



CoBank Investor Presentation

September 30, 2022



Proud Member of the Farm Credit System 

Summary Financial Results

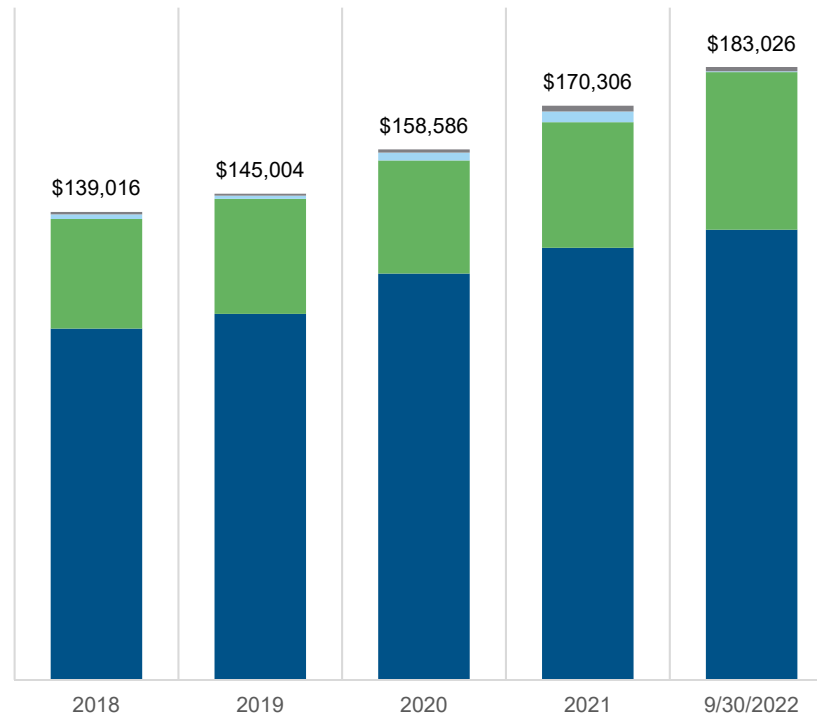
(\$ in millions)	For the Year Ended December 31,		For the Nine Months Ended September 30,		
	2020	2021	2021	2022	B(W) %
Interest income	\$ 3,312	\$ 2,869	\$ 2,164	\$ 3,028	40%
Interest expense	1,745	1,143	867	1,588	-83%
<i>Net interest income</i>	<u>1,567</u>	<u>1,726</u>	<u>1,297</u>	<u>1,440</u>	11%
Provision for loan losses	21	18	5	75	-1400%
<i>Net interest income after provision for loan losses</i>	<u>1,546</u>	<u>1,708</u>	<u>1,292</u>	<u>1,365</u>	6%
Noninterest income	282	199	194	273	41%
Operating expenses	435	491	354	410	-16%
<i>Income before income taxes</i>	<u>1,393</u>	<u>1,416</u>	<u>1,132</u>	<u>1,228</u>	8%
Provision for income taxes	130	102	96	103	-7%
<i>Net income</i>	<u>\$ 1,263</u>	<u>\$ 1,314</u>	<u>\$ 1,036</u>	<u>\$ 1,125</u>	9%
Return on average common equity	11.86 %	11.78 %	12.48 % *	14.88 % *	19%
Net interest margin	1.07 %	1.10 %	1.11 % *	1.09 % *	-2%
Return on average assets	0.84 %	0.82 %	0.87 % *	0.84 % *	-3%
Operating expense ratio**	21.96 %	20.33 %	19.28 %	19.11 %	1%
Average total loans	\$ 112,634	\$ 123,339	\$ 123,236	\$ 136,634	11%
Average total assets	150,817	159,559	158,986	178,987	13%

* Annualized

** Excludes Insurance Fund premiums

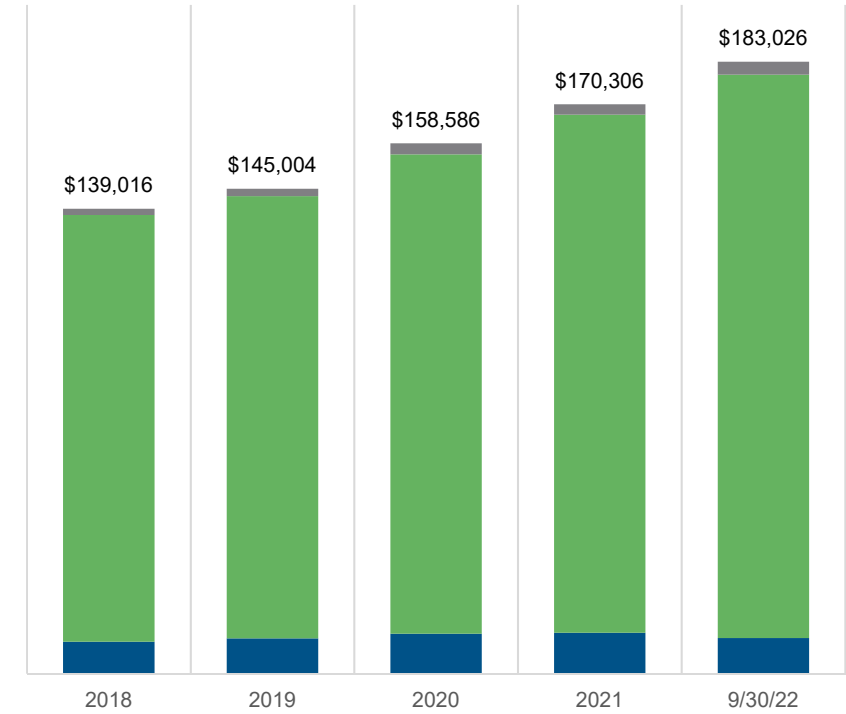
Balance Sheet Trends

Assets (\$ in Millions)



Other	\$ 562	\$ 965	\$ 1,735	\$ 1,238	\$ 1,999
Cash*	\$ 1,368	\$ 949	\$ 2,335	\$ 3,197	\$ 245
Investments**	\$ 32,592	\$ 34,236	\$ 33,660	\$ 37,342	\$ 46,877
Gross Loans	\$ 104,494	\$ 108,854	\$ 120,856	\$ 128,529	\$ 133,905

Liabilities & Shareholders' Equity (\$ in Millions)



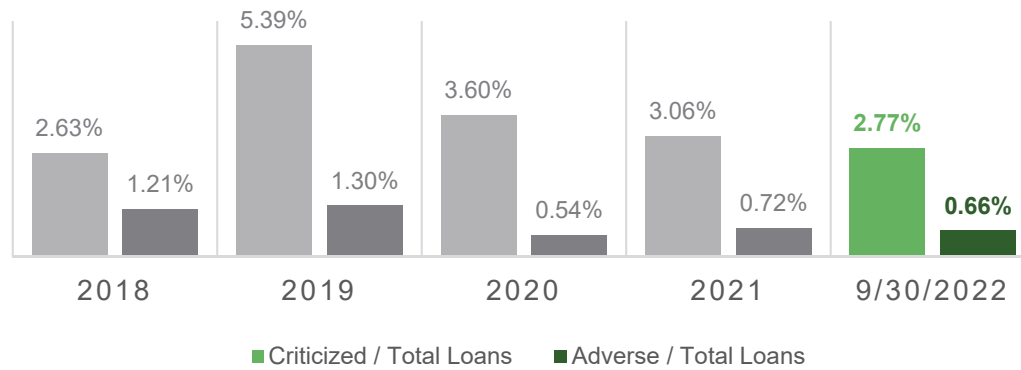
Other	\$ 1,849	\$ 2,207	\$ 3,292	\$ 3,122	\$ 3,902
Bonds & Notes	\$ 127,632	\$ 132,230	\$ 143,384	\$ 154,950	\$ 168,491
Shareholders' Equity	\$ 9,535	\$ 10,567	\$ 11,910	\$ 12,234	\$ 10,633

* Represents cash and cash equivalents

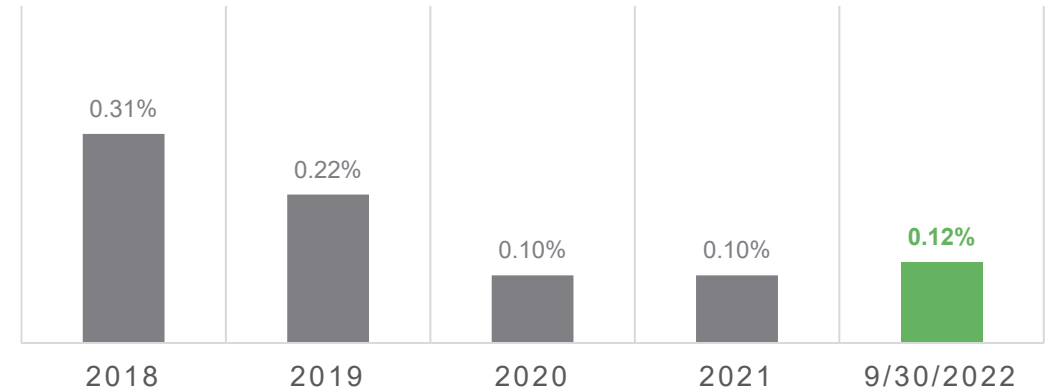
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

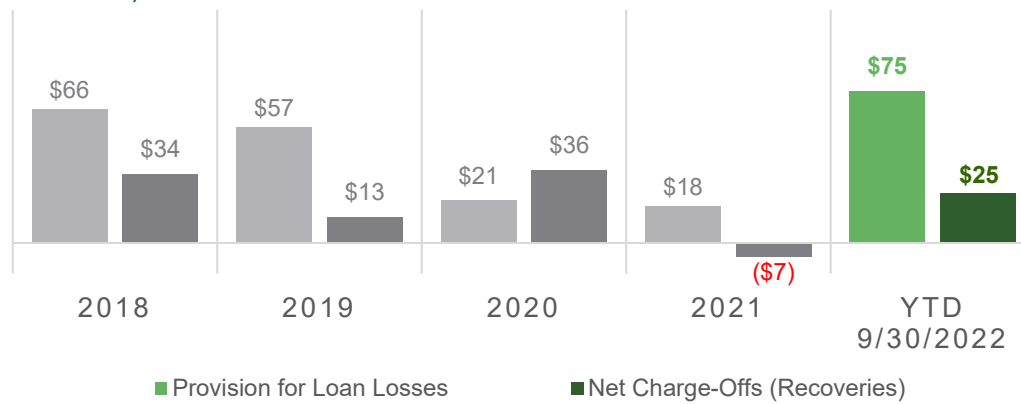


Nonaccrual Loans / Total Loans

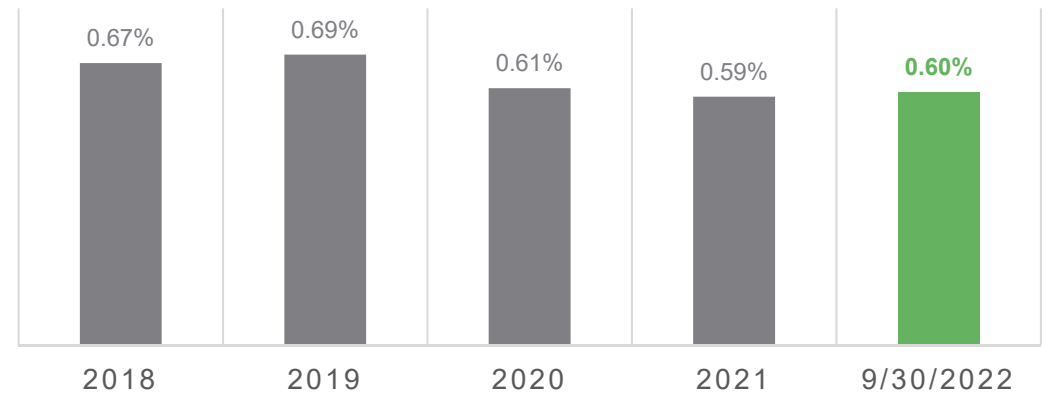


Provision for Loan Losses & Net Charge-Offs (Recoveries)

(\$ in Millions)

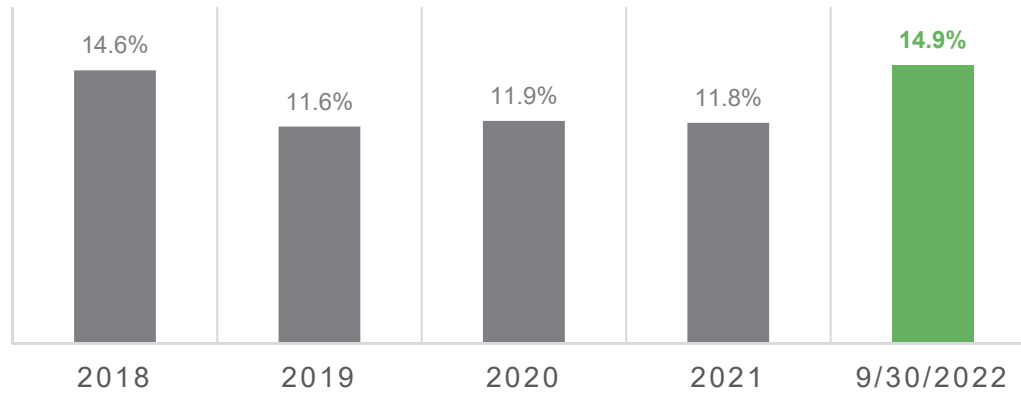


Allowance for Credit Losses / Total Loans

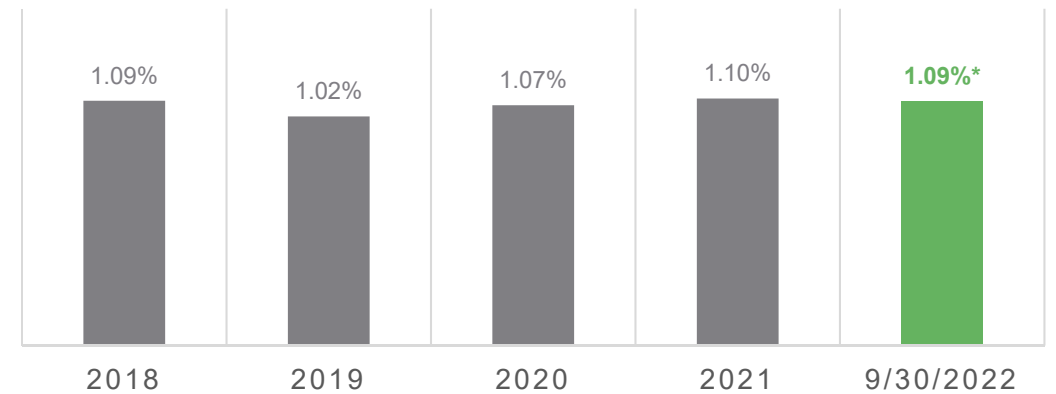


Profitability and Efficiency

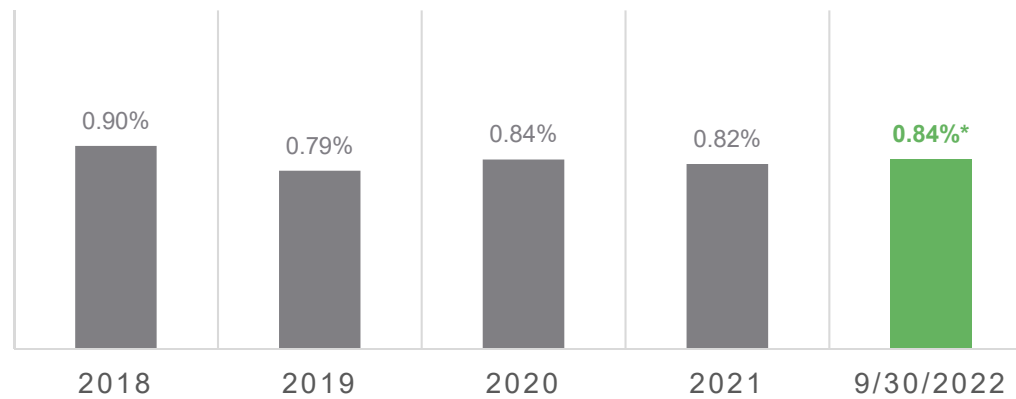
Return on Average Common Equity



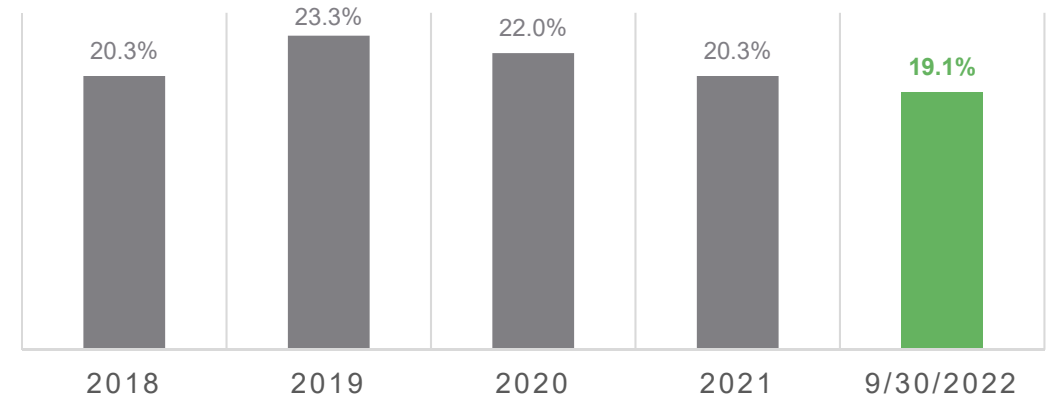
Net Interest Margin



Return on Average Assets



Operating Expense Ratio Excluding Insurance Fund Premiums



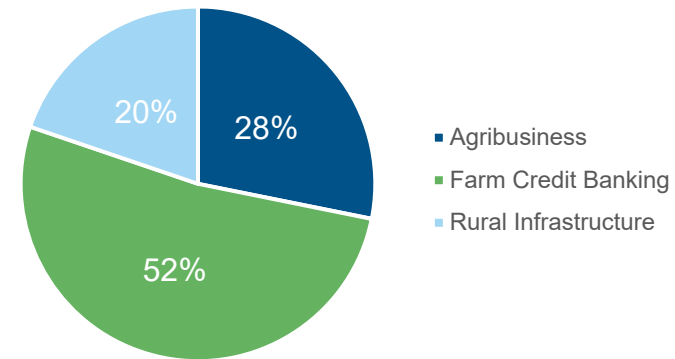
* Annualized

Operating Segments

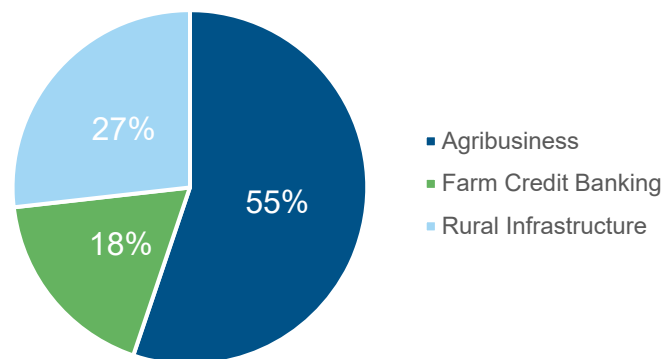
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$133.9 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

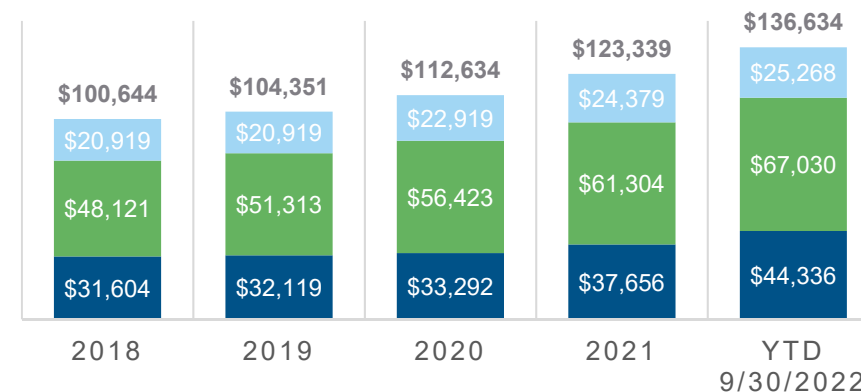
Loan Volume - \$133.9 Billion at September 30, 2022



Net Income - \$1.125 Billion



Average Loan Volume (\$ in Millions)



Agribusiness Portfolio

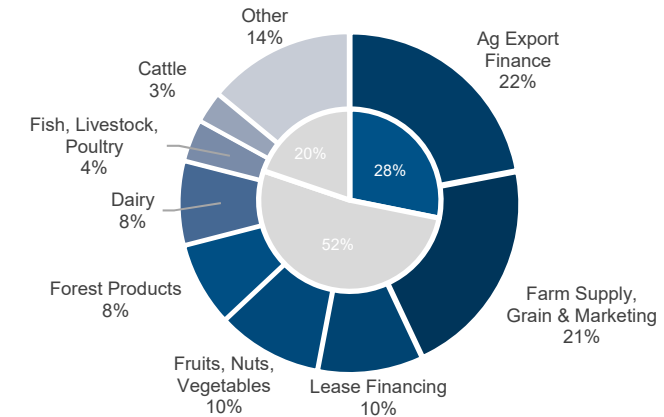
Portfolio Highlights

- \$37.7 billion retail loan portfolio at September 30, 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 \$8.1 billion in agricultural export loans; 28% are U.S. government-guaranteed
- Includes \$3.6 billion leasing portfolio

Financial Summary

(\$ in millions)	9/30/2022	2021	2020	2019
Period-End Loans	\$ 37,714	\$ 38,094	\$ 36,103	\$ 33,168
Average Loans	\$ 44,336	\$ 37,656	\$ 33,292	\$ 32,119
Net Income	\$ 621	\$ 677	\$ 608	\$ 537
Nonaccrual Loans	\$ 136	\$ 74	\$ 98	\$ 220

Portfolio Sectors



Loan Quality

	9/30/2022	2021	2020	2019
Acceptable	95.16%	94.27%	93.61%	92.85%
Special Mention	2.74	3.62	4.81	3.90
Substandard	2.05	2.11	1.56	3.23
Doubtful	0.05	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

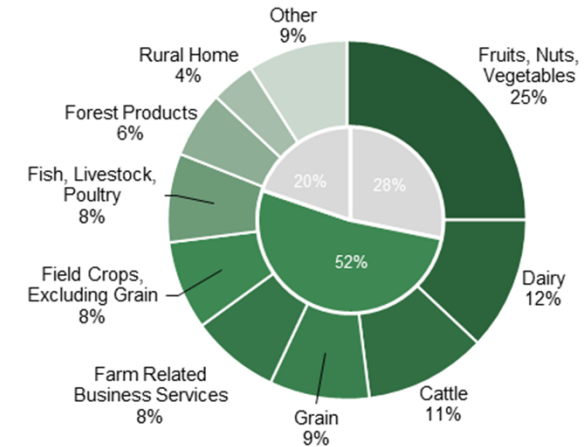
Portfolio Highlights

- \$69.7 billion wholesale loan portfolio at September 30, 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 \$5.7 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)	9/30/2022	2021	2020	2019
Period-End Loans	\$ 69,703	\$ 65,632	\$ 60,516	\$ 54,459
Average Loans	\$ 67,030	\$ 61,304	\$ 56,423	\$ 51,313
Net Income	\$ 203	\$ 246	\$ 257	\$ 223
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors



Loan Quality

	9/30/2022	2021	2020	2019
Acceptable	97.74%	97.67%	97.08%	94.50%
Special Mention	2.26	2.33	2.92	5.50
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-

Rural Infrastructure Portfolio

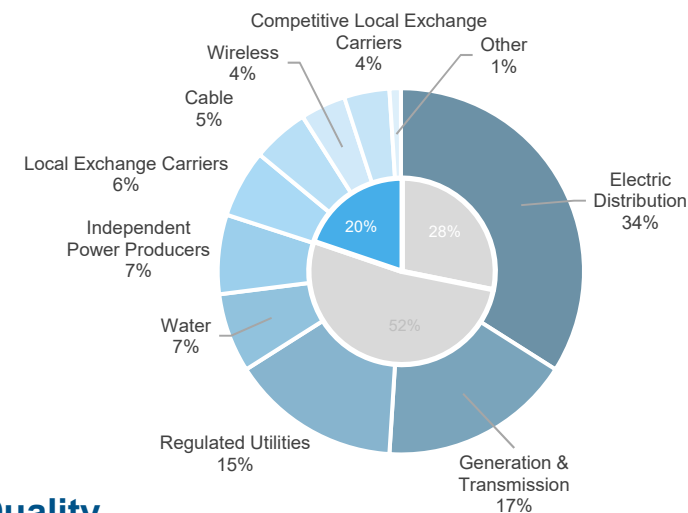
Portfolio Highlights

- \$26.5 billion retail loan portfolio at September 30, 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)	9/30/2022	2021	2020	2019
Period-End Loans	\$ 26,488	\$ 24,803	\$ 24,237	\$ 21,227
Average Loans	\$ 25,268	\$ 24,379	\$ 22,919	\$ 20,919
Net Income	\$ 301	\$ 392	\$ 398	\$ 332
Nonaccrual Loans	\$ 23	\$ 49	\$ 19	\$ 20

Portfolio Sectors



Loan Quality

	9/30/2022	2021	2020	2019
Acceptable	98.82%	99.13%	98.89%	97.66%
Special Mention	0.81	0.41	0.79	0.75
Substandard	0.37	0.46	0.30	1.53
Doubtful	-	-	0.02	0.06
Loss	-	-	-	-

Capital Position

Summary

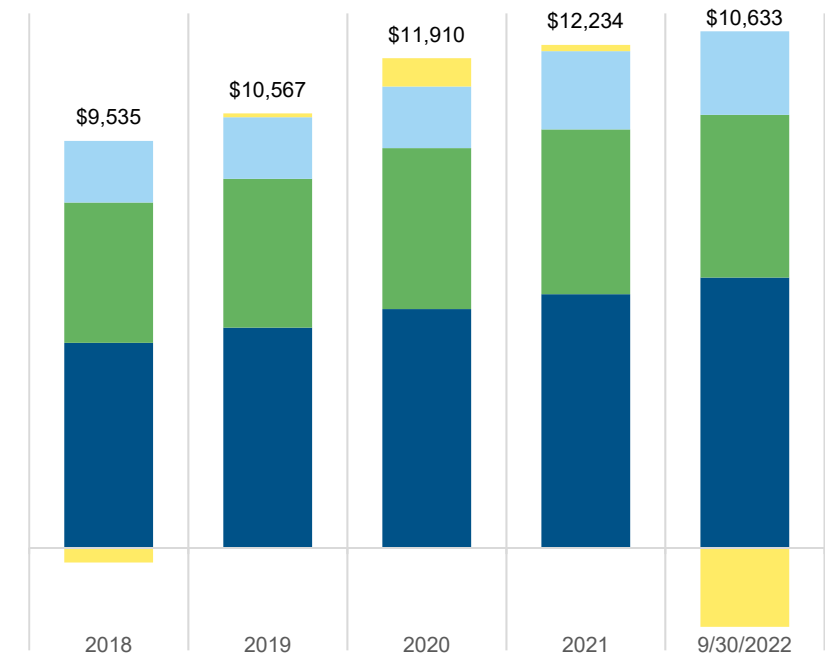
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- During 2022, we issued \$400.0 million of Series K non-cumulative perpetual preferred stock and redeemed \$200.0 million of Series G non-cumulative perpetual preferred stock and \$69.9 million of Series E non-cumulative perpetual preferred stock
- Preferred stock provides additional layer of risk-bearing capacity
- Total capital decreased to \$10.6 billion at September 30, 2022 primarily due to unrealized losses on investment securities resulting from higher interest rates and are included in other comprehensive loss. The unrealized losses had no impact on current period earnings or regulatory capital

Capital Ratios

	September 30, 2022			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.5%	11.95%	7.45%	2.5%
Tier 1 Capital Ratio	6.0	14.00	8.00	2.5
Total Capital Ratio	8.0	14.93	6.93	2.5
Tier 1 Leverage Ratio ⁽¹⁾	4.0	7.00	3.00	1.0
Permanent Capital Ratio	7.0	14.14	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.5	3.17	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



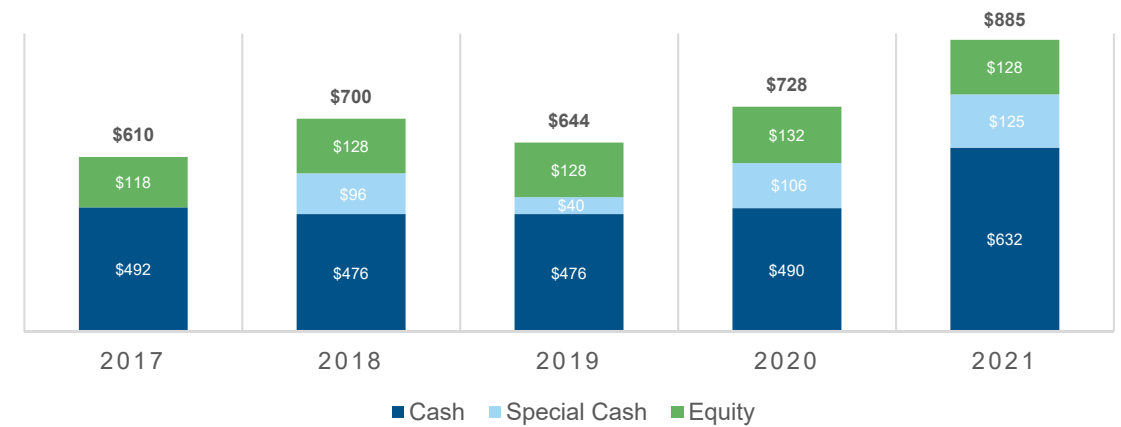
Preferred Stock	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,902	\$ 2,033
Common Stock	\$ 3,416	\$ 3,622	\$ 3,918	\$ 4,013	\$ 3,962
Retained Earnings	\$ 4,982	\$ 5,351	\$ 5,804	\$ 6,164	\$ 6,570
Other Comprehensive (Loss) Income	\$ (363)	\$ 94	\$ 688	\$ 155	\$ (1,932)

Patronage

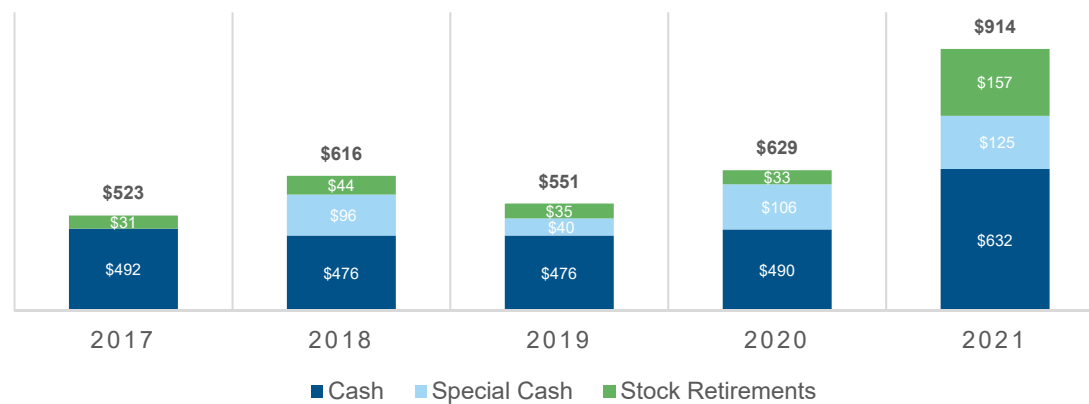
Summary

- 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

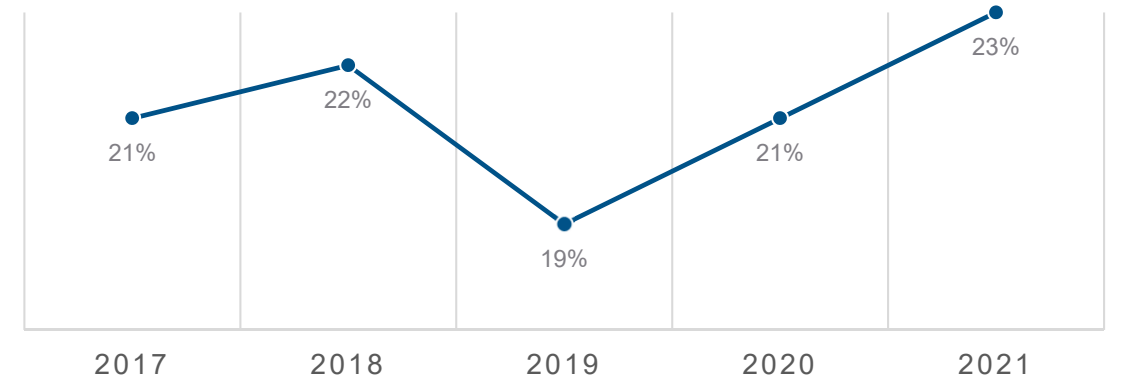
Patronage (\$ in Millions)



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	\$133	1.3%
Series F	400	3.8%
Series H	300	2.8%
Series I	375	3.5%
Series J	425	4.0%
Series K	400	3.8%
Common Stock	3,962	37.3%
Unallocated Retained Earnings	6,570	61.7%
Accumulated Other Comprehensive Loss	(1,932)	(18.2)%
	\$10,633	100.0%

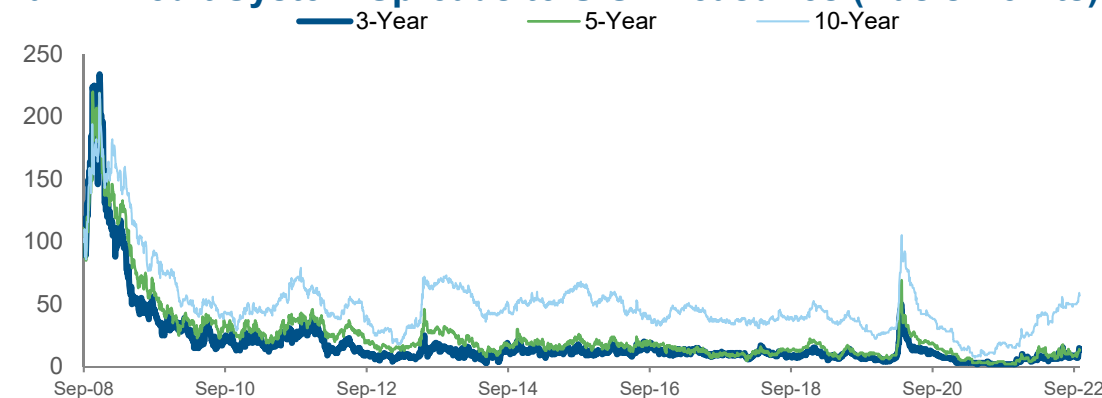
(1) As of September 30, 2022

(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	\$ 15,879	9.4%	0.3	2.05%
Bonds – Noncallable	122,328	72.7%	2.5	2.46%
Bonds – Callable, Other	25,688	15.2%	4.3	1.65%
S/T Customer Investments and Other	4,596	2.7%	0.1	1.01%
	\$ 168,491	100.0%	2.5	2.26%

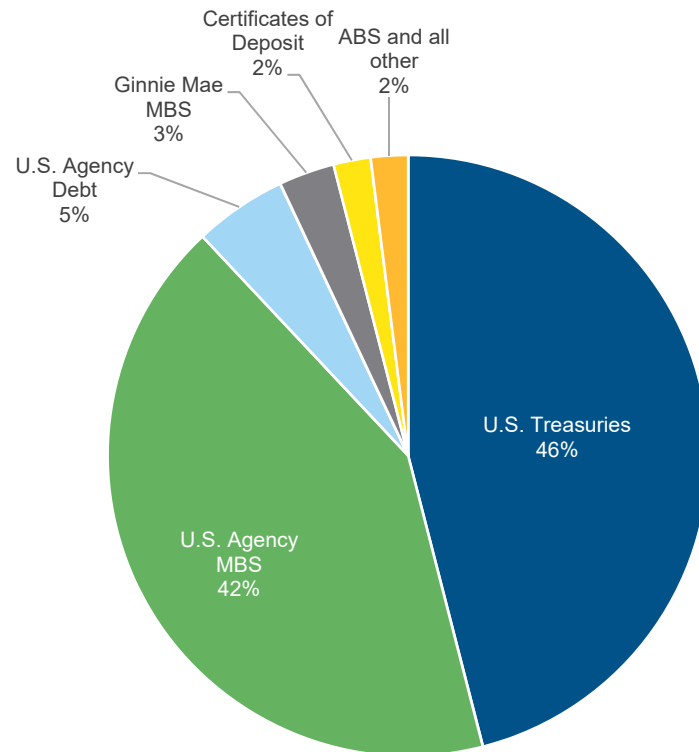
Farm Credit System Spreads to U.S. Treasuries (Basis Points)



Investment Portfolio

Total Investment Securities of \$33.4 Billion

(as of September 30, 2022)



Summary

- \$33.4 billion market-diversified portfolio plus \$0.2 billion of cash and cash equivalents and \$13.5 billion in Federal Funds Sold and Other Overnight Funds as of September 30, 2022
- 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 173 days at September 30, 2022
 - CoBank's long-term debt to loans was approximately 68% as of September 30, 2022

(\$ in Millions)

Type	Fair Value
U.S. Treasuries	\$15,357
U.S. Agency MBS	14,191
U.S. Agency Debt	1,676
Ginnie Mae MBS	879
Certificates of Deposit	575
ABS and all other	719
Total	\$33,397