



CoBank Investor Presentation

June 30, 2024



Proud Member of the Farm Credit System 

Summary Financial Results

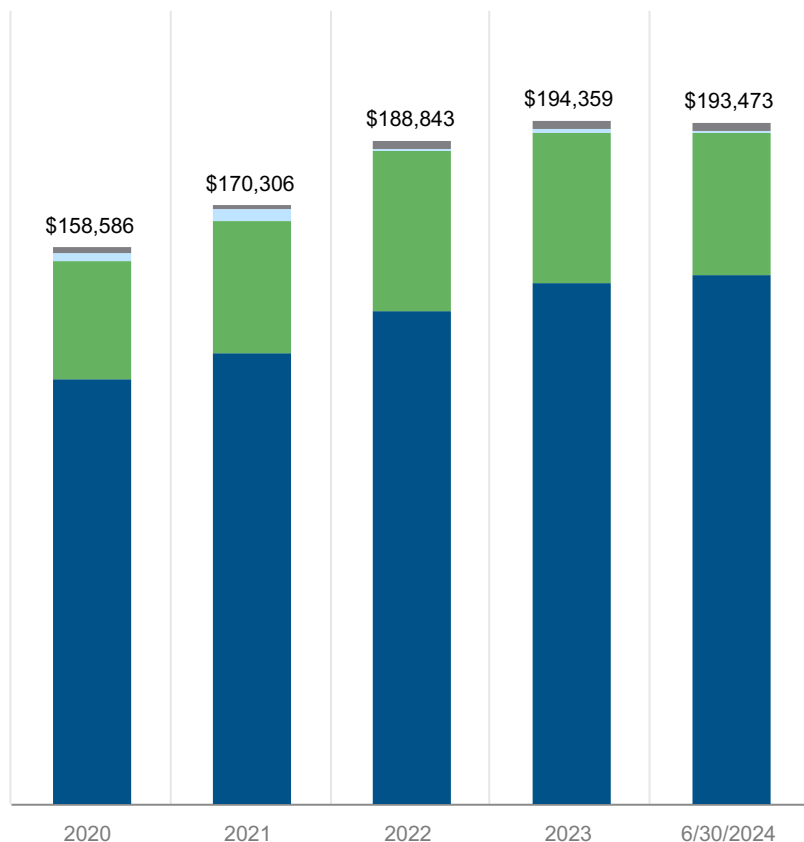
(\$ in millions)	For the Year Ended December 31,		For the Six Months Ended June 30,		B(W) %
	2022	2023	2023	2024	
Interest income	\$ 4,748	\$ 8,933	\$ 4,252	\$ 4,864	14 %
Interest expense	2,864	7,086	3,337	3,911	(17)%
<i>Net interest income</i>	<u>1,884</u>	<u>1,847</u>	<u>915</u>	<u>953</u>	4 %
Provision for credit losses (credit loss reversal)	111	76	62	(23)	137 %
<i>Net interest income after provision for credit losses (credit loss reversal)</i>	<u>1,773</u>	<u>1,771</u>	<u>853</u>	<u>976</u>	14 %
Noninterest income	366	459	208	251	21 %
Operating expenses	580	595	290	279	4 %
<i>Income before income taxes</i>	<u>1,559</u>	<u>1,635</u>	<u>771</u>	<u>948</u>	23 %
Provision for income taxes	110	128	63	92	(46)%
<i>Net income</i>	<u>\$ 1,449</u>	<u>\$ 1,507</u>	<u>\$ 708</u>	<u>\$ 856</u>	21 %
Return on average common equity	14.59 %	15.78 %	14.86 % *	16.64 % *	12 %
Net interest margin	1.06 %	0.99 %	0.99 % *	1.01 % *	2 %
Return on average assets	0.80	0.80 %	0.76 % *	0.90 % *	18 %
Operating expense ratio**	21.00 %	21.82 %	21.05 %	22.12 %	(5)%
Average total loans	\$ 136,912	\$ 143,075	\$ 143,271	\$ 149,874	5 %
Average total assets	180,115	188,459	189,153	191,629	1 %

* Annualized

** Excludes Insurance Fund premiums

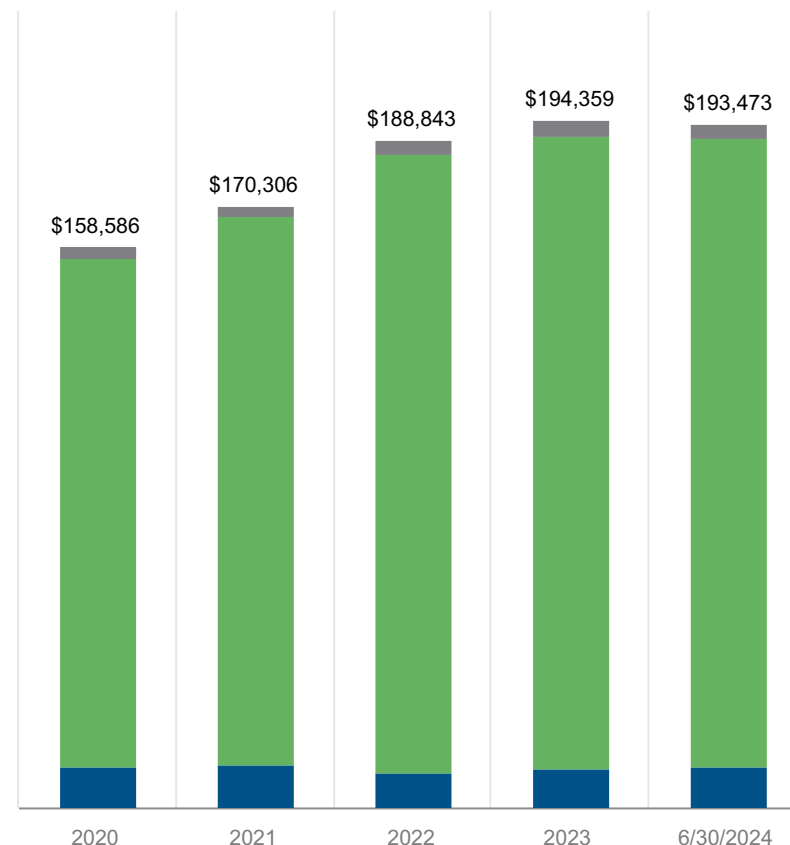
Balance Sheet Trends

Assets (\$ in Millions)



	2020	2021	2022	2023	6/30/2024
Other	\$ 1,735	\$ 1,238	\$ 2,360	\$ 2,373	\$ 2,276
Cash*	\$ 2,335	\$ 3,197	\$ 896	\$ 1,013	\$ 285
Investments**	\$ 33,660	\$ 37,342	\$ 45,498	\$ 42,958	\$ 40,563
Gross Loans	\$ 120,856	\$ 128,529	\$ 140,089	\$ 148,015	\$ 150,349

Liabilities & Shareholders' Equity (\$ in Millions)



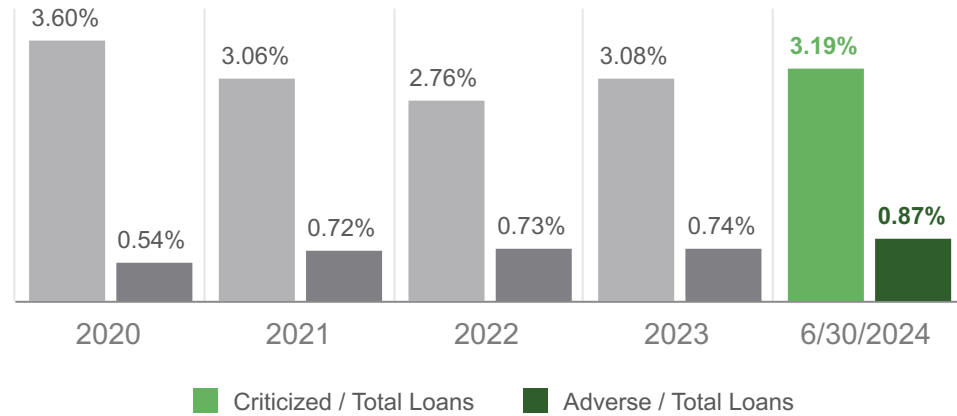
	2020	2021	2022	2023	6/30/2024
Other	\$ 3,292	\$ 3,122	\$ 3,995	\$ 4,345	\$ 4,026
Bonds & Notes	\$ 143,384	\$ 154,950	\$ 174,623	\$ 178,821	\$ 177,534
Shareholders' Equity	\$ 11,910	\$ 12,234	\$ 10,225	\$ 11,193	\$ 11,913

* Represents cash and cash equivalents

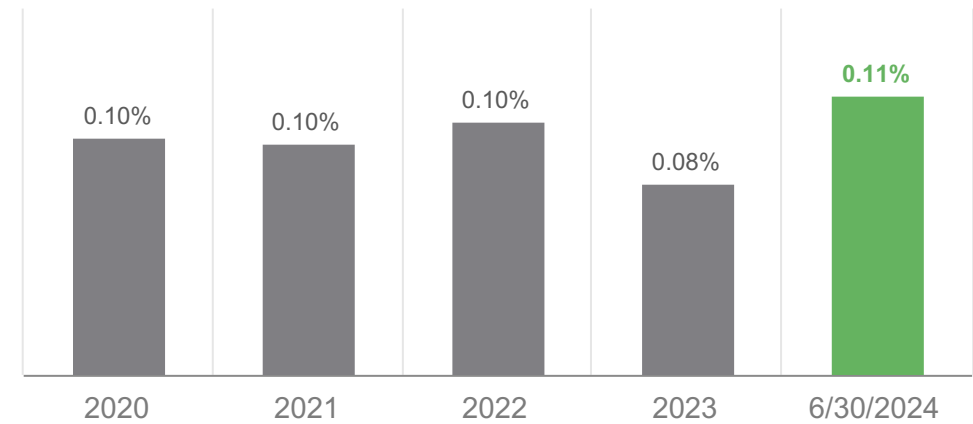
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

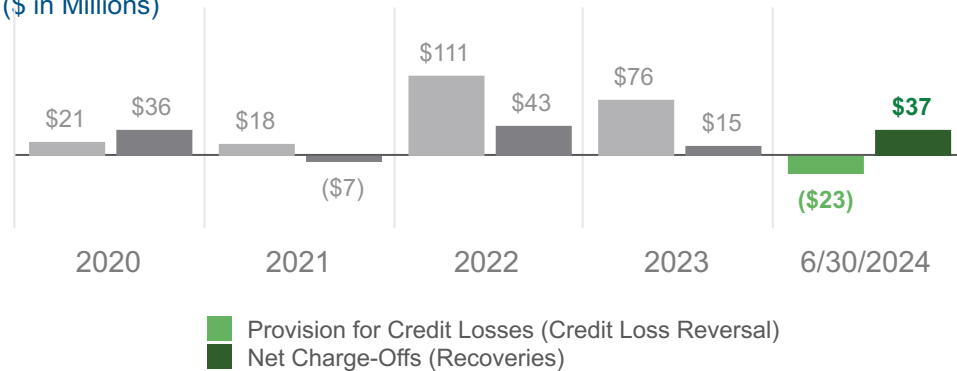


Nonaccrual Loans / Total Loans

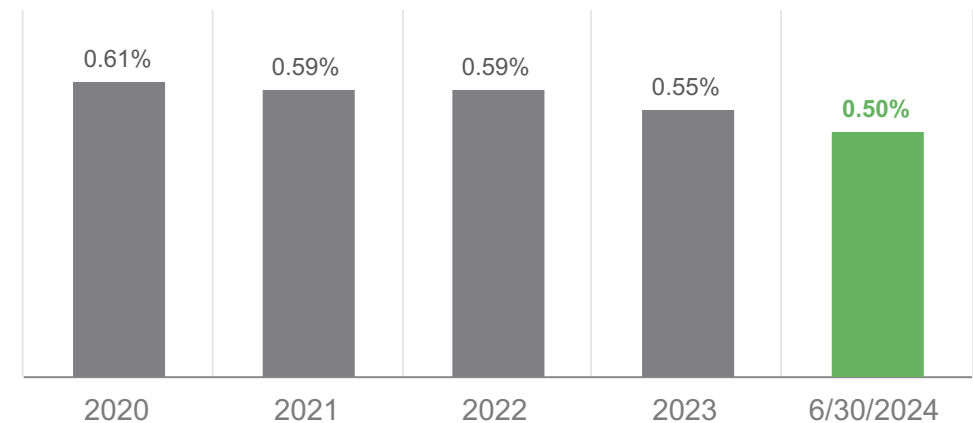


Provision for Credit Losses (Credit Loss Reversal) & Net Charge-Offs (Recoveries)

(\$ in Millions)

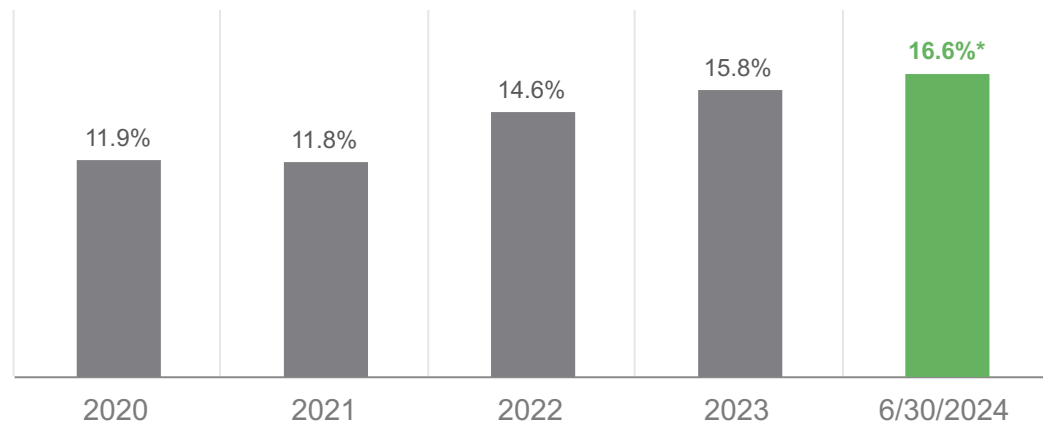


Allowance for Credit Losses / Total Loans

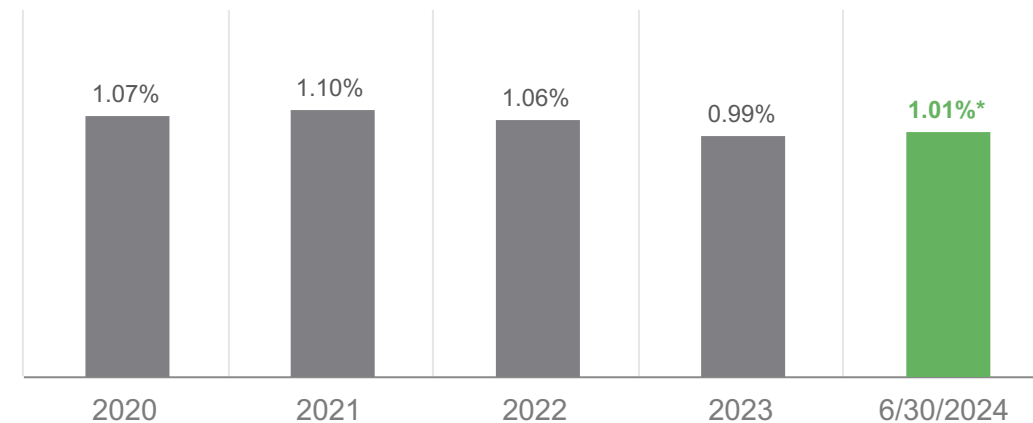


Profitability and Efficiency

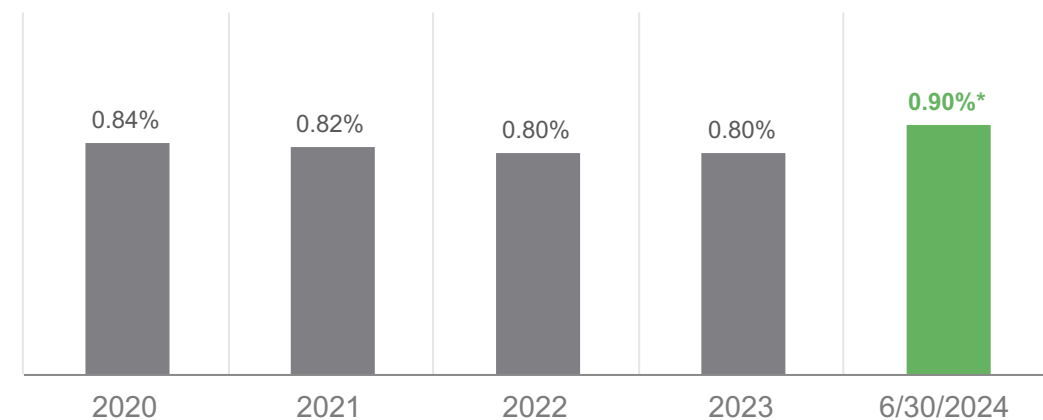
Return on Average Common Equity



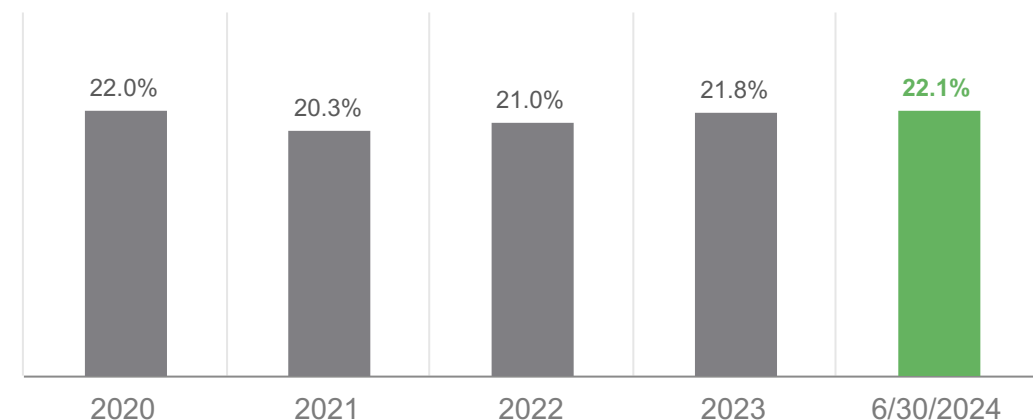
Net Interest Margin



Return on Average Assets



Operating Expense Ratio Excluding Insurance Fund Premiums



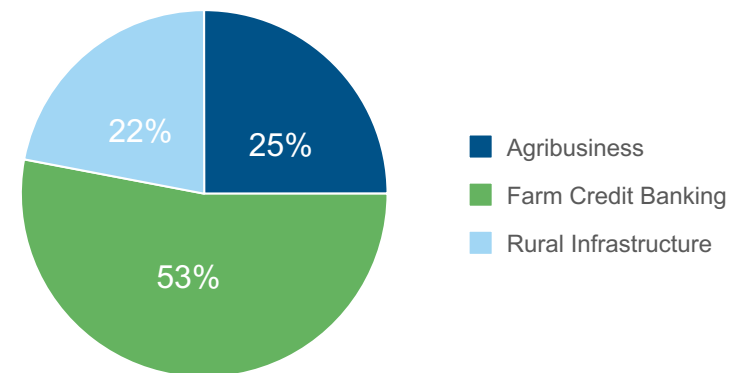
*Annualized

Operating Segments

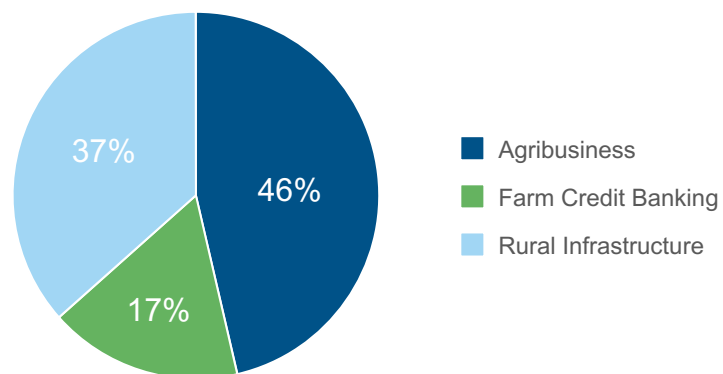
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$150.3 billion in total loan volume
- 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

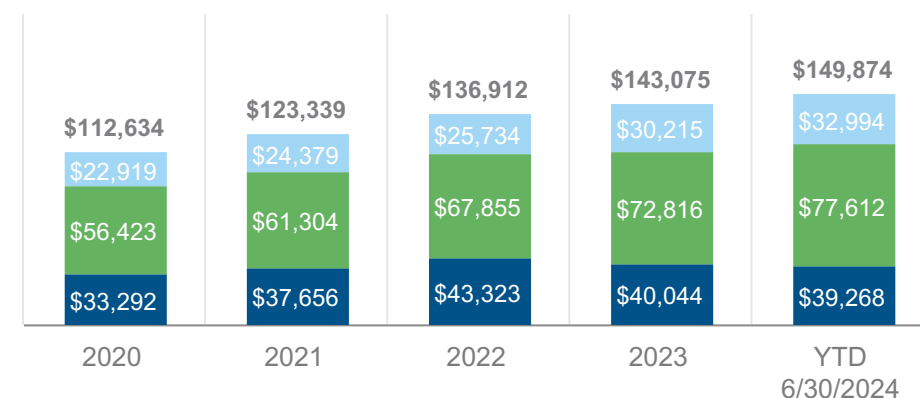
Loan Volume - \$150.3 Billion at June 30, 2024



Net Income - \$856 Million



Average Loan Volume (\$ in Millions)



Agribusiness Portfolio

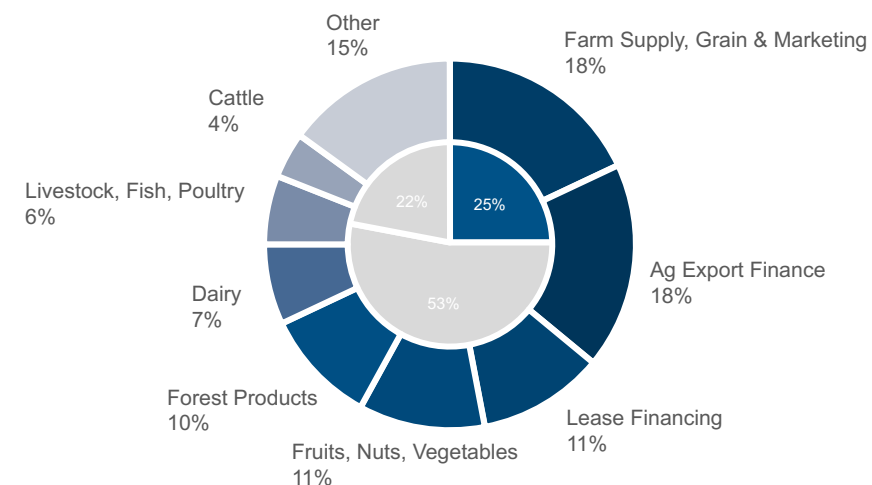
Portfolio Highlights

- \$38.1 billion retail loan portfolio at June 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 \$6.8 billion in agricultural export finance loans; 27% are U.S. government-guaranteed
- Includes \$4.2 billion leasing portfolio

Financial Summary

(\$ in millions)	6/30/2024	2023	2022	2021
Period-End Loans	\$ 38,113	\$ 37,785	\$ 40,098	\$ 38,094
Average Loans	\$ 39,268	\$ 40,044	\$ 43,323	\$ 37,656
Net Income	\$ 397	\$ 731	\$ 774	\$ 677
Nonaccrual Loans	\$ 144	\$ 90	\$ 137	\$ 74

Portfolio Sectors ⁽¹⁾



Loan Quality

	6/30/2024	2023	2022	2021
Acceptable	94.20%	94.63%	95.17%	94.27%
Special Mention	2.76	2.70	2.51	3.62
Substandard	3.00	2.67	2.32	2.11
Doubtful	0.04	-	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

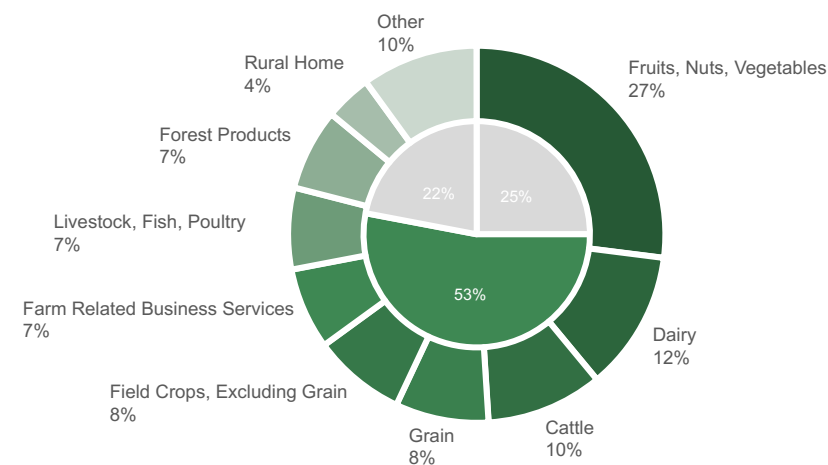
Portfolio Highlights

- \$79.2 billion wholesale loan portfolio at June 30, 2024
- Lending to 16 affiliated Farm Credit associations serving a diversified agricultural customer base in the Northwest, West, Southwest, Rocky Mountain, Mid-Plains, and Northeast regions of the United States
- Affiliates serve over 77,000 farmers, ranchers and other rural borrowers
- Includes \$5.9 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)	6/30/2024	2023	2022	2021
Period-End Loans	\$ 79,213	\$ 77,658	\$ 71,529	\$ 65,632
Average Loans	\$ 77,612	\$ 72,816	\$ 67,855	\$ 61,304
Net Income	\$ 146	\$ 281	\$ 251	\$ 245
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors ⁽¹⁾



Loan Quality

	6/30/2024	2023	2022	2021
Acceptable	97.68%	97.80%	97.76%	97.67%
Special Mention	2.32	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

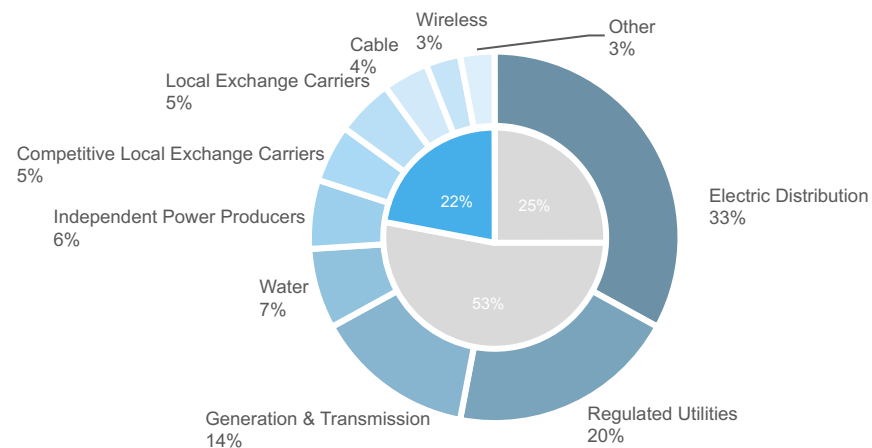
Portfolio Highlights

- \$33.0 billion retail loan portfolio at June 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)	6/30/2024	2023	2022	2021
Period-End Loans	\$ 33,023	\$ 32,572	\$ 28,462	\$ 24,803
Average Loans	\$ 32,994	\$ 30,215	\$ 25,734	\$ 24,379
Net Income	\$ 313	\$ 495	\$ 424	\$ 392
Nonaccrual Loans	\$ 28	\$ 27	\$ 8	\$ 49

Portfolio Sectors ⁽¹⁾



Loan Quality

	6/30/2024	2023	2022	2021
Acceptable	97.70%	97.45%	98.87%	99.13%
Special Mention	1.83	2.29	0.81	0.41
Substandard	0.47	0.26	0.32	0.46
Doubtful	-	-	-	-
Loss	-	-	-	-

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

Capital Position

Summary

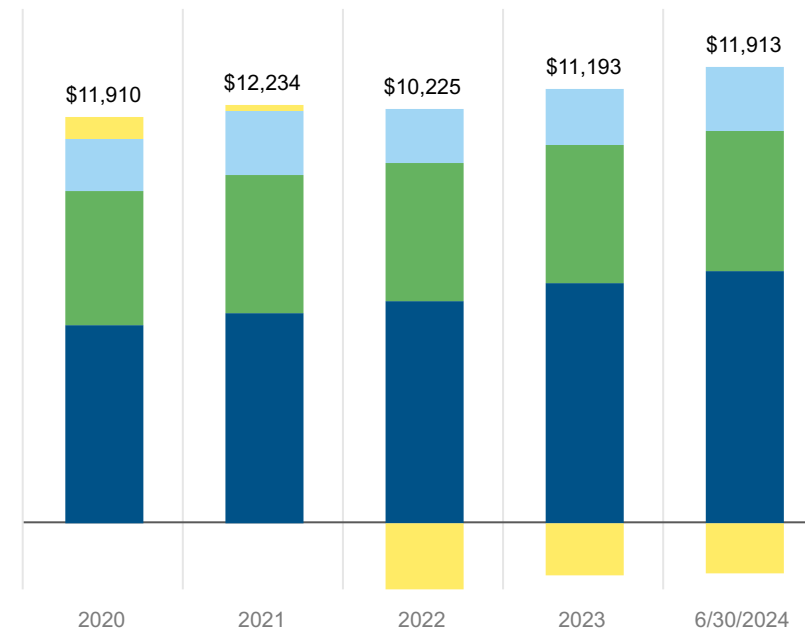
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity
- During April 2024, we issued \$300 million of Series L non-cumulative perpetual preferred stock
- Total capital increased to \$11.9 billion at June 30, 2024 primarily due to current period earnings and issuance of preferred stock

Capital Ratios

	June 30, 2024			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.50 %	11.50 %	7.00 %	2.50 %
Tier 1 Capital Ratio	6.00	13.41	7.41	2.50
Total Capital Ratio	8.00	14.17	6.17	2.50
Tier 1 Leverage Ratio ⁽¹⁾	4.00	6.93	2.93	1.00
Permanent Capital Ratio	7.00	13.51	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.50	3.20	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



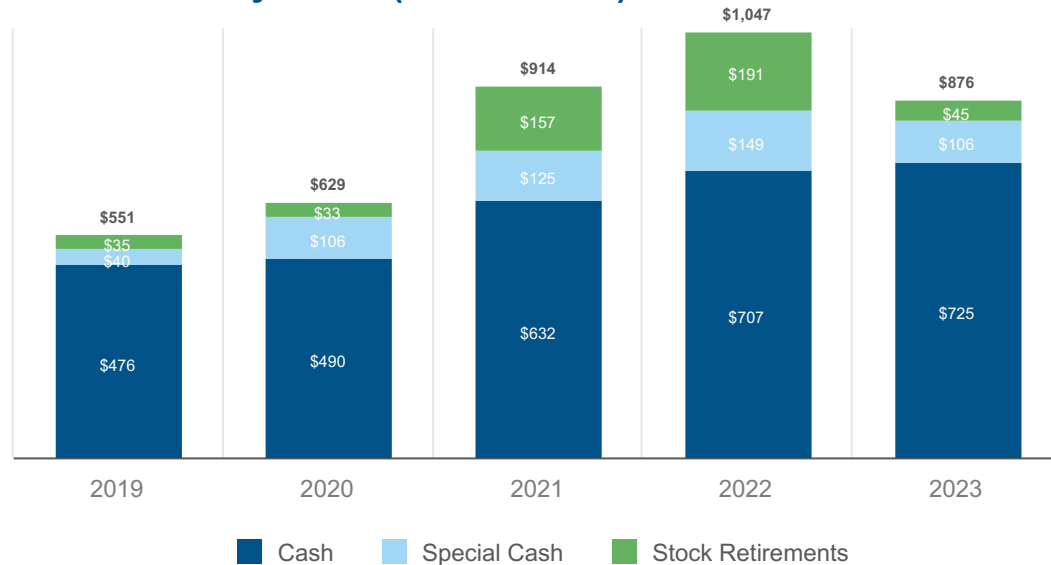
	2020	2021	2022	2023	6/30/2024
Preferred Stock	\$ 1,500	\$ 1,902	\$ 1,633	\$ 1,625	\$ 1,925
Common Stock	\$ 3,918	\$ 4,013	\$ 4,000	\$ 4,076	\$ 4,096
Retained Earnings	\$ 5,804	\$ 6,164	\$ 6,519	\$ 7,016	\$ 7,361
Other Comprehensive Income (Loss)	\$ 688	\$ 155	\$ (1,927)	\$ (1,524)	\$ (1,469)

Patronage

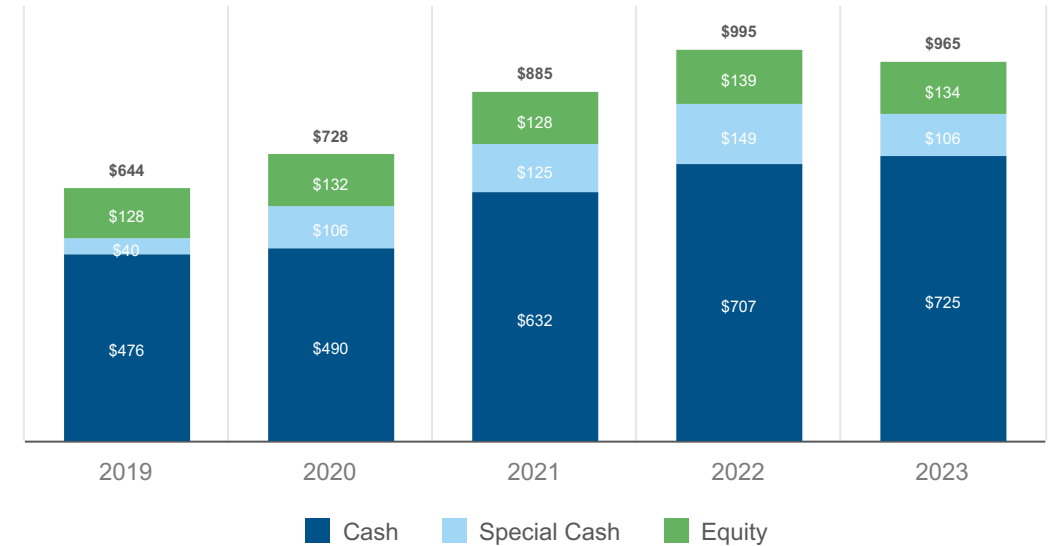
Summary

- 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

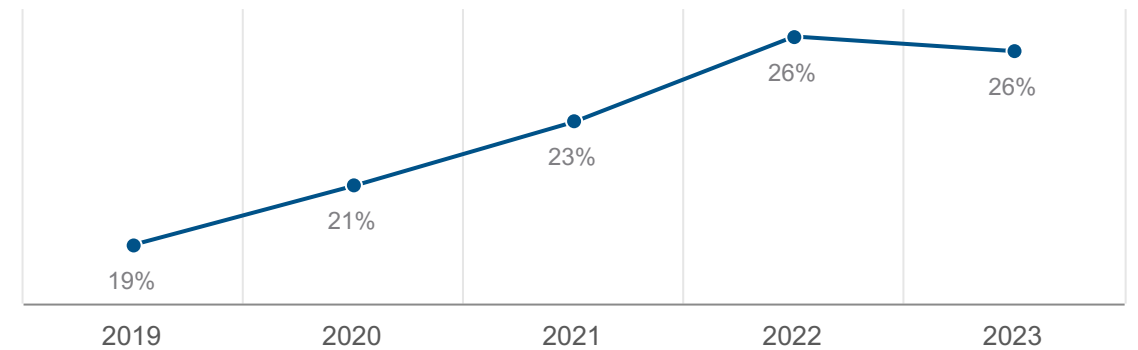
Total Cash Payouts⁽¹⁾ (\$ in Millions)



Patronage⁽¹⁾ (\$ in Millions)



Average Return on Active Patron Investment



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

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	% of Equity
Preferred Stock		
Series E	\$125	1.0 %
Series H	300	2.5 %
Series I	375	3.1 %
Series J	425	3.6 %
Series K	400	3.4 %
Series L	300	2.5 %
Common Stock	4,096	34.4 %
Unallocated Retained Earnings	7,361	61.8 %
Accumulated Other Comprehensive Loss	(1,469)	(12.3)%
	\$11,913	100.0 %

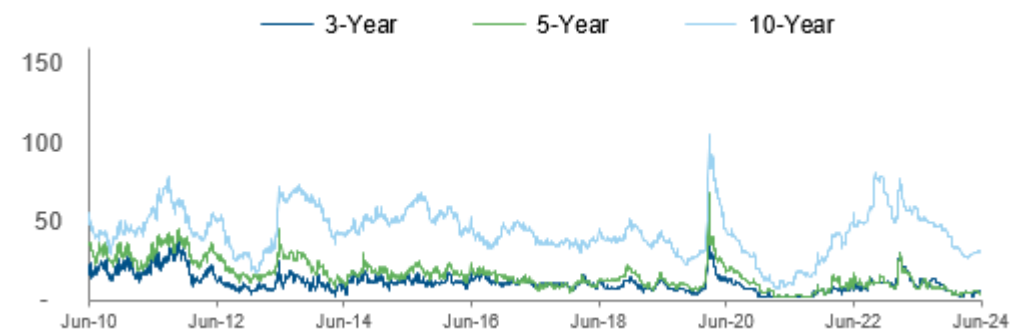
⁽¹⁾ As of June 30, 2024

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

Debt (\$ in Millions) ⁽¹⁾

Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate ⁽²⁾
Discount Notes	\$ 7,655	4.3%	0.3	4.92%
Bonds - Noncallable	131,099	73.8%	2.4	4.46%
Bonds - Callable	37,222	21.0%	3.1	4.00%
S/T Customer Investments and Other	1,558	0.9%	0.1	5.29%
	\$ 177,534	100.0%	2.8	4.34%

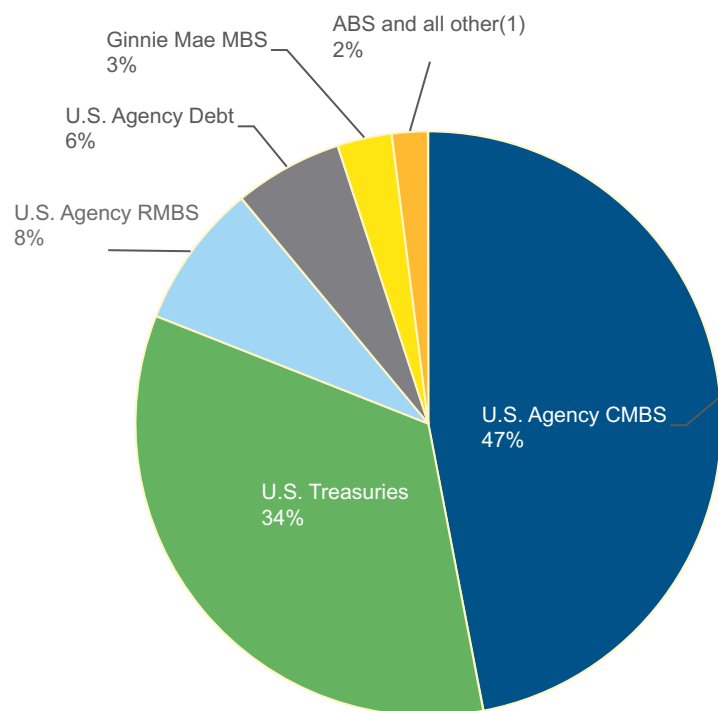
Farm Credit System Spreads to U.S. Treasuries (Basis Points)



Investment Portfolio

Total Investment Securities of \$38.7 Billion

(as of June 30, 2024)



Summary

- \$38.7 billion market-diversified portfolio plus \$285 million of cash and cash equivalents and \$1.9 billion in federal funds sold and other overnight funds as of June 30, 2024
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Cash flow average life of 3.5 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 189 days at June 30, 2024
 - CoBank's long-term debt to loans was approximately 68% as of June 30, 2024

(\$ in Millions)

Type	Fair Value
U.S. Agency CMBS	\$18,182
U.S. Treasuries	13,292
U.S. Agency RMBS	3,160
U.S. Agency Debt	2,451
Ginnie Mae MBS	972
ABS and all other ⁽¹⁾	604
Total	\$38,661

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