



CoBank Investor Presentation

March 31, 2023



Proud Member of the Farm Credit System 

Summary Financial Results

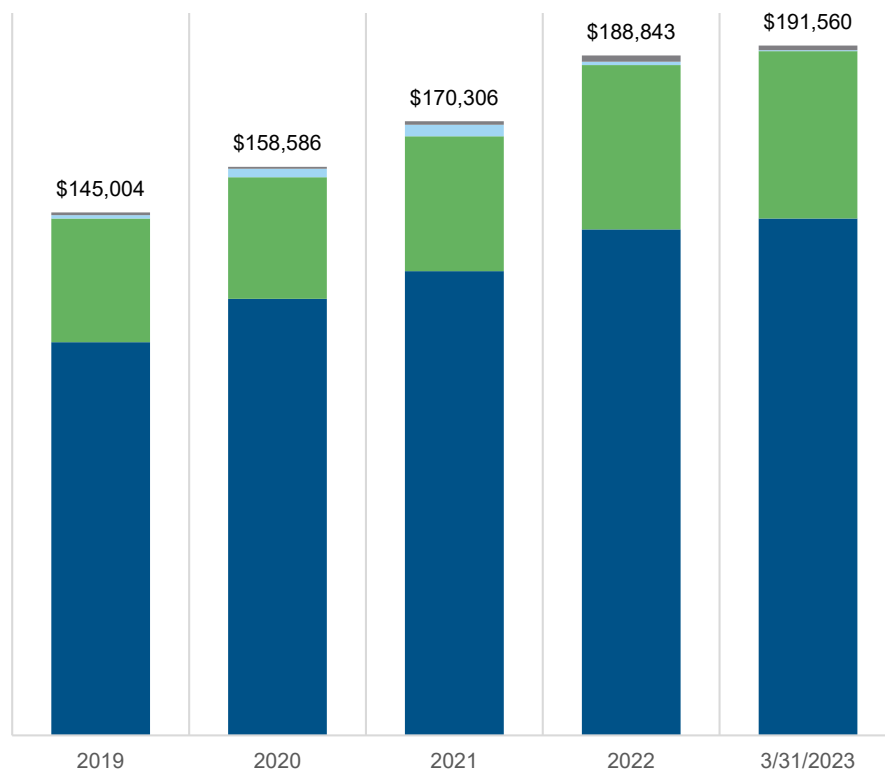
(\$ in millions)	For the Year Ended December 31,		For the Three Months Ended March 31,		
	2021	2022	2022	2023	B(W) %
Interest income	\$ 2,869	\$ 4,748	\$ 785	\$ 2,033	159%
Interest expense	1,143	2,864	297	1,568	-428%
<i>Net interest income</i>	<u>1,726</u>	<u>1,884</u>	<u>488</u>	<u>465</u>	-5%
Provision for credit losses	18	111	46	20	57%
<i>Net interest income after provision for credit losses</i>	<u>1,708</u>	<u>1,773</u>	<u>442</u>	<u>445</u>	1%
Noninterest income	199	366	88	108	23%
Operating expenses	491	580	121	141	-17%
<i>Income before income taxes</i>	<u>1,416</u>	<u>1,559</u>	<u>409</u>	<u>412</u>	1%
Provision for income taxes	102	110	32	36	-13%
<i>Net income</i>	<u>\$ 1,314</u>	<u>\$ 1,449</u>	<u>\$ 377</u>	<u>\$ 376</u>	0%
Return on average common equity	11.78 %	14.59 %	14.33 % *	16.01 % *	12%
Net interest margin	1.10 %	1.06 %	1.15 % *	1.02 % *	-11%
Return on average assets	0.82 %	0.80 %	0.87 % *	0.81 % *	-7%
Operating expense ratio**	20.33 %	21.00 %	17.36 %	19.70 %	-13%
Average total loans	\$ 123,339	\$ 136,912	\$ 137,798	\$ 144,903	5%
Average total assets	159,559	180,115	175,679	187,905	7%

* Annualized

** Excludes Insurance Fund premiums

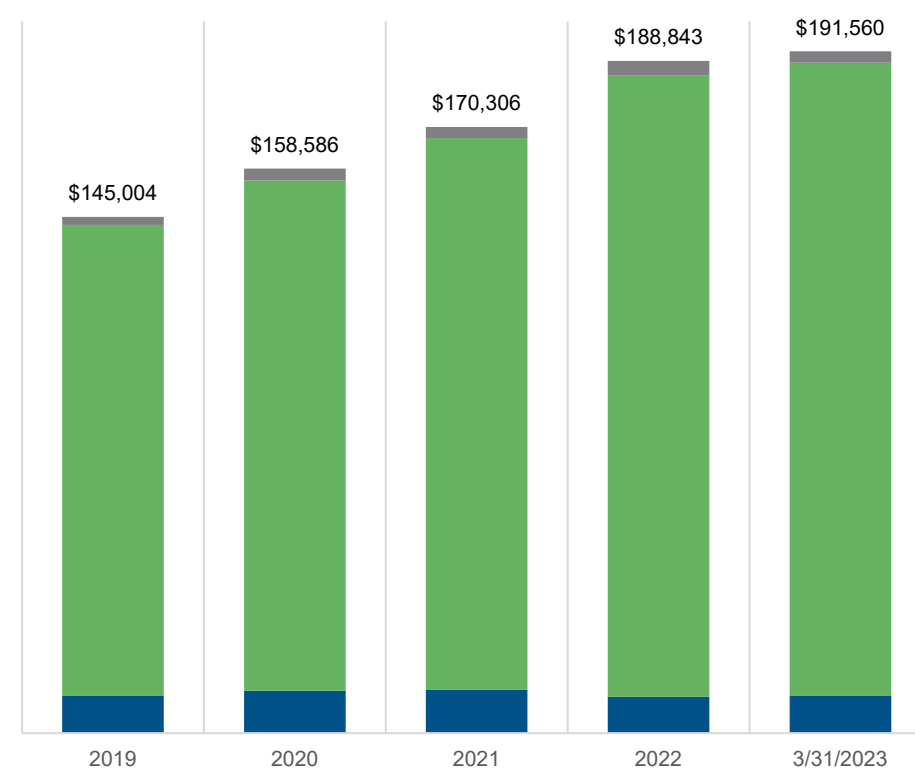
Balance Sheet Trends

Assets (\$ in Millions)



	2019	2020	2021	2022	3/31/2023
Other	\$ 965	\$ 1,735	\$ 1,238	\$ 2,361	\$ 1,864
Cash*	\$ 949	\$ 2,335	\$ 3,197	\$ 896	\$ 277
Investments**	\$ 34,236	\$ 33,660	\$ 37,342	\$ 45,498	\$ 46,309
Gross Loans	\$ 108,854	\$ 120,856	\$ 128,529	\$ 140,088	\$ 143,110

Liabilities & Shareholders' Equity (\$ in Millions)



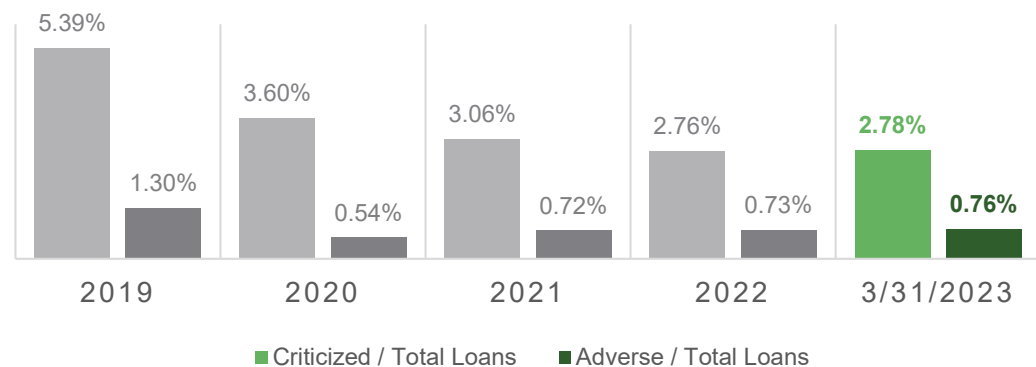
	2019	2020	2021	2022	3/31/2023
Other	\$ 2,207	\$ 3,292	\$ 3,122	\$ 3,995	\$ 3,208
Bonds & Notes	\$ 132,230	\$ 143,384	\$ 154,950	\$ 174,623	\$ 177,768
Shareholders' Equity	\$ 10,567	\$ 11,910	\$ 12,234	\$ 10,225	\$ 10,584

* Represents cash and cash equivalents

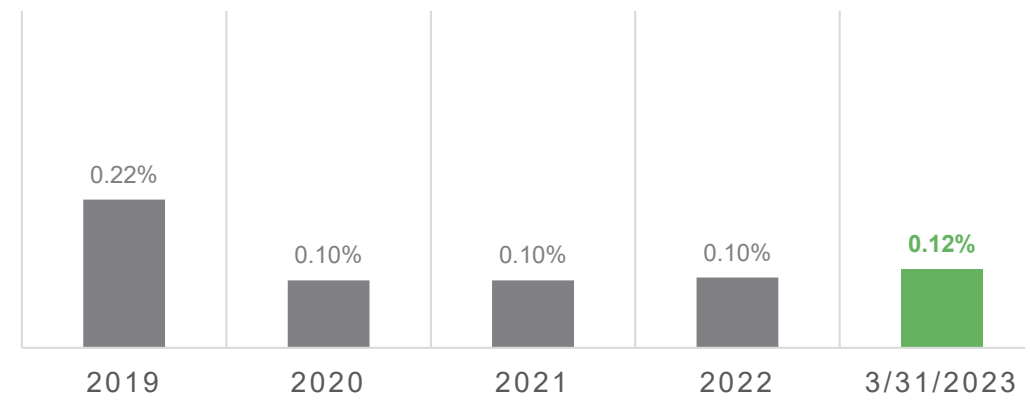
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

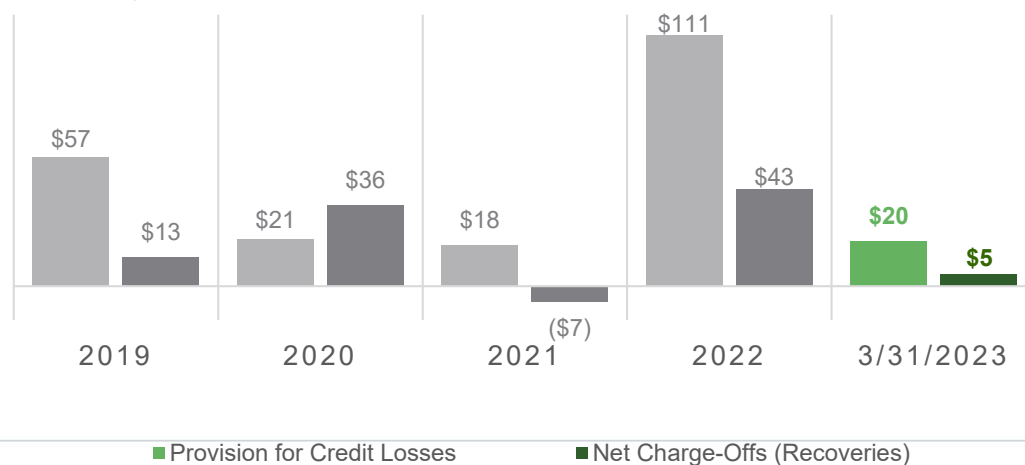


Nonaccrual Loans / Total Loans

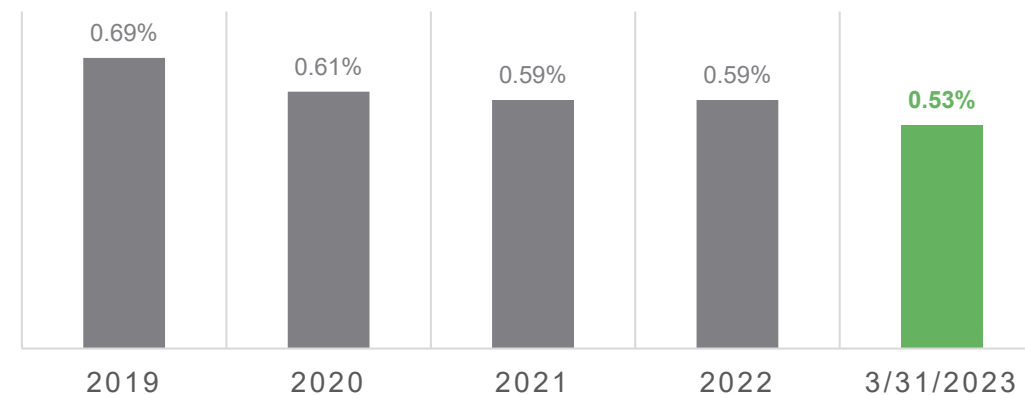


Provision for Credit Losses & Net Charge-Offs (Recoveries)

(\$ in Millions)



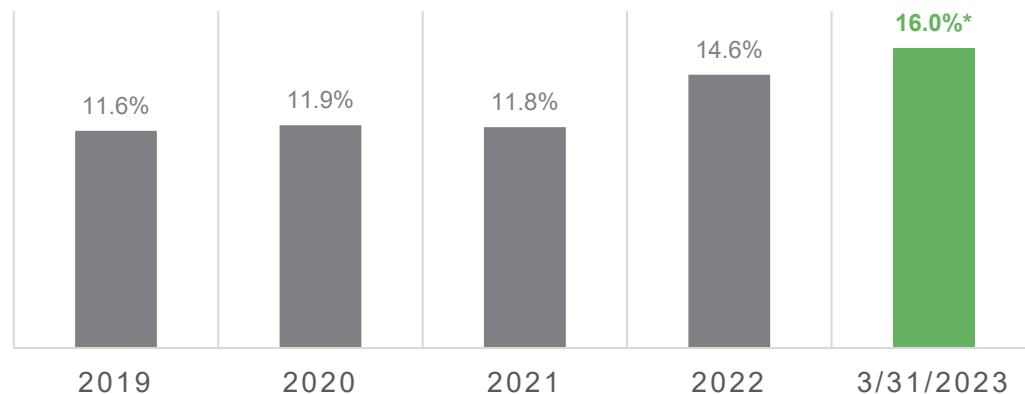
Allowance for Loan Losses* / Total Loans



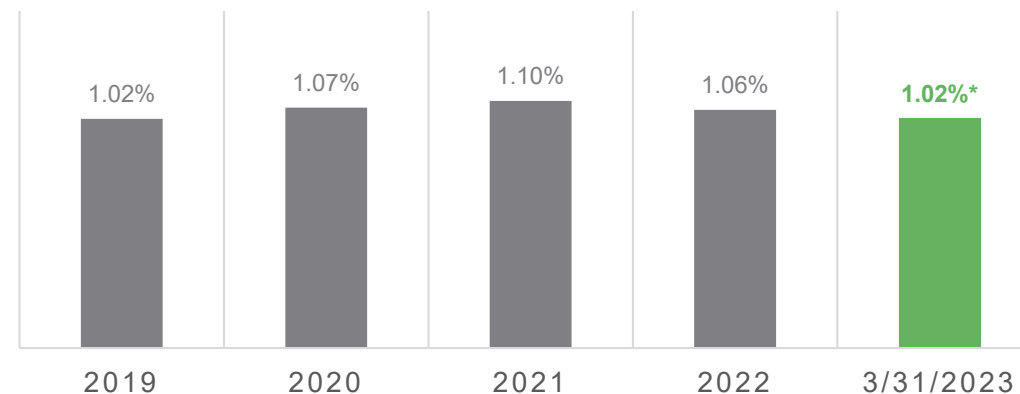
*Effective January 1, 2023, CoBank adopted the CECL accounting standard which resulted in a \$75 million decrease in our allowance for credit losses on loans.

Profitability and Efficiency

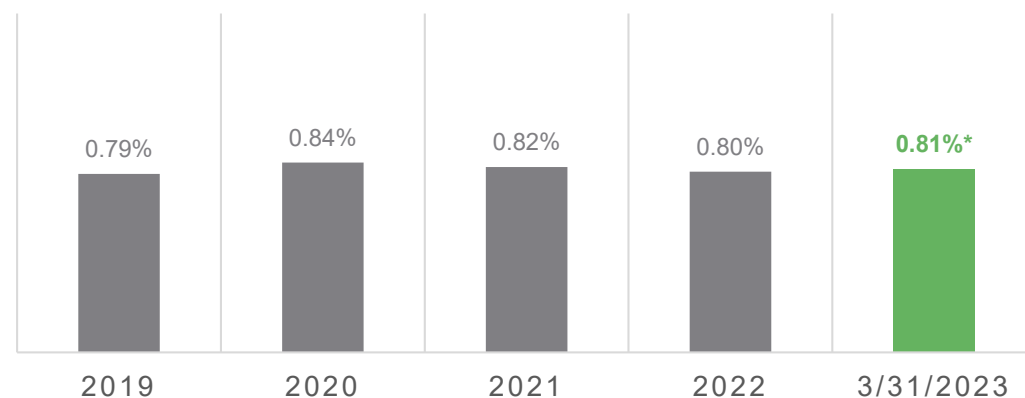
Return on Average Common Equity



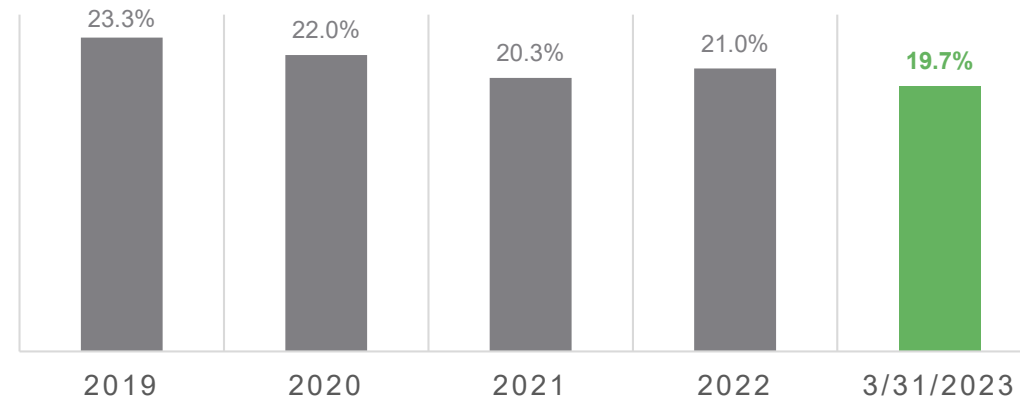
Net Interest Margin



Return on Average Assets



Operating Expense Ratio Excluding Insurance Fund Premiums



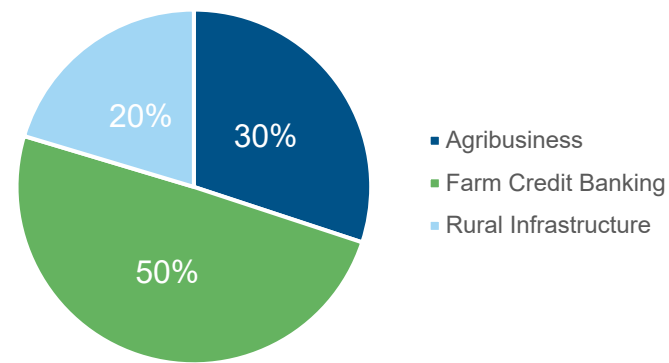
* Annualized

Operating Segments

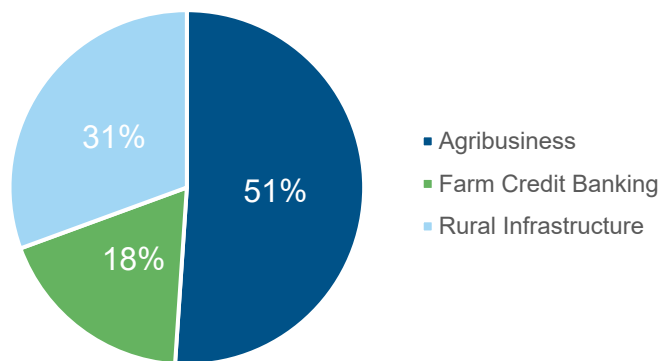
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$143 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

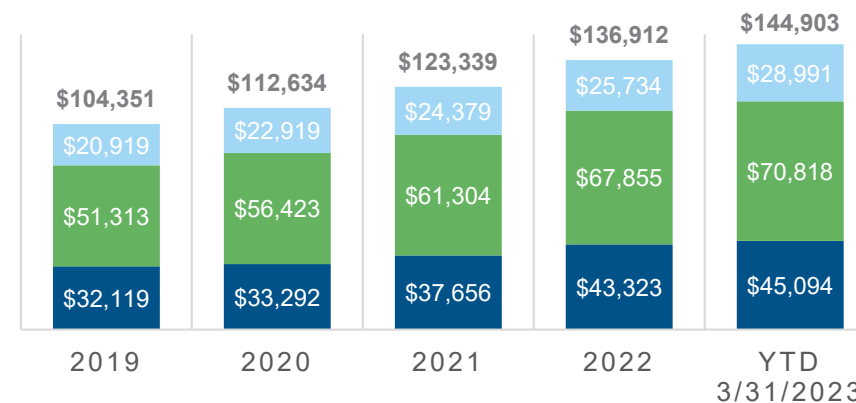
Loan Volume - \$143 Billion at March 31, 2023



Net Income - \$376 Million



Average Loan Volume (\$ in Millions)



Agribusiness Portfolio

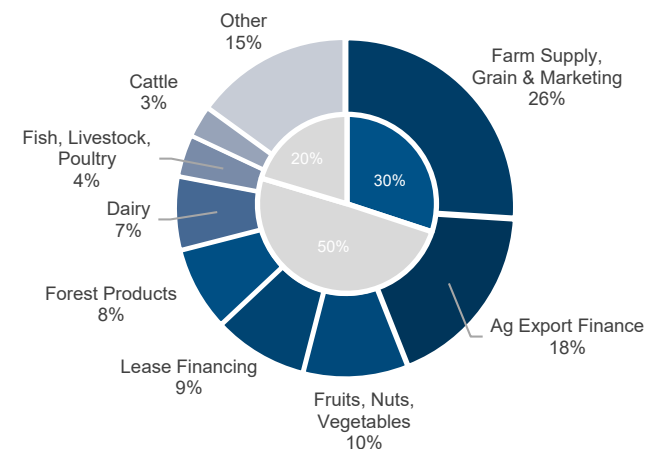
Portfolio Highlights

- \$43.0 billion retail loan portfolio at March 31, 2023
- 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 \$8.0 billion in agricultural export loans; 27% are U.S. government-guaranteed
- Includes \$3.8 billion leasing portfolio

Financial Summary

(\$ in millions)	3/31/2023	2022	2021	2020
Period-End Loans	\$ 43,024	\$ 40,098	\$ 38,094	\$ 36,103
Average Loans	\$ 45,094	\$ 43,323	\$ 37,656	\$ 33,292
Net Income	\$ 192	\$ 774	\$ 677	\$ 608
Nonaccrual Loans	\$ 141	\$ 137	\$ 74	\$ 98

Portfolio Sectors



Loan Quality

	3/31/2023	2022	2021	2020
Acceptable	95.45%	95.17%	94.27%	93.61%
Special Mention	2.23	2.51	3.62	4.81
Substandard	2.32	2.32	2.11	1.56
Doubtful	0.00⁽¹⁾	0.00 ⁽¹⁾	0.00 ⁽¹⁾	0.02
Loss	-	-	-	-

(1) Represents less than 0.01 percent of total agribusiness loans and accrued interest

Farm Credit Banking Portfolio

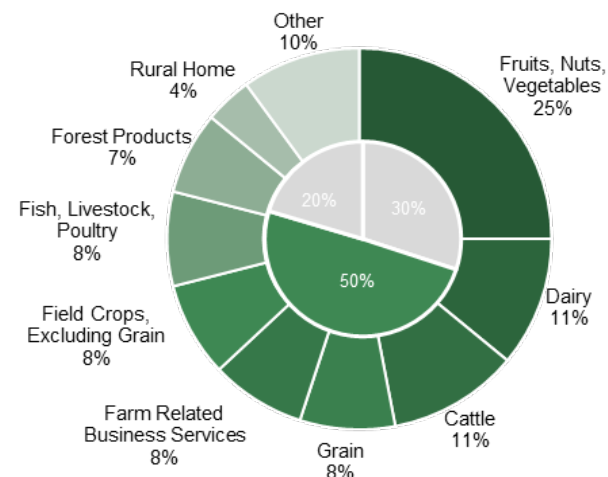
Portfolio Highlights

- \$70.9 billion wholesale loan portfolio at March 31, 2023
- As of January 1, 2023, lending to 17 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 76,000 farmers, ranchers and other rural borrowers
- Includes \$5.8 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)	3/31/2023	2022	2021	2020
Period-End Loans	\$ 70,940	\$ 71,529	\$ 65,632	\$ 60,516
Average Loans	\$ 70,818	\$ 67,855	\$ 61,304	\$ 56,423
Net Income	\$ 69	\$ 252	\$ 245	\$ 257
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors



Loan Quality

	3/31/2023	2022	2021	2020
Acceptable	97.63%	97.76%	97.67%	97.08%
Special Mention	2.37	2.24	2.33	2.92
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-

Rural Infrastructure Portfolio

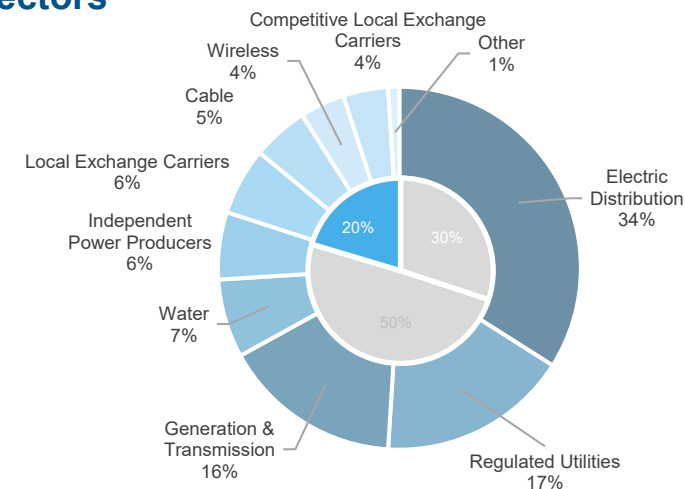
Portfolio Highlights

- \$29.1 billion retail loan portfolio at March 31, 2023
- 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)	3/31/2023	2022	2021	2020
Period-End Loans	\$ 29,146	\$ 28,461	\$ 24,803	\$ 24,237
Average Loans	\$ 28,991	\$ 25,734	\$ 24,379	\$ 22,919
Net Income	\$ 115	\$ 423	\$ 392	\$ 398
Nonaccrual Loans	\$ 26	\$ 9	\$ 49	\$ 19

Portfolio Sectors



Loan Quality

	3/31/2023	2022	2021	2020
Acceptable	98.84%	98.87%	99.13%	98.89%
Special Mention	0.88	0.81	0.41	0.79
Substandard	0.28	0.32	0.46	0.30
Doubtful	-	-	-	0.02
Loss	-	-	-	-

Capital Position

Summary

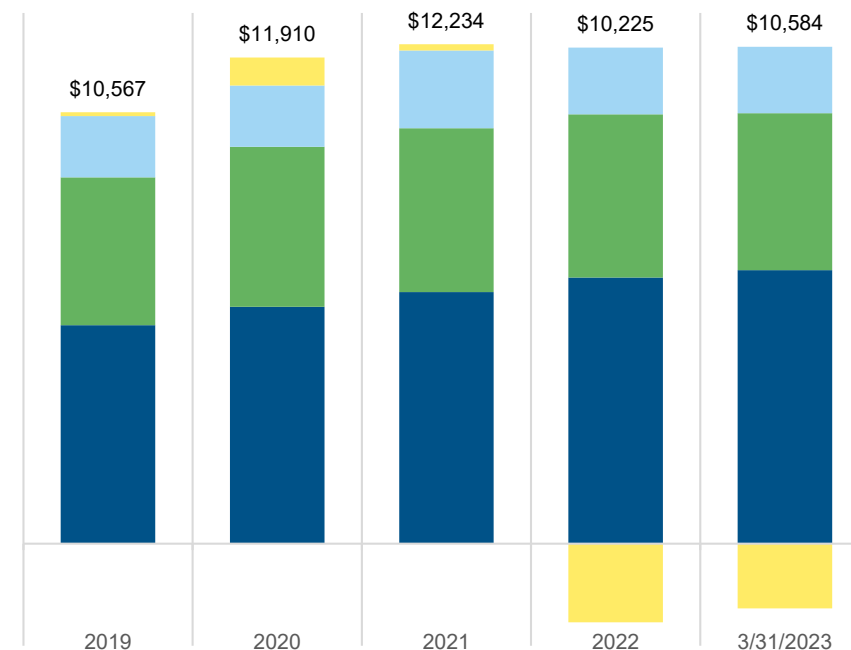
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity
- Total capital increased to \$10.6 billion at March 31, 2023 from December 31, 2022 primarily due to an improvement in unrealized losses on investment securities driven by market interest rate changes. The unrealized losses had no impact on current period earnings or regulatory capital.
- In March 2023, we retired \$191 million of common stock.

Capital Ratios

March 31, 2023				
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.50 %	10.77 %	6.27 %	2.50 %
Tier 1 Capital Ratio	6.00	12.42	6.42	2.50
Total Capital Ratio	8.00	13.19	5.19	2.50
Tier 1 Leverage Ratio ⁽¹⁾	4.00	6.51	2.51	1.00
Permanent Capital Ratio	7.00	12.51	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.50	2.89	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



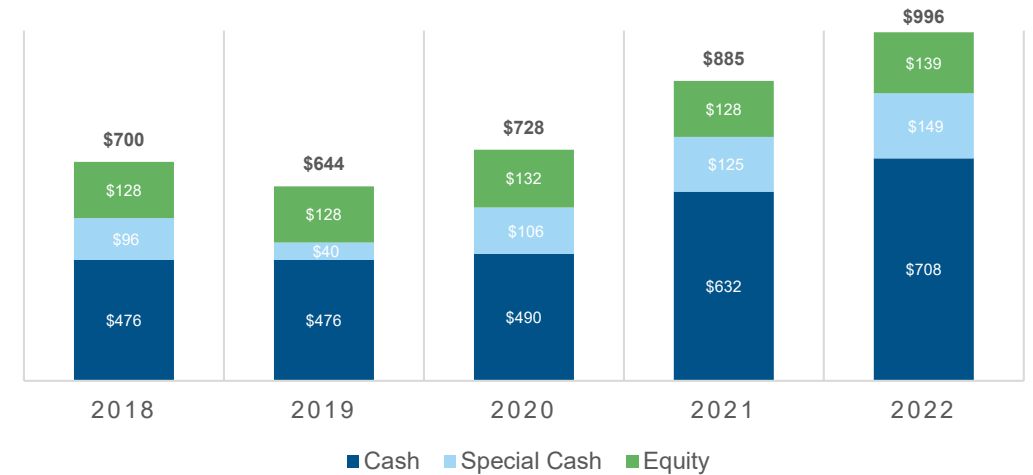
	2019	2020	2021	2022	3/31/2023
Preferred Stock	\$ 1,500	\$ 1,500	\$ 1,902	\$ 1,633	\$ 1,625
Common Stock	\$ 3,622	\$ 3,918	\$ 4,013	\$ 4,000	\$ 3,843
Retained Earnings	\$ 5,351	\$ 5,804	\$ 6,164	\$ 6,519	\$ 6,702
Other Comprehensive (Loss) Income	\$ 94	\$ 688	\$ 155	\$ (1,927)	\$ (1,586)

Patronage

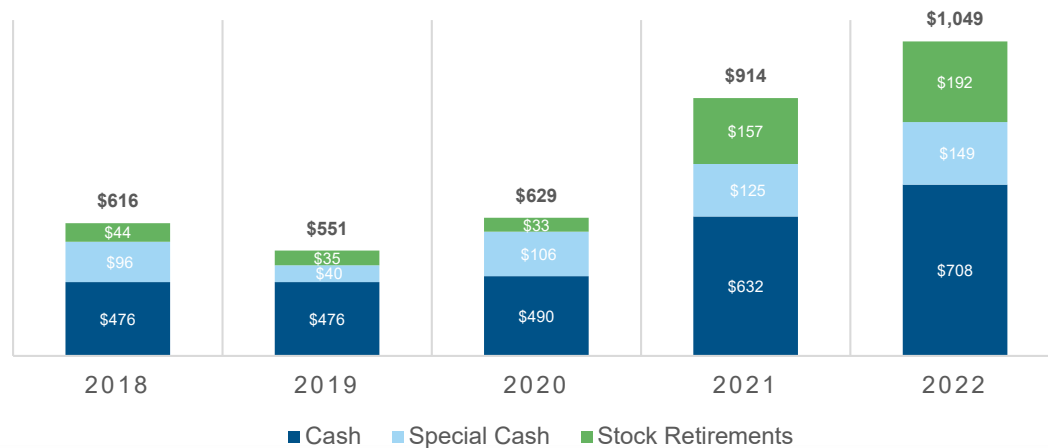
Summary

- Patronage is a key part of the value proposition we provide our eligible customer-owners
- For 2022, the Bank distributed a record \$996 million in patronage, including a \$149 million special cash patronage payment that was unanimously approved by the Board
- Over the past 5 years, customer-owners have received approximately \$4 billion in patronage as a result of their investment in the bank

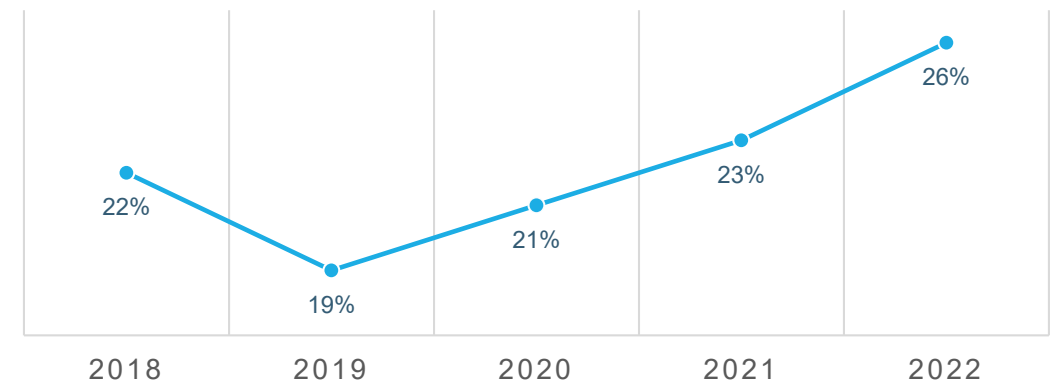
Patronage⁽¹⁾ (\$ in Millions)



Total Cash Payouts⁽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), AAA/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

Debt (\$ in Millions) ⁽¹⁾

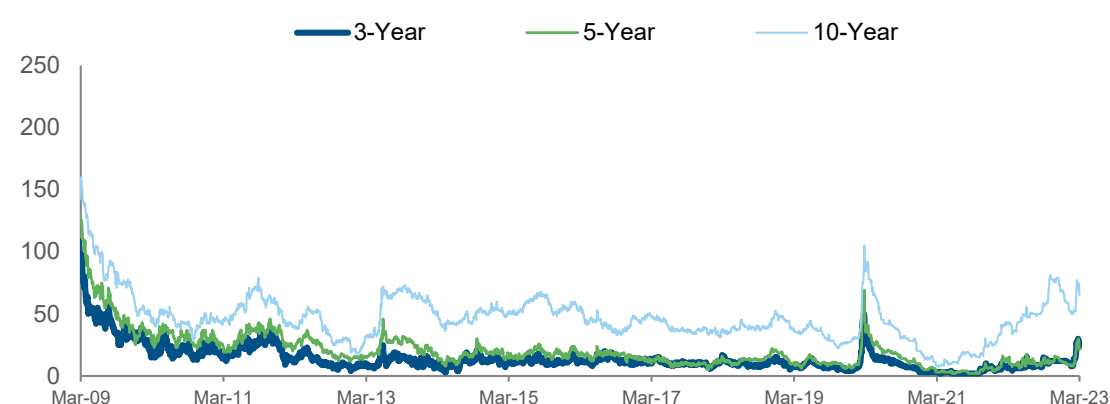
Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate ⁽²⁾
Discount Notes	\$ 15,881	8.9%	0.3	3.73%
Bonds – Noncallable	126,714	71.3%	2.6	3.54%
Bonds – Callable, Other	32,778	18.5%	3.5	3.05%
S/T Customer Investments and Other	2,395	1.3%	0.1	1.04%
	\$ 177,768	100.0%	2.5	3.76%

Equity (\$ in Millions) ⁽¹⁾

Preferred Stock:

Series E	\$ 125	1.2%
Series H	300	2.8%
Series I	375	3.5%
Series J	425	4.0%
Series K	400	3.8%
Common Stock	3,843	36.3%
Unallocated Retained Earnings	6,702	63.4%
Accumulated Other Comprehensive Loss	(1,586)	(15.0%)
	\$ 10,584	100.0%

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



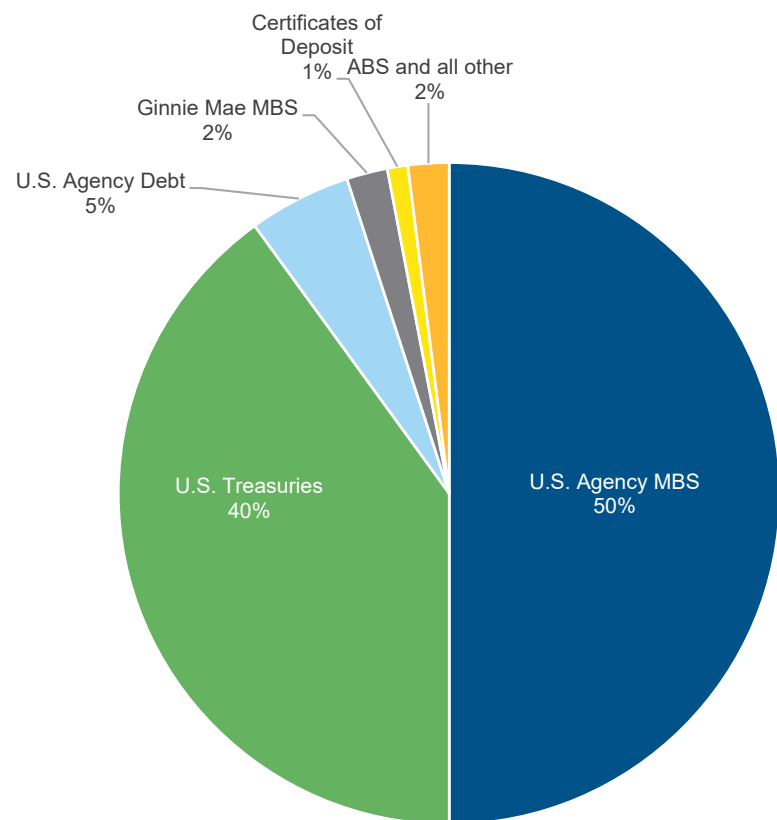
(1) As of March 31, 2023

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

Investment Portfolio

Total Investment Securities of \$34.4 Billion

(as of March 31, 2023)



Summary

- \$34.4 billion market-diversified portfolio plus \$277 million of cash and cash equivalents and \$11.9 billion in federal funds sold and other overnight funds as of March 31, 2023
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Cash flow average life of 3.3 years and duration of 1.6 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 194 days at March 31, 2023
 - CoBank's long-term debt to loans was approximately 66% as of March 31, 2023

(\$ in Millions)

Type	Fair Value
U.S. Agency MBS	\$ 17,142
U.S. Treasuries	13,833
U.S. Agency Debt	1,590
Ginnie Mae MBS	846
Certificates of Deposit	275
ABS and all other ⁽¹⁾	735
Total	\$ 34,421

(1) All other includes an allowance for credit losses of \$6 million at March 31, 2023