



CoBank Investor Presentation

September 30, 2024



Proud Member of the Farm Credit System 

Summary Financial Results

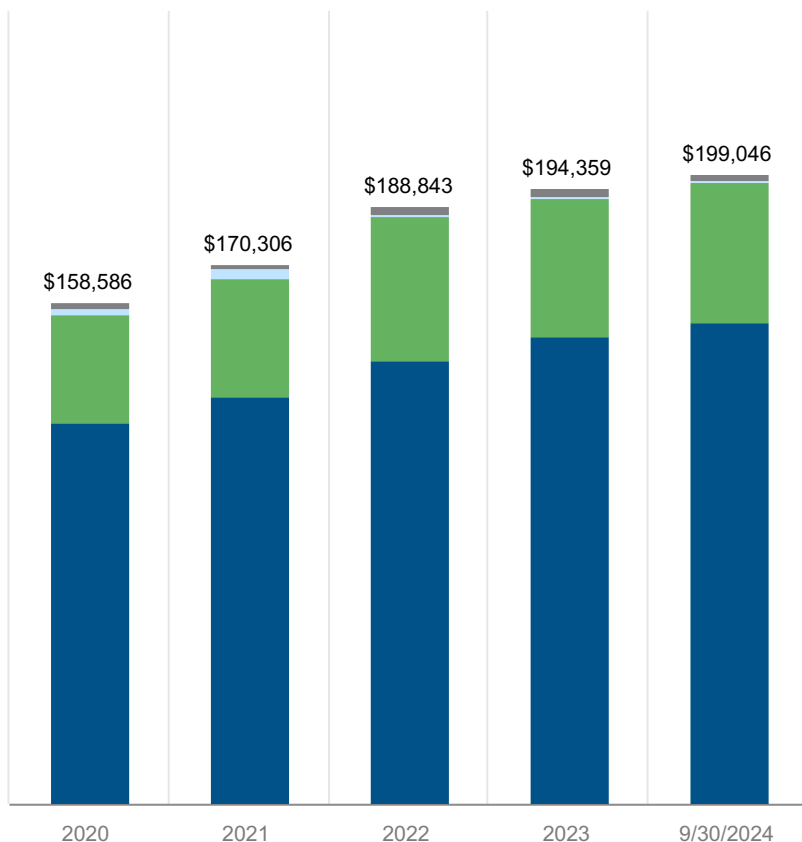
(\$ in millions)	For the Year Ended December 31,		For the Nine Months Ended September 30,		B(W) %
	2022	2023	2023	2024	
Interest income	\$ 4,748	\$ 8,933	\$ 6,541	\$ 7,371	13 %
Interest expense	2,864	7,086	5,170	5,940	(15)%
<i>Net interest income</i>	1,884	1,847	1,371	1,431	4 %
Provision for credit losses	111	76	70	6	91 %
<i>Net interest income after provision for credit losses</i>	1,773	1,771	1,301	1,425	10 %
Noninterest income	366	459	315	365	16 %
Operating expenses	580	595	432	437	(1)%
<i>Income before income taxes</i>	1,559	1,635	1,184	1,353	14 %
Provision for income taxes	110	128	96	116	(21)%
<i>Net income</i>	\$ 1,449	\$ 1,507	\$ 1,088	\$ 1,237	14 %
Return on average common equity	14.59 %	15.78 %	15.23 % *	15.49 % *	.26 %
Net interest margin	1.06 %	0.99 %	0.99 % *	1.00 % *	.01 %
Return on average assets	0.80	0.80 %	0.77 % *	0.86 % *	.09 %
Operating expense ratio**	21.00 %	21.82 %	21.02 %	23.27 %	(2.25)%
Average total loans	\$ 136,912	\$ 143,075	\$ 142,389	\$ 150,119	5 %
Average total assets	180,115	188,459	188,265	192,951	2 %

* Annualized

** Excludes Insurance Fund premiums

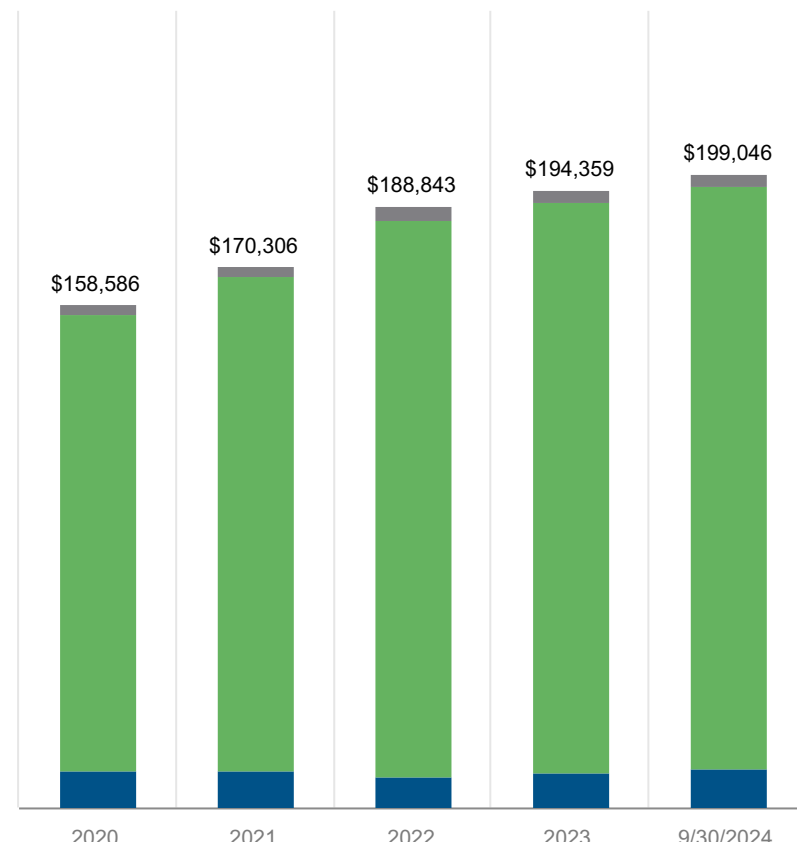
Balance Sheet Trends

Assets (\$ in Millions)



	2020	2021	2022	2023	9/30/2024
Other	\$ 1,735	\$ 1,238	\$ 2,360	\$ 2,373	\$ 2,253
Cash*	\$ 2,335	\$ 3,197	\$ 896	\$ 1,013	\$ 334
Investments**	\$ 33,660	\$ 37,342	\$ 45,498	\$ 42,958	\$ 44,142
Gross Loans	\$ 120,856	\$ 128,529	\$ 140,089	\$ 148,015	\$ 152,317

Liabilities & Shareholders' Equity (\$ in Millions)



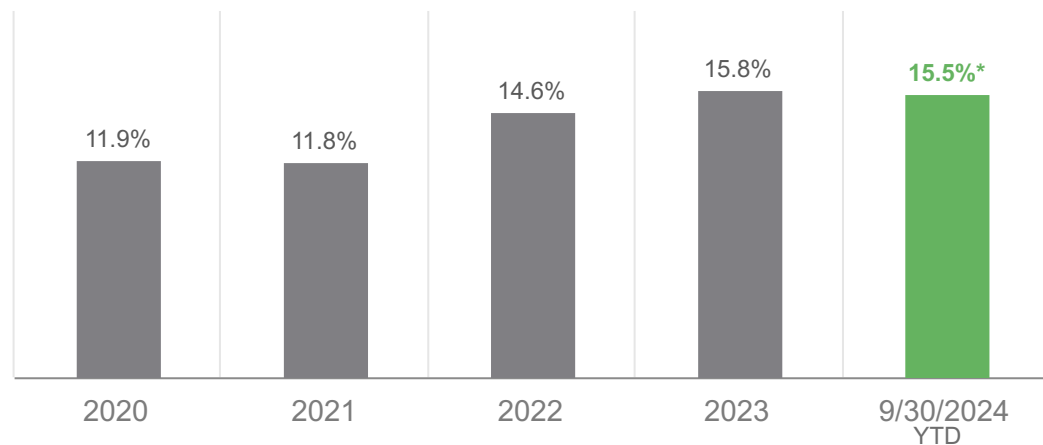
	2020	2021	2022	2023	9/30/2024
Other	\$ 3,292	\$ 3,122	\$ 3,995	\$ 4,345	\$ 3,802
Bonds & Notes	\$ 143,384	\$ 154,950	\$ 174,623	\$ 178,821	\$ 182,639
Shareholders' Equity	\$ 11,910	\$ 12,234	\$ 10,225	\$ 11,193	\$ 12,605

* Represents cash and cash equivalents

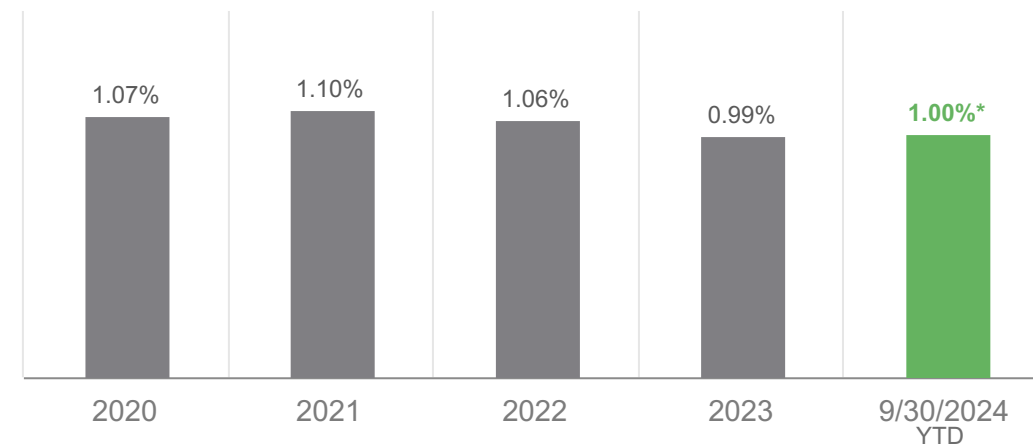
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Profitability and Efficiency

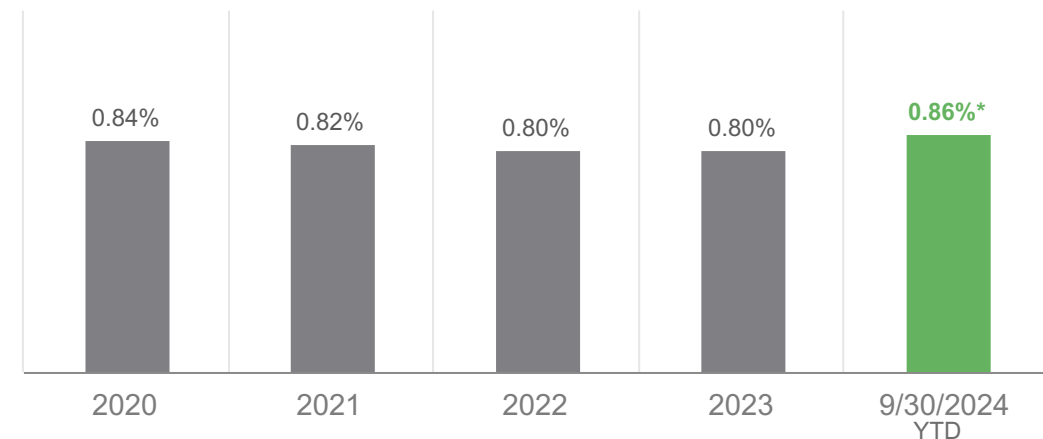
Return on Average Common Equity



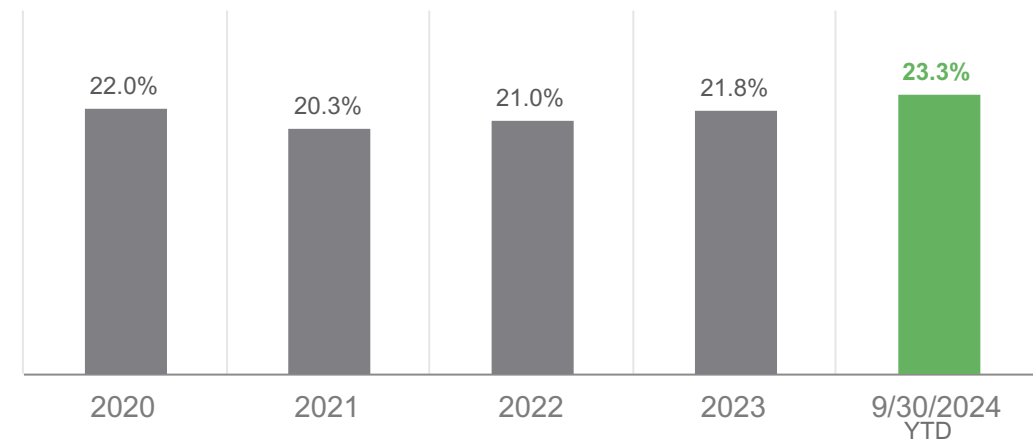
Net Interest Margin



Return on Average Assets



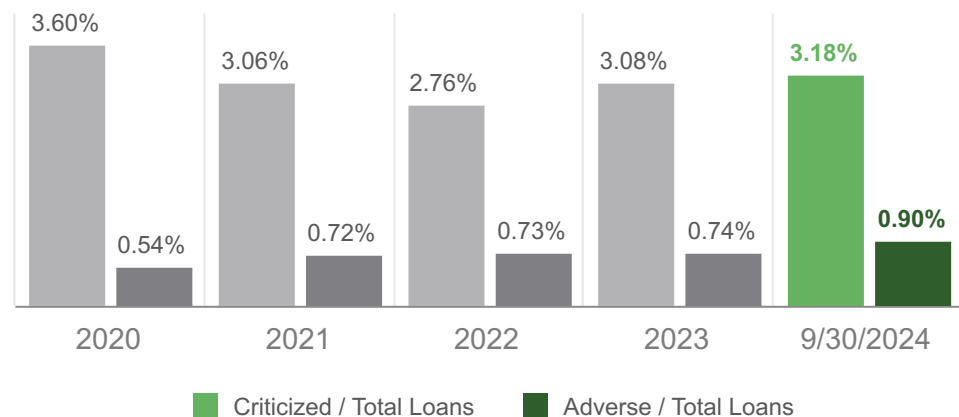
Operating Expense Ratio Excluding Insurance Fund Premiums



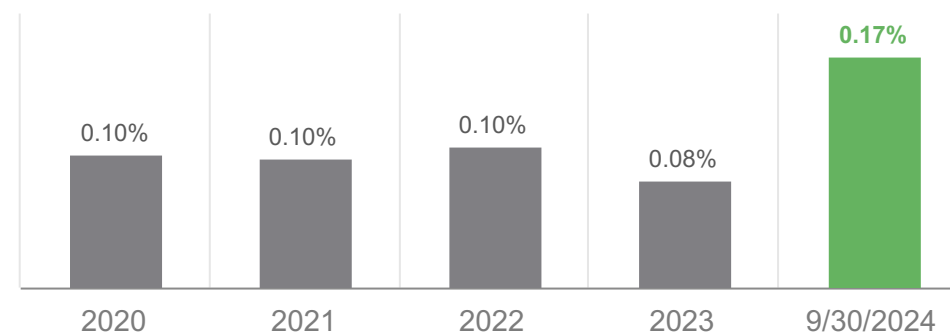
*Annualized

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

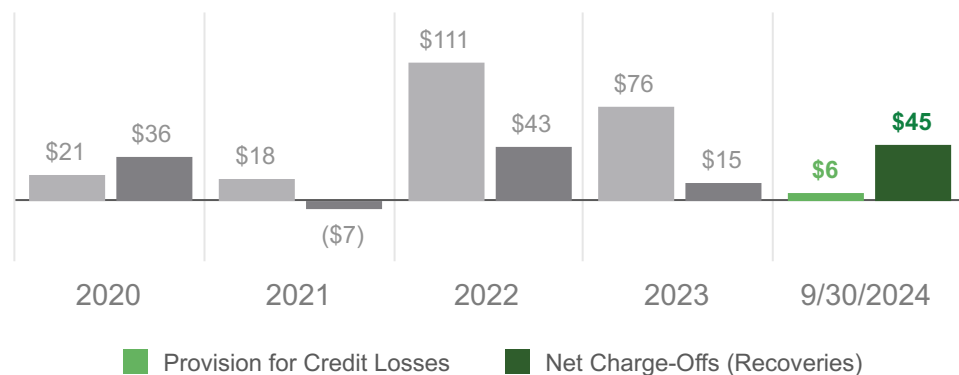


Nonaccrual Loans / Total Loans

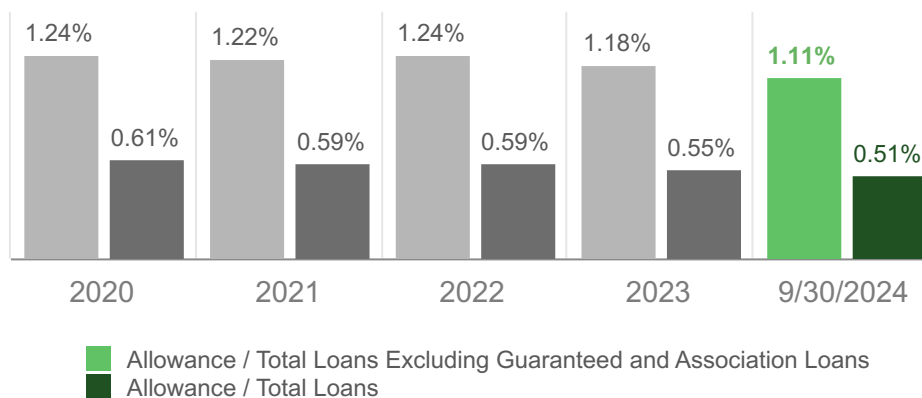


Provision for Credit Losses & Net Charge-Offs (Recoveries)

(\$ in Millions)



Allowance for Credit Losses / Loans

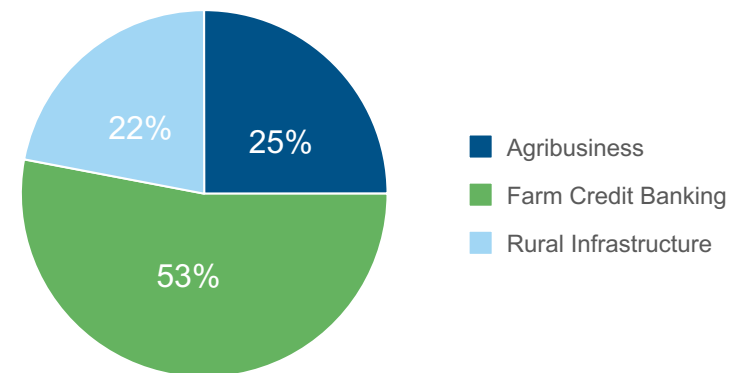


Operating Segments

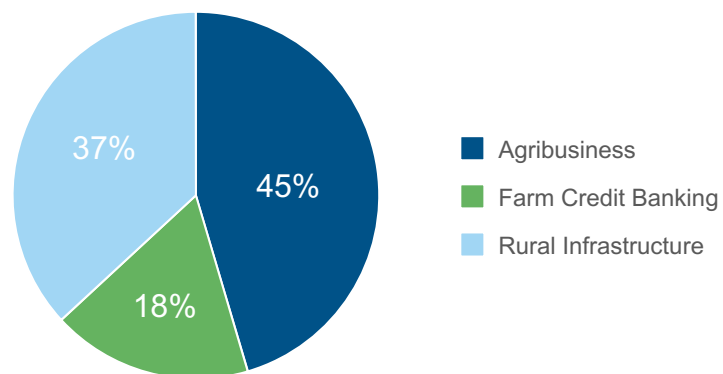
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$152.3 billion in total outstanding loans
- Lower net income in Farm Credit Banking operating segment relative to its share of the bank's loan volume reflects narrower margins and lower risk profile from wholesale loans

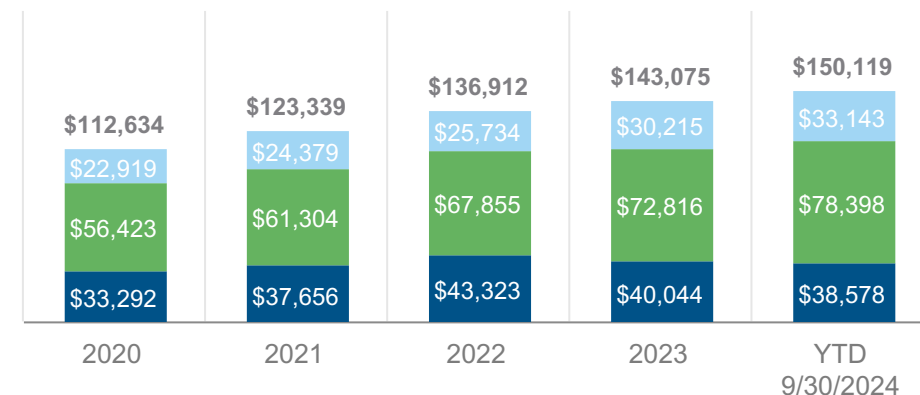
Loans Outstanding - \$152.3 Billion at September 30, 2024



YTD Net Income - \$1.237 Billion



Average Loans (\$ in Millions)



Agribusiness Portfolio

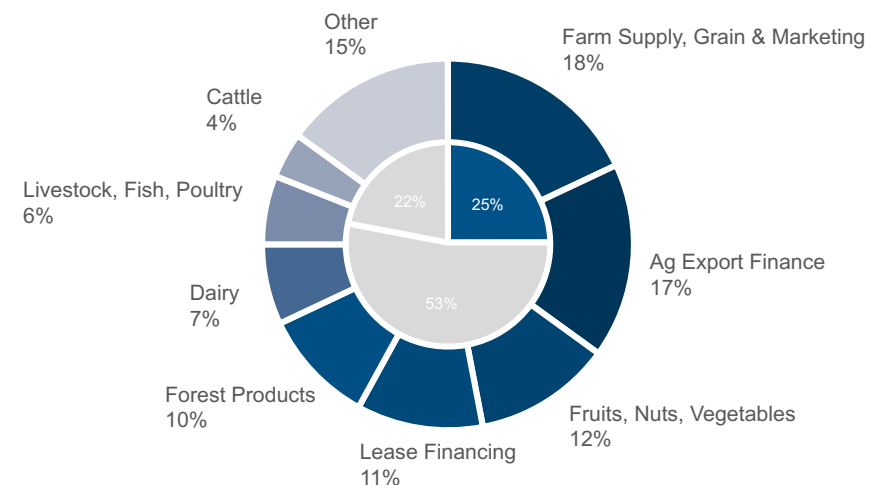
Portfolio Highlights

- \$37.5 billion retail loan portfolio at September 30, 2024
- Grain handling and marketing, farm supply, fruits, nuts, vegetables, forest products, dairy, livestock, biofuels and food processing
- Integrated production agriculture in forest products, fruits, nuts, vegetables and dairy
- Portfolio diversification enhanced by loan participations and syndications
- Includes \$6.6 billion in agricultural export finance loans; 28% are U.S. government-guaranteed
- Includes \$4.2 billion leasing portfolio

Financial Summary

(\$ in millions)	9/30/2024	2023	2022	2021
Period-End Loans	\$ 37,496	\$ 37,785	\$ 40,098	\$ 38,094
Average Loans YTD	\$ 38,578	\$ 40,044	\$ 43,323	\$ 37,656
Net Income YTD	\$ 562	\$ 731	\$ 774	\$ 677
Nonaccrual Loans	\$ 225	\$ 90	\$ 137	\$ 74

Portfolio Sectors ⁽¹⁾



Loan Quality

	9/30/2024	2023	2022	2021
Acceptable	94.02%	94.63%	95.17%	94.27%
Special Mention	2.84	2.70	2.51	3.62
Substandard	3.12	2.67	2.32	2.11
Doubtful	0.02	-	0.00 ⁽²⁾	0.00 ⁽²⁾
Loss	-	-	-	-

⁽¹⁾ Represents loans by sectors as a percentage of total loans in the Agribusiness portfolio.

⁽²⁾ Represents less than 0.01 percent of total agribusiness loans.

Farm Credit Banking Portfolio

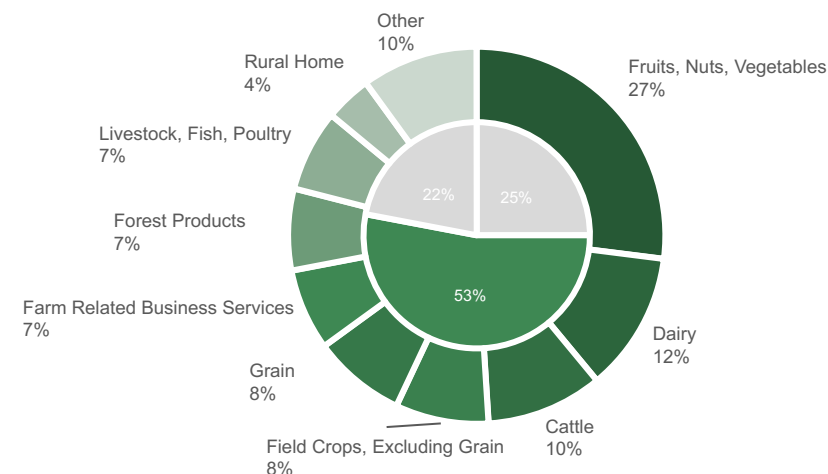
Portfolio Highlights

- \$81.1 billion wholesale loan portfolio at September 30, 2024
- Lending to 16 affiliated Farm Credit associations serving a diversified agricultural customer base in the West, Northwest, Southwest, Rocky Mountain, Mid-Plains, and Northeast regions of the United States
- Affiliates serve over 77,000 farmers, ranchers and other rural borrowers
- Includes \$6.0 billion of participations in other Farm Credit Banks' wholesale loans to their affiliated associations, primarily with Farm Credit Bank of Texas

Financial Summary

(\$ in millions)	9/30/2024	2023	2022	2021
Period-End Loans	\$ 81,050	\$ 77,658	\$ 71,529	\$ 65,632
Average Loans YTD	\$ 78,398	\$ 72,816	\$ 67,855	\$ 61,304
Net Income YTD	\$ 219	\$ 281	\$ 251	\$ 245
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors (1)



Loan Quality

	9/30/2024	2023	2022	2021
Acceptable	97.71%	97.80%	97.76%	97.67%
Special Mention	2.29	2.20	2.24	2.33
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-

(1) Represents loans by sectors as a percentage of total loans in the Farm Credit Banking portfolio.

Rural Infrastructure Portfolio

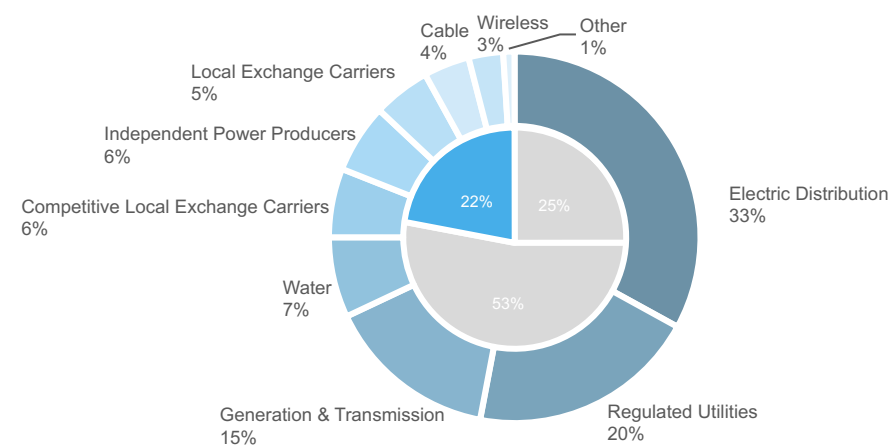
Portfolio Highlights

- \$33.8 billion retail loan portfolio at September 30, 2024
- Broad geographic dispersion of rural infrastructure customers
- Customers provide vital rural services and include: electric distribution cooperatives, electric generation and transmission cooperatives, power supply companies, midstream energy and gas pipeline providers, project finance companies, communications companies, water companies and community facilities

Financial Summary

(\$ in millions)	9/30/2024	2023	2022	2021
Period-End Loans	\$ 33,771	\$ 32,572	\$ 28,462	\$ 24,803
Average Loans YTD	\$ 33,143	\$ 30,215	\$ 25,734	\$ 24,379
Net Income YTD	\$ 456	\$ 495	\$ 424	\$ 392
Nonaccrual Loans	\$ 33	\$ 27	\$ 8	\$ 49

Portfolio Sectors ⁽¹⁾



Loan Quality

	9/30/2024	2023	2022	2021
Acceptable	97.80%	97.45%	98.87%	99.13%
Special Mention	1.63	2.29	0.81	0.41
Substandard	0.55	0.26	0.32	0.46
Doubtful	0.02	-	-	-
Loss	-	-	-	-

⁽¹⁾ Represents loans by sectors as a percentage of total loans in the Rural Infrastructure portfolio.

Capital Position

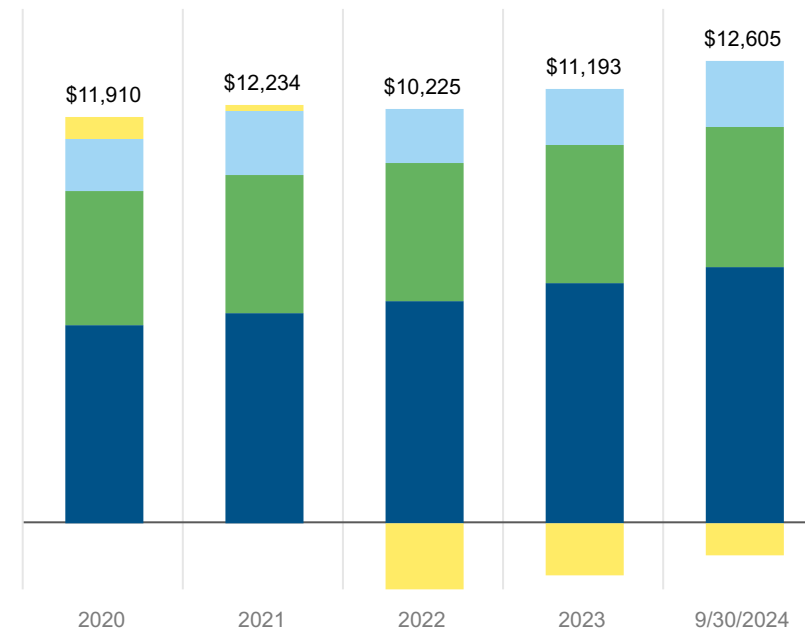
Summary

- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity
- Total capital increased to \$12.6 billion at September 30, 2024 primarily due to earnings, a decrease in accumulated other comprehensive loss and issuance of preferred stock, partially offset by accrued patronage

Capital Ratios

	September 30, 2024			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.50 %	11.85 %	7.35 %	2.50 %
Tier 1 Capital Ratio	6.00	13.80	7.80	2.50
Total Capital Ratio	8.00	14.57	6.57	2.50
Tier 1 Leverage Ratio ⁽¹⁾	4.00	6.99	2.99	1.00
Permanent Capital Ratio	7.00	13.90	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.50	3.30	n/a	n/a

Shareholders' Equity (\$ in Millions)



	2020	2021	2022	2023	9/30/2024
Preferred Stock	\$ 1,500	\$ 1,902	\$ 1,633	\$ 1,625	\$ 1,925
Common Stock	\$ 3,918	\$ 4,013	\$ 4,000	\$ 4,076	\$ 4,128
Retained Earnings	\$ 5,804	\$ 6,164	\$ 6,519	\$ 7,016	\$ 7,487
Other Comprehensive Income (Loss)	\$ 688	\$ 155	\$ (1,927)	\$ (1,524)	\$ (935)

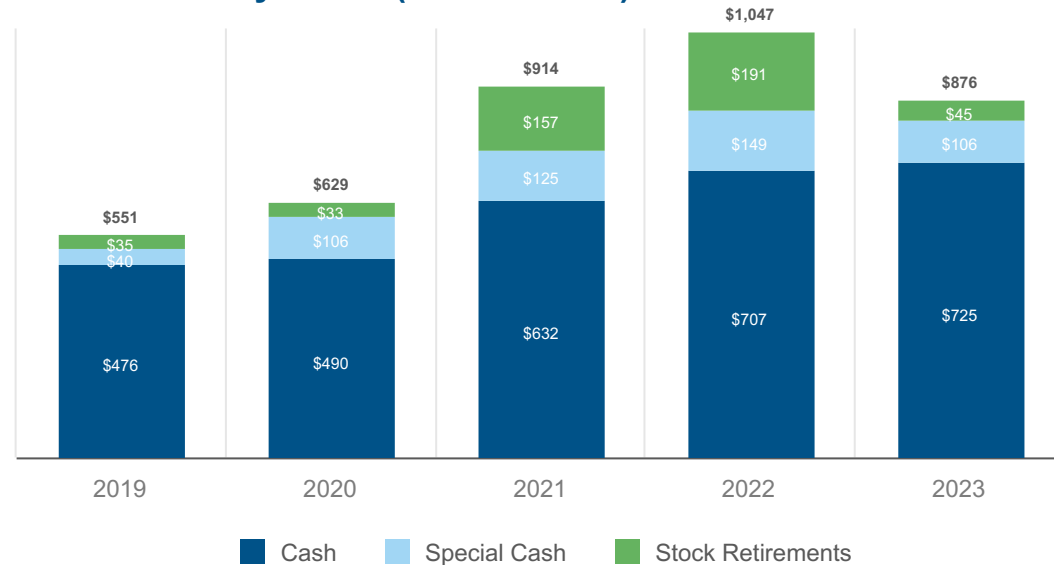
⁽¹⁾ At least 1.5 percent must be URE and URE equivalents.

Patronage

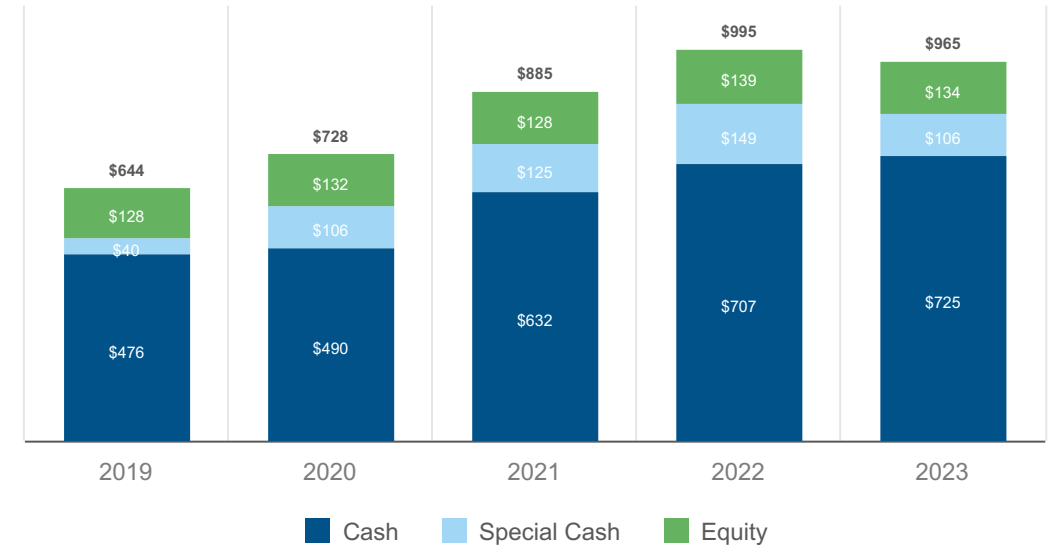
Summary

- Patronage is a key part of the value proposition we provide our eligible customer-owners
- For 2023, the bank distributed a record \$965 million in patronage, including a \$106 million all-cash special patronage payout unanimously approved by the Board
- Over the past 5 years, customer-owners have received \$4.2 billion in patronage as a result of their investment in the bank

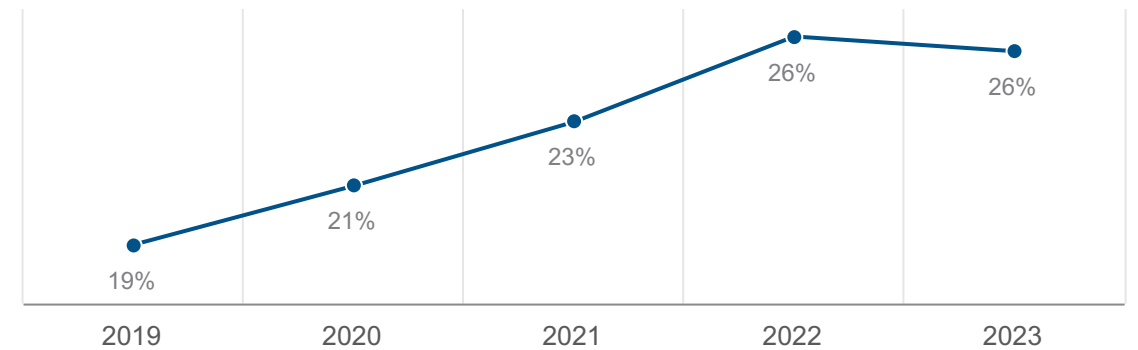
Total Cash Payouts⁽¹⁾ (\$ in Millions)



Patronage⁽¹⁾ (\$ in Millions)



Average Return on Active Patron Investment⁽²⁾



⁽¹⁾ Amounts presented in these tables relate to their respective plan years.

⁽²⁾ Patronage distributions as a percentage of total average common stock owned by active borrowers.

Funding

Summary

- CoBank is not authorized to accept deposits and sources its funding largely through senior unsecured Farm Credit System debt securities
- Access to capital markets through business and economic cycles due to Farm Credit's GSE status
 - Rated Aaa/P-1 (Moody's), AA+/F1+ (Fitch) & AA+/A-1+ (S&P)
 - Includes bonds and discount notes
 - Joint and several liability of all System banks
- Favorable spreads relative to U.S. Treasuries

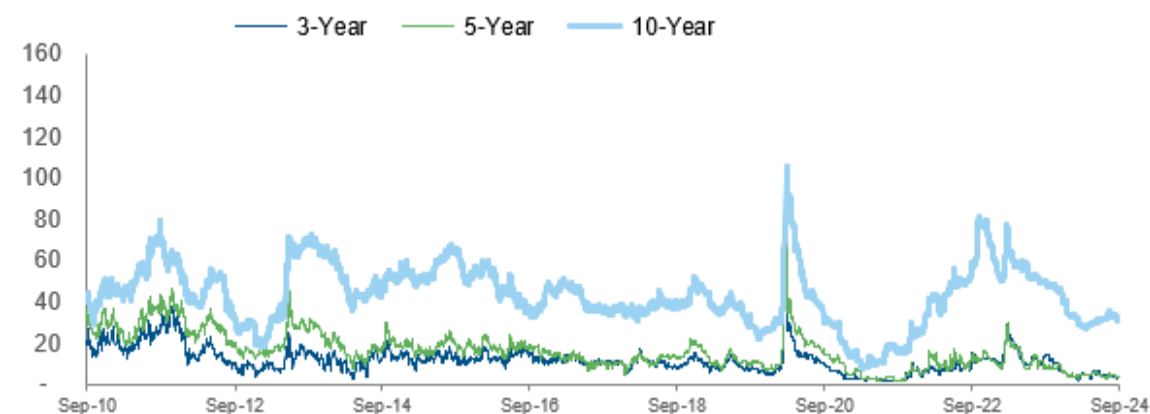
Equity (\$ in Millions) ⁽¹⁾

Type	Amount	Rate ⁽³⁾	% of Equity
Preferred Stock			
Series E	\$125	6.74 %	0.9 %
Series H	300	6.20 %	2.4 %
Series I	375	6.25 %	3.0 %
Series J	425	4.25 %	3.4 %
Series K	400	6.45 %	3.2 %
Series L	300	7.25 %	2.4 %
Total	1,925	6.03 %	15.3 %
Common Stock	4,128		32.7 %
Unallocated Retained Earnings	7,487		59.4 %
Accumulated Other Comprehensive Loss	(935)		(7.4)%
	\$12,605		100.0 %

Debt (\$ in Millions) ⁽¹⁾

Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate ⁽²⁾
Discount Notes	\$ 9,546	5.2%	0.3	4.60%
Bonds - Noncallable	132,960	72.8%	2.4	4.07%
Bonds - Callable	38,553	21.1%	3.1	3.94%
S/T Customer Investments and Other	1,580	0.9%	0.1	5.27%
	\$ 182,639	100.0%	2.4	4.04%

Farm Credit System Spreads to U.S. Treasuries (Basis Points) ⁽⁴⁾



⁽¹⁾ As of September 30, 2024.

⁽²⁾ Weighted average interest rates include the effect of related derivatives.

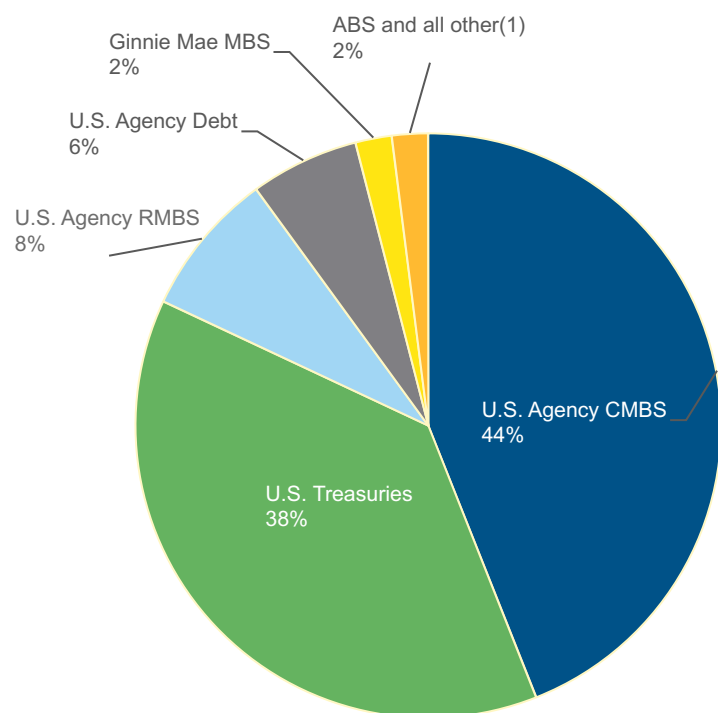
⁽³⁾ Interest rates on preferred stock exclude the impact of fixed to floating conversion features in future periods.

⁽⁴⁾ As of September 30, 2024, Farm Credit System spreads to U.S. Treasuries were: 4 basis points (3 - Year), 4 basis points (5 - Year) and 34 basis points (10 - Year).

Investment Portfolio

Total Investment Securities of \$41.1 Billion

(as of September 30, 2024)



Summary

- \$41.1 billion market-diversified portfolio plus \$334 million of cash and cash equivalents and \$3.0 billion in federal funds sold and other overnight funds as of September 30, 2024
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Weighted average yield of investment securities of 3.78% as of September 30, 2024
- Cash flow average life of 3.4 years and duration of 2.2 years
- Liquidity position = days into the future we could meet maturing debt obligations by using cash and eligible investments
 - Bank-established minimum is 150 days
 - Actual liquidity was 190 days at September 30, 2024
 - CoBank's long-term debt to loans was approximately 71% as of September 30, 2024

(\$ in Millions)

Type	Fair Value
U.S. Agency CMBS	\$17,984
U.S. Treasuries	15,750
U.S. Agency RMBS	3,191
U.S. Agency Debt	2,574
Ginnie Mae MBS	966
ABS and all other ⁽¹⁾	652
Total	\$41,117

⁽¹⁾ All other includes an allowance for credit losses on investments of \$2 million at September 30, 2024