



CoBank Investor Presentation

March 31, 2022



Proud Member of the Farm Credit System 

Summary Financial Results

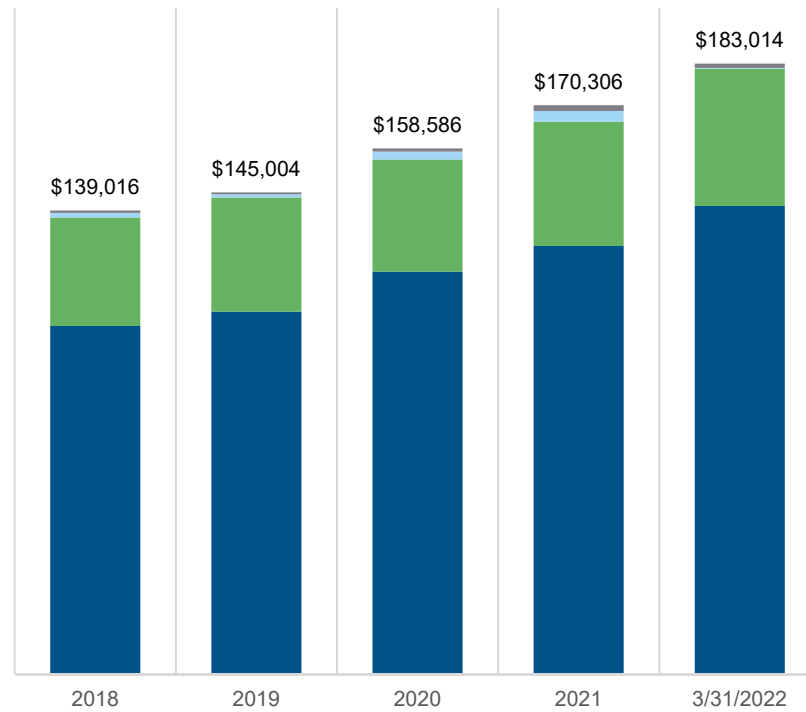
(\$ in millions)	For the Year Ended December 31,		For the Three Months Ended March 31,		
	2020	2021	2021	2022	B(W) %
Interest income	\$ 3,312	\$ 2,869	\$ 744	\$ 785	6%
Interest expense	1,745	1,143	301	297	1%
<i>Net interest income</i>	<u>1,567</u>	<u>1,726</u>	<u>443</u>	<u>488</u>	10%
Provision for loan losses	21	18	55	46	16%
<i>Net interest income after provision for loan losses</i>	<u>1,546</u>	<u>1,708</u>	<u>388</u>	<u>442</u>	14%
Noninterest income	282	199	83	88	6%
Operating expenses	435	491	113	121	-7%
<i>Income before income taxes</i>	<u>1,393</u>	<u>1,416</u>	<u>358</u>	<u>409</u>	14%
Provision for income taxes	130	102	34	32	6%
<i>Net income</i>	<u>\$ 1,263</u>	<u>\$ 1,314</u>	<u>\$ 324</u>	<u>\$ 377</u>	16%
Return on average common equity	11.86 %	11.78 %	11.85 % *	14.33 % *	21%
Net interest margin	1.07 %	1.10 %	1.13 % *	1.15 % *	2%
Return on average assets	0.84 %	0.82 %	0.81 % *	0.87 % *	7%
Operating expense ratio**	21.96 %	20.33 %	17.52 %	17.36 %	1%
Average total loans	\$ 112,634	\$ 123,339	\$ 125,892	\$ 137,798	9%
Average total assets	150,817	159,559	161,422	175,679	9%

* Annualized

** Excludes Insurance Fund premiums

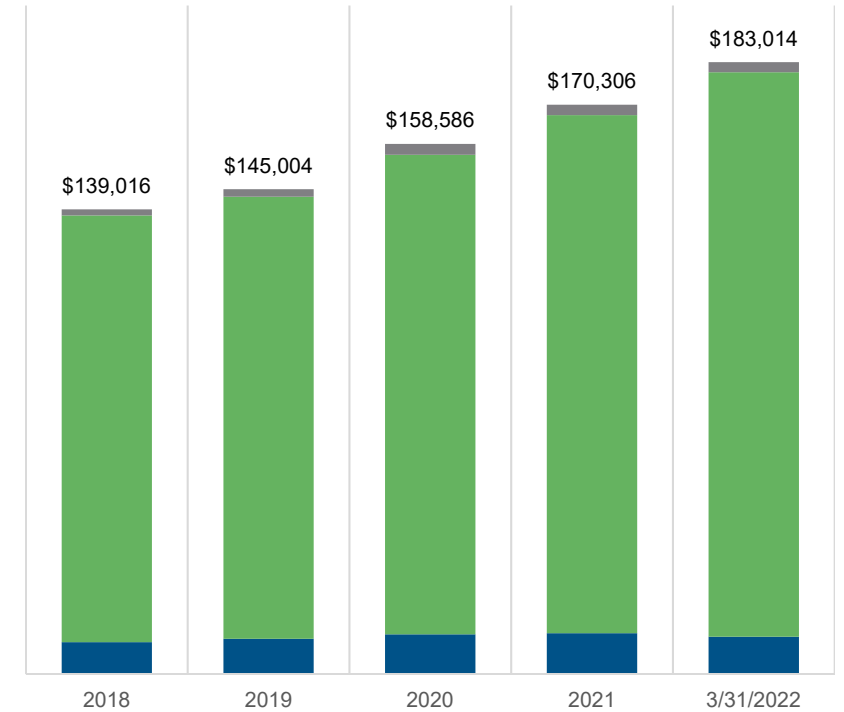
Balance Sheet Trends

Assets (\$ in Millions)



	2018	2019	2020	2021	3/31/2022
Other	\$ 562	\$ 965	\$ 1,735	\$ 1,238	\$ 1,033
Cash*	\$ 1,368	\$ 949	\$ 2,335	\$ 3,197	\$ 280
Investments**	\$ 32,592	\$ 34,236	\$ 33,660	\$ 37,342	\$ 41,142
Gross Loans	\$ 104,494	\$ 108,854	\$ 120,856	\$ 128,529	\$ 140,559

Liabilities & Shareholders' Equity (\$ in Millions)



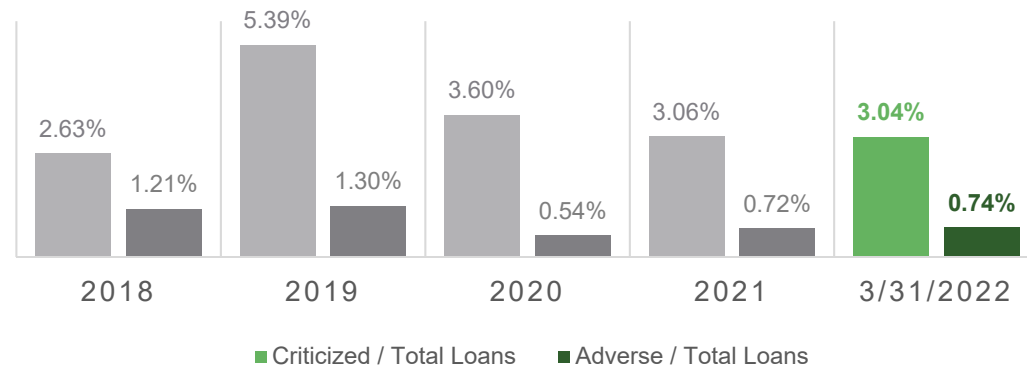
	2018	2019	2020	2021	3/31/2022
Other	\$ 1,849	\$ 2,207	\$ 3,292	\$ 3,122	\$ 3,026
Bonds & Notes	\$ 127,632	\$ 132,230	\$ 143,384	\$ 154,950	\$ 168,824
Shareholders' Equity	\$ 9,535	\$ 10,567	\$ 11,910	\$ 12,234	\$ 11,164

* Represents cash and cash equivalents

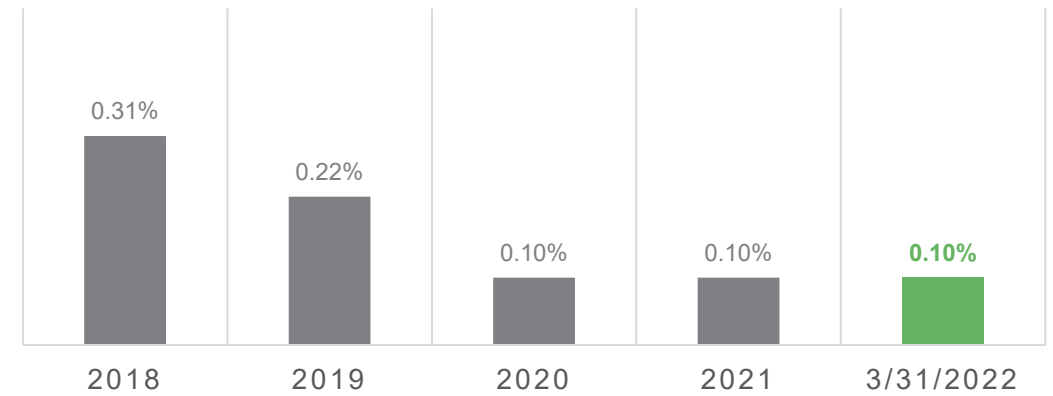
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

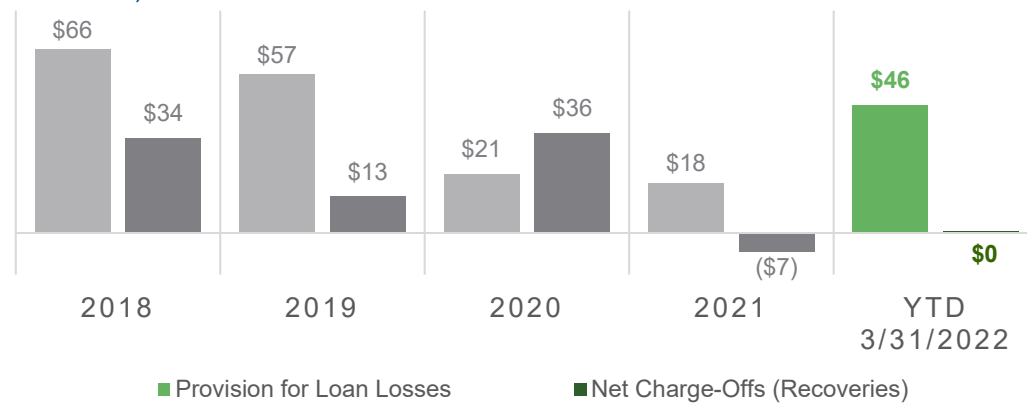


Nonaccrual Loans / Total Loans

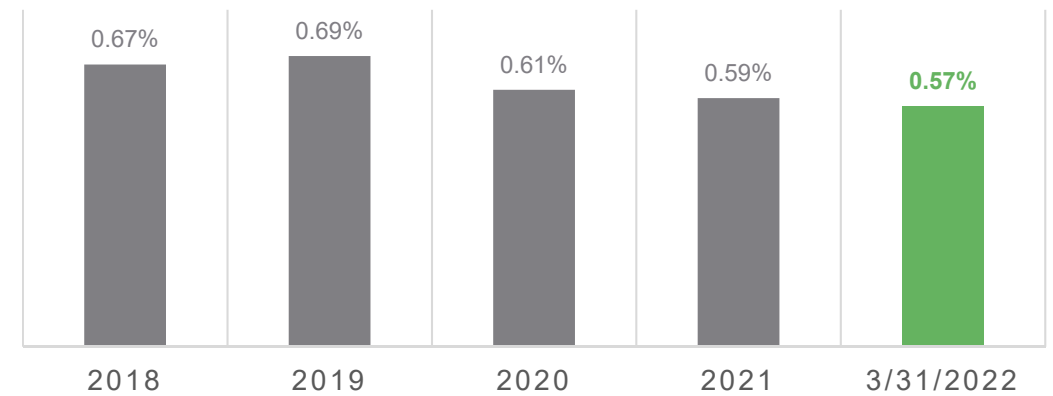


Provision for Loan Losses & Net Charge-Offs (Recoveries)

(\$ in Millions)

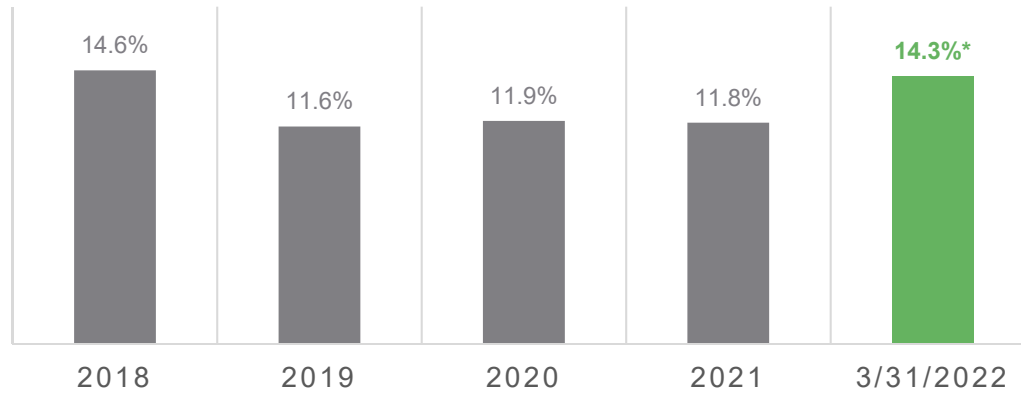


Allowance for Credit Losses / Total Loans

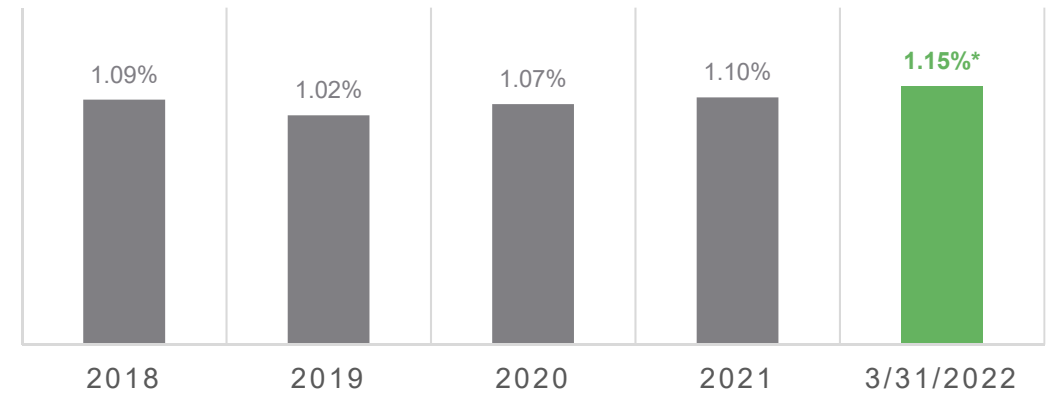


Profitability and Efficiency

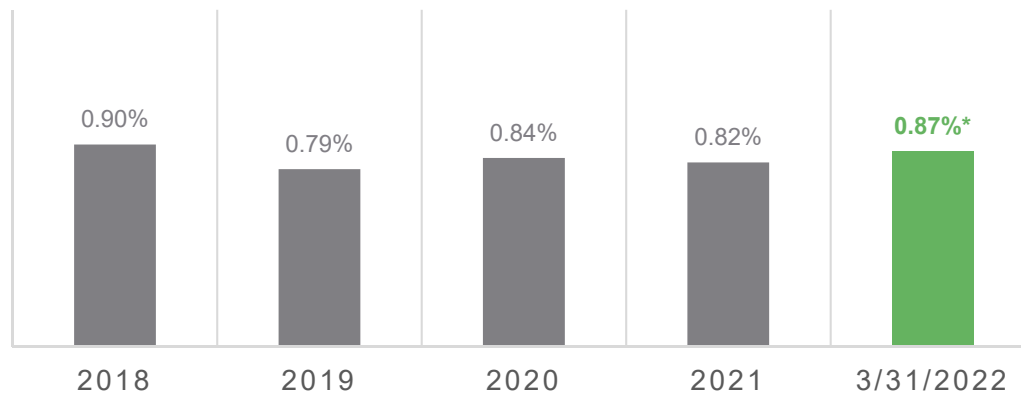
Return on Average Common Equity



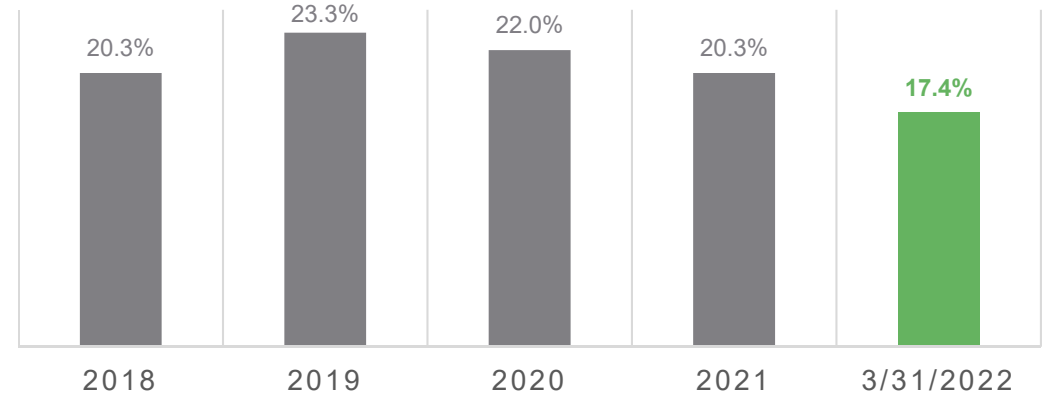
Net Interest Margin



Return on Average Assets



Operating Expense Ratio Excluding Insurance Fund Premiums



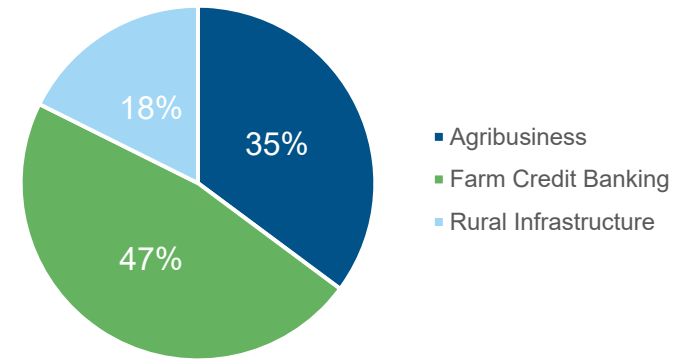
* Annualized

Operating Segments

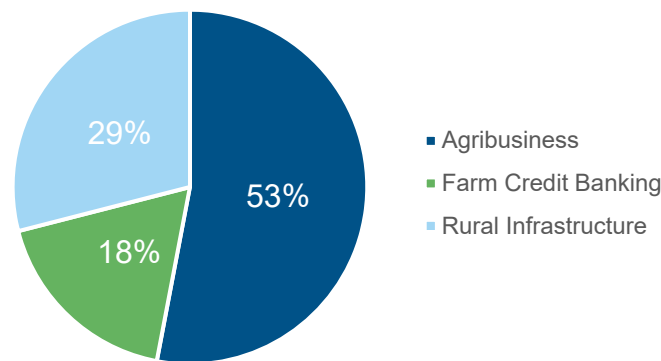
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$140.6 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

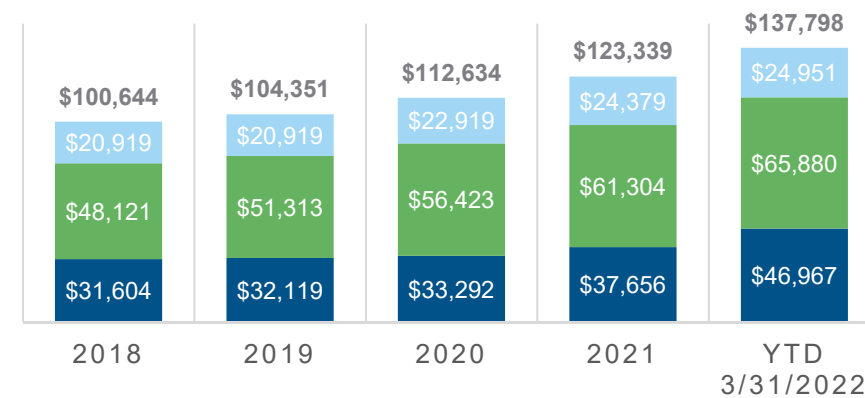
Loan Volume - \$140.6 Billion at March 31, 2022



Net Income - \$377.2 Million



Average Loan Volume (\$ in Millions)



Agribusiness Portfolio

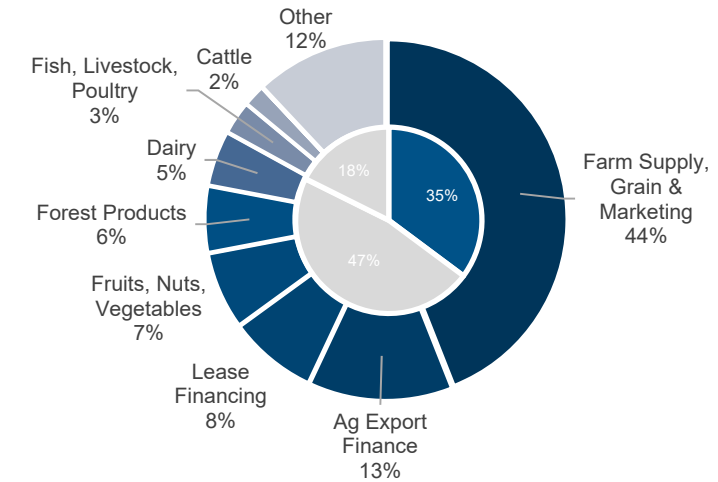
Portfolio Highlights

- \$49.5 billion retail loan portfolio at March 31, 2022
- 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 \$6.5 billion in agricultural export loans; 21% are U.S. government-guaranteed
- Includes \$3.7 billion leasing portfolio

Financial Summary

(\$ in millions)	3/31/2022	2021	2020	2019
Period-End Loans	\$ 49,453	\$ 38,094	\$ 36,103	\$ 33,168
Average Loans	\$ 46,967	\$ 37,656	\$ 33,292	\$ 32,119
Net Income	\$ 200	\$ 677	\$ 608	\$ 537
Nonaccrual Loans	\$ 85	\$ 74	\$ 98	\$ 220

Portfolio Sectors



Loan Quality

	3/31/2022	2021	2020	2019
Acceptable	94.87%	94.27%	93.61%	92.85%
Special Mention	3.21	3.62	4.81	3.90
Substandard	1.91	2.11	1.56	3.23
Doubtful	0.01	0.00 ⁽¹⁾	0.02	0.02
Loss	-	-	-	-

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

Farm Credit Banking Portfolio

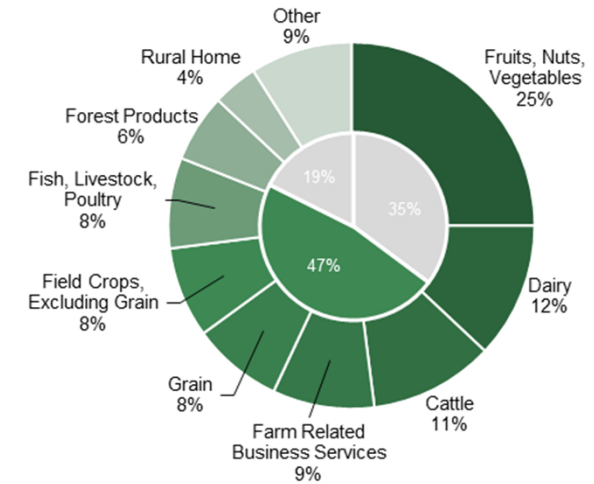
Portfolio Highlights

- \$66.3 billion wholesale loan portfolio at March 31, 2022
- Lending to 19 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 \$5.1 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)	3/31/2022	2021	2020	2019
Period-End Loans	\$ 66,300	\$ 65,632	\$ 60,516	\$ 54,459
Average Loans	\$ 65,880	\$ 61,304	\$ 56,423	\$ 51,313
Net Income	\$ 67	\$ 246	\$ 257	\$ 223
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors



Loan Quality

	3/31/2022	2021	2020	2019
Acceptable	97.68%	97.67%	97.08%	94.50%
Special Mention	2.32	2.33	2.92	5.50
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-

Rural Infrastructure Portfolio

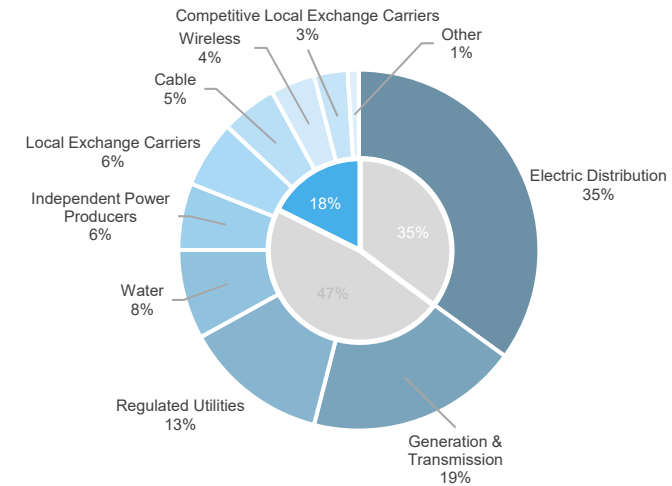
Portfolio Highlights

- \$24.8 billion retail loan portfolio at March 31, 2022
- 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)	3/31/2022	2021	2020	2019
Period-End Loans	\$ 24,806	\$ 24,803	\$ 24,237	\$ 21,227
Average Loans	\$ 24,951	\$ 24,379	\$ 22,919	\$ 20,919
Net Income	\$ 110	\$ 392	\$ 398	\$ 332
Nonaccrual Loans	\$ 59	\$ 49	\$ 19	\$ 20

Portfolio Sectors



Loan Quality

	3/31/2022	2021	2020	2019
Acceptable	99.20%	99.13%	98.89%	97.66%
Special Mention	0.42	0.41	0.79	0.75
Substandard	0.38	0.46	0.30	1.53
Doubtful	-	-	0.02	0.06
Loss	-	-	-	-

Capital Position

Summary

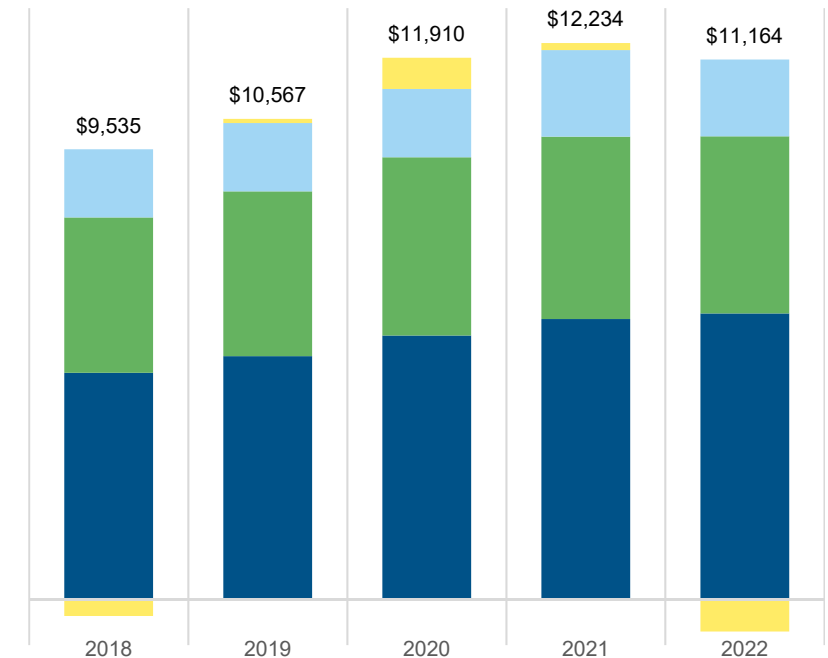
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- In January 2022, we redeemed all of our outstanding Series G non-cumulative perpetual preferred stock totaling \$200.0 million and we retired \$14.2 million of our outstanding Series E non-cumulative perpetual preferred stock
- Preferred stock provides additional layer of risk-bearing capacity

Capital Ratios

	March 31, 2022			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.5%	10.98%	6.48%	2.5%
Tier 1 Capital Ratio	6.0	12.81	6.81	2.5
Total Capital Ratio	8.0	13.64	5.64	2.5
Tier 1 Leverage Ratio ⁽¹⁾	4.0	6.78	2.78	1.0
Permanent Capital Ratio	7.0	12.92	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.5	2.89	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



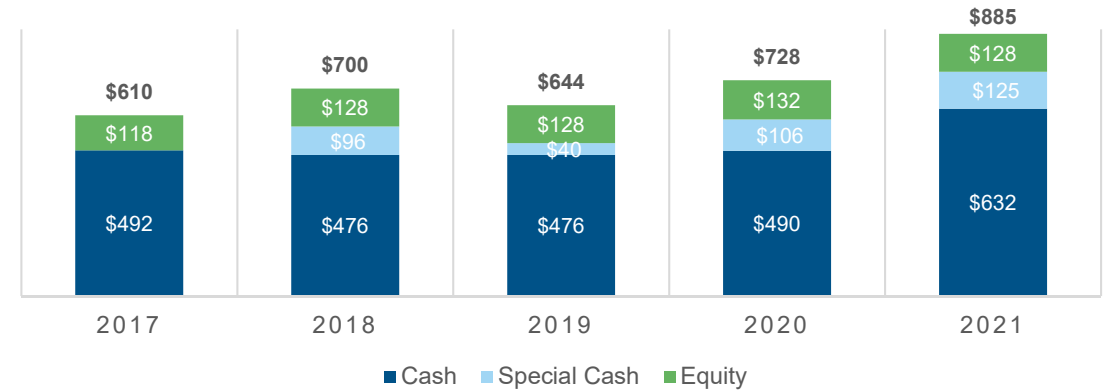
	2018	2019	2020	2021	2022
Preferred Stock	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,902	\$ 1,688
Common Stock	\$ 3,416	\$ 3,622	\$ 3,918	\$ 4,013	\$ 3,894
Retained Earnings	\$ 4,982	\$ 5,351	\$ 5,804	\$ 6,164	\$ 6,287
Other Comprehensive (Loss) Income	\$ (363)	\$ 94	\$ 688	\$ 155	\$ (705)

Patronage

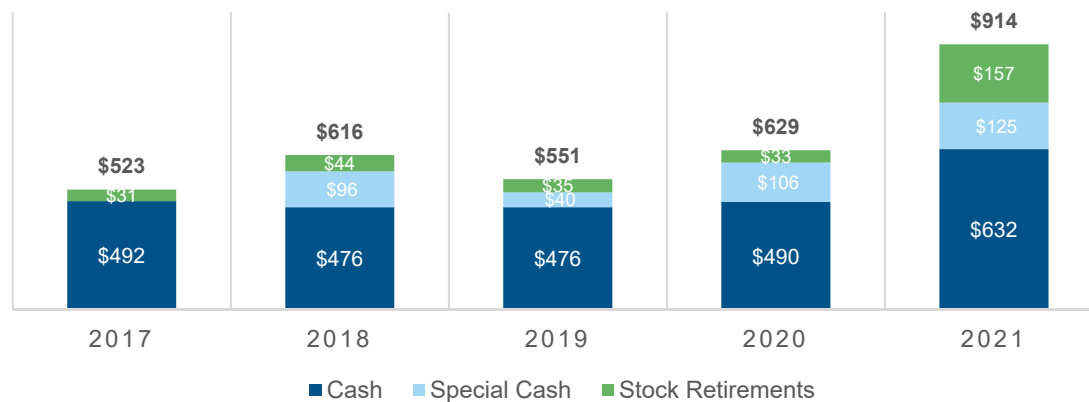
Summary

- Patronage is a key part of the value proposition we provide our eligible customer-owners
- For 2021, the bank distributed a record \$884.6 million in patronage, including a \$125.4 million all-cash special patronage payout unanimously approved by the board
- Over the past 5 years, customer-owners have received approximately \$3.6 billion in patronage as a result of their investment in the bank

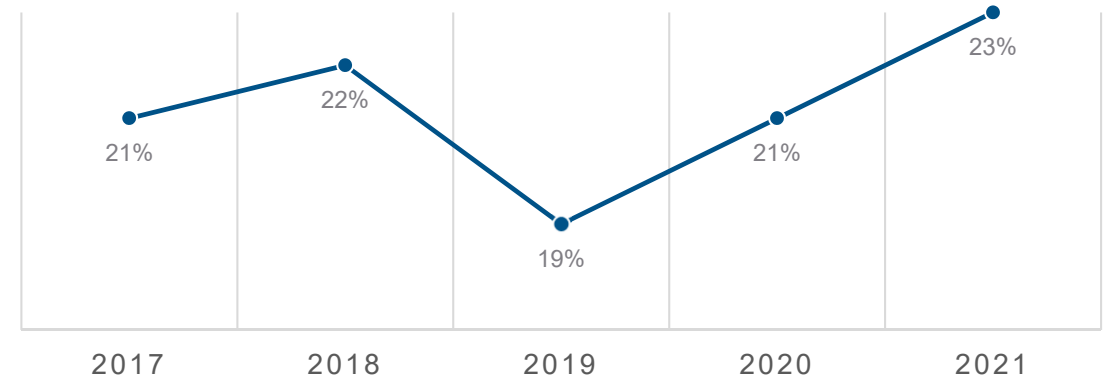
Patronage (\$ in Millions)



Total Cash Payouts (\$ in Millions)



Average Return on Active Patron Investment



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

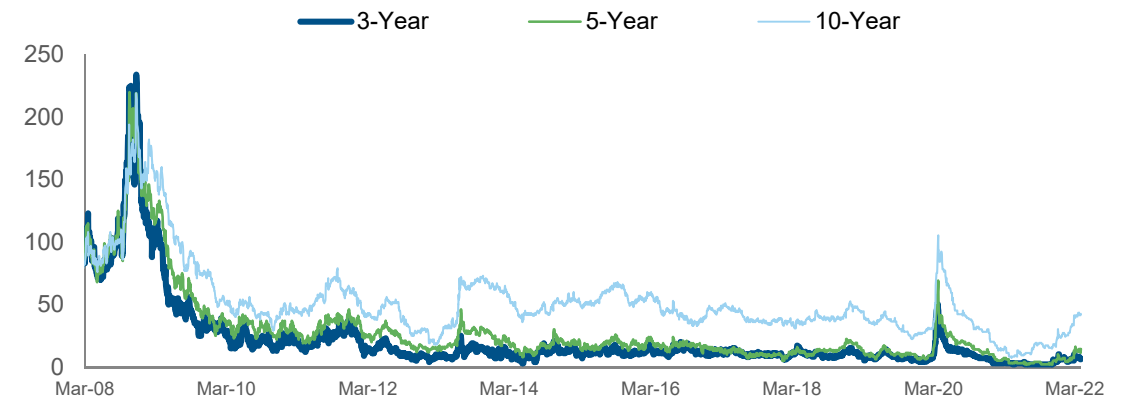
Equity (\$ in Millions) ⁽¹⁾

Type	Amount	% of Equity
Preferred Stock:		
Series E	\$188	1.7%
Series F	400	3.6%
Series H	300	2.7%
Series I	375	3.3%
Series J	425	3.8%
Common Stock	3,894	34.9%
Unallocated Retained Earnings	6,287	56.2%
Accumulated Other Comprehensive Loss	(705)	(6.3)%
	\$11,164	100.0%

Debt (\$ in Millions) ⁽¹⁾

Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate ⁽²⁾
Discount Notes	\$ 13,200	7.8%	0.2	0.19%
Bonds – Noncallable	129,352	76.6%	2.4	0.86%
Bonds – Callable, Other	25,322	15.0%	4.4	0.87%
S/T Customer Investments and Other	950	0.6%	0.1	0.09%
	\$ 168,824	100.0%	2.5	0.80%

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



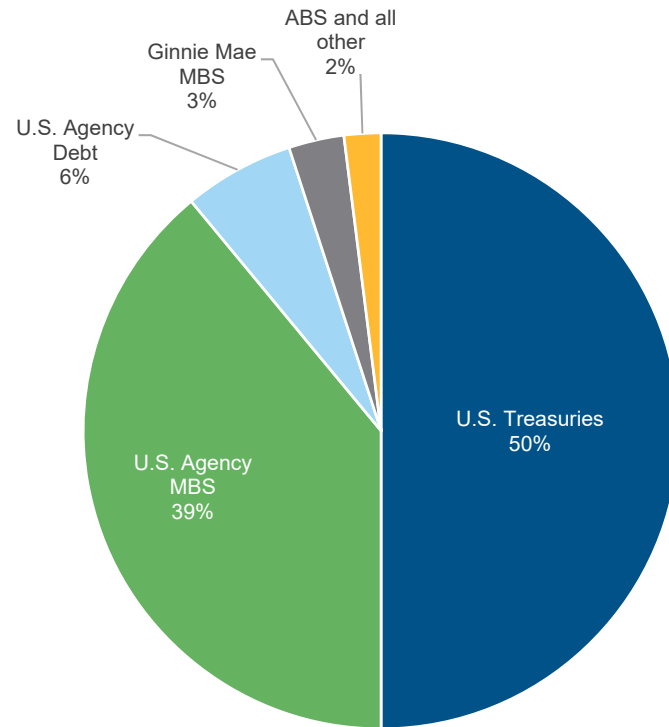
(1) As of March 31, 2022

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

Investment Portfolio

Total Investment Securities of \$36.2 Billion

(as of March 31, 2022)



Summary

- \$36.2 billion market-diversified portfolio plus \$0.3 billion of cash and cash equivalents and \$5.0 billion in Federal Funds Sold and Other Overnight Funds as of March 31, 2022
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Cash flow average life of 3.1 years and duration of 2.1 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 175 days at March 31, 2022
 - CoBank's long-term debt to loans was approximately 68% as of March 31, 2022

(\$ in Millions)

Type	Fair Value
U.S. Treasuries	\$18,125
U.S. Agency MBS	14,264
U.S. Agency Debt	2,192
Ginnie Mae MBS	1,064
ABS and all other	512
Total	\$36,157