

Investor Conference Call – FY2023 First Quarter Ended August 31, 2022

October 19, 2022 at 11 a.m. ET



Forward-Looking Statements

This presentation contains certain statements that are considered forward-looking statements within the Securities Act of 1933, as amended, and the Exchange Act of 1934, as amended. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identified by our use of words such as “intend,” “plan,” “may,” “should,” “will,” “project,” “estimate,” “anticipate,” “believe,” “expect,” “continue,” “potential,” “opportunity” and similar expressions, whether in the negative or affirmative. All statements about future expectations or projections are forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, actual results and performance may differ materially from our forward-looking statements. Factors that could cause future results to vary from our forward-looking statements about our current expectations are included in our annual and quarterly periodic reports filed with the U.S. Securities and Exchange Commission. Except as required by law, we undertake no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date on which the statement is made.



Non-GAAP Financial Measures

During our discussion, we review certain non-GAAP adjusted financial measures. Please refer to our Form 10-Q for the first quarter ended August 31, 2022, of our fiscal year 2023, as filed with the SEC and posted on the CFC website, for a discussion of why we believe our adjusted measures provide useful information in analyzing CFC's financial performance and the reconciliation to the most comparable GAAP measures.



J. Andrew Don, Chief Executive Officer



Financial Highlights

(as of August 31, 2022, unless otherwise noted)



Continued Balance Sheet Expansion

- Loans to members totaled \$30.7 billion
- Largest private lender in the sector with 28% market share at 12/31/2021



Strong Financial Metrics

- Adjusted TIER of 1.26x for the quarter
- Members' equity exceeded \$2 billion

High Quality Loan Portfolio



- No charge-offs during the three months ended August 31, 2022
- Geographically diverse borrower base with 98% loans to electric utilities

Diverse Funding Source & Healthy Liquidity



- Diversified liquidity sources supported by cash, investments, committed bank lines, Guaranteed Underwriter Program (GUP), Farmer Mac, and repo facilities

Financial Performance

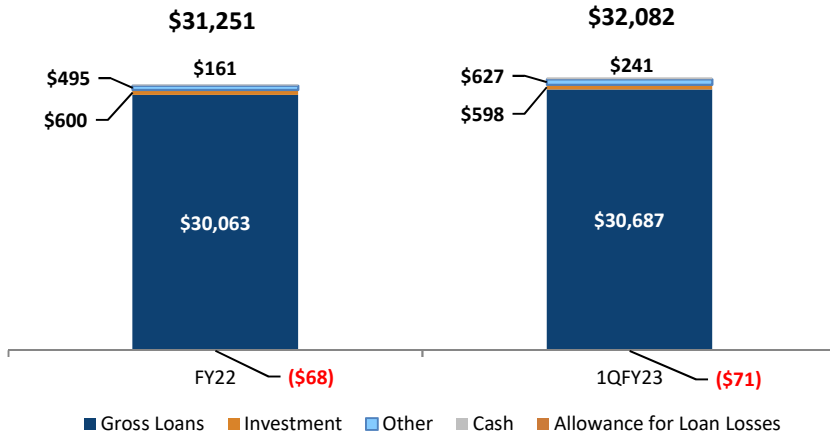
Ling Wang, Chief Financial Officer



1QFY23 Financial Results – Balance Sheet

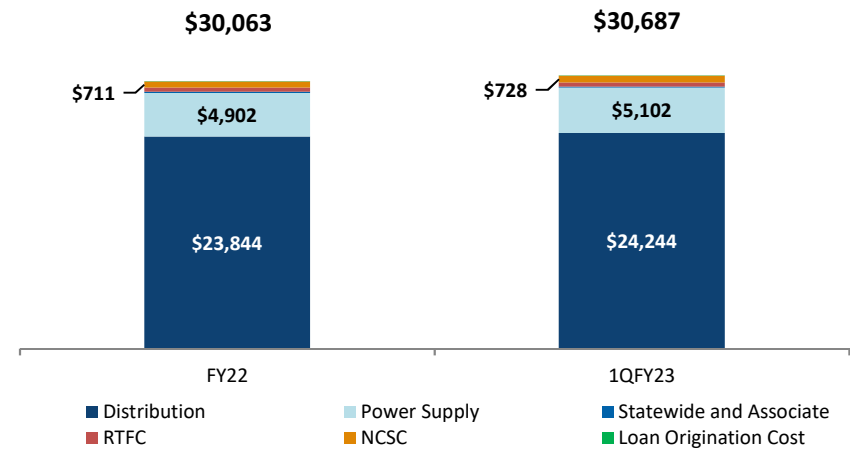
Total Assets (\$ in Mils)

\$831 MM, or 3%, Increase in Total Assets



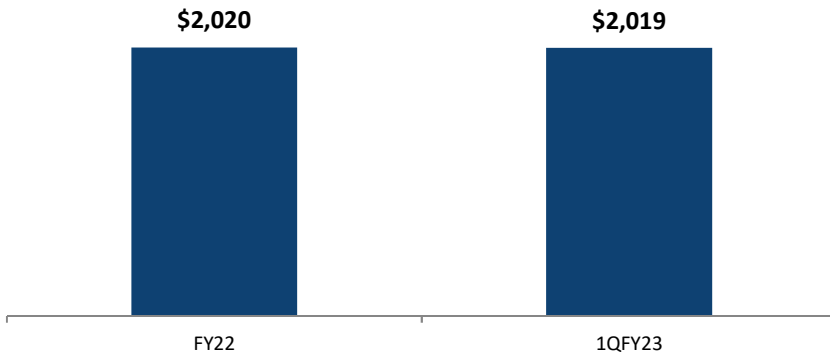
Loans to Members (\$ in Mils)

\$624 MM, or 2%, Increase in Loans to Members



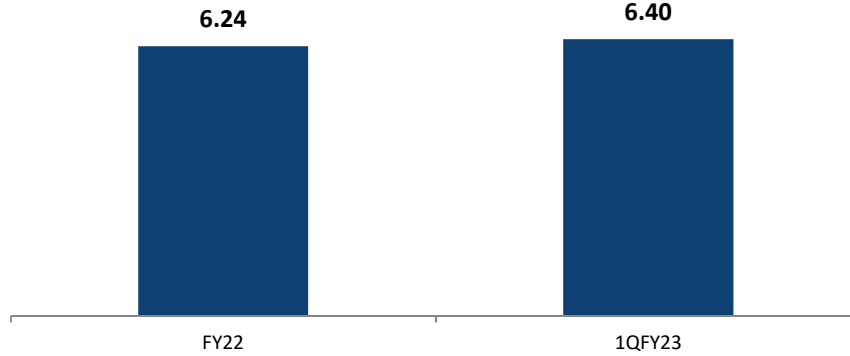
Members' Equity (\$ in Mils)

\$1 MM, or 0.1%, Decrease in Members' Equity



Adjusted Debt to Equity Ratio

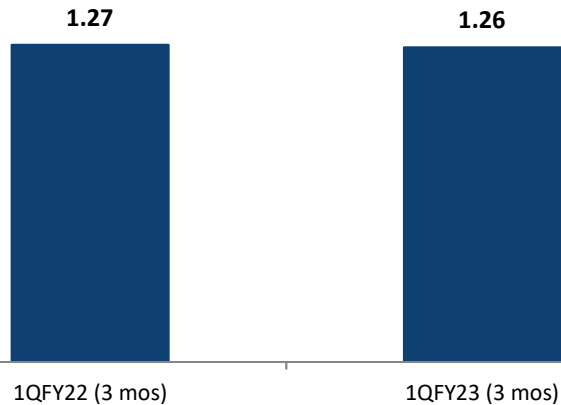
0.16, or 3%, Increase in Debt to Equity Ratio



1QFY23 Financial Results – Income Statement

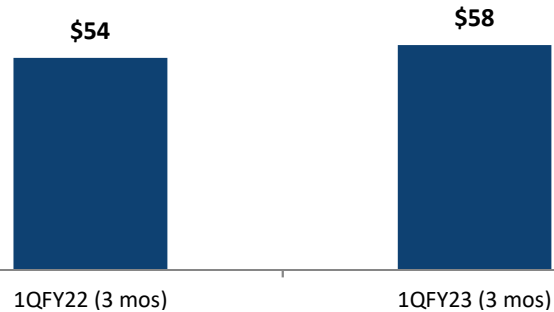
Adjusted TIER

0.01, or 1%, Decrease in Adjusted TIER



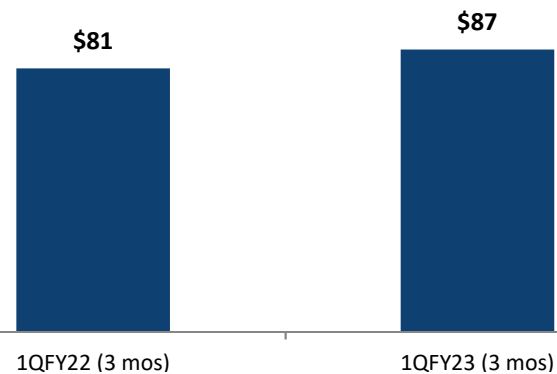
Adjusted Net Income (\$ in Mils)

\$4 MM, or 6%, Increase in Adjusted Net Income



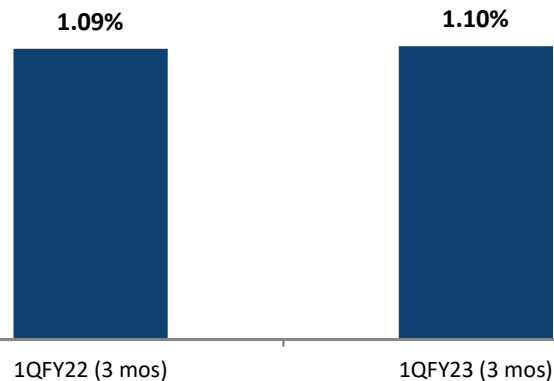
Adjusted Net Interest Income (\$ in Mils)

\$6 MM, or 7%, Increase in Net Interest Income



Adjusted Net Interest Yield

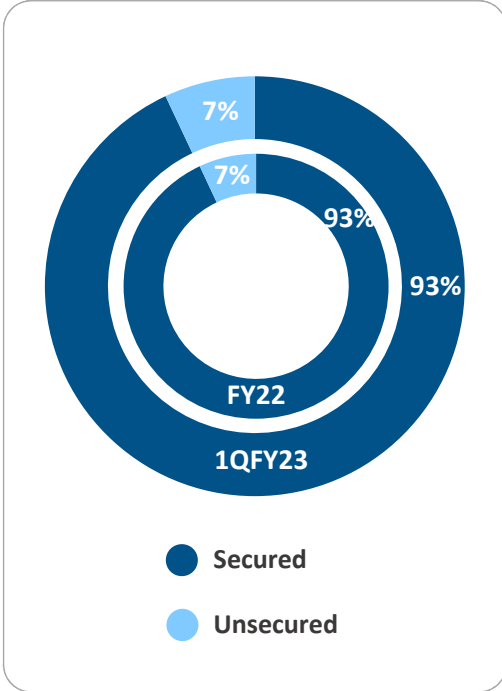
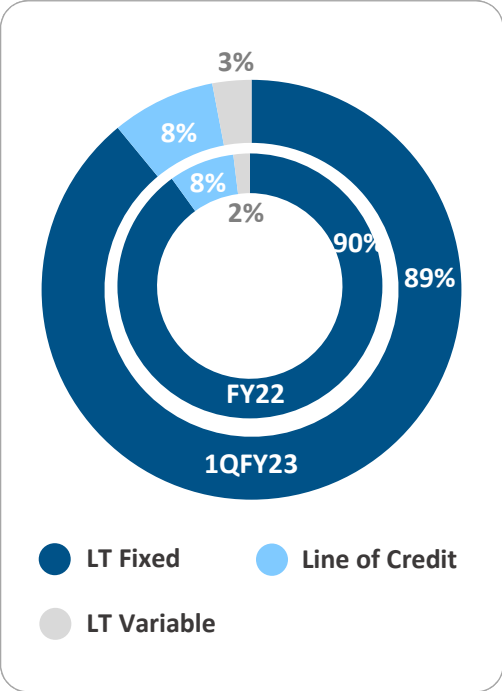
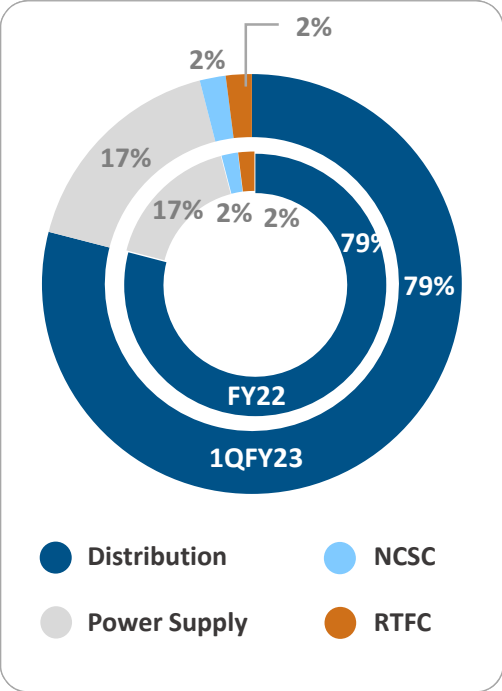
1 bps, or 1%, Increase in Adjusted Net Interest Yield



Loan Portfolio Overview

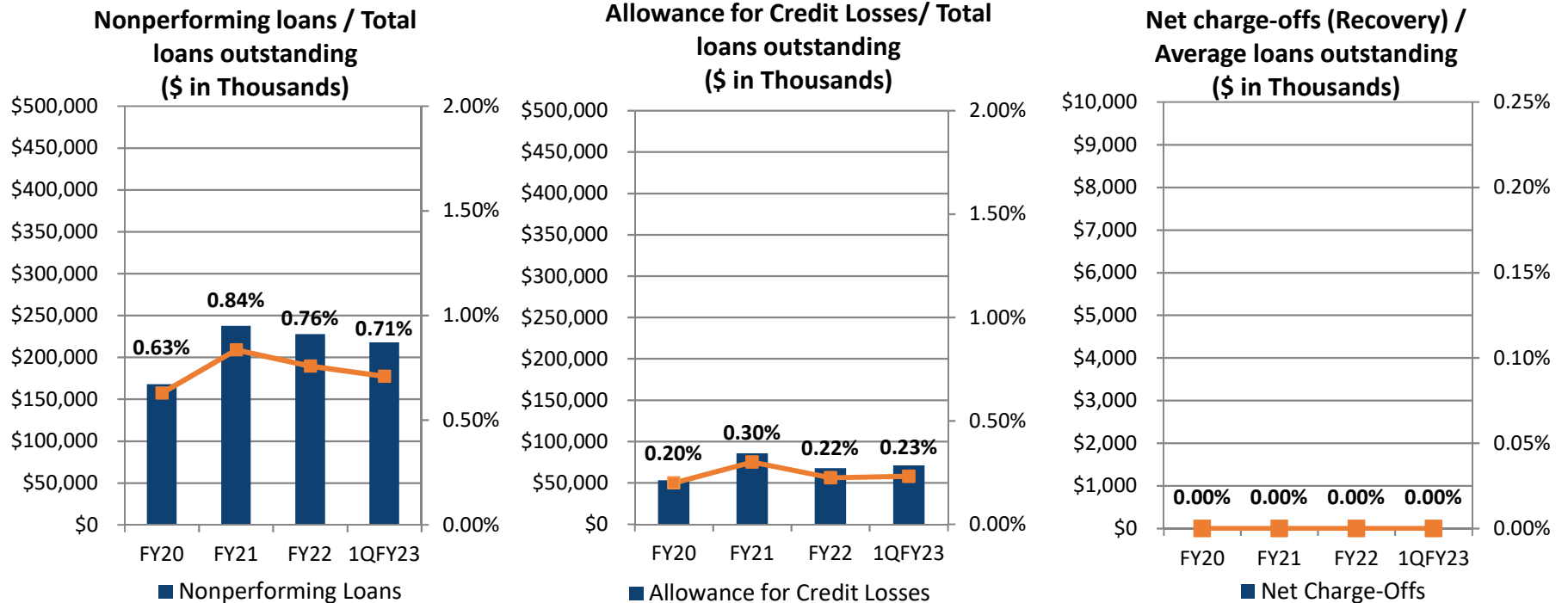
CFC’s Electric Cooperative Borrowers/Members:

- Provide an essential service to their customers/owners
- Experience limited competition
- Generally serve exclusive territories with majority number of customers being residential
- Demonstrate stable operating and strong financial performance
- Are not rate regulated in the majority of states



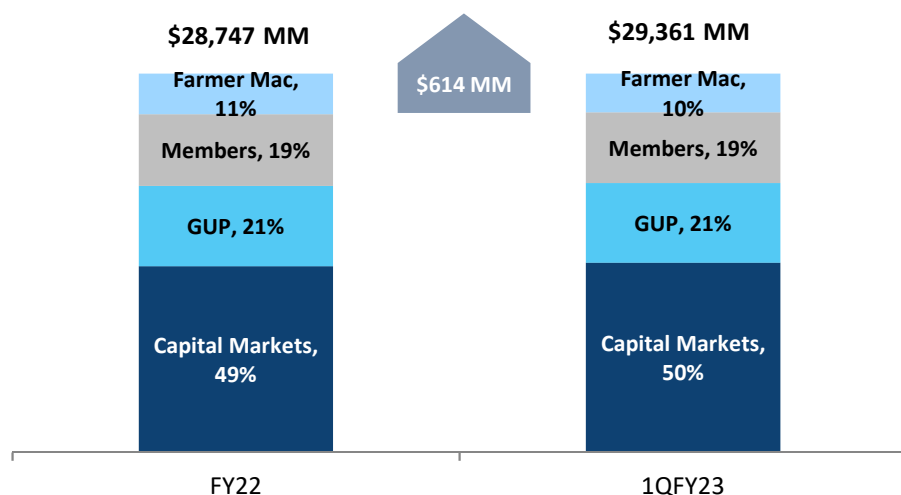
Credit Performance

- During CFC’s 53-year history, in the electric utility portfolio, there have only been 18 defaults including Brazos Electric and Brazos Sandy Creek. Of the 16 defaults prior to the Brazos and Brazos Sandy Creek defaults, only six resulted in losses which totaled \$86 million in net write-offs.
- CFC had no charge-offs during the three months ended August 31, 2022. Historically, CFC has had low levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.

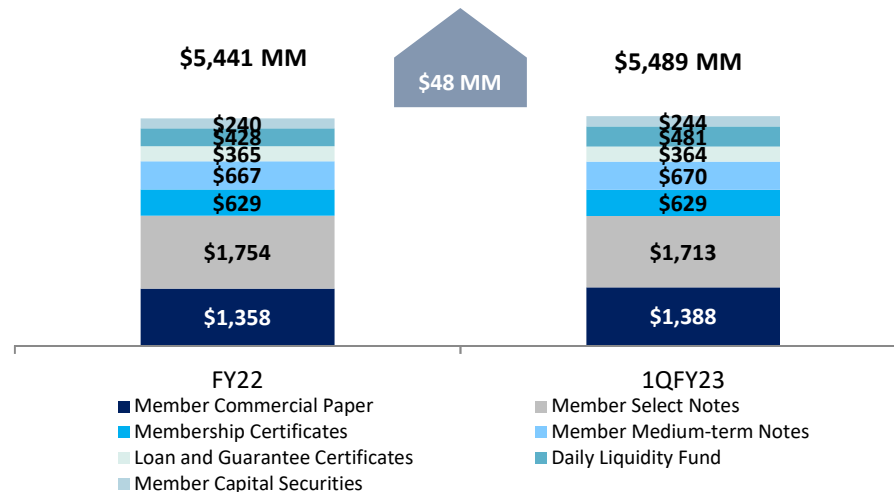


Debt Funding Sources

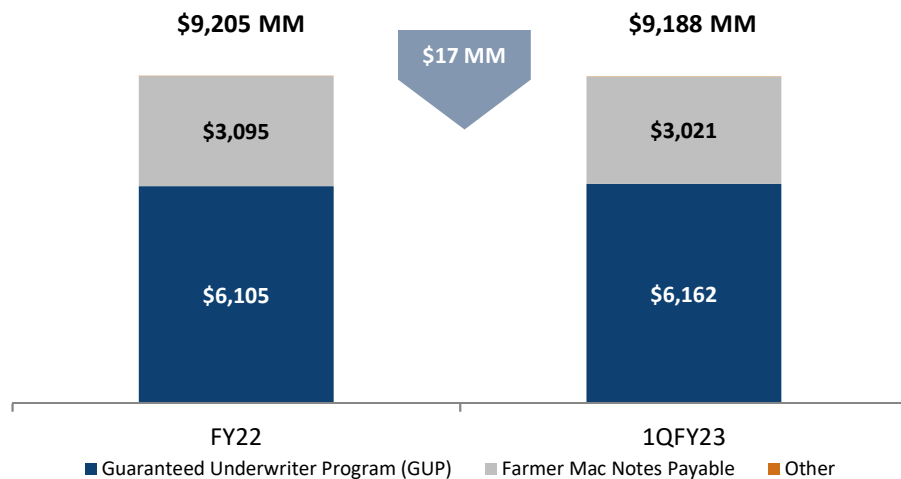
Total Debt Outstanding (\$ in Mils)



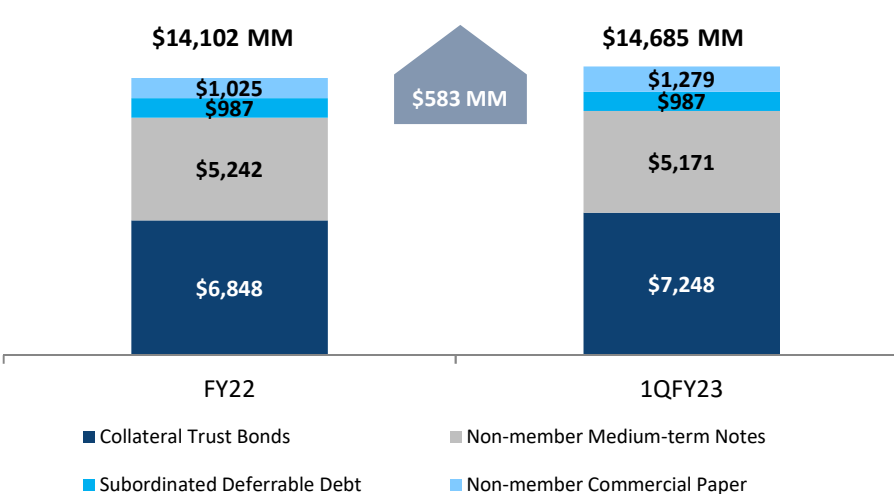
Member Investment (\$ in Mils)



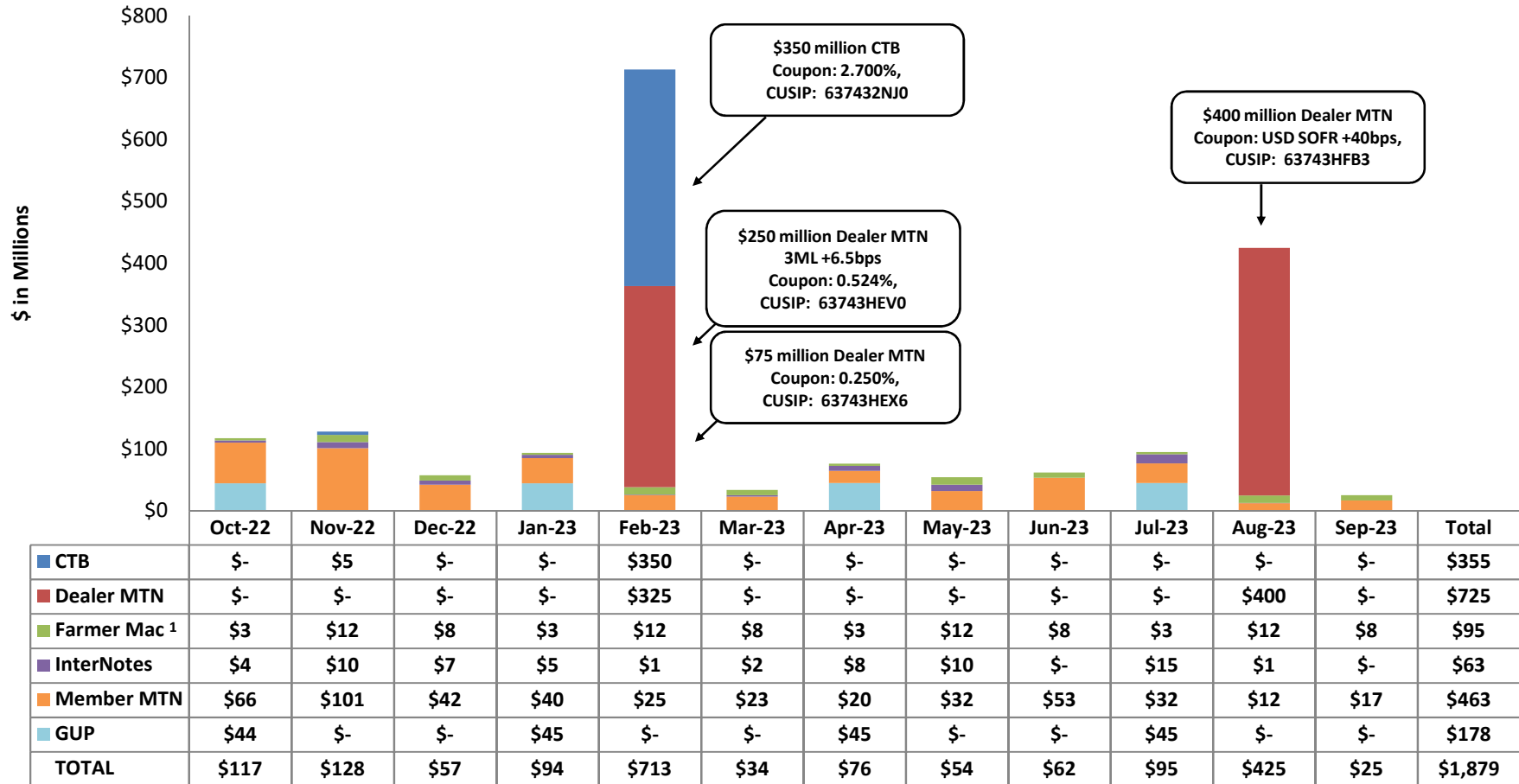
GUP & Farmer Mac (\$ in Mils)



Capital Markets Funding (\$ in Mils)



Monthly Debt Maturity Schedule



Note: Our members traditionally roll over their MTN investments at maturity. Data as of 9/30/2022

Liquidity Management

- CFC is a well-known seasoned issuer and believes it has adequate access to both long-term and short-term funding options
- In June 2022, CFC amended the revolving note purchase agreement with Farmer Mac to increase the maximum borrowing availability from \$5.5 billion to \$6 billion.
- In September 2022, CFC received a commitment letter from RUS for an additional \$750 million for Guaranteed Underwriter Program.

(\$ in millions)

Liquidity Sources		May 31, 2022		August 31, 2022	
		Total	Available	Total	Available
	Cash & Investments	\$720	\$720	\$794	\$794
	Committed Revolving LOC - Banks	\$2,600	\$2,597	\$2,600	\$2,597
	GUP (Non-Revolver)	\$8,723	\$1,075	\$8,723	\$975
	Revolving NPA - Farmer Mac ¹	\$5,500	\$2,405	\$6,000	\$2,979
Total Liquidity		\$17,543	\$6,797	\$18,117	\$7,345
Debt Maturities over the next 12 months		May 31, 2022		August 31, 2022	
Non-member Debt and Member LT Debt Maturities					
	Dealer CP	\$1,025		\$1,279	
	Long-term and Subordinated Debt ²	\$1,913		\$2,011	
Total Non-member Debt and Member LT Debt Maturities		\$2,938		\$3,290	
Total Member Short-Term Investments		\$3,956		\$3,992	
Total Debt Maturities over the next 12 months		\$6,894		\$7,282	
Excess Liquidity (excluding short-term member investments)		\$3,859/2.3x		\$4,055/2.2x	
Scheduled LT Loan Amortization and Repayments over the next 12 months		\$1,479		\$1,503	

(1) Revolving NPA - Farmer Mac is subject to market conditions

(2) Includes member LT MTNs and LT certificates maturing within 12 months



Projected Long-Term Sources and Uses of Funds as of 8/31/2022

(\$ in Mils.)	LT and Subordinated Debt Maturities	Net Loan Growth	Projected Cash Needs	Projected LT Debt Issuance
11/30/2022	\$805	\$324	\$1,129	\$686
2/28/2023	\$920	\$543	\$1,463	\$1,505
5/31/2023	\$300	\$147	\$447	\$90
8/31/2023	\$581	\$250	\$831	\$382
11/30/2023	\$554	\$250	\$804	\$549
2/29/2024	\$1,089	\$250	\$1,339	\$1,489
Totals	\$4,249	\$1,764	\$6,013	\$4,701

* Refer to Page 41 of Form 10-Q for more details



Key Takeaways

Robust Credit Ratings

Fitch: **F1** (Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 9/7/22)

Moody's: **P-1** (Short-Term); **A1** (Senior Secured); **A2** (Senior Unsecured); **Stable** Outlook (Last commented on 12/16/21)

S&P: **A-2** (Short-Term); **A-** (Senior Secured); **A-** (Senior Unsecured); **Stable** Outlook (Last commented on 12/13/21)

High Quality Loan Portfolio

79% of loans are to electric distribution borrowers and 17% of loans are to power supply borrowers

93% of loans are on a senior secured basis

0.23% loan loss allowance coverage ratio

Historically limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies historically

Strong Member Support

\$5.5 billion or 19% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity of more than \$2.0 billion as of 8/31/2022, a 45% increase from \$1.4 billion as of 5/31/2017

Healthy Funding & Liquidity Profile

Diversified funding sources (Cash, investments, bank lines, GUP, Farmer Mac and Repo Agreements)

\$4.1 billion or 2.2x times of liquidity, excluding 12-month member short-term investments



An outline map of the United States, including Alaska and Hawaii, serving as a background for the text.

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