



# CoBank Investor Presentation

March 31, 2025



Proud Member of the Farm Credit System 

# Summary Financial Results

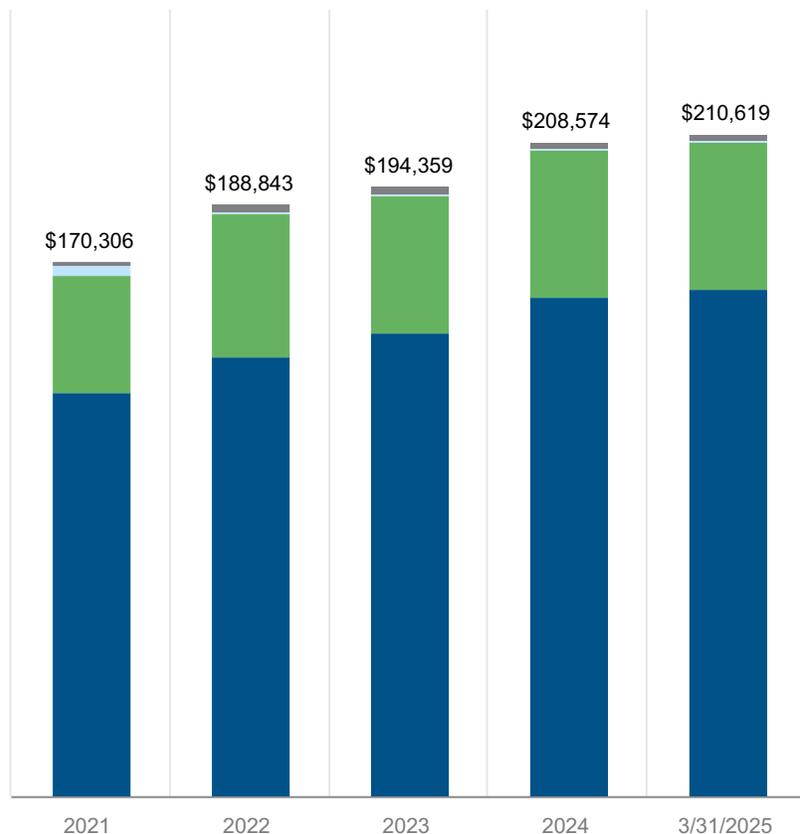
(\$ in millions)	For the Year Ended December 31,		For the Three Months Ended March 31,		B(W) %
	2023	2024	2024	2025	
Interest income	\$ 8,933	\$ 9,828	\$ 2,414	\$ 2,451	2 %
Interest expense	7,086	7,892	1,935	1,929	— %
<i>Net interest income</i>	<u>1,847</u>	<u>1,936</u>	<u>479</u>	<u>522</u>	9 %
Provision for credit losses (credit loss reversal)	76	49	(37)	77	(308)%
<i>Net interest income after provision for credit losses (credit loss reversal)</i>	<u>1,771</u>	<u>1,887</u>	<u>516</u>	<u>445</u>	(14)%
Noninterest income	459	482	101	131	30 %
Operating expenses	595	597	129	147	(14)%
<i>Income before income taxes</i>	<u>1,635</u>	<u>1,772</u>	<u>488</u>	<u>429</u>	(12)%
Provision for income taxes	128	137	50	39	22 %
<i>Net income</i>	<u>\$ 1,507</u>	<u>\$ 1,635</u>	<u>\$ 438</u>	<u>\$ 390</u>	(11)%
Return on average common equity	15.78 %	15.05 %	17.30 % *	13.43 % *	(22)%
Net interest margin	0.99 %	1.00 %	1.02 % *	1.02 % *	— %
Return on average assets	0.80 %	0.84 %	0.92 % *	0.75 % *	(18)%
Operating expense ratio**	21.82 %	23.63 %	20.41 %	21.65 %	(6)%
Average total loans	\$ 143,075	\$ 151,467	\$ 149,811	\$ 162,475	8 %
Average total assets	188,459	195,363	190,828	210,421	10 %

\* Annualized

\*\* Excludes Insurance Fund premiums

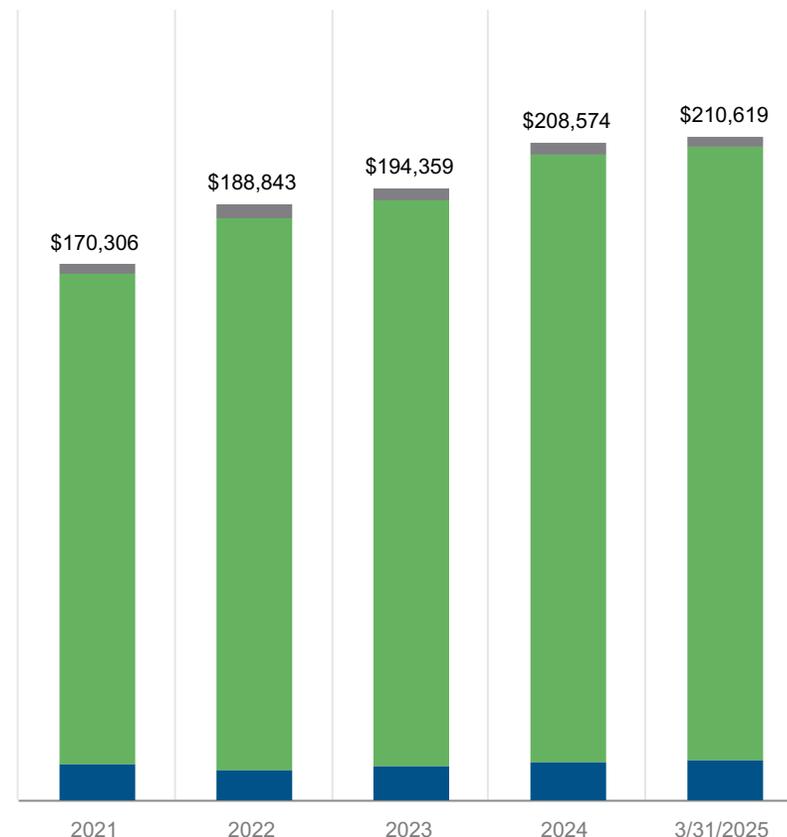
# Balance Sheet Trends

## Assets (\$ in Millions)



	2021	2022	2023	2024	3/31/2025
Other	\$ 1,238	\$ 2,360	\$ 2,373	\$ 1,995	\$ 1,769
Cash*	\$ 3,197	\$ 896	\$ 1,013	\$ 823	\$ 309
Investments**	\$ 37,342	\$ 45,498	\$ 42,958	\$ 46,897	\$ 47,063
Gross Loans	\$ 128,529	\$ 140,089	\$ 148,015	\$ 158,859	\$ 161,478

## Liabilities & Shareholders' Equity (\$ in Millions)



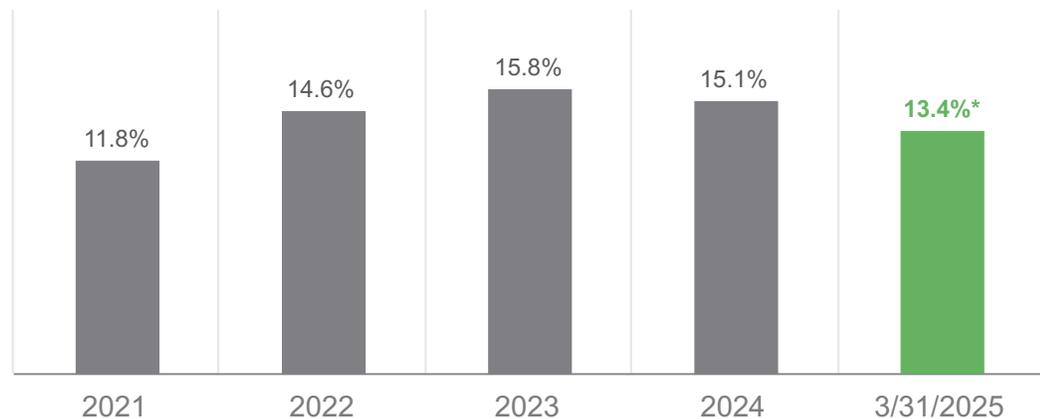
	2021	2022	2023	2024	3/31/2025
Other	\$ 3,122	\$ 3,995	\$ 4,345	\$ 4,091	\$ 3,157
Bonds & Notes	\$ 154,950	\$ 174,623	\$ 178,821	\$ 191,621	\$ 194,487
Shareholders' Equity	\$ 12,234	\$ 10,225	\$ 11,193	\$ 12,862	\$ 12,975

\* Represents cash and cash equivalents

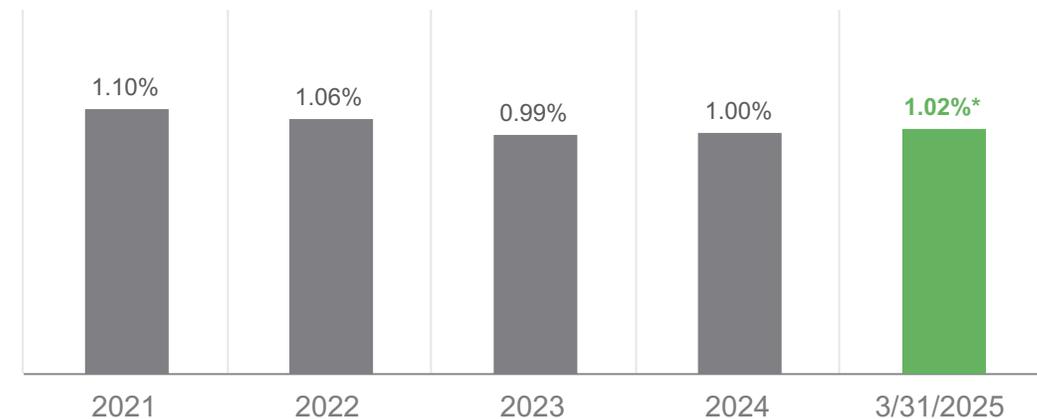
\*\* Includes Investment Securities, Federal Funds Sold and Other Overnight Funds

# Profitability and Efficiency

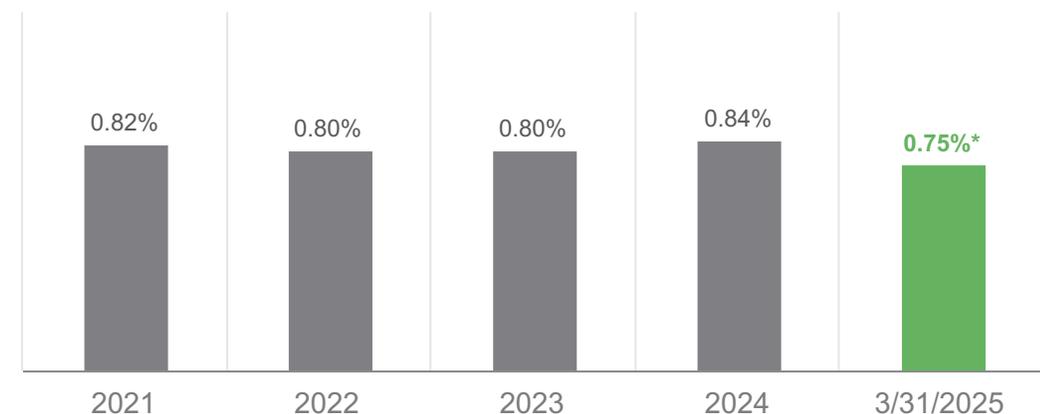
## Return on Average Common Equity



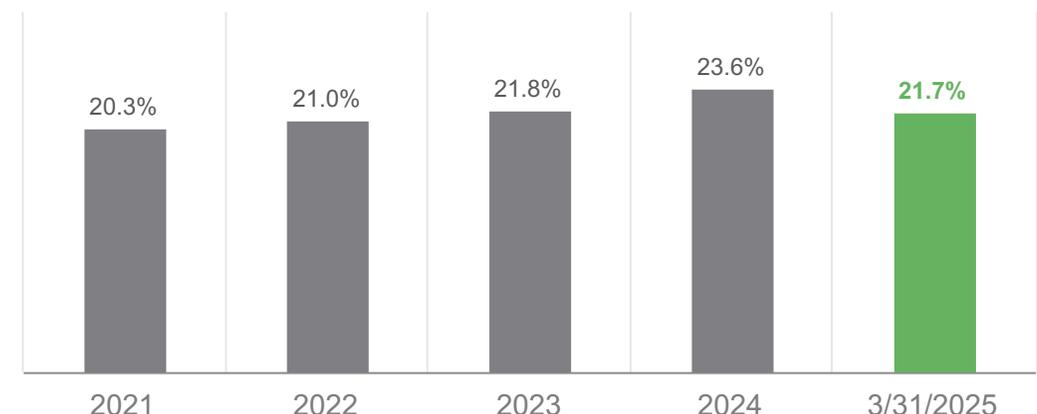
## Net Interest Margin



## Return on Average Assets



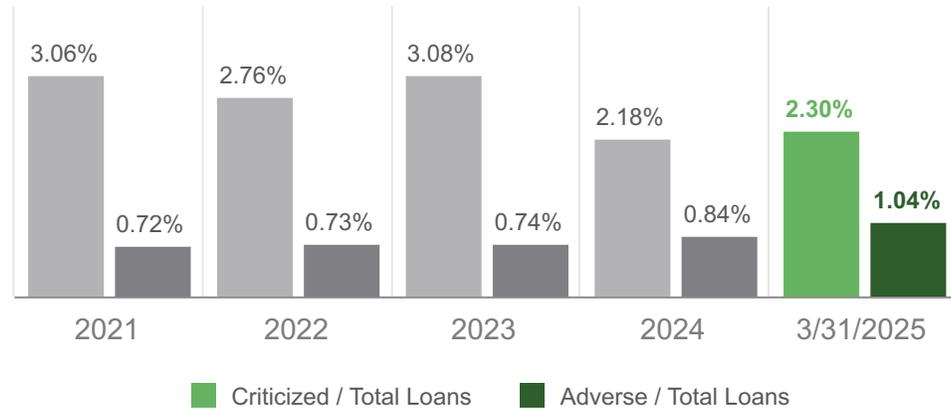
## Operating Expense Ratio Excluding Insurance Fund Premiums



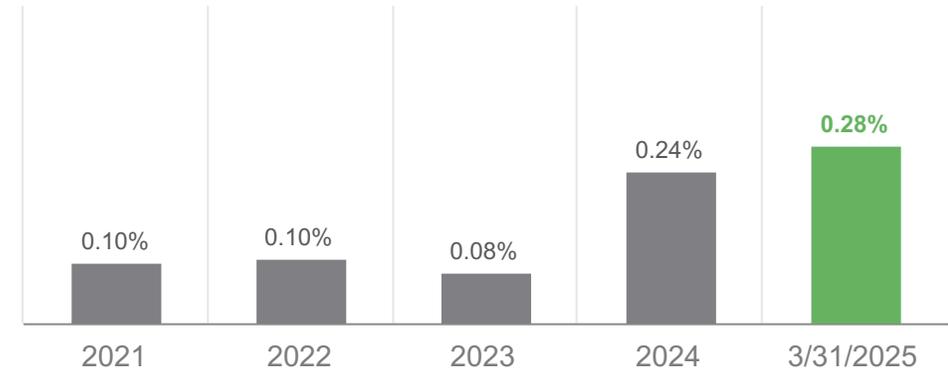
\*Annualized

# Loan Quality

## Criticized / Total Loans & Adverse / Total Loans

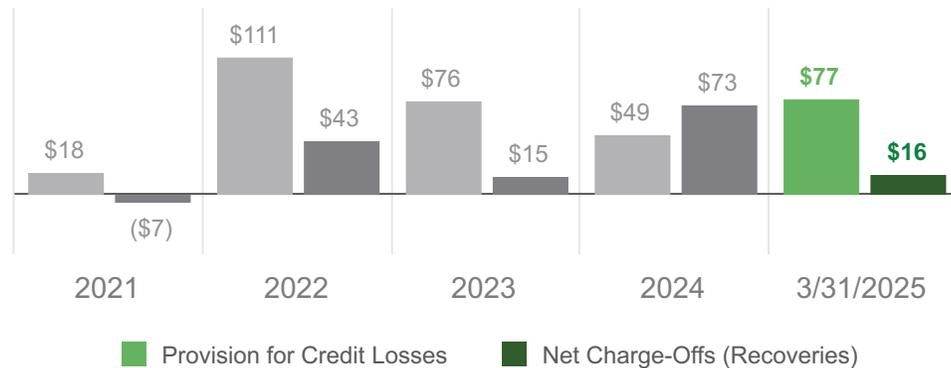


## Nonaccrual Loans / Total Loans



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

(\$ in Millions)



## Allowance for Credit Losses / Loans

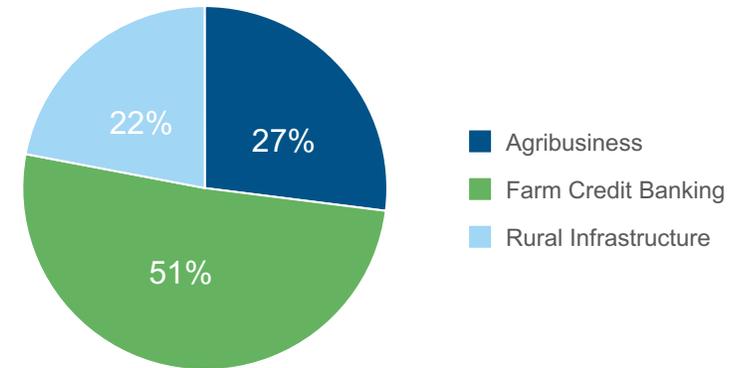


# Operating Segments

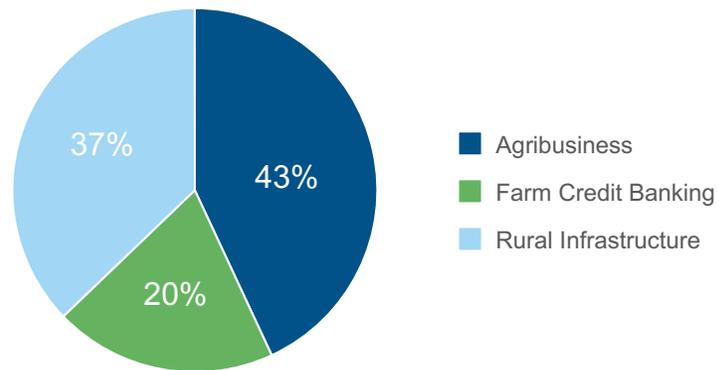
## Summary

- Three operating segments (Agribusiness, Farm Credit Banking and Rural Infrastructure)
- Approximately \$161.5 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 - \$161.5 Billion at March 31, 2025



## Net Income - \$390 Million



## Average Loans (\$ in Millions)



# Agribusiness Portfolio

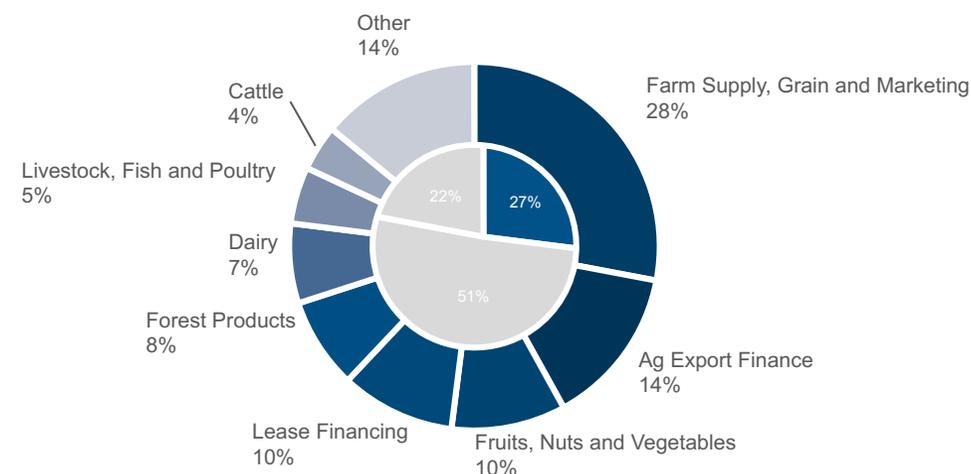
## Portfolio Highlights

- \$43.6 billion retail loan portfolio at March 31, 2025
- 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 \$6.2 billion in agricultural export finance loans; 30% are U.S. government-guaranteed
- Includes \$4.1 billion leasing portfolio
- Nonaccrual loans increased primarily due to grain, farm supply, fruits and tree nut customers transferred to nonaccrual status in 2025

## Financial Summary

(\$ in millions)	3/31/2025	2024	2023	2022
Period-End Loans	\$ 43,618	\$ 40,463	\$ 37,785	\$ 40,098
Average Loans	\$ 44,845	\$ 38,870	\$ 40,044	\$ 43,323
Net Income	\$ 169	\$ 714	\$ 731	\$ 774
Nonaccrual Loans	\$ 391	\$ 313	\$ 90	\$ 137

## Portfolio Sectors<sup>(1)</sup>



## Loan Quality

	3/31/2025	2024	2023	2022
Acceptable	93.15%	93.23%	94.63%	95.17%
Special Mention	3.49	3.94	2.70	2.51
Substandard	3.27	2.73	2.67	2.32
Doubtful	0.09	0.10	-	0.00 <sup>(2)</sup>
Loss	-	-	-	-

<sup>(1)</sup> Represents loans by sectors as a percentage of total loans in the Agribusiness portfolio.

<sup>(2)</sup> Represents less than 0.01 percent of total agribusiness loans.

# Farm Credit Banking Portfolio

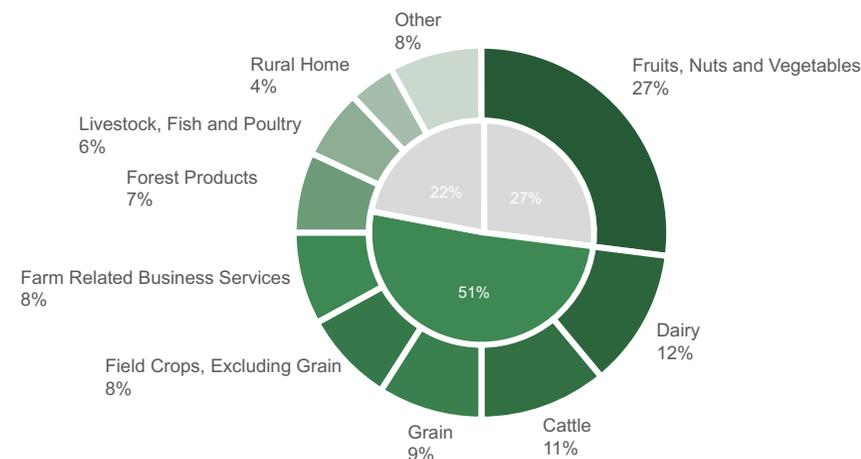
## Portfolio Highlights

- \$82.8 billion wholesale loan portfolio at March 31, 2025
- 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)	3/31/2025	2024	2023	2022
Period-End Loans	\$ 82,772	\$ 84,059	\$ 77,658	\$ 71,529
Average Loans	\$ 83,090	\$ 79,272	\$ 72,816	\$ 67,855
Net Income	\$ 76	\$ 299	\$ 281	\$ 251
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -

## Portfolio Sectors<sup>(1)</sup>



## Loan Quality

	3/31/2025	2024	2023	2022
Acceptable	100.00%	100.00%	97.80%	97.76%
Special Mention	-	-	2.20	2.24
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-

<sup>(1)</sup> Represents loans by sectors as a percentage of total loans in the Farm Credit Banking portfolio.

# Rural Infrastructure Portfolio

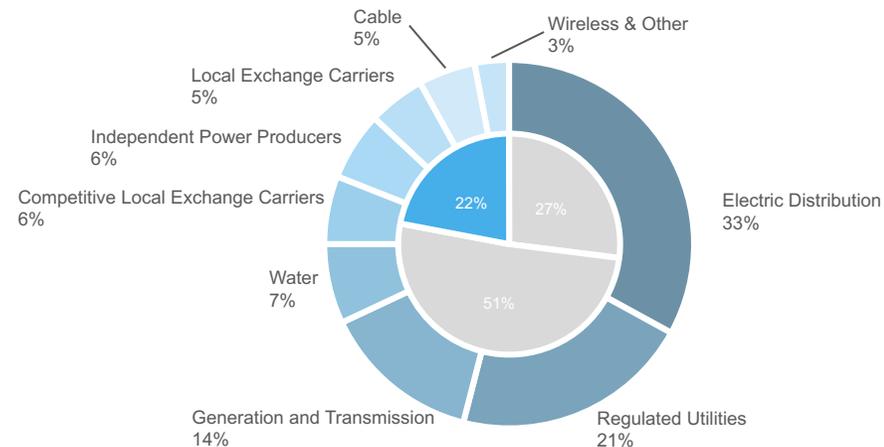
## Portfolio Highlights

- \$35.1 billion retail loan portfolio at March 31, 2025
- 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)	3/31/2025	2024	2023	2022
Period-End Loans	\$ 35,088	\$ 34,337	\$ 32,572	\$ 28,462
Average Loans	\$ 34,540	\$ 33,325	\$ 30,215	\$ 25,734
Net Income	\$ 145	\$ 622	\$ 495	\$ 424
Nonaccrual Loans	\$ 62	\$ 63	\$ 27	\$ 8

## Portfolio Sectors<sup>(1)</sup>



## Loan Quality

	3/31/2025	2024	2023	2022
Acceptable	97.93%	97.91%	97.45%	98.87%
Special Mention	1.49	1.56	2.29	0.81
Substandard	0.56	0.51	0.26	0.32
Doubtful	0.02	0.02	-	-
Loss	-	-	-	-

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

# Capital Position

## Summary

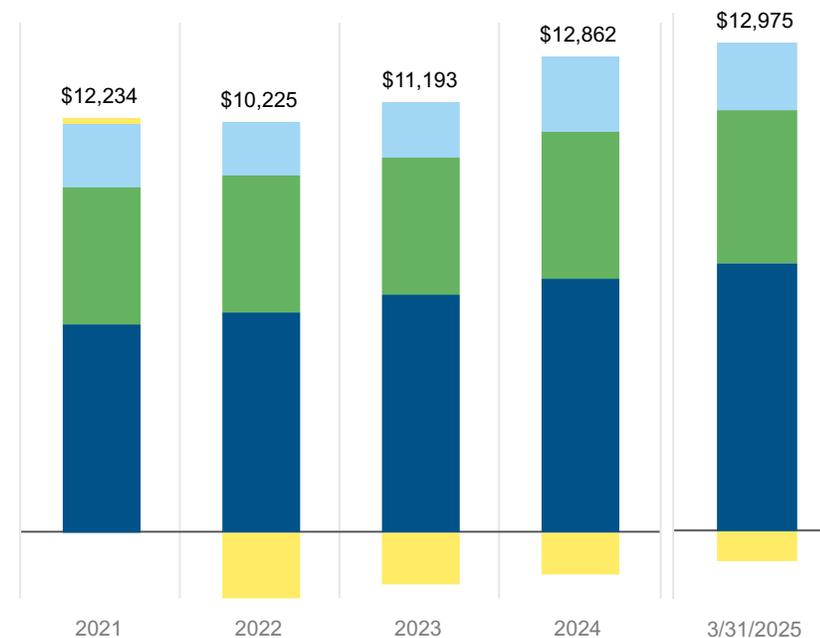
- Capital ratios exceed required regulatory minimums
- Assures continued viability and capacity to meet our customers' borrowing needs
- Preferred stock provides additional layer of risk-bearing capacity
- Total capital increased to \$13.0 billion at March 31, 2025 primarily due to earnings and a decrease in accumulated other comprehensive loss, offset by retirement of preferred stock and accrued patronage
- In March 2025, we retired \$50 million of common stock

## Capital Ratios

	March 31, 2025			
	Regulatory Minimum	Actual	Actual Buffer	Required Buffer
Common Equity Tier 1 (CET1) Capital Ratio	4.50 %	11.01 %	6.51 %	2.50 %
Tier 1 Capital Ratio	6.00	12.80	6.80	2.50
Total Capital Ratio	8.00	13.55	5.55	2.50
Tier 1 Leverage Ratio <sup>(1)</sup>	4.00	6.56	2.56	1.00
Permanent Capital Ratio	7.00	12.90	n/a	n/a
Unallocated Retained Earnings (URE) and URE Equivalents Leverage Ratio	1.50	2.95	n/a	n/a

<sup>(1)</sup> At least 1.5 percent must be URE and URE equivalents.

## Shareholders' Equity (\$ in Millions)



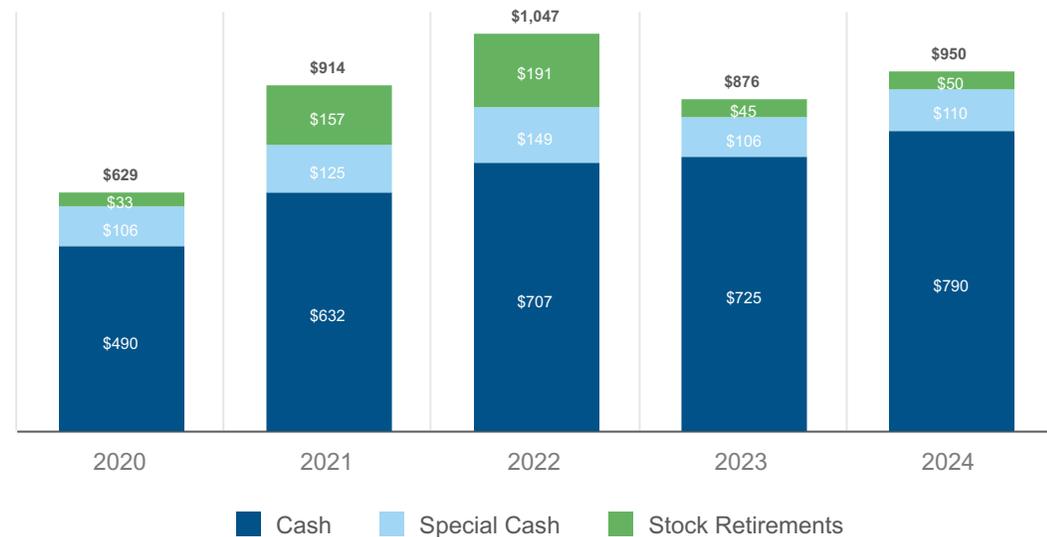
Preferred Stock	\$	1,902	\$	1,633	\$	1,625	\$	2,225	\$	1,925
Common Stock	\$	4,013	\$	4,000	\$	4,076	\$	4,352	\$	4,340
Retained Earnings	\$	6,164	\$	6,519	\$	7,016	\$	7,500	\$	7,602
Other Comprehensive Income (Loss)	\$	155	\$	(1,927)	\$	(1,524)	\$	(1,215)	\$	(892)

# 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

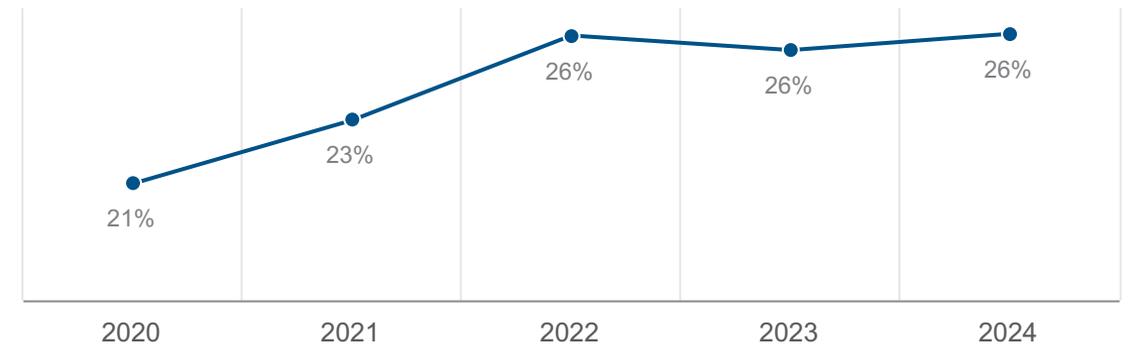
## Total Cash Payouts<sup>(1)</sup> (\$ in Millions)



## Patronage<sup>(1)</sup> (\$ in Millions)



## Average Return on Active Patron Investment<sup>(2)</sup>



<sup>(1)</sup> Amounts presented in these tables relate to their respective plan years.

<sup>(2)</sup> 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

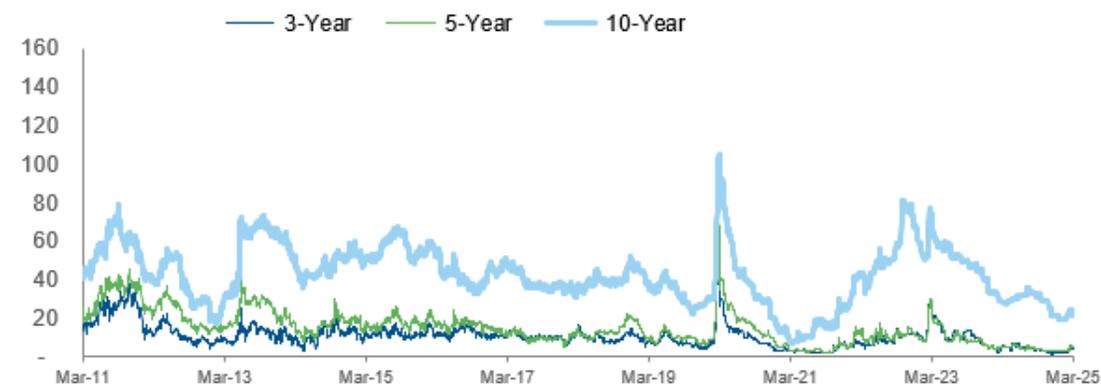
## Equity (\$ in Millions)<sup>(1)</sup>

Type	Amount	Rate <sup>(3)</sup>	% of Equity
Preferred Stock			
Series E	\$125	5.73 %	1.0 %
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 %
<b>Total</b>	<b>1,925</b>	<b>6.11 %</b>	<b>14.9 %</b>
Common Stock	4,340		33.4 %
Unallocated Retained Earnings	7,602		58.6 %
Accumulated Other Comprehensive Loss	(892)		(6.9)%
	<b>\$12,975</b>		<b>100.0 %</b>

## Debt (\$ in Millions)<sup>(1)</sup>

Type	Amount	% of Debt	Avg. Maturity (in years)	Weighted Avg. Rate <sup>(2)</sup>
Discount Notes	\$ 16,291	8.4%	0.2	4.01%
Bonds - Noncallable	135,690	69.8%	2.3	3.97%
Bonds - Callable	41,615	21.3%	3.0	3.72%
S/T Customer Investments and Other	891	0.5%	0.1	5.80%
	<b>\$ 194,487</b>	<b>100.0%</b>	<b>2.3</b>	<b>3.90%</b>

## Farm Credit System Spreads to U.S. Treasuries (Basis Points)<sup>(4)</sup>



<sup>(1)</sup> As of March 31, 2025.

<sup>(2)</sup> Weighted average interest rates include the effect of related derivatives.

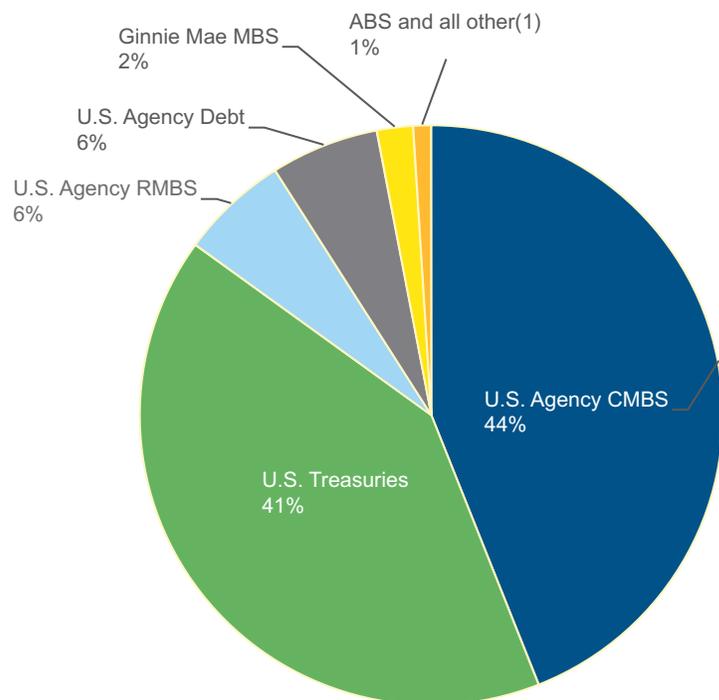
<sup>(3)</sup> Interest rates on preferred stock exclude the impact of fixed to floating conversion features in future periods.

<sup>(4)</sup> As of March 31, 2025, Farm Credit System spreads to U.S. Treasuries were: 4 basis points (3 - Year), 5 basis points (5 - Year) and 23 basis points (10 - Year).

# Investment Portfolio

## Total Investment Securities of \$45.4 Billion

(as of March 31, 2025)



## Summary

- \$45.4 billion market-diversified portfolio plus \$309 million of cash and cash equivalents and \$1.7 billion in federal funds sold and other overnight funds as of March 31, 2025
- Largely composed of securities issued or guaranteed by GSEs or U.S. government
- Weighted average yield of investment securities of 3.73% as of March 31, 2025
- Cash flow average life of 3.6 years and duration of 2.5 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 188 days at March 31, 2025
  - CoBank's long-term debt to loans was approximately 72% as of March 31, 2025

(\$ in Millions)

Type	Fair Value
U.S. Agency CMBS	\$19,762
U.S. Treasuries	18,706
U.S. Agency RMBS	2,892
U.S. Agency Debt	2,526
Ginnie Mae MBS	892
ABS and all other <sup>(1)</sup>	610
<b>Total</b>	<b>\$45,388</b>

<sup>(1)</sup> All other includes an allowance for credit losses on investments of \$1 million at March 31, 2025