



CoBank Investor Presentation

December 31, 2024



Proud Member of the Farm Credit System 

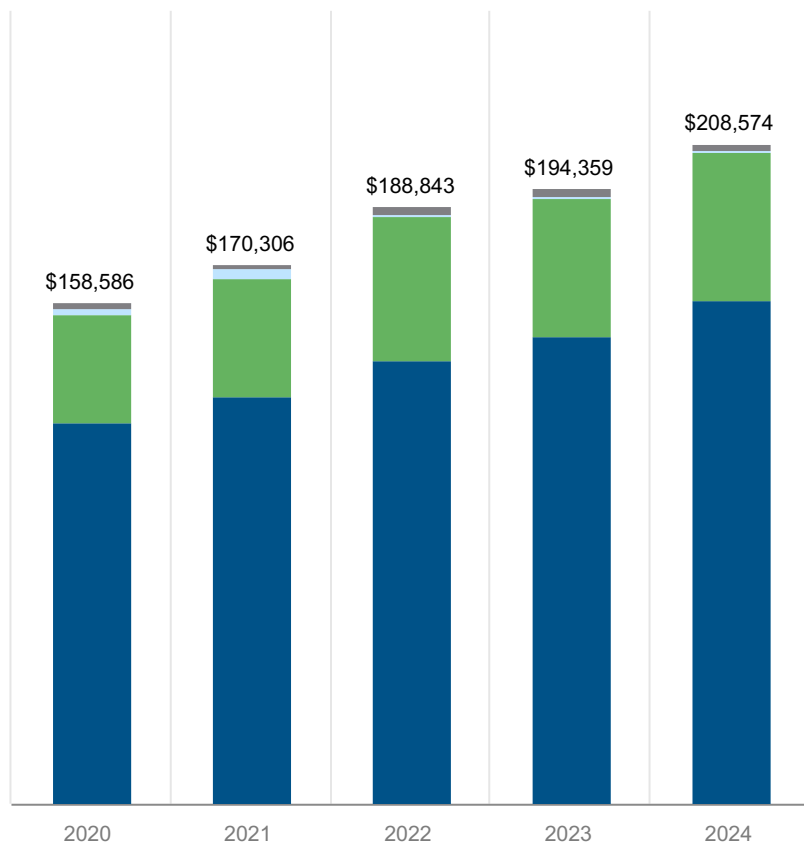
Summary Financial Results

(\$ in millions)	For the Year-Ended December 31,		
	2023	2024	B(W) %
Interest income	\$ 8,933	\$ 9,828	10 %
Interest expense	7,086	7,892	(11)%
<i>Net interest income</i>	<u>1,847</u>	<u>1,936</u>	5 %
Provision for credit losses	76	49	36 %
<i>Net interest income after provision for credit losses</i>	<u>1,771</u>	<u>1,887</u>	7 %
Noninterest income	459	482	5 %
Operating expenses	595	597	— %
<i>Income before income taxes</i>	<u>1,635</u>	<u>1,772</u>	8 %
Provision for income taxes	128	137	(7)%
<i>Net income</i>	<u>\$ 1,507</u>	<u>\$ 1,635</u>	9 %
Return on average common equity	15.78 %	15.05 %	(5)%
Net interest margin	0.99 %	1.00 %	1 %
Return on average assets	0.80 %	0.84 %	5 %
Operating expense ratio*	21.82 %	23.63 %	(8)%
Average total loans	\$ 143,075	\$ 151,467	6 %
Average total assets	\$ 188,459	195,363	4 %

* Excludes Insurance Fund premiums

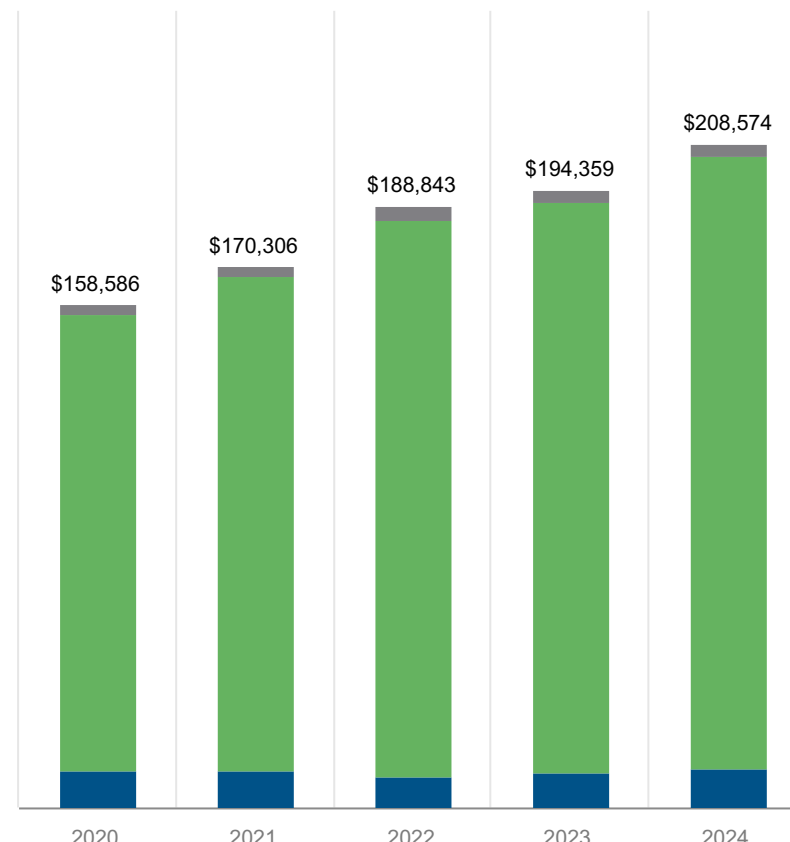
Balance Sheet Trends

Assets (\$ in Millions)



	2020	2021	2022	2023	2024
Other	\$ 1,735	\$ 1,238	\$ 2,360	\$ 2,373	\$ 1,995
Cash*	\$ 2,335	\$ 3,197	\$ 896	\$ 1,013	\$ 823
Investments**	\$ 33,660	\$ 37,342	\$ 45,498	\$ 42,958	\$ 46,897
Gross Loans	\$ 120,856	\$ 128,529	\$ 140,089	\$ 148,015	\$ 158,859

Liabilities & Shareholders' Equity (\$ in Millions)



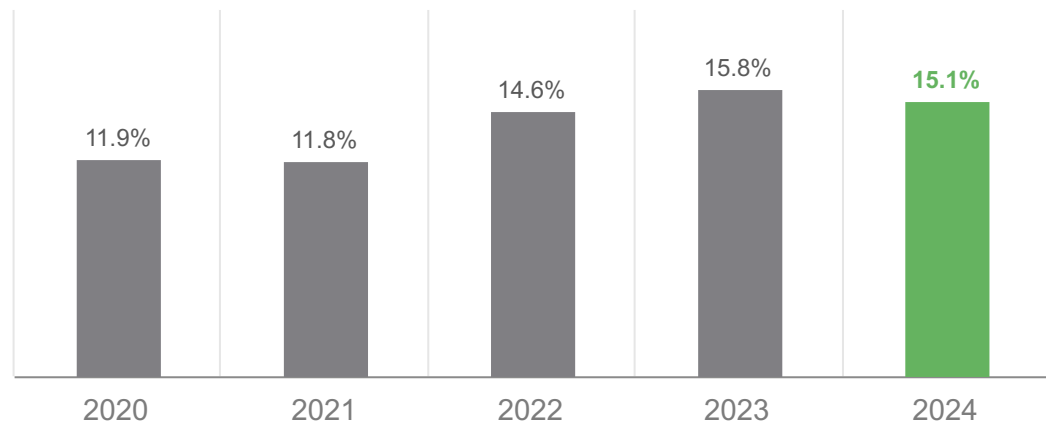
	2020	2021	2022	2023	2024
Other	\$ 3,292	\$ 3,122	\$ 3,995	\$ 4,345	\$ 4,091
Bonds & Notes	\$ 143,384	\$ 154,950	\$ 174,623	\$ 178,821	\$ 191,621
Shareholders' Equity	\$ 11,910	\$ 12,234	\$ 10,225	\$ 11,193	\$ 12,862

* Represents cash and cash equivalents

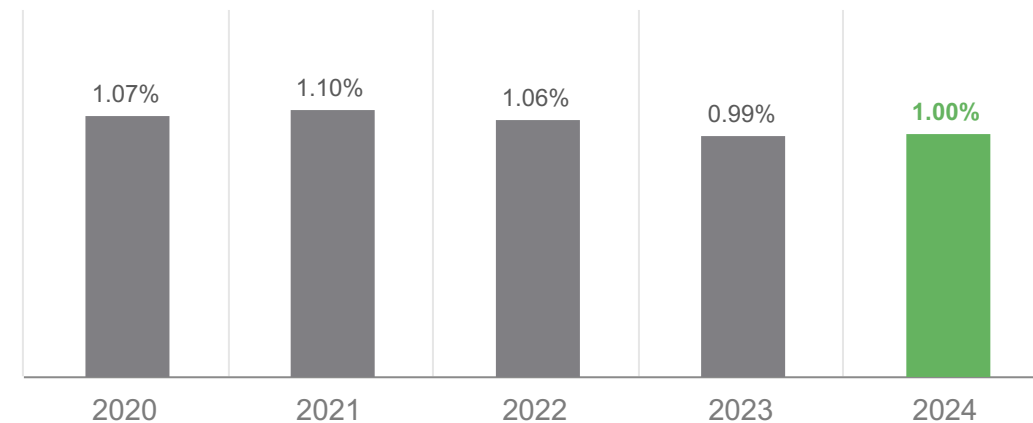
** Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

Profitability and Efficiency

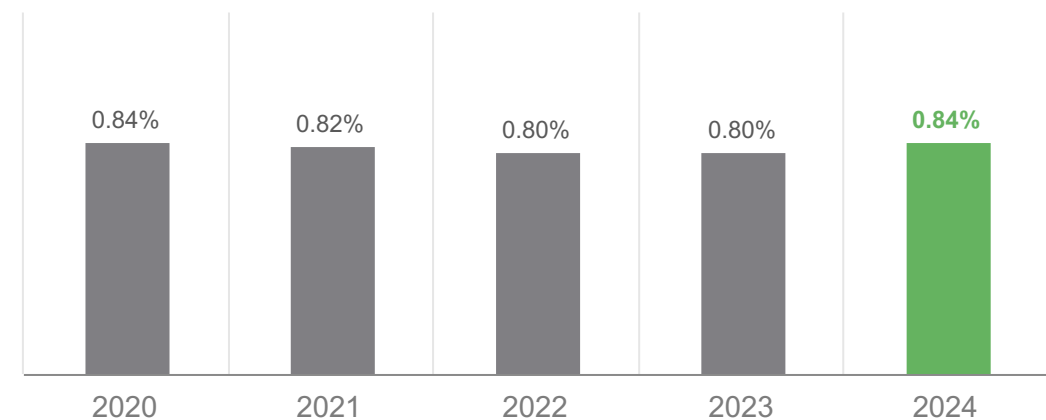
Return on Average Common Equity



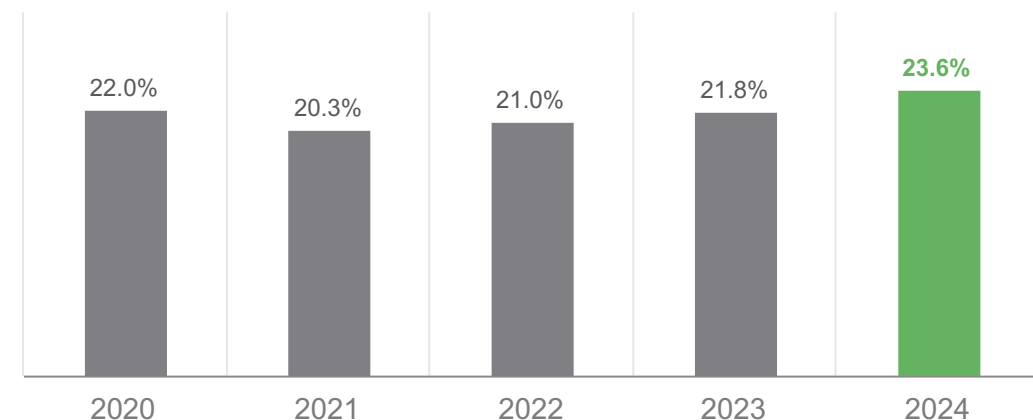
Net Interest Margin



Return on Average Assets

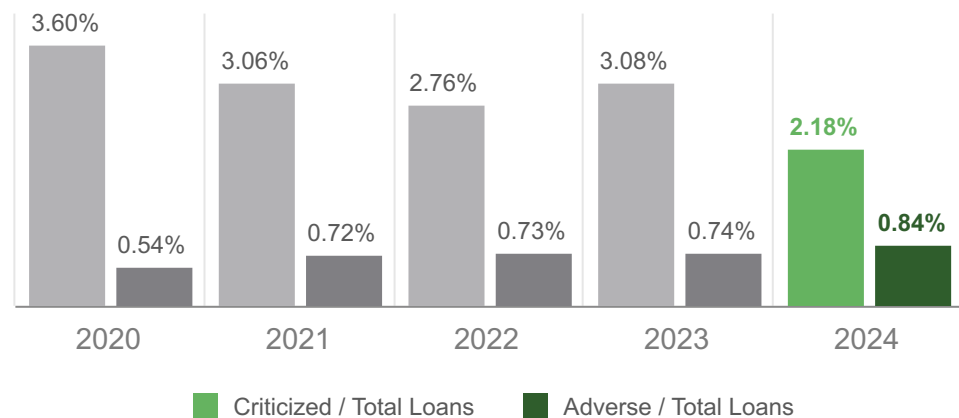


Operating Expense Ratio Excluding Insurance Fund Premiums

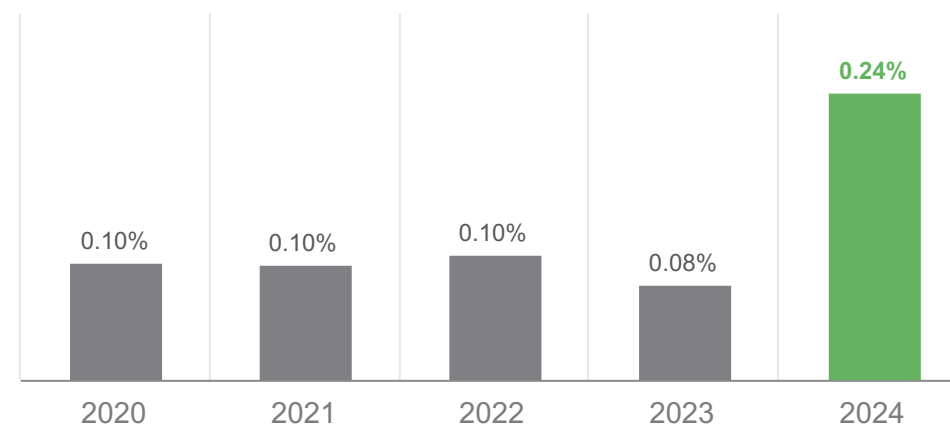


Loan Quality

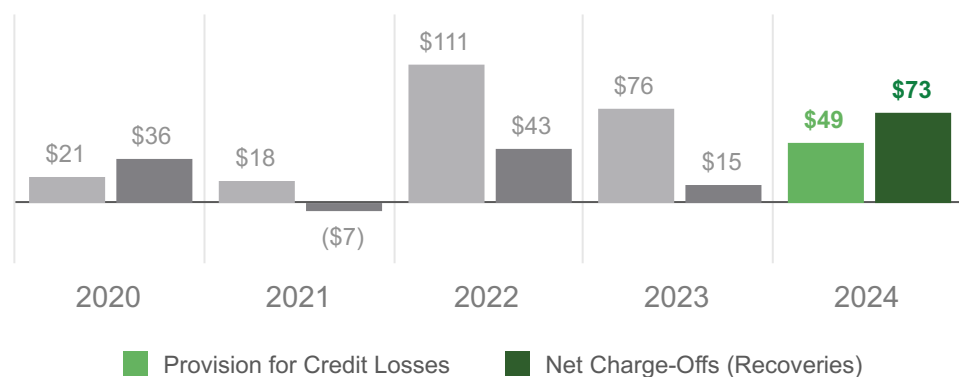
Criticized / Total Loans & Adverse / Total Loans



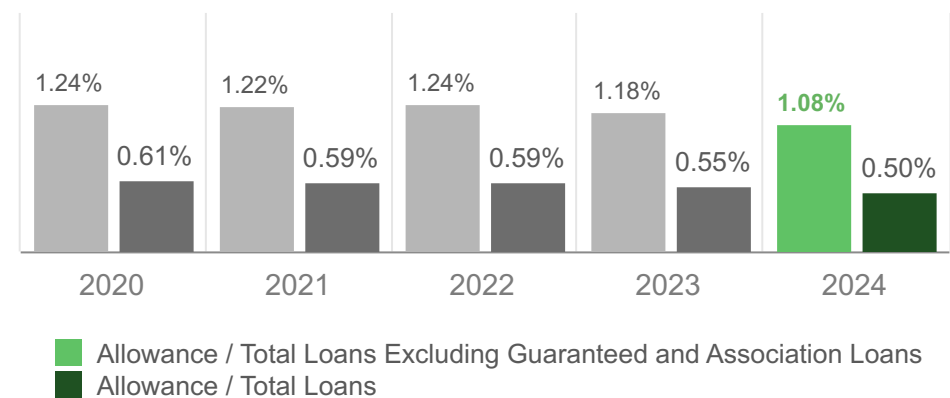
Nonaccrual Loans / Total Loans



Provision for Credit Losses & Net Charge-Offs (Recoveries) (\$ in Millions)



Allowance for Credit Losses / Loans

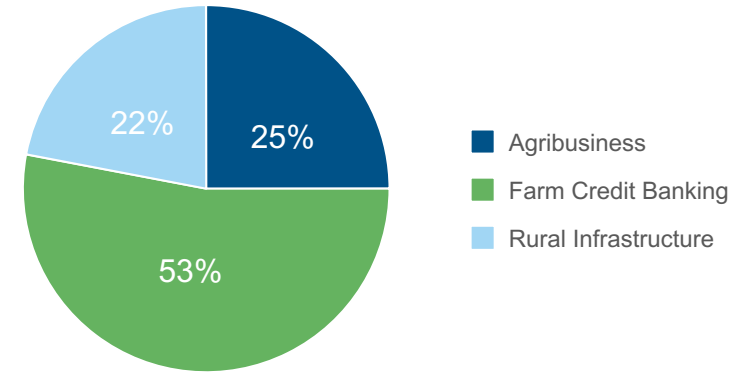


Operating Segments

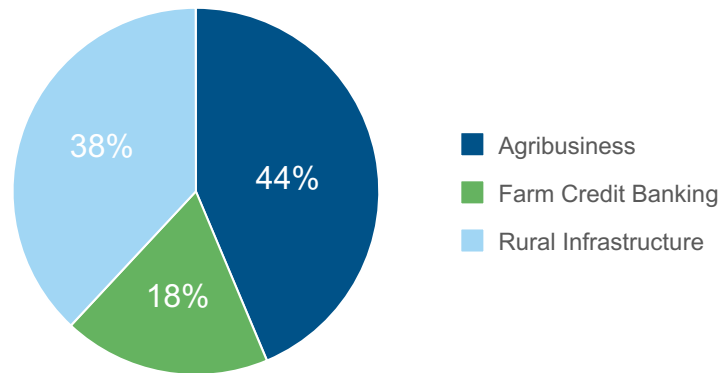
Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$158.9 billion in total outstanding loans
- Lower net income in Farm Credit Banking operating segment relative to its share of the bank's total loans reflects narrower margins and lower risk profile from wholesale loans

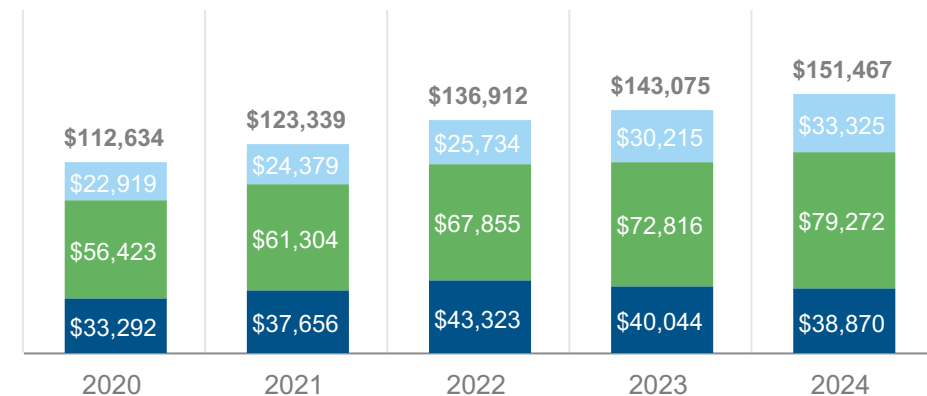
Loans Outstanding - \$158.9 Billion at December 31, 2024



Net Income - \$1.635 Billion



Average Loans (\$ in Millions)



Agribusiness Portfolio

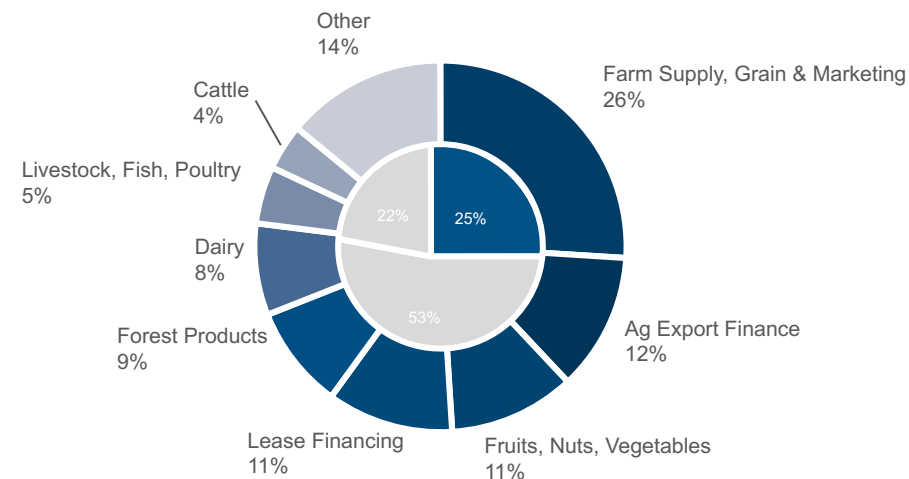
Portfolio Highlights

- \$40.5 billion retail loan portfolio at December 31, 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 \$5.8 billion in agricultural export finance loans; 29% are U.S. government-guaranteed
- Includes \$4.3 billion leasing portfolio
- Nonaccrual loans increased primarily due to poultry, beverage, hogs, fruits, tree nuts, nursery and cattle customers transferred to nonaccrual status in 2024

Financial Summary

(\$ in millions)	2024	2023	2022	2021
Period-End Loans	\$ 40,463	\$ 37,785	\$ 40,098	\$ 38,094
Average Loans	\$ 38,870	\$ 40,044	\$ 43,323	\$ 37,656
Net Income	\$ 714	\$ 731	\$ 774	\$ 677
Nonaccrual Loans	\$ 313	\$ 90	\$ 137	\$ 74

Portfolio Sectors⁽¹⁾



Loan Quality

	2024	2023	2022	2021
Acceptable	93.23%	94.63%	95.17%	94.27%
Special Mention	3.94	2.70	2.51	3.62
Substandard	2.73	2.67	2.32	2.11
Doubtful	0.10	-	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

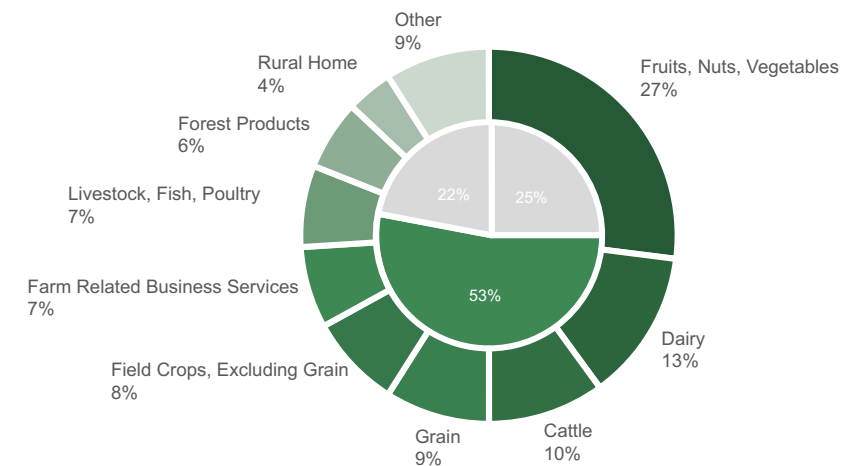
Portfolio Highlights

- \$84.1 billion wholesale loan portfolio at December 31, 2024
- Lending to 16 affiliated Farm Credit associations serving a diversified agricultural customer base in the West, Northwest, Southwest, Rocky Mountain, Mid-Plains, and Northeast regions of the United States
- Affiliates serve over 78,000 farmers, ranchers and other rural borrowers
- Includes \$6.0 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)	2024	2023	2022	2021
Period-End Loans	\$ 84,059	\$ 77,658	\$ 71,529	\$ 65,632
Average Loans	\$ 79,272	\$ 72,816	\$ 67,855	\$ 61,304
Net Income	\$ 299	\$ 281	\$ 251	\$ 245
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

Portfolio Sectors⁽¹⁾



Loan Quality

	2024	2023	2022	2021
Acceptable	100.00%	97.80%	97.76%	97.67%
Special Mention	-	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

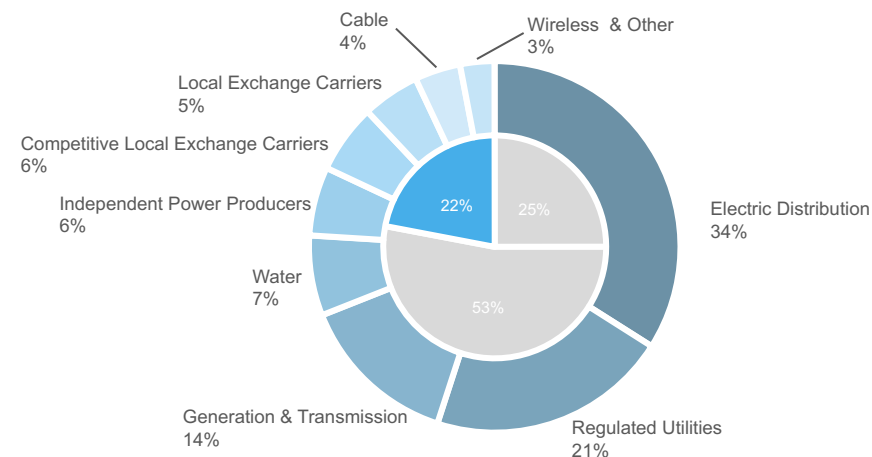
Portfolio Highlights

- \$34.3 billion retail loan portfolio at December 31, 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)	2024	2023	2022	2021
Period-End Loans	\$ 34,337	\$ 32,572	\$ 28,462	\$ 24,803
Average Loans	\$ 33,325	\$ 30,215	\$ 25,734	\$ 24,379
Net Income	\$ 622	\$ 495	\$ 424	\$ 392
Nonaccrual Loans	\$ 63	\$ 27	\$ 8	\$ 49

Portfolio Sectors⁽¹⁾



Loan Quality

	2024	2023	2022	2021
Acceptable	97.91%	97.45%	98.87%	99.13%
Special Mention	1.56	2.29	0.81	0.41
Substandard	0.51	0.26	0.32	0.46
Doubtful	0.02	-	-	-
Loss	-	-	-	-

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

Capital Position

Summary

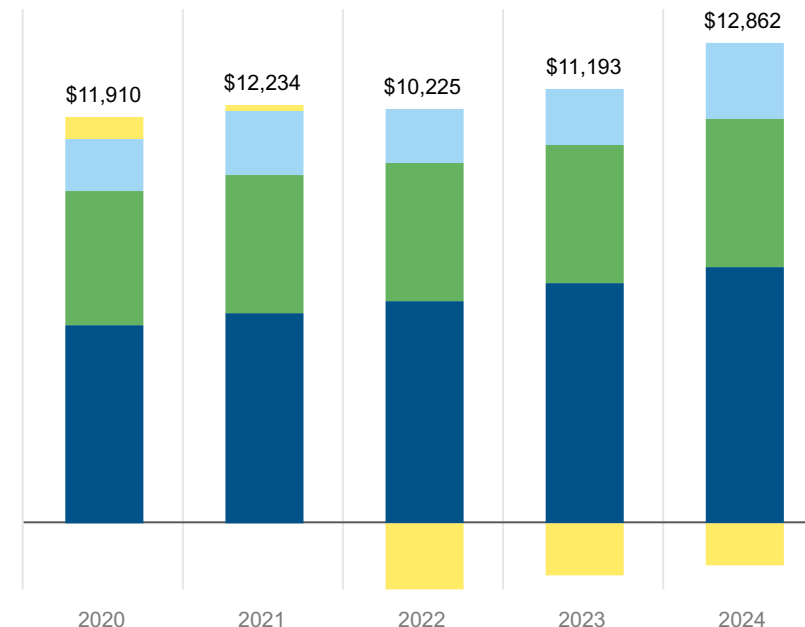
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity
- Total capital increased to \$12.9 billion at December 31, 2024 primarily due to earnings, issuances of preferred stock, and a decrease in accumulated other comprehensive loss, partially offset by accrued patronage

Capital Ratios

	December 31, 2024			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.50 %	11.62 %	7.12 %	2.50 %
Tier 1 Capital Ratio	6.00	13.62	7.62	2.50
Total Capital Ratio	8.00	14.39	6.39	2.50
Tier 1 Leverage Ratio ⁽¹⁾	4.00	6.90	2.90	1.00
Permanent Capital Ratio	7.00	13.73	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.50	3.23	n/a	n/a

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

Shareholders' Equity (\$ in Millions)



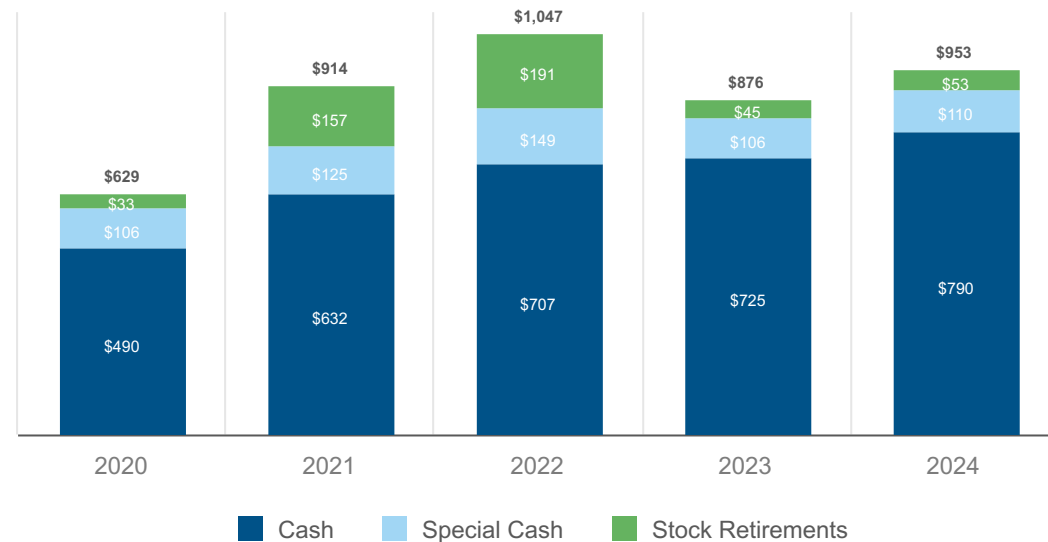
	2020	2021	2022	2023	2024
Preferred Stock	\$ 1,500	\$ 1,902	\$ 1,633	\$ 1,625	\$ 2,225
Common Stock	\$ 3,918	\$ 4,013	\$ 4,000	\$ 4,076	\$ 4,352
Retained Earnings	\$ 5,804	\$ 6,164	\$ 6,519	\$ 7,016	\$ 7,500
Other Comprehensive Income (Loss)	\$ 688	\$ 155	\$ (1,927)	\$ (1,524)	\$ (1,215)

Patronage

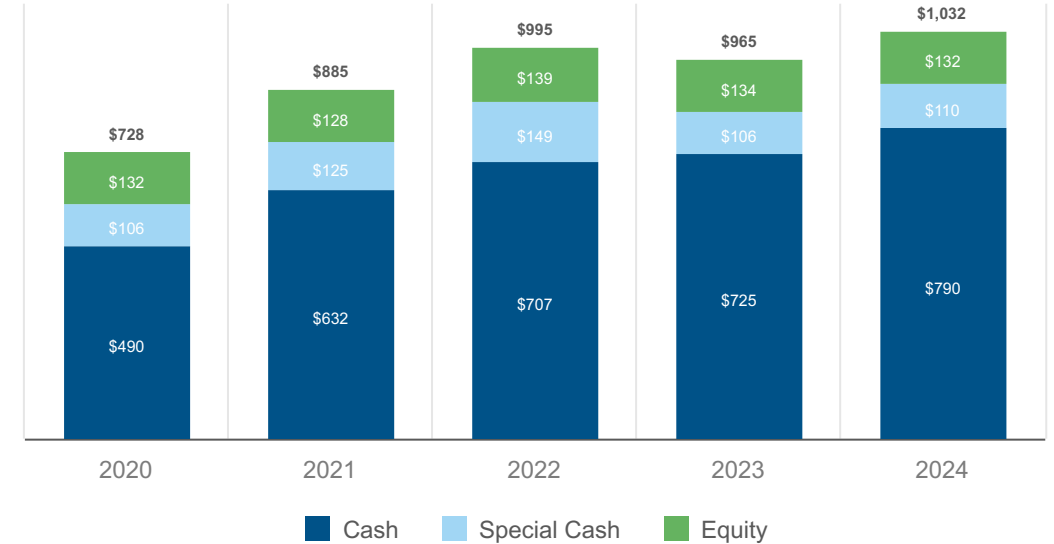
Summary

- Patronage is a key part of the value proposition we provide our eligible customer-owners
- For 2024, the bank distributed a record \$1.032 billion in patronage, including a \$110 million all-cash special patronage payout unanimously approved by the Board
- Over the past 5 years, customer-owners have received \$4.6 billion in patronage as a result of their investment in the bank

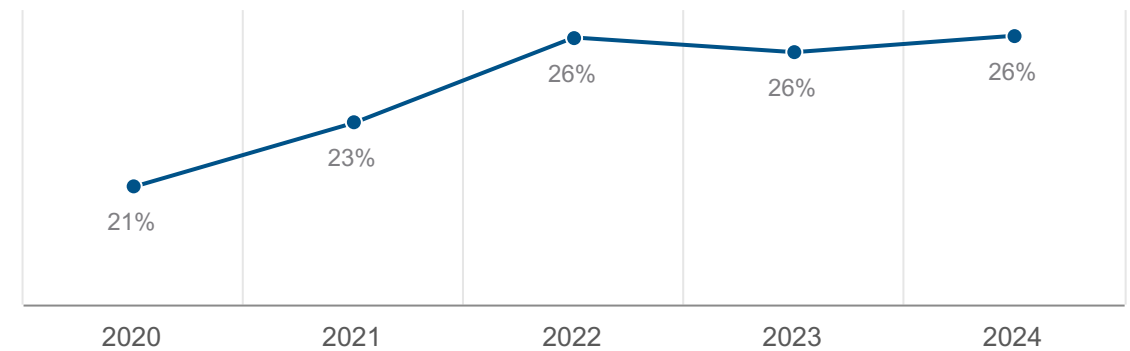
Total Cash Payouts⁽¹⁾ (\$ in Millions)



Patronage⁽¹⁾ (\$ in Millions)



Average Return on Active Patron Investment⁽²⁾



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

⁽²⁾ Patronage distributions as a percentage of total average common stock owned by active borrowers.

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	Rate ⁽³⁾	% of Equity
Preferred Stock			
Series E	\$125	6.12 %	1.0 %
Series H ⁽⁴⁾	300	6.20 %	2.3 %
Series I	375	6.25 %	2.9 %
Series J	425	4.25 %	3.3 %
Series K	400	6.45 %	3.1 %
Series L	300	7.25 %	2.3 %
Series M	300	7.13 %	2.3 %
Total	2,225	6.14 %	17.3 %
Common Stock	4,352		33.8 %
Unallocated Retained Earnings	7,500		58.3 %
Accumulated Other Comprehensive Loss	(1,215)		(9.4)%
	\$12,862		100.0 %

⁽¹⁾ As of December 31, 2024.

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

⁽³⁾ Interest rates on preferred stock exclude the impact of fixed to floating conversion features in future periods.

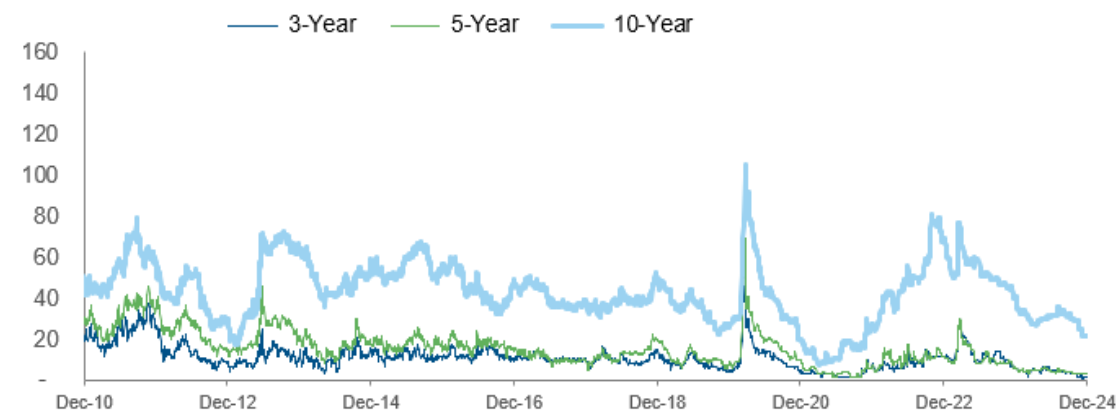
⁽⁴⁾ Redeemed in full at par value, plus accrued dividends on January 1, 2025.

⁽⁵⁾ As of December 31, 2024, Farm Credit System spreads to U.S. Treasuries were: 2 basis points (3 - Year), 3 basis points (5 - Year) and 22 basis points (10 - Year).

Debt (\$ in Millions)⁽¹⁾

Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate ⁽²⁾
Discount Notes	\$ 13,664	7.1%	0.2	4.37%
Bonds - Noncallable	135,923	70.9%	2.3	4.00%
Bonds - Callable	40,460	21.2%	3.0	3.67%
S/T Customer Investments and Other	1,574	0.8%	0.1	5.26%
	\$ 191,621	100.0%	2.3	3.92%

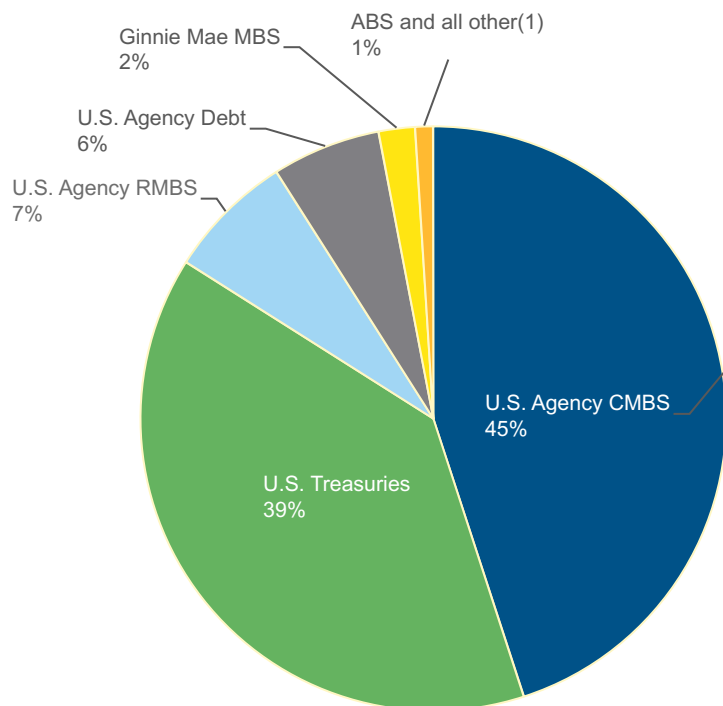
Farm Credit System Spreads to U.S. Treasuries (Basis Points)⁽⁵⁾



Investment Portfolio

Total Investment Securities of \$43.4 Billion

(as of December 31, 2024)



Summary

- \$43.4 billion market-diversified portfolio plus \$823 million of cash and cash equivalents and \$3.5 billion in federal funds sold and other overnight funds as of December 31, 2024
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Weighted average yield of investment securities of 3.73% as of December 31, 2024
- Cash flow average life of 3.6 years and duration of 2.4 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 182 days at December 31, 2024
 - CoBank's long-term debt to loans was approximately 71% as of December 31, 2024

(\$ in Millions)

Type	Fair Value
U.S. Agency CMBS	\$19,331
U.S. Treasuries	17,034
U.S. Agency RMBS	3,027
U.S. Agency Debt	2,495
Ginnie Mae MBS	904
ABS and all other ⁽¹⁾	616
Total	\$43,407

⁽¹⁾ All other includes an allowance for credit losses on investments of \$1 million at December 31, 2024