



CoBank Investor Presentation

September 30, 2021



Proud Member of the Farm Credit System 

Summary Financial Results

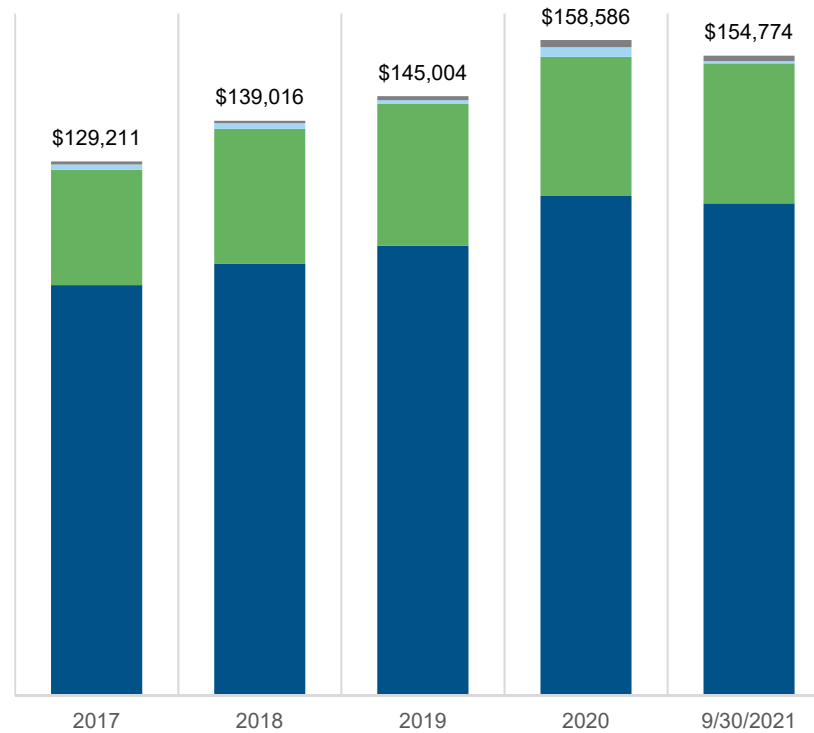
(\$ in millions)	For the Year Ended December 31,		For the Nine Months Ended September 30,		B(W) %
	2019	2020	2020	2021	
Interest income	\$ 4,468	\$ 3,312	\$ 2,569	\$ 2,164	-16%
Interest expense	3,069	1,745	1,425	867	39%
<i>Net interest income</i>	1,399	1,567	1,144	1,297	13%
Provision for loan losses	57	21	46	5	89%
<i>Net interest income after provision for loan losses</i>	1,342	1,546	1,098	1,292	18%
Noninterest income	221	282	224	194	-13%
Operating expenses	404	435	305	354	-16%
<i>Income before income taxes</i>	1,159	1,393	1,017	1,132	11%
Provision for income taxes	68	130	113	96	15%
<i>Net income</i>	\$ 1,091	\$ 1,263	\$ 904	\$ 1,036	15%
Return on average common equity	11.63 %	11.86 %	11.40 % *	12.48 % *	9%
Net interest margin	1.02 %	1.07 %	1.05 % *	1.11 % *	6%
Return on average assets	0.79 %	0.84 %	0.80 % *	0.87 % *	9%
Operating expense ratio**	23.27 %	21.96 %	21.09 %	19.28 %	9%
Average Total Loans	\$ 104,351	\$ 112,634	\$ 111,147	\$ 123,236	11%
Average Total Assets	138,436	150,817	150,204	158,986	6%

* Annualized

** Excludes Insurance Fund premiums

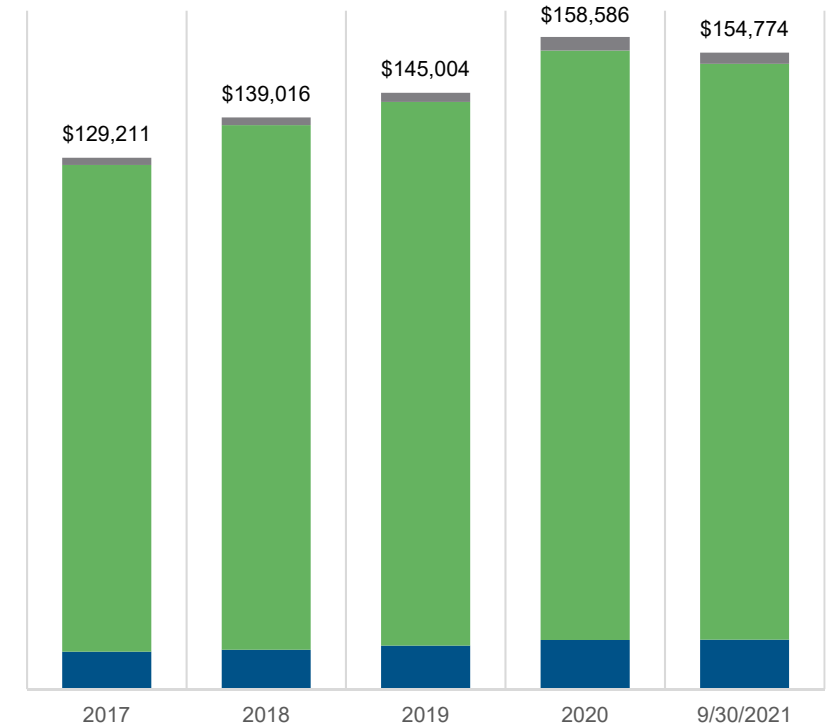
Balance Sheet Trends

Assets (\$ in Millions)



Other	\$ 726	\$ 562	\$ 965	\$ 1,735	\$ 1,287
Cash*	\$ 1,314	\$ 1,368	\$ 949	\$ 2,335	\$ 548
Investments**	\$ 27,905	\$ 32,592	\$ 34,236	\$ 33,660	\$ 33,883
Gross Loans	\$ 99,266	\$ 104,494	\$ 108,854	\$ 120,856	\$ 119,056

Liabilities & Shareholders' Equity (\$ in Millions)



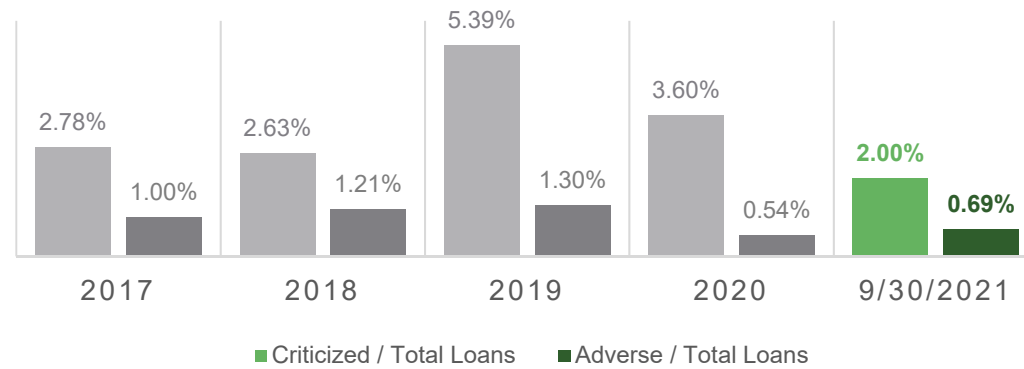
Other	\$ 1,745	\$ 1,849	\$ 2,207	\$ 3,292	\$ 2,703
Bonds & Notes	\$ 118,406	\$ 127,632	\$ 132,230	\$ 143,384	\$ 140,081
Shareholders' Equity	\$ 9,060	\$ 9,535	\$ 10,567	\$ 11,910	\$ 11,990

* Represents cash and cash equivalents

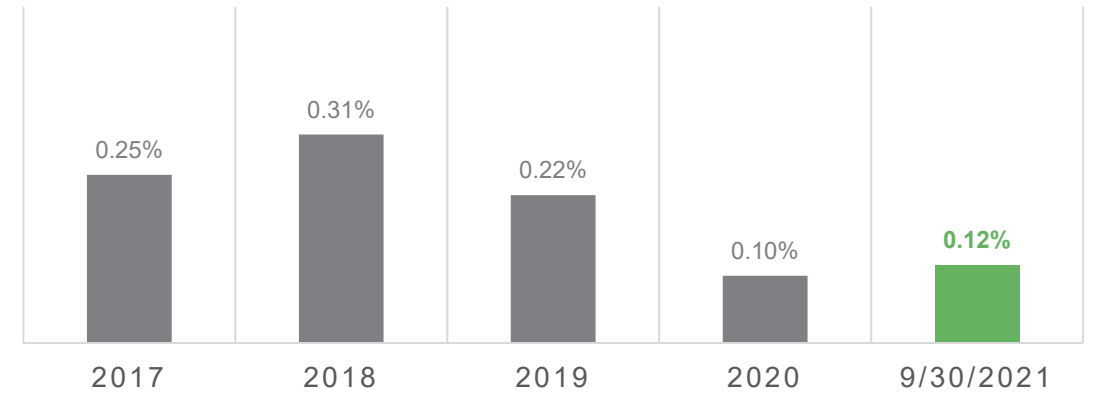
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Loan Quality

Criticized / Total Loans & Adverse / Total Loans

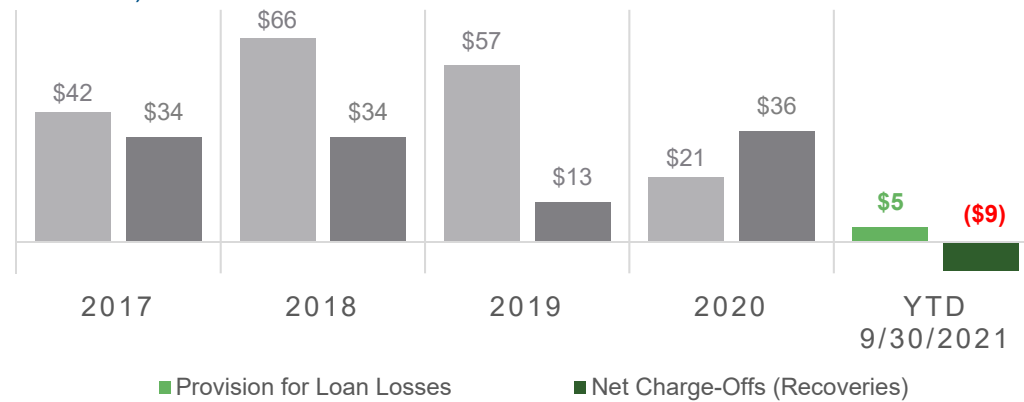


Nonaccrual Loans / Total Loans

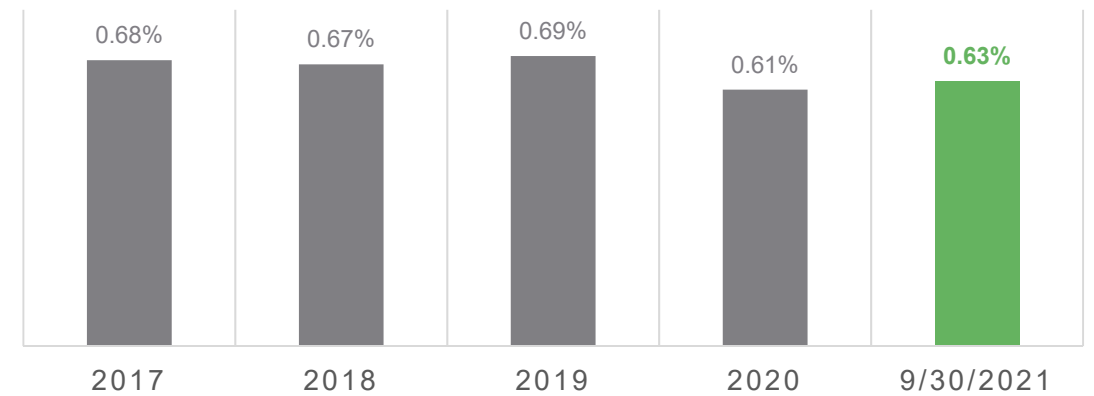


Provision for Loan Losses & Net Charge-Offs (Recoveries)

(\$ in Millions)

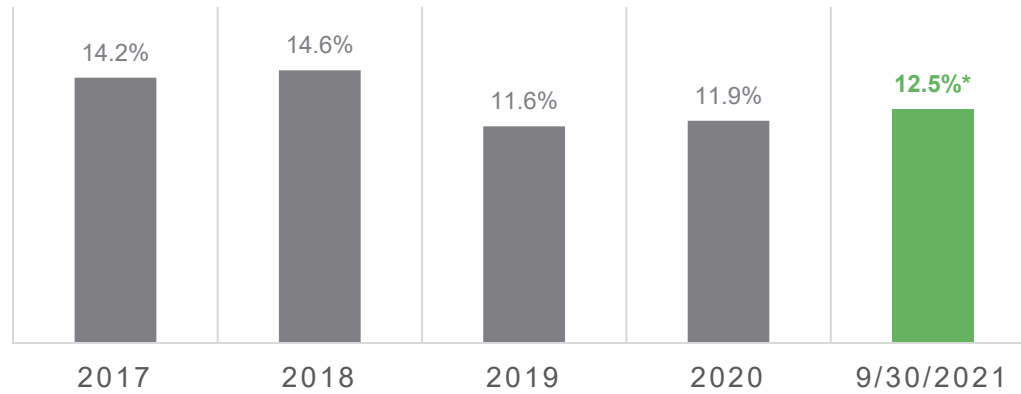


Allowance for Credit Losses / Total Loans

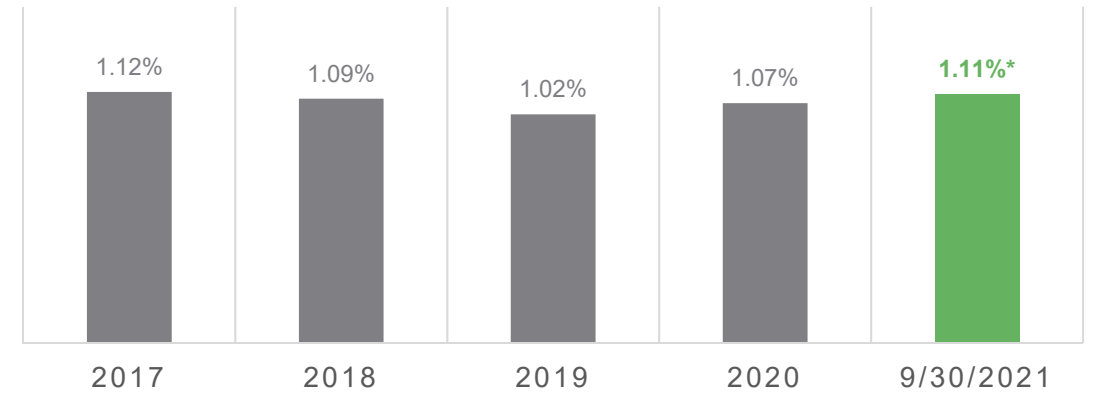


Profitability and Efficiency

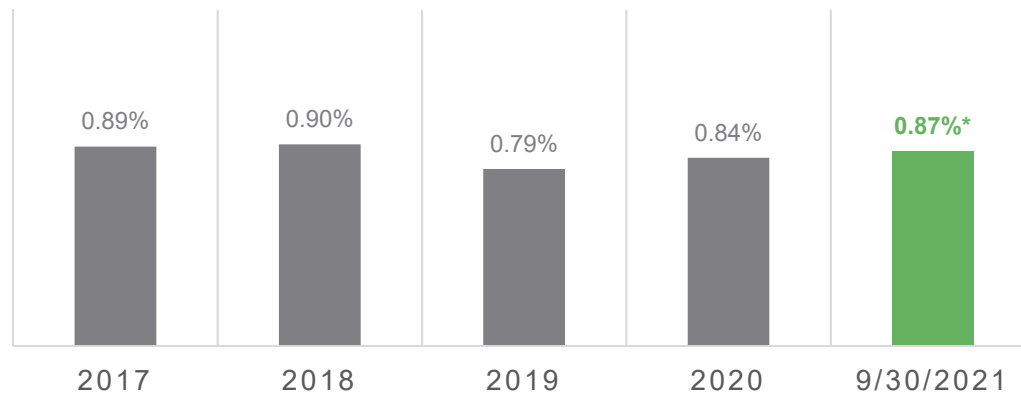
Return on Average Common Equity



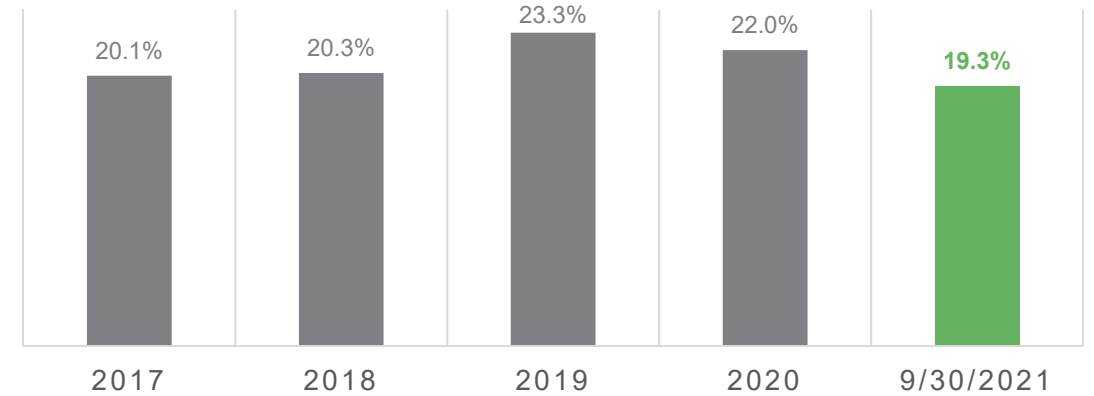
Net Interest Margin



Return on Average Assets



Operating Expense Ratio Excluding Insurance Fund Premiums



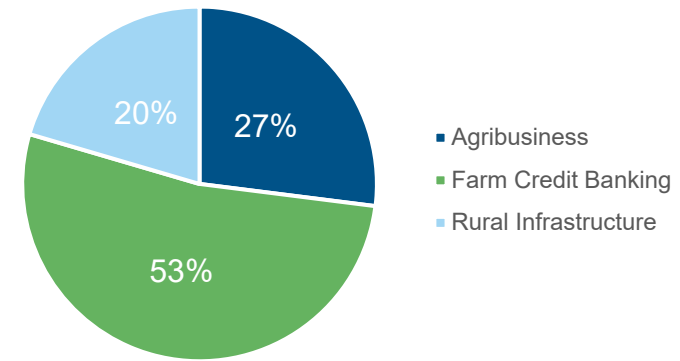
*Annualized

Operating Segments

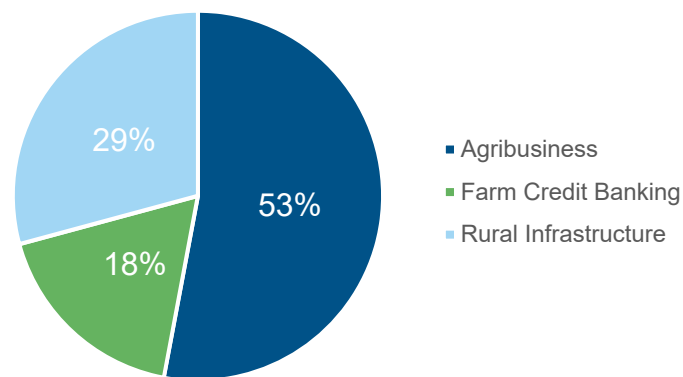
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$119 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

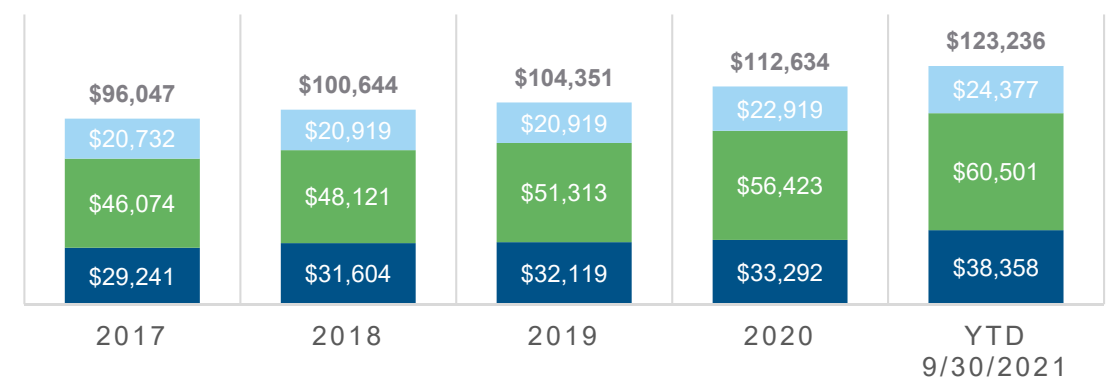
Loan Volume - \$119.1 Billion at September 30, 2021



Net Income - \$1.036 Billion



Average Loan Volume (\$ in Millions)



Agribusiness Portfolio

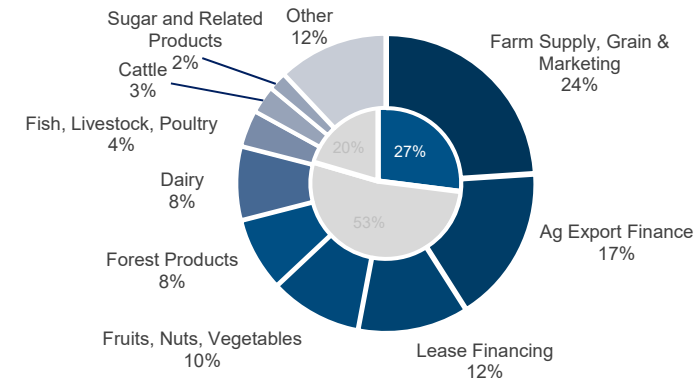
Portfolio Highlights

- \$32.1 billion retail loan portfolio at September 30, 2021
- 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 \$5.6 billion in agricultural export loans; 19% are U.S. government-guaranteed
- Includes \$3.9 billion leasing portfolio

Financial Summary

(\$ in millions)	9/30/2021	2020	2019	2018
Period-End Loans	\$ 32,142	\$ 36,103	\$ 33,168	\$ 32,432
Average Loans	\$ 38,358	\$ 33,292	\$ 32,119	\$ 31,604
Net Income	\$ 549	\$ 608	\$ 537	\$ 575
Nonaccrual Loans	\$ 94	\$ 98	\$ 220	\$ 288

Portfolio Sectors



Loan Quality

	9/30/2021	2020	2019	2018
Acceptable	93.56%	93.61%	92.85%	94.40%
Special Mention	4.31	4.81	3.90	2.69
Substandard	2.13	1.56	3.23	2.89
Doubtful	- (1)	0.02	0.02	0.02
Loss	-	-	-	-

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

Farm Credit Banking Portfolio

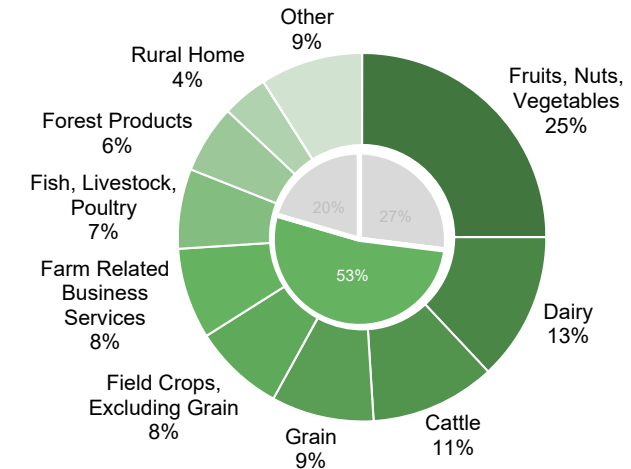
Portfolio Highlights

- \$62.5 billion wholesale loan portfolio at September 30, 2021
- Lending to 20 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 75,000 farmers, ranchers and other rural borrowers
- Includes \$5.0 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)	9/30/2021	2020	2019	2018
Period-End Loans	\$ 62,541	\$ 60,516	\$ 54,459	\$ 50,695
Average Loans	\$ 60,501	\$ 56,423	\$ 51,313	\$ 48,121
Net Income	\$ 185	\$ 257	\$ 223	\$ 269
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors



Loan Quality

	9/30/2021	2020	2019	2018
Acceptable	100.00%	97.08%	94.50%	98.95%
Special Mention	-	2.92	5.50	0.93
Substandard	-	-	-	0.12
Doubtful	-	-	-	-
Loss	-	-	-	-

Rural Infrastructure Portfolio

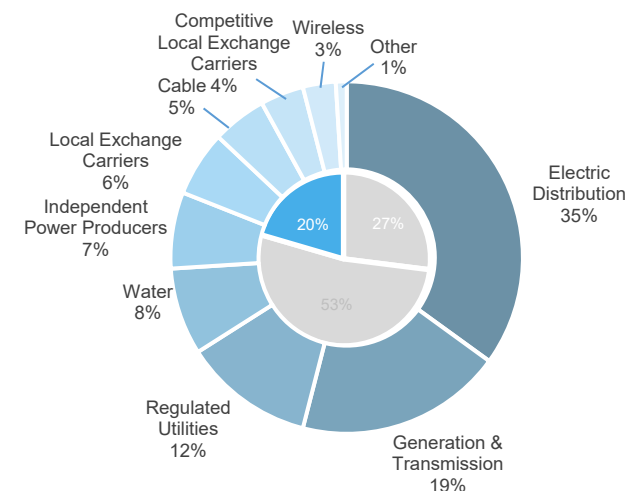
Portfolio Highlights

- \$24.4 billion retail loan portfolio at September 30, 2021
- 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)	9/30/2021	2020	2019	2018
Period-End Loans	\$ 24,373	\$ 24,237	\$ 21,227	\$ 21,367
Average Loans	\$ 24,377	\$ 22,919	\$ 20,919	\$ 20,919
Net Income	\$ 302	\$ 398	\$ 332	\$ 347
Nonaccrual Loans	\$ 44	\$ 19	\$ 20	\$ 38

Portfolio Sectors



Loan Quality

	9/30/2021	2020	2019	2018
Acceptable	98.72%	98.89%	97.66%	98.08%
Special Mention	0.70	0.79	0.75	0.65
Substandard	0.58	0.30	1.53	1.27
Doubtful	-	0.02	0.06	-
Loss	-	-	-	-

Capital Position

Summary

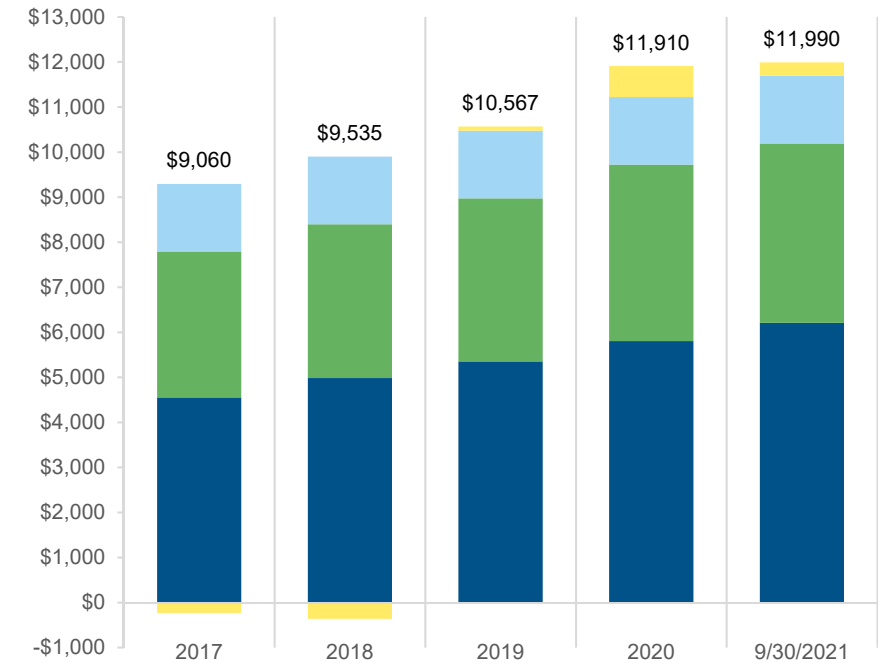
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity

Capital Ratios

	September 30, 2021			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.5%	12.88%	8.38%	2.5%
Tier 1 Capital Ratio	6.0	14.76	8.76	2.5
Total Capital Ratio	8.0	15.75	7.75	2.5
Tier 1 Leverage Ratio ⁽¹⁾	4.0	7.62	3.62	1.0
Permanent Capital Ratio	7.0	14.89	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.5	3.44	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



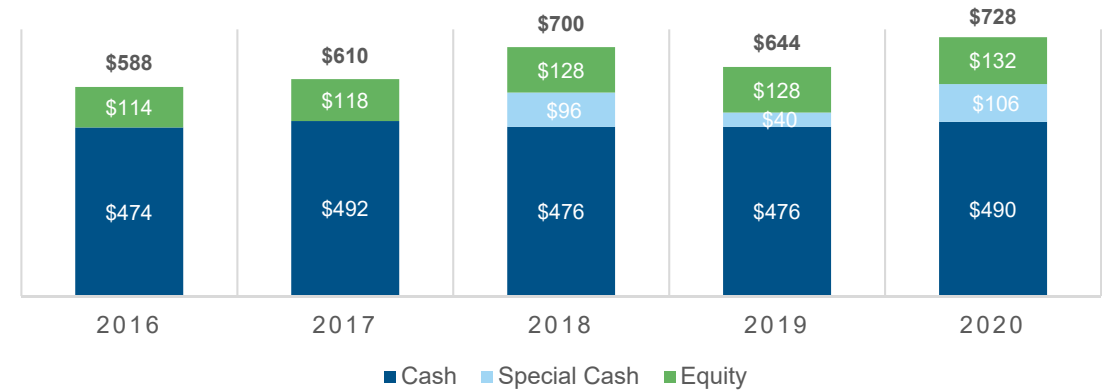
Component	2017	2018	2019	2020	9/30/2021
Preferred Stock	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Common Stock	\$ 3,240	\$ 3,416	\$ 3,622	\$ 3,918	\$ 3,982
Retained Earnings	\$ 4,552	\$ 4,982	\$ 5,351	\$ 5,804	\$ 6,209
Other Comprehensive (Loss) Income	\$ (232)	\$ (363)	\$ 94	\$ 688	\$ 299

Patronage

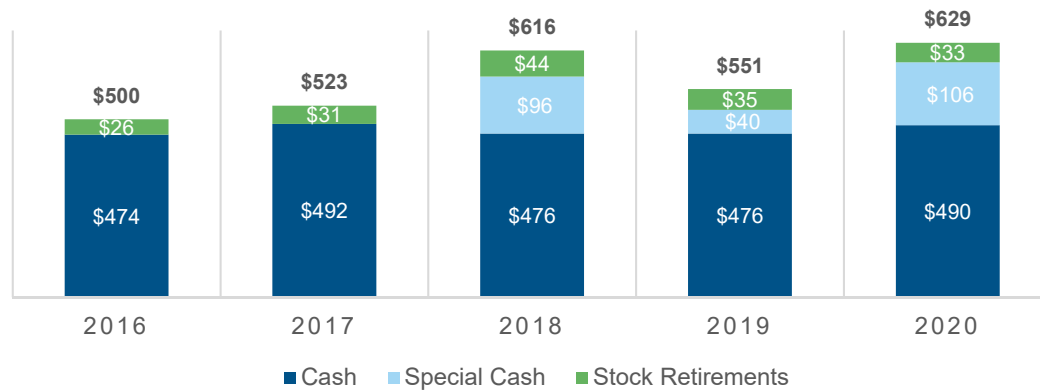
Summary

- Patronage is a key part of the value proposition we provide our eligible customer-owners
- For 2020, 2019, and 2018, we made special cash patronage distributions of \$106.6 million, \$39.8 million and \$96.2 million to customer-owners
- Over the past 5 years, customer-owners have received approximately \$3.3 billion in patronage as a result of their investment in the bank

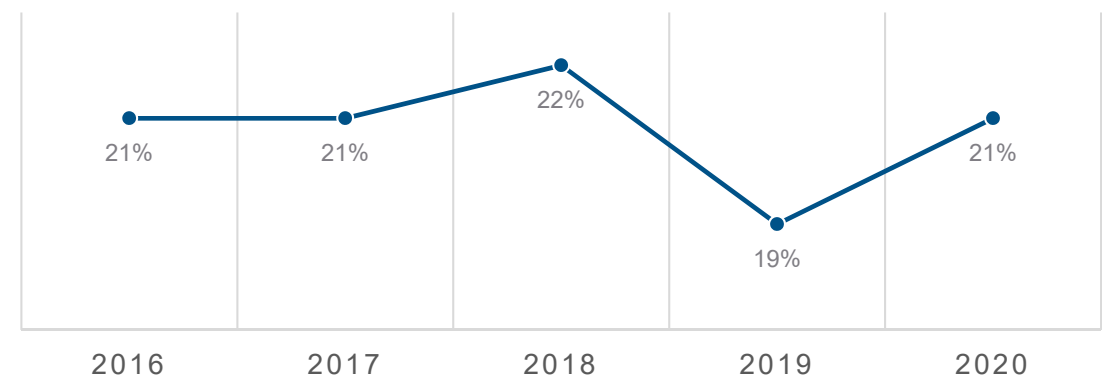
Patronage (\$ in Millions)



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	\$225	1.9%
Series F	400	3.3%
Series G	200	1.7%
Series H	300	2.5%
Series I	375	3.1%
Common Stock	3,982	33.2%
Unallocated Retained Earnings	6,209	51.8%
Accumulated Other Comprehensive Income	299	2.5%
	\$11,990	100.0%

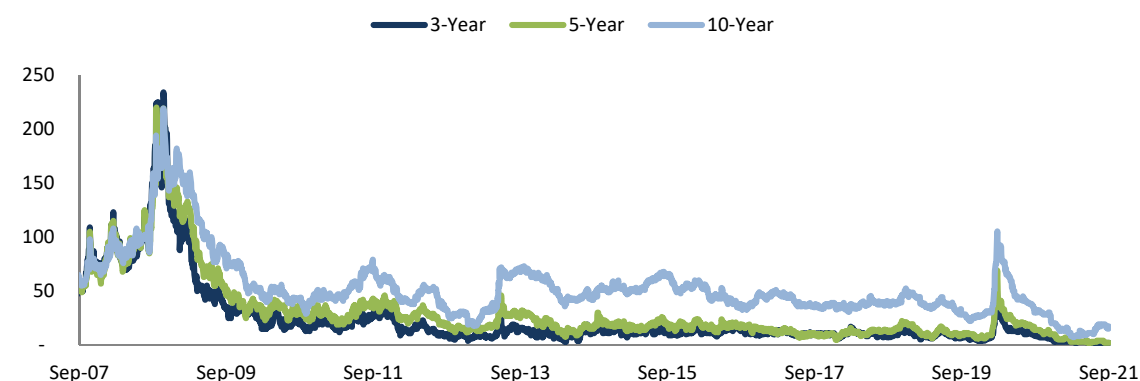
(1) As of September 30, 2021

(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	\$ 8,031	5.7%	0.3	0.06%
Bonds – Noncallable	116,335	83.1%	2.5	0.81%
Bonds – Callable, Other	14,307	10.2%	6.1	0.93%
S/T Customer Investments and Other	1,408	1.0%	0.1	0.06%
	\$140,081	100.0%	2.7	0.75%

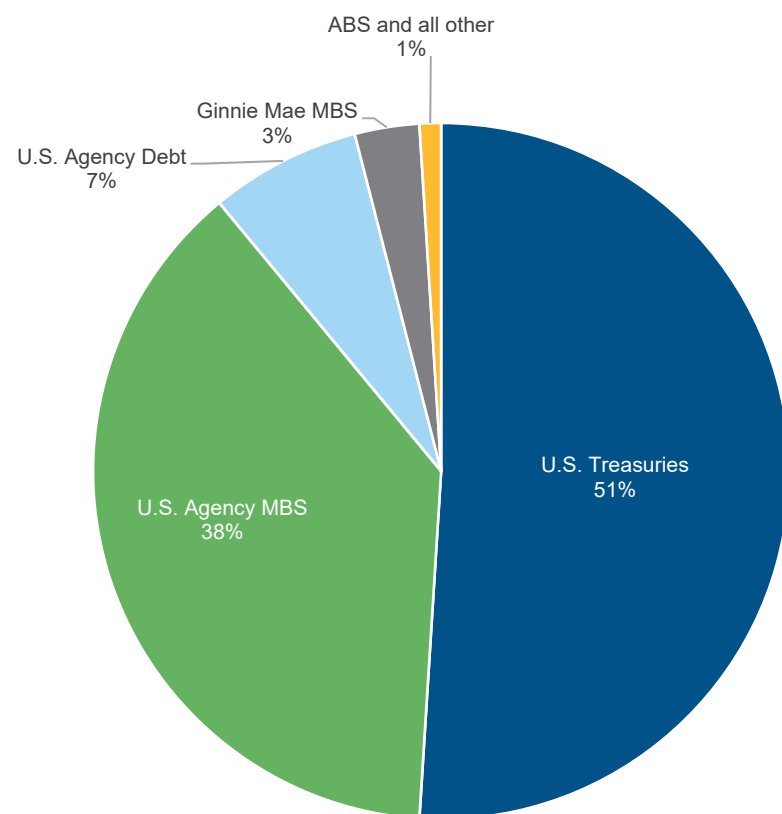
Farm Credit System Spreads to U.S. Treasuries (Basis Points)



Investment Portfolio

Total Investment Securities of \$33.2 Billion

(as of September 30, 2021)



Summary

- \$33.2 billion market-diversified portfolio plus \$0.5 billion of cash and cash equivalents and \$0.7 billion in Federal Funds Sold and Other Overnight Funds as of September 30, 2021
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Cash flow average life of 4.1 years and duration of 2.6 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 178 days at September 30, 2021
 - CoBank's long-term debt to loans was approximately 67% as of September 30, 2021

(\$ in Millions)

Type	Fair Value
U.S. Treasuries	\$16,903
U.S. Agency MBS	12,446
U.S. Agency Debt	2,292
Ginnie Mae MBS	1,124
ABS and all other	418
Total	\$33,183