“Our roots go back more than a century, but we became a co-op 52 years ago when local growers saw long-term potential in sugar beets and wanted more control over their future,” said Tom Astrup, president and chief executive officer of American Crystal Sugar. “And today, we remain committed to working alongside our members to invest in our future.”

To support future growth and drive efficiency on behalf of its members, the co-op is expanding its facility in Drayton, North Dakota.

“We knew we needed to make some upgrades to increase our capacity while improving our efficiency and environmental impact,” said Astrup. “Our Drayton factory is our largest, and we have a lot of producers in that region, so the upgrades have also reduced trucking costs.”

To help finance the expansion, American Crystal Sugar worked with its longtime partner CoBank, which arranged \$800 million in credit facilities, including a revolver for general corporate purposes and term debt to finance several projects. The upgrades have increased production at Drayton by over 40% with plans to increase that in the next five years.

“CoBank has been a great partner. They understand our business — including sugar markets and policy, which can be extremely complicated. We also appreciate their collaboration at the community level,” Astrup said.

American Crystal Sugar participates in CoBank’s Sharing Success program, a \$6 million fund that matches up to \$15,000 in donations made by its customers to organizations within their community. Individually, American Crystal Sugar gives back 5 cents for every ton of beets it harvests through its Community Roots program — donating approximately \$600,000 a year to education, health care and emergency services.

“CoBank has a shared understanding of the cooperative model and shares our same values. I often compare being CEO of a cooperative to being the coach of a team ... building up the organization to work together towards one common goal: to be the best in the world at what we do. CoBank has that same goal and is a great teammate,” Astrup said.





From surviving to thriving

The soybean industry faced challenges in 2025, especially with tariffs and trade disruptions. But that didn't change Ag Processing Inc's continued focus on delivering long-term value for its member-owners with the completion of its 11th soybean processing facility in David City, Nebraska.

AGP ranks as the fourth largest soybean processor in the United States and the largest cooperative soybean processor in the world. It operates across Iowa, Minnesota, Missouri, Nebraska and South Dakota, breaking down soybeans into 80% meal and 20% oil. The oil is then refined for renewable fuels and food products, while the meal is sold domestically and exported. And despite the economic headwinds from Washington's policy uncertainty, the co-op has held steady.

"While the soybean processing industry has experienced favorable market conditions in recent years, we recognize that agriculture is inherently cyclical," said Paul Wahlmeier, AGP's vice president of finance. "As a federated cooperative, one of AGP's guiding principles is to ensure the company remains strong and well positioned so we can continue creating value for our member-owners throughout every phase of the cycle."

AGP operates under a cooperative structure, buying soybeans from its members and then selling the meal back once it's processed. That model has been central to AGP's success — and is rooted in the company's origins.

"AGP was formed during the 1980s farm crisis by combining the assets of Boone Valley Cooperative, Farmland and Land O'Lakes," said Kyle Droescher, group vice president and chief financial officer of AGP. "Those entities pooled their assets to survive, and now over four decades later, AGP is positioned to thrive. Today, we serve over 150 local co-ops that represent over 200,000 producers, and we're continuing to expand."

The new David City plant is one of AGP's largest facilities, capable of processing 50 million bushels of soybeans every year. The addition has also propelled economic development in the local community through the addition of new jobs and the expansion of supporting businesses.

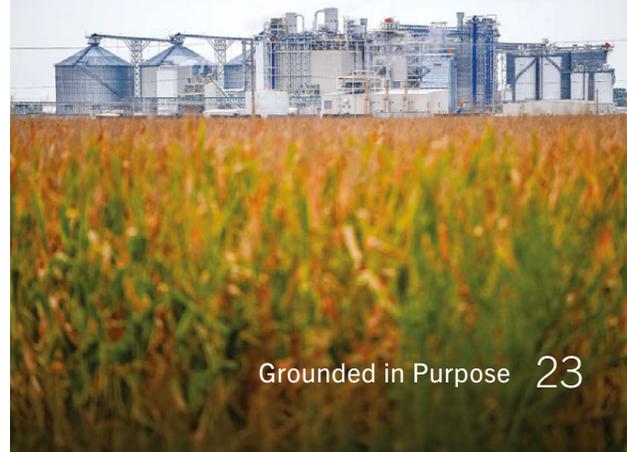
"We are excited to build and grow in the David City area and appreciate the partnerships that have joined us in this ongoing success," said Droescher. AGP generates strong cash flow and financed the new plant independently but relies on its longtime financial partner CoBank for revolving credit and operational flexibility — recently closing a \$500 million revolving line of credit for ongoing business needs.

"CoBank has been critical in our growth, and they are crucial in our continued success. We wholeheartedly believe in the strength and value of the cooperative system. As a fellow cooperative, CoBank understands that model while also understanding agribusiness," said Wahlmeier. "We look forward to many years of continued success, serving alongside our members, rural communities and industry partners like CoBank."

Ag Processing Inc Omaha, Nebraska

Pictured left to right

- 1 John Harkins**
Managing Director,
Capital Markets
CoBank
- 2 Kyle Droescher**
Group VP and Chief
Financial Officer
Ag Processing Inc
- 3 Paul Wahlmeier**
VP, Finance
Ag Processing Inc
- 4 Matt Brill**
Managing Director,
Corporate Agribusiness
CoBank
- 5 Rob Prickett**
Lead Relationship
Manager, Corporate
Agribusiness
CoBank



The Satilla Rural Electric Membership Corporation Alma, Georgia

Pictured left to right

- 1 Odessa Chambers**
Portfolio Manager,
Electric Distribution
CoBank
- 2 Charles E. Pritchett**
Director
*The Satilla Rural Electric
Membership Corporation*
- 3 Jennifer Gainey**
Administrative
Services Director
*The Satilla Rural Electric
Membership Corporation*
- 4 Romeo Reyes**
Chief Executive Officer
*The Satilla Rural Electric
Membership Corporation*
- 5 Sandy Foster**
Executive Assistant
*The Satilla Rural Electric
Membership Corporation*
- 6 Ashley Macy**
VP, Lead Relationship
Manager, Electric
Distribution
CoBank



Driven by resilience, recovery and connection

In September 2024, Hurricane Helene slammed into the southeastern region of the United States, leaving a path of devastation in its wake. Over the course of five days, it caused tens of billions of dollars in damage in Florida, Georgia and the Carolinas, along with widespread power outages and over 60 fatalities.

The memory of those days is still fresh for Romeo Reyes, chief executive officer of The Satilla REMC in southern Georgia. After the hurricane hit, Satilla REMC's entire service territory covering over 59,000 meters was out of power. Reyes spent eight hours driving a tractor through 30 miles of debris-laden roads to get to his office and put together a plan with his staff.

"It took us a couple days to realize how bad the destruction was. In the 40 years I've been with the co-op, it's the worst thing I've experienced," Reyes said.

The co-op held strong for its community, determined to turn the lights back on as quickly as possible. "Our initial restoration workforce was made up of approximately 700 people. Almost immediately, we recognized we needed more manpower and quickly grew that number to 2,000 people. And we couldn't have done it without CoBank," Reyes said.

The co-op normally operates on a \$30 million line of credit for its operational needs. But in the wake of the hurricane, CoBank extended the line of credit to \$200 million.

"When you're in the middle of such a catastrophe, you're laser-focused on what needs to get done," said Jennifer Gainey, Satilla REMC's administrative services director. "We were juggling the heartbreak alongside our community, but as their electric co-op, we were also trying to restore power as safely and quickly as possible — and CoBank's immediate assistance was a crucial part of that," Gainey said.

The rural community faced months of restoration, but steady leadership within Satilla REMC, alongside its partnership with CoBank, allowed the co-op to restore power in just three weeks for most members instead of the estimated eight. Now, it's ready to shift its focus back to high-priority initiatives, including the completion of its broadband project.

The broadband project took root in 2021 when Satilla REMC partnered with Conexon Connect, an industry leader in rural fiber broadband. The co-op also worked with CoBank to finance the project, securing a \$145 million term loan for the build-out, which will be completed within the year — adding 6,000 miles of fiber to southeast Georgia.

"Providing a reliable system and offering modern services to our members is important to our core mission. Whether it's rebuilding our devastated distribution system or extending fiber-optic broadband services to our members, CoBank has proven to be a great partner, and we are grateful they have been there to help us fulfill our mission when it matters most," Reyes said.



Reliability first: Powering rural America

Reliability is at the center of Associated Electric Cooperative’s mission. As the rural electric industry grapples with new challenges — including a strong acceleration of growth in demand for power — AECI is committed to providing dependable, wholesale power for rural communities in the heartland of America.

AECI operates under a unique three-tiered system, independent of regional transmission organizations. At the base of its business model are 51 distribution cooperatives that own six transmission co-ops, which in turn own AECI. This structure streamlines governance with a smaller 12-member board and creates a clear flow of power: AECI generates electricity for its transmission owners, which then transmit it to the distribution co-ops that provide power to 2.1 million member-consumers across rural Missouri, Oklahoma and Iowa.

“Reliable electricity is imperative. We depend on it for so many aspects of our lives — it’s truly one of the most important resources we have,” said David Tudor, chief executive officer and general manager of AECI. “Electricity cools and heats your home. It powers your appliances and electronics ... it keeps your lights on and life moving forward. It might not always be at the forefront of our minds, but it’s constant, and it’s crucial. And that’s why we’re here.”

To ensure stability for its members, AECI uses a diverse generation mix — including coal and natural gas, as well as wind and hydropower. This blend helps lower the cost and ensures power, even during extreme weather conditions.

“Our members depend on us, and that means keeping every option on the table until new and proven technologies emerge,” Tudor said. “We’re open to cleaner energy resources — including nuclear and carbon capture — but it needs to become more viable first.”

To meet growing member demand, AECI is adding two natural gas peaker plants, which will each generate 420 megawatts and are slated for completion in 2026 and 2027. Its longtime partner, CoBank, along with various other Farm Credit System partners, is financing the project with a \$150 million bridge loan.

“We have worked with CoBank for over 30 years. They aren’t just a lender — they’re a partner who understands our business and our decisions. Whether it’s through loans, lines of credit or support during critical times, they stand with us,” Tudor said.

AECI is committed to its members and the rural communities it serves — and is ready to adapt and thrive alongside the industry. “We’re excited for what’s next. Whatever the future brings, our focus remains on our members. We’re proud to partner with a bank that understands the cooperative model and shares our same outlook,” Tudor said.

Associated Electric Cooperative Inc.
Springfield, Missouri

Pictured left to right

- 1 Brian Heard**
Manager, O&M Technicians
Associated Electric Cooperative
- 2 Meredith Roberts**
Sr. VP and Chief Financial Officer
Associated Electric Cooperative
- 3 Barb Economon**
VP, Finance
Associated Electric Cooperative
- 4 David Tudor**
Chief Executive Officer and General Manager
Associated Electric Cooperative
- 5 Sean Wright**
VP, Engineering and Construction
Associated Electric Cooperative
- 6 Ken Krebs**
Managing Director, PEU
CoBank



POWER, ENERGY AND UTILITIES



AES Clean Energy
Salt Lake City, Utah

Pictured left to right

- 1 **Josh Wolfe**
Managing Director,
Project Finance
CoBank
- 2 **Dylan Turner**
Sr. Director,
Project Finance
AES Clean Energy
- 3 **James Marshall**
Chief Financial Officer
AES Clean Energy
- 4 **John Park**
Sr. Manager,
Project Finance
AES Clean Energy
- 5 **Sean McBride**
General Counsel
AES Clean Energy
- 6 **Denisse Brito**
Sr. Analyst,
Project Finance
AES Clean Energy



Accelerating global clean energy solutions

In the Mojave Desert area of California, about two hours north of Los Angeles, one of the nation’s largest solar and battery storage projects is helping to meet surging demand for renewable power — including from data center operators seeking to limit their carbon footprint.

The Bellefield project will eventually occupy 7,500 acres of privately owned land. The first phase of the project was completed in 2025, adding 500 megawatts of solar and 2,000 megawatt-hours of battery storage. The second phase is currently under construction and will double its capacity. In total, it will deliver enough power to serve over 450,000 homes — and both Southern California Edison and Amazon Energy have signed on with long-term contracts.

AES Clean Energy is the company behind the project — a leading energy provider, bringing renewable solutions for commercial and industrial customers. The company operates within the AES Corporation, with a total of 7.2 gigawatts in its portfolio. It develops, owns and operates over 550 wind, solar and battery storage facilities.

“As demand grows for data centers and artificial intelligence, we deliver reliable, affordable and sustainable solutions,” said James Marshall, chief financial officer of AES Clean Energy.

To help finance Bellefield, AES Clean Energy partnered with multiple financial institutions, including CoBank.

“Our relationship with CoBank goes back several years. They have participated in various projects with us, and we knew they were the right fit for the project,” Marshall said. “CoBank knows our platform, and they understand renewables. That matters.”

CoBank committed \$75 million for the first phase of the project and an additional \$100 million for Bellefield 2. In total, the second phase required \$1.7 billion in credit facilities to fund the construction and operation of the project.

“CoBank understands the risks of our business, and they just dig in — providing core financing, credit capacity and hedging,” Marshall said.

Phase 2 of Bellefield is projected to be complete in 2026 and has been instrumental in the local economy — adding approximately 1,000 union jobs. Once operational, it will also shift solar generation to peak demand periods — from midday to evening and early morning peak load periods — supporting Amazon’s environmental goals and Southern California Edison’s grid requirements.

“Our partnerships with our customers and stakeholders have been crucial as we continue to offer the best renewable energy solutions possible while embracing new technology to expand. We’re grateful for partners like CoBank who understand our industry and our mission,” Marshall said.





Connecting today, shaping tomorrow

More than 30 years ago, i3 Broadband began as a small dial-up internet provider serving East Peoria, Illinois. Today, it has evolved into one of the fastest-growing broadband providers in the Midwest and Northeast, operating fiber-to-the-home and hybrid fiber-coaxial networks that deliver connectivity to underserved communities across Illinois, Missouri and Rhode Island.

From remote jobs to telehealth services and online learning, access to high-speed internet is no longer a luxury — it's a necessity. After completing two major expansions into Saint Charles and Saint Louis, Missouri, and the northwestern Chicago suburbs, while finishing its largest network build-out in fewer than 10 years, i3 Broadband is focused on “future-proofing” communities. Its fiber-optic network will meet the rapidly evolving needs of modern life — and the company has plans to expand into additional locations.

“Many consumers in underserved areas still only have one option for internet — the local cable company, which isn't fast enough in today's digital age,” notes Mike Elam, i3 Broadband's vice president of community affairs and market development.

i3 Broadband's rapid growth is also positioning it as one of the nation's leading regional broadband providers focused on underserved markets.

“Providing a choice to these communities is a big part of our business model. In today's world, so many products are designed to connect to the internet — digital thermostats, security systems and doorbells ... even appliances connect to an app. We are here to ensure our customers are connected and ready for new technological advancements on the horizon,” said Elam.

To help with this evolution, i3 Broadband works with CoBank as its financial partner, utilizing a full suite of products and services offered by the bank. To support its future expansion plans, i3 Broadband recently increased its credit facilities with CoBank and the Farm Credit System, nearly doubling its commitments to \$500 million. i3 Broadband also leverages CoBank's cash management service.

“CoBank isn't just our lender, but a true partner who has grown alongside us,” said Jeff Nickel, i3 Broadband's vice president of finance. “CoBank is really good at rolling up their sleeves and digging in to understand our business.”

As i3 Broadband looks toward the future, the company is excited to continue strengthening connectivity and the economy in underserved communities.

“Access to high-speed internet opens so many doors while providing so much more flexibility. We couldn't do it without partners like CoBank. They truly feel like an extension of our company and a leader in our success,” Nickel said.

i3 Broadband
East Peoria, Illinois

Pictured left to right

- 1 Rachel Candler**
Managing Director,
Digital Infrastructure
CoBank
- 2 Mike Elam**
VP of Community Affairs
and Market Development
i3 Broadband
- 3 Jeff Nickel**
VP of Finance
i3 Broadband
- 4 Scott Knaub**
Chief Financial Officer
i3 Broadband
- 5 Vince Heguy**
Lead Business
Development Officer,
Capital Markets
CoBank



DIGITAL INFRASTRUCTURE



WATER AND COMMUNITY FACILITIES

Quadvest
Magnolia, Texas

Pictured left to right

- 1 Matt Hale**
VP, Water Infrastructure
CoBank
- 2 Will Brown**
Third-Generation
Family Member
Quadvest
- 3 Mandi Brown**
EVP, HR and Owner
Quadvest
- 4 Bartlett Sequeira**
Owner
Quadvest
- 5 Gary Sequeira**
Founder
Quadvest
- 6 Yvette McNellie**
Owner
Quadvest
- 7 Simon Sequeira**
Chief Executive Officer
and Owner
Quadvest
- 8 Tamara Sequeira**
Owner
Quadvest



From humble beginnings to rapid growth

Local water systems across rural America tend to be community owned, but Magnolia, Texas-based Quadvest is an exception to that rule. The private utility has transformed over the years from a small family business to one of the fastest-growing water companies in the state.

Quadvest was established in 1978 by two real estate developers, initially out of necessity. “My father and grandfather needed to build a water system to serve a subdivision they were constructing,” said Simon Sequeira, chief executive officer and owner of Quadvest. “Ultimately, we decided to keep the business rather than sell, which put us in the great position we are in today.”

For its first 25 years, Quadvest remained a small operation with no more than 1,000 customers. In the early 2000s, the company embarked on an ambitious growth strategy, expanding its service territory to new developments and counties in rural areas northwest of Houston. Today Quadvest serves approximately 40,000 homes and businesses — and credits its relationship with CoBank as a key component of its success.

“Partnering with CoBank was really the turning point for us,” Sequeira said. “For over 20 years, they have helped finance a full range of projects, including new plant construction, renovations, updates, new wells and infrastructure. Our growth — and most importantly, our ability to focus on our employees and customer care — were made possible by the deep industry knowledge and capital offered by the bank.”

Quadvest’s latest endeavor is an elevated storage tank, designed to improve pressure management for homes, that will serve the Sunterra community outside of Katy, Texas — one of the fastest-growing neighborhoods in the United States.

“Our service area has a very flat terrain, so we can’t rely on natural elevation for consistent water pressure. The aboveground tank is built on a concrete pedestal and will ensure a steady water supply for our customers,” Sequeira said.

CoBank provides consistent financing for Quadvest, with over \$84.9 million in commitments across 15 term loans. The utility also utilizes a \$2 million line of credit for business and operational needs. Access to these loans also helped the utility finance the storage tank, which became operational in fall of 2025 and marked a major milestone for Quadvest as its first elevated tank.

“CoBank is instrumental in all of our projects — when you’re working with a bank that understands your business, the sky is the limit,” Sequeira said. “Because they understand your challenges, they understand how you receive revenue and all the dynamics that come with the industry. It was very hard to grow our business when we were working with local commercial banks — our partnership with CoBank changed everything for Quadvest, and we’re excited to see what the future holds with them by our side.”





From farm to future: Expanding dairy in the Northeast

New York-based Cayuga Milk Ingredients is undertaking an ambitious evolution of its business strategy. The farmer-owned dairy cooperative, which has traditionally focused on producing bulk ingredients, today is expanding into retail dairy products to create more value for its farmer-owners.

The initiative includes the opening of a new \$275 million processing plant in Auburn, New York, located in the state's Finger Lakes region. The state-of-the-art facility will also support local farms while adding jobs across the region.

"We are proud to now offer a streamlined solution that delivers high-quality dairy products from the farm to the shelf," noted Aimee Galindo, Cayuga's chief financial officer.

Cayuga currently processes approximately 1 billion pounds of milk annually, sourced from a group of 32 progressive farm-to-table farmers — each deeply passionate about animal care and sustainability. Recognizing that growth was essential to keep pace with the evolving market, Cayuga laid the groundwork for its new products facility.

"Our mission is to create long-term value for our member-farms by controlling our own destiny — investing in infrastructure, technology and partnerships that allow us to compete while staying true to our roots," said Galindo.

To finance the new facility, Cayuga partnered with multiple financial institutions within the Farm Credit System, including CoBank and Farm Credit East.

"Our financial partners helped guide our transactions every step of the way — and beyond that, they understand our equipment and processes, even discussing model types and line speeds during facility tours and coordinating with equipment vendors. You don't get that with a commercial lender," Galindo said.

Through CoBank's Farm Credit Leasing subsidiary, Cayuga also secured \$31 million in leasing agreements to help finance silos and processing equipment — including pasteurization and separation systems, which are central to its operations. The new facility also offers advanced processing capabilities and customized materials for customer blends.

"FCL's approach is relationship driven, not transactional, and that's what makes the difference. They offer tailored financial solutions that align with our long-term goals, and their expertise in agribusiness just makes them a natural fit."

With the Eagle Drive Holdings facility set to become fully operational, Cayuga is poised to expand into new markets, further strengthening the region's dairy economy. "Finalizing this project also means we're adding economic value and growth into our region — ultimately creating new jobs and an increased demand for dairy cows in the Northeast. FCL's support is a big part of that success," Galindo said.

Cayuga Milk Ingredients Auburn, New York

Pictured left to right

- 1 Christina Zick**
Supervisor Credit
CoBank
- 2 Matthew Mazarakis**
Sr. Relationship Manager
— Farm Credit Leasing
CoBank
- 3 Aimee Galindo**
Chief Financial Officer
Cayuga Milk Ingredients
- 4 Jon Schuelke**
Lead Credit Officer,
Farm Credit Leasing
CoBank
- 5 Neil Rejman**
Chairman
Cayuga Milk Ingredients
- 6 Ben Carpenter**
Capital Markets
Relationship Manager
Farm Credit East
- 7 Justin Brown**
Sr. VP
Farm Credit East
- 8 Tina Schofield**
Sr. Credit Analyst,
Farm Credit East

FARM CREDIT LEASING



VALUE PROPOSITION

CoBank is a financially strong, **DEPENDABLE**, socially responsible, cooperative bank that provides relevant credit and financial solutions to rural America. We are **KNOWLEDGEABLE**, responsive and committed to enhancing our **CAPACITY** to deliver a superior customer experience and competitively priced products through efficient operating platforms, while maintaining the safety and soundness of the bank for future generations. We consistently demonstrate our **FOCUS** on rural America, repeatedly strive to be a trusted advisor for our customers and a trusted partner for those with whom we do business, while providing a meaningful return on shareholders' investment and **OWNERSHIP** in CoBank.



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Management's Discussion and Analysis

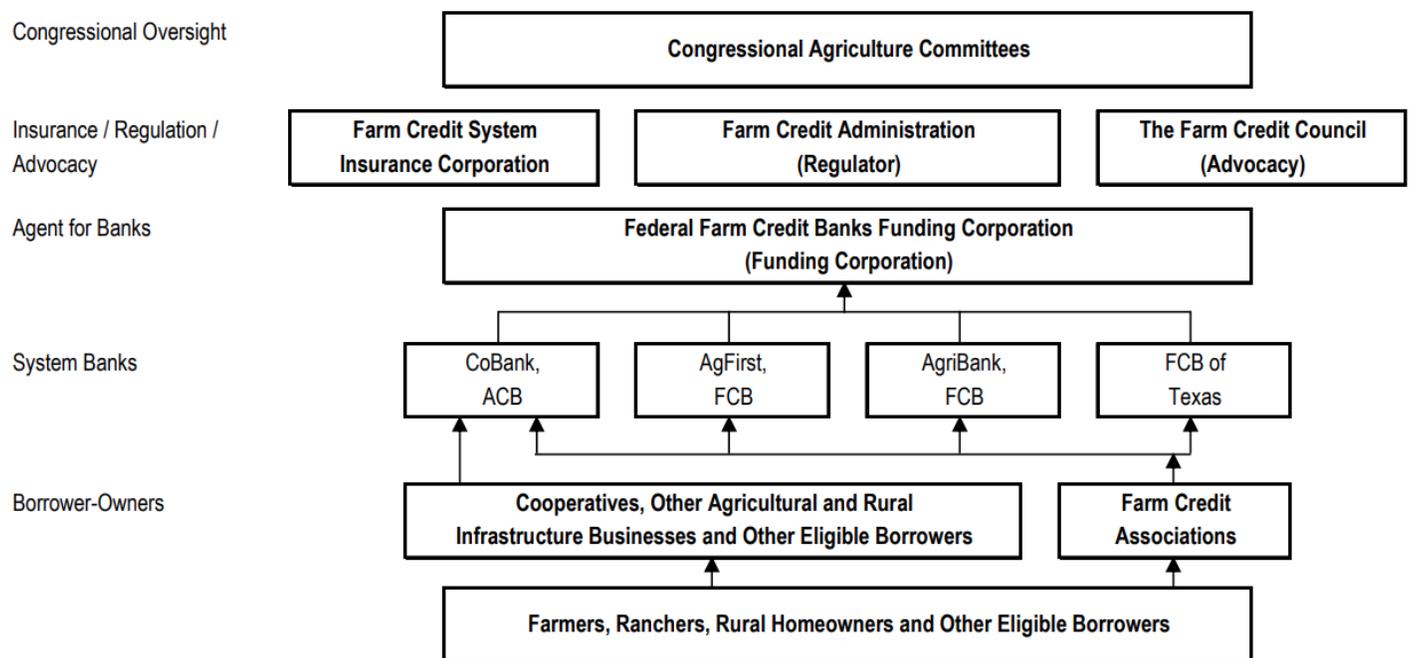
CoBank, ACB

Company Introduction

CoBank, ACB (CoBank or the Bank) is one of the four banks in the Farm Credit System (System) and provides loans, leases and other financial services to vital industries across the rural communities of America. The System is a federally chartered network of borrower-owned cooperative lending institutions and related service organizations. Cooperatives are organizations that are owned and governed by the members who use the cooperative's products or services.

The System was established in 1916 by the U.S. Congress, and is a Government Sponsored Enterprise (GSE). As a member of a GSE, we endeavor to fulfill our mission to serve a highly diverse customer base irrespective of market conditions. We also fulfill our broader mission by supporting rural communities and agriculture in their vital role of providing food and energy security, economic growth and a high quality of life to all Americans.

The following chart depicts the structure and ownership of the System.



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 a mission-based lender with authority to make loans and provide related financial services to eligible borrowers in the agribusiness and rural infrastructure industries, and to certain related entities, as defined by the Farm Credit Act. We are not authorized to accept deposits to fund our operations. Instead, we raise funds primarily by issuing debt securities through the System's agent, the Funding Corporation. Such securities are the joint and several obligations solely of the four System banks and are not obligations of Farm Credit Associations.

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 including Farm Credit Banks that provide financing to agriculture and rural communities. We are the primary funding source for certain Associations serving specified geographic regions in the United States. We collectively refer to these entities as our affiliated Associations. We provide a broad range of loans and other financial services through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure.

The accompanying consolidated financial statements exclude financial information of our affiliated Associations. CoBank and our affiliated Associations are collectively referred to as the “District,” whereas other System banks and their affiliated Associations are referred to as a “district.” Additional information about our affiliated Associations is contained in Note 17 to the accompanying consolidated financial statements.

System annual and quarterly information statements and press releases for the current fiscal year and the two preceding fiscal years, as well as offering circulars relating to Federal Farm Credit Banks Consolidated Systemwide bonds, medium term notes and discount notes (collectively referred to as Systemwide Debt Securities), are available for inspection at, or will be furnished without charge upon request to, the Federal Farm Credit Banks Funding Corporation, 101 Hudson Street, 35th Floor, Jersey City, New Jersey 07302; telephone (201) 200-8000. These documents are also available on the Funding Corporation’s website at www.farmcreditfunding.com. This website also provides a link to each System bank’s website where financial and other information of each bank can be found. References to documents, information or websites outside this Annual Report to Shareholders shall not be deemed to be incorporated by reference into this annual report.

The Federal Agricultural Mortgage Corporation (Farmer Mac) is a federally chartered corporation that was formed to provide a secondary market for a variety of loans made to borrowers in rural America. Although Farmer Mac is examined and regulated by the FCA, it is a separate enterprise, and any reference to “the System” herein does not include Farmer Mac. For more information on Farmer Mac and its relationship with System entities, please see “Relationship with the Federal Agricultural Mortgage Corporation” on page 68.

Financial Condition and Results of Operations

Overview

CoBank’s loans outstanding grew 5 percent to \$166.9 billion as of December 31, 2025, compared to \$158.9 billion as of December 31, 2024. Our average loans were \$160.8 billion during 2025, an increase of 6 percent compared to \$151.5 billion during 2024. The increase in loans outstanding and average loans reflects growth in lending across all three operating segments.

Our net income increased 2 percent to \$1.667 billion for the year ended December 31, 2025 compared to \$1.635 billion for the year ended December 31, 2024. The increase resulted primarily from higher net interest income and noninterest income, partially offset by an increased provision for credit losses.

Our investment securities, federal funds sold and other overnight funds increased 14 percent to \$53.4 billion as of December 31, 2025, compared to \$46.9 billion at December 31, 2024. Average investment securities, federal funds sold and other overnight funds increased 18 percent to \$48.7 billion during 2025, compared to \$41.3 billion during 2024. The increase in our investments, federal funds sold and other overnight funds primarily reflects the need to maintain liquidity reserves in line with loan growth, more favorable investment spread opportunities and unrealized gains due to changes in market interest rates which improved the fair value of our investment securities.

Notwithstanding some credit quality deterioration, our overall loan quality measures remain manageable at December 31, 2025. Special Mention loans were 1.26 percent of total loans at December 31, 2025 compared to 1.34 percent at December 31, 2024. Adversely classified loans increased to 1.19 percent of total loans at December 31, 2025 compared to 0.84 percent at December 31, 2024 primarily due to agribusiness customers that transferred to Substandard status. Nonaccrual loans increased to \$617 million at December 31, 2025 from \$376 million at December 31, 2024 due to agribusiness and communications customers that transferred to nonaccrual during 2025 partially offset by charge-offs, loan payoffs and sales. Nonaccrual loans were 0.37 percent of total loans at December 31, 2025 and 0.24 percent of total loans at December 31, 2024.

Our capital and liquidity positions remain strong and well in excess of regulatory minimums as of December 31, 2025. Shareholders’ equity increased to \$14.0 billion as of December 31, 2025, compared to \$12.9 billion at December 31, 2024. Our total capital ratio was 14.50 percent as of December 31, 2025, compared to the regulatory minimum requirement of 8.00 percent (10.50 percent inclusive of the capital conservation buffer). As of December 31, 2025, we held a total of \$54.4 billion in investments, federal funds sold and other overnight funds, and cash and cash equivalents primarily as a liquidity reserve, and our days liquidity was 174 days, compared to the 90-day minimum liquidity requirement.

A five-year summary of selected consolidated financial data is shown on the following table.

| Five-Year Summary of Selected CoBank Consolidated Financial Data (\$ in Millions) | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| As of and for the Year Ended | 2025 | 2024 | 2023 | 2022 | 2021 | |
| Consolidated Statement of Income Data | | | | | | |
| Net Interest Income | \$ 2,090 | \$ 1,936 | \$ 1,847 | \$ 1,884 | \$ 1,726 | |
| Provision for Credit Losses | 199 | 49 | 76 | 111 | 18 | |
| Noninterest Income | 533 | 482 | 459 | 366 | 199 | |
| Operating Expenses | 612 | 597 | 595 | 580 | 491 | |
| Provision for Income Taxes | 145 | 137 | 128 | 110 | 102 | |
| Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 | \$ 1,449 | \$ 1,314 | |
| Net Income Distributed | | | | | | |
| Patronage Distributions: | | | | | | |
| Common Stock | \$ 144 | \$ 132 | \$ 134 | \$ 139 | \$ 128 | |
| Cash | 856 | 790 | 725 | 707 | 632 | |
| Special Cash | 79 | 110 | 106 | 149 | 125 | |
| Total Patronage Distributions | 1,079 | 1,032 | 965 | 995 | 885 | |
| Preferred Stock Dividends | 117 | 112 | 94 | 93 | 83 | |
| Total Net Income Distributed | \$ 1,196 | \$ 1,144 | \$ 1,059 | \$ 1,088 | \$ 968 | |
| Consolidated Balance Sheet Data | | | | | | |
| Total Loans | \$ 166,880 | \$ 158,859 | \$ 148,015 | \$ 140,089 | \$ 128,529 | |
| Less: Allowance for Loan Losses | 725 | 733 | 730 | 682 | 651 | |
| Net Loans | 166,155 | 158,126 | 147,285 | 139,407 | 127,878 | |
| Investment Securities, Federal Funds Sold and Other Overnight Funds | 53,444 | 46,897 | 42,958 | 45,498 | 37,342 | |
| Cash and Cash Equivalents | 972 | 823 | 1,013 | 896 | 3,197 | |
| Other Assets | 2,906 | 2,728 | 3,103 | 3,042 | 1,889 | |
| Total Assets | \$ 223,477 | \$ 208,574 | \$ 194,359 | \$ 188,843 | \$ 170,306 | |
| Debt Obligations with Maturities ≤ 1 Year | \$ 96,069 | \$ 78,466 | \$ 76,744 | \$ 82,608 | \$ 69,990 | |
| Debt Obligations with Maturities > 1 Year | 109,385 | 113,155 | 102,077 | 92,015 | 84,960 | |
| Reserve for Unfunded Commitments | 62 | 59 | 84 | 143 | 106 | |
| Other Liabilities | 3,923 | 4,032 | 4,261 | 3,852 | 3,016 | |
| Total Liabilities | 209,439 | 195,712 | 183,166 | 178,618 | 158,072 | |
| Preferred Stock | 1,925 | 2,225 | 1,625 | 1,633 | 1,902 | |
| Common Stock | 4,599 | 4,352 | 4,076 | 4,000 | 4,013 | |
| Unallocated Retained Earnings | 7,971 | 7,500 | 7,016 | 6,519 | 6,164 | |
| Accumulated Other Comprehensive (Loss) Income | (457) | (1,215) | (1,524) | (1,927) | 155 | |
| Total Shareholders' Equity | 14,038 | 12,862 | 11,193 | 10,225 | 12,234 | |
| Total Liabilities and Shareholders' Equity | \$ 223,477 | \$ 208,574 | \$ 194,359 | \$ 188,843 | \$ 170,306 | |
| Key Financial Ratios | | | | | | |
| For the Respective Year Ended: | | | | | | |
| Return on Average Common Shareholders' Equity | 13.61 % | 15.05 % | 15.78 % | 14.59 % | 11.78 % | |
| Return on Average Total Shareholders' Equity | 12.52 | 13.64 | 14.24 | 13.17 | 10.98 | |
| Return on Average Assets | 0.79 | 0.84 | 0.80 | 0.80 | 0.82 | |
| Net Interest Margin | 1.00 | 1.00 | 0.99 | 1.06 | 1.10 | |
| Net Charge-offs (Recoveries) / Average Loans | 0.13 | 0.05 | 0.01 | 0.03 | (0.01) | |
| Patronage Distributions / Total Average Common Stock Owned by Active Borrowers | 25.56 | 26.13 | 25.57 | 26.07 | 23.17 | |
| As of the Respective Year-end: | | | | | | |
| Debt / Total Shareholders' Equity (: 1) | 14.92 | 15.22 | 16.36 | 17.47 | 12.92 | |
| Total Shareholders' Equity / Total Assets | 6.28 % | 6.17 % | 5.76 % | 5.41 % | 7.18 % | |
| Allowance for Credit Losses ⁽¹⁾ / Total Loans | 0.47 | 0.50 | 0.55 | 0.59 | 0.59 | |
| Common Equity Tier 1 Capital Ratio | 11.95 | 11.62 | 11.58 | 11.62 | 12.74 | |
| Tier 1 Capital Ratio | 13.75 | 13.62 | 13.27 | 13.39 | 14.70 | |
| Total Capital Ratio | 14.50 | 14.39 | 14.11 | 14.25 | 15.63 | |
| Tier 1 Leverage Ratio | 6.82 | 6.90 | 6.79 | 6.80 | 7.47 | |
| Permanent Capital Ratio | 13.86 | 13.73 | 13.37 | 13.51 | 14.81 | |
| Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio | 3.27 | 3.23 | 3.23 | 3.13 | 3.36 | |

⁽¹⁾ Includes the allowance for loan losses and the reserve for unfunded commitments.

Net Interest Income

Interest income and interest expense for the major categories of interest-earning assets and interest-bearing liabilities as well as net interest income and net interest margin are shown in the following table.

| Net Interest Income and Net Interest Margin | | | | | | | | | |
|--|-------------------|---------------|-------------------------|-------------------|---------------|-------------------------|-------------------|---------------|-------------------------|
| Year Ended December 31, | 2025 | | | 2024 | | | 2023 | | |
| (\$ in Millions) | Average Balance | Average Rate | Interest Income/Expense | Average Balance | Average Rate | Interest Income/Expense | Average Balance | Average Rate | Interest Income/Expense |
| Interest-earning Assets | | | | | | | | | |
| Total Loans | \$ 160,814 | 4.95 % | \$ 7,954 | \$ 151,467 | 5.40 % | \$ 8,177 | \$ 143,075 | 5.08 % | \$ 7,266 |
| Investment Securities | 46,847 | 3.86 | 1,809 | 38,895 | 3.92 | 1,526 | 34,957 | 3.64 | 1,274 |
| Federal Funds Sold and Other Overnight Funds | 1,850 | 4.24 | 78 | 2,382 | 5.25 | 125 | 7,783 | 5.05 | 393 |
| Total Interest-earning Assets | \$ 209,511 | 4.70 | \$ 9,841 | \$ 192,744 | 5.10 | \$ 9,828 | \$ 185,815 | 4.81 | \$ 8,933 |
| Interest-bearing Liabilities | | | | | | | | | |
| Bonds and Notes | \$ 177,195 | 3.94 % | \$ 6,989 | \$ 168,073 | 4.35 % | \$ 7,316 | \$ 158,981 | 4.02 % | \$ 6,397 |
| Discount Notes | 15,918 | 4.22 | 672 | 8,925 | 5.08 | 453 | 12,021 | 4.64 | 558 |
| Other Notes Payable | 1,821 | 4.95 | 90 | 2,366 | 5.18 | 123 | 2,831 | 4.63 | 131 |
| Total Interest-bearing Liabilities | \$ 194,934 | 3.98 | \$ 7,751 | \$ 179,364 | 4.40 | \$ 7,892 | \$ 173,833 | 4.08 | \$ 7,086 |
| Interest Rate Spread | | 0.72 | | | 0.70 | | | 0.73 | |
| Impact of Equity Financing | \$ 13,313 | 0.28 | | \$ 11,989 | 0.30 | | \$ 10,582 | 0.26 | |
| Net Interest Margin and Net Interest Income | | 1.00 % | \$ 2,090 | | 1.00 % | \$ 1,936 | | 0.99 % | \$ 1,847 |

Changes in our interest income, interest expense and net interest income due to volume and rate variances for interest-earning assets and interest-bearing liabilities are summarized in the table below.

| Changes in Net Interest Income Due to Changes in Average Volume and Interest Rates | | | | | | |
|--|---|--------------|---------------|---|-------------|--------------|
| (\$ in Millions) | 2025 | | | 2024 | | |
| | Increase (Decrease) From Previous Year Due To | | | Increase (Decrease) From Previous Year Due To | | |
| | Volume | Yield/Rate | Total | Volume | Yield/Rate | Total |
| Total Loans | \$ 462 | \$ (685) | \$ (223) | \$ 451 | \$ 460 | \$ 911 |
| Investment Securities | 307 | (24) | 283 | 156 | 96 | 252 |
| Federal Funds Sold and Other Overnight Funds | (23) | (24) | (47) | (283) | 15 | (268) |
| Total Interest Income | 746 | (733) | 13 | 324 | 571 | 895 |
| Total Interest Expense | 619 | (760) | (141) | 243 | 563 | 806 |
| Changes in Net Interest Income | \$ 127 | \$ 27 | \$ 154 | \$ 81 | \$ 8 | \$ 89 |

Net interest income increased \$154 million, or 8 percent, to \$2.090 billion in 2025, compared to \$1.936 billion in 2024. The increase in net interest income was primarily driven by higher average loans which resulted in greater net interest income across all three operating segments. Average loans increased \$9.3 billion, or 6 percent to \$160.8 billion in 2025 reflecting growth in lending across all three segments. Average investment securities, federal funds sold and other overnight funds increased 18 percent to \$48.7 billion in 2025 from \$41.3 billion in 2024.

Net interest margin was unchanged at 1.00 percent in 2025 compared to 2024, and interest rate spread increased to 0.72 percent in 2025 from 0.70 percent in 2024.

Net interest income increased \$89 million, or 5 percent, to \$1.936 billion in 2024, compared to \$1.847 billion in 2023. The increase in net interest income was primarily driven by higher average loans and an increase in non-interest bearing funding sources (principally capital). Average loans increased \$8.4 billion, or 6 percent to \$151.5 billion in 2024 reflecting growth in lending in Farm Credit

Banking and Rural Infrastructure, partially offset by a decrease in our Agribusiness operating segment. Average investment securities, federal funds sold and other overnight funds decreased to \$41.3 billion in 2024 from \$42.7 billion in 2023.

Net interest margin increased to 1.00 percent in 2024 from 0.99 percent in 2023, and interest rate spread decreased to 0.70 percent in 2024 from 0.73 percent in 2023. The increase in net interest margin was primarily driven by an increase in non-interest bearing funding sources (principally capital) largely offset by lower interest rate spread from increased funding costs and changes in asset mix including increased lending to affiliated Associations.

Provision for Credit Losses and Allowance for Credit Losses

The provision for credit losses reflects our estimate of current expected credit losses in our loan and finance lease portfolios, including unfunded commitments. The allowance for loan losses covers the funded portion of our loans outstanding, while the reserve for unfunded commitments covers losses on unfunded lending commitments. The sum of the allowance for loan losses and the reserve for unfunded commitments is referred to as the allowance for credit losses (ACL) on loans. We base our ACL on loans on the factors discussed in “Critical Accounting Estimates – Allowance for Credit Losses on Loans” on page 78. The table on page 42 summarizes the activity in our ACL on loans, by operating segment, for the past five years.

We recorded a \$199 million provision for credit losses in 2025, which included \$161 million and \$38 million provisions in our Agribusiness and Rural Infrastructure operating segments, respectively. The 2025 provision was largely driven by deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments including increased charge-offs and specific reserves requiring a higher level of provisioning.

We recorded a \$49 million provision for credit losses in 2024, which included \$25 million and \$24 million provisions in our Agribusiness and Rural Infrastructure operating segments, respectively. The 2024 provisions for credit losses primarily resulted from credit quality deterioration within certain sectors of our Agribusiness and Rural Infrastructure operating segments as well as increased lending activity. The provision for credit losses in 2024 were partially offset by a credit loss reversal on our investment securities of \$2 million in our Rural Infrastructure operating segment, which resulted from an improvement in modeled credit losses for these securities.

Special Mention loans were 1.26 percent of total loans at December 31, 2025 compared to 1.34 percent at December 31, 2024. Adversely classified loans increased to 1.19 percent of total loans at December 31, 2025, compared to 0.84 percent at December 31, 2024 primarily due to agribusiness customers that were transferred to Substandard status.

Total nonaccrual loans increased to \$617 million, or 0.37 percent of total loans, at December 31, 2025 from \$376 million, or 0.24 percent of total loans, at December 31, 2024 due to agribusiness and communications customers that transferred to nonaccrual during 2025 partially offset by charge-offs, loan payoffs and sales. Total nonaccrual loans increased to \$376 million, or 0.24 percent of total loans, at December 31, 2024 from \$117 million, or 0.08 percent of total loans, at December 31, 2023 primarily due to certain agribusiness, communications and rural energy customers that transferred to nonaccrual during 2024. We recorded gross charge-offs of \$208 million in 2025 compared to \$77 million and \$21 million in 2024 and 2023, respectively. The charge-offs in 2025 primarily related to agribusiness and communications customers. The charge-offs in 2024 primarily related to agribusiness, communications, rural water and power customers. The charge-offs in 2023 primarily related to agribusiness, rural energy and communications customers. Gross recoveries were \$4 million in 2025 compared to \$4 million and \$6 million in 2024 and 2023, respectively. Net charge-offs as a percentage of average loans were 0.13 percent in 2025 compared to 0.05 percent and 0.01 percent in 2024 and 2023, respectively.

Our ACL on loans was \$787 million at December 31, 2025, compared to \$792 million and \$814 million as of December 31, 2024 and 2023, respectively. The ACL on loans represented 0.47 percent of total loans as of the end of 2025, compared to 0.50 percent and 0.55 percent of total loans as of the end of 2024 and 2023. At December 31, 2025, our ACL on loans represented 1.02 percent of total loans outstanding excluding guaranteed and Association loans, compared to 1.08 percent and 1.18 percent at December 31, 2024 and 2023, respectively. The decrease in these ACL ratios as compared to prior periods was primarily due to higher outstanding loans, as previously described, and a slightly lower ACL driven by net charge-offs in excess of provisions for credit losses.

Refer to “Enterprise Risk Profile – Credit Risk Management” beginning on page 48 for further information on nonperforming loans, charge-offs, loan quality trends and the factors considered in determining the levels of our provision for credit losses and ACL.

Noninterest Income

The following table details our noninterest income for each of the last three years.

| Noninterest Income (\$ in Millions) | | | | | | |
|---|-------------|------------|-------------|------------|-------------|------------|
| Year Ended December 31, | 2025 | | 2024 | | 2023 | |
| Loan-Related Fee Income | \$ | 248 | \$ | 235 | \$ | 219 |
| Patronage Income | | 205 | | 197 | | 176 |
| Customer Interest Rate Swaps and Other Derivatives Income | | 38 | | 23 | | 20 |
| Prepayment Income | | 4 | | 4 | | 1 |
| Losses on Early Extinguishments of Debt | | — | | (3) | | — |
| Gains (Losses) on Sales of Investment Securities | | 9 | | 1 | | (7) |
| Return of Excess Insurance Funds | | 14 | | 25 | | — |
| Other, Net | | 15 | | — | | 50 |
| Total Noninterest Income | \$ | 533 | \$ | 482 | \$ | 459 |

Noninterest income is primarily composed of loan-related fee income, patronage income, customer interest rate swaps and other derivatives income, loan prepayment income, gains or losses on sales of investments and early extinguishments of debt and other miscellaneous gains and losses.

Total noninterest income increased in 2025 to \$533 million, or 11 percent, from \$482 million in 2024. The increase primarily related to higher customer interest rate swaps and other derivatives income, increased other noninterest income, loan-related fee income, patronage income, and gains on sales of investment securities, partially offset by a lower return of excess insurance funds from the Farm Credit System Insurance Corporation (Insurance Corporation).

Loan-related fee income, which includes arrangement fees and unused commitment fees, among others, increased to \$248 million in 2025 compared to \$235 million in 2024 primarily due to a higher level of loan arrangement fees on transactions in our Rural Infrastructure operating segment, partially offset by lower unused commitment fees in our Agribusiness operating segment.

Patronage income, which represents patronage received from loans we sold to other System institutions, increased to \$205 million in 2025 compared to \$197 million in 2024. This increase reflects greater levels of loans sold to affiliated Associations and other System institutions. Patronage income is accrued and received in cash subsequent to year-end, with the patronage accrual estimated based on volume of loans sold and expected patronage rates from System institutions. The patronage rates from System institutions are subject to uncertainty due to their financial performance and capital levels.

Customer interest rate swaps and other derivatives income was \$38 million in 2025 compared to \$23 million in 2024 and reflects higher customer derivative transaction activity.

Prepayment income was \$4 million in 2025 and 2024. Losses on early extinguishments of Systemwide Debt securities were less than \$1 million in 2025 and \$3 million in 2024. During 2025, we extinguished \$848 million of Systemwide Debt Securities, compared to \$1.2 billion in 2024. It is our general practice to extinguish debt to offset the current and prospective impact of prepayments in our loan and investment portfolios.

During 2025, we sold U.S. Treasury and U.S. Agency debt securities for total proceeds of \$731 million resulting in a gain of \$9 million. During 2024, we sold U.S. Treasury and U.S. Agency debt securities for total proceeds of \$35 million resulting a gain of \$1 million. The investment sales in 2025 and 2024 were primarily for tax planning purposes. The sale of investment securities is discussed in “Liquidity and Capital Resources” beginning on page 70.

Noninterest income in 2025 included a return of excess insurance funds from the Insurance Corporation related to the Farm Credit Insurance Fund (Insurance Fund) of \$14 million compared to \$25 million in 2024. When the Insurance Fund exceeds the statutory 2 percent secure base amount (SBA), the Insurance Corporation may reduce premiums and return excess amounts. In 2025 and 2024, the Insurance Fund began the year above the SBA, and the Insurance Corporation approved the distribution of the excess amounts to System entities.

Other noninterest income increased to \$15 million in 2025 compared to less than \$1 million in 2024 due primarily to net gains on investments in Rural Business Investment Companies (RBICs), compared to net losses in the prior period, and increased gains on sales of leased assets.

Total noninterest income increased in 2024 to \$482 million, or 5 percent, from \$459 million in 2023. The increase in noninterest income primarily related to a return of excess insurance funds from the Insurance Corporation, higher patronage income, increased loan-related fee income, gains on sales of investment securities during 2024 as compared to losses on sales during 2023 and higher customer interest rate swaps and other derivatives income. This was partially offset by lower other noninterest income due primarily to one-time income in 2023 associated with the favorable resolution of a contractual business dispute.

Operating Expenses

The following table details our operating expenses for each of the last three years.

| Analysis of Operating Expenses (\$ in Millions) | | | | | |
|--|-------------|------------|-------------|------------|---------------|
| Year Ended December 31, | 2025 | | 2024 | | 2023 |
| Employee Compensation | \$ | 314 | \$ | 316 | \$ 268 |
| Insurance Fund Premium | | 90 | | 84 | 144 |
| Information Services | | 79 | | 76 | 68 |
| General and Administrative | | 42 | | 38 | 36 |
| Occupancy and Equipment | | 19 | | 17 | 17 |
| Farm Credit System Related | | 19 | | 19 | 18 |
| Purchased Services | | 26 | | 24 | 23 |
| Travel and Entertainment | | 23 | | 23 | 21 |
| Total Operating Expenses | \$ | 612 | \$ | 597 | \$ 595 |
| Total Operating Expenses / (Net Interest Income + Loan-Related Fee Income) | | 26.2 % | | 27.5 % | 28.8 % |
| Operating Expenses, Excluding Insurance Fund Premium / (Net Interest Income + Loan-Related Fee Income) | | 22.3 | | 23.6 | 21.8 |

Total operating expenses increased 3 percent to \$612 million in 2025, compared to \$597 million for 2024. The higher level of operating expenses was primarily driven by increases in Insurance Fund premium expense, general and administrative expenses, and information services costs.

Employee compensation expense, which includes salaries, incentive compensation and employee benefits, decreased to \$314 million in 2025 from \$316 million in 2024. The decrease was primarily driven by a one-time pension plan termination expense that was recorded in 2024. As more fully described in Note 7, CoBank terminated one of its employer-funded, qualified defined benefit pension plans and recorded a one-time expense of \$12 million in 2024 to write-off actuarial losses previously deferred in accumulated other comprehensive loss related to this terminated plan. Partially offsetting this decrease was an increase in employee compensation expense in 2025 related to employee headcount additions, merit and other pay increases. As of December 31, 2025, we had 1,308 employees, compared to 1,260 and 1,199 employees at December 31, 2024 and 2023, respectively.

Insurance Fund premium expense increased to \$90 million in 2025, compared to \$84 million in 2024 due to a higher volume of insured debt obligations. Premium rates are set by the Farm Credit System Insurance Corporation and were 10 basis points of average outstanding adjusted insured debt obligations in 2025 and 2024. Premium rates also include 10 basis points assessed to nonaccrual loans and impaired investments in both periods. In February 2026, the Insurance Corporation announced a premium rate of 10 basis points of average outstanding adjusted insured debt obligations for 2026. The Insurance Corporation will review premium rates again in July 2026. Changes in the premium rate generally result from increases or decreases in the overall level of System assets and related debt obligations, the amount of assets in the Insurance Fund and the Insurance Corporation's projections of these balances.

Information services expense, which includes the cost of hardware, software, network infrastructure and related support services, increased to \$79 million in 2025, compared to \$76 million in 2024 primarily due to higher subscription based software costs and higher capitalized software amortization.

General and administrative expenses were \$42 million in 2025, compared to \$38 million in 2024. General and administrative expenses primarily include charitable contributions, directors' expenses, associate training and temporary labor expenses and other

miscellaneous expenses. The increase in general and administrative expenses was primarily driven by increased charitable contributions made in 2025. As a general practice, the Bank seeks to commit approximately 1 percent of budgeted net income to charitable giving over time; however, the actual level of charitable contribution expense can fluctuate year to year.

Occupancy and equipment expenses increased to \$19 million in 2025, compared to \$17 million 2024. Occupancy and equipment expenses include rent, maintenance, repairs, utilities, real estate taxes and depreciation of leasehold improvements and equipment related to our corporate headquarters and other banking center offices. The increase in 2025 was primarily due to higher real estate taxes and depreciation.

Farm Credit System related expenses were unchanged at \$19 million in 2025 and 2024. These expenses primarily represent our share of costs to fund the operations of the FCA and the Farm Credit Council (FCC), a national trade organization that represents System entities. Each System institution is assessed a pro rata share of the FCA's total expenses based primarily on each institution's average risk-adjusted assets. FCC costs are generally allocated based on the number of directors that represent each district and the level of bank assets.

Purchased services expenses increased to \$26 million in 2025, compared to \$24 million in 2024. Purchased services expenses primarily include professional and consulting fees. The increase in 2025 was due to higher legal and other costs associated with the workout and resolution of distressed borrowers, recruiting expenses and other professional fees.

Travel and entertainment expenses were unchanged at \$23 million in 2025 and 2024.

Total operating expenses as a percent of net interest income plus loan-related fee income were 26.2 percent in 2025 compared to 27.5 percent in 2024 and 28.8 percent in 2023. Excluding the impact of Insurance Fund premium expense, operating expenses as a percent of net interest income plus loan-related fee income were 22.3 percent in 2025, compared to 23.6 percent in 2024 and 21.8 percent in 2023.

Total operating expenses increased to \$597 million in 2024, compared to \$595 million for 2023. The higher level of operating expenses was primarily driven by an increase in employee compensation and information services costs mostly offset by a decrease in Insurance Fund premium expense.

Provision for Income Taxes

Our provision for income taxes increased to \$145 million in 2025 from \$137 million in 2024, and the effective tax rate was 8.0 percent for 2025 compared to 7.7 percent in 2024. The increase in the provision for income taxes was primarily due to an increase in earnings attributable to taxable business activities during 2025 and changes in expectations related to future realization of certain state deferred tax benefits related to our leasing business.

Our provision for income taxes increased to \$137 million in 2024 from \$128 million in 2023, and the effective tax rate was 7.7 percent for 2024 compared to 7.8 percent in 2023. The increase in the provision for income taxes was primary due to an increase in earnings attributable to taxable business activities during 2024.

Our effective tax rates are less than the applicable federal and state statutory income tax rates primarily due to tax-deductible patronage distributions. In addition, as more fully discussed in Note 1 to the accompanying consolidated financial statements, a portion of CoBank's activities are statutorily exempt from income taxes. These tax-exempt activities include wholesale lending to Farm Credit Associations and loan participation purchases from other System entities.

Operating Segment Financial Review

We conduct lending operations through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure. All customer activity, including loans and leases and related income, is specifically assigned to the business units that comprise the operating segments. Investment securities and federal funds sold and other overnight funds, which are primarily held as a liquidity reserve to support our banking operations, are not specifically assigned to operating segments; however, the income from investment securities and federal funds sold and other overnight funds is attributed to the operating segments.

In addition to the operating segments described below, to help meet customers' credit needs and to diversify risk and manage our capital, our capital markets division supports our lending divisions and manages syndications and loan sales with System entities and other financial institutions. As of December 31, 2025, the total amount of syndicated or sold loan commitments was approximately \$130.5 billion.

We also offer non-credit products and services including cash management, online banking, mobile banking and commercial credit card solutions. Revenues generated from non-credit products and services and by capital markets, as well as all related operating expenses, are attributed to the operating segments.

Net income by operating segment is summarized in the table below and is more fully disclosed in Note 13 to the accompanying consolidated financial statements. The following tables also provide period-end and average loan amounts by operating segment.

| Net Income by Operating Segment (\$ in Millions) | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Year Ended December 31, | 2025 | 2024 | 2023 | 2022 | 2021 | |
| Agribusiness | \$ 684 | \$ 714 | \$ 731 | \$ 774 | \$ 677 | |
| Farm Credit Banking | 315 | 299 | 281 | 251 | 245 | |
| Rural Infrastructure | 668 | 622 | 495 | 424 | 392 | |
| Total Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 | \$ 1,449 | \$ 1,314 | |

| Period-end Loan Portfolio by Operating Segment (\$ in Millions) | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| December 31, | 2025 | 2024 | 2023 | 2022 | 2021 | |
| Agribusiness | \$ 42,144 | \$ 40,463 | \$ 37,785 | \$ 40,098 | \$ 38,094 | |
| Farm Credit Banking | 88,843 | 84,059 | 77,658 | 71,529 | 65,632 | |
| Rural Infrastructure | 35,893 | 34,337 | 32,572 | 28,462 | 24,803 | |
| Total Loans | \$ 166,880 | \$ 158,859 | \$ 148,015 | \$ 140,089 | \$ 128,529 | |

| Average Loan Portfolio by Operating Segment (\$ in Millions) | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| Year Ended December 31, | 2025 | 2024 | 2023 | 2022 | 2021 | |
| Agribusiness | \$ 41,341 | \$ 38,870 | \$ 40,044 | \$ 43,323 | \$ 37,656 | |
| Farm Credit Banking | 84,476 | 79,272 | 72,816 | 67,855 | 61,304 | |
| Rural Infrastructure | 34,997 | 33,325 | 30,215 | 25,734 | 24,379 | |
| Total Average Loans | \$ 160,814 | \$ 151,467 | \$ 143,075 | \$ 136,912 | \$ 123,339 | |

The following table presents activity in the ACL on loans by operating segment.

| Analysis of the ACL on Loans (\$ in Millions) | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Beginning of Year | \$ 792 | \$ 814 | \$ 825 | \$ 757 | \$ 732 |
| Change in Accounting Principle⁽¹⁾: | | | | | |
| Agribusiness | — | — | (135) | — | — |
| Farm Credit Banking | — | — | — | — | — |
| Rural Infrastructure | — | — | 60 | — | — |
| Total Change in Accounting Principle | — | — | (75) | — | — |
| Charge-offs: | | | | | |
| Agribusiness | (155) | (58) | (11) | (21) | (3) |
| Farm Credit Banking | — | — | — | — | — |
| Rural Infrastructure | (53) | (19) | (10) | (24) | (3) |
| Total Charge-offs | (208) | (77) | (21) | (45) | (6) |
| Recoveries: | | | | | |
| Agribusiness | 3 | 3 | 6 | 2 | 4 |
| Farm Credit Banking | — | — | — | — | — |
| Rural Infrastructure | 1 | 1 | — | — | 9 |
| Total Recoveries | 4 | 4 | 6 | 2 | 13 |
| Net (Charge-offs) Recoveries | (204) | (73) | (15) | (43) | 7 |
| Provision for Credit Losses on Loans Charged to Earnings⁽²⁾: | | | | | |
| Agribusiness | 161 | 25 | 17 | 71 | 16 |
| Farm Credit Banking | — | — | — | — | — |
| Rural Infrastructure | 38 | 26 | 62 | 40 | 2 |
| Total Provision for Credit Losses on Loans Charged to Earnings | 199 | 51 | 79 | 111 | 18 |
| End of Year | \$ 787 | \$ 792 | \$ 814 | \$ 825 | \$ 757 |
| Components: | | | | | |
| Allowance for Loan Losses | \$ 725 | \$ 733 | \$ 730 | \$ 682 | \$ 651 |
| Reserve for Unfunded Commitments | 62 | 59 | 84 | 143 | 106 |
| Total ACL on Loans | \$ 787 | \$ 792 | \$ 814 | \$ 825 | \$ 757 |
| ACL/Total Loans | 0.47 % | 0.50 % | 0.55 % | 0.59 % | 0.59 % |
| ACL/Total Loans Excluding Guaranteed and Association Loans | 1.02 | 1.08 | 1.18 | 1.24 | 1.22 |
| ACL/Nonaccrual and Nonperforming Loans | 127 | 206 | 651 | 497 | 604 |
| ACL/Nonaccrual Loans | 128 | 211 | 696 | 568 | 617 |
| Net Charge-offs (Recoveries) / Average Loans | 0.13 | 0.05 | 0.01 | 0.03 | (0.01) |

⁽¹⁾ Effective January 1, 2023, we adopted the CECL accounting standard pursuant to ASU Financial Instruments - Credit Losses (Topic 326).

⁽²⁾ Excludes credit loss reversal of \$2 million and \$3 million on investment securities in 2024 and 2023, respectively.

| ACL on Loans by Operating Segment (\$ in Millions) | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| December 31, | 2025 | 2024 | 2023 | 2022 | 2021 |
| Agribusiness | \$ 495 | \$ 486 | \$ 516 | \$ 639 | \$ 587 |
| Farm Credit Banking | — | — | — | — | — |
| Rural Infrastructure | 292 | 306 | 298 | 186 | 170 |
| Total ACL on Loans | \$ 787 | \$ 792 | \$ 814 | \$ 825 | \$ 757 |

Agribusiness

Overview

The Agribusiness operating segment includes loans and other financial services provided to a diverse market of cooperatives and other businesses in various agricultural sectors including grain handling and marketing, farm supply, fruits, nuts, vegetables, forest products, dairy, livestock, biofuels and food processing. Primary products and services include term loans, revolving lines of credit, trade finance, capital markets services, as well as risk management, cash management, leasing and investment products. To enhance portfolio diversification, and to assist System partners in meeting the needs of their increasingly diverse customer base, we purchase participations in loans from other System entities that they originate under their lending authorities and participate in syndicated agribusiness loans with other financial institutions.

A large portion of Agribusiness loans are seasonal financing provided to grain and farm supply cooperatives. The amount of our seasonal loans is affected by a number of factors, including grain volume, commodity prices, producer selling patterns, transportation availability and the relationship between cash and futures prices in the grain commodities markets. Agribusiness loans generally reach a seasonal low in late summer or early fall. Harvest financing demands result in loan increases beginning in the late fall of each year. Agribusiness loans typically peak early in the year when our cooperative customers pay producers' deferred grain payables.

While market conditions are generally favorable in many sectors of the agricultural industry we serve, our Agribusiness customers face challenges resulting from high input costs, ongoing volatile commodity prices, labor shortages, inflation, elevated levels of interest rates, weather-related events, evolving domestic and global market demand, increasing regulation, currency fluctuations and rapidly changing trade, tariff and immigration policies. These challenges, along with the need to attract high-quality leadership, manage risk and remain competitive, have led many of our cooperative customers to consolidate and merge, enter into joint ventures, or form alliances to develop new markets. This consolidation trend has, in some cases, resulted in larger individual and attributed credit commitments. We meet our customers' financing needs by maintaining appropriate credit exposure to individual customers and partnering with System entities and commercial banks in loan syndications and participations. We also focus on serving mission-related entities, including small and start-up cooperatives, and supporting our Farm Credit partners in their lending to young, beginning and small (YBS) farmers and ranchers.

The Agribusiness segment includes our Agricultural Export Finance Division (AEFD), which provides trade finance to support U.S. exporters of agricultural products. Obligors consist primarily of financial institutions in foreign countries (including emerging markets) who support our exporting customers in selling and shipping agricultural products to international markets. Expanding the export of U.S. agricultural products is an important component of supporting the U.S. economy and the balance of trade with foreign trading partners. The AEFD utilizes the U.S. government-sponsored export loan guarantee General Sales Manager (GSM) program for a portion of its export financing. As of December 31, 2025, the AEFD had \$4.7 billion in loans outstanding, 29 percent of which were guaranteed by the U.S. government under the GSM program, compared to \$5.8 billion in loans outstanding as of December 31, 2024, 29 percent of which were guaranteed under the GSM program. The decrease in AEFD loans outstanding resulted from an increased focus on risk adjusted returns in this portfolio. We further mitigate our exposure for certain AEFD lending transactions by purchasing credit enhancement from non-government third parties.

The Agribusiness segment also includes Farm Credit Leasing Services Corporation (FCL), a wholly-owned subsidiary which provides leases and lease-related products and financial services to agribusinesses, agricultural producers, Association partners and rural infrastructure companies. As of December 31, 2025 and 2024, FCL had \$4.2 billion and \$4.3 billion, respectively, in leases outstanding.

2025 Performance

Agribusiness loans outstanding increased to \$42.1 billion at December 31, 2025, compared to \$40.5 billion at December 31, 2024. Average loans increased 6 percent to \$41.3 billion in 2025 from \$38.9 billion in 2024. The increase in outstanding and average loans was primarily due to higher seasonal lending to grain and farm supply cooperative customers, increased purchased participations in loans from other System entities and growth in loans to large food and agribusiness customers, partially offset by a decrease in AEFD loans.

As previously mentioned, the level of seasonal lending within our Agribusiness operating segment can fluctuate significantly from period to period and is impacted by numerous factors, including commodity prices and inventory levels. The following table shows five-year price trends for certain grain commodities. Prices represent the yearly high and low “nearby” futures price per bushel for corn, soybeans and wheat. Nearby futures contracts represent those contracts with the nearest settlement date.

| Year Ended December 31, | 2025 | | 2024 | | 2023 | | 2022 | | 2021 | |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Commodity: | High | Low |
| Corn | \$ 5.12 | \$ 3.91 | \$ 4.74 | \$ 3.86 | \$ 7.07 | \$ 4.39 | \$ 8.13 | \$ 5.64 | \$ 7.70 | \$ 4.92 |
| Soybeans | 11.55 | 9.77 | 12.48 | 9.52 | 14.37 | 11.53 | 17.69 | 13.01 | 16.70 | 11.57 |
| Wheat | 6.18 | 5.04 | 7.00 | 5.23 | 8.37 | 5.56 | 12.94 | 7.29 | 8.29 | 5.92 |

Agribusiness operating segment net income decreased to \$684 million in 2025 compared to \$714 million in 2024. The decrease was primarily due to a higher provision for credit losses, partially offset by increases in net interest income and noninterest income.

Net interest income in our Agribusiness operating segment increased \$84 million to \$993 million in 2025 compared to \$909 million in 2024. This increase was primarily due to higher average loans and changes in mix, including increased seasonal lending to higher spread grain and farm supply cooperatives and a decline in lower spread lending to AEFD customers, partially offset by spread compression in the Agribusiness portfolio resulting from higher nonaccrual loans.

Agribusiness recorded a provision for credit losses of \$161 million in 2025, compared to \$25 million in 2024. The 2025 provision in our Agribusiness operating segment was largely driven by deterioration in credit quality including increased charge-offs and specific reserves requiring a higher level of provisioning. The 2024 provision in our Agribusiness operating segment primarily related to credit quality deterioration within certain sectors, partially offset by an improvement in macroeconomic forecasts in 2024 that resulted in lower modeled credit losses in many Agribusiness lending portfolios.

Notwithstanding some deterioration, credit quality in our Agribusiness operating segment remains manageable at December 31, 2025. Agribusiness nonaccrual loans increased to \$480 million at December 31, 2025 as compared to \$313 million at December 31, 2024 primarily due to fruits, nuts, vegetables, beverage, grain, farm supply, and other agribusiness customers transferred to nonaccrual status during 2025, partially offset by charge-offs, loan payoffs and sales. Gross charge-offs were \$155 million in 2025 compared to \$58 million for 2024. The 2025 charge-offs were related to fruits, nuts, vegetables, beverage, grain, farm supply and other agribusiness customers. The 2024 charge-offs were related to grain and farm supply, food, beverage and other agribusiness customers. Gross recoveries were \$3 million in 2025 and 2024. We believe deterioration in the future could result from market factors impacting our customers, including an ongoing volatile agricultural commodity price environment, labor shortages, inflation, elevated levels of interest rates, downward pressure on farm income, weather-related events and uncertainties associated with trade and changing government policies. In addition, concentrations within our loan portfolio can cause the level of our loan quality, nonaccrual loans, charge-offs and provisions for credit losses or credit loss reversals to vary significantly from period to period.

Agribusiness noninterest income increased by \$20 million to \$262 million in 2025 from \$242 million in 2024. The increase in noninterest income for the period was primarily due to increased patronage income, higher customer interest rate swaps and other derivatives income, and gains on sales of securities, partially offset by lower unused commitment fees. Noninterest income also included a lower return of excess insurance funds from the Insurance Corporation in 2025 as compared to 2024.

Agribusiness operating expenses decreased to \$357 million in 2025 from \$360 million in 2024, primarily due to lower allocated expenses from the one-time pension plan termination expense in 2024, partially offset by an increase in Insurance Fund premium expense.

Agribusiness income tax expense slightly increased to \$53 million in 2025, as compared to \$52 million in 2024.

Farm Credit Banking

Overview

The Farm Credit Banking operating segment includes wholesale loans from the direct funding relationships we have with our affiliated Association customer-owners and our wholesale funding relationships with other System institutions. As of December 31, 2025, we had 16 affiliated Associations operating in 23 states serving the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States. A number of affiliated Associations have merged in recent years as Associations look for ways to continue to fulfill their mission in a safe and sound manner, while more efficiently providing value-added products and services to their member owners.

Developing and maintaining strong relationships with Farm Credit Associations and other System institutions is an important strategic focus for the Bank. By working together, the Bank and Associations collectively partner to serve the capital needs of rural America by providing credit and other value-added financial services to a more diverse set of customers. We maximize the value of these strategic relationships by combining the Associations' strong market presence and local relationship management with our complementary product suite and lending capacity. Our relationships with Associations provide an important competitive advantage in attracting and retaining customers and in fulfilling our collective mission to support agriculture, rural infrastructure and rural communities.

2025 Performance

As of December 31, 2025, loans in the Farm Credit Banking operating segment increased to \$88.8 billion, compared to \$84.1 billion at December 31, 2024. Average loans increased 7 percent to \$84.5 billion in 2025, compared to \$79.3 billion in 2024. The increase in outstanding and average loans resulted from greater overall lending by our affiliated Associations to agricultural producers and processors and our affiliated Associations funding a higher level of syndicated loans and participations. At December 31, 2025 and 2024, Farm Credit Banking loans included \$82.6 billion and \$78.0 billion, respectively, in wholesale loans to our affiliated Associations and \$6.2 billion and \$6.0 billion, respectively, of participations in wholesale loans made by other System banks to certain of their affiliated Associations. Such participations included \$4.4 billion as of December 31, 2025 and 2024, in wholesale loans made by Farm Credit Bank of Texas (FCBT). The balance of participations of \$1.8 billion and \$1.6 billion as of December 31, 2025 and 2024, respectively, represent wholesale loans made by AgFirst Farm Credit Bank (AgFirst). The Farm Credit Banking operating segment also included loans made to a limited number of other financing institutions totaling \$0.1 billion at December 31, 2025 and 2024.

Farm Credit Banking operating segment net income increased to \$315 million in 2025, compared to \$299 million for 2024. The increase was primarily due to higher net interest income partially offset by lower noninterest income and higher operating expenses.

Net interest income in our Farm Credit Banking operating segment increased to \$366 million in 2025 as compared to \$333 million in 2024 primarily due to growth in average loans.

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

Farm Credit Banking noninterest income was \$3 million in 2025 as compared to \$12 million in 2024 primarily due to lower prepayment income, decreased gains on early extinguishments of debt and lower other miscellaneous income. The operating results of Farm Credit Banking did not benefit from the previously mentioned returns of excess insurance funds from the Insurance Corporation because these amounts were passed on directly to our Association customers.

Farm Credit Banking operating expenses in 2025 increased to \$54 million from \$46 million in 2024 primarily due to higher allocated expenses. The levels of direct and allocated expenses in the Farm Credit Banking operating segment are significantly lower than levels in the Agribusiness and Rural Infrastructure segments, as the activities to make and service wholesale loans are substantially less than similar activities for commercial lending. In addition, insurance premiums ascribed to the Farm Credit Banking operating segment are lower than the other two segments because premiums related to the associations' wholesale loans with CoBank are passed on directly to those associations and are not reflected in CoBank's financial statements. Only insurance premiums related to funding the Bank's liquidity investment portfolio are attributed to the Farm Credit Banking operating segment.

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

Rural Infrastructure

Overview

The Rural Infrastructure operating segment includes loans and other financial services provided to cooperatives and other companies in the power and energy, communications, water and waste industries as well as to community facilities in rural America. Primary products and services provided include term loans, revolving lines of credit, letters of credit, project finance, capital markets services, leasing, as well as risk management, cash management and investment products.

There are significant needs for investment in infrastructure to support businesses and residents in rural communities. Traditional sources of investment capital, including public sector financing, may not be available or sufficient to meet those needs. As a part of our congressionally-mandated mission, CoBank provides credit and financial services to meet rural infrastructure needs, including in partnership with other System entities, commercial banks and government entities. In particular, CoBank regularly partners with the U.S. Department of Agriculture (USDA) through co-lending, participates in USDA loan guarantees and refinances USDA loans. These activities target rural water and waste systems, irrigation districts, community facilities, rural power and energy projects and rural broadband. CoBank will continue to pursue additional opportunities to invest in rural infrastructure to allow rural businesses to compete in a global marketplace and to improve the quality of life in rural communities.

Power and energy industry customers include rural electric generation and transmission cooperatives, midstream energy and gas pipeline providers, electric distribution cooperatives, independent power producers including renewable energy providers, regulated utilities and investor-owned utilities. Loan demand continues to grow as our customers make infrastructure enhancements and technology driven investments to meet long-term system requirements, improve system reliability, meet increasing demand for electricity driven by the accelerating deployments of artificial intelligence technologies, develop renewable energy and maintain compliance with environmental and regulatory mandates. In addition, many electric distribution cooperatives are investing in broadband infrastructure to enable smart grid technologies and to provide their local communities with reliable high-speed internet.

Communications industry customers include companies providing local wireline and wireless broadband services, long-haul and middle-mile fiber transport, and offer cloud-based solutions to rural communities. Our customers also include regional and national communications providers with networks and data centers that are globally interconnected, who are essential to bringing services to rural America through their partnerships and contractual relationships with our rural customers. Growth in communication industries and related loan demand are expected to result from the ongoing digitization of the U.S. economy, the expansion of artificial intelligence, and the related need for data center capacity. Loan demand is also driven by capital spending by wireline and wireless broadband infrastructure providers to meet the continued demand for high-speed internet and data. Demand also results from merger and acquisition activity, including strategic acquisitions seeking scale, and from private equity and infrastructure funds establishing a greater presence in this competitive but growing industry.

Water industry customers include rural water and waste companies. Capital expenditure growth in this industry continues primarily as a result of the need to replace aging infrastructure and to meet higher standards for water quality. While government programs have traditionally provided grants and financing, private lending opportunities for construction or interim financing have also emerged, often as a bridge to government grants or loans. Demand for water has also shifted from commercial to residential use, altering needs for many water authorities. With the continuing need for plant upgrades and expected limitations on the availability of government funds, we expect private lending to this industry to continue to grow.

In partnership with other System entities and community banks, we provide funding to rural community facilities including rural health care facilities. We also make equity investments in certain Rural Business Investment Companies (RBICs). Our investments in RBICs focus on small and middle market companies that create jobs and promote commerce in rural America.

2025 Performance

Rural Infrastructure loans outstanding increased to \$35.9 billion at December 31, 2025 compared to \$34.3 billion at December 31, 2024. Average loans increased 5 percent to \$35.0 billion in 2025 compared to \$33.3 billion in 2024. The increase in outstanding and average loans was primarily related to electric distribution, rural power and communications customers.

Rural Infrastructure net income increased to \$668 million for 2025 from \$622 million for 2024. The increase was primarily driven by increases in net interest income and noninterest income, partially offset by an increased provision for credit losses, higher operating expenses, and a higher provision for income taxes.

Net interest income increased to \$731 million in 2025 from \$694 million in 2024. This increase was primarily due to higher average loans.

Rural Infrastructure recorded a provision for credit losses of \$38 million in 2025 as compared to \$24 million in 2024. The 2025 provision for credit losses was primarily driven by deterioration in credit quality in our communications portfolio, including increased charge-offs and specific reserves requiring a higher level of provisioning. The 2024 provision for credit losses primarily related to credit quality deterioration within our communications, electric distribution and water portfolios and increased lending activity partially offset by an improvement in macroeconomic forecasts in 2024 that resulted in lower modeled credit losses in our Rural Infrastructure lending portfolios. The Rural Infrastructure provision for credit losses in 2024 included a credit loss reversal on our investment securities of \$2 million which resulted from an improvement in modeled credit losses for these securities.

Notwithstanding some deterioration, credit quality in our Rural Infrastructure operating segment remained manageable at December 31, 2025. Nonaccrual loans in Rural Infrastructure increased to \$137 million at December 31, 2025 as compared to \$63 million at December 31, 2024 primarily due to communications customers transferred to nonaccrual status in 2025, partially offset by charge-offs and loan payoffs. Gross charge-offs were \$53 million in 2025 as compared to \$19 million in 2024. The 2025 charge-offs were primarily related to communications customers. The 2024 charge-offs were related to communications, rural water and energy customers. Gross recoveries were \$1 million in both 2025 and 2024.

Rural Infrastructure noninterest income increased to \$268 million in 2025 from \$228 million in 2024. This increase was driven by higher loan-related fee income from greater arrangement fees on transactions, increased customer interest rate swaps and other derivatives income, other noninterest income resulting from net gains on investments in RBICs compared to net losses in 2024, gains on sales of investment securities and higher patronage income. Noninterest income also included a lower return of excess insurance funds from the Insurance Corporation in 2025 compared to 2024.

Rural Infrastructure operating expenses increased to \$201 million in 2025 from \$191 million in 2024 primarily due to increased direct expenses, higher allocated expenses, and increased Insurance Fund premium expense.

Rural Infrastructure income tax expense increased to \$92 million in 2025 as compared to \$85 million in 2024. The increase was primarily due to an increase in pre-tax earnings in 2025 resulting from higher net interest income and noninterest income.

Enterprise Risk Profile

Managing and optimizing risk to our earnings, capital and enterprise value are essential components of successfully operating the Bank. Our primary risk exposures are credit, market, liquidity, operational, strategic, reputation, cyber and regulatory and compliance. Credit risk is the risk arising from changes in a customer's or a counterparty's ability or willingness to repay funds borrowed, or otherwise meet agreed-upon obligations. Market risk is potential for financial losses arising from changes in the value of CoBank's assets and liabilities resulting from changes in interest rates, basis, credit spreads and cash flows. Liquidity risk is the risk arising from the Bank's inability to repay its obligations, or issue new obligations to fund borrowers. Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, human factors or from external events. It can include risk of human errors or misconduct, fraud, inadequate data, systems and technology or process failures including external cyber risks impacting our technology platforms, business data and operational processes or those affecting critical vendors and customers. Strategic risk is the risk arising from adverse business decisions or lack of responsiveness to changes in the banking/operating environment. Reputation risk is the risk arising from negative external perception and loss of public confidence. Regulatory and compliance risk is the risk arising from failure to comply with laws or regulations.

Business segments and support units have the responsibility of identifying, monitoring and managing these risks. The Risk Management Group provides independent oversight and support in the establishment of a risk management framework across the organization. The Risk Management Group is led by the Chief Risk Officer (CRO) and includes the Credit Management, Enterprise Risk Management, Compliance & Financial Crimes, Business Continuity and Enterprise Security Divisions. The Risk Management Group works to identify, measure, monitor, control and report the Bank's primary risk exposures against limits and tolerance levels established by senior management and the Board of Directors.

The following is a discussion of these primary risks, and our approach to managing them.

Credit Risk Management

Credit risk exists in our lending, leasing, treasury and investing, cash management, custody, settlement and derivatives activities. Credit risk in these activities arises from changes in a customer's or counterparty's ability or willingness to repay funds borrowed or to meet agreed-upon financial or contractual obligations. Credit risk may be further impacted by changes in collateral values, changes in the prevailing economic environment, fraud, changes in the value of investment securities, changes in the creditworthiness of investment obligors and decreases in the value of underlying collateral securing investment securities.

We actively manage credit risk through a Board-approved loan portfolio strategy, a structured and centralized credit approval process, a disciplined risk management process and a sound credit administration program, while considering our responsibility to fulfill our mission of service to rural America. We have established comprehensive credit guidelines and procedures to ensure consistency and integrity of information related to the credit risk in our loan, lease, investment and derivatives portfolios.

Various groups and committees within CoBank have a role in managing credit risk, as described below. Our Board of Directors establishes overall lending and leasing, investment, derivatives and ACL policies. It also approves the portfolio strategy and capital adequacy plan and reviews loan volume, loan quality trends, significant high-risk or stressed loans and the credit quality of our investment and derivatives portfolios.

The CoBank Loan Committee (CLC), which is appointed by the Chief Executive Officer (CEO), and includes the Chief Credit Officer (CCO) and senior management of the Credit Management Division and the lending groups, holds ultimate credit authority as authorized by Board policy and provides oversight of all credit activities. The CLC reviews and approves transactions in accordance with certain delegated approval authorities to ensure conformity with the Bank's established lending policies and guidelines. It also recommends and approves limits with respect to investment obligors and derivative counterparties and manages significant high-risk or stressed loans. The CLC delegates lending authorities to specific committees or groups of individuals based on size of exposure and risk rating. It acts on individual credit approvals or administrative matters and approves exceptions if conditions warrant.

The Credit Management Division is led by the CCO, who reports to the CRO. The Credit Management Division oversees the establishment of concentration and portfolio limits and manages the credit approval process within those limits pursuant to Board policies.

The Risk Management Group oversees the development of the portfolio strategy, the maintenance of the ACL framework, methods, models and reports, other risk-based models and metrics and has oversight of the annual and quarterly risk assessments. In addition, the Risk Management Group provides quarterly reporting on the Bank's risk appetite and exposures and on annual and quarterly risk assessments. Both reports include monitoring and assessment of credit risk.

Although they do not report to the CRO, the heads of Internal Audit and Asset Review have a direct reporting responsibility to the Audit Committee of the Board of Directors. They provide independent reporting to the Board of Directors on the quality of the Bank's assets, the Bank's system of internal controls, and material audit and review findings.

The Asset and Liability Committee (ALCO), which includes the CEO, Chief Financial Officer (CFO), CRO, President, Chief Banking Officer (CBO), CCO, Treasurer, Executive Vice President of Farm Credit Banking, and Senior Vice President of Capital Markets, monitors credit risk and market risk within the investment portfolio and reviews counterparty credit risk arising from derivative transactions.

The Country Risk Committee (CRC) is appointed by the CEO, and includes the CRO, CCO, Senior Vice President Utilities, Supply Chain and Trade, and Sector Vice President Export and Supply Chain. It oversees the methodologies for setting country risk grade and establishing maximum country limits, as well as the approval of individual country risk ratings and limits.

Credit Risk Related to Loans

The key elements of our credit risk management related to lending include our portfolio strategy, the credit approval process, and the use of exposure and concentration limits, each of which is explained below.

Portfolio Strategy

The portfolio strategy provides overall guidance on lending activities and strategies over the next three years, consistent with our strategic business objectives and the Bank's risk appetite. It articulates how we will fulfill our congressionally-mandated mission in a safe and sound manner by managing to the Board-established financial baselines, optimizing the allocation of our risk appetite and resources and providing an appropriate return on our shareholders' equity by effectively balancing loan growth with profitability and credit risk. Our mission includes supporting our Associations' YBS farmers, small rural infrastructure entities, start-up cooperatives, local food programs, rural community development and renewable energy projects. The portfolio strategy helps ensure that CoBank is inclusive in its outreach to all marketplace segments whether it be through lending or investment activities or our corporate social responsibility program.

As part of the annual business and financial planning process, the Board of Directors reviews and approves the Bank's portfolio strategy. Management analyzes performance with respect to the portfolio strategy quarterly and reports the results to the Board of Directors.

Credit Approval

The most critical element in managing and controlling credit risk is the initial decision to make a loan and the resulting structure and terms of the relationship with the borrower.

We place significant emphasis on the evaluation and understanding of a borrower's business and management in the initial credit analysis and the approval process. We emphasize cash flow and repayment capacity as primary sources for repayment of loans, including cash generated from the sale of agricultural commodities as it relates to seasonal lending. Collateral is normally considered a secondary source of repayment. In circumstances where the credit decision places substantial reliance on collateral to repay the loans, independent appraisals may be used to assist in the collateral valuation. Such appraisals are conducted in accordance with FCA regulations and professional appraisal standards.

For wholesale lending within our Farm Credit Banking operating segment, the earnings, capital and credit loss reserves of Associations provide an additional layer of protection against losses in their respective loan portfolios. Loans to our affiliated Associations are governed by a General Financing Agreement, as described in Note 17.

Management assigns a risk rating to each borrower based on two primary measurements: the probability of default (PD) rating and loss given default (LGD) rating. The PD rating system uses a 14-point scale of 1 (highest quality) to 14 (lowest quality). The PD rating

is determined by the financial characteristics of the borrower and reflects the probability of default driven by several considerations, including business risk, industry risk, management capability and financial condition. The LGD rating is intended to approximate the degree of potential loss in the event the borrower defaults.

Exposure and Concentration Limits

We use exposure and concentration limits to manage risk and volatility in the loan portfolio. Exposure to individual borrowers and related entities is managed through a risk matrix that considers the dollar exposure, PD, LGD and type of exposure of the borrower. Individual borrower exposures are typically established at the time of loan origination or renewal, with risk ratings formally reviewed at least annually. The dollar exposure, PD, LGD and type of credit extended further determine the delegated level of authority required to approve the credit. These individual borrower exposures are then further subject to total portfolio limits on exposure to different industries and/or countries. Exposure limits for different industries are reviewed quarterly while exposure limits for different countries are reviewed annually. We allow for more frequent evaluation when appropriate. Exceptions to these exposure limits may be granted by the CLC or the CRC if conditions warrant.

We also manage credit exposures and concentrations in our loan portfolio by syndicating loans and by selling and purchasing loan participations. Our capabilities in syndicating loans and in selling and purchasing loan participations are critical to dynamically managing the loan portfolio, maintaining market discipline, meeting our customers' needs and fulfilling our mission.

We also regularly monitor pricing of loans in our portfolio that trade in the marketplace for evidence of credit deterioration, and when necessary, sell loans to mitigate further credit losses.

While we believe these standards, processes and tools are appropriate to manage our credit risk, there is no assurance that significant deterioration in loan quality will not occur, which could reduce our future earnings.

We are limited to making loans and leases, and providing related financial services to eligible borrowers in certain specified industries, as mandated by the Farm Credit Act. As a result, we have a concentration of loans to the agricultural and rural infrastructure industries. An important diversification and risk management tool is our similar entity authority which allows us to purchase participations in loans to borrowers which include businesses that are not directly eligible for a System loan but have operations that are functionally similar to a directly eligible borrower. This authority allows us to reduce geographic, industry and individual borrower concentrations in our loan portfolio.

The significant risk factors affecting credit conditions in these industries within each of our operating segments are described below.

Agribusiness

The relationship of demand for and supply of U.S. agricultural products in the global marketplace can significantly impact the volume, earnings and loan quality of our Agribusiness operating segment. Global trade flows and government policies on trade can impact the pricing of commodities, costs of input products and supply chains of agribusiness customers.

Volatility in the prices and supplies of agricultural commodities and high input costs required to produce the commodities can affect the profitability and loan quality of our agribusiness customers. Such volatility results from, among other factors, seasonal and cyclical weather conditions, domestic and global economic growth expectations, the availability of transportation, labor shortages, inflation, elevated levels of interest rates, global production and supply levels, financial investment in the commodity futures markets by non-agricultural interests, changing export markets, currency exchange rates and the effect of government policies on trade and tariffs, immigration and agriculture support programs. Market prices for food products and changing consumer demands also have a significant effect on a number of customers within our Agribusiness operating segment. Uncertainties may exist on trade, immigration and other legislation given the potential for shifting government and public policy priorities.

Extreme weather conditions can substantially impact harvest volume and prices of agricultural products and, ultimately, impact the credit quality of some of our agribusiness borrowers and our Associations' borrowers as their earnings are affected. Although certain crop losses resulting from weather conditions are mitigated for producers by multi-peril crop insurance, not all crops are covered by insurance. To the extent weather adversely impacts the agricultural sector, the risk of loss in our loan portfolio may increase, which could reduce our earnings. In addition, biological or disease risk in human, livestock or crop populations can impact the supply of and demand for agricultural products. Certain customers also have exposure to counterparties in the commodities exchange markets. The

increasing focus on climate risk may also impact borrowers in the Agribusiness operating segment in a manner that may require changes to their existing business models and operations.

Major international events, including military conflicts, terrorism, political, geopolitical, currency and global economic disruptions, and trade and tariff policies and agreements can affect, among other things, the price and demand for commodities or products used or sold by our borrowers or their access to markets. Such events may also impact country risk, cross border risk or repayment ability of foreign counterparties in our agricultural export finance lending portfolio. Country risk is the risk that economic, social and political conditions and events in a foreign country will affect the current or projected financial condition or resilience of a correspondent customer bank. Cross border risk encompasses convertibility and transfer risks. Convertibility risk exists when the ultimate source of repayment is unable to convert its local currency into the currency of payment due to government restrictions or actions. Similarly, transfer risk is the possibility that an asset cannot be serviced in the currency of payment because of a government action limiting the transferability of foreign currency.

U.S. agriculture has historically received financial support from the U.S. government through direct payments, crop insurance and other benefits. The Agricultural Improvement Act of 2018 (the Farm Bill) was signed into law in December 2018 and amended and extended major programs for crop insurance, food and nutrition, land conservation, trade promotion, rural development, research, forestry, horticulture and other miscellaneous programs administered by the USDA. The Farm Bill was temporarily extended through September 30, 2026, but Congress has failed to complete a full reauthorization. In December 2025, the U.S. Department of Agriculture announced the Farm Bridge Assistance (FBA) program which will provide government support payments to row crop farmers impacted by tariffs, high production costs and low crop prices. Delay in reauthorizing a new Farm Bill, the timing of payments under the FBA program and any other potential government support payments may significantly impact the agriculture sector. Although most of our direct customers do not generally receive support payments from federal programs, a significant reduction or elimination of support in the future could have a negative impact on the loan quality of certain borrowers, including Associations, who derive a significant share of their earnings from farmers and other producers who could be affected by such a reduction. Other political, legislative and regulatory activities may also impact the level or existence of certain government programs that support agriculture. In addition, government policies, regulatory focus and investor advocacy related to climate risk, may have an impact on agribusiness producers and processors.

Farm Credit Banking

The risk factors previously discussed in the “Agribusiness” section can also affect loan quality at Associations; however, the impact of such factors on farmers and other producers served by Associations may not be the same as the impact on cooperatives and other customers served by our Agribusiness operating segment. The loan quality within our Farm Credit Banking operating segment is enhanced by our strong collateral position and the earnings, capital and credit loss reserves of the Associations, which provide an additional layer of protection against losses they may have in their loan portfolios.

Rural Infrastructure

Downturns in the general economy, and the rural economy in particular, can reduce commercial, industrial and residential demand for services and negatively affect customers in our Rural Infrastructure operating segment.

Fluctuating weather conditions, energy efficiency initiatives, changing regulatory constructs, the relative cost and price volatility of various fuel sources, the advent of distributed generation sources and other technological disruptors, the growth and integration of renewable power sources and challenges of meeting increasing electricity demand can adversely affect our customers in the power industry. Government policies on energy may also impact loan demand and loan quality. The pace and degree of the restructuring and optimization of the electric power industry in the United States may also impact future loan quality. Climate risk may also impact borrowers in the Rural Infrastructure operating segment in a manner that may require changes to their existing business models and operations. For example, it may place constraints on generation technologies that produce carbon and favor renewable energy technologies. In addition, climate legislation passed by the state of California may create additional regulatory and compliance burdens. Uncertainties exist in climate legislation and related regulatory requirements resulting from shifting government and public policy priorities.

The communications industry is impacted by intense competition, evolving technology, accelerating deployment of artificial intelligence and data centers, and changing customer demands. Regulatory and legislative changes may also impact the competitive position of our communications borrowers. These factors may place downward pressure on cash flows, asset valuations and access to capital, which could adversely impact the quality of our loan portfolio. In addition, decreased cash flows and the resultant impact on

asset valuations, the inability to successfully integrate acquired companies, or the lack of availability of debt and equity capital could adversely affect certain communications customers.

The water industry faces high capital expenditure requirements due to environmental regulation, aging infrastructure and reduced levels of government support. Top-line revenue growth is also a concern for the water industry given the decline in per capita residential water usage resulting from conservation measures and increased use of water efficient appliances. The inability to adjust rate structures and address the misalignment of rising fixed costs and flat to declining variable revenues, without sacrificing affordability, could adversely affect certain water customers.

Credit Quality Conditions and Measurements in Our Loan Portfolio

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

| Loan Quality Ratios | | | | | | |
|---------------------|--------------------------------|---------------------------------|-----------------|--------------------------------|---------------------------------|-----------------|
| | December 31, 2025 | | | December 31, 2024 | | |
| | Wholesale Loans ⁽¹⁾ | Commercial Loans ⁽²⁾ | Total Bank | Wholesale Loans ⁽¹⁾ | Commercial Loans ⁽²⁾ | Total Bank |
| Acceptable | 100.00 % | 94.78 % | 97.55 % | 100.00 % | 95.39 % | 97.82 % |
| Special Mention | — | 2.68 | 1.26 | — | 2.84 | 1.34 |
| Substandard | — | 2.46 | 1.15 | — | 1.71 | 0.81 |
| Doubtful | — | 0.08 | 0.04 | — | 0.06 | 0.03 |
| Loss | — | — | — | — | — | — |
| Total | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |

⁽¹⁾ Represents loans in our Farm Credit Banking operating segment.

⁽²⁾ Represents loans in our Agribusiness and Rural Infrastructure operating segments.

Notwithstanding some credit quality deterioration, our overall loan quality measures remain manageable at December 31, 2025. Special Mention loans were 1.26 percent of total loans at December 31, 2025 compared to 1.34 percent of total loans at December 31, 2024. The level of adversely classified loans (“Substandard”, “Doubtful” and “Loss”) as a percent of total loans increased to 1.19 percent at December 31, 2025, compared to 0.84 percent at December 31, 2024 primarily due to customers in our Agribusiness operating segment that transferred to Substandard status.

| Summary of High-Risk Assets (\$ in Millions) | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| December 31, | 2025 | 2024 | 2023 | 2022 | 2021 |
| Nonaccrual Loans | \$ 617 | \$ 376 | \$ 117 | \$ 145 | \$ 123 |
| Accruing Loans 90 Days or More Past Due | 2 | 8 | 8 | 15 | 3 |
| Accruing Restructured Loans | — | — | — | 6 | — |
| Total Nonaccrual and Nonperforming Loans | 619 | 384 | 125 | 166 | 126 |
| Other Property Owned | — | — | — | — | — |
| Total High-Risk Assets | \$ 619 | \$ 384 | \$ 125 | \$ 166 | \$ 126 |

Total nonaccrual loans increased to \$617 million at December 31, 2025 compared to \$376 million at December 31, 2024 primarily due to agribusiness and communications customers that transferred to nonaccrual during 2025. Nonaccrual loans as a percent of our total loan portfolio were 0.37 percent and 0.24 percent as of December 31, 2025 and 2024, respectively. Over the past 10 years, nonaccrual loans have averaged 0.19 percent of the total loan portfolio.

Accruing loans 90 days or more past due were \$2 million at December 31, 2025 and \$8 million at December 31, 2024.

Gross charge-offs were \$208 million in 2025 compared to \$77 million in 2024. The charge-offs in 2025 primarily related to agribusiness and communications customers. The charge-offs in 2024 primarily related to agribusiness, communications, rural water and power customers. Charge-offs have historically resulted from a relatively small number of customers, and as a result, can fluctuate significantly period to period. Net charge-offs as a percentage of average loans were 0.13 percent in 2025 compared to 0.05 percent in 2024. Over the past 10 years, the average of net charge-offs as a percentage of average loans was 0.03 percent.

Our ACL on loans totaled \$787 million and \$792 million at December 31, 2025 and 2024, respectively, and represented 0.47 percent and 0.50 percent of total outstanding loans at December 31, 2025 and 2024, respectively. Our ACL on loans represented 1.02 percent and 1.08 percent of loans outstanding excluding guaranteed and wholesale loans to Associations at December 31, 2025 and 2024, respectively.

As part of our overall assessment of risk in the loan portfolio and the ACL on loans as of December 31, 2025, we have considered a wide variety of factors, including the macroeconomic environment and disruptions related to global unrest; volatile commodity prices and supplies; labor shortages; weather-related events; trade uncertainty; global economic uncertainty; the impact of changes in tariffs; and instability in the Middle East; a significant level of industry, borrower and attributed concentration risk resulting from our defined mission of service to rural communities and agriculture; and the imprecision inherent in estimating credit losses within our loan portfolio.

See “Critical Accounting Estimates – Allowance for Credit Losses on Loans” on page 78 for a more complete description of our process to determine the adequacy of our ACL on loans.

Credit Risk Related to Investments and Derivatives

We minimize credit risk in our investment portfolio by investing primarily in securities issued or guaranteed by the U.S. government or a government-sponsored enterprise (U.S. Agency). At year-end 2025, 52 percent of our \$49.5 billion investment portfolio consisted of securities that carry a full faith and credit guarantee of the U.S. government. Such securities include mortgage-backed securities (MBS) issued by the Government National Mortgage Association (Ginnie Mae), the Export-Import Bank of the United States securities and the U.S. Treasury and other debt securities, including securities backed by guaranteed portions of Small Business Administration loans. Approximately 47 percent of our investment portfolio consisted of securities issued by a U.S. Agency, including MBS and/or U.S. Agency debt issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal Home Loan Banks (FHLB).

Credit risk in our investment portfolio primarily exists in the remaining 1 percent of our investment securities that are not guaranteed by the U.S. government or a U.S. Agency, which currently include asset-backed securities (ABS) backed by pools of equipment loans and corporate bonds of midstream energy and communication companies. The midstream energy and communication corporate bonds are purchased under lending authorities and not held for liquidity purposes. Our ABS and midstream energy and communication corporate bonds collectively total \$559 million of our total investment portfolio as of December 31, 2025. Credit risk in our investment portfolio also arises in a portion of our short-term investments, which include our overnight bank deposits and federal funds sold which are transacted with highly-rated commercial bank counterparties.

We recorded a \$1 million ACL on our available-for-sale investment securities at December 31, 2025 and 2024. The ACL on investments relates to our corporate bonds of midstream energy and communication companies. No provision for credit loss or credit loss reversal was recorded on our investment securities during 2025. We recorded a credit loss reversal on our investment securities of \$2 million during 2024 that is included in the provision for credit losses in our consolidated statements of income. The credit reversal resulted from an improvement in modeled credit losses for these securities.

The credit quality of our investment portfolio as of December 31, 2025 is more fully discussed in “Liquidity and Capital Resources” beginning on page 70.

The use of derivative instruments exposes us to counterparty credit risk. Generally, when the fair value of a derivative contract is positive, we are exposed to credit risk. Our counterparty credit risk arising from derivative transactions is managed within credit methodologies and limits approved by the CLC. Credit risk limits are established based on potential future exposure.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) requires certain derivative transactions to be cleared through a central clearinghouse and traded on regulated derivative execution facilities. The U.S. Commodity Futures Trading Commission (CFTC) has exempted certain qualifying derivatives entered into by end-users and financial cooperatives from these requirements. The exemptions do not cover all derivatives executed by CoBank and are generally limited to derivatives entered into in connection with loans and derivatives for customer-owners. CoBank has also voluntarily chosen to clear some derivative transactions for economic and risk management purposes. As a result, certain of our derivative transactions are cleared through a futures commission merchant (FCM) with a clearinghouse or central counterparty (CCP). CCPs have several layers of protection against default including initial and variation margin that is required to be posted by participants. FCMs prequalify counterparties to all cleared derivatives, set exposure limits for each counterparty and collect initial and variation margin or settlement payments daily.

for changes in the value of cleared derivatives. The margin and settlement payments collected from both parties to the derivative mitigates credit risk in the event of a counterparty default. Initial and variation margin or settlement payment requirements are set by and held for the benefit of the CCP. Additional initial margin may be required and held by the FCM in some instances. At December 31, 2025 and 2024, the notional amount of our cleared derivatives was \$119.5 billion and \$42.9 billion, respectively.

For derivatives with counterparties, other than customers, not cleared through a central clearinghouse, we minimize this risk by diversifying our derivative positions among various financial institution counterparties, using master netting agreements and requiring collateral with zero thresholds and daily posting to minimize credit exposures. We evaluate the creditworthiness of each counterparty, establishing individual credit exposure limits, and deal exclusively with derivative counterparties that have an investment grade credit rating from a major credit rating agency. In addition, we monitor counterparty credit default swap spreads and other market-related information which may indicate reduced creditworthiness of a counterparty. Credit default swap spreads are considered when counterparty limits are established.

The net fair value of our derivatives with our dealer counterparties was a net asset at December 31, 2025, 2024 and 2023, and was largely offset by the collateral we received from our dealer counterparties. The amount of losses related to derivatives we are exposed to in the event of nonperformance by dealer counterparties to our derivative positions is mitigated by collateral held by us.

The forward interest rate curves used to project the future expected cash flows for the derivative positions are modeled under potential scenarios which increase and decrease interest rates within a 99 percent confidence interval. These rate scenarios are then used to further evaluate potential counterparty credit risk and to establish, measure and monitor counterparty limits or customer exposure (including loans). Employees who are independent of the derivative portfolio management team monitor the derivative exposures against approved limits. Exceptions to approved limits are reported to management. Changes to the counterparty limits must be approved by the appropriate delegated approval authority.

Notwithstanding our credit evaluation process and the maintenance of collateral agreements with our derivative counterparties, the failure of a counterparty to perform on its obligations could negatively impact our earnings. Furthermore, although our credit evaluations consider the possibility of default by a counterparty, our ultimate exposure to default by a counterparty could be greater than expected due to changes in market factors, including interest rates.

Customer derivative transactions are typically secured through our loan agreements. The notional amount of our derivatives, excluding related dealer offsets, and our related mark-to-market exposure to customer counterparties were \$49.8 billion and \$79 million, respectively, at December 31, 2025 compared to \$20.9 billion and \$23 million, respectively, at December 31, 2024.

Market Risk Management

We are subject to market risk, defined as the risk to current or future earnings or capital arising primarily from movements in interest rates and credit spreads. This risk primarily arises from our equity positioning strategy and differences in the timing between the contractual maturities, repricing characteristics, and cash flows of our interest-earning assets and the liabilities funding these assets. Market risk can also arise from embedded caps or floors in floating-rate investments and loans as well as differences between the interest rate indices used to price and fund our assets.

We provide wholesale loans to our affiliated Associations to fund their lending and general corporate activities. The funding received by most of our affiliated Associations matches the terms and embedded options of those Associations' retail loans. This funding approach shifts the majority of the interest rate risk associated with retail loans from these Associations to the Bank where interest rate risk is managed centrally. Certain of our affiliated Associations, totaling 19 percent of our interest-earning assets, make use of a different funding approach with us and manage their own interest rate risk for their retail loans and investments as part of the Association's asset/liability management processes.

Our asset/liability management objective is to manage the mix of the Banks' interest-earning assets and interest-bearing liabilities consistent with strategies set by ALCO. A key objective is to stabilize our net interest income while optimizing profitability and insulating shareholders' equity from significant adverse fluctuations in market interest rates. While we actively manage our interest rate risk position within policy limits approved by the Board of Directors using strategies established by our ALCO, and within our risk appetite, there can be no assurance that changes in interest rates will not adversely impact our earnings and capital.

Underwriting risk is another type of market risk that may result from underwritten and committed lending transactions when the distribution and sale of loan inventory is executed at prices below par or expected levels due to changes in interest rates or credit

spreads. This underwriting risk is mitigated primarily through the Bank's expertise in the core industry sectors we serve, sound market-based transaction structure and pricing with experienced and dedicated investors and a defined governance framework including limits.

There is also market risk related to our equity investments in RBICs and mission related investments held within our Rural Infrastructure operating segment described on page 46. This risk is mitigated by an investment committee approval process, exposure and concentration limits, diversification and other monitoring activities.

The following is a more detailed description of our primary interest rate risks and strategies used to mitigate those risks.

Equity Positioning Risk

Shareholders' equity serves as an interest-free source of funding for the balance sheet and thus requires that we make decisions about the maturity mix of the assets funded by it. Using equity to fund short-term assets results in increased volatility of net interest income, whereas using equity to fund long-term assets results in increased volatility in the market value of our equity.

Repricing/Refunding Risk

Mismatches in interest rate repricing and maturities of assets and liabilities arise from the interaction of customer business needs, our investment portfolio composition and the mix of liabilities funding these assets. In addition, we may also undertake funding strategies designed to maximize earnings on our asset/liability position in certain interest rate environments, including using short-term liabilities to fund longer-term assets. However, funding longer-term assets with shorter-term liabilities exposes the Bank to changes in interest rates and spreads to market indices for debt issuances. If interest rates increase or spreads widen, income would be negatively impacted as higher cost funding is required to continue to fund the longer-term assets.

We manage exposure to changes in the level and direction of interest rates adjusting the Bank's mix of interest-sensitive assets and liabilities through various strategies and through the utilization of interest rate risk management products, including interest rate swaps and other derivatives. We do not use derivatives for speculative or trading purposes and regulations prohibit us from taking speculative derivative positions. Refer to page 59 for additional information related to derivatives.

Prepayment/Extension Risk

Prepayment risk in our loan portfolio exists in loans and investment securities (e.g., securitizations) that are considered fully prepayable. Approximately 29 percent of fixed-rate loans are fully prepayable. Prepayment risk in this portfolio results when intermediate and longer-term interest rates fall and prepayments increase as borrowers refinance to a lower rate. Prepayments can adversely impact loan portfolio income to the extent prepayments exceed the level of fixed-rate callable debt in the portfolio. Fixed-rate callable debt can be called in lower-rate environments, thus allowing liabilities to reprice at a lower rate. Approximately 81 percent of our fully prepayable loan portfolio is funded with callable debt, which lowers prepayment risk.

The remaining 71 percent of fixed-rate loans contain, at a minimum, make-whole prepayment penalties. These provisions require a borrower to compensate us for the cost we incur in retiring debt funding associated with loan prepayments. This allows us generally to fund our loan assets with debt of similar maturities.

Prepayment risk in the investment portfolio results when long-term interest rates fall and prepayments increase as underlying borrowers refinance their mortgages to a lower rate. Prepayments can adversely affect investment portfolio income in a falling interest rate environment because investments can be funded with non-callable debt and any proceeds from prepaid investments will be reinvested at a lower interest rate. Prepayment risk in our investment portfolio is measured under different stress interest rate scenarios. Purchases of MBS are subject to a price risk eligibility test based on a stressed interest rate environment. The test is designed to manage our exposure to extension risk at the time of investment purchase. Any purchases of MBS that fail this test must be approved by ALCO. In order to mitigate prepayment risk in our investment portfolio, a larger composition of the investment portfolio is invested in agency commercial mortgage-backed securities (CMBS) which have prepayment protections imbedded within the securities. In addition, a portion of the fixed-rate residential MBS (other than hybrid adjustable-rate mortgage securities) contain embedded prepayment protection in the form of planned amortization class (PAC) bands. These PAC securities are structured so that principal payments are expected to follow a predetermined schedule as long as the prepayments of the underlying collateral fall within a prescribed band. Over time, these bands may erode resulting in an incremental increase in prepayment risk within the investment portfolio.

We also fund a portion of our fixed-rate prepayable investment portfolio with term fixed-rate callable debt that provides a partial hedge against prepayment risk in certain falling interest rate environments. The rate we pay on these liabilities effectively reprices downward with a drop in short-term and intermediate-term interest rates. We also use options to hedge our prepayment risk.

Extension risk in the loan portfolio occurs when long-term interest rates increase causing the loans to pay down slower than expected. Loan portfolio income will be negatively impacted as additional higher-rate term funding is required to continue to fund extended loans.

Extension risk in the investment portfolio occurs when long-term interest rates increase causing the underlying investment securities to pay down at a slower rate than initially expected. In this scenario, investment portfolio income will be negatively impacted as additional higher-rate term funding is required to continue to fund extended securities. Extension risk in the investment portfolio is measured under different stressed interest rate scenarios. Extension risk is mitigated by having a larger portion of the portfolio invested in agency CMBS with shorter defined legal maturities. Also, in the same way PAC bands provide some protection against prepayment risk in fixed-rate residential MBS, they also serve to limit extension risk as the amortization of these securities is defined as long as prepayments of the underlying collateral fall within a prescribed band.

Cap and Floor Risk

Cap risk is embedded in the floating-rate MBS in our investment portfolio and to a lesser extent floating-rate loans. When short-term interest rates rise, the interest rate paid by the floating-rate MBS or floating-rate loan may become capped and limit the amount of income earned on the asset while underlying funding costs are not capped. We manage exposure to cap risk by monitoring the concentration of strike levels in our floating-rate MBS and floating-rate loans and related interest rate shock sensitivities. We also purchase interest rate caps and other derivatives to manage cap risk. Further, we have the ability to reduce cap risk by selling our floating-rate investment securities.

Floor risk exists within our floating-rate loans and investments. During periods of declining interest rates or sustained low interest rates, the interest we receive on floating-rate loans and investments declines or remains low thereby reducing our net interest income. This effect is particularly pronounced during extended periods of very low or negative interest rates, and adversely impacts our financial condition, cash flows and results of operations. We purchase interest rate floors to mitigate this risk.

Basis Risk

Basis risk arises due to the differences between the interest rate indices used to price our assets and the indices used to fund those assets. We manage our basis risk through match funding, when possible, and using derivatives (primarily interest rate swaps) and other funding strategies. However, basis risk will always exist as unanticipated loan volume changes cause an excess or shortage of some forms of funding.

Measurement and Monitoring of Market Risk

The Enterprise Risk Management Division is responsible for the independent measurement, monitoring and reporting of market risk. We utilize several risk measurement and monitoring tools to assist in the management of market risk. These include interest rate gap analysis, duration gap analysis, sensitivity analysis of net interest income and market value of equity, and net interest income forecasting, each of which is described in further detail in the following pages.

Interest Rate Gap Analysis

The interest rate gap analysis shown in the following table presents a comparison of interest-earning assets and interest-bearing liabilities in defined repricing timeframes as of December 31, 2025. The interest rate gap analysis is a static indicator that does not reflect future changes in repricing characteristics and may not necessarily indicate the sensitivity of net interest income in a changing interest rate environment.

| Interest Rate Sensitivity Analysis at December 31, 2025 (\$ in Millions) | | | | | | |
|---|------------------------------|--|---|---|---|-------------------|
| | One Month or Less | Over One Month Through Six Months | Over Six Months Through One Year | Over One Year Through Five Years | Over Five Years and Not Rate Sensitive | Total |
| Interest-earning Assets: | | | | | | |
| Floating-rate Loans: | | | | | | |
| Adjustable-rate/Indexe-rate Loans | \$ 76,972 | \$ 5,383 | \$ 27 | \$ — | \$ — | \$ 82,382 |
| Administered-rate Loans | 19,233 | — | — | — | — | 19,233 |
| Fixed-rate Loans: | | | | | | |
| Fixed-rate Loans ⁽¹⁾ | 1,509 | 5,348 | 4,821 | 19,397 | 14,085 | 45,160 |
| Fixed-rate Loans, Prepayable ⁽²⁾ | 395 | 1,884 | 2,020 | 8,876 | 6,313 | 19,488 |
| Nonaccrual Loans | — | — | — | — | 617 | 617 |
| Total Loans | 98,109 | 12,615 | 6,868 | 28,273 | 21,015 | 166,880 |
| Investment Securities | 10,354 | 4,422 | 4,343 | 19,489 | 10,881 | 49,489 |
| Federal Funds Sold and Other Overnight Funds | 3,955 | — | — | — | — | 3,955 |
| Loans Held-For-Sale (Included in Other Assets) | — | — | — | — | 18 | 18 |
| Total Interest-earning Assets⁽³⁾ | \$ 112,418 | \$ 17,037 | \$ 11,211 | \$ 47,762 | \$ 31,914 | \$ 220,342 |
| Interest-bearing Liabilities: | | | | | | |
| Callable Bonds and Notes | \$ 22,793 | \$ 3,653 | \$ 3,828 | \$ 5,867 | \$ 4,887 | \$ 41,028 |
| Noncallable Bonds and Notes | 93,958 | 19,497 | 7,406 | 29,868 | 11,562 | 162,291 |
| Bonds, Medium Term Notes and Discount Notes | 116,751 | 23,150 | 11,234 | 35,735 | 16,449 | 203,319 |
| Effect of Interest Rate Swaps and Other Derivatives | (6,765) | (3,499) | 1,002 | 1,663 | 7,599 | — |
| Cash Investment Services Payable and Other | — | — | — | — | — | — |
| Interest-bearing Liabilities | 1,258 | 1 | 1 | — | 875 | 2,135 |
| Total Interest-bearing Liabilities | \$ 111,244 | \$ 19,652 | \$ 12,237 | \$ 37,398 | \$ 24,923 | \$ 205,454 |
| Interest Rate Sensitivity Gap (Total Interest-earning Assets less Total Interest-bearing Liabilities) | \$ 1,174 | \$ (2,615) | \$ (1,026) | \$ 10,364 | \$ 6,991 | \$ 14,888 |
| Cumulative Gap | \$ 1,174 | \$ (1,441) | \$ (2,467) | \$ 7,897 | \$ 14,888 | |
| Cumulative Gap/Total Interest-earning Assets | 0.53 % | (0.65) % | (1.12) % | 3.59 % | 6.75 % | |

⁽¹⁾ Prepayment penalties apply that compensate CoBank for economic losses.

⁽²⁾ Freely prepayable or only minimal prepayment penalties apply.

⁽³⁾ Does not include \$972 million in cash and cash equivalents as of December 31, 2025.

Our cumulative one-year gap position between interest-earning assets and interest-bearing liabilities was negative at December 31, 2025. In general, we are neutrally positioned when viewing the gap table above with the net interest income at risk sensitivity table on page 58, which indicates parallel changes in interest rates are not projected to have a material impact on net interest income over the next 12 months as measured at December 31, 2025.

We continually monitor interest rates and have the ability to reposition our balance sheet as a result of anticipated interest rate changes. If we expect a meaningful change to interest rates, we could shift our position in short order.

Duration Gap Analysis

The duration gap is the difference between the estimated durations of assets and liabilities, which is calculated using an asset/liability model. The duration gap summarizes the extent to which estimated cash flows for assets and liabilities are matched, on average, over

time. A positive duration gap means there is increased market value exposure to rising interest rates over the long-term because it indicates that the duration of our assets exceeds the duration of our liabilities. A negative duration gap indicates increased market value exposure to declining interest rates over the long-term because the duration of our assets is less than the duration of our liabilities. We apply the same interest rate methods, prepayment models and volatility assumptions to generate the portfolio duration gap that we use in our sensitivity analysis, which is discussed below. The duration gap provides a relatively concise and simple measure of the interest rate risk inherent in our balance sheet, but it is not directly linked to expected future earnings performance. Our aggregate positive duration gap was 2.9 months at December 31, 2025 and 3.1 months at December 31, 2024.

Sensitivity Analysis

We use asset/liability models to evaluate the dynamics of our balance sheet and to estimate earnings volatility under different interest rate scenarios. Our analysis includes calculating the impact of significant increases or decreases in interest rates on net interest income, over a 12-month period, and the estimated market value of equity.

Our analysis typically estimates the effect of immediate and sustained parallel positive (up) and negative (down) shifts in the yield curve (called “shocks”) of 100, 200 and 300 basis points, where possible. Pursuant to regulation and our Board policy, when the three-month Treasury rate is below 4 percent, as it was for the year ended December 31, 2025, we perform a shock equal to one-half the three-month Treasury rate, which resulted in a downward shock of 182 basis points at December 31, 2025. When analyzing net interest income at risk, we also estimate the effect of gradual upward and downward changes in market rates (called “ramps”) over a one-year period of 100, 200 and 300 basis points, where possible.

The following table summarizes the impact of interest rate changes on net interest income and the market value of equity. Market value of equity is the net present value of all future cash flows discounted to a valuation date, using discounting factors derived from observed market rates on the same valuation date. In all cases, the underlying assumptions and hedging strategies are held constant so that results are comparable from scenario to scenario. However, actual results would differ to the extent changes in strategy were undertaken to mitigate the unfavorable impact of interest rate changes.

| | Net Interest Income at Risk - Year Ended December 31, | | | Market Value of Equity at Risk as of December 31, | | |
|------------------|---|-------|-------|---|--------|--------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Scenario: | | | | | | |
| - 300 bp shock | n/a | n/a | n/a | n/a | n/a | n/a |
| - 200 bp shock | 0.5 % | 4.0 % | 1.4 % | 9.8 % | 10.6 % | 10.1 % |
| - 182 bp shock | 0.6 | — | — | 9.0 | n/a | n/a |
| - 100 bp shock | 0.5 | 1.9 | 0.4 | 5.1 | 5.3 | 5.0 |
| +100 bp shock | 0.8 | (1.1) | 0.7 | (4.6) | (5.0) | (4.6) |
| + 200 bp shock | 2.1 | (2.1) | 1.5 | (8.8) | (9.6) | (8.8) |
| + 300 bp shock | 3.3 | (3.2) | 2.1 | (12.8) | (14.0) | (12.8) |
| - 300 bp ramp | n/a | n/a | n/a | n/a | n/a | n/a |
| - 200 bp ramp | 1.5 | 3.3 | 1.8 | n/a | n/a | n/a |
| - 100 bp ramp | 0.8 | 1.6 | 0.8 | n/a | n/a | n/a |
| + 100 bp ramp | (0.6) | (1.4) | (0.3) | n/a | n/a | n/a |
| + 200 bp ramp | (0.9) | (2.8) | (0.6) | n/a | n/a | n/a |
| + 300 bp ramp | (1.2) | (4.1) | (1.0) | n/a | n/a | n/a |

Our net interest income over the next 12 months is favorably impacted by 2 percent due to a 200 basis point upward rate shock as measured at December 31, 2025. Our equity positioning strategy is designed to reduce volatility of net interest income.

Our market value of equity as measured at December 31, 2025 is negatively impacted in increasing interest rate scenarios. Our use of equity to fund intermediate term assets results in a decline in our market value of equity when interest rates increase. Our Board limits the amount of adverse change to net interest income and market value of equity under a down regulatory shock and an up 200 basis point rate shock. The limit for market value of equity was 15 percent and the limit for net interest income was 10 percent for all three years presented. At December 31, 2025, 2024 and 2023, we were within our policy limits as detailed in the preceding tables.

Forecasting

We update our asset/liability model monthly with information on loans, investment securities, bonds and notes and derivatives. This “current position” is the starting point for all analysis. The current position data is then combined with assumptions and market implied forward rates, to derive our estimates of future net interest income. Generally, we set assumptions on pricing, maturity characteristics and funding mix using trend analysis of actual asset and liability data.

Net interest income projections are derived utilizing different interest rate scenarios to assess the sensitivity of net interest income to changing interest rates. We utilize market implied forward interest rates and also review the impact on net interest income of parallel and nonparallel shifts in the yield curve over different time horizons.

Use of Derivatives

We use derivatives as an integral part of our market risk management activities. To achieve risk management objectives and satisfy the financing needs of our borrowers, we execute derivative transactions through a central clearinghouse or with other financial institutions. Derivatives (primarily interest rate swaps) are used to manage liquidity and the market risk arising from maturity and repricing mismatches between assets and liabilities. We also hedge cap and floor risk embedded within our floating-rate investments and loans by entering into derivative transactions. In addition, we execute foreign exchange spot and forward contracts to manage currency risk on our relatively nominal amount of loans denominated in foreign currencies. We also enter into derivatives for our customers as a service to enable them to transfer, modify or reduce their interest rate risk and foreign exchange risk. The notional amounts of derivatives, weighted average interest rates to be received and paid, and fair values at December 31, 2025, are shown in the following table. We also discuss derivatives in Note 10 to the accompanying consolidated financial statements.

| Derivatives at December 31, 2025 (\$ in Millions) | | | | | |
|--|------------------------|--------------------------------------|----------------------------------|-------------------|--------------|
| Derivative Product | Notional Amount | Weighted Average Receive Rate | Weighted Average Pay Rate | Fair Value | |
| Receive Fixed Swaps | \$ 51,731 | 3.76 % | 3.76 % | \$ | (50) |
| Receive Fixed Amortizing Swaps | 10,633 | 2.99 | 3.47 | | (200) |
| Pay Fixed Swaps | 102,284 | 3.75 | 3.72 | | 6 |
| Pay Fixed Amortizing Swaps | 10,633 | 3.47 | 2.87 | | 99 |
| Interest Rate Options | 3,882 | — | — | | 25 |
| Foreign Currency Spots and Forwards | 57 | — | — | | — |
| Total | \$ 179,220 | 3.69 % | 3.67 % | \$ | (120) |

The following section includes a summary of our derivatives portfolio by strategy and further explanation of each strategy.

| Notional Amounts of Derivatives by Strategy (\$ in Millions) | | | | |
|---|-------------------|------------------|-------------|---------------|
| December 31, | 2025 | 2024 | 2023 | |
| Liquidity Management | \$ 13,738 | \$ 19,854 | \$ | 26,750 |
| Equity Positioning | 19,061 | 12,582 | | 3,274 |
| Options Risk Management ⁽¹⁾ | 1,070 | 2,099 | | 2,296 |
| Basis Risk Management | 46,000 | — | | 15,800 |
| Customer Transactions ⁽²⁾ | 99,303 | 41,556 | | 28,713 |
| Foreign Currency Risk Management ⁽³⁾ | 48 | 29 | | 41 |
| Total | \$ 179,220 | \$ 76,120 | \$ | 76,874 |

⁽¹⁾ Excludes \$2.8 billion, \$1.4 billion, and \$956 million of interest rate options at December 31, 2025, 2024 and 2023, respectively, which are classified as customer transactions.

⁽²⁾ Includes the notional values of the customer transactions and related dealer offsets.

⁽³⁾ Excludes \$9 million, \$10 million and \$6 million of foreign currency spot and forward contracts at December 31, 2025, 2024 and 2023, respectively, which are classified as customer transactions

The notional amount of our derivatives was \$179.2 billion at December 31, 2025 as compared to \$76.1 billion at December 31, 2024. Derivative notional amounts increased in 2025 largely due to short-term interest rate swaps executed under our basis risk management strategy to manage interest rate exposure between daily SOFR and 1-month term SOFR in certain of our floating-rate loans. In

addition, one of our affiliated Associations entered into short-term interest rate swaps with CoBank under a similar interest rate risk management strategy and we concurrently offset this risk by entering into offsetting transactions with clearinghouse counterparties.

Liquidity Management

Interest rate swaps are executed to improve liquidity, primarily by effectively converting specific longer-term fixed-rate bonds and notes into floating-rate debt indexed to Secured Overnight Financing Rate (SOFR) or similar short-term rates. The fixed rate received on the swap largely offsets the fixed rate paid on the associated debt leaving a net floating-rate payment on the swap. This allows us to issue longer-term fixed-rate debt and still match fund the predominantly short-term repricing nature of our interest-sensitive asset portfolio. Liquidity risk management is discussed below.

Equity Positioning

We also use interest rate swaps to manage market risk as it relates to investment of our equity. If the cash flows of loans and investments on the balance sheet do not create the targeted maturity for the investment of our equity, we enter into receive fixed or pay fixed interest rate swaps to produce the desired equity investment maturity profile.

Options Risk Management

In the course of managing risk in our investment and loan portfolios, we periodically hedge cap and floor risk embedded within our floating-rate investments and loans by entering into derivative transactions.

Basis Risk Management

We use short-term interest rate swaps indexed to SOFR to manage basis risk exposure in certain of our floating-rate administered loans.

Customer Transactions

Derivatives are offered to customers as a service to enable them to modify or reduce their interest rate and foreign exchange risk by transferring such risk to us. We offset this risk transference by concurrently entering into offsetting transactions with counterparties.

Foreign Currency Risk Management

We enter into foreign exchange spot and forward contracts to manage currency risk on our relatively nominal amount of loans denominated in foreign currencies. Typically, foreign currency contracts are purchased to fund the principal cash flows of the loan and simultaneously sold to lock in the principal and interest cash flows upon the repricing or maturity date of the loan.

Liquidity Risk Management

Liquidity risk is the risk arising from an inability to repay maturing debt obligations or issue obligations to fund borrowers and operations on a timely basis. We must continually raise funds to provide credit and related services to customers, repay maturing debt obligations and meet other obligations. Our primary sources of liquidity are the ability to issue Systemwide Debt Securities and the use of available cash. As a result of the System's credit quality and standing in the capital markets as a GSE, we have traditionally maintained ready access to debt-funding, notwithstanding volatility in the credit markets. Additionally, if necessary, we could convert high credit quality liquid investments to cash.

One of the ways in which we measure and monitor our liquidity position is by assuming no ability to issue debt and calculating the number of days into the future we could meet maturing debt obligations by using available cash and eligible investments. System banks are required by regulation to maintain a minimum of 90 days of liquidity (cash and readily marketable investments generally discounted by 5 to 10 percent of market value) on a continuous basis and to establish an incremental liquidity reserve. At December 31, 2025, our days of liquidity was 174 days, compared to 182 days at December 31, 2024. During 2025, we averaged 190 days of liquidity compared to an average of 187 days in 2024.

FCA regulations require each System bank to maintain a three-tiered liquidity reserve. The first tier consists of a sufficient amount of cash and cash-like instruments to cover each bank's maturing debt for 15 days. The second and third tiers contain highly liquid

instruments sufficient to cover each bank's maturing debt for the next 15 and subsequent 60 days, respectively. In addition, the banks are required to establish an incremental liquidity reserve composed of eligible investments, which can be drawn upon during an emergency and which is sufficient to cover each bank's liquidity needs beyond 90 days. CoBank has established a minimum liquidity standard of 150 days, which is 60 days greater than the 90 days regulatory standard.

Our liquidity management objectives are to provide a reliable source of funding to borrowers, meet maturing debt obligations, provide additional liquidity if market conditions deteriorate and to fund operations on a cost-effective basis. Approximately 64 percent of our interest-earning assets mature or reprice in one year or less with 51 percent maturing or repricing in one month or less. Match-funding these assets from a maturity perspective would create an unacceptable concentration of short-term liabilities. Instead, we manage this risk by issuing longer-term fixed-rate debt and swapping this debt from a fixed to floating rate using derivative transactions, as previously described, or by issuing term floating-rate debt. By so doing, we reduce the need to fund maturing liabilities on any given business day to a more manageable level. While we believe that sufficient resources are available to meet liquidity management objectives through our debt maturity structure, holdings of liquid assets and access to the capital markets via the Funding Corporation, the volatility of our loan volume and the cash flow requirements from our cash management program causes our liquidity needs to vary significantly from day to day.

The amounts and maturities of our debt obligations are set forth in the table below.

| Debt Maturities as of December 31, 2025 (\$ in Millions) | | | | | |
|---|--------------|-------------------|---------|------------------|---------|
| | | Book Value | | Par Value | |
| | 1 Day | \$ | 1,258 | \$ | 1,258 |
| | 2-7 Days | | 360 | | 360 |
| | 8-30 Days | | 10,319 | | 10,333 |
| | 31-90 Days | | 18,277 | | 18,318 |
| | 91-180 Days | | 22,050 | | 22,122 |
| | 181-365 Days | | 43,805 | | 43,816 |
| | 1-5 Years | | 90,251 | | 90,225 |
| | Over 5 Years | | 19,134 | | 19,157 |
| Total | | \$ | 205,454 | \$ | 205,589 |

See Notes 5 and 14 to the accompanying consolidated financial statements for information regarding interest rates and maturities of Systemwide Debt Securities, and contingencies.

As more fully discussed in Note 5 to the accompanying consolidated financial statements, at December 31, 2025 and 2024, we held \$875 million of funding pursuant to a bond guarantee program offered by the Rural Utilities Service (RUS) agency of the United States Department of Agriculture. The funding is provided by the Federal Financing Bank and guaranteed by RUS. As of December 31, 2025, we had \$250 million, \$375 million, \$200 million and \$50 million outstanding on our Series D, Series E, Series F and Series G funding from RUS, respectively. The Series D, Series E and Series F facilities were fully drawn at December 31, 2025. We had an additional \$400 million and \$450 million of undrawn funding from RUS in the Series G and Series H facilities at December 31, 2025, which allow us to access funding through July 2028 and July 2029, respectively. In December 2025, we closed on an additional \$450 million of Series K funding with RUS, which is undrawn and allows us access to funding through July 2030.

Due to the often volatile funding needs of certain customers, in particular agribusiness customers impacted by seasonal borrowing requirements and changing commodity prices and supplies, we provide a significant amount of revolving loan commitments. At December 31, 2025, commitments to extend credit and commercial letters of credit were \$45.9 billion and \$209 million respectively. In addition, we provide standby letters of credit, which guarantee payment or performance of an obligation. As of December 31, 2025, the maximum amount of future payments that could potentially be required under standby letters of credit was \$2.3 billion. Since many of these commitments may expire without being drawn, the total commitments do not necessarily represent future cash requirements. Our exposure to many of these commitments is mitigated by borrowing base requirements contained in loan agreements. See Note 9 to the accompanying consolidated financial statements for a full discussion of financial instruments with off-balance sheet risk.

Our liquidity plan covers certain contingencies in the event our access to normal funding sources is disrupted. We purchase only high credit quality investments to ensure our investment portfolio is readily marketable and available to serve as a source of contingent funding. Our investment portfolio may also be used as collateral to borrow funds to cover maturing liabilities and other needs,

including through a sponsored repurchase agreement facility we have with a commercial bank providing us access to the Fixed Income Clearing Corporation as a collateral provider. We are required by FCA regulations to exclude from our liquidity reserve any investment whose market value is less than 80 percent of book value. As of December 31, 2025 and 2024, \$389 million and \$452 million, respectively, of securities were not included in our liquidity reserve.

We have identified certain portions of our loan portfolio that we believe could be sold or participated in the event our access to normal funding mechanisms is disrupted. These loans serve as an additional source of contingent funding. We also maintain uncommitted lines of credit with various financial institutions that could provide liquidity during unanticipated short-term disruptions in funding. However, it is uncertain whether we would be able to sell or participate loans or fully utilize uncommitted lines of credit in the event of a systemic funding disruption.

An additional source of liquidity is cash provided by our operating activities (primarily generated from net interest income in excess of operating expenses), which totaled \$1.4 billion, \$1.3 billion and \$1.8 billion in 2025, 2024 and 2023, respectively.

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

Operational Risk Management

Operational risk is the risk arising from human errors or misconduct, failures in human capital objectives, inadequate enterprise information management, systems and technology or process failures and data security failures impacting the Bank, our critical vendors or our customers. We utilize a risk management framework, business policies and processes and employee training and disclosures to manage operational risk. Under this framework, business segments and support units have direct and primary responsibility and accountability for identifying, controlling and monitoring operational risk. Managers maintain controls with the objective of providing proper transaction authorization and execution, proper system operations, safeguarding of assets from misuse or theft, fraud monitoring and ensuring access, reliability and security of financial and other data. Employees receive regular training on business ethics, fraud identification and prevention, compliance with laws and regulations and information security. Employees are also subject to standards of conduct requirements in the performance of their job responsibilities, including the periodic disclosure of potential conflicts of interest. We also mitigate operational risk through the use of insurance coverages.

Business continuity and disaster recovery planning are important mitigants to potential operational risks. Critical business and supporting units are required to develop, maintain and test such plans at least annually to ensure that continuity and recovery activities, if needed, could sustain critical functions including systems and information supporting customers and business operations. While we believe that we have designed effective business continuity policies and procedures, there is no absolute assurance that business disruption or operational losses would not occur in the event of a disaster.

The Enterprise Risk Management Division is responsible for aggregating and monitoring enterprise-wide risk, coordinating the completion of the quarterly and annual risk assessment and reporting results to the Management Executive Committee, other senior management and the Board of Directors. This Division is also responsible for the maintenance and development of the model risk management and third-party risk management programs. As with other risks, business segments and support units have direct and primary responsibility and accountability for identifying, controlling and monitoring these risks.

Our Internal Audit function validates internal controls through risk-based, regular audits and reports on the effectiveness of internal controls to executive management and the Audit Committee of the Board of Directors. In addition, the head of Internal Audit reports quarterly to the Audit Committee of the Board of Directors on the current state of the Bank's risks and controls. The Asset Review function evaluates the adequacy and effectiveness of the Bank's internal control processes related to loan quality, collateral, credit administration and risk identification. The Audit Committee of the Board of Directors reviews, modifies as necessary and approves the scope and level of review performed by the Internal Audit and Asset Review functions.

To enhance our governance and internal controls, we apply policies and procedures that mirror many of the material provisions of the Sarbanes-Oxley Act of 2002, including section 404, *Management Assessment of Internal Controls Over Financial Reporting*.

Cybersecurity Risk Management

Cybersecurity risk is the risk of harm, theft, loss or disruption arising from the misuse or abuse of technology by unauthorized or malicious individuals and organizations that impact the integrity, availability or confidentiality of the systems or data of the Bank, our critical vendors or third-parties. Cybersecurity risk is an increasingly important, complex and continuously evolving risk which the Bank actively manages and monitors.

The Bank has a comprehensive cybersecurity program, approved by management and the Board of Directors, which includes policies, procedures and capabilities designed to prevent, detect, mitigate and respond to cyber-attacks and threats. The Bank's cybersecurity program also considers threats associated with critical vendors and third-party service providers. The Bank's cybersecurity program incorporates industry standards, framework and best practices of the International Organization for Standardization (ISO), National Institute of Standards and Technology (NIST), Federal Financial Institutions Examination Council (FFIEC) and Center for Internet Security (CIS). Cybersecurity risk is also included in the overall risk management framework and oversight processes of the Bank.

The Bank's cybersecurity organization structure is a centralized function which oversees cybersecurity risk across all business units and is led by the Corporate Security Officer, who reports to the Chief Risk Officer. A Security Steering Committee, chaired by the Chief Risk Officer and made up of leaders across the Bank, meets regularly and provides guidance and input to the Corporate Security Officer in support of the Bank's cybersecurity programs. The Chief Risk Officer reports to the Risk Committee of the Board of Directors on information related to cybersecurity risk on a quarterly basis. Additionally, the Corporate Security Officer reports to the Joint Audit and Risk Committees of the Board of Directors on the Bank's enterprise security and cybersecurity programs on an annual basis.

The Bank also has a formal process for cybersecurity incident response designed to evaluate, address and communicate cybersecurity incidents in a timely manner to senior management, regulators, key stakeholders, customers, law enforcement and other authorities, as applicable. Our incident response procedures in conjunction with business continuity processes are designed to maintain the availability of critical business functions of the Bank in the event of a cybersecurity incident.

On October 5, 2023, the FCA approved a final rule on cyber risk management that requires each System institution to develop and implement a comprehensive, written cyber risk management program. Each institution's cyber risk plan must require the institution to take the actions to assess internal and external risk factors, identify potential system and software vulnerabilities, establish a risk management program for the risks identified, develop a cyber risk training program, set policies for managing third-party relationships, maintain robust internal controls and establish institution board reporting requirements. The final rule was effective on January 1, 2025 and implemented by the Bank.

Due to the evolving nature of cybersecurity threats, it has been and will continue to be difficult to completely prevent, detect, mitigate and remediate cybersecurity events. While the Bank has not experienced any material cybersecurity threats or incidents, there can be no guarantee that it will not be the subject of future successful threats or incidents. See "Other Risk Factors - We Are Subject to Cybersecurity Risks That Could Negatively Affect Our Ability to Conduct and Manage Our Business" herein.

Strategic and Reputation Risk Management

Strategic risk is the risk to current or anticipated earnings, capital, or enterprise value arising from adverse business decisions or lack of responsiveness to changes in the banking/operating environment. Reputation risk is the risk arising from negative external perception of CoBank. The Bank is subject to a wide variety of reputation risks both within and outside its control, including, among other things, credit difficulties with individual customers or industries, business disputes, lawsuits, credit market disruptions, regulatory events, public criticism by competitors, public allegations of misconduct and misunderstanding of our lending authorities or congressionally-mandated mission. As a member of the System, CoBank could be indirectly impacted by events that damage the reputation of another System entity.

Effective Board governance, strong management, business plan execution and business practices ensuring conformity with laws and regulations and consistency with CoBank's mission are key controls in ensuring strategic alignment and managing and mitigating the Bank's reputation risk.

The Board has adopted leading industry practices in its governance of CoBank. Consistent with these practices, CoBank directors are required to meet prescribed qualifications standards prior to standing for election. Directors are required to complete initial training upon election and subsequent training during their tenure. The Board conducts annual self-evaluations and a periodic peer evaluation. As part of its ongoing processes, the Board is required to convene a restructuring committee at least once every five years to study the composition of the Board and consider other factors to strengthen governance. In 2024, a Board restructuring committee comprised of Board members and customer representatives was convened to examine key aspects of governance at CoBank. The restructuring committee completed its work in 2025 and made several governance change recommendations that were approved by the Board in August 2025. In December 2025, the Board approved an implementation plan for the recommendations. Shareholders will vote on changes to CoBank's governance bylaws in early 2026.

The Bank regularly communicates with customer-owners to ensure they have the information they need to accurately evaluate the Bank's overall business and financial performance. Furthermore, customers, System partners and others have access to members of the Board of Directors and management through customer and industry meetings and events held by the Bank throughout the year, which helps to ensure the Bank is aligned with the interests of its members.

CoBank's executive management team possesses the requisite banking skills and experience, financial and other expertise to run the Bank. CoBank identifies and develops leaders from within the organization through talent management and development processes, and attracts high-quality talent from external sources.

The limits, controls and processes established to manage, mitigate and monitor credit risk, market risk, liquidity risk and operational risk mitigate reputation risk by lowering the likelihood of significant problems in each of those areas. The Bank's Reputation Risk Committee assesses reputation risk in lending activities on an ongoing basis and meets as needed to assess reputational risks and any necessary adjustments to Bank practices. In addition, the Bank has a formal crisis communications plan in place in order to help it manage communications with stakeholders if an unplanned, reputation-impacting event occurs.

We place considerable emphasis on ethical behavior and ensure that our directors and employees receive regular training related to business ethics, fraud identification and prevention, compliance with laws and regulations and information security. In addition, each year all employees certify their compliance with our Associate Responsibilities and Conduct Policy. Senior officers and other senior professionals who are involved with the preparation and distribution of our financial statements and related disclosures also annually certify compliance with the Bank's code of ethics.

CoBank is committed to mission objectives that expand market penetration into an increasingly diverse customer base. Our Board-directed activities include supporting causes and programs that support the health and welfare of rural communities and the industries we serve across rural America. By strengthening relationships with key stakeholders and enriching service to agriculture, rural infrastructure and rural communities, CoBank's corporate social responsibility program aims to make a positive impact in our marketplace. The Bank also supports and participates in various committees which manage the System's reputation and business practices. These committees, which consist of representatives from Farm Credit Banks and Associations, coordinate business and operational issues across System institutions.

Regulatory and Compliance Risk Management

Regulatory and compliance risk is the risk to earnings, capital, or reputation arising from failure to comply with laws or regulations. We are subject to a variety of regulatory and compliance risks. We actively manage and mitigate these risks through quarterly evaluation and monitoring within the Bank's Enterprise Risk Management framework, which is established under the Risk Management Group that reports to the CRO. Our Risk Management Group also has an Office of Foreign Assets Control (OFAC) and Anti-Money Laundering (AML) compliance function that includes an AML and anti-fraud program, which utilizes a risk-based approach to monitor transactional activity. In addition, we have a security function within the Risk Management Group that manages the access, security, privacy and confidentiality of the Bank's systems and data. Through our Government Affairs Division we proactively monitor emerging legislation that may impact our business or the business of the industries we serve. CoBank's Legal and Regulatory Group, which reports to the Chief Legal Officer and General Counsel, monitors and comments on emerging regulatory requirements, and advises on legal and regulatory requirements as needed. The Legal and Regulatory Group also addresses potential litigation risk that may arise from ongoing business activities. Our Internal Audit and Asset Review divisions also review the adequacy and effectiveness of the Bank's compliance with regulatory requirements. In addition, we are subject to review by the FCA and other governmental authorities, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims and damages. While we believe that we have adopted appropriate risk management and compliance programs, legal and compliance risks will continue to exist. Further, additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time.

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 and subject to certain exclusions. On October 16, 2024, the FCA extended the implementation 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. We implemented the final rule on January 1, 2026 and do not believe it will have a material impact on our regulatory capital ratios.

Other Risk Factors

In addition to the other information in this Annual Report, including "Management's Discussion and Analysis – Enterprise Risk Profile" and "Management's Discussion and Analysis – Business Outlook", the following factors should be carefully considered in evaluating CoBank. Such factors could affect results and cause results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, CoBank. These risk factors discussed below could adversely affect CoBank's results of operations, financial condition, liquidity and cash flow, as well as cause reputational damage. Additionally, there may be additional risks that are not presently known that may adversely affect CoBank.

Inflation and Higher Interest Rates Could Negatively Impact our Results of Operations and Financial Condition

Our financial results and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investment securities, and the interest rates paid on interest-bearing liabilities such as borrowings. These rates are highly sensitive to many factors that are beyond our control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the Federal Reserve). Changes in monetary policy, including changes in interest rates, will influence the volume of loan origination, the prepayment speed of loans, the purchase of investments, the rates received on loans and investment securities and paid on our borrowings. For example, the United States and other countries experienced significantly elevated levels of inflation resulting in central banks implementing a series of interest rate increases in 2022 and 2023. As a result of such interest rate increases, we experienced an increase in unrealized losses on our investment securities. Further, the level of unrealized losses is subject to future fluctuations in interest rates. Although the Federal Reserve implemented interest rate cuts over the past two years, future reductions to interest rates are not certain. In addition, increased tariffs and trade barriers may add uncertainty to the outlook for inflation and interest rates. The impact of these developments may be magnified if we do not effectively manage the relative sensitivity of our interest-bearing assets and liabilities to changes in market interest rates. Volatility in these areas may adversely affect us and our customers.

Joint and Several Liability for the Debt of the Farm Credit System

Farm Credit System banks and Associations are not authorized to accept deposits as a funding source. Instead, banks raise funds for their operations primarily through Systemwide Debt Securities issued on the banks' behalf by the Funding Corporation. Systemwide Debt Securities are the joint and several liabilities of the System banks and are not obligations of, nor are they guaranteed by, the U.S. government or a U.S. Agency or instrumentality thereof, other than the System banks. Under the Farm Credit Act, each System bank is primarily liable for the portion of the Systemwide Debt Securities issued on its behalf. At December 31, 2025, we were primarily liable for \$203.3 billion of Systemwide Debt Securities. Additionally, each System bank is jointly and severally liable with the other System banks for the consolidated Systemwide Debt Securities of the other System banks. At December 31, 2025, the total aggregate principal amount of the outstanding Systemwide Debt Securities was \$479.9 billion none of which was in default.

Although the System banks have established mutual covenants and measures, which are monitored on a quarterly basis, there is no assurance that these would be sufficient to protect a System bank from liability should another System bank default and the Insurance Fund be insufficient to cure the default. See Note 5 to the accompanying consolidated financial statements for a more complete description of the interbank agreements among the System banks.

The Insurance Fund, which totaled \$8.6 billion as of December 31, 2025, is available from the Insurance Corporation to ensure the timely payment by each System bank of its primary obligations on Systemwide Debt Securities and can also be used by the Insurance Corporation for its operating expenses and for other mandatory and permitted purposes. The provisions of the Farm Credit Act providing for joint and several liability of the System Banks on the obligations cannot be invoked until the available amounts in the Insurance Fund have been exhausted. There is no assurance, however, that the Insurance Fund would have sufficient resources to fund a System bank's defaulted obligations. If the Insurance Fund was insufficient, then the remaining System banks would be required to pay the default amount in proportion to their respective available collateral positions. Available collateral approximates the amount of total shareholders' equity of the System banks. The Insurance Corporation does not insure any payments on our other debt obligations, preferred stock or common stock. See Note 5 to the accompanying consolidated financial statements for more information about the Insurance Fund.

The System does not have a guaranteed line of credit from the U.S. Treasury or the Federal Reserve. However, the Insurance Corporation has an agreement with the Federal Financing Bank, a federal instrumentality subject to the supervision and direction of the U.S. Treasury, pursuant to which the Federal Financing Bank would advance funds to the Insurance Corporation, under certain limited circumstances. Under its existing statutory authority, the Insurance Corporation may use these funds to provide assistance to the System banks in exigent market circumstances that threaten the banks' ability to pay maturing debt obligations. The agreement provides for advances of up to \$10 billion and will remain in full force and effect until terminated by either the Insurance Corporation or the Federal Financing Bank. The decision whether to seek funds from the Federal Financing Bank is at the discretion of the Insurance Corporation, and each funding obligation of the Federal Financing Bank is subject to various terms and conditions and, as a result, there can be no assurance that funding would be available if needed by the System.

To the extent we must fund our allocated portion of another System bank's portion of the Systemwide Debt Securities due to a default, our earnings and total shareholders' equity would be reduced, possibly materially.

Reforms Impacting Government Sponsored Enterprises Could Have an Adverse Impact on our Business

The System is a GSE and, as a member of the System, CoBank benefits from ready access to debt funding and favorable debt-funding costs. Our individual credit ratings are also positively impacted by the GSE status of the System. In addition, as provided in our charter, portions of our business activities, including lending to Associations and loan participation purchases from other System institutions, are exempt from many forms of taxation, including federal income taxes.

As a direct result of the financial difficulties experienced by the housing-related GSEs, with both Fannie Mae and Freddie Mac still operating under conservatorship by the U.S. government, GSE status has been and will continue to be a topic of debate and concern to various stakeholders, including the public and Congress. Congressional deliberations over structural reform of the housing-related GSEs are likely to continue. The Bank and the System are under the jurisdiction of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, and the House of Representatives Committee on Agriculture. While the status and reform debate has not, to date, specifically related to the System, a potential risk exists that the System, as a GSE, may either directly or indirectly be impacted by any changes in status or reform of the housing related GSEs. CoBank cannot predict whether or when legislative or regulatory initiatives may commence that, if successful, could negatively affect the status of the System as a GSE. Any changes in the System's

status as a GSE or the general perception by investors of GSEs could have a significant adverse impact on the System's ability to issue debt at favorable rates and terms, which could negatively impact CoBank's funding costs.

Our Funding Costs Could Be Negatively Impacted by Downgrades of the Long-Term U.S. Sovereign Credit Rating, the System's Long-Term Debt Rating and CoBank's Credit Rating

As a member of the System, we have historically benefited from the favorable funding costs and funding flexibility associated with the debt securities issued through the Funding Corporation. The credit ratings of GSEs, including the System, are influenced by the sovereign credit rating of the United States.

On May 16, 2025, Moody's Ratings (Moody's) downgraded the long-term sovereign credit rating on the United States to Aa1 from Aaa. The outlook on the long-term rating of the United States was revised to stable from ratings watch negative. Subsequently, on May 19, 2025, Moody's also downgraded the long-term senior unsecured debt rating for the System to Aa1 from Aaa and affirmed the P-1 short-term rating. The outlook on the long-term default rating of the System was revised to stable from ratings watch negative. The downgrade of the System rating reflects the downgrade of the U.S. sovereign rating.

As of February 2026, S&P Global Ratings (S&P) and Fitch Ratings (Fitch) maintain a long-term sovereign credit rating on the United States of AA+, a long-term issuer default rating for the System of AA+ and a short-term issuer default rating for the System of A-1+ and F1+, respectively. The rating outlooks are stable. As of February 2026, S&P and Fitch maintain credit ratings for CoBank of AA- and A+, respectively. Moody's does not provide a credit rating for CoBank.

Such actions and any future downgrades from ratings agencies could negatively impact the access to debt capital markets, funding flexibility, funding costs and earnings for CoBank and other System institutions.

Our Funding is Dependent Upon the System's Ability to Access the Capital Markets

The primary source of liquidity for CoBank and the other System institutions is the ability to issue Systemwide Debt Securities. This access has historically provided the System with a dependable source of funding. The System's ability to continue to issue Systemwide Debt Securities depends, in part, on the conditions in the capital markets, which are outside the System's control. As a result, the System cannot make any assurances that it will be able to fund itself by issuing Systemwide Debt Securities. Furthermore, the System issues combined financial statements and assurance of adequate disclosure controls and procedures around internal control over financial reporting. Failure by a System institution to provide required information for financial reporting, or to have adequate disclosure controls or procedures over financial reporting may delay the timely publication of the System's financial statements or cause an error in the accuracy or completeness of the financial statements. Failure to timely issue the System's combined financial statements could disrupt the System's ability to access debt capital markets. If the System cannot issue Systemwide Debt Securities or cannot access the capital markets, CoBank's funding would be negatively impacted, which would have a negative effect on our financial condition and results of operations, which could be material.

In addition to issuance of Systemwide Debt Securities, we have accessed and expect to access in the future other third-party capital to support adequate regulatory capital levels and loan growth. These third-party capital issuances are the sole obligation of CoBank and are not guaranteed by any other System institutions and, furthermore, are not Systemwide Debt Obligations. To the extent that these third-party capital sources are not available or the cost of issuing such securities is too high, our overall growth and capital position may be reduced.

We are Subject to Liquidity Risk with Respect to Certain Investments and Derivatives

We are subject to liquidity risk in the course of our investing activities. In volatile market conditions, it could be difficult to sell investments, if the need arises, and the discounts from face value would likely be significant. In addition, because of the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of certain investments may differ significantly from the values that would have been used had a ready market existed for such investments. There can be no assurance that our actions taken to maintain liquidity will be adequate under all circumstances.

Our over-the-counter derivative contracts require CoBank or our counterparties to post cash or securities as collateral when the fair values of the derivatives change based on changes in interest rates. Collateral is exchanged between parties daily with zero posting thresholds for all counterparties. Likewise, CoBank is required to pledge initial margin and make daily settlement payments related to our cleared derivative transactions. As a result of these derivative contracts, we are exposed to liquidity risk when changes in interest

rates require us to post collateral to our counterparties, or make settlement payments for changes in the fair value of cleared derivatives. As of December 31, 2025, we held \$104 million in cash as collateral from our counterparties. Additionally, initial margin and settlement payments totaling \$621 million and \$275 million, respectively, were held by our central clearinghouse counterparties for our cleared derivatives as of December 31, 2025.

Although We Have Paid Patronage Distributions in the Past, We May not Pay Patronage Distributions in the Future. If Patronage Distributions are Paid, they may be in Lesser Amounts than Past Distributions.

We operate on a cooperative basis and have historically returned a significant portion of our earnings to our customer-owners in the form of patronage distributions. Although we anticipate continuing to pay patronage distributions in the immediate future, the Board regularly evaluates the Bank's patronage program (including special cash patronage distributions) based on financial performance, capital requirements, asset growth, emerging risks, regulatory requirements and other factors deemed relevant by the Board. The Board, in its sole discretion, may change the amount or frequency of patronage distributions or discontinue the payment of patronage distributions entirely. Accordingly, there can be no assurance that we will continue to pay patronage distributions or increase patronage distributions, even if the necessary financial conditions are met and if sufficient cash is available for distribution.

Pandemics, Epidemics, Disease Outbreaks and Other Public Health Crises, Could Materially Adversely Impact Our Business, Financial Condition, Liquidity and Results of Operations

Pandemics, epidemics, disease outbreaks and other public health crises, have disrupted the global economy and may, in the future, disrupt the economy and our business. The COVID-19 pandemic and preventative measures taken to contain or mitigate its spread negatively affected business activity and financial transactions and caused supply chain disruptions (including for agricultural products), labor difficulties and shortages, and commodity inflation. The economic conditions resulting from similar health crises in the future could adversely impact our business, results of operations and financial condition, including deterioration in the credit quality of our loan portfolio, which could result in an increase in nonperforming assets and the allowance for credit losses, reduce regulatory capital and liquidity ratios and impact other regulatory requirements. Any new public health crisis that result in unfavorable economic conditions could materially and adversely impact our business, financial condition, liquidity, and results of operations.

CoBank and Our Affiliated Associations Face Intense Competition in a Rapidly Changing Financial Services Industry

CoBank and our affiliated Associations face intense competition from commercial banks, thrift institutions, insurance companies, private credit funds, non-bank lenders, finance companies, mortgage banking companies, other GSEs, U.S. Agencies and the U.S. government. Future results may become increasingly sensitive to fluctuations in the volume and cost of lending activities. Furthermore, continued expansion of the digital economy, technological advances including artificial intelligence and the introduction of disruptive technologies have altered how many financial services get delivered to customers and have introduced new competitors for certain services. There can be no assurance that CoBank or our affiliated Associations will be able to continue to successfully compete in the markets we serve or to effectively adapt to technological or other changes impacting the financial services marketplace.

Relationship with the Federal Agricultural Mortgage Corporation

Farmer Mac is a federally chartered corporation that was established to create a secondary market for agricultural mortgages and other loans. Although System Banks and Associations elect five of the fifteen members of the board of Farmer Mac and Farmer Mac is statutorily defined as an institution of the System and is examined and regulated by the FCA, it is financially and operationally separate and distinct from the System, and any reference to "the System" herein does not include Farmer Mac. Neither CoBank nor any other System entity is liable for any debt or obligation of Farmer Mac. Further, the assets of the Insurance Fund do not support any debt or obligation of Farmer Mac nor do the System's independent credit ratings apply to Farmer Mac. Except for contractual obligations arising from business transactions between Farmer Mac and certain System institutions (including CoBank), Farmer Mac is not liable for any debt or obligation of any System entity, including Systemwide Debt Securities, either directly or on a joint and several basis.

CoBank has a master participation agreement in place with Farmer Mac under which each party may purchase from the other participation interests in eligible loans. We periodically engage in sales of non-patronage, electric distribution loans to Farmer Mac and we remain the servicer of these loans.

We believe that if Farmer Mac, as an institution of the System, were to experience financial difficulty, it could create financial, reputational, political and/or regulatory risk for CoBank and the System.

We Are Subject to Cybersecurity Risks that Could Negatively Affect Our Ability to Conduct and Manage Our Business

Information security risk at financial institutions has increased in recent years as a result of the proliferation of new technologies and the increased activities of organized crime, hackers and other external parties. CoBank and its customers, like many other financial institutions and their customers, have been and will likely continue to be the target of cyber-attacks aimed at committing fraud. Companies across many industries, including financial institutions, have reported being victims of cyber-attacks, resulting in, among other things, compromise of customer or other confidential data, theft of funds or resources and disruption of services. Cybersecurity and the continued development and enhancement of our controls, processes, and systems to protect our information systems and data remain a priority for CoBank. To date, CoBank has not experienced any material losses relating to cyber-attacks but could suffer such losses in the future. Although we believe we have robust information security procedures, controls and capabilities, our information systems, as well as those of our customers, used to access our services, may become the target of cyber-attacks or information security breaches. Failure in or breach of our operational or security system or infrastructure, or those of our third-party vendors and service providers, could disrupt our business or the businesses of our customers, result in unintended disclosure or misuse of confidential or proprietary information, damage our reputation, increase costs and cause losses. Our risk and exposure to cyber-attacks remain high due to the evolving nature and increased frequency of such attacks on businesses and individuals. In particular, nation-state and state-sponsored actors deploy significant resources and employ sophisticated methods to plan and carry out attacks. Risk of these attacks may escalate during periods of elevated geopolitical tensions such as those raised by the war in Ukraine and instability in the Middle East. We also rely on third-party service providers to conduct various aspects of our business operations and face similar risks relating to them. While we conduct security reviews on these third parties, these vendors may also become targets of cyber-attacks resulting in material losses to CoBank. Additionally, the cost and operational consequences of implementing, maintaining and enhancing system protection measures are significant and they could materially increase to address ever-changing intensely complex and sophisticated cyber risks.

Failures of Critical Vendors and Other Third-Party Service Providers Could Disrupt our Ability to Conduct and Manage our Business

CoBank relies on vendors and other third-party service providers to perform certain critical services. We utilize a risk management framework, business policies and processes, and regular monitoring of these third-party service providers. However, a failure in, or an interruption to, one or more of those services provided could negatively affect our business operations and services provided to our customers. If one or more of these key external parties were not able to perform their functions for a period of time at an acceptable service level, our business operations could be constrained, disrupted, or otherwise negatively affected.

In addition, we may not be able to effectively monitor or mitigate fourth-party risk as it relates to the use of common suppliers or vendors by third parties that perform functions and services for us.

We Are Subject to Risks Arising From Changes to Our Collaborative Partnerships With Other System Entities

CoBank's collaborative partnerships with other System entities are key to the Bank's financial growth, strength and stability. Such collaborations are part of CoBank's overall strategy of creating mutually beneficial partnerships with other System institutions as well as exploring strategic alliances and other opportunities with its customers. These collaborations are rooted in the philosophy that working constructively together optimizes our ability to fulfill our collective mission to serve rural America. In addition, we continue to collaborate with our affiliated Associations on business model solutions that further strengthen the ability to fulfill our mission. In creating this strategy, CoBank is exposed to reputation risk, regulatory risk, and inter-related financial risks arising from such other System entities. The failure to maintain effective System cooperation in mitigating these exposures could adversely affect our financial condition, results of operations and ability to meet the needs of our customers.

Our Ability to Attract and Retain Qualified Board Members, Senior Officers and Employees is Critical to Successfully Fulfilling Our Mission

The success of CoBank is dependent on the talents and efforts of our Board members, senior officers and employees, and the competition for individuals who possess the requisite knowledge of the banking, agricultural, finance, technology and other relevant industries is intense. The current environment and tight labor markets have further created challenges and heightened risks around employee talent acquisition and retention. In addition, CoBank associates and the broader workforce are demanding higher compensation and benefits to offset inflation, remote working environments and workforce flexibility, among other things. The failure to attract and retain qualified Board members, senior officers and employees could adversely affect our business performance, competitive position and the ability to fulfill our mission.

An Unfavorable Change in our Reputation from Environmental, Social and Governance (ESG) Activities Could Adversely Affect our Business and Financial Results

ESG trends in the financial services industry globally, including policies directed toward measuring the carbon impact from lending activities and efforts focused on reducing the impact of climate risk, such as the legislation passed by the state of California, exposes our business to increasing public scrutiny. The public holds diverse and often conflicting views on ESG topics. As a large financial institution, we have multiple stakeholders, including our customers, our Associations, our investors, our employees, our regulator, and the communities in which we operate. These stakeholders will continue to have differing priorities and expectations regarding ESG issues. If we take action in conflict with one or another of those stakeholders' expectations, we could experience an increase in customer complaints, a loss of business or reputational harm. Furthermore, adverse incidents with respect to ESG activities caused by negative public opinion could adversely affect our ability to meet our customers' lending needs, obtain financing, impede our ability to hire and retain qualified personnel, hinder our business prospects, impact our relationships with other System institutions, or expose us to greater regulatory scrutiny or adverse regulatory or legislative changes.

We Are Exposed to Climate Risk

Climate risk poses both short-term and long-term risks globally, including to the agricultural and financial sectors. Climate risk arises from physical risk (acute or chronic risks to the physical effects of climate risk) and transition risk (risks related to societal risks, including regulatory, legal, or market changes). Overall, climate risk may result in increased compliance costs, lower profitability for us, our customers and our Associations, as well as many of their borrowers. Additionally, the impact of climate risk could negatively affect the credit quality of our and our Associations' loan portfolios. Physical risk such as adverse weather conditions, particularly during the planting and growing season, can significantly affect agricultural production, with the timing and quantity of rainfall being two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times, and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges can also cause decreased yields, failure or quality issues for crops. Additionally, livestock and dairy production can be negatively impacted by weather extremes as well, due to impact on feed and other input costs or reduced production. Transition risk such as a change in regulation or public perception around the use of fossil fuels in the generation of electricity may impact many of our rural power customers. The Enterprise Risk Management Division performs a risk assessment of climate risks covering physical and transition risks annually.

We Depend on the Accuracy and Completeness of Customer and Counterparty Information

In deciding whether to extend credit or enter into transactions, we rely on information (including financial information) furnished by or on behalf of customers, including our Associations, and counterparties. We may also rely on representations of those customers and counterparties as to the accuracy and completeness of that information. If the financial or other information provided to us is incorrect, we could suffer credit losses or other consequences.

Liquidity and Capital Resources

Funding

We use our capital in addition to short-term and long-term debt to fund our assets. Our debt consists primarily of Systemwide Debt Securities issued on CoBank's behalf by the Funding Corporation. Refer to Note 5 to the accompanying consolidated financial statements for additional information regarding our debt obligations.

As a member of the System, CoBank has traditionally maintained ready access to debt funding. On May 16, 2025, Moody's Ratings (Moody's) downgraded the long-term sovereign credit rating on the United States to Aa1 from Aaa. The outlook on the long-term rating of the United States was revised to stable from ratings watch negative. Subsequently, on May 19, 2025, Moody's also downgraded the long-term senior unsecured debt rating for the System to Aa1 from Aaa and affirmed the P-1 short-term rating. The outlook on the long-term default rating of the System was revised to stable from ratings watch negative. The downgrade of the System rating reflects the downgrade of the U.S. sovereign rating. As of December 31, 2025, Systemwide Debt Securities were rated AA+ by S&P and Fitch, and Aa1 by Moody's. S&P and Fitch currently maintain credit ratings for CoBank of AA- and A+, respectively, and Moody's does not provide a credit rating for CoBank.

Notwithstanding these actions, to date we have continued to access competitively priced funding necessary to support our lending and business operations. However, such actions and any future downgrades from ratings agencies could negatively impact the access to debt capital markets, funding flexibility, funding costs and earnings for CoBank and other System institutions.

As a condition of a System Bank's participation in the issuance of Systemwide Debt Securities, the System Bank must have, and at all times thereafter maintain, free from any lien or other pledge, specified eligible assets (referred to in the Farm Credit Act as "collateral") at least equal in value to the total amount of outstanding debt securities of the System Bank that are subject to the collateral requirement. These securities include Systemwide Debt Securities for which the System Bank is primarily liable and investment bonds or other debt securities that the System Bank has issued individually. The collateral must consist of notes and other obligations representing loans or real or personal property acquired in connection with loans made under the authority of the Farm Credit Act (valued in accordance with FCA regulations and directives), obligations of the United States or any agency thereof direct or fully guaranteed, other FCA approved System Bank assets, including eligible marketable securities, or cash. These collateral requirements do not provide holders of Systemwide Debt Securities with a security interest in any assets of the System Banks. The System Banks may in the future issue Systemwide Debt Securities that are secured by specific assets. Each System Bank reports compliance with the collateral requirements through a calculation of the ratio of total collateral to total collateralized obligations (called the "Statutory Collateral Ratio"). Under FCA Regulations, the minimum requirement equates to a Statutory Collateral Ratio of 100 percent. At December 31, 2025 and December 31, 2024, total collateral exceeded our collateralized obligations by \$14.0 billion and \$13.4 billion, respectively, and our Statutory Collateral Ratio was 106.78 percent and 106.92 percent, respectively. At December 31, 2025 and December 31, 2024, we were, and we currently remain, in compliance with all of the conditions of participation in the issuance of Systemwide Debt Securities.

Included in our bonds and notes at December 31, 2025 and December 31, 2024 was \$875 million of funding pursuant to a bond guarantee program offered by the RUS agency of the United States Department of Agriculture. The funding is provided by the Federal Financing Bank and guaranteed by RUS. As part of the bond guarantee agreement with RUS, we are required to pledge collateral in an amount equal to at least 110 percent of the principal balance of all RUS bonds outstanding. As of December 31, 2025, we had \$250 million, \$375 million, \$200 million and \$50 million outstanding on our Series D, Series E, Series F and Series G funding from RUS, respectively. The Series D, Series E and Series F facilities were fully drawn at December 31, 2025. We had an additional \$400 million and \$450 million of undrawn funding from RUS in the Series G and Series H facilities at December 31, 2025, which allow us to access funding through July 2028 and July 2029, respectively. In December 2025, we closed on an additional \$450 million of Series K funding with RUS, which is undrawn and allows us access to funding through July 2030.

Investment Securities, Cash, Federal Funds Sold and Other Overnight Funds

We hold investment securities, cash, federal funds sold and other overnight funds primarily to maintain a liquidity reserve and to manage short-term surplus funds. In accordance with Board-approved policies, we purchase high credit quality investment securities with the objective of ensuring that the investment portfolio is readily marketable and available to serve as a source of liquidity in the event of disruption to our normal funding sources. Refer to Note 4 to the accompanying consolidated financial statements for additional information regarding our investment securities.

Our investment securities increased to \$49.5 billion at December 31, 2025 compared to \$43.4 billion at December 31, 2024. The following table summarizes our investment securities and related unrealized gains/losses by asset class.

| Investment Securities (\$ in Millions) | December 31, 2025 | | | December 31, 2024 | | |
|---|-------------------|------------------|-------------------------------|-------------------|------------------|-------------------------------|
| | Amortized Cost | Fair Value | Net Unrealized Gains (Losses) | Amortized Cost | Fair Value | Net Unrealized Gains (Losses) |
| U.S. Treasury Debt | \$ 20,972 | \$ 20,973 | \$ 1 | \$ 17,446 | \$ 17,034 | \$ (412) |
| U.S. Agency Debt | 2,220 | 2,223 | 3 | 2,569 | 2,495 | (74) |
| Residential Mortgage-Backed: | | | | | | |
| Ginnie Mae | 1,647 | 1,541 | (106) | 1,053 | 904 | (149) |
| U.S. Agency | 3,051 | 3,002 | (49) | 3,122 | 3,027 | (95) |
| Commercial Mortgage-Backed: | | | | | | |
| U.S. Agency | 21,480 | 21,191 | (289) | 20,065 | 19,331 | (734) |
| Corporate Bonds ⁽¹⁾ | 350 | 350 | — | 417 | 406 | (11) |
| Asset-Backed and Other | 210 | 209 | (1) | 211 | 210 | (1) |
| Total | \$ 49,930 | \$ 49,489 | \$ (441) | \$ 44,883 | \$ 43,407 | \$ (1,476) |

⁽¹⁾ Amortized cost and fair value include ACL on investments of \$1 million at December 31, 2025 and 2024, respectively.

At each reporting period, we evaluate our investment securities for credit losses based on current and future market and credit conditions and expected cash flows. Subsequent changes in market and credit conditions or expected cash flows could change these evaluations.

As all of our investment securities are classified as “available for sale”, we recognize changes in the fair value of our investment securities in accumulated other comprehensive income (loss), a component of shareholders’ equity, unless losses are credit-related and related to securities not guaranteed by the U.S. government or U.S. Agencies, in which case that portion of the loss is recorded as an ACL with an offsetting amount in earnings.

Approximately 99 percent of our investment securities carry an explicit or implicit government guarantee. Credit risk in our investment portfolio primarily exists in the remaining 1 percent of our investment securities that are not guaranteed by the U.S. government or a U.S. Agency, which currently include ABS backed by pools of equipment loans and corporate bonds of midstream energy and communication companies. Our ABS and midstream energy corporate and communication bonds collectively total \$559 million as of December 31, 2025. Credit risk in our investment portfolio also arises from counterparties to short-term investments, which include our overnight bank deposits and federal funds sold, and are transacted with highly-rated commercial banks. We held overnight bank deposits and federal funds sold instruments totaling \$2.0 billion and \$2.6 billion at December 31, 2025 and 2024, respectively. The remainder of our short-term investments include reverse repurchase agreements with the Federal Reserve totaling \$1.9 billion and \$900 million at December 31, 2025 and 2024, respectively, and have minimal credit risk.

As of December 31, 2025 and 2024, our ACL on investment securities was \$1 million and related to our corporate bonds of midstream energy and communication companies. We did not record a provision for credit loss or credit loss reversal on our investment securities during the year ended December 31, 2025. We recorded a credit loss reversal on our investment securities of \$2 million during the year ended December 31, 2024 that is included in the provision for credit losses in our consolidated statements of income and resulted from an improvement in modeled credit losses for these securities. We recorded pre-tax net unrealized gains on our investment securities of \$1.0 billion in 2025 and \$138 million in 2024. The unrealized gains recorded in both periods primarily related to the impact of market interest rate changes which improved the fair value of our investment securities.

In 2025, we sold U.S. Treasury and U.S. Agency debt securities for total proceeds of \$731 million resulting in a gain of \$9 million. The investment sales were primarily for tax planning purposes.

In 2024, we sold U.S. Treasury and U.S. Agency debt securities for total proceeds of \$35 million resulting in a gain of \$1 million. The investment sales were primarily for tax planning purposes.

Derivatives

We use derivatives for the purposes described beginning on page 59. Derivatives are recorded at fair value as assets or liabilities in the accompanying consolidated balance sheets. Derivative assets totaled \$456 million at December 31, 2025 compared to \$464 million at December 31, 2024. Derivative liabilities totaled \$576 million at December 31, 2025 compared to \$702 million at December 31, 2024.

Changes in the fair value of our derivatives are accounted for as gains or losses through current period earnings or as a component of accumulated other comprehensive income (loss), depending on the use of the derivatives and whether they qualify for hedge accounting treatment. Net changes in the fair value of derivatives and hedged items designated as hedging instruments are recorded in interest income and interest expense in the accompanying consolidated statements of income and totaled net losses of \$11 million and \$14 million for 2025 and 2024, respectively. Net changes in the fair value of derivatives not designated as hedging instruments are recorded in noninterest income in the accompanying consolidated statements of income and totaled income of \$38 million and \$23 million for 2025 and 2024, respectively. Net changes in the fair value of derivatives recorded as other comprehensive (loss) income, net of taxes, totaled losses of \$181 million in 2025 and gains of \$160 million in 2024.

Capital

We believe that a sound capital position is critical to our long-term financial success and future growth. Our shareholders' equity is primarily composed of preferred and common stock, retained earnings and accumulated other comprehensive income (loss), and totaled \$14.0 billion, \$12.9 billion and \$11.2 billion at December 31, 2025, 2024 and 2023, respectively. The \$1.1 billion increase in shareholders' equity in 2025 primarily resulted from current period earnings and a decrease in accumulated other comprehensive loss, partially offset by accrued patronage and retirements of preferred stock. Included in our shareholders' equity is \$457 million and \$1.2 billion of accumulated other comprehensive loss at December 31, 2025 and 2024, respectively, which is primarily related to unrealized losses on our investment securities. While the unrealized losses on investment securities result in a reduction of shareholders' equity, they do not impact current period earnings or regulatory capital ratios. The level of these unrealized losses is subject to future fluctuations in interest rates.

In December 2025, our shareholders approved a capitalization bylaw amendment to increase the maximum amount of authorized preferred stock from \$2.5 billion to \$4.5 billion and provided authorization for the Bank to issue preferred stock up to this new limit through December 31, 2036. This allows us to access third-party capital more quickly and efficiently in response to dynamic market conditions, without the necessity of obtaining shareholder approval for each issuance. However, any preferred stock issuances still require approval from the Board of Directors and the FCA.

On March 29, 2024, holders of our Series H and Series I non-cumulative perpetual preferred stock were notified of changes in the LIBOR-indexed variable rates in these instruments upon conversion from fixed rates to floating rates in future periods. Reference to 3-month USD LIBOR in the Series H preferred stock was replaced with 3-month CME Term SOFR, plus a spread adjustment of 0.26161 percent, plus a margin of 3.744 percent when the dividend rate was reset effective January 1, 2025. Reference to 3-month USD LIBOR in the Series I preferred stock will be replaced with 3-month CME Term SOFR plus a spread adjustment of 0.26161 percent, plus a margin of 4.66 percent when the dividend rate is reset effective October 1, 2026. These changes resulted from the cessation of publication of USD LIBOR rates after June 30, 2023 and by operation of law under the terms and conditions provided for by regulations promulgated by the Federal Reserve under the Adjustable Interest Rate Act (LIBOR Act), Regulation ZZ.

On April 11, 2024, we issued \$300 million of Series L non-cumulative perpetual preferred stock. We used the net proceeds from the Series L preferred stock issuance to increase our regulatory capital pursuant to FCA regulations and for general corporate purposes. Dividends on the Series L preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on July 1, 2024, and will accrue at a fixed annual rate of 7.25 percent from the date of issuance up to, but excluding July 1, 2029. Thereafter, dividends will accrue at the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.88 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after July 1, 2029.

On November 25, 2024, we issued \$300 million of Series M non-cumulative perpetual preferred stock. We used the net proceeds from the Series M preferred stock issuance for general corporate purposes, including the redemption of our Series H non-cumulative perpetual preferred stock as described below. Dividends on the Series M preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on January 1, 2025, and will accrue at a fixed annual rate of 7.125 percent from the date of issuance up to, but excluding January 1, 2030. Thereafter, dividends will accrue at the five-year

U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.818 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after January 1, 2030.

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

Under the FCA's regulatory capital requirements, common equity tier 1 (CET1) capital, which includes common stock and retained earnings, is the largest component of the Bank's capital structure. All of our outstanding preferred stock is included in tier 1 capital and permanent capital for regulatory capital purposes, subject to certain limitations. All of our outstanding preferred stock ranks equally, both as to dividends and upon liquidation, and senior to all of our outstanding common stock. In addition, our ACL is included in tier 2 regulatory capital, subject to certain limitations. See "Capital Regulations" below for detailed discussion related to the FCA's capital adequacy regulations which require us to maintain certain minimum capital requirements. Note 6 to the accompanying consolidated financial statements contains a summary of our outstanding preferred stock.

We may from time to time seek to retire our outstanding debt or equity securities through calls, tender offers and/or exchanges, open market purchases, privately negotiated transactions or otherwise. Such calls, tender offers, exchanges, open market purchases or new issuances, if any, will depend on prevailing market conditions, the Bank's capital position and liquidity requirements, contractual restrictions, changes to capital regulations and other factors.

Capital Regulations

The FCA's capital regulations set the following minimum risk-based requirements:

- A CET1 capital ratio of 4.5 percent;
- A tier 1 capital ratio (CET1 capital plus additional tier 1 capital) of 6 percent; and
- A total capital ratio (tier 1 capital plus tier 2) of 8 percent.

The capital regulations also set a minimum tier 1 leverage ratio (tier 1 capital divided by total assets) of 4 percent, of which at least 1.5 percent must consist of unallocated retained earnings (URE) and URE equivalents, which are nonqualified allocated equities with certain characteristics of URE.

The capital regulations establish a capital cushion (capital conservation buffer) of 2.5 percent above the risk-based CET1, tier 1 and total capital requirements. In addition, the capital regulations establish a leverage capital cushion (leverage buffer) of 1 percent above the tier 1 leverage ratio requirement. If capital ratios fall below the regulatory minimum plus buffer amounts, capital distributions (equity redemptions, cash dividend payments and cash patronage payments) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

As shown in the following table, our capital and leverage ratios exceeded regulatory minimums at December 31, 2025, 2024, 2023, 2022 and 2021. If these capital standards are not met, the FCA can impose restrictions, including limiting our ability to pay patronage distributions, retire equities and pay preferred stock dividends.

| Regulatory Capital Requirements and Ratios | | | | | | | | | | | | |
|--|-------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|------------------------|
| As of December 31, | | 2025 | | 2024 | | 2023 | | 2022 | | 2021 | | Required Buffer |
| Regulatory Minimums | | Actual | Actual Buffer | |
| Common Equity Tier 1 | | | | | | | | | | | | |
| Capital Ratio | 4.5 % | 11.95 % | 7.45 % | 11.62 % | 7.12 % | 11.58 % | 7.08 % | 11.62 % | 7.12 % | 12.74 % | 8.24 % | 2.5 % |
| Tier 1 Capital Ratio | 6.0 | 13.75 | 7.75 | 13.62 | 7.62 | 13.27 | 7.27 | 13.39 | 7.39 | 14.70 | 8.70 | 2.5 |
| Total Capital Ratio | 8.0 | 14.50 | 6.50 | 14.39 | 6.39 | 14.11 | 6.11 | 14.25 | 6.25 | 15.63 | 7.63 | 2.5 |
| Tier 1 Leverage Ratio ⁽¹⁾ | 4.0 | 6.82 | 2.82 | 6.90 | 2.90 | 6.79 | 2.79 | 6.80 | 2.80 | 7.47 | 3.47 | 1.0 |
| Permanent Capital Ratio | 7.0 | 13.86 | n/a | 13.73 | n/a | 13.37 | n/a | 13.51 | n/a | 14.81 | n/a | n/a |
| Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio | 1.5 | 3.27 | n/a | 3.23 | n/a | 3.23 | n/a | 3.13 | n/a | 3.36 | n/a | n/a |

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

See page 156 for more information on required regulatory capital disclosures, including the components of the ratios displayed above.

Capital Adequacy and Business Planning

In conjunction with the annual business and financial planning process, the Board of Directors reviews and approves a capital adequacy plan which includes target levels for capital and capital ratio baselines. When reviewing the capital adequacy plan and setting an appropriate target equity level, the Board considers the following: the Bank's overall risk assessment and profile; capital composition; loan volume and earnings projections; anticipated future capital needs; and the Bank's capital levels in comparison to commercial banks and regulatory minimum capital standards. The Board-established baselines under the capital regulations are 8 percent for the CET1 capital ratio, 9.5 percent for the tier 1 capital ratio, 11.5 percent for the total capital ratio and 5.5 percent for the tier 1 leverage ratio.

The Board balances the amount required to properly capitalize the Bank with the desire to distribute a level of patronage that provides appropriate returns to our customer-owners. The Board may increase or decrease these patronage levels, assuming we meet regulatory requirements, based on its ongoing evaluation of the Bank's business.

As part of our business planning process, we perform stress tests to examine the Bank's financial condition and performance, including capital levels, under a variety of market and economic environments, including unanticipated loan growth and prolonged periods of financial and loan quality stress. These stress tests illustrate the Bank's ability to continue to maintain compliance with regulatory requirements through severe market conditions while continuing to fulfill our mission. Results of these stress tests are reviewed with the Board of Directors and the FCA.

Capital Plans

In accordance with the Farm Credit Act, cooperatives and other eligible borrowers are required to purchase equity in CoBank as a condition of borrowing. Eligible borrowers that borrow on a patronage basis have voting rights while they are active borrowers. The minimum initial borrower investment is equal to the lesser of one thousand dollars or 2 percent of the amount of the loan and is generally received by CoBank in cash at the time the borrower receives the loan proceeds. Affiliated Associations provide an initial and ongoing voting stock investment in CoBank calculated as a percent of their average outstanding loan balance, which was 3 percent as of December 31, 2025. Collectively, the customer-owners that hold voting stock elect our Board of Directors.

We operate on a cooperative basis and return a significant portion of our earnings to our customer-owners in the form of patronage distributions. All patronage payments and retirements of equity require the prior approval of our Board of Directors. Patronage payments can only be made if the Bank is in compliance with minimum regulatory capital requirements and preferred stock dividends for the immediately preceding period have been paid in full.

Patronage distributions are made in the form of cash and/or common stock, as shown in the following table. Eligible shareholders will receive patronage distributions from CoBank for 2025 in the first quarter of 2026.

| Patronage Distributions (\$ in Millions) | Year Ended December 31, | | |
|--|-------------------------|-----------------|---------------|
| | 2025 | 2024 | 2023 |
| Common Stock | \$ 144 | \$ 132 | \$ 134 |
| Cash | 856 | 790 | 725 |
| Special Cash | 79 | 110 | 106 |
| Total Patronage Distributions | \$ 1,079 | \$ 1,032 | \$ 965 |
| Patronage Distributions/Total Average Common Stock Owned by Active Borrowers | 25.56 % | 26.13 % | 25.57 % |

The Bank's Board of Directors approved special cash patronage distributions of \$79 million, \$110 million and \$106 million to eligible customer-owners for 2025, 2024 and 2023, respectively. The distributions reflect the Bank's strong financial performance and robust capital levels. The special cash patronage distribution approved for 2025 will be paid in March 2026 while the special cash patronage distributions approved for 2024 and 2023 were paid in March 2025 and March 2024, respectively. The special cash patronage distributions were incremental to patronage program payments the Bank had initially targeted to make to customer-owners under its various patronage programs.

Management and the Board regularly evaluate the Bank's capital plans and patronage programs based on financial performance, capital requirements, asset growth, emerging risks, regulatory requirements and other items they deem relevant and can change the amount or frequency of patronage distributions. Patronage and capital distributions are subject to FCA regulations and Board approval.

Capital plans and patronage programs for each customer or loan type are summarized in the following table.

| Capital Plans and Patronage Programs | | | | | | | |
|--|--|---------------------------------|-----------|-----------|-----------|-----------|---|
| Customer or Loan Type | 2025 Equity Requirement ⁽¹⁾ | Target Patronage ⁽²⁾ | | | | | Cash / Equity 2025 Split ⁽³⁾ |
| | | 2025 Plan | 2024 Plan | 2023 Plan | 2022 Plan | 2021 Plan | |
| Agribusiness, Communications and Project Finance | 7.00 % | 100 bps | 100 bps | 95 bps | 95 bps | 95 bps | 75 / 25 % |
| Rural Electric and Water | 7.00 | 80 | 80 | 80 | 80 | 80 | 65 / 35 |
| Loans Purchased from Farm Credit Institutions | 7.00 | 100 | 100 | 95 | 95 | 95 | 75 / 25 |
| Affiliated Associations | 3.00 | 45 | 45 | 45 | 45 | 45 | 100 / 0 |
| Nonaffiliated Farm Credit and Other Financing Institutions | 3.25 | 30 | 30 | 30 | 30 | 30 | 20 / 80 |

⁽¹⁾ Cooperatives and other eligible direct borrowers fulfill their equity requirement over time through the equity portion of their annual patronage distributions, as do loans purchased from other Farm Credit entities, and nonaffiliated Farm Credit and other financing institutions. Affiliated Associations capitalize their wholesale loans from the Bank in full on an annual basis.

⁽²⁾ Target patronage is the level of patronage the Bank initially targets to make under its patronage programs, and is defined as the number of basis points (bps) of current-year average loan volume for eligible borrowers.

⁽³⁾ Once borrowers reach their target equity requirement, they effectively receive 100 percent of their patronage distribution in cash.

The targeted equity requirement for the agribusiness, communications and project finance capital plan is 7 percent of the 10-year trailing average loan volume for the 2025, 2024, 2023, and 2022 plan years and 8 percent of the 10-year trailing average loan volume for the 2021 plan year. Additionally, when a borrower's loans are paid in full, stock is retired over a 10-year loan base period beginning in the year following loan payoff, subject to Board approval and compliance with minimum regulatory capital requirements. The targeted patronage rate for this capital plan was 100 basis points for 2025 and 2024 and 95 basis points for all other plan years presented above, with 75 percent paid in cash and the remaining 25 percent paid in common stock.

The targeted equity requirement for the rural electric and water capital plan is 7 percent of the 10-year trailing average loan volume for the 2025, 2024, 2023 and 2022 plan years and 8 percent of the 10-year trailing average loan volume for the 2021 plan year. Additionally, when a borrower's loans are paid in full, stock is retired over a 10-year loan base period beginning in the year following loan payoff, subject to Board approval and compliance with minimum regulatory capital requirements. The targeted patronage rate for this capital plan was 80 basis points for the 2025 and 2024 plan years, with 65 percent paid in cash and the remaining 35 percent paid

in common stock. For the 2023, 2022 and 2021 plan years, the targeted patronage rate was 80 basis points, with 60 percent paid in cash and the remaining 40 percent paid in common stock.

The key tenets of the capital plan for loan participations purchased from Farm Credit institutions are identical to the agribusiness, communications and project finance capital plan described above.

The targeted equity requirement for the affiliated Association capital plan is 3 percent of the one-year average loan volume for the 2025, 2024, 2023 and 2022 plan years and 4 percent of the five-year trailing average loan volume for the 2021 plan year. The targeted patronage rate for the affiliated Association capital plan was 45 basis points for all plan years presented above, with all patronage being paid in cash.

The targeted equity requirement for the nonaffiliated Farm Credit and other financing institutions capital plan is 3.25 percent of the 10-year trailing average loan volume for the 2025, 2024, 2023 and 2022 plan years and 4 percent of the 10-year trailing average loan volume for the 2021 plan year. Additionally, when these borrowers' loans are paid in full, stock is retired over a 10-year loan base period beginning in the year following loan payoff, subject to Board approval and compliance with minimum regulatory capital requirements. The targeted patronage rate for the nonaffiliated Farm Credit and other financing institutions capital plan was 30 basis points for all plan years presented above. For all plan years presented above, the cash portion of patronage in this capital plan was 20 percent with the remaining 80 percent paid in common stock.

In December 2024, the Board of Directors approved stock retirements of \$50 million, which were made in March 2025.

In December 2025, the Board of Directors approved stock retirements of \$46 million, which will be made in March 2026.

Human Capital

At CoBank, our success as a business ultimately depends on our people. We are chartered to deliver dependable credit and financial services to vital industries across rural America. Fulfilling this mission requires us to attract and retain high quality, skilled professionals who are deeply committed to the Bank, our business, and customer base. We have developed a human capital plan and strategies designed specifically to address this dependency on talent and it includes a comprehensive set of programs covering talent acquisition, learning and development, talent strategy and planning, performance management, pay and rewards, and the continual transformation of the work environment in order to create an inclusive workplace where a talented workforce will thrive.

CoBank promotes a work environment and culture of respect and inclusion. At CoBank, we celebrate our people, our differences, our diverse backgrounds, perspectives, experiences, skills and our shared success. We believe that understanding, appreciating and embracing our unique characteristics and strengths makes us better and helps us serve our stakeholders. We are committed to workplace policies, processes and systems that produce fair and equal employment opportunities for all individuals seeking to build a career at CoBank. We are dedicated to building an engaged workplace culture where all associates feel respected, valued, heard and included.

As of December 31, 2025, we had 1,308 associates employed at our headquarters near Denver, Colorado and in our regional banking centers across the country. Our associates work in a variety of conventional banking and financial services disciplines with the remainder working in management, corporate support and operational functions.

Critical Accounting Estimates

Management's discussion and analysis of the financial condition and results of operations are based on the Bank's consolidated financial statements, which we prepare in accordance with GAAP. In preparing these financial statements, we make estimates and assumptions. Our financial position and results of operations are affected by these estimates and assumptions, which are integral to understanding reported results.

Note 1 to the accompanying consolidated financial statements contains a summary of our significant accounting policies. We consider certain of these policies to be critical to the presentation of our financial condition, as they require us to make complex or subjective

judgments that affect the value of certain assets and liabilities. Some of these estimates relate to matters that are inherently uncertain. Most accounting policies are not, however, considered critical. Our critical accounting policies relate to determining the level of our ACL on loans and the valuation of financial instruments with no ready markets (primarily derivatives and certain investment securities). Management has reviewed these critical accounting policies with the Audit Committee of the Board of Directors.

Certain of the statements below contain forward-looking statements, which are more fully discussed beginning on page 82.

Allowance for Credit Losses on Loans

Our allowance for loan losses is an adjustment to the value of our total outstanding loan and finance lease portfolio for expected credit losses over the remaining contractual life of these financial assets. We provide line of credit financing to customers to cover short-term and variable needs, the usage of which, particularly for farm supply and grain marketing customers, is influenced by a number of factors, including changes in the prices and supplies of agricultural commodities. As a result, we have significant unfunded commitments for which we maintain a separate reserve. This reserve is reported as a liability on the Bank's consolidated balance sheets. We refer to the combined amounts of the allowance for loan losses and the reserve for unfunded commitments as our ACL on loans.

Our ACL on loans reflects management's estimate of current expected credit losses related to outstanding balances and unfunded commitments in our loan and finance lease portfolio. The ACL on loans is maintained at a level consistent with this assessment, considering such factors as loss experience, portfolio quality, portfolio concentrations, macroeconomic forecasts, agricultural production conditions, modeling imprecision, our mission, and economic and environmental factors specific to our business segments.

The ACL on loans is based on our regular evaluation of our loan and finance lease portfolio. We establish the ACL on loans via a process that begins with estimates of expected credit losses for pools of assets with common risk characteristics within the collectively evaluated portfolio. Our methodology also consists of analysis of specific individual credits and evaluation of the remaining portfolio. We evaluate significant individual credit exposures, including adversely classified loans, based upon the borrower's overall financial condition, resources, payment record and projected viability. We also evaluate the prospects for support from any financially viable guarantors and the estimated net realizable value of any collateral.

In addition to the quantitative calculation of expected credit losses, management considers the imprecision in our process and methodology, emerging risks and other subjective factors not reflected in the model, which may lead to a management adjustment to the modeled ACL on loans results.

Determining the appropriateness of the ACL on loans is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of loan and finance lease portfolios, considering macroeconomic conditions, forecasts and other factors prevailing at the time, may result in significant changes in the allowance in future periods.

One of the most significant management judgments involved in estimating the ACL on loans relates to the selection and use of macroeconomic forecasts required to calculate expected credit losses over the reasonable and supportable forecast period within our credit loss methodology. These economic forecasts are provided by an independent third-party and incorporate various macroeconomic variables. We have determined a subset of these macroeconomic variables that most directly affect the modeled credit losses in our loan portfolios and related ACL, which include: BBB corporate spreads, unemployment rates, equity prices, corn prices, gas prices, oil prices and power grid prices. Some of these macroeconomic variables apply to all portfolio segments and others are specific to a particular loan portfolio.

Our Market Risk Committee, which includes senior leaders from the Treasury, Controller, Risk Management, Knowledge Exchange and Lending groups, approves the macroeconomic forecasts, and any relevant probability weighting, used in the determination of the ACL on loans and ensures alignment of these macroeconomic forecasts with the forecasts used for business planning, asset liability management and other purposes across the Bank. Our ACL Committee approves the overall ACL estimate for loans and finance leases prior to recording in the financial statements. The Audit and Risk Committees of the Board of Directors review the ACL on a quarterly basis, and the Board of Directors approves the year-end ACL. The ACL estimation process is also governed by model risk management and is periodically reviewed and validated in accordance with our policies.

Our determination of the ACL for commercial loans is sensitive to the assigned risk ratings and probabilities of default, time to maturity, assumptions surrounding loss given default, macroeconomic forecasts and the overall level of exposure within our loan portfolio. Management evaluates and updates its assumptions around probabilities of default and loss given default on a periodic basis.

or more frequently as needed. Management evaluates and updates the macroeconomic forecasts used in its credit loss model quarterly. Changes in these assumptions underlying this critical accounting estimate could increase or decrease our provision for credit losses. Such a change would increase or decrease net income and the related allowance for loan losses and reserve for unfunded commitments, which could have a material effect on the Bank's financial position and results of operations.

To analyze the impact of key management assumptions on our provision for credit losses and the related ACL on loans, we changed a critical assumption to reflect the impact of deterioration or improvement in loan quality. In the event that 10 percent of loans (calculated on a pro-rata basis across all risk ratings), excluding guaranteed and Associations loans, experienced downgrades or upgrades of one risk rating category, the provision for credit losses and related ACL on loans would have increased or decreased by \$30 million and \$22 million at December 31, 2025, respectively. Separately, we changed the macroeconomic forecast used by management in the estimate of our ACL on loans from the base forecast to an alternate and moderately pessimistic forecast to determine the range of impact. Under this alternate and moderately pessimistic forecast, the provision for credit losses and ACL on loans would have increased by \$31 million at December 31, 2025.

Refer also to Notes 1, 2 and 3 to the consolidated financial statements for further information on our accounting policies for the ACL.

Valuation of Financial Instruments with No Ready Markets

We use fair value measurements to record fair value adjustments to certain financial instruments and to determine fair value disclosures. All of our investment securities and derivative instruments are reported at their estimated fair value on the accompanying consolidated balance sheets. We also evaluate our investment securities for potential credit losses and record an ACL, if required.

As discussed in Note 11 to the accompanying consolidated financial statements, we maximize the use of observable inputs when measuring fair value. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs primarily reflect management estimates about market data.

The fair value of our interest rate swaps and other derivatives is the estimated amount to be received to sell a derivative asset or paid to transfer or extinguish a derivative liability in active markets among willing participants at the reporting date. Estimated fair value is determined through internal market valuation models. These models use an income approach and incorporate benchmark interest rate curves, volatilities, counterparty credit quality and other inputs that are observable directly or indirectly in the marketplace. For derivative transactions with dealers, we compare internally calculated derivative valuations to counterparty results. The fair value of collateral assets and liabilities related to derivative contracts is their face value, plus accrued interest, as these instruments are cash balances; therefore, fair value approximates face value.

The fair value of nearly all investment securities is determined by a third-party pricing service that uses valuation models to estimate current market prices. For a small portion of our ABS and other investment securities, market value is calculated internally using third-party models. Inputs and assumptions related to all of these models are typically observable in the marketplace. Such models incorporate prepayment assumptions and underlying mortgage- or asset-backed collateral information to generate cash flows that are discounted using appropriate benchmark interest rate curves and volatilities. These third-party valuation models also incorporate information regarding non-binding broker/dealer quotes, available trade information, historical cash flows, credit ratings and other market information. Such valuations represent an estimated exit price, or price to be received by a seller in active markets to sell the investment securities to a willing participant.

The degree of management judgment involved in determining the fair value of a financial instrument is dependent upon the availability of observable market inputs. For financial instruments that trade actively and have observable market prices and inputs, there is minimal subjectivity involved. When observable market prices and inputs are not fully available, management judgment is necessary to estimate fair value. Changes in market conditions may reduce the availability of market prices or observable data. For example, reduced liquidity in the capital markets or changes in secondary market activities could result in observable market inputs becoming unavailable. When market data is limited or not available, we use valuation techniques requiring more management judgment to estimate the appropriate fair value measurement. Changes in assumptions could affect these estimates.

Credit risk in our portfolio of investment securities is primarily limited to the 1 percent of securities that do not carry an explicit or implied government guarantee. In instances where the fair value of non-guaranteed investment securities is less than the carrying value, we estimate the component of unrealized losses attributable to credit losses and record an ACL.

All models used for financial instruments valuation estimates included in the financial statements or for independent risk monitoring purposes are periodically reviewed and validated in accordance with our model risk management practices and policies.

At December 31, 2025, approximately 24 percent of total assets, or \$54.1 billion, consisted of financial instruments recorded at fair value. Over 99 percent of these financial instruments used valuation methodologies involving market-based or market-derived information to measure fair value. The remaining financial instruments were measured using model-based techniques, consisting of a small portion of our ABS and other investments. At December 31, 2025, less than 1 percent of total liabilities, or \$699 million, consisted of financial instruments recorded at fair value, the substantial majority of which are valued using methodologies involving market-based or market-derived information.

Refer also to Notes 1, 2 and 11 to the consolidated financial statements for further information on our accounting policies for fair value measurements.

Business Outlook

Most major economies across the globe are expected to expand, but growth will vary by geographic region and is expected to be impacted by a wide range of market factors. The consensus outlook for the U.S. economy in 2026 is generally optimistic, with growth expected from strong consumer demand, easing inflation, rebalancing of trade, business fixed investment, and a rebound in government spending following the government shutdown in the fourth quarter of last year. However, rising unemployment, weak labor markets, and uncertainty related to trade and tariffs could present challenges to the U.S. economy. From a monetary policy perspective, the Federal Reserve is expected to lower interest rates by the end of 2026, although the timing and extent is uncertain. Government policy and rulemaking in 2026 includes many priorities such as trade and tariffs, immigration, tax laws and other legislative backlog items, including full reauthorization of the U.S. Farm Bill, which was temporarily extended to September 30, 2026.

Market conditions and the outlook for the U.S. rural economy in 2026 are less favorable than the broader U.S. economy. Agriculture will face another year of tight margins and lower profitability driven by high input costs, weak commodity prices due to global supply and demand imbalances, and other factors. Unresolved government policies related to trade and tariffs, which impact the domestic farm economy and exports of U.S. agriculture products, and federal program support payments to the agriculture sector will add further volatility and uncertainty to agriculture businesses. Elevated levels of interest rates have also resulted in higher financing and interest costs for many businesses. Highly leveraged companies have been especially impacted by these conditions. The agricultural industry in the Western U.S. is also facing ongoing challenges, specifically in the fruits, nuts, vegetables, wine and beverage, and farm related business services sectors. As a result of these market and other conditions, there has been deterioration in the credit quality of loans to agribusiness borrowers. Market conditions and outlook for rural infrastructure sectors, however, remain favorable as a result of increasing demand for electricity, the expansion of artificial intelligence and the related need for data center capacity, the ongoing digitization of the U.S. economy, and the growth of domestic manufacturing. To sustain this growth in demand, we expect that continued capital investment by the rural infrastructure industries we serve will be essential.

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

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

Forward Looking Statements

Certain of the statements contained in this annual report that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our actual results may differ materially and adversely from our expectations expressed in any forward-looking statements. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “project,” “target,” “may,” “will,” “should,” “would,” “could” or similar expressions. Although we believe that the information expressed or implied in such forward-looking statements is reasonable, we can give no assurance that such projections and expectations will be realized or the extent to which a particular plan, projection or expectation may be realized. These forward-looking statements are based on current knowledge, speak only as to the date they are made and are subject to various risks and uncertainties, including, but not limited to:

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

- Changes in investor confidence due to disruptions or other changes in the financial services and commercial banking sectors;
- Widespread health emergencies, such as pandemics, and related disruptions to businesses and the economy;
- Changes in assumptions underlying the valuations of financial instruments;
- Failure of our investment portfolio to perform as expected, deterioration in the credit quality of such investments or impact of higher interest rates on the value of our investment securities and other interest-bearing assets;
- Legal proceedings, judgments, settlements and related matters;
- Environmental-related conditions or laws impacting our lending activities;
- Nonperformance by counterparties under our derivative and vendor contracts;
- Executing on our strategy of developing further collaboration with other System institutions;
- Success of business model solutions focused on strengthening our ability to fulfill the System's collective mission; and
- Our ability to continue to partner with various System and other entities in light of ongoing consolidation within the System and the industries we serve.

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

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



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of CoBank, ACB

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of CoBank, ACB and its subsidiaries (the "Bank") as of December 31, 2025, 2024 and 2023, and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Bank's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Bank as of December 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Bank changed the manner in which it accounts for the allowance for credit losses in 2023.

Basis for Opinions

The Bank's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing on page 152 of the 2025 Annual Report to Shareholders. Our responsibility is to express opinions on the Bank's consolidated financial statements and on the Bank's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Bank in accordance with the relevant ethical requirements relating to our audit, which include standards of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct and the Farm Credit Administration's independence rules set forth in 12 CFR Part 621, Accounting and Reporting Requirements, Subpart E, Auditor Independence.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

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CoBank 2025 Annual Report

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses (ACL) – Pool Allowance for Loans

As described in Notes 1 and 3 to the consolidated financial statements, the allowance for credit losses was \$787 million, of which a majority is related to the pool allowance for loans as of December 31, 2025. The ACL on loans represents management's estimate of current expected credit losses and takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. Management's process and methodology to determine the ACL separates loans into two broad categories: those that are evaluated on an individual basis and those that are not. The pool allowance is measured based on the estimated expected credit losses for pools of assets with similar risk characteristics. As disclosed by management, management assigns a risk rating to each borrower based on two primary measurements: the probability of default (PD) rating and loss given default (LGD) rating. The PD rating is determined by the financial characteristics of the borrower and reflects the probability of default driven by several considerations, including business risk, industry risk, management capability and financial condition. The LGD rating is intended to approximate the degree of potential loss in the event the borrower defaults. Management evaluates and updates its assumptions around probabilities of default and loss given default on a periodic basis or more frequently as needed. The pool allowance is determined based on a quantitative calculation of the expected life-of-loan loss percentage for each loan pool by considering the probability of default and the loss given default. In addition, management considers the imprecision inherent in the process and methodology, emerging risk assessments and other subjective factors not reflected in the model, which may lead to a management adjustment to the modeled ACL on loans results. The principal considerations for our determination that performing procedures relating to the pooled allowance

of the ACL for loans is a critical audit matter are (i) the significant judgment by management in developing the estimate of the pool allowance of the ACL for loans; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's probability of default and loss given default significant assumptions, as well as certain management adjustments to the pool allowance of the modeled ACL results for loans; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's ACL estimation process, including controls over the probability of default and loss given default significant assumptions, as well as management adjustments to the pool allowance of the modeled ACL results for loans. These procedures also included, among others (i) testing management's process for developing the estimate of the pool allowance of the ACL for loans; (ii) evaluating the appropriateness of the methodology and model; (iii) testing the completeness and accuracy of certain data used in the estimate; and (iv) evaluating the reasonableness of the significant assumptions used by management related to probability of default and loss given default and certain management adjustments to the pool allowance of the modeled ACL results for loans. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the methodology and model and (ii) the reasonableness of the probability of default and loss given default assumptions, as well as certain management adjustments to the pool allowance of the modeled ACL results for loans.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a cursive script followed by the letters "LLP" in a bold, sans-serif font.

Denver, Colorado
February 27, 2026

We have served as the Bank's auditor since 1989.

Consolidated Balance Sheets

CoBank, ACB

(\$ in Millions)

| As of December 31, | 2025 | 2024 | 2023 |
|--|-------------------|-------------------|-------------------|
| Assets | | | |
| Total Loans | \$ 166,880 | \$ 158,859 | \$ 148,015 |
| Less: Allowance for Loan Losses | 725 | 733 | 730 |
| Net Loans | 166,155 | 158,126 | 147,285 |
| Cash and Cash Equivalents | 972 | 823 | 1,013 |
| Federal Funds Sold and Other Overnight Funds | 3,955 | 3,490 | 4,615 |
| Investment Securities (net of allowance of \$1 million at December 31, 2025 and 2024 and \$3 million at December 31, 2023) | 49,489 | 43,407 | 38,343 |
| Accrued Interest Receivable | 1,118 | 1,077 | 1,038 |
| Interest Rate Swaps and Other Derivatives | 456 | 464 | 812 |
| Other Assets | 1,332 | 1,187 | 1,253 |
| Total Assets | \$ 223,477 | \$ 208,574 | \$ 194,359 |
| Liabilities | | | |
| Bonds and Notes | \$ 205,454 | \$ 191,621 | \$ 178,821 |
| Accrued Interest Payable | 1,251 | 1,356 | 1,396 |
| Interest Rate Swaps and Other Derivatives | 576 | 702 | 833 |
| Reserve for Unfunded Commitments | 62 | 59 | 84 |
| Patronage Payable | 935 | 900 | 831 |
| Other Liabilities | 1,161 | 1,074 | 1,201 |
| Total Liabilities | 209,439 | 195,712 | 183,166 |
| Shareholders' Equity | | | |
| Preferred Stock | 1,925 | 2,225 | 1,625 |
| Common Stock | 4,599 | 4,352 | 4,076 |
| Unallocated Retained Earnings | 7,971 | 7,500 | 7,016 |
| Accumulated Other Comprehensive Loss | (457) | (1,215) | (1,524) |
| Total Shareholders' Equity | 14,038 | 12,862 | 11,193 |
| Total Liabilities and Shareholders' Equity | \$ 223,477 | \$ 208,574 | \$ 194,359 |

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

Consolidated Statements of Income

CoBank, ACB

(\$ in Millions)

| Year Ended December 31, | 2025 | 2024 | 2023 |
|---|-----------------|-----------------|-----------------|
| Interest Income | | | |
| Loans | \$ 7,954 | \$ 8,177 | \$ 7,266 |
| Investment Securities | 1,809 | 1,526 | 1,274 |
| Federal Funds Sold and Other Overnight Funds | 78 | 125 | 393 |
| Total Interest Income | 9,841 | 9,828 | 8,933 |
| Interest Expense | | | |
| Net Interest Income | 2,090 | 1,936 | 1,847 |
| Provision for Credit Losses | 199 | 49 | 76 |
| Net Interest Income After Provision for Credit Losses | 1,891 | 1,887 | 1,771 |
| Noninterest Income | | | |
| Loan-Related Fee Income | 248 | 235 | 219 |
| Patronage Income | 205 | 197 | 176 |
| Customer Interest Rate Swaps and Other Derivatives Income | 38 | 23 | 20 |
| Prepayment Income | 4 | 4 | 1 |
| Losses on Early Extinguishments of Debt | — | (3) | — |
| Gains (Losses) on Sales of Investment Securities | 9 | 1 | (7) |
| Return of Excess Insurance Funds | 14 | 25 | — |
| Other, Net | 15 | — | 50 |
| Total Noninterest Income | 533 | 482 | 459 |
| Operating Expenses | | | |
| Employee Compensation | 314 | 316 | 268 |
| Insurance Fund Premium | 90 | 84 | 144 |
| Information Services | 79 | 76 | 68 |
| General and Administrative | 42 | 38 | 36 |
| Occupancy and Equipment | 19 | 17 | 17 |
| Farm Credit System Related | 19 | 19 | 18 |
| Purchased Services | 26 | 24 | 23 |
| Travel and Entertainment | 23 | 23 | 21 |
| Total Operating Expenses | 612 | 597 | 595 |
| Income Before Income Taxes | 1,812 | 1,772 | 1,635 |
| Provision for Income Taxes | 145 | 137 | 128 |
| Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 |

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

Consolidated Statements of Comprehensive Income

CoBank, ACB

(\$ in Millions)

| Year Ended December 31, | 2025 | 2024 | 2023 |
|--|-----------------|-----------------|-----------------|
| Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 |
| Other Comprehensive Income, Net of Tax: | | | |
| Net Change in Unrealized Gains on Investment Securities | 928 | 134 | 462 |
| Net Change in Unrealized (Losses) Gains on Interest Rate Swaps and Other Derivatives | (181) | 160 | (64) |
| Net Pension Adjustment | 11 | 15 | 5 |
| Other Comprehensive Income | 758 | 309 | 403 |
| Comprehensive Income | \$ 2,425 | \$ 1,944 | \$ 1,910 |

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

Consolidated Statements of Changes in Shareholders' Equity

CoBank, ACB

(\$ in Millions)

| | Preferred Stock | Common Stock | Unallocated Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Shareholders' Equity |
|--|--------------------|--------------|-------------------------------------|--|----------------------------------|
| Balance at December 31, 2022 | \$ 1,633 | \$ 4,000 | \$ 6,519 | \$ (1,927) | \$ 10,225 |
| Cumulative Effect of Change in Accounting Principle ⁽¹⁾ | | | 46 | 5 | 51 |
| Balance at January 1, as adjusted | \$ 1,633 | \$ 4,000 | \$ 6,565 | \$ (1,922) | \$ 10,276 |
| Comprehensive Income | | | 1,507 | 398 | 1,905 |
| Preferred Stock: | | | | | |
| Dividends | | | (94) | | (94) |
| Redemptions | (8) | | 3 | | (5) |
| Common Stock: | | | | | |
| Issuance | | 133 | | | 133 |
| Retirements | | (191) | | | (191) |
| Patronage Distribution: | | | | | |
| Cash | | | (725) | | (725) |
| Special Cash | | | (106) | | (106) |
| Common Stock | | 134 | (134) | | — |
| Balance at December 31, 2023 | \$ 1,625 | \$ 4,076 | \$ 7,016 | \$ (1,524) | \$ 11,193 |
| Comprehensive Income | | | 1,635 | 309 | 1,944 |
| Preferred Stock: | | | | | |
| Dividends | | | (112) | | (112) |
| Issuance | 600 | | (7) | | 593 |
| Common Stock: | | | | | |
| Issuance | | 190 | | | 190 |
| Retirements | | (46) | | | (46) |
| Patronage Distribution: | | | | | |
| Cash | | | (790) | | (790) |
| Special Cash | | | (110) | | (110) |
| Common Stock | | 132 | (132) | | — |
| Balance at December 31, 2024 | \$ 2,225 | \$ 4,352 | \$ 7,500 | \$ (1,215) | \$ 12,862 |
| Comprehensive Income | | | 1,667 | 758 | 2,425 |
| Preferred Stock: | | | | | |
| Dividends | | | (117) | | (117) |
| Redemptions | (300) | | | | (300) |
| Common Stock: | | | | | |
| Issuance | | 153 | | | 153 |
| Retirements | | (50) | | | (50) |
| Patronage Distribution: | | | | | |
| Cash | | | (856) | | (856) |
| Special Cash | | | (79) | | (79) |
| Common Stock | | 144 | (144) | | — |
| Balance at December 31, 2025 | \$ 1,925 | \$ 4,599 | \$ 7,971 | \$ (457) | \$ 14,038 |

⁽¹⁾ Effective January 1, 2023, we adopted the CECL accounting standard pursuant to ASU "Financial Instruments - Credit Losses (Topic 326)".

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

Consolidated Statements of Cash Flows

CoBank, ACB

(\$ in Millions)

| Year Ended December 31, | 2025 | 2024 | 2023 |
|---|-----------|-----------|-----------|
| Cash Flows Provided by Operating Activities | | | |
| Net Income | \$ 1,667 | \$ 1,635 | \$ 1,507 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | | |
| Provision for Credit Losses | 199 | 49 | 76 |
| Deferred Income Taxes | 38 | (49) | 19 |
| Depreciation and Amortization/Accretion, Net | 5 | 15 | 21 |
| Net Losses on Early Extinguishments of Debt | — | 3 | — |
| Net (Gains) Losses on Sales of Investment Securities | (9) | (1) | 7 |
| Increase in Accrued Interest Receivable | (41) | (39) | (288) |
| Increase in Other Assets | (307) | (182) | (128) |
| (Decrease) Increase in Accrued Interest Payable | (105) | (40) | 553 |
| (Decrease) Increase in Other Liabilities | (24) | (93) | 70 |
| Net Losses on Interest Rate Swaps and Other Derivatives | 1 | 11 | — |
| Proceeds from Termination of Interest Rate Swaps and Other Derivatives | — | — | 4 |
| Payments on Operating Lease Liabilities | (10) | (10) | (10) |
| Other, Net | (5) | — | (2) |
| Net Cash Provided by Operating Activities | 1,409 | 1,299 | 1,829 |
| Cash Flows Used in Investing Activities | | | |
| Net Increase in Loans | (8,242) | (10,920) | (8,022) |
| Investment Securities: | | | |
| Purchases | (12,246) | (15,126) | (11,732) |
| Proceeds from Maturities and Prepayments | 6,571 | 10,323 | 6,604 |
| Proceeds from Sales | 731 | 35 | 548 |
| Net (Increase) Decrease in Federal Funds Sold and Other Overnight Funds | (465) | 1,125 | 7,786 |
| Other, Net | 145 | 142 | 103 |
| Net Cash Used in Investing Activities | (13,506) | (14,421) | (4,713) |
| Cash Flows Provided by Financing Activities | | | |
| Bonds and Notes Proceeds | 157,792 | 123,360 | 131,972 |
| Bonds and Notes Retired | (143,796) | (109,639) | (127,922) |
| Payments on Early Extinguishments of Debt | — | (3) | — |
| Net Decrease in Notes Payable and Other Interest-bearing Liabilities | (95) | (1,087) | (71) |
| Preferred Stock Issued, Net | — | 593 | — |
| Preferred Stock Retired | (300) | — | (6) |
| Preferred Stock Dividends Paid | (119) | (105) | (97) |
| Common Stock Issued | 153 | 190 | 134 |
| Common Stock Retired | (50) | (46) | (191) |
| Cash Patronage Distribution Paid | (790) | (725) | (707) |
| Special Cash Patronage Distribution Paid | (110) | (106) | (149) |
| Cash Collateral (Paid to) Received from Derivative Counterparties, Net | (220) | 29 | (264) |
| Variation Margin (Paid on) Received on Cleared Derivatives, Net | (219) | 471 | 302 |
| Net Cash Provided by Financing Activities | 12,246 | 12,932 | 3,001 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 149 | (190) | 117 |
| Cash and Cash Equivalents at Beginning of Year | 823 | 1,013 | 896 |
| Cash and Cash Equivalents at End of Year | \$ 972 | \$ 823 | \$ 1,013 |

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

Supplemental Consolidated Cash Flow Information

CoBank, ACB.

(\$ in Millions)

| Year Ended December 31, | 2025 | 2024 | 2023 |
|--|----------|----------|-------|
| Schedule of Noncash Investing and Financing Activities | | | |
| Net Change in Receivables from Investment Securities | \$ (26) | \$ (97) | (110) |
| Net Change in Unrealized Losses on Investment Securities, Before Taxes | 1,035 | 138 | 513 |
| Patronage in Common Stock | 144 | 132 | 134 |
| Cash Patronage Payable | 856 | 790 | 725 |
| Special Cash Patronage Payable | 79 | 110 | 106 |
| Supplemental Noncash Fair Value Changes Related to Hedging Activities | | | |
| Decrease (Increase) in Interest Rate Swaps and Other Derivative Assets | \$ 8 | \$ 348 | (188) |
| Decrease (Increase) in Bonds and Notes Related to Hedging Activities | 101 | 86 | (436) |
| (Decrease) Increase in Interest Rate Swaps and Other Derivative Liabilities | (126) | (131) | (246) |
| Supplemental Noncash Information Related to Leases | | | |
| Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities | \$ 8 | \$ 8 | 8 |
| Supplemental Disclosure of Cash Flow Information | | | |
| Interest Paid | \$ 7,856 | \$ 7,927 | 6,590 |
| Income Taxes Paid, Net of Refunds Received | 102 | 161 | 35 |

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

Notes to Consolidated Financial Statements

CoBank, ACB

(\$ in Millions, Except Per Share Amounts and as Noted)

Note 1 – Description of Business and Summary of Significant Accounting Policies

Description of Business

CoBank, ACB (CoBank or the Bank) is one of the four banks in the Farm Credit System (System). CoBank 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 (GSE). We are federally chartered under the Farm Credit Act of 1971, as amended (the Farm Credit Act), and are subject to supervision, examination, and safety and soundness regulation by an independent federal agency, the Farm Credit Administration (FCA).

We provide a broad range of loans and other financial services through three operating segments: Agribusiness, Farm Credit Banking and Rural Infrastructure. We are cooperatively owned by our 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 including Farm Credit Banks that serve agriculture and rural communities. We are the primary funding source for certain Associations serving specified geographic regions in the United States. We collectively refer to these entities as our affiliated Associations.

Our wholly-owned leasing subsidiary, Farm Credit Leasing Services Corporation (FCL), specializes in lease financing and related services for a broad range of equipment, machinery, vehicles and facilities.

In conjunction with other System entities, the Bank jointly owns three service organizations: the Federal Farm Credit Banks Funding Corporation (Funding Corporation), the FCS Building Association and the Farm Credit System Association Captive Insurance Corporation. The Funding Corporation issues, markets and processes Federal Farm Credit Banks Consolidated Systemwide bonds, medium term notes and discount notes (collectively referred to as Systemwide Debt Securities) and also provides financial management and reporting services for the combined entities of the System. The FCS Building Association leases premises and equipment to the FCA as required by the Farm Credit Act. The Farm Credit System Association Captive Insurance Company is a reciprocal insurer that provides insurance services such as directors and officers liability, fiduciary liability and a bankers bond to System organizations.

We have small equity interests in certain System banks and Associations as required in connection with the purchase and sale of participation loans.

Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of CoBank and its wholly-owned subsidiaries, CoBank, Farm Credit Bank (FCB) and FCL. All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements exclude financial information of our affiliated Associations. CoBank and our affiliated Associations are collectively referred to as the “District.” Additional information about our affiliated Associations is contained in Note 17.

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the financial services industry. These principles require us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates. Significant estimates are discussed in these notes to the consolidated financial statements, as applicable.

Loans

Loans are measured at amortized cost to the extent they are held for the collection of principal and interest and are reported at their principal amount outstanding, net of any unamortized discounts, premiums, deferred fees and costs. We accrue interest income based upon the daily principal amount outstanding. For loans purchased at a discount or premium, we accrete or amortize the unearned amount to interest income using the straight-line method, which approximates the interest method. We defer loan origination fees and costs, and amortize them over the life of the related loan as an adjustment to yield. Most of our fixed-rate loans provide borrowers with the option to prepay their loans for a fee. When such loans are refinanced, loan prepayment fees are recognized upon extinguishment of the original loan and issuance of a new loan. For a refinancing determined to be a modification of the original loan, we defer and amortize loan prepayment fees over the life of the modified loan. This determination is primarily based on the change in cash flows resulting from the refinancing and certain other contractual criteria.

Except as otherwise noted, leases in which we are the lessor are included with loans in the consolidated financial statements and related notes. We record these leases as either direct financing or operating leases. Under direct financing leases in which we are the lessor, unearned finance income from lease contracts represents the excess of gross lease receivables over the cost of leased equipment, net of estimated residual values. Residual values, which are reviewed at least annually, represent the estimated amount to be received at lease termination from the disposition of leased assets. We amortize net unearned finance income to interest income using the interest method. Under operating leases in which we are the lessor, property is recorded at cost and depreciated on a straight-line basis over the lease term to an estimated residual or salvage value. We recognize revenue as earned ratably over the term of the operating lease.

In the normal course of business, we engage in lending transactions which may include underwriting, credit arrangement, syndication or other fees. In addition, we manage lending credit exposures by selling or syndicating loans to System entities and other financial institutions. Such transactions include the transfer of participating interests, as defined pursuant to GAAP. We account for these transactions as sales and, accordingly, the assets transferred are not recognized in our consolidated balance sheets. We earn and recognize fees, which are reflected in loan-related fee income in the accompanying consolidated statements of income, upon satisfying certain retention, timing and yield criteria.

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

Nonaccrual Loans and Other Nonperforming Assets

Nonaccrual loans and other nonperforming assets are loans or assets for which it is probable that not all principal and interest will be collected according to their contractual terms. These include loans that are in nonaccrual status, accruing loans 90 days or more past due and still accruing interest and other property owned by the Bank.

A loan is considered contractually past due when any principal repayment or interest payment required by the loan instrument is not received on or before the due date. A loan remains past due until it is contractually modified or until the entire amount past due, including principal, accrued interest and penalty interest incurred as the result of past due status, is collected or otherwise charged-off in full.

We do not accrue interest income on nonaccrual loans unless they are adequately secured and in the process of collection. When interest accruals are suspended, accrued and unpaid interest income is reversed with current year accruals charged to earnings and prior-year amounts charged off against the allowance for loan losses.

For nonaccrual loans, we primarily apply cash receipts against the outstanding principal balance. If collectability of the loan balance is fully expected and certain other criteria are met, we recognize interest payments as interest income. We may return such loans to accrual status when the borrower is current, has demonstrated payment performance, collection of future payments is fully expected and there are no unrecovered charge-offs.

We establish an impairment reserve if the fair value of assets held for operating leases in which we are the lessor decreases to below book value and such difference is not recoverable.

Allowance for Credit Losses on Loans

Beginning on January 1, 2023, with the adoption of current expected credit losses (CECL) accounting standard, the ACL on loans represents management's estimate of current expected credit losses over the remaining contractual life of loans and leases measured at amortized cost and certain off-balance sheet credit exposures. The ACL takes into consideration relevant information about past events, current conditions and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term includes expected extensions, renewals and modifications unless the extension or renewal options are unconditionally cancellable.

The ACL on loans is comprised of the allowance for loan losses and the reserve for unfunded commitments.

Loans and leases are evaluated for credit losses based on their amortized cost. We have adopted the practical expedient in CECL to exclude accrued interest from the ACL measurement when it is reversed or charged off in a timely manner. We consider our nonaccrual and charge-off policies to be timely for all of our loans and leases. We employ a disciplined process and methodology to determine our ACL under CECL that separates our loans and leases into two broad categories: those that are evaluated on an individual basis and those that are not. Loans and leases that are individually evaluated for credit losses include those that are nonaccrual or past due 90 days or more and still accruing interest. For loans and leases that are not individually assessed for credit losses, we estimate expected credit losses of financial assets on a collective (pool) basis for pools of loans that share similar risk characteristics.

Our ACL for individually evaluated loans and leases is based on the fair value of the related collateral of the loan or lease if it is collateral dependent, or the present value of expected future cash flows discounted at the effective interest rate of the loan or lease. In limited cases, we estimate the ACL for individually evaluated loans and leases based on observable market prices.

Our ACL for collectively evaluated loans and leases (the pool allowance) is measured based on the estimated expected credit losses for pools of assets with similar risk characteristics. The pool allowance is determined based on a quantitative calculation of the expected life of loan loss percentage for each loan pool by considering the probability of default, loss given default, and exposure at default for individual borrowers/obligations, concentrations of credit risk and other relevant factors to estimate expected credit losses. The pool allowance component of the ACL also considers factors for each loan pool to adjust for differences between the historical period used to calculate historical credit defaults and loss severity rates and expected conditions over the remaining lives of the loans.

Management considers multiple economic scenarios over a reasonable and supportable forecast period of two years to estimate credit losses under CECL. Subsequent to the forecast period, our CECL credit loss model reverts to our long-term historical loss experience on a linear basis to calculate the estimate of credit losses for the remaining contractual life of the loan portfolio. The economic forecasts used in our CECL credit loss model are provided by an independent third-party and incorporate macroeconomic variables, some of which apply to all portfolio segments and others that are portfolio specific. The most significant economic variables utilized in our CECL credit loss model include: BBB corporate spreads, unemployment rates, equity prices, corn prices, gas prices, oil prices and power grid prices. When necessary, probability weighting of multiple economic forecasts is performed and used in the CECL credit loss model and determination of the ACL on loans.

In addition to the quantitative calculation of the pool allowance, management considers the imprecision inherent in our process and methodology, emerging risks and other subjective factors not reflected in the model, which may lead to a management adjustment to the modeled ACL on loans result.

The reserve for unfunded commitments represents an additional reserve for binding commitments to extend credit and for commercial letters of credit and is reported as a liability on the Bank's consolidated balance sheets.

Cash and Cash Equivalents

For purposes of these financial statements, cash represents demand deposits at banks and deposits in the process of clearing, which are used for operating or liquidity purposes.

Federal Funds Sold and Other Overnight Funds

Federal funds sold transactions involve lending excess cash reserve balances on a short-term basis, generally overnight. Other overnight funds include deposits with commercial banks and reverse repurchase agreements with the Federal Reserve. In each of these

transactions, funds are returned to the Bank the following business day and earn interest overnight. Such investments are reported at fair value, which is generally their face value.

Investment Securities

We classify investment securities as available-for-sale and report them at their estimated fair value. We have no trading or held-to-maturity securities. We amortize or accrete purchased premiums and discounts using the constant yield method, which approximates the interest method, over the terms of the respective securities. We report unrealized gains and losses, net of applicable income taxes and excluding credit losses, in the accumulated other comprehensive income (loss) component of shareholders' equity on the consolidated balance sheets. We report realized gains and losses on sales of investments in noninterest income in our consolidated statements of income. We use the specific identification method for determining cost in computing realized gains and losses on sales of investment securities.

Allowance for Credit Losses on Investments

Beginning on January 1, 2023, available-for-sale investment securities with unrealized losses are also evaluated for an ACL. As part of the assessment, management evaluates whether it intends to sell the security or it is more likely than not to be required to sell the security, prior to recovery of the amortized cost basis. 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. Credit losses are recorded as an ACL on investment securities with the offsetting amount in earnings. Interest rate, liquidity and other non-credit-related components of unrealized losses and gains on available-for-sale investment securities are recorded in accumulated other comprehensive income (loss).

Premises and Equipment

We carry premises and equipment at cost less accumulated depreciation and amortization. We provide for depreciation and amortization on the straight-line method over the estimated useful lives of the assets. We record gains and losses on dispositions in current period earnings. We record maintenance and repairs to operating expenses when incurred and capitalize improvements.

Leased Property

We have operating leases for our corporate headquarters, banking center offices, certain equipment and vehicles. We determine if an arrangement is a lease and the related lease classification at inception. Right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. If available, we use the implicit rate in the lease in determining the present value of future payments. We use our incremental borrowing rate based on the information available at commencement date when the implicit rate in the lease is not available. ROU assets and lease liabilities are included in other assets and other liabilities, respectively, in our consolidated balance sheets. Operating lease rentals are expensed on a straight-line basis over the life of the lease beginning on the date we take possession of the property. We determine the lease term by assuming the exercise of renewal and termination options that are reasonably certain. Our leases have remaining minimum lease terms of less than one year to seven years, some of which include options to extend the leases for up to an additional 15 years. Rent expense for leases is reflected in occupancy and equipment expense in the accompanying consolidated statements of income. Additionally, the depreciable life of leased assets and leasehold improvements is limited by the expected lease term.

We recorded a right-of-use asset and lease liability for our leased property of \$40 million and \$43 million, respectively, at December 31, 2025. As of December 31, 2025, rental payments associated with our leased property total approximately \$46 million over the remaining term of 5 years.

Mineral Rights

As a result of our 2012 merger with U.S. AgBank, FCB (AgBank), we own mineral rights in Arizona, California, Colorado, Kansas, Nevada, New Mexico, Oklahoma and Utah. As required by the merger agreement, the net earnings from these mineral rights are passed on directly to certain Associations. Mineral income is primarily generated from royalties on natural gas and crude oil production, leasing bonuses and rental payments. This income may vary from year to year based on fluctuations in energy demand, prices and production. In 2025, net mineral income passed directly to these Associations totaled \$10 million compared to \$9 million in

2024 and \$11 million in 2023. As a result of the agreement to pass the net earnings from mineral rights to certain Associations, these mineral rights have no carrying value on the consolidated balance sheets.

Other Investments

We apply the equity method of accounting to certain equity investments classified within other assets on the consolidated balance sheets in which we do not control the investee, but have limited influence over the operating and financial policies of the investee. This primarily includes our investments in which we are a limited partner in Rural Business Investment Companies (RBICs) and unincorporated business entities (UBEs), as well as our investments in the FCS Building Association and Farm Credit System Association Captive Insurance Corporation.

Derivatives and Hedging Activities

We record derivatives as assets or liabilities at their fair value on the consolidated balance sheets. We record changes in the fair value of a derivative in current period earnings or accumulated other comprehensive income (loss), depending on the use of the derivative and whether it qualifies for fair value or cash flow hedge accounting. For derivatives not designated as hedging instruments, we record the related change in fair value in current period earnings.

We formally document all relationships between derivatives and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to assets and liabilities on the consolidated balance sheets or to forecasted transactions.

We also formally assess (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been effective in offsetting changes in the fair value or cash flows of hedged items and whether those derivatives are expected to remain effective in future periods. We typically use regression analyses or other statistical analyses to assess the effectiveness of hedges. Hedge accounting is discontinued prospectively if: (i) it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (ii) the derivative expires or is sold, terminated or exercised; or (iii) management determines that the fair value or cash flow hedge designation is no longer appropriate.

If we determine that a derivative no longer qualifies as an effective fair value or cash flow hedge, or if management removes the hedge designation, we continue to carry the derivative on the balance sheets at fair value, with changes in fair value recognized in current period earnings as part of noninterest income. For discontinued fair value hedges, the basis adjustment of the hedged item is amortized to net interest income over the remaining life of the original hedging relationship. For discontinued cash flow hedges, we amortize the component of accumulated other comprehensive income (loss) to net interest income over the original term of the hedge contract. For cash flow hedges in which the forecasted transaction is not probable of occurring, we immediately reclassify amounts in accumulated other comprehensive income (loss) to current period earnings. For additional information, refer to Note 10.

Systemwide Debt Securities

We, along with the other System banks, obtain funds for lending activities and operations primarily from the sale of debt securities issued by System banks through the Funding Corporation. These debt securities are composed of bonds, medium-term notes and discount notes and are collectively referred to as Systemwide Debt Securities. Pursuant to the Farm Credit Act, Systemwide Debt Securities are the general unsecured joint and several obligations of the System banks, and each System bank is primarily liable for the portion of the Systemwide Debt Securities issued on its behalf. CoBank accounts for its joint and several liabilities for all Systemwide Debt Securities as a contingent liability. We do not record a liability unless it is probable that we will be required to pay an amount and that amount can be reasonably estimated. At December 31, 2025, CoBank was primarily liable for \$203.3 billion of Systemwide Debt Securities, which was recorded as a liability on our consolidated balance sheets.

Systemwide Debt Securities are measured and reported at amortized cost at their principal amount outstanding, net of any unamortized discounts, premiums and issue costs. For Systemwide Debt Securities issued at a discount or premium, we accrete or amortize the unearned amount to interest expense using the interest method. Issue costs are amortized to interest expense over the contractual term of the Systemwide Debt Securities. For additional information, refer to Note 5.

Fair Value Measurements

Our fair value measurements represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability (an exit price) in active markets among willing participants at the reporting date. We maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The classification of assets and liabilities measured at fair value within the disclosure hierarchy is based on three levels of inputs to the fair value measurement process, which are described in Note 11.

Fair Value of Guarantor's Obligations

We provide standby letters of credit, which are irrevocable undertakings to guarantee payment of a specified financial obligation. As a guarantor, we recognize a liability for the fair value of the obligation undertaken in issuing the guarantee. Our liability for the fair value of these obligations is determined by applying a risk-adjusted spread percentage to those obligations.

Employee Benefit Plans

Our employee benefit plans are described in Note 7. The net expense for employee benefit plans is recorded as employee compensation expense. For defined benefit pension plans, we use the "Projected Unit Credit" actuarial method for financial reporting and funding purposes.

The anticipated costs of benefits related to postretirement health care and life insurance are accrued during the period of the eligible employees' active service and are classified as employee compensation expense.

Income Taxes

CoBank operates as a non-exempt cooperative, which qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, amounts distributed as qualified patronage distributions to borrowers in the form of cash or stock may be deducted from taxable income and are generally included in the recipients' taxable income. We base provisions for income taxes for financial reporting purposes only on those taxable earnings that will not be distributed as qualified patronage distributions. Substantially all of the Bank's statutorily tax-exempt activities reside in CoBank, FCB, a wholly-owned subsidiary of CoBank.

We record deferred tax assets and liabilities for temporary differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases except for our nontaxable entity. We measure these deferred amounts using the current marginal statutory tax rate on the taxable portion of our business activities. Calculating deferred tax assets and liabilities involves various management estimates and assumptions as to future taxable earnings. We record a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized.

Note 2 – Recently Issued or Adopted Accounting Pronouncements

Accounting Pronouncements Adopted

Income Taxes

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The amendments in this ASU require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The enhanced rate reconciliation requires tabular reporting by amount and percentage for specifically defined reconciling items as well as additional information for reconciling items that meet a quantitative threshold of greater than 5 percent of the amount computed by multiplying pre-tax income by the applicable statutory income tax rate. Income taxes paid require disaggregated disclosure by federal, state and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than 5 percent of total income taxes paid. The ASU also eliminates the requirement to disclose an estimate of the range of the reasonably possible change in the unrecognized tax benefits balances in the next 12 months. The amendments in this ASU are effective for public business entities for annual periods beginning after December 15, 2024 and should be applied on a prospective basis, although retrospective application is permitted. CoBank adopted this ASU effective for its 2025 financial statements on a retrospective basis with comparative information provided for 2024 and 2023. Refer to Note 8 for new and expanded disclosure of income tax financial information.

Segment Reporting

In November 2023, the FASB issued ASU, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” This ASU requires incremental disclosure about a public entity’s reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The amendments in this ASU require annual and interim disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of a segment’s profit or loss. The ASU also allows companies to disclose multiple measures of segment profit or loss if those measures are used by the CODM to assess performance and allocate resources. The ASU further requires disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measures of segment profit or loss. The amendments in this ASU also require an entity to include all annual disclosures about a reportable segment’s profit or loss and assets currently required by Topic 280 in interim periods. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. CoBank adopted this ASU effective for its 2024 financial statements on a retrospective basis with comparative information provided for prior periods. Refer to Note 13 for new and expanded disclosure of interim segment financial information.

Current Expected Credit Losses

In June 2016, the FASB issued ASU, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The ASU introduced a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The new model applied to: (1) loans, accounts receivable, trade receivables, and other financial assets measured at amortized cost; (2) loan commitments and certain other off-balance sheet credit exposures; (3) debt securities and other financial assets measured at fair value through accumulated other comprehensive income (loss); and (4) beneficial interests in securitized financial assets. The ASU also required certain new loan and ACL disclosures, including loan vintage information. CoBank adopted this ASU on January 1, 2023 following the modified retrospective approach with a cumulative effective adjustment to shareholders’ equity as of the date of adoption.

The following table presents the impact to the ACL, retained earnings and accumulated other comprehensive (loss) income upon adoption of the ASU on January 1, 2023.

| | CECL Adoption | | |
|--|-------------------|---------|-----------------|
| | December 31, 2022 | Impact | January 1, 2023 |
| Allowance for Loan Losses | | | |
| Agribusiness | \$ 517 | \$ (67) | \$ 450 |
| Farm Credit Banking | — | — | — |
| Rural Infrastructure | 165 | 58 | 223 |
| Total Allowance for Loan Losses | \$ 682 | \$ (9) | \$ 673 |
| Reserve for Unfunded Commitments | | | |
| Agribusiness | \$ 122 | \$ (68) | \$ 54 |
| Farm Credit Banking | — | — | — |
| Rural Infrastructure | 21 | 2 | 23 |
| Total Reserve for Unfunded Commitments | \$ 143 | \$ (66) | \$ 77 |
| ACL on Loans | \$ 825 | \$ (75) | \$ 750 |
| ACL on Investments | \$ — | \$ 6 | \$ 6 |
| Unallocated Retained Earnings ⁽¹⁾ | \$ 6,519 | \$ 46 | \$ 6,565 |
| Accumulated Other Comprehensive (Loss) Income ⁽¹⁾ | (1,927) | 5 | (1,922) |
| Cumulative Effect of Change In Accounting Principle⁽¹⁾ | | \$ 51 | |

⁽¹⁾ Amounts are net of taxes.

Upon adoption of the ASU, we recorded a \$75 million decrease in our ACL for loans, leases and unfunded commitments comprised of a \$9 million reduction in the allowance for loan losses and a \$66 million decrease in the reserve for unfunded commitments. The decrease in our ACL under CECL is primarily due to the measurement of credit losses under CECL over the contractual life of a loan compared to requirements under previous GAAP which were based on management's estimate of the loss emergence period for a loan. As a result of this measurement change, a large portion of our agribusiness loans, including seasonal lending to grain and farm supply cooperatives as well as other short-term loans, have a lower ACL under CECL. In contrast, and partially offsetting this reduction, our long-term rural infrastructure loans to many of our communications, energy and water customers have a higher CECL ACL. Refer to Note 3 for further disclosure of the ACL on loans.

We also recorded a \$6 million ACL on our available-for-sale investment securities upon adoption of the ASU. The substantial majority of our investment portfolio of available-for-sale securities has no risk of credit loss 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. The entire amount of the ACL on our investment portfolio of available-for-sale securities related to corporate bonds that are not guaranteed by the U.S. government or U.S. agencies. Refer to Note 4 for further disclosure of the ACL on investments.

Troubled Debt Restructurings and Vintage Disclosures

In March 2022, the FASB issued ASU, "Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosure." The amendments in this ASU eliminate the accounting guidance for troubled debt restructurings (TDRs) by creditors in Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings, modifications and restructurings by creditors when a borrower is experiencing financial difficulty. The amendments in this ASU also require that an entity disclose current-period gross charge-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost. CoBank adopted this ASU on January 1, 2023. Refer to Note 3 for further disclosure of loan modifications.

Reference Rate Reform

In March 2020, the FASB issued ASU, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The ASU provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. The ASU simplified the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contract terms related to the replacement of the reference rate. With respect to hedge accounting, the ASU allowed amendment of formal designation and documentation of hedging relationships in certain circumstances as a result of reference rate reform and provided additional expedients for different types of hedges, if certain criteria were met. We applied the optional expedients available under the ASU to certain of our loans, debt and interest rate swaps and other derivatives. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848". This ASU deferred the sunset date of the guidance in Topic 848 on reference rate reform to December 31, 2024. This ASU was effective upon issuance. CoBank adopted ASU 2022-06 upon issuance and in 2023 applied the accounting relief to certain of our interest rate swaps and other derivatives previously indexed to LIBOR.

Recently Issued Accounting Pronouncements

Interim Reporting Narrow-Scope Improvements

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

Hedge Accounting Improvements

In November 2025, the FASB issued ASU, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements." The amendment reduces complexity, simplifies hedge accounting and better aligns accounting with actual risk management in certain targeted areas. Specifically, the amendment permits cash flow hedging for a broader grouping of forecasted transactions with similar

risk exposure, provides a new model for hedging choose-your-rate debt, expands nonfinancial component hedging, and clarifies the use of net written options as hedging instruments. The amendment is effective for annual periods beginning after December 15, 2026, including interim periods within those years. Early adoption permitted. We are currently evaluating the impact of this ASU.

Purchased Loans

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

Derivative Scope Refinements and Scope Clarification

In September 2025, the FASB issued ASU, "Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract." The amendment updates the accounting rules for businesses by providing a scope exception for certain derivative contracts that are based on operations or activities specific to one of the parties, and clarifies that the revenue guidance in ASC 606 applies to share-based noncash consideration received from customers. The standard is effective for annual periods beginning after December 15, 2026, with early adoption permitted. We are currently evaluating the impact of this ASU.

Internal-Use Software Costs

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

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets." The amendments in this ASU provide all entities with a practical expedient and provide entities, other than public business entities, with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under ASU, "Revenue from Contracts with Customers (Topic 606)." The practical expedient would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. We are currently evaluating the impact of this ASU.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The amendments in this ASU require disaggregated disclosure of certain cost and expense line items in the income statement into more detail in the notes to the financial statements. Additional qualitative and quantitative disclosures are required to provide a clearer understanding of the drivers of these expenses. The

amendments in this ASU are effective for public business entities for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027 and should be applied on a prospective basis, although retrospective application is permitted. The adoption of this guidance requires additional disclosure only and is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

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

Loans Outstanding

Loans outstanding by operating segment are shown below.

| As of December 31, | 2025 | | 2024 | | 2023 | |
|----------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Agribusiness | \$ 42,144 | 25 % | \$ 40,463 | 25 % | \$ 37,785 | 26 % |
| Farm Credit Banking | 88,843 | 53 | 84,059 | 53 | 77,658 | 52 |
| Rural Infrastructure | 35,893 | 22 | 34,337 | 22 | 32,572 | 22 |
| Total | \$ 166,880 | 100 % | \$ 158,859 | 100 % | \$ 148,015 | 100 % |
| Loans Purchased | \$ 44,916 | | \$ 41,321 | | \$ 24,676 | |
| Loans Sold | 45,326 | | 41,820 | | 38,276 | |

We have loans outstanding in all 50 states as well as certain foreign countries and a limited number of U.S. territories. Our agricultural export finance loan portfolio, which is part of our Agribusiness operating segment, includes U.S. government-sponsored trade financing programs which guarantee payment in the event of default by the borrower of generally 98 percent of loan principal outstanding and varying percentages of interest due. Of the \$4.7 billion in agricultural export finance loans outstanding as of December 31, 2025, 29 percent were guaranteed by the U.S. government under one of these trade financing programs, primarily the General Sales Manager program of the U.S. Department of Agriculture's Commodity Credit Corporation. We make loans to customers in various industries. For the years ended December 31, 2025, 2024 and 2023, total loans outstanding (excluding wholesale loans to Associations) did not exceed 10 percent for any specific industry.

Wholesale loans to our affiliated Associations represented 49 percent of total loans outstanding at December 31, 2025 and 2024, and 47 percent of total loans outstanding at December 31, 2023. Two wholesale loans to our affiliated Associations individually exceeded 10 percent of total loans outstanding at December 31, 2025, 2024 and 2023. Our affiliated Associations provided financing and other financial services to farmer-owners for rural real estate, equipment, working capital, agricultural production and operating purposes in the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States. Participations in loans made by other System banks to their affiliated Associations represented 4 percent of our total loans outstanding at December 31, 2025, 2024 and 2023.

Unamortized loan premiums and discounts, and unamortized deferred loan fees and costs totaled \$173 million, \$194 million and \$239 million as of December 31, 2025, 2024 and 2023, respectively.

Allowance for Credit Losses on Loans

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

| | Agribusiness | Farm Credit Banking ⁽¹⁾ | Rural Infrastructure | Total |
|---|---------------|------------------------------------|----------------------|---------------|
| Allowance for Loan Losses | | | | |
| Beginning Balance at December 31, 2024 | \$ 450 | \$ — | \$ 283 | \$ 733 |
| Charge-offs | (155) | — | (53) | (208) |
| Recoveries | 3 | — | 1 | 4 |
| Provision for Credit Losses | 161 | — | 38 | 199 |
| Transfers from (to) Reserve for Unfunded Commitments ⁽²⁾ | 2 | — | (5) | (3) |
| Ending Balance at December 31, 2025 | \$ 461 | \$ — | \$ 264 | \$ 725 |
| Reserve for Unfunded Commitments | | | | |
| Beginning Balance at December 31, 2024 | \$ 36 | \$ — | \$ 23 | \$ 59 |
| Transfers (to) from Allowance for Loan Losses ⁽²⁾ | (2) | — | 5 | 3 |
| Ending Balance at December 31, 2025 | \$ 34 | \$ — | \$ 28 | \$ 62 |
| Allowance for Credit Losses on Loans | \$ 495 | \$ — | \$ 292 | \$ 787 |
| Allowance for Loan Losses | | | | |
| Beginning Balance at December 31, 2023 | \$ 459 | \$ — | \$ 271 | \$ 730 |
| Charge-offs | (58) | — | (19) | (77) |
| Recoveries | 3 | — | 1 | 4 |
| Provision for Credit Losses ⁽³⁾ | 25 | — | 26 | 51 |
| Transfers from Reserve for Unfunded Commitments ⁽²⁾ | 21 | — | 4 | 25 |
| Ending Balance at December 31, 2024 | \$ 450 | \$ — | \$ 283 | \$ 733 |
| Reserve for Unfunded Commitments | | | | |
| Beginning Balance at December 31, 2023 | \$ 57 | \$ — | \$ 27 | \$ 84 |
| Transfers to Allowance for Loan Losses ⁽²⁾ | (21) | — | (4) | (25) |
| Ending Balance at December 31, 2024 | \$ 36 | \$ — | \$ 23 | \$ 59 |
| Allowance for Credit Losses on Loans | \$ 486 | \$ — | \$ 306 | \$ 792 |

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

⁽²⁾ These transfers generally occur as a result of advances on or repayments of seasonal lines of credit or other loans.

⁽³⁾ Excludes credit loss reversal of \$2 million on investment securities for the year ended December 31, 2024.

| | Agribusiness | Farm Credit Banking ⁽¹⁾ | Rural Infrastructure | Total |
|--|--------------|------------------------------------|----------------------|--------|
| Allowance for Loan Losses | | | | |
| Beginning Balance at December 31, 2022 | \$ 517 | \$ — | \$ 165 | \$ 682 |
| Change in Accounting Principle ⁽²⁾ | (67) | — | 58 | (9) |
| Charge-offs | (11) | — | (10) | (21) |
| Recoveries | 6 | — | — | 6 |
| Provision for Credit Losses ⁽³⁾ | 17 | — | 62 | 79 |
| Transfers to Reserve for Unfunded Commitments ⁽⁴⁾ | (3) | — | (4) | (7) |
| Ending Balance at December 31, 2023 | \$ 459 | \$ — | \$ 271 | \$ 730 |
| Reserve for Unfunded Commitments | | | | |
| Beginning Balance at December 31, 2022 | \$ 122 | \$ — | \$ 21 | \$ 143 |
| Change in Accounting Principle ⁽²⁾ | (68) | — | 2 | (66) |
| Transfers from Allowance for Loan Losses ⁽⁴⁾ | 3 | — | 4 | 7 |
| Ending Balance at December 31, 2023 | \$ 57 | \$ — | \$ 27 | \$ 84 |
| Allowance for Credit Losses on Loans | \$ 516 | \$ — | \$ 298 | \$ 814 |

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

⁽²⁾ Effective January 1, 2023, we adopted the CECL accounting standard pursuant to ASU "Financial Instruments - Credit Losses (Topic 326)".

⁽³⁾ Excludes credit loss reversal of \$3 million on investment securities for the year ended December 31, 2023.

⁽⁴⁾ These transfers generally occur as a result of advances on or repayments of seasonal lines of credit or other loans.

Our ACL on loans was \$787 million at December 31, 2025 and \$792 million at December 31, 2024. The decrease in the ACL on loans primarily related to loan charge-offs of \$208 million partially offset by a provision for credit losses on loans of \$199 million. The 2025 provision was largely driven by deterioration in credit quality within certain sectors of our Agribusiness and Rural Infrastructure operating segments including increased charge-offs and specific reserves requiring a higher level of provisioning.

Our ACL on loans was \$792 million at December 31, 2024 and \$814 million at December 31, 2023. The decrease in the ACL on loans related to loan charge-offs of \$77 million, partially offset by a provision for credit losses on loans of \$51 million and recoveries of \$4 million. The 2024 provision for credit losses on loans primarily related to credit quality deterioration within certain sectors of our Agribusiness and Rural Infrastructure operating segments and increased lending activity.

The information in the tables under the Vintage by Credit Quality Indicator, Aging Analysis and Nonaccrual Loans and Other Nonperforming Assets captions is presented by operating segment, with guaranteed and non-guaranteed loans in our Agribusiness segment separately identified. Accrued interest receivable on loans has been excluded from the Credit Quality and Aging Analysis tables, pursuant to our CECL accounting policy election, described in Note 1.

Vintage by Credit Quality Indicator

The following tables present our loans, classified by management pursuant to our regulator's Uniform Loan Classification System. As required under CECL, loan vintage information, including term loans, revolving loans and revolving loans converted to term loans, is also presented within the credit quality information for the years ended December 31, 2025, 2024 and 2023.

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

⁽¹⁾ For the year ended December 31, 2025.

As of December 31, 2024

| | Term Loans by Origination Year | | | | | | Total Term Loans | Revolving Loans | Revolving Loans Converted to Term Loans | Total Loans |
|------------------------------------|--------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|---|-------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | | | | |
| Agribusiness Non-Guaranteed | | | | | | | | | | |
| Acceptable | \$ 4,534 | \$ 3,704 | \$ 3,573 | \$ 2,170 | \$ 1,838 | \$ 3,490 | \$ 19,309 | \$ 16,660 | \$ 83 | \$ 36,052 |
| Special Mention | 118 | 193 | 179 | 130 | 126 | 188 | 934 | 656 | 3 | 1,593 |
| Substandard | 86 | 56 | 139 | 68 | 166 | 124 | 639 | 467 | — | 1,106 |
| Doubtful | 13 | 1 | — | — | — | 7 | 21 | 19 | — | 40 |
| Loss | — | — | — | — | — | — | — | — | — | — |
| Total | \$ 4,751 | \$ 3,954 | \$ 3,891 | \$ 2,368 | \$ 2,130 | \$ 3,809 | \$ 20,903 | \$ 17,802 | \$ 86 | \$ 38,791 |
| Gross Charge-offs ⁽¹⁾ | \$ 11 | \$ 2 | \$ 1 | \$ 23 | \$ 6 | \$ 12 | \$ 55 | \$ 3 | \$ — | \$ 58 |
| Agribusiness Guaranteed | | | | | | | | | | |
| Acceptable | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1,672 | \$ — | \$ 1,672 |
| Special Mention | — | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — | — | — |
| Total | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1,672 | \$ — | \$ 1,672 |
| Gross Charge-offs ⁽¹⁾ | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Farm Credit Banking | | | | | | | | | | |
| Acceptable | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 84,059 | \$ — | \$ 84,059 |
| Special Mention | — | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — | — | — |
| Total | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 84,059 | \$ — | \$ 84,059 |
| Gross Charge-offs ⁽¹⁾ | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Rural Infrastructure | | | | | | | | | | |
| Acceptable | \$ 4,731 | \$ 5,711 | \$ 4,375 | \$ 2,844 | \$ 2,604 | \$ 10,071 | \$ 30,336 | \$ 3,284 | \$ — | \$ 33,620 |
| Special Mention | 9 | 37 | 82 | 134 | 108 | 159 | 529 | 6 | — | 535 |
| Substandard | 33 | 16 | 39 | 12 | 25 | 48 | 173 | 3 | — | 176 |
| Doubtful | 3 | — | — | — | — | — | 3 | 3 | — | 6 |
| Loss | — | — | — | — | — | — | — | — | — | — |
| Total | \$ 4,776 | \$ 5,764 | \$ 4,496 | \$ 2,990 | \$ 2,737 | \$ 10,278 | \$ 31,041 | \$ 3,296 | \$ — | \$ 34,337 |
| Gross Charge-offs ⁽¹⁾ | \$ 10 | \$ — | \$ 1 | \$ — | \$ 5 | \$ 3 | \$ 19 | \$ — | \$ — | \$ 19 |
| Total | | | | | | | | | | |
| Acceptable | \$ 9,265 | \$ 9,415 | \$ 7,948 | \$ 5,014 | \$ 4,442 | \$ 13,561 | \$ 49,645 | \$ 105,675 | \$ 83 | \$ 155,403 |
| Special Mention | 127 | 230 | 261 | 264 | 234 | 347 | 1,463 | 662 | 3 | 2,128 |
| Substandard | 119 | 72 | 178 | 80 | 191 | 172 | 812 | 470 | — | 1,282 |
| Doubtful | 16 | 1 | — | — | — | 7 | 24 | 22 | — | 46 |
| Loss | — | — | — | — | — | — | — | — | — | — |
| Total | \$ 9,527 | \$ 9,718 | \$ 8,387 | \$ 5,358 | \$ 4,867 | \$ 14,087 | \$ 51,944 | \$ 106,829 | \$ 86 | \$ 158,859 |
| Gross Charge-offs ⁽¹⁾ | \$ 21 | \$ 2 | \$ 2 | \$ 23 | \$ 11 | \$ 15 | \$ 74 | \$ 3 | \$ — | \$ 77 |

⁽¹⁾ For the year ended December 31, 2024.

As of December 31, 2023

| | Term Loans by Origination Year | | | | | | Total Term Loans | Revolving Loans | Revolving Loans | | |
|------------------------------------|--------------------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|-------------------------|-------------------|--|
| | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | | | Converted to Term Loans | Total Loans | |
| Agribusiness Non-Guaranteed | | | | | | | | | | | |
| Acceptable | \$ 4,160 | \$ 4,371 | \$ 3,071 | \$ 2,530 | \$ 1,324 | \$ 3,187 | \$ 18,643 | \$ 15,275 | \$ 166 | \$ 34,084 | |
| Special Mention | 61 | 150 | 169 | 134 | 46 | 192 | 752 | 264 | 3 | 1,019 | |
| Substandard | 29 | 141 | 96 | 122 | 54 | 153 | 595 | 413 | — | 1,008 | |
| Doubtful | — | — | — | — | — | — | — | — | — | — | |
| Loss | — | — | — | — | — | — | — | — | — | — | |
| Total | \$ 4,250 | \$ 4,662 | \$ 3,336 | \$ 2,786 | \$ 1,424 | \$ 3,532 | \$ 19,990 | \$ 15,952 | \$ 169 | \$ 36,111 | |
| Gross Charge-offs ⁽¹⁾ | \$ — | \$ 5 | \$ — | \$ — | \$ — | \$ 3 | \$ 8 | \$ — | \$ 3 | \$ 11 | |
| Agribusiness Guaranteed | | | | | | | | | | | |
| Acceptable | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1,674 | \$ — | \$ 1,674 | |
| Special Mention | — | — | — | — | — | — | — | — | — | — | |
| Substandard | — | — | — | — | — | — | — | — | — | — | |
| Doubtful | — | — | — | — | — | — | — | — | — | — | |
| Loss | — | — | — | — | — | — | — | — | — | — | |
| Total | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1,674 | \$ — | \$ 1,674 | |
| Gross Charge-offs ⁽¹⁾ | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | |
| Farm Credit Banking | | | | | | | | | | | |
| Acceptable | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 75,951 | \$ — | \$ 75,951 | |
| Special Mention | — | — | — | — | — | — | — | 1,707 | — | 1,707 | |
| Substandard | — | — | — | — | — | — | — | — | — | — | |
| Doubtful | — | — | — | — | — | — | — | — | — | — | |
| Loss | — | — | — | — | — | — | — | — | — | — | |
| Total | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 77,658 | \$ — | \$ 77,658 | |
| Gross Charge-offs ⁽¹⁾ | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | |
| Rural Infrastructure | | | | | | | | | | | |
| Acceptable | \$ 5,359 | \$ 5,231 | \$ 3,217 | \$ 3,090 | \$ 1,909 | \$ 9,908 | \$ 28,714 | \$ 3,028 | \$ — | \$ 31,742 | |
| Special Mention | 26 | 193 | 81 | 164 | 21 | 241 | 726 | 18 | — | 744 | |
| Substandard | 12 | 22 | — | 21 | — | 28 | 83 | 3 | — | 86 | |
| Doubtful | — | — | — | — | — | — | — | — | — | — | |
| Loss | — | — | — | — | — | — | — | — | — | — | |
| Total | \$ 5,397 | \$ 5,446 | \$ 3,298 | \$ 3,275 | \$ 1,930 | \$ 10,177 | \$ 29,523 | \$ 3,049 | \$ — | \$ 32,572 | |
| Gross Charge-offs ⁽¹⁾ | \$ 4 | \$ — | \$ — | \$ 5 | \$ — | \$ 1 | \$ 10 | \$ — | \$ — | \$ 10 | |
| Total | | | | | | | | | | | |
| Acceptable | \$ 9,519 | \$ 9,602 | \$ 6,288 | \$ 5,620 | \$ 3,233 | \$ 13,095 | \$ 47,357 | \$ 95,928 | \$ 166 | \$ 143,451 | |
| Special Mention | 87 | 343 | 250 | 298 | 67 | 433 | 1,478 | 1,989 | 3 | 3,470 | |
| Substandard | 41 | 163 | 96 | 143 | 54 | 181 | 678 | 416 | — | 1,094 | |
| Doubtful | — | — | — | — | — | — | — | — | — | — | |
| Loss | — | — | — | — | — | — | — | — | — | — | |
| Total | \$ 9,647 | \$ 10,108 | \$ 6,634 | \$ 6,061 | \$ 3,354 | \$ 13,709 | \$ 49,513 | \$ 98,333 | \$ 169 | \$ 148,015 | |
| Gross Charge-offs ⁽¹⁾ | \$ 4 | \$ 5 | \$ — | \$ 5 | \$ — | \$ 4 | \$ 18 | \$ — | \$ 3 | \$ 21 | |

⁽¹⁾ For the year ended December 31, 2023.

Aging Analysis

The following tables present an aging of past due loans.

| December 31, 2025 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed | Farm Credit Banking | Rural Infrastructure | Total |
|--|--|------------------------------------|--------------------------------|---------------------------------|----------------|
| 30-89 Days Past Due | \$ 76 | \$ — | \$ — | \$ — | 76 |
| 90 Days Past Due | 66 | — | — | 45 | 111 |
| Total Past Due | \$ 142 | \$ — | \$ — | \$ 45 | 187 |
| Current | 40,652 | 1,350 | 88,843 | 35,848 | 166,693 |
| Total | \$ 40,794 | \$ 1,350 | \$ 88,843 | \$ 35,893 | 166,880 |
| Accruing Loans 90 Days or More Past Due | \$ 2 | \$ — | \$ — | \$ — | 2 |
| December 31, 2024 | | | | | |
| 30-89 Days Past Due | \$ 95 | \$ — | \$ — | \$ 6 | 101 |
| 90 Days Past Due | 42 | — | — | 3 | 45 |
| Total Past Due | \$ 137 | \$ — | \$ — | \$ 9 | 146 |
| Current | 38,654 | 1,672 | 84,059 | 34,328 | 158,713 |
| Total | \$ 38,791 | \$ 1,672 | \$ 84,059 | \$ 34,337 | 158,859 |
| Accruing Loans 90 Days or More Past Due | \$ 8 | \$ — | \$ — | \$ — | 8 |
| December 31, 2023 | | | | | |
| 30-89 Days Past Due | \$ 36 | \$ — | \$ — | \$ — | 36 |
| 90 Days Past Due | 39 | — | — | — | 39 |
| Total Past Due | \$ 75 | \$ — | \$ — | \$ — | 75 |
| Current | 36,036 | 1,674 | 77,658 | 32,572 | 147,940 |
| Total | \$ 36,111 | \$ 1,674 | \$ 77,658 | \$ 32,572 | 148,015 |
| Accruing Loans 90 Days or More Past Due | \$ 8 | \$ — | \$ — | \$ — | 8 |

Nonaccrual Loans and Other Nonperforming Assets

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

| | Agribusiness Non-Guaranteed | Agribusiness Guaranteed ⁽¹⁾ | Farm Credit Banking ⁽¹⁾ | Rural Infrastructure | Total |
|--|--------------------------------|---|---------------------------------------|-------------------------|---------------|
| December 31, 2025 | | | | | |
| Nonaccrual Loans | \$ 480 | \$ — | \$ — | \$ 137 | \$ 617 |
| Accruing Loans 90 Days or More Past Due | 2 | — | — | — | 2 |
| Other Property Owed | — | — | — | — | — |
| Total Nonaccrual Loans and Other Nonperforming Assets | \$ 482 | \$ — | \$ — | \$ 137 | \$ 619 |
| December 31, 2024 | | | | | |
| Nonaccrual Loans | \$ 313 | \$ — | \$ — | \$ 63 | \$ 376 |
| Accruing Loans 90 Days or More Past Due | 8 | — | — | — | 8 |
| Other Property Owed | — | — | — | — | — |
| Total Nonaccrual Loans and Other Nonperforming Assets | \$ 321 | \$ — | \$ — | \$ 63 | \$ 384 |
| December 31, 2023 | | | | | |
| Nonaccrual Loans | \$ 90 | \$ — | \$ — | \$ 27 | \$ 117 |
| Accruing Loans 90 Days or More Past Due | 8 | — | — | — | 8 |
| Other Property Owed | — | — | — | — | — |
| Total Nonaccrual Loans and Other Nonperforming Assets | \$ 98 | \$ — | \$ — | \$ 27 | \$ 125 |

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

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

| December 31, 2025 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed ⁽¹⁾ | Farm Credit Banking ⁽¹⁾ | Rural Infrastructure | Total |
|---|--------------------------------|---|---------------------------------------|-------------------------|-------|
| Nonperforming Assets With No Related Allowance for Loan Losses | | | | | |
| Carrying Amount | \$ 81 | \$ — | \$ — | \$ 4 | 85 |
| Unpaid Principal | 181 | — | — | 52 | 233 |
| Average Balance | 103 | — | — | 11 | 114 |
| Interest Income Recognized | 14 | — | — | — | 14 |
| Nonperforming Assets With Related Allowance for Loan Losses | | | | | |
| Carrying Amount | 401 | — | — | 133 | 534 |
| Unpaid Principal | 450 | — | — | 152 | 602 |
| Allowance for Loan Losses | 69 | — | — | 32 | 101 |
| Average Balance | 229 | — | — | 98 | 327 |
| Interest Income Recognized | — | — | — | — | — |
| Total Nonperforming Assets | | | | | |
| Carrying Amount | 482 | — | — | 137 | 619 |
| Unpaid Principal | 631 | — | — | 204 | 835 |
| Allowance for Loan Losses | 69 | — | — | 32 | 101 |
| Average Balance | 332 | — | — | 109 | 441 |
| Interest Income Recognized | 14 | — | — | — | 14 |
| December 31, 2024 | | | | | |
| Nonperforming Assets With No Related Allowance for Loan Losses | | | | | |
| Carrying Amount | \$ 26 | \$ — | \$ — | \$ — | 26 |
| Unpaid Principal | 41 | — | — | 5 | 46 |
| Average Balance | 40 | — | — | 1 | 41 |
| Interest Income Recognized | 3 | — | — | — | 3 |
| Nonperforming Assets With Related Allowance for Loan Losses | | | | | |
| Carrying Amount | 295 | — | — | 63 | 358 |
| Unpaid Principal | 316 | — | — | 76 | 392 |
| Allowance for Loan Losses | 75 | — | — | 24 | 99 |
| Average Balance | 217 | — | — | 46 | 263 |
| Interest Income Recognized | — | — | — | — | — |
| Total Nonperforming Assets | | | | | |
| Carrying Amount | 321 | — | — | 63 | 384 |
| Unpaid Principal | 357 | — | — | 81 | 438 |
| Allowance for Loan Losses | 75 | — | — | 24 | 99 |
| Average Balance | 257 | — | — | 47 | 304 |
| Interest Income Recognized | 3 | — | — | — | 3 |

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

| December 31, 2023 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed ⁽¹⁾ | Farm Credit Banking ⁽¹⁾ | Rural Infrastructure | Total |
|---|--------------------------------|---|---------------------------------------|-------------------------|-------|
| Nonperforming Assets With No Related Allowance for Loan Losses | | | | | |
| Carrying Amount | \$ 22 | \$ — | \$ — | \$ — | 22 |
| Unpaid Principal | 26 | — | — | — | 26 |
| Average Balance | 30 | — | — | 2 | 32 |
| Interest Income Recognized | 11 | — | — | — | 11 |
| Nonperforming Assets With Related Allowance for Loan Losses | | | | | |
| Carrying Amount | 76 | — | — | 27 | 103 |
| Unpaid Principal | 87 | — | — | 33 | 120 |
| Allowance for Loan Losses | 25 | — | — | 8 | 33 |
| Average Balance | 102 | — | — | 18 | 120 |
| Interest Income Recognized | — | — | — | — | — |
| Total Nonperforming Assets | | | | | |
| Carrying Amount | 98 | — | — | 27 | 125 |
| Unpaid Principal | 113 | — | — | 33 | 146 |
| Allowance for Loan Losses | 25 | — | — | 8 | 33 |
| Average Balance | 132 | — | — | 20 | 152 |
| Interest Income Recognized | 11 | — | — | — | 11 |

⁽¹⁾ There were no nonperforming assets in our Agribusiness Guaranteed or Farm Credit Banking portfolios for the period presented.

Commitments on Nonperforming Assets

There were \$23 million, \$28 million and \$7 million in commitments available to be drawn by borrowers whose loans were classified as nonperforming assets at December 31, 2025, 2024 and 2023, respectively.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

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

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

| December 31, 2025 | Agribusiness Non-Guaranteed | | Agribusiness Guaranteed | | Farm Credit Banking | | Rural Infrastructure | | Total Modification Amount |
|---|--------------------------------|---|----------------------------|---|------------------------|---|------------------------|---|---------------------------------|
| | Modification Amount | Percent Total Class of Financing Receivable | Modification Amount | Percent Total Class of Financing Receivable | Modification Amount | Percent Total Class of Financing Receivable | Modification Amount | Percent Total Class of Financing Receivable | |
| Term Extension | \$ 343 | 0.8% | \$ - | -% | \$ - | -% | \$ 1 | -% ⁽¹⁾ | \$ 344 |
| Payment Extension | 13 | -% ⁽¹⁾ | - | -% | - | -% | 15 | -% ⁽¹⁾ | 28 |
| Interest Rate Reduction | 16 | -% ⁽¹⁾ | - | -% | - | -% | - | -% | 16 |
| Term Extension and Payment Extension | - | -% | - | -% | - | -% | 3 | -% ⁽¹⁾ | 3 |
| Total | \$ 372 | 0.8% | \$ - | -% | \$ - | -% | \$ 19 | -% | \$ 391 |

⁽¹⁾ Represents less than 0.10 percent of total loans by operating segment.

| | Agribusiness Non-Guaranteed | | | Agribusiness Guaranteed | | Farm Credit Banking | | Rural Infrastructure | | |
|--|--------------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|---------------|
| | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | |
| | | Class of Financing Receivable | | Class of Financing Receivable | | Class of Financing Receivable | | Class of Financing Receivable | | |
| December 31, 2024 | | | | | | | | | | |
| Term Extension | \$ 127 | 0.3% | \$ - | -% | \$ - | -% | \$ - | -% | \$ - | \$ 127 |
| Payment Extension | 37 | 0.1% | - | -% | - | -% | 17 | -(1) | - | 54 |
| Interest Rate Reduction and Term Extension | 28 | -(1) | - | -% | - | -% | - | -% | - | 28 |
| Interest Rate Reduction and Payment Extension | - | -(1) | - | -% | - | -% | 12 | -% | - | 12 |
| Total | \$ 192 | 0.4% | \$ - | -% | \$ - | -% | \$ 29 | -% | \$ - | \$ 221 |

(1) Represents less than 0.10 percent of total loans by operating segment.

| | Agribusiness Non-Guaranteed | | | Agribusiness Guaranteed | | Farm Credit Banking | | Rural Infrastructure | | |
|---|--------------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|---------------|
| | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | Percent Total | Modification Amount | |
| | | Class of Financing Receivable | | Class of Financing Receivable | | Class of Financing Receivable | | Class of Financing Receivable | | |
| December 31, 2023 | | | | | | | | | | |
| Term Extension | \$ 111 | 0.3% | \$ - | -% | \$ - | -% | \$ 13 | -(1) | - | \$ 124 |
| Payment Extension | 26 | 0.1% | - | -% | - | -% | 25 | 0.1% | - | 51 |
| Interest Rate Reduction | 7 | -(1) | - | -% | - | -% | - | -% | - | 7 |
| Interest Rate Reduction and Term Extension | 114 | 0.3% | - | -% | - | -% | - | -% | - | 114 |
| Total | \$ 258 | 0.7% | \$ - | -% | \$ - | -% | \$ 38 | 0.1% | \$ - | \$ 296 |

(1) Represents less than 0.10 percent of total loans by operating segment.

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was \$1 million \$2 million and \$3 million as of December 31, 2025, 2024 and 2023, respectively.

The following table presents the financial effect of the modifications made to borrowers experiencing financial difficulty during the years ended December 31, 2025, 2024 and 2023.

| Financial Effect of Modifications Granted For the Year-Ended December 31, 2025 | |
|---|--|
| Agribusiness Non-Guaranteed | |
| Term Extension | Extended weighted average maturity by 14 months |
| Payment Extension | Extended weighted average payment terms by 6 months |
| Interest Rate Reduction | Reduced weighted average interest rate by 150 bps |
| Agribusiness Guaranteed | |
| None | |
| Farm Credit Banking | |
| None | |
| Rural Infrastructure | |
| Term Extension | Extended weighted average maturity by 6 months |
| Payment Extension | Extended weighted average payment terms by 24 months |
| Term Extension and Payment Extension | Extended weighted average maturity by 6 months and extended weighted average payment terms by 6 months |
| Financial Effect of Modifications Granted For the Year-Ended December 31, 2024 | |
| Agribusiness Non-Guaranteed | |
| Term Extension | Extended weighted average maturity by 15 months |
| Payment Extension | Extended weighted average payment terms by 12 months |
| Interest Rate Reduction and Term Extension | Extended weighted average maturity by 5 months and reduced weighted average interest rate by 31 bps |
| Agribusiness Guaranteed | |
| None | |
| Farm Credit Banking | |
| None | |
| Rural Infrastructure | |
| Payment Extension | Extended weighted average payment terms by 21 months |
| Interest Rate Reduction and Payment Extension | Extended weighted average payment terms by 12 months and reduced weighted average interest rate by 100 bps |
| Financial Effect of Modifications Granted For the Year-Ended December 31, 2023 | |
| Agribusiness Non-Guaranteed | |
| Term Extension | Extended weighted average maturity by 7 months |
| Payment Extension | Extended weighted average payment terms by 9 months |
| Interest Rate Reduction | Reduced weighted average interest rate by 37 bps |
| Interest Rate Reduction and Term Extension | Extended weighted average maturity by 10 months and reduced weighted average interest rate by 47 bps |
| Agribusiness Guaranteed | |
| None | |
| Farm Credit Banking | |
| None | |
| Rural Infrastructure | |
| Term Extension | Extended weighted average maturity by 7 months |
| Payment Extension | Extended weighted average payment terms by 16 months |

Loans reported as loan modifications granted to borrowers experiencing financial difficulty in 2025 that had a payment default were \$30 million for the year ended December 31, 2025. There were no modified loans that had a payment defaults within the previous 12 months for the years ended December 31, 2024 and 2023 that were reported as loan modifications granted to borrowers experiencing financial difficulty in the above tables.

The following tables present the payment status of loans at amortized cost that were modified within the last 12 months as of December 31, 2025, 2024 and 2023.

| Payment Status of Loans Modified | | | | | |
|---|--|------------------------------------|--------------------------------|---------------------------------|--------------|
| December 31, 2025 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed | Farm Credit Banking | Rural Infrastructure | Total |
| 30-89 Days Past Due | \$ 12 | \$ — | \$ — | \$ — | 12 |
| 90 Days Past Due | 2 | — | — | — | 2 |
| Total Past Due | \$ 14 | \$ — | \$ — | \$ — | 14 |
| Current | 359 | — | — | 18 | 377 |
| Total | \$ 373 | \$ — | \$ — | \$ 18 | 391 |
| December 31, 2024 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed | Farm Credit Banking | Rural Infrastructure | Total |
| 30-89 Days Past Due | \$ — | \$ — | \$ — | \$ 3 | 3 |
| 90 Days Past Due | 2 | — | — | — | 2 |
| Total Past Due | \$ 2 | \$ — | \$ — | \$ 3 | 5 |
| Current | 190 | — | — | 26 | 216 |
| Total | \$ 192 | \$ — | \$ — | \$ 29 | 221 |
| December 31, 2023 | Agribusiness Non-Guaranteed | Agribusiness Guaranteed | Farm Credit Banking | Rural Infrastructure | Total |
| 30-89 Days Past Due | \$ — | \$ — | \$ — | \$ — | — |
| 90 Days Past Due | — | — | — | — | — |
| Total Past Due | \$ — | \$ — | \$ — | \$ — | — |
| Current | 258 | — | — | 38 | 296 |
| Total | \$ 258 | \$ — | \$ — | \$ 38 | 296 |

There were \$134 million, \$129 million and \$206 million of additional commitments to lend to borrowers experiencing financial difficulty whose loans had been modified during the years ended December 31, 2025, 2024 and 2023, respectively.

Loans Held-For-Sale

Loans that we intend to sell for credit or other reasons are classified as held-for-sale and measured at the lower of cost or fair value. Such held-for-sale loans are included in other assets and are excluded from the allowance for credit losses (ACL) on loans. Any further decreases or increases in fair value up to the loan cost basis are recognized in noninterest income. Increases in the fair value above the loan cost basis are not recognized until the loans are sold. Loans held-for-sale were \$18 million at December 31, 2025. There were no loans held-for-sale at December 31, 2024 and 2023.

Leases Outstanding

A summary of the components of FCL's net investment in direct financing leases and property on operating leases in which we are the lessor is as follows:

| December 31, | 2025 | 2024 | 2023 |
|---|-------------|-------------|-------------|
| Net Investment in Direct Financing Leases: | | | |
| Minimum Lease Payments to be Received, Net of Participation Interests | \$ 2,998 | \$ 2,899 | \$ 2,789 |
| Estimated Residual Values of Leased Property - Unguaranteed | 1,301 | 1,289 | 1,298 |
| Estimated Residual Values of Leased Property - Guaranteed | 248 | 377 | 457 |
| Initial Direct Costs | 33 | 23 | 15 |
| Less: Unearned Finance Income | (672) | (637) | (582) |
| Net Investment in Direct Financing Leases | \$ 3,908 | \$ 3,951 | \$ 3,977 |
| Property on Operating Leases: | | | |
| Vehicles and Other Equipment | \$ 515 | \$ 589 | \$ 593 |
| Initial Direct Costs | 1 | 2 | 2 |
| Total | 516 | 591 | 595 |
| Less: Accumulated Depreciation | (248) | (279) | (271) |
| Net Property on Operating Leases | \$ 268 | \$ 312 | \$ 324 |
| Year Ended December 31, | | | |
| | 2025 | 2024 | 2023 |
| Depreciation Expense | \$ 100 | \$ 108 | \$ 107 |

At December 31, 2025, gross minimum lease payments to be received for direct financing leases and minimum future rental revenue for noncancellable operating leases in which we are the lessor are as follows:

| Year | Minimum Lease Payments | Minimum Future Rental Revenue |
|------------------|-------------------------------|--------------------------------------|
| 2026 | \$ 778 | \$ 58 |
| 2027 | 645 | 39 |
| 2028 | 503 | 28 |
| 2029 | 350 | 12 |
| 2030 | 242 | 6 |
| Subsequent Years | 480 | 4 |

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

A summary of the amortized cost and fair value of investment securities available-for-sale is as follows. See Note 11 for disclosures about fair value measurements of financial instruments, including investments.

| December 31, 2025 | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|------------------|------------------------|-------------------------|------------------|
| U.S. Treasury Debt | \$ 20,972 | \$ 156 | \$ (155) | \$ 20,973 |
| U.S. Agency Debt | 2,220 | 33 | (30) | 2,223 |
| Residential Mortgage-Backed Securities (MBS): | | | | |
| Ginnie Mae | 1,647 | 7 | (113) | 1,541 |
| U.S. Agency | 3,051 | 10 | (59) | 3,002 |
| Commercial MBS: | | | | |
| U.S. Agency | 21,480 | 113 | (402) | 21,191 |
| Corporate Bonds ⁽¹⁾ | 350 | 2 | (2) | 350 |
| Asset-Backed and Other | 210 | 2 | (3) | 209 |
| Total | \$ 49,930 | \$ 323 | \$ (764) | \$ 49,489 |
| December 31, 2024 | | | | |
| U.S. Treasury Debt | \$ 17,446 | \$ 19 | \$ (431) | \$ 17,034 |
| U.S. Agency Debt | 2,569 | 6 | (80) | 2,495 |
| Residential MBS: | | | | |
| Ginnie Mae | 1,053 | — | (149) | 904 |
| U.S. Agency | 3,122 | 5 | (100) | 3,027 |
| Commercial MBS: | | | | |
| U.S. Agency | 20,065 | 22 | (756) | 19,331 |
| Corporate Bonds ⁽¹⁾ | 417 | — | (11) | 406 |
| Asset-Backed and Other | 211 | 2 | (3) | 210 |
| Total | \$ 44,883 | \$ 54 | \$ (1,530) | \$ 43,407 |
| December 31, 2023 | | | | |
| U.S. Treasury Debt | \$ 14,831 | \$ 8 | \$ (478) | \$ 14,361 |
| U.S. Agency Debt | 2,442 | 17 | (77) | 2,382 |
| Residential MBS: | | | | |
| Ginnie Mae | 1,050 | 1 | (153) | 898 |
| U.S. Agency | 3,195 | 10 | (101) | 3,104 |
| Commercial MBS: | | | | |
| U.S. Agency | 17,878 | 25 | (846) | 17,057 |
| Corporate Bonds ⁽¹⁾ | 499 | 1 | (18) | 482 |
| Asset-Backed and Other | 62 | — | (3) | 59 |
| Total | \$ 39,957 | \$ 62 | \$ (1,676) | \$ 38,343 |

⁽¹⁾ Amortized cost and fair value include ACL on investments of \$1 million at December 31, 2025 and 2024 and \$3 million at December 31, 2023.

Allowance for Credit Losses on Investment Securities

As discussed in Note 2, available-for-sale investment securities with unrealized losses are also evaluated for an 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 December 31, 2025, 2024 and 2023, our ACL on investment securities was \$1 million, \$1 million, and \$3 million, respectively. We did not record credit loss reversals on our investment securities for the year ended December 31, 2025. We recorded credit loss reversals on our investment securities of \$2 million and \$3 million for the years ended December 31, 2024 and 2023, respectively, that is included in the provision for credit losses in our consolidated statements of income.

A summary of the contractual maturity, amortized cost, fair value and weighted average yield of investment securities by investment category at December 31, 2025 is as follows:

| December 31, 2025 | Contractual Maturity | | | | | Total |
|--------------------------------------|------------------------|----------------------|----------------------|--------------------|------|-----------|
| | In One Year or Less | One to Five Years | Five to Ten Years | After Ten Years | | |
| U.S. Treasury Debt Securities | | | | | | |
| Amortized Cost | \$ 6,429 | \$ 8,953 | \$ 5,590 | \$ — | \$ — | \$ 20,972 |
| Fair Value | 6,429 | 8,879 | 5,665 | — | — | 20,973 |
| Weighted Average Yield | 3.70 % | 3.20 % | 4.12 % | — % | — % | 3.60 % |
| U.S. Agency Debt Securities | | | | | | |
| Amortized Cost | \$ 342 | \$ 1,519 | \$ 334 | \$ 25 | \$ — | \$ 2,220 |
| Fair Value | 339 | 1,533 | 328 | 23 | — | 2,223 |
| Weighted Average Yield | 2.13 % | 3.76 % | 3.62 % | 3.31 % | — % | 3.48 % |
| Ginnie Mae Residential MBS | | | | | | |
| Amortized Cost | \$ — | \$ — | \$ 2 | \$ 1,645 | \$ — | \$ 1,647 |
| Fair Value | — | — | 2 | 1,539 | — | 1,541 |
| Weighted Average Yield | — % | — % | 4.71 % | 3.31 % | — % | 3.32 % |
| U.S. Agency Residential MBS | | | | | | |
| Amortized Cost | \$ — | \$ 85 | \$ 1,865 | \$ 1,101 | \$ — | \$ 3,051 |
| Fair Value | — | 78 | 1,844 | 1,080 | — | 3,002 |
| Weighted Average Yield | — % | 1.42 % | 4.42 % | 4.54 % | — % | 4.38 % |
| U.S. Agency Commercial MBS | | | | | | |
| Amortized Cost | \$ 651 | \$ 9,354 | \$ 11,401 | \$ 74 | \$ — | \$ 21,480 |
| Fair Value | 645 | 9,214 | 11,260 | 72 | — | 21,191 |
| Weighted Average Yield | 2.72 % | 3.66 % | 4.27 % | 3.46 % | — % | 3.95 % |
| Corporate Bonds | | | | | | |
| Amortized Cost | \$ 23 | \$ 306 | \$ 21 | \$ — | \$ — | \$ 350 |
| Fair Value | 24 | 305 | 21 | — | — | 350 |
| Weighted Average Yield | 4.55 % | 4.03 % | 4.12 % | — % | — % | 4.07 % |
| Asset-Backed and Other | | | | | | |
| Amortized Cost | \$ — | \$ 200 | \$ — | \$ 10 | \$ — | \$ 210 |
| Fair Value | — | 202 | — | 7 | — | 209 |
| Weighted Average Yield | — % | 4.86 % | — % | 4.56 % | — % | 4.85 % |
| Total | | | | | | |
| Amortized Cost | \$ 7,445 | \$ 20,417 | \$ 19,213 | \$ 2,855 | \$ — | \$ 49,930 |
| Fair Value | 7,437 | 20,211 | 19,120 | 2,721 | — | 49,489 |
| Weighted Average Yield | 3.54 % | 3.47 % | 4.23 % | 3.80 % | — % | 3.79 % |

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

The following table shows the fair value and gross unrealized losses for investments in a loss position aggregated by investment category, and the length of time the securities have been in a continuous unrealized loss position at December 31, 2025, 2024 and 2023. The continuous loss position is based on the date the impairment first occurred.

| | Less Than 12 Months | | Greater Than 12 Months | |
|--------------------------|---------------------|-------------------|------------------------|-------------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| December 31, 2025 | | | | |
| U.S. Treasury Debt | \$ 1,835 | \$ (6) | \$ 5,061 | \$ (149) |
| U.S. Agency Debt | — | — | 1,037 | (30) |
| Residential MBS: | | | | |
| Ginnie Mae | 2 | — | 608 | (113) |
| U.S. Agency | 504 | (2) | 1,421 | (57) |
| Commercial MBS: | | | | |
| U.S. Agency | 1,655 | (11) | 10,800 | (391) |
| Corporate Bonds | — | — | 183 | (2) |
| Asset-Backed and Other | — | — | 8 | (3) |
| Total | \$ 3,996 | \$ (19) | \$ 19,118 | \$ (745) |
| December 31, 2024 | | | | |
| U.S. Treasury Debt | \$ 6,136 | \$ (94) | \$ 6,650 | \$ (337) |
| U.S. Agency Debt | 771 | (13) | 1,309 | (67) |
| Residential MBS: | | | | |
| Ginnie Mae | 164 | (1) | 661 | (148) |
| U.S. Agency | 952 | (10) | 1,637 | (90) |
| Commercial MBS: | | | | |
| U.S. Agency | 5,625 | (59) | 10,316 | (697) |
| Corporate Bonds | 100 | — | 260 | (11) |
| Asset-Backed and Other | 49 | — | 8 | (3) |
| Total | \$ 13,797 | \$ (177) | \$ 20,841 | \$ (1,353) |
| December 31, 2023 | | | | |
| U.S. Treasury Debt | \$ 1,493 | \$ (7) | \$ 9,531 | \$ (471) |
| U.S. Agency Debt | 371 | (1) | 1,361 | (76) |
| Residential MBS: | | | | |
| Ginnie Mae | 5 | — | 750 | (153) |
| U.S. Agency | 1,418 | (11) | 763 | (90) |
| Commercial MBS: | | | | |
| U.S. Agency | 3,278 | (23) | 11,200 | (823) |
| Corporate Bonds | 5 | — | 441 | (18) |
| Asset-Backed and Other | — | — | 17 | (3) |
| Total | \$ 6,570 | \$ (42) | \$ 24,063 | \$ (1,634) |

As of December 31, 2025, we expect to collect all principal and interest payments on our investment securities, except for those included in our ACL of \$1 million as more fully described on page 116. We do not intend to sell the securities in unrealized loss positions, nor is it likely that we will be required to sell such securities, for regulatory, liquidity or other purposes, before an anticipated recovery of our cost basis occurs.

Sales of Investment Securities

During 2025 and 2024, we sold U.S. Treasury and U.S. Agency debt securities for total proceeds of \$731 million and \$35 million resulting in gains of \$9 million and \$1 million, respectively.

In 2023, we sold U.S. Treasury debt securities for total proceeds of \$548 million to replace lower yielding investments with higher yielding investments. The resulting net loss from the sales totaled \$7 million which was more than offset by higher net interest income.

All gains and losses on sale of investment securities are recorded in noninterest income in our consolidated statements of income.

Federal Funds Sold and Other Overnight Funds

Federal funds sold transactions involve lending excess cash reserve balances on a short-term basis, generally overnight. Other overnight funds include deposits with commercial banks and reverse repurchase agreements with the Federal Reserve. In each of these transactions, funds are returned to the Bank the following day and earn interest overnight. Such investments are reported at fair value, which is generally their face value. We held \$2.0 billion, \$2.6 billion, and \$2.6 billion of overnight bank deposits and federal funds sold instruments at December 31, 2025, 2024 and 2023, respectively. In addition, we held \$1.9 billion, \$900 million and \$2.0 billion of reverse repurchase agreements at December 31, 2025, 2024 and 2023, respectively.

Note 5 – Bonds and Notes Payable

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

| December 31, | 2025 | 2024 | 2023 |
|--|-------------------|-------------------|-------------------|
| Bonds | \$ 183,725 | \$ 175,446 | \$ 164,536 |
| Medium-term Notes | 61 | 61 | 61 |
| Discount Notes | 19,533 | 13,664 | 10,766 |
| Total Systemwide Debt Securities | 203,319 | 189,171 | 175,363 |
| Cash Investment Services Payable | 1,156 | 1,251 | 2,338 |
| Rural Utilities Service Bonds | 875 | 875 | 825 |
| Cash Collateral Payable to Derivative Counterparties | 104 | 324 | 295 |
| Total Bonds and Notes | \$ 205,454 | \$ 191,621 | \$ 178,821 |

Systemwide Debt Securities

We, along with the other System banks, obtain funds for lending activities and operations primarily from the sale of debt securities issued by System banks through the Funding Corporation. These debt securities are composed of bonds, medium-term notes and discount notes, and are collectively referred to as Systemwide Debt Securities. Pursuant to the Farm Credit Act, Systemwide Debt Securities are the general unsecured joint and several obligations of the System banks. Systemwide Debt Securities are not obligations of, and are not guaranteed by, the U.S. government or any agency or instrumentality thereof, other than the System banks. Bonds and medium-term notes are issued at fixed or floating interest rates. Bonds have original maturities of three months to 30 years, while medium-term notes have original maturities ranging from one to 30 years. Discount notes are issued with maturities ranging from one to 365 days. The weighted average remaining maturity of CoBank's discount notes outstanding at December 31, 2025 was 71 days.

Other Bonds and Notes

Cash investment services payable related to our customers are generally short-term in nature and mature within one year.

Rural Utilities Service (RUS) bonds were \$875 million at December 31, 2025 and December 31, 2024 and \$825 million at December 31, 2023. RUS bonds relate to funding pursuant to a bond guarantee program offered by the RUS agency of the United States Department of Agriculture. The funding is provided under a bond purchase agreement with the Federal Financing Bank (FFB) and a bond guarantee agreement with RUS, which provides guarantees to the FFB. The bonds outstanding mature in 10-30 years. As part of the bond guarantee agreement with RUS, we are required to pledge collateral in an amount equal to at least 110 percent of the principal balance of all bonds outstanding. As of December 31, 2025 we had \$250 million, \$375 million, \$200 million and \$50 million outstanding on our Series D, Series E, Series F and Series G funding from RUS, respectively. The Series D, Series E and Series F facilities were fully drawn at December 31, 2025. We had an additional \$400 million and \$450 million of undrawn funding from RUS in the Series G and Series H facilities, which allow us to access funding through July 2028 and July 2029, respectively. In December 2025, we closed on an additional \$450 million of Series K funding with RUS, which is undrawn and allows us access to funding through July 2030.

Maturities and Rates

The aggregate maturities and the weighted average interest rates of CoBank's Systemwide Debt Securities measured at amortized cost at December 31, 2025 are shown in the following table. Weighted average interest rates include the effect of related interest rate swaps and other derivatives.

| Maturities and Rates of Systemwide Debt Securities | | | | | | | | |
|---|-------------------|---------------------------------------|--------------------------|---------------------------------------|-----------------------|---------------------------------------|-------------------|---------------------------------------|
| | Bonds | | Medium-term Notes | | Discount Notes | | Total | |
| Year of Maturity | Amount | Weighted Average Interest Rate | Amount | Weighted Average Interest Rate | Amount | Weighted Average Interest Rate | Amount | Weighted Average Interest Rate |
| 2026 | \$ 75,417 | 3.73 % | \$ — | — % | \$ 19,533 | 3.72 % | \$ 94,950 | 3.72 % |
| 2027 | 55,789 | 3.76 | — | — | — | — | 55,789 | 3.76 |
| 2028 | 18,877 | 3.85 | 61 | 5.75 | — | — | 18,938 | 3.86 |
| 2029 | 9,385 | 3.61 | — | — | — | — | 9,385 | 3.61 |
| 2030 | 6,049 | 2.93 | — | — | — | — | 6,049 | 2.93 |
| 2031 and thereafter | 18,208 | 3.26 | — | — | — | — | 18,208 | 3.26 |
| Total | \$ 183,725 | 3.67 % | \$ 61 | 5.75 % | \$ 19,533 | 3.72 % | \$ 203,319 | 3.68 % |

Certain Systemwide Debt Securities include debt which may be called on the first call date and, subsequently, called daily or on each interest payment date thereafter. At December 31, 2025, callable debt was \$41 billion, with the range of first call dates being January 2026 through November 2028.

Conditions for Issuing Systemwide Debt

Certain conditions must be met before we can participate in the issuance of Systemwide Debt Securities. One such condition of participation, required by the Farm Credit Act and FCA regulations, is that we must maintain specified, eligible, unencumbered assets at least equal in value to the total amount of debt obligations outstanding for which we are primarily liable. Such assets exceeded applicable debt by \$14.0 billion at December 31, 2025. This requirement does not provide holders of Systemwide Debt Securities with a security interest in any of our assets.

In addition, because System banks are contingently liable for Systemwide Debt Securities of the other System banks, the banks have entered into agreements to provide for mutual protection. The System banks and the Funding Corporation operate under a Third Amended and Restated Market Access Agreement (MAA) designed to address certain Funding Corporation statutory responsibilities. The MAA financial conditions establish mechanisms for monitoring, limiting and ultimately denying a troubled System bank's access to and participation in Systemwide debt issuances, thereby limiting other System banks' exposure to statutory joint and several liabilities. The MAA promotes the identification and resolution of financial problems of individual System banks in a timely manner. As required by the MAA, the System banks and the Funding Corporation undertake a periodic formal review of the MAA to consider whether any amendments are appropriate. A review of the MAA was undertaken in 2023 and no modifications were made. For discussion related to the FCA's capital regulations, see Note 6.

The System banks and the Funding Corporation have also entered into an Amended and Restated Contractual Interbank Performance Agreement (CIPA). The CIPA establishes an agreed-upon standard of financial condition and performance for the System banks and their affiliated Associations (the Districts). The CIPA measures various ratios taking into account the capital, asset quality, earnings, interest rate risk and liquidity of the Districts and System banks. At December 31, 2025, 2024 and 2023, all System banks, including CoBank, were in compliance with all of the conditions of participation for the issuance of Systemwide Debt Securities. Periodically, the ratios in the CIPA model are reviewed to take into consideration current performance standards in the financial services industry. A review was conducted during 2023, however no significant adjustments to the CIPA model were made.

Insurance Fund

The Farm Credit Act established the Farm Credit System Insurance Corporation (Insurance Corporation) to administer the Farm Credit Insurance Fund (Insurance Fund). The Insurance Corporation insures the timely payment of principal and interest on Systemwide Debt Securities and carries out various other responsibilities.

The primary sources of funds for the Insurance Fund are premiums paid by the System banks and earnings on the Insurance Fund assets. Premiums are determined and assessed to System banks semi-annually by the Insurance Corporation.

Each System bank is required to pay premiums into the Insurance Fund until the assets in the Insurance Fund reach the “secure base amount” (SBA), which is defined in the Farm Credit Act as 2 percent of the aggregate outstanding insured Systemwide Debt Securities (adjusted to reflect the reduced risk on loans or investments guaranteed by the U.S. or state governments) or such other percentage of the aggregate outstanding insured Systemwide Debt Securities as the Insurance Corporation in its sole discretion determines to be actuarially sound. The Insurance Corporation has adopted a Policy Statement addressing the periodic determination of the secure base amount that is currently set at the 2 percent level. The Insurance Corporation may use its discretion to adjust the premium assessments in response to changing conditions. When the amount in the Insurance Fund exceeds the SBA, the Insurance Corporation may return excess amounts, but must still ensure that premiums are sufficient to maintain the level of the Insurance Fund at the SBA. In 2025 and 2024, the Insurance Corporation returned \$14 million and \$25 million, respectively, in excess fund amounts related to the Insurance Fund to CoBank. No such excess amounts related to the Insurance Fund were returned to CoBank from the Insurance Corporation in 2023.

The Insurance Corporation premium rates were 10 basis points of average outstanding adjusted insured debt obligations for 2025 and 2024, and 18 basis points of average outstanding adjusted insured debt obligations for 2023. Premium rates also include 10 basis points assessed to nonaccrual loans and impaired investments for all three years.

The Insurance Fund is available to assist with the timely payment of principal and interest on Systemwide Debt Securities, in the event of a default by a System bank, to the extent that net assets are available in the Insurance Fund. No other liabilities reflected in our financial statements are insured by the Insurance Corporation.

In addition, the Insurance Fund could be used to ensure the retirement of System entities’ protected borrower equity at par or stated value and for other specified purposes. The Insurance Fund is also available for discretionary uses of providing assistance to certain troubled System institutions and to cover the operating expenses of the Insurance Corporation. The Insurance Fund does not insure the obligations of Farmer Mac.

At December 31, 2025, the assets of the Insurance Fund aggregated \$8.6 billion. However, due to the other authorized uses of the Insurance Fund, there is no assurance that any available amount in the Insurance Fund will be sufficient to fund the timely payment of principal or interest on Systemwide Debt Securities in the event of a default by any System bank having primary liability thereon.

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

Early Extinguishments of Debt

Losses on early extinguishments of Systemwide Debt Securities were less than \$1 million in 2025 and \$3 million in 2024, compared to gains of less than \$1 million in 2023. During 2025, we extinguished \$848 million of Systemwide Debt Securities compared to \$1.2 billion and \$8.3 billion in 2024 and 2023, respectively. There were no sales of Systemwide Debt Securities to other Farm Credit Banks during 2025, 2024 and 2023. All losses and gains on early extinguishments of debt are reported as a component of noninterest income.

Note 6 – Shareholders’ Equity

Description of Equities

As of December 31, 2025, we had \$1.9 billion of preferred stock and \$4.6 billion of common stock outstanding, as summarized in the tables below.

| Preferred and Common Stock | Preferred | Class A | Class A |
|------------------------------|-----------------------|-----------|-----------|
| Shares Authorized | n/a ⁽¹⁾ | Unlimited | Unlimited |
| Shares Outstanding (000) | 1,925 | 4,298 | 41,695 |
| Voting or Nonvoting | Nonvoting | Nonvoting | Voting |
| Par / Face Value (per share) | n/a ⁽¹⁾ \$ | 100 \$ | 100 |

⁽¹⁾ Shares authorized and par/face value varies by issuance. Refer to the table on the following page.

Pursuant to our bylaws, we have a single class of common equity – Class A common stock; however, only Class A shareholders that are directly eligible to borrow from CoBank, that borrow on a patronage basis and that are active borrowers, have voting rights. No other class of shareholders has voting rights.

The changes in the number of shares of common stock outstanding during 2025, 2024 and 2023 are summarized in the following table.

| Shares of Common Stock (in Thousands) | 2025 | 2024 | 2023 |
|---------------------------------------|--------|--------|---------|
| Beginning amounts at January 1 | 43,520 | 40,756 | 39,997 |
| Issuances | 2,974 | 3,222 | 2,673 |
| Retirements | (501) | (458) | (1,914) |
| Ending amounts at December 31 | 45,993 | 43,520 | 40,756 |

In December 2025, our shareholders approved a capitalization bylaw amendment to increase the maximum amount of authorized preferred stock from \$2.5 billion to \$4.5 billion and provided authorization for the Bank to issue preferred stock up to this new limit through December 31, 2036. This allows us to access third-party capital more quickly and efficiently in response to dynamic market conditions, without the necessity of obtaining shareholder approval for each issuance. However, any preferred stock issuances still require approval from the Board of Directors and the FCA.

Holders of common equities may not pledge, hypothecate or otherwise grant a security interest in such equities except as consented to by the Bank under FCA regulations. We have a statutory first lien on CoBank common stock. We pay dividends only on preferred stock.

In case of liquidation or dissolution, preferred stock, common stock and unallocated retained earnings (URE) would be distributed to shareholders, after the payment of all liabilities pursuant to FCA regulations, in the following order: (1) retirement of all Series E, Series I, Series J, Series K, Series L and Series M preferred stock at par plus all accrued but unpaid dividends for the then current dividend period; (2) retirement of all common stock at par; (3) retirement of all patronage surplus (a component of URE) in amounts equal to the face amount of the applicable nonqualified written notices of allocation or such other notice; and (4) remaining URE and reserves to the holders of common stock in proportion to patronage to the extent possible.

In December 2023, the Board of Directors approved stock retirements of \$46 million, which were made in March 2024.

In December 2024, the Board of Directors approved stock retirements of \$50 million, which were made in March 2025.

In December 2025, the Board of Directors approved stock retirements of \$46 million, which will be made in March 2026.

Management and the Board of Directors regularly evaluate the Bank’s capital plans based on financial performance, capital requirements, asset growth, emerging risks and other items. Any future changes to patronage and capital distributions would be subject to FCA regulations and Board approval.

Preferred Stock

The following table summarizes our outstanding preferred stock as of December 31, 2025.

| Preferred Stock | | | | | | |
|--|--|---|---|---|--|---|
| | Series E | Series I | Series J | Series K | Series L | Series M |
| Type | Non-Cumulative Perpetual | Non-Cumulative Perpetual | Non-Cumulative Perpetual | Non-Cumulative Perpetual | Non-Cumulative Perpetual | Non-Cumulative Perpetual |
| Issue Date | January 2012 | April 2016 | December 2021 | August 2022 | April 2024 | November 2024 |
| Shares Outstanding (000) | 125 | 375 | 425 | 400 | 300 | 300 |
| Amount Outstanding (000) | \$ 125,205 | \$ 375,000 | \$ 425,000 | \$ 400,000 | \$ 300,000 | \$ 300,000 |
| Par Value (per share) | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Current Dividend Rate % | 3-month CME Term SOFR +0.26161% spread adjustment +1.18% (5.36899% at December 31, 2025) | 6.25% | 4.25% | 6.45% | 7.25% | 7.125% |
| Next Change in Dividend Rate (% and Dates) | n/a | 3-month USD LIBOR +4.66% beginning on October 1, 2026 ⁽²⁾ | 5-year Treasury Rate +3.049% beginning on January 1, 2027 | 5-year Treasury Rate +3.487% beginning on October 1, 2027 | 5-year Treasury Rate +2.88% beginning on July 1, 2029 | 5-year Treasury Rate +2.818% beginning on January 1, 2030 |
| Dividend Frequency | Quarterly | Semi-Annual; Quarterly beginning on October 1, 2026 | Quarterly | Quarterly | Quarterly | Quarterly |
| Optional Redemption Begins (Date) ⁽¹⁾ | July 2027 and each five year anniversary thereafter at par plus accrued dividends | Quarterly calls on or after October 1, 2026 at par plus accrued dividends | Quarterly calls on or after January 1, 2027 at par plus accrued dividends | Quarterly calls on or after October 1, 2027 at par plus accrued dividends | Quarterly calls on or after July 1, 2029 at par plus accrued dividends | Quarterly calls on or after January 1, 2030 at par plus accrued dividends |

⁽¹⁾ Our preferred stock may also be redeemed at any time after the occurrence of a Regulatory Event (as defined in the terms of the preferred stock) at par plus accrued interest.

⁽²⁾ Given LIBOR is no longer being quoted, this instrument was converted to a variable rate pursuant to fallback language in the preferred stock agreement.

On April 11, 2024, we issued \$300 million of Series L non-cumulative perpetual preferred stock. We used the net proceeds from the Series L preferred stock issuance to increase our regulatory capital pursuant to FCA regulations and for general corporate purposes. Dividends on the Series L preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on July 1, 2024, and will accrue at a fixed annual rate of 7.25 percent from the date of issuance up to, but excluding July 1, 2029. Thereafter, dividends will accrue at the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.88 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after July 1, 2029.

On November 25, 2024, we issued \$300 million of Series M non-cumulative perpetual preferred stock. We used the net proceeds from the Series M preferred stock issuance for general corporate purposes, including the redemption of our Series H non-cumulative perpetual preferred stock as described below. Dividends on the Series M preferred stock, if declared by the Board of Directors in its sole discretion, are non-cumulative and are payable quarterly in arrears beginning on January 1, 2025, and will accrue at a fixed annual rate of 7.125 percent from the date of issuance up to, but excluding January 1, 2030. Thereafter, dividends will accrue at the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread of 2.818 percent per annum. The preferred stock is redeemable at par value, in whole or in part, at the Bank's option quarterly beginning on or after January 1, 2030.

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

All of our outstanding preferred stock ranks equally, both as to dividends and upon liquidation, and senior to all of our outstanding common stock.

If preferred stock dividends are not paid for 18 consecutive months on any of our preferred stock, holders of all outstanding preferred stock, voting as a single class, will have the right to appoint two non-voting observers to attend our Board of Directors meetings until full dividends for a one-year period are paid. In addition, other than pursuant to an order issued by our regulator, we may not enter into agreements restricting our ability to declare or pay preferred stock dividends.

Payments of preferred stock dividends and stock retirements, including preferred stock redemptions, require the approval of our Board of Directors and are subject to FCA regulations.

Capitalization Requirements

In accordance with the Farm Credit Act, eligible commercial borrowers are required to purchase common stock in CoBank as a condition of borrowing. The minimum initial borrower investment is equal to the lesser of one thousand dollars or 2 percent of the amount of the loan. The minimum initial investment is generally received in cash at the time the borrower receives the loan proceeds.

Association customers are also required to invest in our common stock, as discussed beginning on page 149. Additionally, eligible financial service members who are not otherwise shareholders have a one hundred dollar capitalization requirement and do not participate in patronage distributions.

Most agricultural export finance customers, customers of FCL and certain other borrowers are not required to purchase, nor do they own, common stock in CoBank for these financing transactions. Therefore, they do not participate in patronage distributions.

Retirements of common stock, if any, are determined annually after the Board of Directors sets the target equity level. Net cash retirements are made at the sole discretion of the Board of Directors and are at book value not to exceed par or face value.

Patronage

As a cooperative bank, we return a portion of our earnings to eligible common shareholders in the form of patronage distributions. Accrued patronage for eligible common shareholders totaled \$1.079 billion for 2025 and is payable in March 2026, of which \$935 million will be paid in cash (including \$79 million of special cash patronage) and \$144 million will be paid in common stock. For 2024, total patronage was \$1.032 billion, of which \$900 million was paid in cash (including \$110 million of special cash patronage) and \$132 million was paid in common stock in March 2025. For 2023, total patronage was \$965 million, of which \$831 million was paid in cash (including \$106 million of special cash patronage) and \$134 million was paid in common stock in March 2024. All patronage distributions require the approval of our Board of Directors.

Regulatory Capitalization Requirements and Restrictions

The FCA’s capital adequacy regulations require us to maintain certain minimum capital requirements and collateral standards.

We are prohibited from retiring stock or making certain other distributions to shareholders unless prescribed capital standards are met. All such minimum regulatory capital requirements and collateral standards were met as of December 31, 2025.

At December 31, 2025, 2024 and 2023, our capital and leverage ratios exceeded regulatory minimums as noted in the following table.

| Regulatory Capital Ratios | Regulatory Minimum | December 31, | | |
|--|--------------------|--------------|---------|---------|
| | | 2025 | 2024 | 2023 |
| Common Equity Tier 1 Capital Ratio | 4.5 % | 11.95 % | 11.62 % | 11.58 % |
| Tier 1 Capital Ratio | 6.0 | 13.75 | 13.62 | 13.27 |
| Total Capital Ratio | 8.0 | 14.50 | 14.39 | 14.11 |
| Tier 1 Leverage Ratio ⁽¹⁾ | 4.0 | 6.82 | 6.90 | 6.79 |
| Permanent Capital Ratio | 7.0 | 13.86 | 13.73 | 13.37 |
| Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio | 1.5 | 3.27 | 3.23 | 3.23 |

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

See pages 156 through 166 for more information on the required regulatory capital disclosures, including the components of the regulatory capital ratios above.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for 2025, 2024 and 2023 are presented in the following table.

| Changes in Accumulated Other Comprehensive Income (Loss) by Component ⁽¹⁾ | | | | | |
|---|---|--|------------------------------|------------|--|
| | Unrealized Gains (Losses) on Investment Securities | Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives | Net Pension Adjustment | Total | |
| Balance at December 31, 2024 | \$ (1,332) | \$ 160 | \$ (43) | \$ (1,215) | |
| Other comprehensive income (loss) before reclassifications | 935 | (192) | 11 | 754 | |
| Amounts reclassified from accumulated other comprehensive income (loss) to net income | (7) | 11 | — | 4 | |
| Net current-period other comprehensive income (loss) | 928 | (181) | 11 | 758 | |
| Balance at December 31, 2025 | \$ (404) | \$ (21) | \$ (32) | \$ (457) | |
| Balance at December 31, 2023 | \$ (1,466) | \$ — | \$ (58) | \$ (1,524) | |
| Other comprehensive income before reclassifications | 135 | 147 | 1 | 283 | |
| Amounts reclassified from accumulated other comprehensive (loss) income to net income | (1) | 13 | 14 | 26 | |
| Net current-period other comprehensive income | 134 | 160 | 15 | 309 | |
| Balance at December 31, 2024 | \$ (1,332) | \$ 160 | \$ (43) | \$ (1,215) | |
| Balance at December 31, 2022 | \$ (1,928) | \$ 64 | \$ (63) | \$ (1,927) | |
| Cumulative effect of change in accounting principle ⁽²⁾ | 5 | — | — | 5 | |
| Balance at January 1, 2023, as adjusted | \$ (1,923) | \$ 64 | \$ (63) | \$ (1,922) | |
| Other comprehensive income (loss) before reclassifications | 450 | (73) | 5 | 382 | |
| Amounts reclassified from accumulated other comprehensive income (loss) to net income | 7 | 9 | — | 16 | |
| Net current-period other comprehensive (loss) income | 457 | (64) | 5 | 398 | |
| Balance at December 31, 2023 | \$ (1,466) | \$ — | \$ (58) | \$ (1,524) | |

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

⁽²⁾ Effective January 1, 2023, we adopted the CECL accounting standard pursuant to ASU "Financial Instruments - Credit Losses (Topic 326)".

The following table presents the effect of reclassifications from accumulated other comprehensive income (loss) to net income for the years ended December 31, 2025, 2024 and 2023.

| Reclassifications from Accumulated Other Comprehensive Income (Loss) to Net Income | | | | |
|---|---|---|----------------|-------------|
| Year Ended December 31, | Location of Gain (Loss) Recognized in Income Statement | Amount Reclassified from Accumulated Other Comprehensive Income (Loss) | | |
| | | 2025 | 2024 | 2023 |
| Unrealized Gains (Losses) on Available-For-Sale Investment Securities: | | | | |
| Sales Gains and Losses | Noninterest Income - Other, Net | \$ 9 | \$ 1 | (7) |
| Tax Effect | Provision for Income Taxes | (2) | — | — |
| Unrealized Gains (Losses) on Interest Rate Swaps and Other Derivatives: | | | | |
| Interest Rate Contracts | Interest Expense | (11) | (13) | (10) |
| Foreign Exchange Contracts | Interest Income | — | — | 1 |
| Tax Effect | Provision for Income Taxes | — | — | — |
| Pension and Other Benefit Plans: | | | | |
| Net Actuarial Loss | Operating Expenses - Employee Compensation | — | (12) | — |
| Prior Service Cost/Credit | Operating Expenses - Employee Compensation | — | — | (1) |
| Tax Effect | Provision for Income Taxes | — | (2) | 1 |
| Total Reclassifications | | \$ (4) | \$ (26) | (16) |

Note 7 – Employee Benefit Plans and Incentive Compensation Plans

Employee Benefit Plans

We have an employer-funded, qualified defined benefit pension plan, which is noncontributory and covers employees hired prior to January 1, 2007. Depending on the date of hire, benefits are determined either by a formula based on years of service and final average pay, or by the accumulation of a cash balance with interest credits and contribution credits based on years of service and eligible compensation. Effective January 1, 2007, the Bank closed the remaining qualified defined benefit pension plan to new participants.

During 2024, CoBank terminated one of its employer-funded, qualified defined benefit pension plans, which covered a small number of former and active employees of its Farm Credit Leasing subsidiary who were participants in this plan (the “Plan”). There were no changes to participants' benefits as a result of the Plan termination. CoBank signed a nonparticipating annuity contract and transferred the Plan's accumulated benefits liability to a third-party insurance company, who assumed the obligation to make benefit payments to participants in the Plan going forward. The premium payment for the annuity contract was funded by assets in the Plan. Remaining assets in the Plan were used to pay administrative and other termination expenses. CoBank recorded a one-time employee compensation expense of \$12 million in 2024 to write-off actuarial losses previously deferred in accumulated other comprehensive loss related to this terminated Plan.

We also have noncontributory, unfunded nonqualified supplemental executive retirement plans (SERPs) covering certain senior officers and specified other senior managers. In addition, we have a noncontributory, unfunded nonqualified executive retirement plan (ERP) covering certain former senior officers. The defined benefit pension plan, SERPs and ERP are collectively referred to as Retirement Plans. We hold assets in trust accounts related to our SERPs and ERP; however, such funds remain Bank assets and would be subject to general creditors in a bankruptcy or liquidation and are not included as plan assets in the accompanying disclosures.

We have a 401(k) savings plan pursuant to which we match a certain percentage of employees' elective contributions. In addition, under this plan, employees hired on or after January 1, 2007 receive additional, non-elective employer defined contributions. Our contributions to the 401(k) savings plan, which are recorded as employee compensation expense, were \$19 million, \$18 million and \$15 million for 2025, 2024 and 2023, respectively. For eligible senior managers, including our senior officers, we also have a nonqualified deferred compensation plan, which includes benefits not provided under the employee savings plan due to certain Internal Revenue Code limitations.

Eligible retirees and retirement-eligible employees under age 65 also have other postretirement benefits (OPEB), which primarily include access to health care benefits. Substantially all participants pay the full premiums associated with these postretirement health care benefits. Premiums are adjusted annually.

The following table provides a summary of the changes in the plans' benefit obligations and fair values of assets over the three years ended December 31, 2025, 2024 and 2023, as well as a statement of funded status as of December 31 of each year.

| | Retirement Plans | | | Other Postretirement Benefits | | |
|--|------------------|----------------|----------------|-------------------------------|---------------|---------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Change in Benefit Obligation: | | | | | | |
| Benefit Obligation at January 1 | \$ 299 | \$ 343 | \$ 337 | \$ 2 | \$ 2 | \$ 2 |
| Service Cost | 3 | 4 | 4 | — | — | — |
| Interest Cost on Benefit Obligation | 16 | 16 | 17 | — | — | — |
| Plan Participant Contributions | — | — | — | — | — | — |
| Transfers to Third Party Due to FCL Plan Termination | — | (19) | — | — | — | — |
| Actuarial Loss (Gain) | 6 | (18) | 13 | (1) | — | — |
| Benefits Paid | (23) | (27) | (28) | — | (1) | (1) |
| Benefit Obligation at December 31 | 301 | 299 | 343 | 1 | 1 | 1 |
| Change in Plan Assets: | | | | | | |
| Fair Value of Plan Assets at January 1 | 282 | 314 | 295 | — | — | — |
| Actual Return on Plan Assets | 38 | 8 | 39 | — | — | — |
| Employer Contributions | 6 | 6 | 8 | — | — | — |
| Transfers to Third Party Due to FCL Plan Termination | — | (19) | — | — | — | — |
| Benefits Paid | (23) | (27) | (28) | — | — | — |
| Plan Participant Contributions | — | — | — | — | (1) | (1) |
| Fair Value of Plan Assets at December 31 | 303 | 282 | 314 | — | (1) | (1) |
| Funded (Unfunded) Status - Fair Value of Plan Assets | | | | | | |
| Less the Benefit Obligation | 2 | (17) | (29) | (1) | (2) | (2) |
| Net Amount Recognized - December 31 | \$ 2 | \$ (17) | \$ (29) | \$ (1) | \$ (2) | \$ (2) |

The projected benefit obligation and the accumulated benefit obligation for the Retirement Plans as of December 31 of each year are as follows:

| | Projected Benefit Obligation | | | Accumulated Benefit Obligation | | |
|------------------------|------------------------------|---------------|---------------|--------------------------------|---------------|---------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Funded Qualified Plans | \$ 265 | \$ 263 | \$ 304 | \$ 258 | \$ 255 | \$ 274 |
| SERP/ERP | 36 | 36 | 39 | 35 | 34 | 37 |
| Total | \$ 301 | \$ 299 | \$ 343 | \$ 293 | \$ 289 | \$ 311 |

The \$303 million in fair value of plan assets shown in the table above relates only to the qualified retirement plans. As depicted in the preceding table, such plans had a projected benefit obligation and an accumulated benefit obligation of \$265 million and \$258 million, respectively, as of December 31, 2025.

We hold assets in trust accounts related to our SERPs and ERP. Such assets had a fair value of \$51 million as of December 31, 2025, which is included in other assets in our consolidated balance sheets and accordingly, they are not included as part of the assets in the table on page 129. As depicted in the preceding table, our SERPs and ERP had a projected benefit obligation and an accumulated benefit obligation of \$36 million and \$35 million, respectively, as of December 31, 2025.

The following table provides the amounts recognized in our consolidated balance sheets as of December 31 of each year.

| | Retirement Plans | | | Other Postretirement Benefits | | |
|--------------------------------------|------------------|----------------|----------------|-------------------------------|---------------|---------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Accrued Benefit Assets (Liabilities) | \$ 2 | \$ (17) | \$ (29) | \$ (1) | \$ (2) | \$ (2) |
| Net Amounts Recognized | \$ 2 | \$ (17) | \$ (29) | \$ (1) | \$ (2) | \$ (2) |

The following table presents the components of net periodic benefit cost for the plans.

| | Retirement Plans | | | Other Postretirement Benefits | | |
|-------------------------------------|------------------|-------------|-------------|-------------------------------|-------------|-------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Service Cost | \$ 3 | \$ 4 | \$ 4 | \$ — | \$ — | \$ — |
| Interest Cost on Benefit Obligation | 16 | 16 | 17 | — | — | — |
| Expected Return on Plan Assets | (19) | (20) | (21) | — | — | — |
| Amortization of Prior Service Cost | 1 | 1 | 1 | — | — | — |
| Recognized Actuarial Loss (Gain) | — | 1 | — | — | — | — |
| Net Periodic Benefit Cost | \$ 1 | \$ 2 | \$ 1 | \$ — | \$ — | \$ — |

We anticipate that our total pension expense for the Retirement Plans will be approximately \$3 million in 2026, as compared to \$1 million in 2025.

The following table displays the amounts included in accumulated other comprehensive loss (income), a component of shareholders' equity, related to our pension and other postretirement benefit plans.

| Amounts Included in Accumulated Other Comprehensive Loss (Income) Pre-Tax at December 31, 2025 | Qualified Retirement Plans | Nonqualified Retirement Plans | Other Postretirement Benefits | Total |
|--|----------------------------|-------------------------------|-------------------------------|-----------|
| | Net Actuarial Loss (Gain) | \$ 41 | \$ 3 | \$ (2) |
| Prior Service Cost | — | — | — | — |
| Amount Recognized in Accumulated Other Comprehensive Loss (Income) | \$ 41 | \$ 3 | \$ (2) | 42 |

Assumptions

We measure plan obligations and annual expense using assumptions designed to reflect future economic conditions. As pension benefits will be paid to current and future retirees for many years, the computations of pension expenses and benefits are based on assumptions about discount rates, estimates of annual increases in compensation levels, mortality rates and expected rates of return on plan assets.

The weighted average rate assumptions used in the measurement of our benefit obligations and our net periodic benefit cost are as follows:

| | Benefit Obligations | | | Net Periodic Benefit Cost | | |
|---|---------------------|--------|--------|---------------------------|--------|--------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Discount Rate | 5.45 % | 5.70 % | 5.00 % | 5.70 % | 5.00 % | 5.20 % |
| Expected Return on Qualified Plan Assets (Qualified Plans Only) | n/a | n/a | n/a | 6.00 | 5.61 | 5.90 |
| Rate of Compensation Increase | 3.68 | 3.68 | 3.68 | 3.50 | 3.50 | 3.40 |

The discount rates are calculated using a spot yield curve method developed by an independent actuary. The approach maps a high-quality bond yield curve to the duration of the plans' liabilities, thus approximating each cash flow of the liability stream to be discounted at an interest rate specifically applicable to its respective period in time.

We establish the expected rate of return on plan assets based on current target asset allocations and the anticipated future long-term returns for those asset classes. The expected rate of return on plan assets assumption is also consistent with the pension plans' long-term interest rate assumption used for funding purposes.

Assumed health care cost trend rates have an effect on the amounts reported for other postretirement benefits. For measurement purposes, a 8.5 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2025. The rate was assumed to decrease gradually to 4.5 percent through 2035 and remain at that level thereafter.

Plan Assets

The asset allocation target ranges for the pension plans follow the investment policy adopted by our Retirement Trust Committee. This policy provides for a certain level of committee flexibility in selecting target allocation percentages. The actual asset allocations at December 31, 2025, 2024 and 2023 are shown in the following table, along with the adopted range for target allocation percentages by asset class as of December 31, 2025. The actual allocation percentages reflect the market values at year-end and may vary during the course of the year. Plan assets are generally rebalanced to a level within the target range on a monthly basis at the direction of the Committee.

| Asset Category | 2025 Target Allocation ⁽¹⁾ | Percentage of Plan Assets at December 31, | | |
|--|---------------------------------------|---|-------|-------|
| | | 2025 | 2024 | 2023 |
| Domestic Equity | 23 - 27 % | 26 % | 29 % | 32 % |
| Domestic Fixed Income | 58 - 62 | 58 | 54 | 45 |
| International Equity, Emerging Markets Equity and Fixed Income | 13 - 17 | 16 | 17 | 23 |
| Total | 100 % | 100 % | 100 % | 100 % |

⁽¹⁾ Future asset allocation changes for the CoBank, ACB Retirement Plan are expected to occur in accordance with the liability-driven investment strategy adopted by our Retirement Trust Committee as the Plan's funded status improves.

The assets of the pension plans consist primarily of investments in various domestic equity, international equity and bond funds. These funds do not contain any significant investments in a single entity, industry, country or commodity, thereby mitigating concentration risk. No CoBank stock or debt is included in these investments.

The following table presents major categories of plan assets that are measured at fair value at December 31, 2025 for each of the fair value hierarchy levels as defined in Note 11.

| Asset Category | December 31, 2025 | | | | |
|---|-------------------|---------|---------|--------------------|-------|
| | Level 1 | Level 2 | Level 3 | NAV ⁽¹⁾ | Total |
| Cash | \$ 1 | \$ — | \$ — | \$ — | 1 |
| Domestic Equity: | | | | | |
| Large-cap Growth Funds ⁽²⁾ | 35 | — | — | 34 | 69 |
| Small-cap Growth Funds ⁽²⁾ | — | — | — | 9 | 9 |
| International Equity, Emerging Markets Equity and Fixed Income ⁽³⁾ | 32 | — | — | 16 | 48 |
| Domestic Fixed Income Bond Funds ⁽⁴⁾ | — | — | — | 176 | 176 |
| Total | \$ 68 | \$ — | \$ — | 235 | 303 |

⁽¹⁾ Certain investments that are measured at fair value using the net asset value (NAV) per share as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this column are intended to permit reconciliation of the fair value hierarchy to the net assets in the pension plans.

⁽²⁾ Funds invest primarily in diversified portfolios of common stocks of U.S. companies.

⁽³⁾ Funds invest primarily in a diversified portfolio of equities and corporate debt securities of non-U.S. companies.

⁽⁴⁾ Funds invest primarily in U.S. Treasury debt securities and corporate bonds of U.S. companies.

Level 1 plan assets are funds with quoted daily net asset values that are directly observable by market participants. The fair value of these funds is the net asset value at close of business on the reporting date. Level 2 plan assets are funds with quoted net asset values that are not directly observable by market participants. A significant portion of the underlying investments in these funds have individually observable market prices, which are utilized by the plan's trustee to determine a net asset value at close of business on the reporting date. Level 3 plan assets are funds with unobservable net asset values and supported by limited or no market activity. There were no purchases or sales of Level 3 plan assets in the current year and no transfers into or out of Level 3 assets occurred in the current year.

Investment strategy and objectives are described in the pension plans' formal investment policy document. The basic strategy and objectives are to manage portfolio assets with a long-term time horizon appropriate for the participant demographics and cash flow requirements; to optimize long-term funding requirements by generating rates of return sufficient to fund liabilities and exceed the long-term rate of inflation while reducing overall funded status volatility; and to provide competitive investment returns as measured against appropriate benchmarks.

Expected Contributions

We do not expect to contribute to our funded, qualified defined benefit pension plan in 2026 and we expect to contribute less than \$1 million, net of collected retiree premiums, to our other postretirement benefit plans in 2026. We also expect to contribute approximately \$3 million to our trust accounts related to our SERPs and ERP in 2026. Our actual 2026 contributions could differ from the estimates noted above.

Estimated Future Benefit Payments

We expect to make the following benefit payments, which reflect expected future service, as appropriate.

| Estimated Benefit Payments | | | |
|-----------------------------------|----|----------------------------|--------------------------------------|
| Year: | | Retirement Benefits | Other Postretirement Benefits |
| 2026 | \$ | | 24 \$ — |
| 2027 | | | 24 — |
| 2028 | | | 25 — |
| 2029 | | | 24 — |
| 2030 | | | 25 — |
| 2031 to 2035 | | | 122 — |

Incentive Compensation Plans

We have a broad-based, Board-approved short-term incentive compensation plan covering substantially all employees pursuant to which annual cash awards may be earned. Criteria used to determine amounts payable include the achievement of specified financial measures and strategic business objectives, which are approved annually by the Compensation and Human Resources Committee of the Board of Directors. Individual performance is also considered in the determination of the amounts payable.

We also have a Board-approved long-term incentive compensation plan, pursuant to which cash awards may be earned by senior officers and specified other key employees who have a significant impact on long-term financial performance. Criteria used to determine amounts payable include achievement of certain Bank financial targets and strategic business objectives over a three-year performance period. Cash awards are to be paid subsequent to completion of each three-year period, subject to approval by the Compensation and Human Resources Committee of the Board of Directors.

Under the terms of the short-term incentive compensation plan, a minimum return on active patron stock investment and a minimum capital threshold must be achieved in order for a payout to be approved. Under the long-term incentive compensation plan, a minimum return on active patron stock investment and a minimum capital threshold must be achieved in each year within the three-year performance period for a full payout to be made. The required minimum return on active patron stock investment was 11.0 percent for all performance periods disclosed herein. The required minimum capital threshold was a minimum total regulatory capital ratio of 11.5 percent for all performance periods disclosed herein.

Note 8 – Income Taxes

The components of the provision (benefit) for income taxes are as follows:

| Year Ended December 31, | 2025 | 2024 | 2023 |
|---|---------------|---------------|---------------|
| Current: | | | |
| Federal | \$ 102 | \$ 159 | \$ 108 |
| State | 5 | 24 | 24 |
| Total Current | 107 | 183 | 132 |
| Deferred: | | | |
| Federal | 12 | (39) | (8) |
| State | 26 | (7) | 4 |
| Total Deferred | 38 | (46) | (4) |
| Total Provision for Income Taxes | \$ 145 | \$ 137 | \$ 128 |
| Comprehensive Tax Provision (Benefit) Allocable to: | | | |
| Income Before Income Taxes | \$ 145 | \$ 137 | \$ 128 |
| Comprehensive Income - Amounts Allocable to: | | | |
| Investment Securities | 109 | 6 | 52 |
| Derivatives | (19) | 17 | (5) |
| Pension Liability | 4 | 6 | 2 |
| Total | \$ 239 | \$ 166 | \$ 177 |

In addition to the information above, the January 1, 2023 adoption of the CECL accounting standard, which is described in Note 2, included a \$23 million reduction in deferred tax assets for the year ended December 31, 2023.

The components of deferred tax assets and liabilities are shown below.

| December 31, | 2025 | 2024 | 2023 |
|--|-----------------|-----------------|--------------|
| ACL on Loans | \$ 144 | \$ 140 | \$ 148 |
| Employee Benefits | 51 | 49 | 50 |
| Unrealized Net Losses on Investment Securities and Derivatives | 45 | 135 | 158 |
| Loan Origination Fees | 22 | 22 | 20 |
| Net Operating Loss | 19 | 17 | 23 |
| Other Deferred Tax Assets | 55 | 57 | 47 |
| Gross Deferred Tax Assets | 336 | 420 | 446 |
| Valuation Allowance | (15) | — | — |
| Deferred Tax Assets, Net of Valuation Allowance | 321 | 420 | 446 |
| Leasing | 824 | 793 | 840 |
| Patronage Receivable | 37 | 36 | 33 |
| Other Deferred Tax Liabilities | 12 | 11 | 9 |
| Gross Deferred Tax Liabilities | 873 | 840 | 882 |
| Net Deferred Tax Liabilities | \$ (552) | \$ (420) | (436) |

Deferred income taxes are provided for the change in temporary differences between the basis of certain assets and liabilities for financial reporting and income tax reporting purposes except for our nontaxable entity. The expected future tax rates are based upon enacted tax laws.

We have concluded that it is more likely than not that the deferred tax assets will be realized based on our history of earnings and our ability to implement tax planning strategies, except for certain state deferred tax assets related to net operating loss carryforwards at FCL that we do not expect to realize. As such, we recorded a valuation allowance of \$15 million at December 31, 2025 to reduce deferred tax assets to the amount that is more likely than not to be realized.

The effective tax rates were less than the statutory income tax rate primarily due to \$1.079 billion, \$1.032 billion and \$965 million of accrued patronage distributions, including special patronage distributions, for the years ended December 31, 2025, 2024 and 2023, respectively, which are tax deductible if made by our taxable entity, as permitted by Subchapter T of the Internal Revenue Code. The effect of nontaxable entity activities conducted in the FCB subsidiary also contributed to a lower effective tax rate.

As described in Note 2, we adopted the enhanced disclosure requirements of the income taxes ASU effective for December 31, 2025, which require additional disclosure of specifically defined reconciling items and information regarding state and local taxes in the income tax rate reconciliation. In addition, income taxes paid information is disaggregated by federal, state and other taxes. The new disclosures are comparatively presented for prior periods.

| Year Ended December 31, | 2025 | | 2024 | | 2023 | |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Income Before Income Taxes | \$ 1,812 | | \$ 1,772 | | \$ 1,635 | |
| Federal Tax at U.S. Statutory Rate | 381 | 21.0% | 372 | 21.0% | 343 | 21.0% |
| State and Local Income Taxes, Net of Federal Income Tax Effect ⁽¹⁾ | 26 | 1.5 | 14 | 0.8 | 22 | 1.3 |
| Federal Tax Credits | (5) | (0.3) | (2) | (0.1) | (7) | (0.4) |
| Nontaxable or Nondeductible Items | | | | | | |
| Patronage Distributions Allocated by: | | | | | | |
| Taxable Entity | (94) | (5.2) | (87) | (4.9) | (84) | (5.1) |
| Nontaxable Entity | (116) | (6.4) | (107) | (6.0) | (96) | (5.9) |
| Special Patronage Distributions Allocated by: | | | | | | |
| Taxable Entity | (6) | (0.3) | (8) | (0.5) | (8) | (0.5) |
| Nontaxable Entity | (10) | (0.6) | (15) | (0.8) | (14) | (0.9) |
| Effect of Nontaxable Entity | (29) | (1.6) | (28) | (1.6) | (29) | (1.8) |
| Other Adjustments | (2) | (0.1) | (2) | (0.2) | 1 | 0.1 |
| Effective Tax Rate | \$ 145 | 8.0% | \$ 137 | 7.7% | \$ 128 | 7.8% |

⁽¹⁾ State taxes in Iowa made up the majority (greater than 50 percent) of the state and local income taxes, net of federal income tax effect for the year ended December 31, 2025 due to a valuation allowance on deferred tax assets; Iowa and Colorado made up the majority for the year ended December 31, 2024; and Iowa, Colorado, California, and Illinois made up the majority for the year ended December 31, 2023.

The amount of income taxes paid, net of refunds received, are as follows:

| Year Ended December 31, | 2025 | 2024 | 2023 |
|---|---------------|---------------|--------------|
| Federal | \$ 86 | \$ 140 | \$ 25 |
| State ⁽¹⁾ | | | |
| Colorado | — | 8 | — |
| New York | — | — | 3 |
| Illinois | — | — | 2 |
| Other | 16 | 13 | 5 |
| Total Income Taxes Paid, Net of Refunds Received | \$ 102 | \$ 161 | \$ 35 |

⁽¹⁾ Income taxes paid disclosed for jurisdictions and periods meeting the required reporting thresholds (equal to or greater than 5 percent) only.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

| Year Ended December 31, | 2025 | 2024 | 2023 |
|--|-------------|-------------|--------------|
| Beginning Balance January 1 | \$ 8 | \$ 11 | \$ 10 |
| Additions Based on Tax Positions Related to the Current Year | 1 | 1 | 2 |
| Additions for Tax Positions of Prior Years | — | — | 1 |
| Reductions for Tax Positions of Prior Years | — | (2) | (1) |
| Lapse of Applicable Statute of Limitations | (2) | (2) | (1) |
| Ending Balance December 31 | \$ 7 | \$ 8 | \$ 11 |

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$7 million.

CoBank is no longer subject to federal tax examination for periods before 2022.

CoBank files tax returns in most states each year and is under continuous examination by various state taxing authorities. With some exceptions, we are no longer subject to state and local income tax examinations by taxing authorities for periods before 2022. For all open audits, any potential adjustments have been considered in establishing our reserve for uncertain tax positions as of December 31, 2025.

We recognize accrued interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes. We had interest and penalties accrued of \$1 million at December 31, 2025, \$2 million at December 31, 2024 and \$3 million at December 31, 2023.

Note 9 – Financial Instruments With Off-Balance Sheet Risk

We utilize various financial instruments with off-balance sheet risk to satisfy the financing needs of our borrowers and to manage our exposure to interest rate risk. Such financial instruments include commitments to extend credit and commercial letters of credit. Commitments to extend credit are agreements to lend to a borrower provided that certain contractual conditions are met. Commercial letters of credit are agreements to pay a beneficiary under conditions specified in the letter of credit. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. At December 31, 2025, outstanding commitments to extend credit and commercial letters of credit were \$45.9 billion and \$209 million, respectively.

Since many of these commitments may expire without being drawn, the total commitments do not necessarily represent future cash requirements. Our exposure to many of these commitments is mitigated by borrowing base requirements contained in loan agreements. However, these credit-related financial instruments have off-balance sheet credit risk because their amounts are not reflected on the consolidated balance sheets until funded or drawn upon. The credit risk associated with issuing commitments and commercial letters of credit is substantially the same as that involved in extending loans to borrowers. Therefore, management applies the same credit policies to these commitments. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. As discussed in Note 1, we maintain a reserve for unfunded commitments.

For a fee, we provide financial standby letters of credit for borrowers, which are irrevocable commitments to guarantee payment of a specified financial obligation. We also provide performance standby letters of credit which are irrevocable agreements by us, as a guarantor, to make payments to the guaranteed party in the event a specified third-party fails to perform under a nonfinancial contractual obligation, such as a third-party failing to timely deliver certain commodities at a specified time and place. We also issue indemnification agreements that function like guarantees. These indemnification agreements contingently require us, as the indemnifying party guarantor, to make payments to an indemnified party under certain specified circumstances. Certain recourse provisions would enable us, as a guarantor, to recover from third parties any of the amounts paid under guarantees, thereby limiting our maximum potential exposure.

As of December 31, 2025, the maximum potential amount of future payments that we may be required to make under our outstanding standby letters of credit was \$2.3 billion, with a fair value of \$19 million, which is included in other liabilities in the consolidated balance sheet. Payment/performance risk of the standby letters of credit guarantee is assessed using the same internal customer credit ratings that we use to manage credit risk in our loan portfolio. These outstanding standby letters of credit have expiration dates ranging from January 2026 to February 2044.

In addition, we had outstanding commitments of \$179 million at December 31, 2025 to fund our equity investments, which include RBICs.

Note 10 – Derivatives and Hedging Activities

Risk Management Objectives and Strategies

We maintain an overall interest rate risk management strategy that incorporates the use of interest rate swaps and other derivatives to manage liquidity risk, market risk and to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. Our goal is to manage interest rate sensitivity by modifying the repricing frequency or effective maturity of certain balance

sheet assets and liabilities. We also maintain a foreign exchange risk management strategy to reduce the impact of currency fluctuations on our relatively nominal amount of foreign currency-denominated loans. As a result of interest rate and foreign exchange rate fluctuations, fixed-rate assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation is expected to be substantially offset by gains and losses on the derivative instruments that are linked to these assets and liabilities. Interest rate and foreign exchange fluctuations also cause interest income and interest expense of variable-rate assets and liabilities to increase or decrease. The effect of this variability in earnings is expected to be substantially offset by gains and losses on the derivative instruments that are linked to these assets and liabilities.

Uses of Derivatives

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

The notional amounts and related activity of derivatives at December 31, 2025, 2024 and 2023 are shown in the following table.

Activity in the Notional Amounts of Derivatives

| | Swaps | Caps / Floors | Spots / Forwards | Total |
|---------------------------|------------|------------------|---------------------|------------|
| December 31, 2024 | \$ 72,575 | \$ 3,506 | \$ 39 | \$ 76,120 |
| Additions / Accretion | 576,481 | 1,978 | 3,858 | 582,317 |
| Maturities / Amortization | (471,834) | (1,602) | (3,840) | (477,276) |
| Terminations | (1,941) | — | — | (1,941) |
| December 31, 2025 | \$ 175,281 | \$ 3,882 | \$ 57 | \$ 179,220 |
| December 31, 2023 | \$ 73,575 | \$ 3,252 | \$ 47 | \$ 76,874 |
| Additions / Accretion | 190,687 | 1,100 | 1,566 | 193,353 |
| Maturities / Amortization | (169,252) | (846) | (1,574) | (171,672) |
| Terminations | (22,435) | — | — | (22,435) |
| December 31, 2024 | \$ 72,575 | \$ 3,506 | \$ 39 | \$ 76,120 |
| December 31, 2022 | \$ 78,075 | \$ 3,825 | \$ 145 | \$ 82,045 |
| Additions / Accretion | 162,698 | 788 | 1,368 | 164,854 |
| Maturities / Amortization | (164,995) | (1,341) | (1,466) | (167,802) |
| Terminations | (2,203) | (20) | — | (2,223) |
| December 31, 2023 | \$ 73,575 | \$ 3,252 | \$ 47 | \$ 76,874 |

Derivative notional amounts increased as of December 31, 2025 largely due to short-term interest rate swaps executed under our basis risk management strategy to manage interest rate exposure between daily SOFR and 1-month term SOFR in certain of our floating-rate loans. In addition, one of our affiliated Associations entered into short-term interest rate swaps with CoBank under a similar interest rate risk management strategy and we concurrently offset this risk by entering into offsetting transactions with clearinghouse counterparties.

Accounting for Derivative Instruments and Hedging Activities

We record derivatives as assets or liabilities at their fair value on the consolidated balance sheets. We record changes in the fair value of a derivative in current period earnings or accumulated other comprehensive income (loss), depending on the use of the derivative and whether it qualifies for hedge accounting. For fair value hedge transactions that hedge changes in the fair value of assets or liabilities, changes in the fair value of the derivative will generally be offset in the statement of income by changes in the hedged

item's fair value attributable to the risk being hedged. For cash flow hedge transactions, in which we hedge the variability of future cash flows related to a variable-rate or foreign currency denominated asset or liability, changes in the fair value of the derivative are reported in accumulated other comprehensive income (loss). The gains and losses on the derivatives that we report in accumulated other comprehensive income (loss) will be reclassified as earnings in the periods in which earnings are affected by the variability of the cash flows of the hedged item.

For our customer transactions, which are not designated as hedging instruments, we record the related changes in fair value in current period earnings. We substantially offset this risk transference by concurrently entering into offsetting agreements with counterparties, with the changes in fair value of these transactions also recorded in current period earnings.

Fair Value Hedges

The majority of the fair value hedging activity relates to entering into interest rate swaps primarily to convert our non-prepayable fixed-rate debt to floating-rate debt to achieve our liquidity management strategy. The amount converted depends on contractual interest rates and maturities. For the remaining fair value hedges, we enter into receive fixed, pay floating swaps for our equity positioning strategy. For fair value hedges, the amount of hedge ineffectiveness is recognized as net interest income in current period earnings.

Cash Flow Hedges

Our cash flow hedges include interest rate caps and interest rate floors to hedge cap and floor risk embedded within a portion of our floating-rate investment securities and loans. Interest rate caps and floors are an integral part of our interest rate hedging strategies. The interest rate caps hedge floating-rate debt cash flows that fund the cash flows from floating-rate investment securities. If the strike rates in the purchased interest rate caps are exceeded, we receive cash flows on the derivative to hedge our floating-rate funding exposure above such strike levels. The interest rate floors hedge cash flows from floating-rate loans. If market index rates underlying our floating-rate loans decline below strike levels, we receive cash flows on the derivative. We also enter into foreign exchange spot and forward contracts to manage currency risk on loans denominated in foreign currencies. Typically, foreign currency contracts are purchased to fund the principal cash flows of the loan and simultaneously sold to lock in the principal and interest cash flows upon repricing or maturity date of the loan. Cash flow hedges also include pay fixed interest rate swaps that convert certain of our floating-rate debt to fixed rate to manage re-pricing intervals and lower funding costs. For cash flow hedges, the amount excluded from effectiveness assessment and the amounts reclassified from accumulated other comprehensive income (loss) into current period earnings are all reflected in net interest income. For cash flow hedges in which the forecasted transaction is not probable of occurring, the amounts reclassified from accumulated other comprehensive income (loss) are reflected in current period earnings. At December 31, 2025, we expect that \$8 million of expense will be reclassified from accumulated other comprehensive income (loss) into earnings in the next 12 months, based on the anticipated cash flows of existing financial instruments. The significant majority of our cash flow hedges are of exposure to the variability of cash flows for a period of 10 years or less. The maximum term over which we are hedging our exposure to the variability of future cash flows for all forecasted transactions is approximately 30 years.

Derivatives Not Designated As Hedges

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

Counterparty Credit Risk

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

Derivative transactions with our customers are typically secured through our loan agreements. We record a credit valuation adjustment to the fair value estimate of derivative assets with our customers to incorporate the impact of nonperformance risk, including credit

risk. As of December 31, 2025, 2024 and 2023, the notional amount of derivatives with our customers totaled \$49.8 billion, \$20.9 billion and \$14.4 billion, respectively.

CoBank is subject to certain regulations requiring certain derivative transactions to be cleared through a central clearinghouse and traded on regulated swap execution facilities, with exceptions for certain qualifying swaps entered into by end-users and financial cooperatives. As a result, certain of our derivative transactions are cleared through a futures commission merchant (FCM) with a clearinghouse or central counterparty (CCP). When these swaps are cleared, a single bilateral swap is divided into two separate swaps with the CCP becoming the counterparty to both of the initial parties to the swap. FCMs prequalify counterparties to all cleared swaps, set exposure limits for each counterparty and collect initial margin and variation margin or settlement payments daily for changes in the value of cleared derivatives, which protect against credit risk in the event of a counterparty default. As of December 31, 2025, 2024 and 2023, the notional amount of our cleared derivatives was \$119.5 billion, \$42.9 billion and \$51.8 billion, respectively. Initial margin and settlement payments totaling \$621 million and \$275 million, respectively, were held by our CCP for our cleared derivatives as of December 31, 2025, \$411 million and \$494 million, respectively, as of December 31, 2024 and \$205 million and \$23 million, respectively, as of December 31, 2023.

Our remaining non-customer derivatives are transacted with derivative counterparties and governed by master swap agreements, which include bilateral collateral arrangements, requiring the Bank or our counterparties to post collateral on a daily basis with thresholds set at zero for all active counterparties. The master swap agreements also include netting agreements requiring the net settlement of covered contracts with the same counterparty in the event of default by the other party. The “net” mark-to-market exposure represents the netting of the positive and negative exposures with that counterparty. Notwithstanding these protections, we are exposed to credit risk with these counterparties due to the timing of daily margining activities. As of December 31, 2025, 2024 and 2023, the notional amount of derivatives with our non-customer counterparties, excluding cleared derivatives, totaled \$9.9 billion, \$12.3 billion and \$10.7 billion, respectively.

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

At December 31, 2025, 2024 and 2023, the net fair value of our derivatives to all of our dealer counterparties was a net asset and was offset by the collateral we received from our dealer counterparties. The amount of losses related to derivatives we are exposed to in the event of nonperformance by dealer counterparties to our derivative positions is mitigated by collateral held by us.

Hedge Terminations

During 2025, 2024 and 2023, we terminated interest rate swaps with customers and offsetting dealer counterparties totaling notional value of \$1.9 billion, \$2.6 billion and \$2.1 billion, respectively. Proceeds from the customer terminations were offset by payments for the offsetting dealer terminations.

During 2024, we terminated \$19.8 billion of short-term interest rate swaps under our basis risk management strategy prior to their maturity. These swaps were used to economically hedge our risk in certain of our floating-rate administered loans to unexpected changes in Federal Reserve policy interest rates. Proceeds from the interest rate swap terminations were less than \$1 million of income and recorded in interest expense as these swaps were not designated as accounting hedges.

During 2023, we terminated \$100 million in notional value of interest rate swaps which hedged the fair value of certain of our fixed-rate debt. The swaps were previously accounted for as fair value hedges and the \$2 million of hedged item basis adjustment upon termination will be amortized to earnings as an offset to interest expense over the remaining life of the original hedging relationships.

A summary of the impact of interest rate swaps and other derivatives on our consolidated balance sheets as of December 31, 2025, 2024 and 2023 is shown in the following tables.

| December 31, | 2025 | | 2024 | | 2023 | |
|--|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| Fair Value of Derivatives | Derivative Assets ⁽¹⁾ | Derivative Liabilities ⁽²⁾ | Derivative Assets ⁽¹⁾ | Derivative Liabilities ⁽²⁾ | Derivative Assets ⁽¹⁾ | Derivative Liabilities ⁽²⁾ |
| Derivatives Designated as Hedging Instruments | | | | | | |
| Interest Rate Contracts | \$ 205 | \$ 134 | \$ 270 | \$ 87 | \$ 155 | \$ 221 |
| Foreign Exchange Contracts | — | — | — | — | — | — |
| Total Derivatives Designated as Hedging Instruments | \$ 205 | \$ 134 | \$ 270 | \$ 87 | \$ 155 | \$ 221 |
| Derivatives Not Designated as Hedging Instruments | | | | | | |
| Interest Rate Contracts | \$ 526 | \$ 442 | \$ 688 | \$ 615 | \$ 680 | \$ 612 |
| Foreign Exchange Contracts | — | — | — | — | — | — |
| Total Derivatives Not Designated as Hedging Instruments | \$ 526 | \$ 442 | \$ 688 | \$ 615 | \$ 680 | \$ 612 |
| Settlement Payments | \$ (275) | \$ — | \$ (494) | \$ — | \$ (23) | \$ — |
| Total Derivatives | \$ 456 | \$ 576 | \$ 464 | \$ 702 | \$ 812 | \$ 833 |

⁽¹⁾ These assets make up the interest rate swaps and other derivatives in the consolidated balance sheets.

⁽²⁾ These liabilities make up the interest rate swaps and other derivatives in the consolidated balance sheets.

A summary of the impact of interest rate swaps and other derivatives on our consolidated statements of income and comprehensive income for the years ended December 31, 2025, 2024 and 2023 is shown in the following tables.

| Effect of Fair Value and Cash Flow Hedge Accounting on the Consolidated Statements of Income | | | | | | |
|--|--------------------------------------|--|--------------------------------------|-----------------------------|--------------------------------|--|
| | Interest Income Loans | Interest Income Investments⁽¹⁾ | Total Interest Income | Interest Expense | Net Interest Income | |
| Year Ended December 31, 2025 | | | | | | |
| Total Amount of Line Items Presented in Consolidated Statement of Income | \$ 7,954 | \$ 1,887 | \$ 9,841 | \$ (7,751) | \$ 2,090 | |
| Gain (Loss) on Fair Value Hedge Relationships: | | | | | | |
| Interest Rate Contracts: | | | | | | |
| Recognized on Derivatives | \$ — | \$ — | \$ — | \$ 99 | \$ 99 | |
| Recognized on Hedged Items | — | — | — | (101) | (101) | |
| Net Expense Recognized on Fair Value Hedges | \$ — | \$ — | \$ — | \$ (2) | \$ (2) | |
| Gain (Loss) on Cash Flow Hedge Relationships: | | | | | | |
| Interest Rate Contracts: | | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) | \$ (1) | \$ — | \$ (1) | \$ (10) | \$ (11) | |
| Foreign Exchange Contracts: | | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) | — | — | — | — | — | |
| Amount Excluded from Effectiveness Testing Recognized in Earnings Based on an Amortization Approach | 2 | — | 2 | — | 2 | |
| Net Income (Expense) Recognized on Cash Flow Hedges | \$ 1 | \$ — | \$ 1 | \$ (10) | \$ (9) | |
| Net Income (Expense) Recognized on Fair Value and Cash Flow Hedges | \$ 1 | \$ — | \$ 1 | \$ (12) | \$ (11) | |
| Year Ended December 31, 2024 | | | | | | |
| Total Amount of Line Items Presented in Consolidated Statement of Income | \$ 8,177 | \$ 1,651 | \$ 9,828 | \$ (7,892) | \$ 1,936 | |
| Gain (Loss) on Fair Value Hedge Relationships: | | | | | | |
| Interest Rate Contracts: | | | | | | |
| Recognized on Derivatives | \$ — | \$ — | \$ — | \$ 84 | \$ 84 | |
| Recognized on Hedged Items | — | — | — | (86) | (86) | |
| Net Expense Recognized on Fair Value Hedges | \$ — | \$ — | \$ — | \$ (2) | \$ (2) | |
| Gain (Loss) on Cash Flow Hedge Relationships: | | | | | | |
| Interest Rate Contracts: | | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) | \$ (1) | \$ — | \$ (1) | \$ (12) | \$ (13) | |
| Foreign Exchange Contracts: | | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) | — | — | — | — | — | |
| Amount Excluded from Effectiveness Testing Recognized in Earnings Based on an Amortization Approach | 1 | — | 1 | — | 1 | |
| Net Income (Expense) Recognized on Cash Flow Hedges | \$ — | \$ — | \$ — | \$ (12) | \$ (12) | |
| Net Income (Expense) Recognized on Fair Value and Cash Flow Hedges | \$ — | \$ — | \$ — | \$ (14) | \$ (14) | |

⁽¹⁾ Includes interest income on investment securities, federal funds sold and other overnight funds.

Effect of Fair Value and Cash Flow Hedge Accounting on the Consolidated Statements of Income

| | Interest Income Loans | Interest Income Investments ⁽¹⁾ | Total Interest Income | Interest Expense | Net Interest Income |
|---|-----------------------------|--|-----------------------------|---------------------|------------------------|
| Year Ended December 31, 2023 | | | | | |
| Total Amount of Line Items Presented in Consolidated Statement of Income | \$ 7,266 | \$ 1,667 | \$ 8,933 | \$ (7,086) | \$ 1,847 |
| Gain (Loss) on Fair Value Hedge Relationships: | | | | | |
| Interest Rate Contracts: | | | | | |
| Recognized on Derivatives | \$ — | \$ — | \$ — | \$ 439 | \$ 439 |
| Recognized on Hedged Items | — | — | — | (436) | (436) |
| Net Income Recognized on Fair Value Hedges | \$ — | \$ — | \$ — | \$ 3 | \$ 3 |
| Gain (Loss) on Cash Flow Hedge Relationships: | | | | | |
| Interest Rate Contracts: | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) | \$ 2 | \$ — | \$ 2 | \$ (12) | \$ (10) |
| Foreign Exchange Contracts: | | | | | |
| Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Loss) ⁽²⁾ | 1 | — | 1 | — | 1 |
| Amount Excluded from Effectiveness Testing Recognized in Earnings Based on an Amortization Approach | 1 | — | 1 | — | 1 |
| Net Income (Expense) Recognized on Cash Flow Hedges | \$ 4 | \$ — | \$ 4 | \$ (12) | \$ (8) |
| Net Income (Expense) Recognized on Fair Value and Cash Flow Hedges | \$ 4 | \$ — | \$ 4 | \$ (9) | \$ (5) |

⁽¹⁾ Includes interest income on investment securities, federal funds sold and other overnight funds.

⁽²⁾ Fully offset by a \$1 million loss on foreign currency denominated loans (hedged items) which is also located in Interest Income - Loans in the consolidated statements of income.

Effect of Cash Flow Hedge Accounting on the Consolidated Balance Sheets

| Year Ended December 31, | Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Income (Loss) on Derivatives | | |
|----------------------------|--|---------------|----------------|
| | 2025 | 2024 | 2023 |
| Interest Rate Contracts | \$ (211) | \$ 164 | \$ (79) |
| Foreign Exchange Contracts | (1) | 1 | 1 |
| Total | \$ (212) | \$ 165 | \$ (78) |

Effect of Derivatives not Designated as Hedging Relationships on the Consolidated Statements of Income

| Year Ended December 31, | Net Amount of Gain or (Loss) Recognized | | |
|--|---|-------------|-------------|
| | 2025 | 2024 | 2023 |
| Interest Rate Contracts ⁽¹⁾ | \$ 16 | \$ 3 | \$ — |
| Foreign Exchange Contracts | — | — | — |
| Total | \$ 16 | \$ 3 | \$ — |

⁽¹⁾ Includes \$16 million income, \$4 million income and a \$1 million income on derivatives with customers and related offsetting derivatives with counterparties including credit valuation adjustments and recognized in noninterest income / expense for the years ended December 31, 2025, 2024 and 2023, respectively, and less than \$1 million income, \$1 million expense and \$1 million expense on short-term derivatives indexed to SOFR, recognized in interest expense for the years ended December 31, 2025, 2024 and 2023, respectively.

A summary of the cumulative basis adjustment for fair value hedging relationships included in the carrying amount of hedged liabilities as of December 31, 2025, 2024 and 2023 is shown in the following table.

| Derivatives in Fair Value Hedging Relationships | December 31, | | |
|--|--------------|-----------|-----------|
| | 2025 | 2024 | 2023 |
| Bonds and Notes | | | |
| Carrying Amount of Hedged Liabilities | \$ 15,295 | \$ 21,974 | \$ 28,954 |
| Cumulative Basis Adjustment Included in Carrying Amount of Hedged Liabilities: | | | |
| Hedged Items Currently Designated | 81 | (20) | (106) |
| Hedged Items No Longer Designated | — | (3) | (13) |

Asset/Liability Offsetting

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

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

Offsetting of Derivatives and Collateral

| As of December 31, 2025 | Gross Amounts of Assets/ Liabilities Presented in the Consolidated Balance Sheets | Amounts Not Offset In the Consolidated Balance Sheets | | |
|---|---|---|---|------------------|
| | | Cash Collateral Received/Pledged ⁽¹⁾ | Investment Securities Received/Pledged as Collateral ⁽¹⁾ | Net Amount |
| Assets: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | \$ 155 | \$ (104) | \$ (27) | \$ 24 |
| Customer | 95 | — | — | 95 |
| Clearinghouse | 206 | — | — | 206 |
| Accrued Interest Receivable on Derivative Contracts | 24 | — | — | 24 |
| Liabilities: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | 24 | — | — | 24 |
| Customer | 372 | — | — | 372 |
| Clearinghouse | 180 | — | (621) | — ⁽²⁾ |
| Accrued Interest Payable on Derivative Contracts | 18 | — | — | 18 |

⁽¹⁾ Cash collateral received/pledged is recognized in the consolidated balance sheets whereas investment securities received/pledged are not.

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

Offsetting of Derivatives and Collateral

| | Amounts Not Offset In the Consolidated Balance Sheets | | | |
|---|---|---|---|---------------------|
| | Gross Amounts of Assets/ Liabilities Presented in the Consolidated Balance Sheets | Cash Collateral Received/Pledged ⁽¹⁾ | Investment Securities Received/Pledged as Collateral ⁽¹⁾ | Net Amount |
| As of December 31, 2024 | | | | |
| Assets: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | \$ 312 | \$ (324) | \$ — | \$ — ⁽²⁾ |
| Customer | 25 | — | — | 25 |
| Clearinghouse | 127 | — | — | 127 |
| Accrued Interest Receivable on Derivative Contracts | 32 | — | — | 32 |
| Liabilities: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | 5 | — | — | 5 |
| Customer | 597 | — | — | 597 |
| Clearinghouse | 100 | — | (411) | — ⁽²⁾ |
| Accrued Interest Payable on Derivative Contracts | 59 | — | — | 59 |
| As of December 31, 2023 | | | | |
| Assets: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | \$ 351 | \$ (295) | \$ (71) | \$ — ⁽²⁾ |
| Customer | 80 | — | — | 80 |
| Clearinghouse | 381 | — | — | 381 |
| Accrued Interest Receivable on Derivative Contracts | 35 | — | — | 35 |
| Liabilities: | | | | |
| Interest Rate Swaps and Other Derivatives: | | | | |
| Dealer | 8 | — | — | 8 |
| Customer | 545 | — | — | 545 |
| Clearinghouse | 280 | — | (205) | 75 |
| Accrued Interest Payable on Derivative Contracts | 128 | — | — | 128 |
| ⁽¹⁾ Cash collateral received/pledged is recognized in the consolidated balance sheets whereas investment securities received/pledged are not. ⁽²⁾ Cash and investment securities received as collateral fully offset the related gross asset and gross liability in the consolidated balance sheets. | | | | |

Note 11 – Fair Value Measurements

The fair value of financial instruments represents the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability (an exit price) in active markets among willing participants at the reporting date. The FASB has established a three-level fair value hierarchy aimed at maximizing the use of observable inputs – that is, inputs that reflect the assumptions market participants would use in pricing an asset or liability. Observable inputs are based on market data obtained from independent sources. Unobservable inputs are supported by limited or no market activity and require significant management judgment or estimation.

Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction.

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

Level 1

Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Our Level 1 assets at December 31, 2025 consist of assets held in a trust fund related to deferred compensation and nonqualified retirement plans. The trust fund includes investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

Level 2

Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability. Our Level 2 assets and liabilities at December 31, 2025 include our derivative contracts, collateral balances related to derivative contracts, federal funds sold and other overnight funds, U.S. Treasury and agency debt investment securities, Ginnie Mae MBS, corporate bonds and the substantial majority of agency MBS and ABS.

The fair value of federal funds sold and other overnight funds is generally their face value, plus accrued interest, as these instruments are readily convertible to cash and are short-term in nature.

The fair value of our investment securities classified as Level 2 is determined by a third-party pricing service that uses valuation models to estimate current market prices. Inputs and assumptions related to these models are typically observable in the marketplace. Such models incorporate prepayment assumptions and underlying collateral information to generate cash flows that are discounted using appropriate benchmark interest rate curves and volatilities. These third-party valuation models also incorporate information regarding non-binding broker/dealer quotes, available trade information, historical cash flows, credit ratings and other market information. The estimated fair values of investment securities also appear in Note 4.

The fair value of our interest rate swaps and other derivatives is the estimated amount to be received to sell a derivative asset or paid to transfer or extinguish a derivative liability in active markets among willing participants at the reporting date. Estimated fair value is determined through internal market valuation models. These models use an income approach and incorporate benchmark interest rate curves and discounting (primarily the Overnight Index Swap rate for collateralized non-customer derivative contracts and SOFR for collateralized cleared derivative contracts and non-collateralized customer derivative contracts), volatilities, counterparty credit quality and other inputs that are observable directly or indirectly in the marketplace. We compare internally calculated derivative valuations to broker/dealer quotes to substantiate the results. The fair value of collateral assets and liabilities related to derivative contracts is their face value, plus accrued interest, as these instruments are cash balances; therefore, fair value approximates face value.

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

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

Level 3

Level 3 inputs are unobservable and supported by limited or no market activity. Our Level 3 assets at December 31, 2025 include a small portion of agency MBS and ABS. Based on the lack of active trading volume and an orderly market for these securities, we classified these securities as Level 3. Fair value for Level 3 agency MBS is estimated through a third-party pricing service that uses valuation models to estimate current market prices. Fair value for a small portion of our Level 3 ABS is calculated internally using third-party models. Inputs into all of these valuation models include underlying collateral data and projected losses as well as

information for prepayment speeds and discounting spreads. Due to the lack of marketplace information, the inputs into these valuation models primarily represent management assumptions, with some corroboration to market inputs where information is available.

Level 3 assets at December 31, 2025 also include \$495 million of loans originally measured at cost, which were written down to fair value as a result of impairment. The valuation of these assets is based on either the fair value of the underlying collateral, if the loan is collateral dependent, or the present value of expected future cash flows. Such valuations may include the use of independent appraisals or other market-based information to develop a management estimate of fair value. As a result, these fair value measurements fall under Level 3 in the fair value hierarchy; however, they are excluded from the ‘Assets and Liabilities Measured at Fair Value on a Recurring Basis’ tables beginning on page 144 because they are not measured on a recurring basis.

Our Level 3 liabilities at December 31, 2025 include standby letters of credit whose market value is internally calculated based on information that is not observable either directly or indirectly in the marketplace.

No transfers into or out of Level 3 assets or liabilities occurred in 2025, 2024 and 2023.

The following table presents quantitative information about Level 3 fair value measurements as of December 31, 2025.

| Quantitative Information About Valuation Techniques and Unobservable Inputs to Level 3 Fair Value Measurements | | | | |
|---|-------------------|-------------------------------------|----------------------------|---------------------------------|
| | Fair Value | Valuation Technique | Unobservable Inputs | Range (Weighted Average) |
| Assets | | | | |
| Investment Securities: | | | | |
| U.S. Agency MBS | \$ 39 | Third-Party Pricing Service | Prepayment Rate | * |
| | | | Lifetime Default Rate | * |
| | | | Loss Severity | * |
| Other (included in Asset-Backed) | 8 | Discounted Cash Flow | Prepayment Rate | 0% (0%) |
| Nonperforming Loans | 495 | Appraisal / Discounted Cash Flow | Income/Expense Data | ** |
| | | | Comparable Sales | ** |
| | | | Replacement Cost | ** |
| Liabilities | | | | |
| Standby Letters of Credit | \$ 19 | Discounted Cash Flow | Mark-to-Market Spread | 0.1-1.6% (1%) |

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

** Range of inputs are unique to each collateral property.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the assets and liabilities that are measured at fair value on a recurring basis at December 31, 2025, 2024 and 2023 for each of the fair value hierarchy levels.

| Assets and Liabilities Measured at Fair Value on a Recurring Basis | | | | | | | | | | | | |
|--|-------------------|------------------|--------------|------------------|-------------------|------------------|--------------|------------------|-------------------|------------------|--------------|------------------|
| | December 31, 2025 | | | | December 31, 2024 | | | | December 31, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | | | | | | | | | |
| Federal Funds Sold and Other Overnight Funds | \$ — | \$ 3,955 | \$ — | \$ 3,955 | \$ — | \$ 3,490 | \$ — | \$ 3,490 | \$ — | \$ 4,615 | \$ — | \$ 4,615 |
| Investment Securities: | | | | | | | | | | | | |
| U.S. Treasury Debt | — | 20,973 | — | 20,973 | — | 17,034 | — | 17,034 | — | 14,361 | — | 14,361 |
| U.S. Agency Debt | — | 2,223 | — | 2,223 | — | 2,495 | — | 2,495 | — | 2,382 | — | 2,382 |
| Residential MBS: | | | | | | | | | | | | |
| Ginnie Mae | — | 1,541 | — | 1,541 | — | 904 | — | 904 | — | 898 | — | 898 |
| U.S. Agency | — | 2,963 | 39 | 3,002 | — | 2,984 | 43 | 3,027 | — | 3,055 | 49 | 3,104 |
| Commercial MBS: | | | | | | | | | | | | |
| U.S. Agency | — | 21,191 | — | 21,191 | — | 19,331 | — | 19,331 | — | 17,057 | — | 17,057 |
| Corporate Bonds | — | 350 | — | 350 | — | 406 | — | 406 | — | 482 | — | 482 |
| Asset-Backed and Other | — | 201 | 8 | 209 | — | 202 | 8 | 210 | — | 41 | 18 | 59 |
| Interest Rate Swaps and Other Derivatives | — | 456 | — | 456 | — | 464 | — | 464 | — | 812 | — | 812 |
| Assets Held in Trust (included in Other Assets) | 164 | — | — | 164 | 145 | — | — | 145 | 121 | — | — | 121 |
| Total Assets | \$ 164 | \$ 53,853 | \$ 47 | \$ 54,064 | \$ 145 | \$ 47,310 | \$ 51 | \$ 47,506 | \$ 121 | \$ 43,703 | \$ 67 | \$ 43,891 |
| Liabilities | | | | | | | | | | | | |
| Interest Rate Swaps and Other Derivatives | \$ — | \$ 576 | \$ — | \$ 576 | \$ — | \$ 702 | \$ — | \$ 702 | \$ — | \$ 833 | \$ — | \$ 833 |
| Collateral Liabilities (included in Bonds and Notes) | — | 104 | — | 104 | — | 324 | — | 324 | — | 295 | — | 295 |
| Standby Letters of Credit (included in Other Liabilities) | — | — | 19 | 19 | — | — | 17 | 17 | — | — | 16 | 16 |
| Total Liabilities | \$ — | \$ 680 | \$ 19 | \$ 699 | \$ — | \$ 1,026 | \$ 17 | \$ 1,043 | \$ — | \$ 1,128 | \$ 16 | \$ 1,144 |

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

| Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis | | | | | |
|---|--|-----|--|------|--------------------------------------|
| | U.S. Agency Residential MBS | | Asset-Backed Securities and Other | | Standby Letters of Credit |
| Balance at January 1, 2025 | \$ | 43 | \$ | 8 | \$ 17 |
| Total Gains or Losses (Realized/Unrealized) | | | | | |
| Included in Other Comprehensive Income | | 2 | | — | — |
| Issuances | | — | | — | 26 |
| Settlements | | (6) | | — | (24) |
| Balance at December 31, 2025 | \$ | 39 | \$ | 8 | \$ 19 |
| Balance at January 1, 2024 | \$ | 49 | \$ | 18 | \$ 16 |
| Total Gains or Losses (Realized/Unrealized) | | | | | |
| Included in Other Comprehensive Income | | 2 | | — | — |
| Purchases | | — | | 1 | — |
| Issuances | | — | | — | 19 |
| Settlements | | (7) | | (11) | (18) |
| Accretion | | (1) | | — | — |
| Balance at December 31, 2024 | \$ | 43 | \$ | 8 | \$ 17 |
| Balance at January 1, 2023 | \$ | 58 | \$ | 25 | \$ 17 |
| Total Gains or Losses (Realized/Unrealized) | | | | | |
| Included in Other Comprehensive Income | | (1) | | — | — |
| Purchases | | — | | 10 | — |
| Issuances | | — | | — | 12 |
| Settlements | | (9) | | (17) | (13) |
| Accretion | | 1 | | — | — |
| Balance at December 31, 2023 | \$ | 49 | \$ | 18 | \$ 16 |

Estimated Fair Value of Certain Other Financial Instruments

The following table presents the estimated fair value of net loans and bonds and notes that are recorded in the consolidated balance sheets at cost, loans held-for-sale that are recorded in the consolidated balance sheets at the lower of cost or fair value, and certain off-balance sheet financial instruments, as of December 31, 2025, 2024 and 2023.

| | December 31, 2025 | | | December 31, 2024 | | | December 31, 2023 | | |
|--|----------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|
| | Carrying Amount | Estimated Fair Value | Fair Value Hierarchy | Carrying Amount | Estimated Fair Value | Fair Value Hierarchy | Carrying Amount | Estimated Fair Value | Fair Value Hierarchy |
| Financial Assets: | | | | | | | | | |
| Net Loans | \$ 166,155 | \$ 164,626 | Level 3 | \$ 158,126 | \$ 154,995 | Level 3 | \$ 147,285 | \$ 143,546 | Level 3 |
| Loans Held-For-Sale (Included in Other Assets) | \$ 18 | \$ 18 | Level 3 | \$ — | \$ — | n/a | \$ — | \$ — | n/a |
| Financial Liabilities: | | | | | | | | | |
| Bonds and Notes | \$ 205,454 | \$ 203,650 | Level 3 | \$ 191,621 | \$ 187,858 | Level 3 | \$ 178,821 | \$ 175,023 | Level 3 |
| Off-Balance Sheet Financial Instruments: | | | | | | | | | |
| Commitments to Extend Credit | \$ — | \$ (166) | Level 3 | \$ — | \$ (171) | Level 3 | \$ — | \$ (166) | Level 3 |

Commitments to Extend Credit

The fair value of commitments to extend credit is estimated using a discounted cash flow method by applying a risk-adjusted spread percentage to these obligations.

Note 12 – Related Party Transactions

In the ordinary course of business, we enter into loan transactions with customers, the officers or directors of which may also serve on our Board of Directors. We also participate in loans and leases to immediate family members of directors or entities affiliated with immediate family members of directors. Such loans are subject to special review and reporting requirements contained in the FCA regulations, are reviewed and approved only at the most senior loan committee level within the Bank and are regularly reported to the Board of Directors. All related party loans are made in accordance with established policies on substantially the same terms, including interest rates, amortization schedules and collateral requirements, as those prevailing at the time for comparable transactions with unrelated borrowers.

Total loans outstanding to customers whose officers or directors serve on our Board of Directors and loans to immediate family members of directors or entities affiliated with immediate family members of directors amounted to \$1.5 billion, \$0.9 billion and \$0.7 billion at December 31, 2025, 2024 and 2023, respectively. During 2025, \$6.5 billion of advances on related party loans were made and repayments on related party loans totaled \$5.9 billion. None of these loans outstanding at December 31, 2025 were delinquent, in nonaccrual status or, in the opinion of management, involved more than a normal risk of collectability.

Note 13 – Segment Financial Information

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

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

We do not hold significant assets in any foreign country. Substantially all of our agricultural export finance loans are U.S. dollar-denominated and 29 percent of these loans are guaranteed by the U.S. government. For the three years ended December 31, 2025, 2024 and 2023, no commercial loan customer made up 10 percent or more of our gross or net interest income. One wholesale loan to our affiliated Associations exceeded 10 percent of our gross interest income for the years ended December 31, 2025, 2024 and 2023.

Segment Financial Information

| | Agribusiness | Farm Credit Banking | Rural Infrastructure | Total CoBank |
|---|------------------|------------------------|-------------------------|-------------------|
| 2025 Results of Operations: | | | | |
| Interest Income | \$ 3,479 | \$ 3,612 | \$ 2,750 | \$ 9,841 |
| Interest Expense | 2,486 | 3,246 | 2,019 | 7,751 |
| Net Interest Income | 993 | 366 | 731 | 2,090 |
| Provision for Credit Losses | 161 | — | 38 | 199 |
| Net Interest Income After Provision for Credit Losses | 832 | 366 | 693 | 1,891 |
| Noninterest Income | 262 | 3 | 268 | 533 |
| Operating Expenses | | | | |
| Direct Expenses | 69 | 7 | 46 | 122 |
| Insurance Fund Premium | 39 | 15 | 36 | 90 |
| Allocated Expenses ⁽¹⁾ | 249 | 32 | 119 | 400 |
| Operating Expenses | 357 | 54 | 201 | 612 |
| Provision for Income Taxes | 53 | — | 92 | 145 |
| Net Income | \$ 684 | \$ 315 | \$ 668 | \$ 1,667 |
| Selected Financial Information at December 31, 2025: | | | | |
| Loans | \$ 42,144 | \$ 88,843 | \$ 35,893 | \$ 166,880 |
| Less: Allowance for Loan Losses | (461) | — | (264) | (725) |
| Net Loans | \$ 41,683 | \$ 88,843 | \$ 35,629 | \$ 166,155 |
| Accrued Interest Receivable and Other Assets | 758 | 576 | 1,167 | 2,501 |
| Total Segment Assets | \$ 42,441 | \$ 89,419 | \$ 36,796 | \$ 168,656 |
| Federal Funds Sold and Other Overnight Funds | | | | 3,955 |
| Investment Securities | | | | 49,489 |
| Other Assets | | | | 1,377 |
| Total Assets | \$ 42,441 | \$ 89,419 | \$ 36,796 | \$ 223,477 |
| 2024 Results of Operations: | | | | |
| Interest Income | \$ 3,415 | \$ 3,738 | \$ 2,675 | \$ 9,828 |
| Interest Expense | 2,506 | 3,405 | 1,981 | 7,892 |
| Net Interest Income | 909 | 333 | 694 | 1,936 |
| Provision for Credit Losses | 25 | — | 24 | 49 |
| Net Interest Income After Provision for Credit Losses | 884 | 333 | 670 | 1,887 |
| Noninterest Income | 242 | 12 | 228 | 482 |
| Operating Expenses | | | | |
| Direct Expenses | 69 | 7 | 42 | 118 |
| Insurance Fund Premium | 36 | 14 | 34 | 84 |
| Allocated Expenses ⁽¹⁾ | 255 | 25 | 115 | 395 |
| Operating Expenses | 360 | 46 | 191 | 597 |
| Provision for Income Taxes | 52 | — | 85 | 137 |
| Net Income | \$ 714 | \$ 299 | \$ 622 | \$ 1,635 |
| Selected Financial Information at December 31, 2024: | | | | |
| Loans | \$ 40,463 | \$ 84,059 | \$ 34,337 | \$ 158,859 |
| Less: Allowance for Loan Losses | (450) | — | (283) | (733) |
| Net Loans | \$ 40,013 | \$ 84,059 | \$ 34,054 | \$ 158,126 |
| Accrued Interest Receivable and Other Assets | 741 | 561 | 1,087 | 2,389 |
| Total Segment Assets | \$ 40,754 | \$ 84,620 | \$ 35,141 | \$ 160,515 |
| Federal Funds Sold and Other Overnight Funds | | | | 3,490 |
| Investment Securities | | | | 43,407 |
| Other Assets | | | | 1,162 |
| Total Assets | \$ 40,754 | \$ 84,620 | \$ 35,141 | \$ 208,574 |

⁽¹⁾ Allocated expenses includes technology, operations, finance and other corporate expenses.

Segment Financial Information

| | Agribusiness | Farm Credit Banking | Rural Infrastructure | Total CoBank |
|---|------------------|------------------------|-------------------------|-------------------|
| 2023 Results of Operations: | | | | |
| Interest Income | \$ 3,432 | \$ 3,045 | \$ 2,456 | \$ 8,933 |
| Interest Expense | 2,520 | 2,709 | 1,857 | 7,086 |
| Net Interest Income | 912 | 336 | 599 | 1,847 |
| Provision for Credit Losses | 17 | — | 59 | 76 |
| Net Interest Income After Provision for Credit Losses | 895 | 336 | 540 | 1,771 |
| Noninterest Income (Expense) | 255 | (4) | 208 | 459 |
| Operating Expenses | | | | |
| Direct Expenses | 65 | 6 | 38 | 109 |
| Insurance Fund Premium | 68 | 20 | 56 | 144 |
| Allocated Expenses ⁽¹⁾ | 225 | 25 | 92 | 342 |
| Operating Expenses | 358 | 51 | 186 | 595 |
| Provision for Income Taxes | 61 | — | 67 | 128 |
| Net Income | \$ 731 | \$ 281 | \$ 495 | \$ 1,507 |
| Selected Financial Information at December 31, 2023: | | | | |
| Loans | \$ 37,785 | \$ 77,658 | \$ 32,572 | \$ 148,015 |
| Less: Allowance for Loan Losses | (459) | — | (271) | (730) |
| Net Loans | \$ 37,326 | \$ 77,658 | \$ 32,301 | \$ 147,285 |
| Accrued Interest Receivable and Other Assets | 754 | 608 | 1,110 | 2,472 |
| Total Segment Assets | \$ 38,080 | \$ 78,266 | \$ 33,411 | \$ 149,757 |
| Federal Funds Sold and Other Overnight Funds | | | | 4,615 |
| Investment Securities | | | | 38,343 |
| Other Assets | | | | 1,644 |
| Total Assets | \$ 38,080 | \$ 78,266 | \$ 33,411 | \$ 194,359 |

⁽¹⁾ Allocated expenses includes technology, operations, finance and other corporate expenses.

Note 14 – Commitments and Contingent Liabilities

Under the Farm Credit Act, we are primarily liable for the portion of outstanding Systemwide Debt Securities issued by CoBank. We are also contingently liable, as defined in statutory joint and several liability provisions, for the outstanding Systemwide Debt Securities issued by the other System banks. Total Systemwide Debt Securities of the System were \$479.9 billion at December 31, 2025.

There are several mechanisms in place affecting exposure to statutory joint and several liabilities. System banks are statutorily required to maintain eligible, unencumbered assets at a level at least equal in value to the total amount of debt for which such System bank is primarily liable. In addition, in the event of a default by a System bank, the Insurance Fund would be required to make timely payment of principal and interest on Systemwide Debt Securities, to the extent that net assets are available in the Insurance Fund, before the joint and several liability of the System banks would be triggered. At December 31, 2025, the aggregated assets of the Insurance Fund totaled \$8.6 billion. Finally, System banks must maintain certain financial criteria in order to participate in Systemwide debt issuances. If these criteria are not met, a troubled System bank's access to and participation in Systemwide debt issuances could be limited or denied.

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

We are involved in various judicial, regulatory and arbitration proceedings concerning matters arising in connection with our business. While the outcome of such proceedings is inherently uncertain, based on information currently available, advice of legal counsel and available insurance coverage, we believe that the liabilities, if any, arising from such proceedings will not have a material adverse

effect on our consolidated financial position, results of operations or cash flows. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the Bank's consolidated financial position, results of operations or cash flows.

We have various other commitments outstanding and contingent liabilities as discussed elsewhere in these notes to consolidated financial statements, including commitments to extend credit as discussed in Note 9.

Note 15 – Quarterly Financial Information

Unaudited quarterly results of operations for the years ended December 31, 2025, 2024 and 2023, are shown in the table below.

| Quarterly Financial Information (Unaudited) | | | | | |
|--|---------------|---------------|---------------|---------------|--------------|
| 2025 | First | Second | Third | Fourth | Total |
| Net Interest Income | \$ 522 | \$ 513 | \$ 512 | \$ 543 | 2,090 |
| Provision for Credit Losses | 77 | 22 | 30 | 70 | 199 |
| Noninterest Income and Expenses, Net | 16 | 34 | 15 | 14 | 79 |
| Provision for Income Taxes | 39 | 36 | 38 | 32 | 145 |
| Net Income | \$ 390 | \$ 421 | \$ 429 | \$ 427 | 1,667 |
| 2024 | First | Second | Third | Fourth | Total |
| Net Interest Income | \$ 479 | \$ 474 | \$ 478 | \$ 505 | 1,936 |
| (Credit Loss Reversal) Provision for Credit Losses | (37) | 14 | 29 | 43 | 49 |
| Noninterest Income and Expenses, Net | 28 | — | 44 | 43 | 115 |
| Provision for Income Taxes | 50 | 42 | 24 | 21 | 137 |
| Net Income | \$ 438 | \$ 418 | \$ 381 | \$ 398 | 1,635 |
| 2023 | First | Second | Third | Fourth | Total |
| Net Interest Income | \$ 465 | \$ 450 | \$ 456 | \$ 476 | 1,847 |
| Provision for Credit Losses | 20 | 42 | 8 | 6 | 76 |
| Noninterest Income and Expenses, Net | 33 | 49 | 35 | 19 | 136 |
| Provision for Income Taxes | 36 | 27 | 33 | 32 | 128 |
| Net Income | \$ 376 | \$ 332 | \$ 380 | \$ 419 | 1,507 |

Note 16 – Subsequent Events

We have evaluated subsequent events through February 27, 2026, which is the date the financial statements were issued and determined that there were no other events requiring disclosure.

Note 17 – Affiliated Associations

CoBank is chartered by the FCA to serve the Associations that provide credit and related financial services to or for the benefit of eligible borrowers/shareholders for qualified purposes in specific geographic areas in the United States. The Associations are not authorized by the Farm Credit Act to participate directly in the issuance of Systemwide Debt Securities. Therefore, we are the primary funding source for our affiliated Associations. As of December 31, 2025, we have 16 affiliated Associations serving 23 states across the West, Northwest, Southwest, Rocky Mountains, Mid-Plains and Northeast regions of the United States.

The Associations originate and service long-term real estate mortgage loans as well as short- and intermediate-term loans for agricultural and other purposes to full and part-time farmers and ranchers. Associations may also make loans to, among others, processing and marketing entities, farm-related businesses and rural residents for home purchase and improvements. The Associations may also purchase eligible loan participations from System entities and other lending institutions. Additionally, the Associations may serve as an intermediary in offering multi-peril crop insurance and credit life insurance and providing additional financial services to borrowers.

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

We make loans to the Associations, which, in turn, make loans to their eligible borrowers. We have senior secured interests in substantially all of the Associations' assets, which extend to the underlying collateral of the Associations' loans to their customers. The total wholesale loans outstanding to our affiliated Associations were \$82.6 billion at December 31, 2025. During 2025, \$251.4 billion of advances on wholesale loans were made to our affiliated Associations and repayments totaled \$246.7 billion.

Our bylaws permit our Board of Directors to set the required level of Association investment in the Bank within a range of 2 to 5 percent of Association borrowings. The required investment level was 3 percent of the one-year average loan volume for the years ended December 31, 2025, 2024 and 2023. There are no capital sharing agreements between us and our affiliated Associations.

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. Accordingly, the financial information of affiliated Associations is not included in our consolidated financial statements. We separately publish certain unaudited combined financial information of the District, including a condensed statement of condition and statement of income, which can be found on our website at www.cobank.com.

Effective January 1, 2023, two of our affiliated Associations, Northwest Farm Credit Services, ACA and Farm Credit West, ACA merged and are doing business as AgWest, ACA.

Effective October 1, 2023, two of our affiliated Associations, American AgCredit, ACA and Farm Credit of New Mexico, ACA merged and are doing business as American AgCredit, ACA.

Report of Management

CoBank, ACB

February 27, 2026

To our Shareholders:

The consolidated financial statements of CoBank, ACB (CoBank) are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as appropriate in the circumstances. The consolidated financial statements, in the opinion of management, fairly present, in all material respects, the consolidated financial position of CoBank. Other consolidated financial information included in the Annual Report to Shareholders is consistent with that in the financial statements.

To meet its responsibility for reliable consolidated financial information, management depends on accounting and internal control systems which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be related to the benefits derived. To monitor compliance, CoBank's internal audit staff performs audits of the accounting records, reviews accounting systems and internal controls, and recommends improvements as deemed appropriate. CoBank's 2025, 2024 and 2023 consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent auditors. In addition, our independent auditors have audited our internal control over financial reporting as of December 31, 2025, 2024 and 2023. CoBank is also examined by the Farm Credit Administration (FCA).

The chief executive officer, as delegated by the Board of Directors, has overall responsibility for CoBank's system of internal controls and financial reporting, subject to the review of the audit committee of the Board of Directors. The chief executive officer reports periodically on those matters to the audit committee. The audit committee consults regularly with management and meets periodically with the independent auditors and internal auditors to review the scope and results of their work. The audit committee reports regularly to the Board of Directors. Both the independent auditors and the internal auditors have direct access to the audit committee, which is composed solely of directors who are not officers or employees of CoBank.

The undersigned certify that this CoBank Annual Report to Shareholders has been reviewed by the undersigned and has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate and complete to the best of their knowledge.



Brandon J. Wittman
Chair of the Board



Thomas E. Halverson
Chief Executive Officer



Sean Burke
Chief Financial Officer

Management's Report on Internal Control Over Financial Reporting

CoBank, ACB

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. CoBank's internal control over financial reporting is a process designed under the supervision of our chief executive officer and our chief financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Bank's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. As of the end of the Bank's 2025 fiscal year, management conducted an assessment of the effectiveness of the Bank's internal control over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that the Bank's internal control over financial reporting is effective as of December 31, 2025.

Our internal control over financial reporting includes policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of CoBank; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on our financial statements.

The effectiveness of the Bank's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report beginning on page 84, which expresses an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2025. There have been no changes in the Bank's internal control over financial reporting that occurred during our most recent fiscal quarter (i.e., the fourth quarter of 2025) that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.

Controls and Procedures

CoBank, ACB

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

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

Annual Report to Shareholders Disclosure Information Required by Farm Credit Administration Regulations

CoBank, ACB

(Unaudited)

In accordance with Farm Credit Administration (FCA) regulations, CoBank has prepared this Annual Report to Shareholders for the year ended December 31, 2025, in accordance with all applicable statutory or regulatory requirements.

| Description of Business | Section | Location |
|---|---|--------------------|
| Territory served, eligible borrowers, types of lending activities engaged in, financial services offered, and related Farm Credit organizations. | Notes to Financial Statements | Note 1 Note 17 |
| Significant developments within the last 5 years that had or could have a material impact on earnings or interest rates to borrowers, acquisitions or dispositions of material assets, material changes in the manner of conducting business, seasonal characteristics, concentration of assets, and dependence, if any, upon a single customer or a few customers. | Management's Discussion and Analysis Notes to Financial Statements | Page 33 Page 93 |
| Description of Property | | |
| Location of Property | Office Locations | Inside Back Cover |
| CoBank leases its national office building which is located in Greenwood Village, Colorado. CoBank also leases various facilities which are described on the inside back cover of this Annual Report to Shareholders. CoBank leases banking center offices in Atlanta, GA; Austin, TX; Enfield, CT; Fargo, ND; Louisville, KY; Lubbock, TX; Minneapolis, MN; Omaha, NE; Rocklin, CA; Spokane, WA; Sterling, CO; St. Louis, MO; and Wichita, KS. CoBank leases office space in Washington D.C. and Singapore. Farm Credit Leasing Services Corporation leases its headquarters office in Minneapolis, MN, as well as outside sales offices in Atlanta, GA; Enfield, CT; Louisville, KY; Lubbock, TX; Omaha, NE; Rocklin, CA; St. Louis, MO and Wichita, KS, some of which are located in CoBank banking centers. | | |
| CoBank has a national charter and, as a result, serves customers across rural America. Travel to customer locations may be difficult due to the rural nature of many of our customers' operations. In order to provide the appropriate level of customer contact and to optimize the efficiency and safety of management travel, CoBank utilizes a variety of transportation to serve its customers, including aircraft (both commercial and fractional interest). | | |
| Legal Proceedings and Enforcement Actions | Notes to Financial Statements | Note 14 |
| Description of Capital Structure | Notes to Financial Statements | Note 6 |
| Description of Liabilities | | |
| Debt Outstanding | Notes to Financial Statements | Note 5 |
| Contingent Liabilities | Notes to Financial Statements | Note 14 |
| Selected Financial Data for the Five Years Ended December 31, 2025 | Five-Year Summary of Selected Consolidated Financial Data | Page 35 |
| Management's Discussion and Analysis of Financial Condition and Results of Operations | Management's Discussion and Analysis | Page 33 |
| Directors and Senior Officers | | |
| Directors' Information | Board of Directors Disclosure | Page 167 |
| Senior Officers' Information | Senior Officers | Page 179 |
| Transactions with Directors and Senior Officers | Notes to Financial Statements | Note 12 |

Annual Report to Shareholders Disclosure Information Required by Farm Credit Administration Regulations

CoBank, ACB
(Unaudited)

| | Section | Location |
|---|--|-----------------|
| Involvement in Certain Legal Proceedings | | |
| There were no matters that came to the attention of the Board of Directors or management regarding the involvement of current directors or senior officers in specified legal proceedings which are required to be disclosed. | | |
| Relationship with Independent Auditors | | |
| There has been no change in independent auditors or no disagreements on any matters of accounting principle or financial statement disclosure during the period. | | |
| Financial Statements | | |
| Financial Statements and Footnotes | Financial Information | Page 87 |
| | Notes to Financial Statements | Page 93 |
| Report of Management | | |
| | Report of Management | Page 151 |
| Report of Independent Auditors | | |
| | Report of Independent Registered Public Accounting Firm | Page 84 |
| Aggregate Fees Incurred for Services Rendered by Independent Auditors | | |
| | Board of Directors Disclosure | Page 169 |
| Credit and Services to Young, Beginning, and Small Farmers and Ranchers and Producers or Harvesters of Aquatic Products | | |
| | Young, Beginning, and Small Farmers | Page 196 |
| Unincorporated Business Entities | | |
| | Unincorporated Business Entities | Page 197 |
| Regulatory Capital Disclosures | | |
| | Regulatory Capital Disclosures | Page 156 |
| FCL Titling Trust Assets | | |
| | FCL Titling Trust Assets | Page 198 |

Regulatory Capital Disclosures

CoBank, ACB

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

Overview

The Farm Credit Administration (FCA) adopted final rules relating to regulatory capital requirements for the Farm Credit System (System) in 2016, which took effect January 1, 2017. The capital regulations include public disclosure requirements set forth in Title 12 of the Code of Federal Regulations parts 628.61 through 628.63.

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

| Disclosure Requirement | Description | 2025 Annual Report Reference |
|---|--|--|
| Scope of Application | Corporate entity and consolidated subsidiaries | Page 156 |
| | Description of entity consolidation | Page 156 |
| | Restrictions on transfers of funds or capital | Page 156 |
| Capital Structure | Terms and conditions of capital instruments | Note 6 - Pages 122 to 125; Page 157 |
| | Regulatory capital components | Page 157 |
| Capital Adequacy | Capital adequacy assessment | Page 75; Note 6 - Page 124 |
| | Risk-weighted assets | Page 159 |
| | Regulatory capital ratios | Page 75; Note 6 - Page 124 |
| Capital Buffers | Quantitative disclosures | Pages 75, 158 |
| Credit Risk | Credit risk management and policies | Page 48 |
| | Summary of exposures | Page 160 |
| | Geographic distribution | Page 161 |
| | Industry distribution | Page 162 |
| | Contractual maturity | Page 163 |
| | Nonperforming loans and ACL | Note 1 - Pages 94 to 95 Note 3 - Page 102 |
| Counterparty Credit Risk-Related Exposures | General description | Pages 53, 163 |
| | Counterparty exposures | Note 10 - Pages 135 to 136; Page 163 |
| Credit Risk Mitigation | General description | Pages 160, 164 |
| | Exposures with reduced capital requirements | Note 10 - Pages 133 to 134; Pages 53, 160, 164 |
| Securitization | General description | Pages 53, 165 |
| | Securitization exposures | Pages 70 to 73, Note 4 - Pages 116 to 118; Note 11 - Pages 141 to 143; Page 165 |
| Equities | General description | Pages 157, 166 |
| Interest Rate Risk for Non-Trading Activities | General description | Pages 54, 166 |
| | Interest rate sensitivity | Page 57 |

Scope of Application

The disclosures contained herein relate to CoBank, ACB and its wholly-owned subsidiaries, CoBank, FCB and Farm Credit Leasing Services Corporation (FCL), collectively hereinafter referred to as CoBank or the Bank. These entities are also consolidated in our financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). There are no consolidated entities for which any capital requirement is deducted from the Bank's total regulatory capital nor are there restrictions on transfers of funds or total capital with the entities described above.

In conjunction with other System entities, the Bank jointly owns the following service organizations: the Federal Farm Credit Banks Funding Corporation (Funding Corporation), the FCS Building Association (FCSBA) and the Farm Credit System Association Captive Insurance Company (Captive). The investments in the Funding Corporation and the FCSBA are deducted from capital because only the institution that issued the equities may count the amount as capital. The Bank's investment in the Captive and certain investments in unincorporated business entities are included in risk-weighted assets and are not deducted from any capital component, in accordance with FCA regulations.

Regulatory Capital Disclosures

CoBank, ACB

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

Capital Structure

Common equity tier 1 capital, which includes common stock and retained earnings, is the largest component of the Bank's capital structure. Preferred stock is included in total tier 1 regulatory capital, subject to certain limitations. Refer to Note 6 to the consolidated financial statements in this annual report for information on the terms and conditions of the main features of our common stock and preferred stock. Our ACL on loans is included in tier 2 regulatory capital, subject to certain limitations. See Note 1 to the consolidated financial statements in this annual report for a description of our ACL on loans. The following table provides a summary of the Bank's regulatory capital components.

| Regulatory Capital Components | |
|--|------------------------|
| Three Months Ended December 31, 2025 | Average Balance |
| Common Equity Tier 1 Capital (CET1) | |
| Common Cooperative Equities: | |
| Statutory Minimum Purchased Borrower Stock | \$ 2 |
| Other Required Member Purchased Stock | 1,291 |
| Allocated Equities: | |
| Qualified Allocated Equities Subject to Retirement | 3,016 |
| Nonqualified Allocated Equities Subject to Retirement | — |
| Nonqualified Allocated Equities Not Subject to Retirement | 4,238 |
| Unallocated Retained Earnings | 3,790 |
| Paid-In Capital | — |
| Regulatory Adjustments and Deductions Made to CET1 | 435 |
| Total CET1 | \$ 12,772 |
| Tier 1 Capital | |
| Non-Cumulative Perpetual Preferred Stock | \$ 1,925 |
| Regulatory Adjustments and Deductions Made to Tier 1 Capital | — |
| Total Additional Tier 1 Capital | 1,925 |
| Total Tier 1 Capital | \$ 14,697 |
| Tier 2 Capital | |
| Common Cooperative Equities Not Included in CET1 | \$ — |
| Tier 2 Capital Elements: | |
| ACL on Loans | 799 |
| Regulatory Adjustments and Deductions Made to Tier 2 Capital | — |
| Total Tier 2 Capital | \$ 799 |
| Total Capital | \$ 15,496 |

Regulatory Capital Disclosures

CoBank, ACB

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

A reconciliation of total shareholders' equity in our consolidated balance sheet to total regulatory capital is presented below.

| Reconciliation to the December 31, 2025 Consolidated Balance Sheet | End of Period | |
|---|----------------------|------------------------------|
| Total Shareholders' Equity | \$ | 14,038 |
| Adjustments to Regulatory Capital: | | |
| Accumulated Other Comprehensive Loss | | 457 |
| Regulatory Adjustments and Deductions Made to CET1 | | (189) |
| Tier 2 ACL on Loans | | 787 |
| Total Capital | \$ | 15,093 ⁽¹⁾ |

⁽¹⁾ The amount of total capital presented in the Regulatory Capital Components table on page 157 is the three-month average daily balance used in calculating capital ratios, as required by FCA regulations, whereas this amount is the amount outstanding as of December 31, 2025.

Capital Adequacy and Capital Buffers

The Bank's approach to assessing the adequacy of its capital to support current and future activities is described in "Capital Adequacy and Business Planning" beginning on page 75.

Regulatory Capital Disclosures

CoBank, ACB

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

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

| Risk-Weighted Assets | |
|---|----------------------------------|
| Three Months Ended December 31, 2025 | Average Balance |
| On-Balance Sheet Assets: | |
| Exposures to Sovereign Entities | \$ — |
| Exposures to Supranational Entities and Multilateral Development Banks | 51 |
| Exposures to Government-Sponsored Enterprises | 22,064 ⁽¹⁾ |
| Exposures to Depository Institutions, Foreign Banks and Credit Unions | 2,556 ⁽²⁾ |
| Exposures to Public Sector Entities | 70 |
| Corporate Exposures, including Borrower Loans and Leases | 64,198 |
| Residential Mortgage Exposures | — |
| Past Due and Nonaccrual Exposures | 663 |
| Securitization Exposures | 202 |
| Equity Investment Exposures | 186 |
| Other Assets | 1,033 |
| Off-Balance Sheet: | |
| Unfunded Loan Commitments | 13,405 |
| Equity Investment Commitments | 183 |
| Over-the-Counter Derivatives | 249 |
| Cleared Derivative Transactions | 4 |
| Letters of Credit | 2,022 |
| Reverse Repurchase Transactions | — |
| Unsettled Transactions | — |
| Total Risk-Weighted Assets Before Additions (Deductions) | \$ 106,886 |
| Additions: | |
| Intra-System Equity Investments | \$ 160 |
| Other Regulatory Adjustments and Additions | (613) |
| Deductions: | |
| Regulatory Adjustments and Deductions Made to CET1 | 435 |
| Regulatory Adjustments and Deductions Made to Additional Tier 1 Capital | — |
| Regulatory Adjustments and Deductions Made to Tier 2 Capital | — |
| Total Risk-Weighted Assets | \$ 106,868 ⁽³⁾ |

⁽¹⁾ Includes exposures to Farm Credit System entities.

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

⁽³⁾ For purposes of calculating the permanent capital ratio, average risk-weighted assets for the for the three months ended December 31, 2025 was \$106.1 billion.

As shown on page 75 of this annual report, the Bank exceeded all capital requirements as of December 31, 2025 to which it was subject, including applicable capital buffers. Because capital exceeded the buffer requirements, the Bank currently has no limitations on its distributions and discretionary bonus payments. The aggregate amount of eligible retained income was \$418 million as of December 31, 2025.

Regulatory Capital Disclosures

CoBank, ACB

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

Credit Risk

For discussion related to CoBank’s credit risk management and policies see “Credit Risk Management” beginning on page 48 of this annual report. Refer to “Nonaccrual Loans and Other Nonperforming Assets” in Note 1 to the consolidated financial statements in this annual report for qualitative disclosures including the definition of nonperforming loans and related policies. Refer to “Allowance for Credit Losses on Loans” in Note 1 to the consolidated financial statements in this annual report for a description of the methodology used to estimate our ACL on loans and our policy for charging-off uncollectible amounts.

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

| Major Credit Exposures - Lending and Investments | | | |
|---|------------------------|---------|----------------------|
| Three Months Ended and As of December 31, 2025 | Average Balance | | End of Period |
| Loans Outstanding | \$ | 162,247 | \$ 166,880 |
| Unfunded Loan Commitments | | 51,966 | 52,194 |
| Investment Securities | | 49,068 | 49,489 |
| Letters of Credit | | 2,392 | 2,501 |
| Equity Investments Outstanding | | 186 | 194 |
| Equity Investment Commitments | | 183 | 179 |
| Reverse Repurchase Transactions | | 3 | 11 |

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

| Major Credit Exposures - Derivatives | | | | |
|---|------------------------|----------------------------------|------------------------|----------------------------------|
| Three Months Ended and As of December 31, 2025 | Average Balance | | End of Period | |
| | Notional Amount | Gross Positive Fair Value | Notional Amount | Gross Positive Fair Value |
| Over-the-Counter Derivatives: | | | | |
| Interest Rate Contracts | \$ 42,986 | \$ 100 | \$ 59,629 | \$ (25) |
| Foreign Exchange Contracts | 64 | — | 57 | — |
| Total Over-the-Counter Derivatives | \$ 43,050 | \$ 100 | \$ 59,686 | \$ (25) |
| Cleared Derivatives: | | | | |
| Interest Rate Contracts | 85,434 | 415 | 119,534 | 481 |
| Total Derivatives | \$ 128,484 | \$ 515 | \$ 179,220 | \$ 456 |

Regulatory Capital Disclosures

CoBank, ACB

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

The following table illustrates the geographic distribution of our total loan commitments as of December 31, 2025.

| Total Lending Portfolio - Geographic Distribution | | |
|--|--------------------------------------|-------------------------|
| As of December 31, 2025 | Wholesale Loans⁽¹⁾ | Commercial Loans |
| California | 31 % | 6 % |
| Washington | 34 | 2 |
| Connecticut | 13 | 1 |
| Texas | 4 ⁽²⁾ | 9 |
| Kansas | 6 | 4 |
| Oklahoma | 5 | 2 |
| Colorado | 3 | 4 |
| Illinois | - | 5 |
| Iowa | - | 5 |
| Minnesota | - | 4 |
| Latin America | - | 3 |
| Florida | - | 3 |
| New York | - | 3 |
| Ohio | - | 3 |
| Pennsylvania | 2 ⁽²⁾ | 1 |
| Georgia | - | 3 |
| Missouri | - | 3 |
| Nebraska | - | 3 |
| Asia | - | 3 |
| Mississippi | - | 2 |
| Wisconsin | - | 2 |
| Indiana | - | 2 |
| Arkansas | - | 2 |
| Utah | 1 | 1 |
| Massachusetts | - | 2 |
| Michigan | - | 2 |
| South Dakota | - | 2 |
| Arizona | - | 2 |
| Idaho | - | 1 |
| Alabama | - | 1 |
| Other | 1 | 14 |
| Total | 100 % | 100 % |

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

⁽²⁾ Includes participation interests in loan commitments to nonaffiliated Associations.

Regulatory Capital Disclosures

CoBank, ACB

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

The following table illustrates the geographic distribution of our nonperforming loans as of December 31, 2025.

| Nonperforming Loans - Geographic Distribution | |
|--|----------------------------|
| As of December 31, 2025 | Share⁽¹⁾ |
| Florida | 27 % |
| Washington | 15 |
| North Carolina | 13 |
| California | 12 |
| Georgia | 8 |
| Nebraska | 4 |
| Missouri | 3 |
| Kansas | 3 |
| Colorado | 3 |
| Arkansas | 2 |
| Illinois | 1 |
| Other | 9 |
| Total | 100 % |

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

The following table illustrates the primary business/commodity distribution of our total loan commitments as of December 31, 2025.

| Total Lending Portfolio - Distribution by Primary Business/Commodity | |
|---|--------------|
| As of December 31, 2025 | Share |
| Affiliated Associations | 49 % |
| Farm Supply, Grain and Marketing | 8 |
| Electric Distribution | 7 |
| Regulated Utilities | 5 |
| Nonaffiliated Associations | 4 |
| Agricultural Export Finance | 3 |
| Fruits, Nuts and Vegetables | 3 |
| Generation and Transmission | 3 |
| Forest Products | 2 |
| Dairy | 2 |
| Competitive Local Telephone Exchange Carriers | 2 |
| Livestock, Fish and Poultry | 2 |
| Water and Waste | 1 |
| Cattle | 1 |
| Independent Power Producer | 1 |
| Local Exchange Carriers | 1 |
| Cable | 1 |
| Wireless | 1 |
| Other | 4 |
| Total | 100 % |

Regulatory Capital Disclosures

CoBank, ACB

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

The following table presents a summary of the remaining contractual maturity of our loans, unfunded loan commitments, investment securities, letters of credit, derivatives and equity investments at December 31, 2025.

| Contractual Maturity (\$ in Millions) | | | | | |
|--|--------------------------------|------------------------------|-----------------------------|--------------|--|
| As of December 31, 2025 | In One Year or Less | One to Five Years | After Five Years | Total | |
| Loans Outstanding | \$ 105,461 | \$ 33,354 | \$ 28,065 | \$ 166,880 | |
| Unfunded Loan Commitments | 29,411 | 19,056 | 3,727 | 52,194 | |
| Investment Securities | 7,437 | 20,211 | 21,841 | 49,489 | |
| Letters of Credit | 1,929 | 538 | 34 | 2,501 | |
| Derivatives (Notional Amounts) | 123,714 | 33,049 | 22,457 | 179,220 | |
| Equity Investments Outstanding | 48 | 116 | 30 | 194 | |
| Equity Investment Commitments | 45 | 107 | 27 | 179 | |

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

Counterparty Credit Risk

The use of derivative instruments exposes us to counterparty credit risk. Generally, when the fair value of a derivative contract is positive, we are exposed to credit risk. Our counterparty credit risk arising from derivative transactions is managed within credit methodologies and limits approved by the CoBank Loan Committee (CLC). Credit risk limits are established based on potential future exposure. Customer derivative transactions are typically secured through our loan agreements. For non-customer derivatives not cleared through a central clearinghouse, we minimize this risk by diversifying our derivative positions among various financial institution counterparties, using master netting agreements and requiring collateral with zero thresholds and daily posting to support credit exposures with active counterparties. We evaluate the creditworthiness of each counterparty, establishing individual credit exposure limits and deal exclusively with derivative counterparties that have an investment grade credit rating from a major credit rating agency. Credit exposure limits are determined using a risk rating methodology established by the CLC. Credit ratings are developed and exposure limits are established no less than annually and reflect our assessment of the creditworthiness of each counterparty. The Bank uses an internal model to determine the potential future exposure of over-the-counter derivatives which is used to measure compliance with established exposure limits. In addition, we monitor counterparty credit default swap spreads and other market-related information which may indicate reduced creditworthiness of a counterparty. Credit default swap spreads are taken into account in establishing counterparty limits.

Our over-the-counter derivative contracts require the Bank or its counterparties to post cash or securities as collateral when the fair values of the derivatives change based on changes in interest rates. The collateral exchanged between parties occurs daily with zero posting thresholds for all counterparties. Likewise, the Bank is required to pledge initial margin and make daily settlement payments related to our cleared derivative transactions. As a result of these derivative contracts, we are exposed to liquidity risk when changes in interest rates require us to post collateral to our counterparties, or make settlement payments for changes in the fair value of cleared derivatives. A downgrade in our creditworthiness would not result in additional collateral requirements for the Bank.

The fair value of collateral assets and liabilities related to derivative contracts is their face value, plus accrued interest, as these instruments are cash balances; therefore, fair value approximates face value.

Refer to Note 10 to the consolidated financial statements in this annual report for information related to interest rate swaps and other derivatives utilized by CoBank, including a summary of the fair value of derivative assets and liabilities, collateral held and net unsecured exposure.

Regulatory Capital Disclosures

CoBank, ACB

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

Credit Risk Mitigation

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

Loans

Our Agricultural Export Finance Division (AEFD) utilizes the U.S. government-sponsored export loan guarantee General Sales Manager (GSM) program for a portion of its export financing which guarantees payment in the event of default by the borrower. We further mitigate our exposure for certain agricultural export financing transactions by purchasing credit enhancement from non-government third parties. Refer to the Operating Segment Financial Review section beginning on page 40 of this annual report for additional discussion related to our AEFD.

As discussed on page 49 of this annual report, our loans to affiliated Associations are collateralized by substantially all of the Association assets. In addition, the earnings, capital and loan loss reserves of the Associations provide additional layers of protection against losses in their respective retail loan portfolios. Lower regulatory capital requirements are commensurate with the lower risk profile associated with our loans to affiliated Associations.

Investments

As described in “Credit Risk Related to Investments and Derivatives” beginning on page 53 of this annual report, credit risk in our investment portfolio is mitigated by investing primarily in securities issued or guaranteed by the U.S. government or a government-sponsored enterprise (U.S. Agency). Credit risk in our investment portfolio primarily exists in the 1 percent of our investment securities that are not guaranteed by the U.S. government or a U.S. Agency, which include asset-backed securities (ABS) and corporate bonds of midstream energy and communication companies purchased under our lending authorities. As of December 31, 2025, our ABS and midstream energy and communication corporate bonds collectively totaled \$559 million of our total investment portfolio. Credit risk in our investment portfolio also arises in a portion of our short-term investments, which include our overnight bank deposits and federal funds sold instruments, which are transacted with highly-rated commercial bank counterparties. We held overnight bank deposits totaling \$2.0 billion at December 31, 2025. The remainder of our short-term investments include reverse repurchase agreements with the Federal Reserve totaling \$1.9 billion at December 31, 2025 and have minimal credit risk. Corporate bonds are risk-weighted based on the corporate counterparty and ABS exposures are captured in the Securitization section below.

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

| Loan and Investment Exposures | | |
|---|-------------------|-------------------------|
| Three Months Ended December 31, 2025 | Average Exposure | Risk Weighted Exposures |
| Guaranteed Loans | \$ 1,558 | \$ — |
| Loans to Farm Credit System Entities | 86,645 | 17,329 |
| Investment Securities Issued or Guaranteed by U.S. Government | 25,502 | — |
| Investment Securities Issued or Guaranteed by a U.S. Agency | 23,673 | 4,735 |
| Total | \$ 137,378 | \$ 22,064 |

Derivatives

As described in Note 10 to the consolidated financial statements in this annual report, transactions with dealers in our over-the-counter derivative portfolio as well as those cleared through a clearinghouse are collateralized or otherwise secured through settlement payments. As a result, at December 31, 2025, we held financial collateral with dealers totaling \$104 million that was included in

Regulatory Capital Disclosures

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

calculating risk-weighted assets. Total risk-weighted assets for our over-the-counter derivatives and cleared derivative transactions amounted to \$249 million and \$4 million, respectively, for the three-month period ended December 31, 2025.

Securitization

The Bank participates in securitizations as investors through the purchase of MBS and ABS, which are included in our investment portfolio. As of December 31, 2025, CoBank did not retain any resecuritization exposures. The following disclosures relate only to ABS not guaranteed by the U.S. government or a U.S. Agency. The average balance of these non-guaranteed securities was \$202 million for the three-month period ended December 31, 2025.

We are subject to liquidity risk with respect to these securitization exposures. In volatile market conditions, it could be difficult to sell such investments, if the need arises, and the discounts from face value would likely be significant. In addition, because of the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for the investments.

We monitor the credit and market risk of these exposures under policies established by our Asset and Liability Committee. Such policies, which apply to our total investment portfolio as described above, include regularly assessing, among other factors, changes in interest rates and credit ratings to evaluate potential negative impacts to cash flows expected to be collected from these investment securities.

For our ABS, CoBank has elected to utilize the Gross Up risk-based capital approach as outlined in FCA regulations, which results in our ABS being risk-weighted on an individual security level.

Below is a summary of our securitization exposures held during the three months ended December 31, 2025 by exposure type and categorized by risk-weight band.

| Securitization Exposures | | |
|---|-------------------------|--|
| Three Months Ended December 31, 2025 | Average Exposure | Risk Weighted Asset (Gross Up Approach) |
| Asset-Backed Securities | \$ 202 | \$ 202 |
| Total | \$ 202 | \$ 202 |

| Securitization Risk-Weight Bands | | |
|---|-------------------------|--|
| Three Months Ended December 31, 2025 | Average Exposure | Risk Weighted Asset (Gross Up Approach) |
| Gross-Up Risk-Weight Bands: | | |
| 100% - 125% | \$ 202 | \$ 202 |
| >125% and <1,250% | — | — |
| 1,250% | — | — |
| Total | \$ 202 | \$ 202 |

For the three-month period ended December 31, 2025, we did not hold any off-balance sheet securitization exposures nor were any securitization exposures deducted from capital.

Refer to “Liquidity and Capital Resources” beginning on page 70 for additional information related to purchases and sales of securitization exposures. Refer to Note 4 to the consolidated financial statements in this annual report for the amortized cost, unrealized gains (losses) and fair value of MBS and ABS held in our investment portfolio. In addition, Note 11 to the consolidated financial statements in this annual report describes the methods and assumptions, including any changes as applicable, applied in valuing our MBS and ABS.

Regulatory Capital Disclosures

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

Equities

The Bank has certain exposure to equity investments. We make investments and are a limited partner in certain Rural Business Investment Companies (RBICs). These RBICs focus on small and middle market companies that create jobs and promote commerce in rural America. CoBank also holds investments in various unincorporated business entities (UBEs), as defined by FCA regulation. We hold these investments to acquire and manage unusual or complex collateral associated with loan workouts as well as to make mission-related investments. Our investments in RBICs and UBEs are not publicly traded and are accounted for under the equity method. All of our equity investments are classified within other assets in the consolidated balance sheets. There have been no sales or liquidations of equity investments during the three months ended December 31, 2025.

| As of December 31, 2025 | End of Period | Life-to-Date Net Gains Recognized in Retained Earnings⁽¹⁾ |
|--|----------------------|---|
| Equity Investments in RBICs, UBEs, Other | \$ 194 | \$ 12 |

⁽¹⁾ Retained earnings is included in common equity tier 1, tier 1 and total capital ratios.

Interest Rate Risk

Interest rate risk, also referred to as market risk, is the risk that changes in interest rates may adversely affect operating results and financial condition. Refer to “Market Risk Management” beginning on page 54 of this annual report for a description of our primary interest rate risks and strategies used to mitigate those risks. The impact of interest rate changes on net interest income and the market value of equity are summarized in the tables found on page 58 of this annual report.

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

Directors

At year-end 2025, CoBank had a total of 17 seated directors, comprised of 14 directors elected by customers from six different geographic regions, two outside directors (independent of any customer or Farm Credit System affiliation) and one appointed director (customer affiliation permitted) to complement the expertise of the customer-elected Board members. Appointed director Scheherazade S. Rehman served on the Board for a portion of the year and resigned in March 2025.

Director terms run for four years. Employees of Farm Credit System institutions, including CoBank, cannot serve on CoBank's Board of Directors within one year of employment.

Director Independence

The Board must be composed at all times of at least 75 percent of directors who are deemed to be independent. The Board has adopted standards to assist it in making the annual affirmative determination of each director's independence status. A director will be considered "independent" if he or she meets the 14 criteria for independence set forth by the Board, which were established based upon leading industry practice and, in part, the listing standards of the New York Stock Exchange. For example, the loans from CoBank to an affiliated Association or Title III customer, as defined by the Farm Credit Act, where a CoBank director is also a director, must not comprise more than 15 percent of the total loans of CoBank. In addition, the Board has made a determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the director's responsibilities. In making these determinations, the Board reviewed and discussed information provided by the directors and by CoBank with regard to each director's business and personal activities as they may relate to CoBank and CoBank's management. The Board makes an annual determination as to director independence, and the 2025 independence determination was made for the 18 seated directors prior to the resignation of Dr. Rehman noted above. For 2025, the Board determined that 16 out of 18 directors were considered independent. For 2026, the Board has determined that 16 out of 18 directors will be considered independent.

Information About Committees of the Board of Directors

The standing Board committees consist of the following: an Audit Committee, a Compensation and Human Resources Committee, an Executive Committee, a Governance Committee and a Risk Committee. The Board has adopted written charters for each of these committees. The full text of each charter is available on our website at www.cobank.com.

All standing Board committees report on their meetings at the regular meeting of the full Board. Minutes of each committee meeting are signed by the committee chair and recording secretary, or another individual acting in their place at the meeting.

In 2025, the Board of Directors held a total of eight meetings and standing committees of the Board of Directors held a total of 33 meetings. The primary responsibilities of each committee are described on the following pages.

Board of Directors Disclosure as of December 31, 2025

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Standing Committees

Audit Committee

The Audit Committee members are appointed by the Board chair in consultation with the Board officers and committee chairs. The Audit Committee is governed by a formal charter and chaired by one of the Board's outside directors. All members of the Audit Committee are independent of management of the Bank and any other System entity. During 2025, the Audit Committee met a total of six times, including regular meetings in executive session with the head of the Internal Audit Division, the head of the Asset Review Division, and the Bank's independent auditors. The Audit Committee also met in joint session with the Risk Committee a total of four times during 2025 to discuss and review items of common interest. The Audit Committee reviews and approves the quarterly and annual financial statements.

During 2025, Michael S. Brown served as Chair of the Audit Committee. The Board of Directors determined that Mr. Brown had the qualifications and experience necessary to serve as the Audit Committee "financial expert," as defined by the rules of the Securities and Exchange Commission and the FCA, and he was so designated. The Board also designated Gary A. Miller as a "financial expert" during 2025.

The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by carrying out the following responsibilities:

- (1) Overseeing management's conduct of the Bank's financial reporting process and systems of internal accounting and financial controls;
- (2) Monitoring the independence and performance of the Bank's Internal Audit and Asset Review functions, the risk assessment process, and the independent auditors;
- (3) Ensuring the Bank's compliance with applicable legal and regulatory requirements;
- (4) Providing an avenue of communication among the independent auditors, management and the Board; and
- (5) Performing those functions on behalf of, and serving as the Audit Committee for, the Bank's wholly-owned subsidiary, Farm Credit Leasing Services Corporation ("FCL").

Management has the primary responsibility for the consolidated financial statements and the financial reporting process, including the system of internal controls. The Audit Committee oversees the Bank's independent auditors, systems of internal accounting and financial controls, and financial reporting process on behalf of the Board of Directors. In this regard, the Audit Committee helps to ensure independence of the Bank's independent auditors, the integrity of management and the adequacy of disclosure to shareholders. The Audit Committee has unrestricted access to representatives of the Internal Audit Division, independent auditors and financial management.

The Audit Committee preapproves all audit and audit-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Bank by its independent auditors, as negotiated by management.

The Audit Committee reviewed the audited consolidated financial statements in the Annual Report for the year ended December 31, 2025 with management and the Bank's independent auditors. The independent auditors are responsible for expressing an opinion on the conformity of the Bank's audited consolidated financial statements with accounting principles generally accepted in the United States of America, including a discussion of the quality of the Bank's accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the consolidated financial statements and the adequacy of internal controls. The Audit Committee discussed with the independent auditors the results of the 2025 audit and all other matters required to be discussed by Statements on Auditing Standards. In addition, the Audit Committee received, reviewed and discussed the written disclosures from the independent auditors regarding their independence. Based on the review and discussions described above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Bank's Annual Report for the year ended December 31, 2025 and for filing with the FCA.

Board of Directors Disclosure as of December 31, 2025

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Aggregate fees incurred by the Bank for services rendered by its independent auditors, PricewaterhouseCoopers LLP, for the years ended December 31, 2025 and 2024 were as follows:

| Year Ended December 31, | 2025 | 2024 |
|--------------------------------|---------------------|---------------------|
| Audit | \$ 2,358,790 | \$ 2,266,970 |
| Audit-related | — | 183,500 |
| Tax | 86,000 | 83,000 |
| All Other | 2,000 | 2,000 |
| Total | \$ 2,446,790 | \$ 2,535,470 |

Audit fees were for the annual audit of the consolidated financial statements for 2025 and 2024. Audit-related fees for 2024 included fees for preferred stock offerings. Tax fees for 2025 and 2024 related to asset depreciation services. All other fees for 2025 and 2024 included our annual subscription to accounting research tools.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee members are appointed by the Board chair in consultation with the Board officers and committee chairs. All members of the Compensation and Human Resources Committee are independent of management. The committee is primarily responsible for representing the Board in matters related to human capital, and total reward programs for the Bank, including salary, incentive and benefits programs, and in facilitating the terms of employment, compensation and evaluation of and succession planning for the Chief Executive Officer (CEO). The Compensation and Human Resources Committee has responsibility for monitoring succession planning for other senior leaders. The Compensation and Human Resources Committee also has responsibility, in consultation with the Governance Committee, in matters related to the Bank's director compensation program and philosophy.

Executive Committee

The Executive Committee is comprised of the Board chair and two Board vice chairs. The committee is primarily responsible for developing for Board consideration recommendations surrounding the design and implementation of the Bank's strategic plan. It acts on behalf of the Board between Board meetings when necessary. The committee reviews the Bank's annual business and financial plan and recommends such plan for approval by the Board. The committee also provides advice and counsel to the Board and management on policy matters related to capital and finance, and recommends to the Governance Committee capital bylaws and amendments for approval by the Board.

Governance Committee

The Governance Committee members are appointed by the Board chair in consultation with the Board officers and committee chairs. The committee is primarily responsible for monitoring and recommending for Board consideration corporate governance processes and structures that are consistent with leading practices for boards and board committees. The committee reviews and recommends special compensation for Board members, if any, due to exceptional demands placed on the time of Board members. The committee reviews and directs the annual Board self-evaluation and a periodic director peer evaluation. The committee also oversees the Bank's director nomination process, which is conducted by an independent Nominating Committee see page 170, and director election process. In addition, the committee annually assesses the needs of the Board – taking into account the experience and background of current directors – and also recommends the appointment and reappointment of outside and appointed directors to the full Board.

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

Risk Committee

The Risk Committee members are appointed by the Board chair in consultation with the Board officers and committee chairs. The committee is primarily responsible for overseeing the enterprise risk management practices of the Bank, including management's ability to assess and manage the Bank's credit, market, interest rate, liquidity, operational, cybersecurity, technology, strategic and reputation, and legal, regulatory and compliance risks. The committee also provides an open avenue of communication between management and the Board in order to effectively manage risks.

Other Committees

Nominating Committee

The Nominating Committee for 2025 consisted of 22 customer-owner representatives and two retired CoBank directors, all of whom were elected by the Bank's shareholders. No member of the Board or management served on the Nominating Committee. The Bank uses an independent Nominating Committee which is charged with the responsibility to identify qualified candidates for Board membership and to review director nominations, helping to ensure that the Bank continues to attract a highly qualified and diverse Board. The Nominating Committee seeks candidates who are recognized leaders and who fulfill specific needs for skill set, industry knowledge, and geographic and other forms of diversity on the Board. Customers are encouraged to submit resumes of candidates for elected positions. The Nominating Committee strives to nominate at least two candidates for each position up for election. Interested candidates who participated in the Nominating Committee process but were not nominated by the Nominating Committee may petition to run for election following the conclusion of the Nominating Committee's work. A nominee must not have reached age 70 on or prior to the date the term of office is to begin and must meet other eligibility requirements established by Bank bylaws and federal regulations.

Board Restructuring Committee

The Board Restructuring Committee was appointed by the Board of Directors in May 2024 and consisted of six CoBank directors and six customer-owner representatives. The Board chair served as an ex officio member of the committee. The purpose of this committee is to conduct a thorough study of the composition of the Board and to consider other factors to strengthen governance. The committee met over a ten-month period during 2024 and 2025 and delivered its report of recommended governance changes to the Board at the conclusion of its study. The recommendations include the elimination of two existing elected Board seats, one in the Central region and one in the West region, as well as modifications to the Board industry experience requirements. The recommendations require amendments to the governance bylaws which the Board has elected to take to a shareholder vote in 2026.

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

The following represents certain information regarding the directors as of December 31, 2025, including business experience during the past five years. The terms of directors are scheduled to expire as of December 31 of the years indicated.

| | | |
|--|--|--------------------------------|
| 1 – Audit Committee | 4 – Governance Committee | 8 – Executive Committee Chair |
| 2 – Compensation and Human Resources Committee | 5 – Risk Committee | 9 – Governance Committee Chair |
| 3 – Executive Committee | 6 – Audit Committee Chair | 10 – Risk Committee Chair |
| | 7 – Compensation and Human Resources Committee Chair | |

| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|---|--------------|--|
| Duane R. Anderson ¹ | 2028 | <p>Principal Occupation: Operations Lead: J-Six Enterprises, L.L.C., a diversified farming, milling and consolidated cattle and hog operation, Seneca, KS; Former Chief Operating Officer: Sioux Steel Company, a manufacturer of agricultural buildings and equipment, Sioux Falls, SD (September 2021 - December 2021); Former Officer: McBee Farms, L.C., Buckner, MO, and McBee Properties, L.C., Blue Springs, MO, asset holding companies, and their affiliated entities (April 2021 - June 2021); Former President and Chief Executive Officer: Ag Partners Cooperative, Inc., an agricultural cooperative, Seneca, KS (April 2020 - January 2021).</p> |
| Matthew W. Beaton ^{5, 10} | 2029 | <p>Principal Occupation: Owner/Officer: Beaton's Inc., a cranberry farming operation, Rochester, MA; Owner/Officer: Sure-Cran Services Inc., custom agricultural services, Wareham, MA.</p> <p>Other Business Affiliations: Director/President/Owner: Eagle Holt Co., Inc., a cranberry farming operation, Wareham, MA; Director: Ocean Spray Cranberries, Inc., a cranberry marketing cooperative, Lakeville/Middleboro, MA; Owner: Sippican Mills, LLC, real estate holdings, Rochester, MA.</p> |
| Michael S. Brown ^{1, 6} | 2028 | <p>Principal Occupation: Former Managing Director, Global Head of Multinational Coverage: JPMorgan Chase, N.A., a commercial bank, London, England (retired in June 2013).</p> <p>Other Business Affiliations: Owner/Manager: Bayswater LLC, a property management company, San Diego, CA.</p> |
| Russell G. Brown ² | 2028 | <p>Principal Occupation: Former Market President (Northern Neck Region): Atlantic Union Bank, a regional bank, Warsaw, VA (retired in March 2022).</p> <p>Other Business Affiliations: Owner: Cobham Hall Farm, a grain and timber farming operation, Warsaw, VA; Alternate Director: The Farm Credit Council, a national trade association, Washington, D.C.; Chair: Richmond County Industrial Development Authority (IDA), an economic development organization, Warsaw, VA.</p> |
| Susan K. Doverspike ⁵ | 2025 | <p>Principal Occupation: Owner: Hotchkiss Company, Inc., a cow/calf, yearling and hay ranch, Burns, OR.</p> <p>Other Business Affiliations: Owner: Best Lane LLC, solar powered electrical generation, Burns, OR; Owner: Doverspike Land LLC, a hay and grazing ranch, Burns, OR; Director: Harney County Soil and Water District, soil and water conservation, Burns, OR; Vice Chair: Harney County Watershed Council, a nonprofit organization, Burns, OR; Owner: Poison Creek LLC, grazing and timberland, Burns, OR; Owner: Well Field LLC, a grazing ranch, Burns, OR.</p> |

Board of Directors Disclosure as of December 31, 2025

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| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|---|--------------|--|
| <p>William M. Farrow, III ⁴</p> <p>Age: 70 Year Service Began: 2007</p> | 2026 | <p>Principal Occupation: Former Director, President and Chief Executive Officer: Urban Partnership Bank, a commercial bank, Chicago, IL (retired in December 2017); Former Owner: Winston and Wolfe LLC, a technology development and advisory company, Chicago, IL (retired in December 2023).</p> <p>Other Business Affiliations: Advisor: Cedar Street Asset Management LLC, an asset management firm, Chicago, IL; Chair: Cboe Global Markets, Inc., an options and volatility trading resource, Chicago, IL; Director: Endeavor Health, a hospital system, Evanston, IL; Director: WEC Energy Group, an electric and natural gas distribution company, Milwaukee, WI.</p> |
| <p>Scott R. Hendrix ⁵</p> <p>Age: 53 Year Service Began: 2025</p> | 2028 | <p>Principal Occupation: Chief Executive Officer and General Counsel: Tombigbee Electric Power Association, an electric distribution cooperative; Chief Executive Officer and General Counsel: Tombigbee Fiber, LLC, a broadband internet company, Tupelo, MS.</p> <p>Other Business Affiliations: Owner: E & S Garage and Storage LLC, an antique automobile storage company, Tupelo, MS; Owner: Hendrix Electric Company, LLC, a real estate holding company, Tupelo, MS; Co-Owner: Classic Getaways, LLC, a wedding transportation company, Tupelo, MS; Officer and General Counsel: MS Fiber, LLC, a statewide fiber broadband organization, Ridgeland, MS; Of Counsel: Mitchell, McNutt and Sams, PA, a law office, Tupelo, MS; Director: Calix National Advisory Board, a broadband equipment and software company, San Jose, CA; Director: Central Service Association, a software and benefits company for utilities, Tupelo, MS; Director: Electric Cooperative Bar Association, a professional network within NRECA, Dulles, VA; Director: Electric Cooperatives of Mississippi, a statewide organization of cooperatives, Ridgeland, MS; Director: North Mississippi Medical Center, a regional hospital, Tupelo, MS; Director: Renasant Bank, Mississippi Statewide Advisory Board, a community bank, Tupelo, MS; Director: Pontotoc Mississippi Chamber of Commerce, local chamber of commerce, Pontotoc, MS.</p> |
| <p>Jason T. Lay ⁴</p> <p>Age: 52 Year Service Began: 2025</p> | 2028 | <p>Principal Occupation: Owner of Lay Farms, a corn and soybean farming operation, Bloomington, IL.</p> <p>Other Business Affiliations: Director: Evergreen FS, Inc. an agricultural cooperative, Bloomington, IL; Director: GROWMARK, Inc., an agricultural cooperative, Bloomington, IL; Director: Sunrise FS, Inc., an agricultural cooperative, Bloomington, IL.</p> |

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|---|--------------|--|
| <p>Michael W. Marley¹</p> <p>Age: 63</p> <p>Year Service Began: 2020</p> | 2027 | <p>Principal Occupation:</p> <p>Owner: Corrales Dairy, LLC, a dairy farm, Roswell, NM;</p> <p>Owner: Marley Farms, Ltd., an irrigated farming operation, Roswell, NM.</p> <p>Other Business Affiliations:</p> <p>Co-Owner/Managing Member: Advanced Thermovoltaic Systems, a renewable energy company, Colorado Springs, CO;</p> <p>Owner: Corrales Farm, LLC, an irrigated farm and dairy facility, Roswell, NM;</p> <p>Owner/Managing Member: Darby Farm, LLC, an irrigated farm and dairy facility, Roswell, NM;</p> <p>Director and Southwest Council Member: Dairy Farmers of America, a milk cooperative, Kansas City, KS;</p> <p>Director: Dairy MAX, a non-profit dairy council, Grand Prairie, TX;</p> <p>Owner/Director: Gandy Marley, Inc., an oil field disposal service, Roswell, NM;</p> <p>Owner: Marley Ranches, Ltd., a ranching operation, Roswell, NM;</p> <p>Owner: SAP, LLC, a royalty override, Roswell, NM;</p> <p>Director: United Dairy Industry Association, an industry trade association, Rosemont, IL.</p> <p>Director: U.S. Dairy Export Council, a non-profit trade association, Arlington, VA.</p> |
| <p>Jon E. Marthedal²</p> <p>Age: 69</p> <p>Year Service Began: 2013</p> | 2029 | <p>Principal Occupation:</p> <p>Owner/Operator: Marthedal Farms, a grape, raisin, blueberry and almond farming operation, Fresno, CA;</p> <p>Owner/Officer: Marthedal Enterprises Inc., a provider of farm management and custom agriculture services, Fresno, CA.</p> <p>Other Business Affiliations:</p> <p>Director: The Farm Credit Council, a national trade association, Washington, D.C.;</p> <p>Board President: California Blueberry Association, a state trade organization, Fresno, CA;</p> <p>Director: California Blueberry Commission, a state commission, Fresno, CA;</p> <p>Vice Chair: Raisin Administrative Committee, a federal marketing order, Fresno, CA.</p> |
| <p>Robert N. McLennan⁴</p> <p>Age: 55</p> <p>Year Service Began: 2022</p> | 2029 | <p>Principal Occupation:</p> <p>President and Chief Executive Officer: Minnkota Power Cooperative, Inc., an electric generation and transmissions cooperative, Grand Forks, ND;</p> <p>General Manager: Square Butte Electric Cooperative, an electric generation cooperative, Grand Forks, ND.</p> <p>Other Business Affiliations:</p> <p>Director: BNI Energy/BNI Coal, an energy service company, Bismarck, ND;</p> <p>Director: Energy and Environmental Research Development Foundation (EERC), promoting technology development, commercialization and intellectual property protection, Grand Forks, ND;</p> <p>Chair: Lignite Energy Council, an industry trade association, Bismarck, ND;</p> <p>Director: University of Jamestown, an educational institution, Jamestown, ND.</p> |

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|--|--------------|---|
| <p>Gary A. Miller ¹</p> <p>Age: 65 Year Service Began: 2020 Also Served: 2006-2017</p> | 2027 | <p>Principal Occupation:</p> <p>President and Chief Executive Officer: GreyStone Power Corporation, an electric distribution cooperative, Douglasville, GA; President and Chief Executive Officer: GreyStone Connect, a rural broadband subsidiary of GreyStone Power Corporation, Douglasville, GA.</p> <p>Other Business Affiliations:</p> <p>Director: Development Authority of Douglas County, an economic development organization, Douglasville, GA; Chair: Elevate Douglas, an economic development organization, Douglasville, GA; Alternate Director: Georgia Electric Membership Corporation, a statewide trade organization, Tucker, GA; Advisory Board Alternate Director: Georgia Transmission Corporation, a power transmission cooperative, Tucker, GA; Director: GRESCO Utility Supply, Inc., an electric material supplier, Smarr, GA; Director: Hospital Authority for Douglas County, an oversight body of hospital system, Douglasville, GA; Advisory Board Alternate Director: Oglethorpe Power Corporation, a power generation cooperative, Tucker, GA; Director: WellStar Foundation, a supporting organization to WellStar Health System, Marietta, GA.</p> |
| <p>Catherine Moyer ^{2, 7}</p> <p>Age: 50 Year Service Began: 2010</p> | 2026 | <p>Principal Occupation:</p> <p>Chief Executive Officer and General Manager: The Pioneer Telephone Association, Inc. (d/b/a Pioneer Communications), a telecommunications provider, Ulysses, KS; Chief Executive Officer: High Plains Telecommunications, Inc., a telecommunications provider, Ulysses, KS. Managing Director: PGB Fiber LLC, a telecommunications provider, Ulysses, KS.</p> <p>Other Business Affiliations:</p> <p>Director: The Farm Credit Council, a national trade association, Washington, D.C.; Chair: Kansas Lottery Commission, providing oversight of Kansas lottery and games, Topeka, KS; Owner: N105PD, LLC, an aviation and aircraft ownership entity, Ulysses, KS; Chair: Rural Trust Insurance Company, a provider of property and casualty insurance to small telecommunications providers, Greenbelt, MD; Chair: Telcom Insurance Group, a provider of property and casualty coverage to small telecommunications providers, Greenbelt, MD.</p> |

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|--|--------------|--|
| Kevin A. Still ^{2, 3, 8} Chair Age: 68 Year Service Began: 2002 | 2026 | <p>Principal Occupation:</p> <p>President and Chief Executive Officer: Keystone Cooperative, Inc., a cooperative supplying energy, agronomy and animal nutrition, producing swine and marketing grain, Indianapolis, IN;</p> <p>Former Chief Executive Officer and Treasurer: Excel Co-op, Inc., Frontier Co-op, Inc., IMPACT Co-op, Inc., LaPorte County Farm Bureau Cooperative Association, and Midland Co-op, Inc., agricultural retail cooperatives, Avon, IN (entities consolidated into Co-Alliance Cooperative, Inc., a predecessor to Keystone Cooperative, Inc., as of February 2021).</p> <p>Other Business Affiliations:</p> <p>Board President: Agensan, a captive insurance company, Indianapolis, IN;</p> <p>Officer: Alliance CMC Fuels, LLC, an agricultural retail and fuel company, Indianapolis, IN;</p> <p>Officer: Alliance Feed, LLC, an agricultural retail cooperative, Indianapolis, IN;</p> <p>Officer: Keystone Charitable Foundation, a charitable foundation, Indianapolis, IN;</p> <p>Officer: Legacy Feed LLC, a feed manufacturing and swine management company, Millville, IN;</p> <p>Officer: Next Era, LLC, a swine production company, Indianapolis, IN;</p> <p>President: Northwind Pork, LLC, a pork producing operation, Kewanna, IN;</p> <p>Board President: NWP Sows, LLC, a pig production company, Indianapolis, IN;</p> <p>Owner/President: Still Farms, LLC, a grain farm, Galesburg, IL;</p> <p>Officer: Superior Milling, LLC, a grain milling cooperative, Sheridan, IN;</p> <p>Officer: Synergy Feeds, LLC, an agricultural retail and animal feed company, South Whitley, IN;</p> <p>President and Chief Executive Officer: United Energy, LLC, an agricultural retail cooperative, Richmond, IN;</p> <p>Director: United Prairie, LLC, an agricultural retail cooperative, Tolono, IL.</p> |
| Edgar A. Terry ^{3, 5} First Vice Chair Age: 66 Year Service Began: 2016 | 2027 | <p>Principal Occupation:</p> <p>Owner/President: Terry Farms, Inc., a vegetable and strawberry farming operation, Ventura, CA;</p> <p>Owner/Limited Partner: Ag. Center LTD, a real estate company, Ventura, CA;</p> <p>Owner/Officer: Amigos Fuerza, Inc., a provider of farm labor contracting, Ventura, CA;</p> <p>Owner/Limited Partner: Central AP, LLP, farmland real estate, Ventura, CA;</p> <p>Owner/Partner: JJE, LLC, farmland real estate, Ventura, CA;</p> <p>Owner/Officer: Moonridge Management, Inc., a provider of back office and HR consulting, Ventura, CA;</p> <p>Owner/Vice President: Rancho Adobe, Inc., farmland real estate, Ventura, CA;</p> <p>Owner/President: Willal, Inc., a sales and marketing company, Ventura, CA;</p> <p>Senior Adjunct Professor: California Lutheran University, an educational institution, Thousand Oaks, CA.</p> <p>Other Business Affiliations:</p> <p>Advisory Board Chair: Center for Economic Research and Forecasting, an economic forecasting and fundraising advisory board, Thousand Oaks, CA;</p> <p>Director: Federal Farm Credit Banks Funding Corporation, issuer of Systemwide debt, Jersey City, NJ;</p> <p>Director: Limoneira Company, a publicly held agribusiness and real estate development Company, Santa Paula, CA;</p> <p>Chair: Ventura County Fairgrounds Foundation, a nonprofit organization, Ventura, CA.</p> |

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

| Name | Term Expires | Principal Occupation and Other Business Affiliations |
|--|--------------|--|
| <p>Sureena S. Bains Thiara ¹</p> <p>Age: 57 Year Service Began: 2023</p> | 2026 | <p>Principal Occupation: Owner: Far Horizon Crop Insurance, a crop insurance company, Yuba City, CA; Owner: Four Leaf Farms LLC, an almond and walnut farming operation, Yuba City, CA; Owner: Manseena Orchards Partnership: a prune and walnut farming operation, Yuba City, CA.</p> <p>Other Business Affiliations: Owner: JKB Enterprises LLC, a prune farming operation, Yuba City, CA; Owner: JKB Holdings LLC, a prune farming operation, Yuba City, CA; Director: Farm Credit System Audit Committee, providing financial audit oversight, Jersey City, NJ.</p> |
| <p>Brandon J. Wittman ^{3,4,9}</p> <p>Second Vice Chair</p> <p>Age: 55 Year Service Began: 2018</p> | 2026 | <p>Principal Occupation: Chief Executive Officer and General Manager: Yellowstone Valley Electric Cooperative, Inc., an electric distribution cooperative, Huntley, MT.</p> <p>Other Business Affiliations: Director: The Farm Credit Council, a national trade association, Washington, D.C.; Customer Advisory Committee Member: Border States Electric, a utility material supply service provider, Bismarck, ND; Manager's Advisory Committee Member: Central Montana Electric Power Cooperative, a wholesale power supplier, Great Falls, MT; Advisory Committee Member: Highlands College of Montana Tech Lineman Program, an educational institution, Butte, MT; Director: Montana Electric Cooperatives Association, an electric cooperatives statewide association, Great Falls, MT; Director: Montana Land Information Advisory Council, advises the State Librarian and the State Library Commission, Helena, MT.</p> |

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

Compensation of Directors

The CoBank Board's director compensation program, developed in consultation with Pay Governance LLC, a third-party compensation consultant, provides a compensation package that the Board believes is fair and reasonable and enables the recruitment and retention of individuals to the Bank's Board with the requisite expertise and experience to represent shareholder interests. The program is based on the Bank's director compensation philosophy, which utilizes a benchmarking approach and methodology based on data about market levels of director compensation. The program provides for compensation in the form of cash retainers to be paid in quarterly installments, and directors may elect to defer payment of all or part of their director compensation in accordance with agreements and applicable law. The director compensation program covers attendance at all Board and committee meetings, customer and trade association meetings and special assignments. CoBank's director compensation program also allows special compensation in excess of the retainers described below only in the event that exceptional circumstances or demands are placed on the time of Board members, and only if approved by the Board. Directors' compensation is reduced by \$5,000 for an unexcused absence at any regular Board meeting or Board planning meeting or any other required meeting. The director compensation philosophy and program are reviewed by the Compensation and Human Resources Committee which recommends adjustments to retainers and fees, when warranted. Special compensation for Board members, if any, due to exceptional demands placed on the time of Board members is recommended by the Governance Committee. In addition, the Governance Committee provides guidance to the Board chair in determining whether to excuse an absence or reduce a director's compensation for a missed meeting. The Board approves changes to compensation and special compensation, if any.

For 2025, director compensation was comprised of a cash retainer for all Board members in the annual amount of \$140,000, plus an additional retainer paid to Board officers and committee chairs. The Board chair received a \$50,000 retainer while each of the Board vice chairs received a \$25,000 retainer. The Audit Committee chair received a \$30,000 retainer. The Compensation and Human Resources Committee chair, the Risk Committee chair and the Governance Committee chair each received a \$20,000 retainer. The Executive Committee chair received a \$10,000 retainer in addition to the retainer received for serving as Board chair. The Board approved special compensation of \$2,000 for Board members who served on the Board Restructuring Committee in 2025. In addition, the Board approved special compensation of \$5,000 for the chair of the Board Restructuring Committee, and approved special compensation of \$1,000 for the Board chair for serving in an ex officio capacity on the Board Restructuring Committee in 2025. The Board adopted and maintains a policy regarding director compensation, which provides that compensation will be reduced by \$5,000 for unexcused absences at regular board meetings or other required meetings. Pursuant to this policy, the Board did not approve any adjustments for unexcused absences in 2025. Additional information for each director who served during 2025 is provided in the following table.

Current CoBank policy regarding reimbursements for travel, subsistence and other related expenses states that for meetings designated by the Board and approved special assignments, Board members shall be reimbursed for reasonable travel and related expenses that are necessary and that support CoBank's business interests. As may be appropriate, CoBank may share in the reimbursement of expenses with other organizations. A copy of CoBank's policy is available to shareholders upon request to the Bank's Office of General Counsel. The aggregate amount of reimbursement for travel, subsistence and other related expenses for all directors as a group was \$678,726, \$520,544 and \$417,526 for the years ended December 31, 2025, 2024 and 2023, respectively.

Board of Directors Disclosure as of December 31, 2025

CoBank, ACB

The following table presents the number of days served at Board meetings and other official CoBank activities, and compensation paid to each director for the year ended December 31, 2025.

| Name of Director | Number of Days Served at Board Meetings | Number of Days Served in Other Official CoBank Activities | Total Compensation Paid During 2025 |
|--|---|---|-------------------------------------|
| Duane R. Anderson | 22 | 28 | \$140,000 |
| Matthew W. Beaton ⁽¹⁾⁽²⁾ | 20 | 26 | \$162,000 |
| Michael S. Brown ⁽³⁾ | 20 | 24 | \$170,000 |
| Russell G. Brown | 20 | 45 | \$140,000 |
| Susan K. Doverspike ⁽⁴⁾ | 26 | 33 | \$140,000 |
| William M. Farrow III | 20 | 11 | \$140,000 |
| Scott R. Hendrix | 22 | 42 | \$140,000 |
| Jason T. Lay | 21 | 37 | \$140,000 |
| Michael W. Marley ⁽¹⁾⁽⁵⁾ | 20 | 18 | \$147,000 |
| Jon E. Marthedal ⁽¹⁾⁽⁴⁾ | 20 | 38 | \$147,000 |
| Robert N. McLennan | 21 | 13 | \$140,000 |
| Gary A. Miller ⁽¹⁾ | 20 | 33 | \$142,000 |
| Catherine Moyer ⁽⁴⁾⁽⁶⁾ | 22 | 19 | \$160,000 |
| Scheherazade S. Rehman ⁽⁷⁾ | 2 | - | \$35,000 |
| Kevin A. Still ⁽¹⁾⁽⁸⁾⁽⁹⁾ | 21 | 33 | \$201,000 |
| Edgar A. Terry ⁽⁴⁾⁽¹⁰⁾ | 20 | 27 | \$165,000 |
| Sureena S. Bains Thiara ⁽¹⁾ | 19 | 13 | \$142,000 |
| Brandon J. Wittman ⁽¹⁾⁽⁴⁾⁽¹¹⁾⁽¹²⁾ | 20 | 49 | \$187,000 |
| Total | 356 | 489 | \$2,638,000 |

⁽¹⁾ Ms. Bains Thiara and Messrs. Beaton, Marley, Marthedal, Miller, and Wittman received \$2,000 in special compensation for service on the CoBank Board Restructuring Committee during the 2025 calendar year. Furthermore, Mr. Marthedal received an additional \$5,000 in special compensation for work as Chair of the Board Restructuring Committee. Mr. Still, who served in an ex officio capacity to the Committee, received \$1,000 in special compensation for service in that capacity.

⁽²⁾ Mr. Beaton received a \$20,000 retainer for service as the Chair of the Risk Committee.

⁽³⁾ Mr. Brown received a \$30,000 retainer for service as the Chair of the Audit Committee.

⁽⁴⁾ In 2025, these directors represented CoBank's interests by serving on the boards of various trade groups and other organizations important to the Bank. Days of service related to these activities and compensation received (if any) are not included in this report.

⁽⁵⁾ Mr. Marley received \$5,000 in connection with completing certain director training in December 2024; this amount was approved to be paid in 2025 by the Governance Committee.

⁽⁶⁾ Ms. Moyer received a \$20,000 retainer for service as the Chair of the Compensation and Human Resources Committee.

⁽⁷⁾ Dr. Rehman served on the Board for a portion of the year. Dr. Rehman resigned from the Board on March 31, 2025.

⁽⁸⁾ Mr. Still received a \$50,000 retainer for service as the Chair of the Board.

⁽⁹⁾ Mr. Still received a \$10,000 retainer for service as the Chair of the Executive Committee.

⁽¹⁰⁾ Mr. Terry received a \$25,000 retainer for service as the First Vice Chair of the Board.

⁽¹¹⁾ Mr. Wittman received a \$25,000 retainer for service as the Second Vice Chair of the Board.

⁽¹²⁾ Mr. Wittman received a \$20,000 retainer for service as the Chair of the Governance Committee.

Senior Officers as of December 31, 2025

CoBank, ACB

Thomas E. Halverson, Chief Executive Officer

Mr. Halverson, 61, was appointed chief executive officer effective January 1, 2017. Mr. Halverson also served as president from March 6, 2017 until January 24, 2025. Mr. Halverson is responsible for implementing the Bank's strategic and business direction as set by the Board of Directors. Prior to his current position, Mr. Halverson was CoBank's chief banking officer. Before joining CoBank in July 2013, Mr. Halverson spent more than 15 years with Goldman Sachs, most recently as managing director and chief of staff for Goldman Sachs Bank USA. Prior to that he served in a variety of executive positions at the firm, including head of credit risk management for Goldman Sachs in Asia ex-Japan. Before joining Goldman Sachs, Mr. Halverson served as principal credit officer for country risk at the European Bank for Reconstruction and Development. Mr. Halverson serves on the Board of Directors of the Federal Farm Credit Banks Funding Corporation and is Chair of the Business Practices Committee and member of the Executive and Risk Management Committees of the President's Planning Committee (PPC) of the Farm Credit System. He also serves on the Executive Council and as Chair of the Investment Committee of the National Council of Farmer Cooperatives, as an advisor to the Board of the Innovation Center for U.S. Dairy, and is a member of the Board of Trustees of the Graduate Institute of Cooperative Leadership of the University of Missouri.

Eric Itambo, President

Mr. Itambo, 55, was appointed president effective January 24, 2025. He is responsible for the Bank's commercial banking franchise and strategies, banking products and services, capital markets, Farm Credit Banking and corporate sustainability. Prior to his current position, Mr. Itambo was CoBank's chief banking officer beginning on July 1, 2018. Before joining CoBank, Mr. Itambo was Managing Director and U.S. Head, Commercial Lending Management for Citigroup's Global Commercial Banking Group. Mr. Itambo spent over 20 years with Citigroup, during which he built extensive experience in corporate and investment banking, capital markets, commercial banking and commercial real estate finance businesses, including risk and portfolio management. Mr. Itambo serves as Chair of the Board of Directors of Farm Credit Leasing.

Deboleena Bose, Chief Human Resources Officer

Ms. Bose, 54, was appointed chief human resources officer effective August 17, 2020. She leads CoBank's human capital strategy; aligning talent, leadership, and organizational design to support the CoBank's long-term strategy and cooperative mission. Her work advances a high-performing, inclusive culture where a diverse workforce can grow and thrive. She is a member of CoBank's Management Executive Committee and supports the Board's Compensation and Human Resources Committee. Prior to joining CoBank, Ms. Bose served as Vice President of Human Resources for Michigan-based Whirlpool Corporation. Previously, Ms. Bose spent over two decades with General Electric in various positions in Asia, Europe and North America, including six years leading human resources for the global onshore wind business of General Electric's renewable energy portfolio.

Sean Burke, Chief Financial Officer

Mr. Burke, 54, was appointed chief financial officer of CoBank effective July 16, 2024. Mr. Burke is responsible for directing CoBank's financial affairs and developing its overall financial position. He oversees the treasury, financial planning and analysis, capital planning, accounting, tax and financial reporting functions of the Bank. Prior to joining CoBank, Mr. Burke served as Managing Director and Co-Head of North American Banks at Barclays where he led investment banking coverage for banking clients, advising on mergers and acquisitions, capital raising and other corporate transactions. Before that, Mr. Burke spent seven years as Chief Financial Officer of Investors Bancorp, a commercial bank headquartered in New Jersey, until its acquisition by Citizens Financial Group in 2022. Previously, Mr. Burke held senior investment banking positions at RBC Capital Markets, Citigroup and Lehman Brothers. Mr. Burke began his career in public accounting as a licensed CPA within the financial services audit practice of Ernst & Young.

Senior Officers as of December 31, 2025

CoBank, ACB

Brett A. Challenger, Chief Banking Officer

Mr. Challenger, 59, was appointed Chief Banking Officer on August 1, 2025. In this role, Mr. Challenger is responsible for the Bank's commercial banking franchise and strategies, banking products and services, and capital markets. He previously served as the Executive Vice President for the Bank's Infrastructure Banking Group, serving the needs of infrastructure cooperatives and businesses that specialize in power, communications, water and waste, commodity export and supply chain financing and prior to that he managed the Regional Agribusiness Banking Group that specializes in serving the needs of agricultural cooperatives and other commercial agribusinesses that process, market, transport and export agricultural commodities. Before joining CoBank, Mr. Challenger was a senior vice president and principal, serving as a key member of the initial management team of Duke Capital Partners, LLC. Prior to that, he served as the managing director and co-head of the energy and power group at Bank of America/Banc of America Securities, LLC.

Timothy M. Curran, Chief Risk Officer

Mr. Curran, 59, was appointed chief risk officer effective June 1, 2017. Mr. Curran is responsible for the Bank's risk management framework, including significant policies and practices, and leadership on overall risk governance and mitigation in areas including credit, operational, asset/liability, market, liquidity, fraud and anti-money laundering, enterprise security, business continuity and insurance risk. Prior to joining CoBank, Mr. Curran was the head of risk management for the Treasury and Trade Solutions business at Citigroup (Citi). Previously, Mr. Curran served in additional senior roles at Citi which included Chief Risk Officer for Citi Holdings, Global Industry Risk Head for Power, Energy, Chemicals and Mining & Metals and Global Market Risk Management of Commodities and Commodity Derivatives. Prior to joining Citigroup in 2003, he worked in risk management and other leadership roles for FleetBoston Financial Corp., BankBoston (both now Bank of America) and Cargill. He serves on the Board of Governors of the Farm Credit System Association Captive Insurance Company. Mr. Curran received a commission as an officer in the U.S. Army achieving the rank of Captain. Mr. Curran is a Chartered Financial Analyst and received a Bachelors and Masters in Finance.

Brenda K. Frank, Executive Vice President, Farm Credit Banking

Ms. Frank, 54, was appointed executive vice president of Farm Credit Banking effective April 30, 2021. In this role, Ms. Frank is responsible for CoBank's funding relationships with the Bank's affiliated Associations and other Farm Credit institutions as well as cash management services and Farm Credit Leasing. Ms. Frank was formerly the President and CEO of Yankee Farm Credit, ACA, one of CoBank's affiliated Associations. For 10 years prior to joining the Association, she directed Farm Credit Canada's Western Provinces commercial lending and point-of-sale functions. In that role she worked closely with the board of directors to create long-term business strategy and develop enterprise risk management and corporate planning processes. Ms. Frank began her career in agriculture with managing the family farm in Minnesota. She has also held roles in sales and IT with Syngenta, and managed grain marketing and agronomy sales at Cargill.

Andrew D. Jacob, Chief Operating Officer

Mr. Jacob, 65, was appointed chief operating officer effective September 1, 2019. He is responsible for operations, technology, data, innovation, product management, government affairs, corporate communications, strategic analysis, industry research, and corporate social responsibility, as well as internal controls and operational risk oversight for the COO Group. He previously served as chief regulatory, legislative and compliance officer managing government and regulatory affairs, compliance, enterprise security, financial crimes and fraud risk, and corporate ethics. Before CoBank, he spent nearly 25 years at the Farm Credit Administration, holding leadership roles in examination, policy, and secondary market oversight. Mr. Jacob is a Chartered Financial Analyst and Scaled Agilist. On January 23, 2026, Mr. Jacob announced his retirement from CoBank, effective March 20, 2026.

Senior Officers as of December 31, 2025

CoBank, ACB

**M. Mashenka Lundberg,
Chief Legal Officer and General Counsel**

Ms. Lundberg, 58, was appointed chief legal officer effective January 1, 2017 and has served as general counsel since February 18, 2014. She is responsible for all aspects of CoBank's legal function, including providing legal counsel to all areas of CoBank's business operations. Ms. Lundberg also oversees the Bank's board relations and regulatory functions and the Legal and Loan Processing Division. Prior to joining CoBank, Ms. Lundberg was a partner with the law firm of Bryan Cave from 2012 to 2014. Prior to that time, Ms. Lundberg was a partner with the law firm of Holme Roberts & Owen and served as the firm's General Counsel and also on the firm's Executive Committee. She has extensive experience in the field of corporate law and represented a wide range of corporate clients in a variety of transactions during her career in private practice.

**Michael L. Short,
Chief Credit Officer**

Mr. Short, 64, was appointed the chief credit officer effective January 1, 2019. Mr. Short had previously served as the interim chief credit officer from August 2018. As chief credit officer, he is responsible for all of CoBank's credit approval and credit related administrative functions including loan approval, credit support and analysis, credit guidelines, credit training, loan compliance and monitoring, collateral audit and special assets. Prior to serving as the interim chief credit officer, he was the senior vice president of credit approvals from June 2017 to August 2018 and has held leadership positions in Capital Markets and Special Assets since joining CoBank in 2013. He began his financial services career with Bank of America, and went on to John Hancock, where he held several senior positions during his eleven years there. On September 2, 2025, Mr. Short announced his retirement from CoBank, effective April 1, 2026.

**Steven W. Wittbecker,
Chief Sustainability Officer**

Mr. Wittbecker, 52, was appointed chief sustainability officer effective March 15, 2022. In this role, Mr. Wittbecker is responsible for defining CoBank's long-term sustainability strategy and the development and execution of related policies and practices. Prior to this role, Mr. Wittbecker served as CoBank's chief audit officer for 10 years, overseeing the Bank's internal audit and asset review functions working collaboratively with functional leaders across the enterprise. He joined CoBank in 2011, after serving as a Director in PricewaterhouseCoopers' Risk Assurance practice for over eight years.

Senior Officers Compensation Discussion and Analysis

CoBank, ACB

Overview

This section describes the compensation programs for CoBank’s Chief Executive Officer (CEO) and other senior officers, as defined by FCA regulations (collectively, senior officers), as well as those programs for any highly compensated employees as defined by FCA regulations. This section also presents the compensation earned by our CEO, as well as aggregate compensation earned by our other senior officers and any highly compensated employees, for the years ended December 31, 2025, 2024 and 2023.

The Board of Directors, through its Compensation and Human Resources Committee (Committee), has adopted a total compensation philosophy for the Bank. Our total compensation philosophy is intended to align the interests of our senior officers with those of our shareholders and is more fully described below. We accomplish this by providing incentive compensation that rewards performance in relation to the business and financial plan established by our Board of Directors.

Our compensation programs contain a number of elements that are aligned with “best practices” for executive compensation, including:

- The majority of total compensation for senior officers is delivered through performance-based, variable incentive programs – for 2025 the CEO’s target total direct compensation mix was approximately 18 percent base salary and 82 percent performance-based, variable incentives;
- A substantial portion of performance-based, variable compensation is based on three-year performance goals in the Long Term Incentive Plan (LTIP);
- We have an incentive compensation recovery (“clawback”) provision for all members of the Bank’s Management Executive Committee, including the CEO as well as other senior leaders in the bank;
- Award levels for the short-term and long-term incentive plans are “capped”;
- The formulaic maximum payout for the annual short-term incentive plan is 225 percent of target and the maximum payout is 150 percent of target for the long-term incentive plans;
- There is a ten percent discretionary upward or downward modification that the Committee may apply within the short-term and long-term incentive plans to provide adjustments based on business circumstances;
- The short-term and long-term incentive plans have a minimum return on active patron stock investment and total capital ratio that must be achieved before any incentives can be earned;
- As of December 31, 2025, no employees were employed subject to the terms of an employment agreement; and
- The Committee engages an independent executive compensation consultant to provide competitive benchmark data, advise on strategic compensation matters, administer the CEO performance evaluation and conduct an annual assessment of compensation related risks.

We believe these elements balance our risk profile with total compensation while aligning our compensation program with our shareholders’ long-term interests and best practices in governance of executive compensation.

As described in the “Financial Condition and Results of Operations” section of Management’s Discussion and Analysis on page 34 of this Annual Report, in 2025 CoBank reported solid financial performance while fulfilling its mission in a safe and sound manner. As a result of our performance, our short-term incentive plan for 2025 was funded between the target and maximum award level based upon performance goals set at the beginning of 2025. In addition, based on strong performance in the 2023 through 2025 period against performance goals set at the beginning of 2023, our long-term incentive plan was funded between the target and maximum award level. These and other elements of our senior officers’ compensation are explained below.

Compensation Philosophy and Objectives

The Bank’s total compensation philosophy is designed to maintain a compensation program that will:

- Attract, motivate and retain talented, strong performing associates who are aligned with serving our mission;
- Provide accountability and incentives for achievement of business objectives;
- Link compensation to Bank performance and increased shareholder value;
- Properly balance the risk profile of the Bank with both short-term and long-term incentives;
- Create a culture of adherence to core values and strong ethical behavior; and

Senior Officers Compensation Discussion and Analysis

CoBank, ACB

- Enhance management of risk and accountability through a clawback provision for all top executive incentive payouts.

The total compensation philosophy seeks to achieve the appropriate balance among market-based salaries, benefits and variable incentive compensation designed to incent and reward both the current and long-term achievement of our Flywheel Strategic Business Objectives, business and financial plans and mission fulfillment. It also seeks to incent prudent risk taking within Board-established parameters with the proper balance and accountabilities between short-term and long-term business performances. For senior officers, CoBank strives to deliver a significant portion of total target compensation through performance-based pay, with the actual proportion of total compensation provided through both short-term and long-term incentives varying with actual financial performance, the achievement of Board-approved Flywheel Strategic Business Objectives and each senior officer's individual performance. We believe this philosophy fosters a performance-oriented, results-based culture wherein compensation varies from one year to the next on the basis of actual results achieved. We also find that this variable performance-based compensation approach is properly aligned with an acceptable risk profile and shareholder returns.

Process for Compensation Decisions

The Board of Directors has established the Committee to oversee the design, implementation and administration of compensation, benefits and human capital programs for CoBank. The Committee meets regularly to execute the responsibilities of its charter. The Committee reviews the performance of the Bank's CEO semi-annually, and the Board of Directors approves the compensation level of the CEO, comprised of base salary, benefits and short-term and long-term incentive compensation. The CEO is responsible for setting the compensation levels of the Bank's Management Executive Committee, who, in turn, are responsible for the compensation of all other employees. In addition, the Committee reviews the compensation of the members of the Management Executive Committee and reviews and approves for recommendation to the Board of Directors the Bank's incentive plans.

The Committee generally makes a final decision regarding the CEO's incentive compensation in its February meeting to fully take into consideration the prior-year's corporate performance and results of the formal evaluation of CEO performance conducted by the Board. The Committee utilizes an independent advisor to annually compare the CEO's compensation level to a select peer group of financial institutions. This evaluation helps ensure that such compensation is appropriate for the CEO's experience and competencies and is competitive with positions of similar scope and complexity at relevant financial institutions. The comparative peer group is composed of companies with significant corporate and commercial lending activities, and which have other similar characteristics such as asset size, net income and significant customer relationships.

For 2025, the Committee engaged Pay Governance LLC (Consultant) directly to serve as its independent advisor on executive and Board compensation matters. Periodically, the Committee conducts a review process related to the selection of the Committee's independent advisor and on an annual basis, the Committee assures the qualifications and independence of the Consultant as an independent and objective advisor. For 2025, Pay Governance did not provide any other services to CoBank that were not approved in advance by the Committee and only provides advice related to compensation matters. In 2025, the Committee conducted a request for proposal process related to the selection of the Committee's independent compensation advisor and chose to retain Pay Governance LLC after evaluating three firms and conducting a robust due diligence process.

Senior Officers Compensation Discussion and Analysis

CoBank, ACB

Components of CoBank Total Compensation Program

Given the cooperative ownership structure of CoBank, no equity or stock-based plans are used to compensate any employee, including senior officers. Senior officers' compensation primarily consists of four components – salary, short-term incentive plan, long-term incentive plan and retirement benefits – as described below. All employees participate in salary, the short-term incentive plan and retirement benefits, while senior officers and specified other key employees are also eligible to participate in the long-term incentive plan. All senior officers can elect to defer certain incentive payments through a nonqualified deferred compensation plan. In addition, senior officers are eligible for specific supplemental retirement benefits, as discussed on page 189.

| Overview of Senior Officers' Compensation | | |
|---|---|---|
| Component | CoBank Philosophy | Design Characteristics |
| Salary | <ul style="list-style-type: none"> Market-based compensation Provides a foundation for other components Competitive relative to positions of similar scope and complexity at a select peer group of financial institutions Reflects individual performance, competencies and responsibilities | <ul style="list-style-type: none"> Traditional salary structure with salary ranges for each role Structure reviewed annually Salaries based on market and individual performance Merit budgets based on market and other factors |
| Short-Term Incentive Plan | <ul style="list-style-type: none"> Links rewards to achievement of annual goals Recognizes corporate and individual performance Aligns the interests of shareholders and senior officers through bank-wide financial and Flywheel Strategic Business Objectives Balances short-term results with the risk profile of the Bank Links pay to performance outcomes Establishes competitive incentive opportunities relative to peers | <ul style="list-style-type: none"> Multiple financial, operational and strategic metrics Discretionary component (within a range) to allow for adjustments by the Committee based on business circumstances Awards are capped One-year performance period Minimum performance for each goal required Minimum return on active patron stock investment of 11 percent and total capital ratio of 11.5 percent must be achieved in each year of the plan for a plan to fund Individual payouts require minimum individual performance level and are based on equal weighting of individual and corporate performance Clawback provision for the Bank's Management Executive Committee, including the CEO and other senior leaders Committee review of risk management scorecard when considering corporate performance factor |

Senior Officers Compensation Discussion and Analysis

CoBank, ACB

| Overview of Senior Officers' Compensation (continued) | | |
|--|---|---|
| Component | CoBank Philosophy | Design Characteristics |
| Long-Term Incentive Plan | <ul style="list-style-type: none"> Provides opportunities for compensation tied to CoBank's sustained performance Provides balance through emphasis on long-term results, compared to short term orientation of annual short-term incentive plan Encourages longer-term retention of plan participants Promotes the creation of profitable growth in shareholder and customer value, and enhances the sustainability of CoBank to serve its customers while providing proper balance to the risk profile of the Bank Aligns the interests of shareholders and senior officers through bank-wide financial and Flywheel Strategic Business Objectives Links pay to performance outcomes Establishes competitive incentive opportunities relative to peers | <ul style="list-style-type: none"> Multiple financial, operational and strategic metrics Discretionary component (within a range) to allow for adjustments by the Committee based on business circumstances Awards are capped Three-year performance periods New plan starts each year (plans overlap) Minimum performance for each goal required Minimum return on active patron stock investment of 11 percent and total capital ratio of 11.5 percent must be achieved in each year of the plan for the plan to fund No individual or business unit performance factors are considered in determining payouts Individual performance is contemplated in determining participation in the plan Clawback provision for the Bank's Management Executive Committee, including the CEO and other senior leaders |
| Retirement Benefits | <ul style="list-style-type: none"> Provide for a source of income after retirement Encourage longer-term retention of employees Provide for competitive total compensation opportunities over the employee's career | <ul style="list-style-type: none"> Benefits vary based on date of hire Senior officers hired prior to January 1, 2007 participate in a defined benefit plan and supplemental retirement plan Senior officers hired on or after January 1, 2007 do not participate in a defined benefit plan but receive additional, non-elective employer contributions to the 401(k) retirement savings plan Other retirement benefits include a 401(k) retirement savings plan Clawback provision for the Bank's Management Executive Committee, including the CEO and other senior leaders |

Senior Officers Compensation Discussion and Analysis

CoBank, ACB

Salary

Overview

Salary Considerations

- Individual performance, competencies and experience
- Maintenance or expansion of responsibilities and scope of position
- Peer group data and internal equity
- Overall CoBank merit increase budget, as applicable, based on market and other factors

Salaries represent a foundational component of CoBank's total compensation program, as the value of other components is determined in relation to base salary. Senior officer salaries are market-based and established taking into consideration individual performance, the specific competencies and experience the senior officer brings to CoBank, the responsibilities and scope of the position, peer group data and internal equity. Salaries for senior officers are reviewed annually and adjusted if necessary.

Short-Term (Annual) Incentives

Overview

Short-Term Incentive Plan (STIP)

- All employees are eligible to participate
- Corporate and individual performance weighted equally
- Corporate financial performance measures are: profitability, loan quality, return on equity and Flywheel Strategic Business Objectives
- Board of Directors also provides subjective evaluation related to achievement of the Bank's Flywheel Strategic Business Objectives
- Risk Committee input considered in plan funding discussion
- The Committee retains the discretion to apply a ten percent subjective upward or downward modification to the corporate performance factor

Short-term incentive payments are based on a combination of annual corporate and individual performance. The short-term incentive plan aligns the interests of shareholders and employees through the establishment of a balanced scorecard of bank-wide and Flywheel Strategic Business Objectives. Under the terms of the plan, a minimum return on active patron stock investment of 11 percent and a minimum total capital ratio of 11.5 percent must be achieved for the plan year in order for a payout to be approved, ensuring that shareholders are rewarded first.

The actual short-term incentive award is determined as follows:

Salary × Individual Annual Short-Term Incentive Target × Corporate Performance Factor × Individual Performance Factor*

*Discretionary adjustments for Business Unit performance are applied to select participants with specific Business Unit alignment.

Based on the formulaic outcomes of the corporate and individual performance factors, participants can earn from zero to 225 percent of their individual annual short-term incentive target. Payments are typically made during March but always following the end of the year to which the award is applicable. Participants are not eligible to receive a short-term payout if they are no longer employed by CoBank sixty (60) calendar days after the close of the performance period, unless otherwise provided for in an agreement. The key elements of the actual payout are described below.

- *Individual Annual Short-Term Incentive Target* — Annual short-term incentive targets are set for all employees at the beginning of the year. For the 2025 performance period, the target short-term incentive level for the CEO was 125 percent of salary. For the other senior officers, the targets ranged from 50-110 percent.
- *Corporate Performance Factor* — The corporate performance factor is determined by the Committee, at the end of the year based on annual actual business results relative to a balanced scorecard of financial measures and Flywheel Strategic

Senior Officers Compensation Discussion and Analysis

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Business Objectives, as established at the beginning of each year by the Board of Directors.

- *Risk Committee Review Prior to Finalizing Incentive Funding* — The Chair of the Compensation and Human Resources Committee reviews the Enterprise Risk Scorecard with the Chair of the Risk Committee to ensure satisfactory results are achieved prior to approving funding for incentive plans.

CoBank utilizes a balanced scorecard for measuring short-term performance to emphasize overall success in executing our strategy and managing risks. The short-term incentive corporate scorecard establishes certain key performance indicators, of which 60 percent focus on the achievement of specified financial measures related to profitability and loan quality, and 40 percent focus on the achievement of the Flywheel Strategic Business Objectives. The Committee determines the final performance result, or corporate performance factor, by comparing the actual performance of each measure to the targets established at the beginning of the year and taking into consideration any discretionary adjustments proposed by the CEO. Each scorecard performance measure is weighted separately. The formulaic results of the performance factor can vary from zero to 150 percent, depending on performance against the targets and without any application of the ten percent discretionary element available to the Committee. The Committee determines the extent to which the Flywheel Strategic Business Objectives and the Corporate Performance Factors have been achieved. The 2025 short-term incentive corporate scorecard is as follows:

| 2025 Short-Term Incentive Corporate Scorecard | |
|--|---------------|
| Performance Measure | Weight |
| Adjusted Net Income* | 30 % |
| Adjusted Return on Common Equity** | 20 |
| Flywheel Strategic Business Objectives | 40 |
| Loan Quality (Adverse Loans Ratio) | 10 |

*Adjusted Net Income = Net Income +/- Provision (Reversal) For Credit Losses (Net of Taxes) - Net Charge-offs
**Adjusted Return on Common Equity = (Adjusted Net Income - Preferred Stock Dividends) / (Average Total Shareholders' Equity - Average Preferred Stock +/- Average Accumulated Other Comprehensive Loss/Income)

- *Individual Performance Factor* — At the beginning of each year, all CoBank employees, including the CEO and other senior officers, establish individual goals they seek to achieve that year in support of the business. These individual goals are anchored to the Bank's business and financial plan, as well as the Bank's Flywheel Strategic Business Objectives and also include key behavioral expectations appropriate for that employee. The CEO is responsible for administering the short-term incentive plan and approves the individual performance factors of the other senior officers. The Board of Directors approves the goals and individual performance factor of the CEO. The assessment of an individual's actual performance with respect to his or her annual goals is reflected as an individual performance factor and ranges from zero to 150 percent.

For 2025, CoBank performed between the target and maximum award levels on two corporate performance goals and between the threshold and target award level on two corporate performance goals.

The actual short-term incentive awards for 2025, 2024 and 2023 for the CEO, other senior officers and any highly compensated employees are presented in the Summary Compensation Table on page 192.

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Long-Term Incentives

Overview

Long-Term Incentive Plan (LTIP)

- Awards based upon corporate performance for overlapping three-year periods
- Corporate financial performance measures are balanced: profitability, loan quality, and Flywheel Strategic Business Objectives
- Board of Directors provides subjective evaluation related to the achievement of Flywheel Strategic Business Objectives
- The Committee retains the discretion to apply a ten percent subjective upward or downward modification to the corporate performance factor
- A minimum return on active patron stock investment of 11 percent, ensuring that shareholders are rewarded first, as well as a minimum total regulatory capital ratio of 11.5 percent must be achieved in each year of the three-year performance period for the plan to fund

CoBank utilizes a long-term incentive compensation plan that provides senior officers and specified other key employees with the opportunity for compensation tied to CoBank's sustained success. The long-term incentive plan provides accountability and balance for the annual outcomes measured in the short-term plan. Participants in the long-term plan directly influence the outcomes of actions and risks taken during each three-year performance period, which provides the proper balance between short-term results and long-term value creation. Eligibility for participation is limited to those individuals who have the ability to drive the success of strategies critical to long-term value creation for shareholders. The purpose of this plan is to encourage retention of plan participants, to promote the creation of sustainable and profitable growth in shareholder and customer value, and to enhance the ability of CoBank to serve its customers while providing proper balance to the risk profile of the Bank. The long-term incentive plan aligns the interests of shareholders with those of senior officers and key employees through the establishment of bank-wide financial targets and Flywheel Strategic Business Objectives, and reinforces a long-term focus on financial performance, strategic positioning and risk management.

Long-term incentive plan payouts are based solely on corporate performance over a three-year performance period, as defined by CoBank's long-term corporate scorecard. The Board of Directors, in connection with the annual business and financial plan, establishes the long-term performance metrics at the beginning of each three-year performance period and the Flywheel Strategic Business Objectives at the beginning of each year of the three-year performance period.

The actual long-term incentive award is determined as follows:

Individual Long-Term Incentive Dollar Target x Corporate Performance Factor

Based on the corporate performance factor, participants can earn from zero to 150 percent of their individual long-term incentive target. Payments are typically made during March of each year following the end of the three-year performance period to which the award is applicable. Participants are eligible to receive a prorated award at the time of the scheduled payout if they are no longer employed at CoBank at the time of payment and their termination meets plan eligibility requirements for reasons related to retirement, death or disability, or if otherwise provided for in an agreement. Participants are not eligible to receive any payment at the time of the scheduled payout if they are no longer employed by CoBank and do not otherwise meet the eligibility requirements for payment. The key elements of the actual payout are described below.

- *Individual Long-Term Incentive Dollar Target* — Long-Term Incentive Dollar Target amounts are determined by the CEO based on the value expected to be delivered during the incentive plan period and taking into consideration individual performance. Nominations are proposed by the Management Executive Committee members and approved by the CEO. Participants are considered based on the value they are expected to create for the Bank and its shareholders.
- *Corporate Performance Factor* — Corporate performance is determined by the Committee at the end of a designated three-year period based on actual business results relative to a balanced scorecard of bank-wide financial measures established at the beginning of the three-year performance period, and Flywheel Strategic Business Objectives, as established at the beginning of each year of the three-year performance period by the Board of Directors. The Committee retains the right to make adjustments to the corporate performance factor by applying an upward or downward adjustment of ten percent to the

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corporate performance factor, where appropriate, in addition to providing a subjective performance result for the achievement of Flywheel Strategic Business Objectives.

CoBank utilizes a balanced scorecard for measuring long-term corporate performance to emphasize overall success in executing our strategy and managing risks. The long-term incentive corporate scorecard establishes certain key performance indicators, of which 80 percent focus on the achievement of specified financial measures established at the beginning of the three-year performance period related to profitability and loan quality, and 20 percent focus on the achievement of the Flywheel Strategic Business Objectives that are established at the beginning of each year of the three-year performance period by the Board of Directors. The Committee determines the final performance result, or corporate performance factor, by comparing the actual performance of each measure to the financial targets established at the beginning of each three-year performance period and using an average of Flywheel Strategic Business Objective results during each year in the three-year performance period, as well as taking into consideration any discretionary adjustments. Each scorecard performance measure is weighted separately. The corporate performance factor can vary from zero to a maximum of 150 percent depending on performance against the targets and without any application of the ten percent discretionary element available to the Committee. The Committee approves the corporate performance factor and funding of the long-term incentive plan based on actual performance relative to target. The long-term corporate incentive scorecards for the three-year performance periods 2023 through 2025, and 2024 through 2026 and 2025 through 2027 are as follows:

| Long-Term Incentive Corporate Scorecards: 2023 – 2025, 2024 – 2026 and 2025 – 2027 Periods | |
|---|---------------|
| Performance Measure | Weight |
| Adjusted Net Income* | 27.5 % |
| Adjusted Return on Common Equity** | 27.5 |
| Flywheel Strategic Business Objectives | 20 |
| Loan Quality (Adverse Loans Ratio) | 25 |

*Adjusted Net Income = Net Income +/- Provision (Reversal) For Credit Losses (Net of Taxes) - Net Charge-offs

**Adjusted Return on Common Equity = (Adjusted Net Income - Preferred Stock Dividends) / (Average Total Shareholders' Equity - Average Preferred Stock +/- Average Accumulated Other Comprehensive Loss/Income)

For the 2023 through 2025 performance period, CoBank performed at the maximum award level on one corporate performance goal and between the target and maximum award level on three corporate performance goals. The actual long-term incentive awards for 2025, 2024 and 2023 for the CEO and other senior officers are presented in the Summary Compensation Table on page 192.

Retirement Benefits

Overview

We have an employer-funded qualified defined benefit pension plan, which is non-contributory and cover employees hired prior to January 1, 2007. Depending on the date of hire, benefits are determined either by a formula based on years of service and final average pay, or by the accumulation of a cash balance account with interest credits and contribution credits based on years of service and eligible compensation. We also have noncontributory, unfunded, nonqualified supplemental executive retirement plans (SERPs) covering one senior officer employed at December 31, 2025, as well as specified other senior managers. For 2025, there were no new executive retirement plans in place. All employees are also eligible to participate in a 401(k) retirement savings plan, which includes employer matching contributions. Employees hired on or after January 1, 2007 receive additional, non-elective employer contributions to the 401(k) retirement savings plan. All retirement-eligible employees under age 65, including senior officers, are also currently eligible for other post-retirement benefits, which primarily include access to health care benefits. Substantially all participants pay the full premiums associated with the post-retirement health care benefits.

Defined Benefit Pension Plan

At December 31, 2025, one senior officer participated in the defined benefit pension plan. Retirement benefits under this plan are calculated assuming payment in the form of a single life annuity with five years certain and retirement at age 65. However, the actual form and timing of retirement benefit payments are based on participant elections. The plan requires five years of service to become

Senior Officers Compensation Discussion and Analysis

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vested. The senior officer participating in the defined benefit pension plan had been employed for more than five years and, as such is fully vested in the plan.

For the senior officer, benefits are determined by the accumulation of a cash balance account with interest credits and contribution credits based on years of service and eligible compensation. The accrued benefit is based on the contribution credits which are calculated annually using the participant's years of vesting service and compensation as of the last day of the year. This senior officer's contribution credit is currently 7 percent of compensation. Interest credits are credited to the cash balance account as of the first day of the plan year equal to the average yield on ten-year U.S. Treasuries using a four-month look-back period.

Federal laws limit the amount of compensation we may consider when determining benefits payable under the qualified defined benefit pension plan. We maintain SERPs that pay the excess pension benefits that would otherwise have been payable under our qualified defined benefit pension plan.

Nonqualified Deferred Compensation Plan

We have a nonqualified deferred compensation plan that allows senior officers and other eligible key employees to defer all or a portion of their incentive compensation. Additionally, the Bank makes contributions to this plan on behalf of participants whose benefits under the 401(k) retirement savings plan are limited by federal law or who defer short-term incentive plan payments. The Bank's contributions are made at the same employer contribution percentages as provided under the 401(k) retirement savings plan. The compensation that is deferred and the employer contributions are invested in the available investment options selected by the participants. These investment options are similar to those available to all participants in the Bank's 401(k) retirement savings plan. The participant is subject to all risks and returns of amounts invested. The election to defer is irrevocable and the deferred amounts are paid pursuant to the participant's elections made in accordance with applicable law. If the death of a participant occurs before the entire benefit has been distributed, the undistributed portion will be paid to the participant's beneficiary.

Compensation Risk Management

The Committee considers potential risks when reviewing and approving compensation programs. The Committee approves the total compensation philosophy and programs to ensure there is a proper balance and alignment between the overall acceptable risk profile of the Bank and the manner in which prudent risk taking is reflected in the design of the underlying program. We have designed our compensation programs, including our incentive compensation plans, with specific features to address potential risks while rewarding employees for achieving short-term and long-term financial and strategic objectives through prudent business judgment and appropriate risk taking. The objective is to motivate employees to take prudent risk within Board-approved parameters while ensuring employees are also accountable for the long-term outcomes of their actions. The following elements have been incorporated in our compensation programs available for our senior officers:

- *A Balanced Mix of Compensation Components* – The target compensation mix for our senior officers is composed of salary, short-term incentive, long-term incentive and retirement benefits, representing a mix that is weighted toward long-term performance and service with CoBank.
- *No Separate Production Based Incentive Plans* – The STIP and LTIP are the only incentive plans within CoBank and are funded based upon a balanced scorecard of the Bank's financial and business results. There are no additional "production" or "sales" based incentives tied to number of customers, number of loans, number of products, loan volume or any other metric that solely measures top-line results.
- *Multiple Performance Factors* – Our incentive compensation plans include balanced scorecards of organization-wide financial performance, Business Unit performance and integration with individual performance assessments through our performance management system.
 - Incentive plans include a Board-determined subjective evaluation of our achievement of Flywheel Strategic Business Objectives
 - The short-term incentive is dependent on multiple performance metrics, including a subjective measure of performance against Flywheel Strategic Business Objectives and an assessment of individual performance
 - The long-term incentives are cash-based, with three-year performance metrics to complement our annual short-term incentives

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- The Committee retains discretion to adjust performance factors
 - Targets and ranges of performance for each metric are approved by the Board of Directors prior to the beginning of the performance period
-
- *Multiple Year Performance Measurement* – Our long-term incentives include a three-year performance measurement period that requires sustained corporate performance complemented by a required minimum level of shareholder return and capital threshold in order for the plan to be fully funded.
 - *Caps on Incentive Payments* – Our incentive compensation plan payments are subject to caps that limit the maximum award that may be paid.
 - *Threshold Performance Requirements* – Our incentive compensation plan payments are contingent upon achieving minimum performance levels for each financial performance goal and minimum return on active patron stock investment of 11 percent and minimum total capital ratio of 11.5 percent must be achieved in each year of the plan for the plan to fund.
 - *Threshold Individual Performance Requirements* – Our incentive compensation plans require a minimum individual performance level before a payment may be made for any given performance year.
 - *Compensation and Human Resources Committee Discretion* – The Committee subjectively evaluates the Bank’s achievement of Flywheel Strategic Business Objectives and approves all incentive plan funding following a review of the Bank’s performance against plan performance criteria established and approved prior to the beginning of each year of an incentive plan performance period.
 - *Risk Committee Review Prior to Finalizing Incentive Funding* – The Chair of the Compensation and Human Resources Committee reviews the Enterprise Risk Scorecard with the Chair of the Risk Committee to ensure satisfactory results are achieved prior to approving funding for incentive plans.
 - *Clawback Policy* – Provides for recoupment/recovery of compensation in the event of a financial restatement or other actions (see “Recoupment of Compensation (Clawback)” below).
 - *Fixed Director Compensation Benchmarked to Market Norms* – The director compensation program provides fixed pay levels with no performance incentives to align with common board compensation practices and avoid any potential conflict of interest when the Board of Directors establishes performance goals for Bank incentive programs and evaluates performance of the Bank.

Additionally, the Committee considers an assessment of compensation-related risks for all of our employees, annually. The assessment includes a review of multiple facets of our compensation program including governance practices, program documentation, incentive plan design, processes, employment practices, benefits program and cultural considerations. Reviews of various aspects of our programs are also conducted by independent auditors, whose reports are provided to our Board of Directors. Based on this assessment, the Committee concluded that our compensation plans do not create risks that are reasonably likely to have a material adverse impact on CoBank. In making this conclusion, the Committee reviewed the key design elements of our compensation programs in relation to industry “best practices” as presented by the Consultant, as well as the design features and administrative processes that mitigate any potential risks, such as through our internal controls and oversight by management and the Board of Directors.

Recoupment of Compensation (Clawback)

CoBank has an incentive compensation recovery (“clawback”) policy to encourage the highest ethical standards, to further ensure incentive plans do not encourage excessive risk-taking and to ensure the alignment of compensation with accurate financial data. The policy provides that in the event of a restatement of the financial statements, the Bank may seek recovery from members of the Bank’s Management Executive Committee and other material risk takers of incentive compensation and nonqualified retirement benefits that would not otherwise have been paid if the correct financial information had been used to determine the amount payable. The Board of Directors may only seek recovery or reduction of compensation under this policy within the three-year period following the date the Bank filed the incorrect report. Additionally, the policy includes other circumstances outside of a restatement under which the “clawback” could be enforced which include ethical misconduct, theft, misappropriation, violation of Bank policy, or materially imprudent judgment that caused financial or reputational harm to the Bank, including where the covered executive knowingly failed to take corrective action with regard to other employees under his or her direct control who engaged in such behavior.

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Summary Compensation Table

The following table summarizes compensation earned by our CEO as well as aggregate compensation earned by our other senior officers for the years ended December 31, 2025, 2024 and 2023. Our current Board policy regarding reimbursements for travel, subsistence and other related expenses states that all employees, including senior officers, shall be reimbursed for actual reasonable travel and related expenses that are necessary and that support our business interests. A copy of our policy is available to shareholders of CoBank and of our affiliated Farm Credit Associations upon request.

Summary Compensation Table⁽¹⁾ (\$ in Thousands)

| Name of Individual or Number in Group ⁽²⁾ | Year | Annual | | | Change in Pension Value ^(4,5) | Deferred/Perquisites ⁽⁶⁾ | Other ⁽⁷⁾ | Total |
|---|------|----------|--|---|--|-------------------------------------|----------------------|-----------|
| | | Salary | Short-Term Incentive Compensation ⁽³⁾ | Long-Term Incentive Compensation ⁽³⁾ | | | | |
| CEO: | | | | | | | | |
| Thomas E. Halverson | 2025 | \$ 920 | \$ 2,095 | \$ 3,763 | \$ - | \$ 365 | \$ - | \$ 7,143 |
| Thomas E. Halverson | 2024 | 920 | 2,363 | 3,762 | - | 294 | - | 7,339 |
| Thomas E. Halverson | 2023 | 913 | 2,206 | 3,390 | - | 312 | - | 6,821 |
| Aggregate Number of Senior Officers (excluding the CEO): | | | | | | | | |
| 10 | 2025 | \$ 4,630 | \$ 5,594 | \$ 5,312 | \$ 110 | \$ 1,255 | \$ 305 | \$ 17,206 |
| 11 | 2024 | 4,511 | 5,665 | 4,904 | 308 | 1,188 | 1,237 | 17,813 |
| 10 | 2023 | 4,204 | 5,230 | 4,007 | 592 | 1,029 | - | 15,062 |

⁽¹⁾ Disclosure of the total compensation paid during 2025 to any designated senior officer is available to shareholders of CoBank and of our affiliated Farm Credit Associations upon request. Compensation amounts do not include earnings or losses on nonqualified deferred compensation, as such earnings or losses are not considered above-market or preferential.

⁽²⁾ The senior officers are those officers defined by FCA regulation §619.9310.

⁽³⁾ Incentive compensation amounts represent amounts earned in the reported fiscal year, which are paid in March of the subsequent year to persons who continue to be employed by CoBank or unless otherwise provided for as part of normal retirement. The short-term incentive compensation amounts are calculated based on relevant performance factors for the reported fiscal year, while the long-term incentive compensation amounts are calculated based on the relevant performance factors for the three-year performance period ended in the reported fiscal year. For 2023, incentive compensation amounts for senior officers excluding the CEO have been adjusted for minor differences identified after the publication of the 2023 annual report.

⁽⁴⁾ At December 31, 2025, one senior officer participated in the defined benefit pension plan. Retirement benefits under this plan are calculated assuming payment in the form of a single life annuity with five years certain and retirement at age 65. However, the actual form and timing of retirement benefit payments are based on participant elections. The plans require five years of service to become vested. The senior officer participating in the defined benefit pension plan has been employed for more than five years and, as such is fully vested in the plan. Benefits are determined by the accumulation of a cash balance account with interest credits and contribution credits based on years of service and eligible compensation as of the last day of the year. This senior officer's contribution credit is currently 7 percent of compensation. Interest credits are credited to the cash balance account as of the first day of the plan year equal to the average yield on ten-year U.S. Treasuries using a four-month look-back period.

⁽⁵⁾ Federal laws limit the amount of compensation we may consider when determining benefits payable under the qualified defined benefit pension plan. We maintain SERPs that pay the excess pension benefits that would otherwise have been payable under our qualified defined benefit pension plan.

⁽⁶⁾ Represents company contributions to a qualified retirement savings plan and nonqualified deferred compensation plan, as well as payment of tax return preparation and financial planning expenses, relocation, certain travel-related costs, wellness benefits, life insurance benefits, long-term disability benefits and associated income tax impact.

⁽⁷⁾ For 2025, represents \$305 paid to a senior officer who joined the bank in 2024. For 2024, represents \$550 paid to a senior officer who joined the Bank in 2024, \$487 paid to a senior officer who left the Bank in 2024 for separation pay pursuant to the terms of an agreement and \$200 to two senior officers for project related bonuses.

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Pension Benefits

The following table presents certain pension benefit information by plan for the senior officer group as of December 31, 2025. The CEO does not participate in the defined benefit pension plan.

Pension Benefits Table (\$ in Thousands)

| Number in Group ⁽¹⁾ | Plan Name | Number of Years of Credited Service | Actuarial Present Value of Accumulated Benefits | Payments During Last Fiscal Year ⁽²⁾ |
|--|--|-------------------------------------|---|---|
| Aggregate Number of Senior Officers | | | | |
| 1 | CoBank, ACB Retirement Plan | 19.17 | \$ 338 | \$ – |
| 1 | Supplemental Executive Retirement Plan | 19.17 | 250 | – |
| Total | | | \$ 588 | \$ – |

⁽¹⁾ The senior officer included in the pension benefits disclosure is defined by FCA regulations §619.9310 and §620.6.

⁽²⁾ Represents post-retirement benefit payments made during the last fiscal year.

Report on Compensation

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Members of the Compensation and Human Resources Committee of the Board of Directors are appointed by the Board chair in consultation with the Board officers and committee chairs. All members of the Compensation and Human Resources Committee (Committee) qualify as independent directors as defined by Board policy.

The Committee approves the overall compensation philosophy at the Bank utilizing an independent, Committee-appointed, executive compensation consultant, which includes establishing the compensation philosophy which guides program design including pay mix comprised of base pay, short-term and long-term incentive compensation plans and employee benefits. In so doing, the Committee has developed and implemented compensation policies and programs that support the Bank's core values and links compensation to overall Bank and individual performance, ensuring a proper balance with the risk profile of the Bank, thereby contributing to the value of the shareholders' investment in the Bank.

The Committee is responsible for establishing the performance standards for the Chief Executive Officer and the compensation structure for other Bank employees. The Committee reviews the Board's performance evaluation of the Chief Executive Officer, approves an overall performance rating, and recommends for full Board approval all aspects of compensation (base salary, performance-based compensation including all incentives, benefits and perquisites) for the Chief Executive Officer, consistent with the business and financial objectives of the Bank, the results achieved by the executive, Board directed performance objectives, and competitive compensation practices. The Committee carefully evaluates incentive-based compensation programs and payments thereunder to ensure they are reasonable and appropriate to the services performed by senior officers. The Committee monitors the terms and provisions of the incentive-based compensation programs for senior officers and assesses the balance of financial rewards to senior officers against the risks to the institution. The Committee carefully evaluates whether senior officer compensation, incentive and benefit programs are designed to support the Bank's long-term business strategy and mission as well as promote safe and sound business practices. The Committee reviews the institution's projected long-term obligations for compensation and retirement benefits. The Committee operates under a written charter, adopted by the Committee and the Board of Directors, which more fully describes the Committee's responsibilities.

The Committee has reviewed and discussed the Senior Officers Compensation Discussion and Analysis with management. Based on this review and discussion, the Committee recommended to the Board of Directors, and the Board approved, that the Senior Officers Compensation Discussion and Analysis be included in the Annual Report for the year ended December 31, 2025.

Members of the 2026 Compensation and Human Resources Committee:

Catherine Moyer, Chair
Russell G. Brown
Robert N. McLennan
Kevin A. Still

February 27, 2026

Code of Ethics

CoBank, ACB

CoBank has established a Code of Ethics for its directors and employees, which defines values and expectations for ethical conduct in business activities. It incorporates several core principles, including the responsibility to maintain high ethical standards of care, honesty, integrity and fairness. The Code of Ethics includes expectations for appropriate professional conduct identifying and reporting conflicts of interest and reporting ethics concerns or violations. Our chief executive officer, president and chief banking officer, chief operating officer, chief risk officer, chief credit officer, chief legal officer and general counsel, chief financial officer and other senior financial professionals make additional representations related to the preparation and distribution of our financial statements and related disclosures. Our entire Code of Ethics is available at no cost on www.cobank.com/code-of-ethics.

CoBank also has a confidential hotline maintained by a third-party and a special website through which complaints about business ethics or standards of conduct, internal policies and directives, financial reporting irregularities, internal controls or violations of law can be reported anonymously by directors, officers, employees, stockholders, customers and external parties. The confidential hotline can be reached by calling 1-888-525-5391 and the online reporting site is found at www.cobank.ethicspoint.com.

Young, Beginning and Small Farmers

CoBank, ACB

Under the Farm Credit Act, CoBank does not have authority to lend directly to young, beginning and small farmers. Rather, we recognize that Associations serve young, beginning and small farmers, which we support through wholesale funding, partnering on Association programs as they deem appropriate, and completing reporting required by regulations. We believe the future of agriculture and rural America is well served when loan programs are developed by Associations to aid ambitious and capable young, beginning and small farmers. Therefore, we have adopted a written policy that encourages the board of directors at each of our affiliated Associations to establish a program to provide sound and constructive credit and other services to young, beginning and small farmers and ranchers and producers or harvesters of aquatic products (YBS farmers and ranchers). Each affiliated Association provides us annually with a report measuring achievement with respect to these programs for YBS farmers and ranchers. A summary of the combined reports for our affiliated Associations and certain participations CoBank purchased from Associations follows.

| YBS Farmers and Ranchers (\$ in Millions) | | | | | |
|---|--|------------------|---|-------------------|--|
| | Total Commitments on New Loans During 2025: | | Total Commitments on Loans Outstanding at December 31, 2025: | | |
| | Count | Volume | Count | Volume | |
| Young | 826 | \$ 1,012 | 3,490 | \$ 2,444 | |
| Young & Beginning | 1,691 | 1,494 | 7,464 | 4,916 | |
| Young & Small | 651 | 90 | 2,319 | 352 | |
| Beginning | 1,528 | 1,679 | 7,162 | 6,830 | |
| Beginning & Small | 2,228 | 677 | 13,248 | 3,711 | |
| Small | 5,874 | 1,074 | 24,135 | 4,610 | |
| Young, Beginning & Small | 2,263 | 476 | 10,870 | 2,064 | |
| NonYBS | 15,229 | 37,173 | 60,797 | 103,498 | |
| Total | 30,290 | \$ 43,675 | 129,485 | \$ 128,425 | |

Definitions are as follows:

Young Farmer or Rancher – A farmer, rancher or producer or harvester of aquatic products who is age 35 or younger as of the date the loan was originally made.

Beginning Farmer or Rancher – A farmer, rancher or producer or harvester of aquatic products who had 10 years or less of experience at farming, ranching or producing or harvesting aquatic products as of the date the loan was originally made.

Small Farmer or Rancher – A farmer, rancher or producer or harvester of aquatic products who normally generates less than \$350,000 in annual gross farm income of agricultural or aquatic products at the date the loan was originally made.

Volume and loan count will be collected for eight mutually exclusive YBS and non-YBS groups as shown in the table above.

Beyond providing appropriate wholesale lending for Association YBS farmers and ranchers programs and submitting reports to our regulator, CoBank has partnered with Associations on successful financing programs designed to attract quality farm operations, meeting the intended purpose of providing vital capital to start-up farming operations and promoting the flow of capital into rural areas. CoBank also has its own programs to serve the credit needs of agribusiness cooperatives and rural infrastructure providers of all sizes as well as rural communities using our mission-related investments authorities. CoBank has also reached out to non-traditional forms of agricultural production, such as local foods, community supported agriculture and urban agriculture, to better understand their financing needs and provide support within the legal constraints of CoBank lending authorities.

Unincorporated Business Entities

CoBank, ACB

CoBank holds investments in various unincorporated business entities (UBEs), as defined by FCA regulation. We hold these investments for two primary purposes: to acquire and manage unusual or complex collateral associated with loan workouts and to make mission-related investments.

Our UBEs are displayed in the table below.

| Unincorporated Business Entities | | | |
|---|---------------------------------------|---------------------------|---|
| Name | Entity Type | Level of Ownership | Scope of Activities |
| CoBank - Farm Credit Holdings, LLC | Limited Liability Company | 100 % | Holds acquired property |
| Farm Credit FCB Holdings, LLC | Limited Liability Company | 100 | Holds acquired property |
| FarmStart, LLP | Limited Liability Partnership | 50 | Provides needed funding to operations with farm resources, farm-related expertise and good business plans, but limited access to capital in the Northeast. |
| Midwest Growth Partners, LLLP | Limited Liability Limited Partnership | 49 | Invests in entities with operations located in rural areas in the upper Midwest that are seeking to either launch a new business, grow an existing business or recapitalize an existing business. |

FCL Titling Trust Assets

CoBank, ACB

CoBank's wholly-owned leasing subsidiary, Farm Credit Leasing Services Corporation (FCL), has purchased beneficial interests in leases and assets through a motor vehicle titling trust. Participation in these trusts is obtained through the purchase of beneficial interests in a designated series of titling trusts backed by eligible motor vehicle leases, as approved by the FCA and subject to certain conditions.

The following table presents the asset amount by trust/subtrust as of December 31, 2025.

| FCL Titling Trust Assets (\$ in Millions) | |
|--|---------------|
| Titling Trust | Amount |
| Altec Titling Trust | \$ 29 |

CERTIFICATION

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

- (1) I have reviewed this annual report of CoBank;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of CoBank as of, and for, the periods presented in this report;
- (4) CoBank's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for CoBank and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Bank's internal control over financial reporting that occurred during the Bank's most recent fiscal quarter (the Bank's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting; and
- (5) CoBank's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Bank's auditors and the audit committee of the Bank's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Bank's ability to record, process, summarize, and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control over financial reporting.



Thomas E. Halverson
Chief Executive Officer

Dated: February 27, 2026

CERTIFICATION

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

- (1) I have reviewed this annual report of CoBank;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of CoBank as of, and for, the periods presented in this report;
- (4) CoBank's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for CoBank and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Bank's internal control over financial reporting that occurred during the Bank's most recent fiscal quarter (the Bank's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting; and
- (5) CoBank's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Bank's auditors and the audit committee of the Bank's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Bank's ability to record, process, summarize, and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control over financial reporting.



Sean Burke
Chief Financial Officer

Dated: February 27, 2026

Customer Privacy

Your financial privacy and the security of your other non-public information are important to us. We, therefore, hold your financial and other non-public information in strictest confidence. Federal regulations allow disclosure of such information by us only in certain situations. Examples of these situations include law enforcement or legal proceedings or when such information is requested by a Farm Credit System institution with which you do business. In addition, as required by Federal laws targeting terrorism funding and money laundering activities, we collect information and take actions necessary to verify your identity.

CoBank's 2025 Quarterly and Annual Reports to Shareholders are available free of charge on request by calling or visiting one of our banking center locations and through our website at www.cobank.com. Copies of financial reports of our affiliated Associations and the System are available on their respective websites. CoBank's 2026 Quarterly and Annual Reports to Shareholders will be available on approximately May 8, 2026, August 7, 2026, November 6, 2026 and February 26, 2027 (Annual Report).

OFFICE LOCATIONS

COBANK NATIONAL OFFICE

6340 South Fiddlers Green Circle
Greenwood Village, CO 80111
303-740-4000
800-542-8072

FARM CREDIT LEASING SERVICES CORPORATION

1665 Utica Avenue South,
Suite 400
Minneapolis, MN 55416
952-417-7800
800-444-2929

WASHINGTON, D.C. OFFICE

50 F Street, N.W.,
Suite 900
Washington, DC 20001
202-650-5860

U.S. REGIONAL OFFICES

Atlanta Banking Center*

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

Austin Banking Center

4801 Plaza on the Lake Drive
Austin, TX 78746
855-738-6606

Enfield Banking Center*

240B South Road
Enfield, CT 06082-4451
860-814-4043
800-876-3227
FCL: 860-814-4049

Fargo Banking Center

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

Louisville Banking Center*

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

Lubbock Banking Center*

5715 West 50th
Lubbock, TX 79414
806-788-3700
FCL: 806-788-3705

Minneapolis Banking Center*

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

Omaha Banking Center*

18205 Capitol Avenue
Suite 325
Omaha, NE 68022
402-492-2000
800-346-5717

Sacramento Banking Center*

3755 Atherton Road
Rocklin, CA 95765
916-380-3524
800-457-0942
FCL: 800-289-7080

Spokane Banking Center

601 West Riverside Avenue
Suite 650
Spokane, WA 99201
509-363-8700
800-378-5577

Sterling Banking Center

214 South 3rd Street
Sterling, CO 80751
970-521-2774

St. Louis Banking Center*

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

Wichita Banking Center*

245 North Waco
Suite 130
Wichita, KS 67202
316-290-2000
800-322-3654
FCL: 800-322-6558

*Farm Credit Leasing office
within this CoBank location

INTERNATIONAL REPRESENTATIVE OFFICE

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#15-07 Shaw House
Singapore 238868
65-6534-526



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