

Investor Conference Call FY2024 First Quarter Ended August 31, 2023

October 16, 2023 at 12 pm 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. A reconciliation is provided at the end of the slides. Please refer to our Form 10-Q for the first quarter ended August 31, 2023, of our fiscal year 2024, 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. Certain figures have been rounded for ease of presentation and may not sum to total due to rounding.



Executive Summary

J. Andrew Don, Chief Executive Officer



Financial Highlights: Delivered Solid Results

Loans to Members
totaled \$33.1B

\$2.2B Members'
Equity

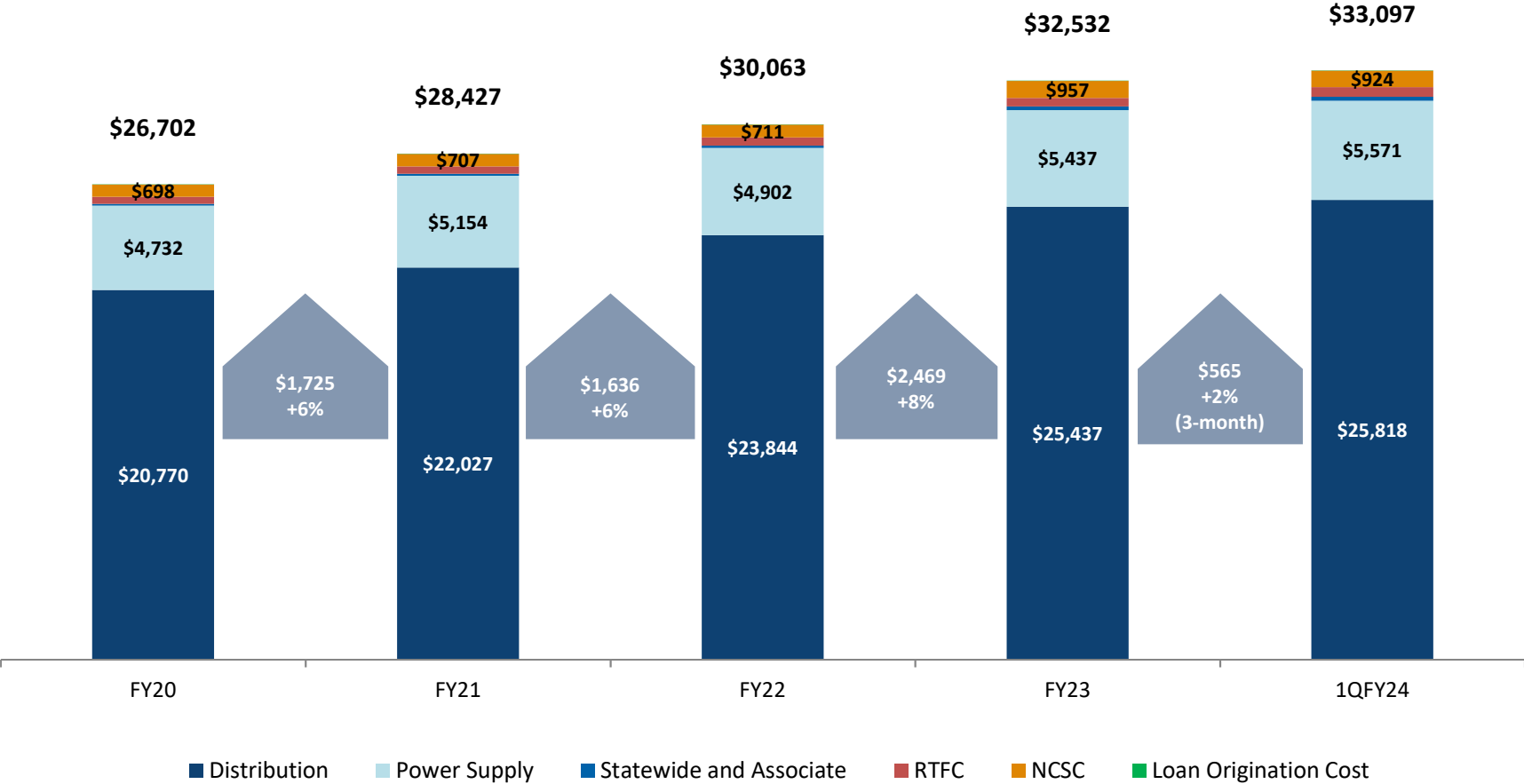
0.26% NPL
Net Recoveries of \$1
million

A+/A1/A-
F1/P-1/A-2
Stable Outlook

- **Continue to manage our financial performance diligently**
 - Gross Loans to members increased to \$33.1B at the end of 1QFY24, an increase of \$565 million or 2% from FYE23
 - Maintained a high quality loan portfolio: historically limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.
 - Superior financial metrics: an adjusted TIER of 1.23x during 1QFY24
 - Strategic equity build-up: over \$2.2B of members' equity at 1QFY24
 - Diverse funding sources and resilient liquidity: cash, committed bank lines, investments, Guaranteed Underwriter Program (GUP), Farmer Mac, and access to repo facilities
- **Committed to maintain high grade credit ratings**
 - Executive team's incentive is tied to CFC credit ratings



Loans To Members: Continued Loan Growth



(\$ In Millions)



Financial Performance

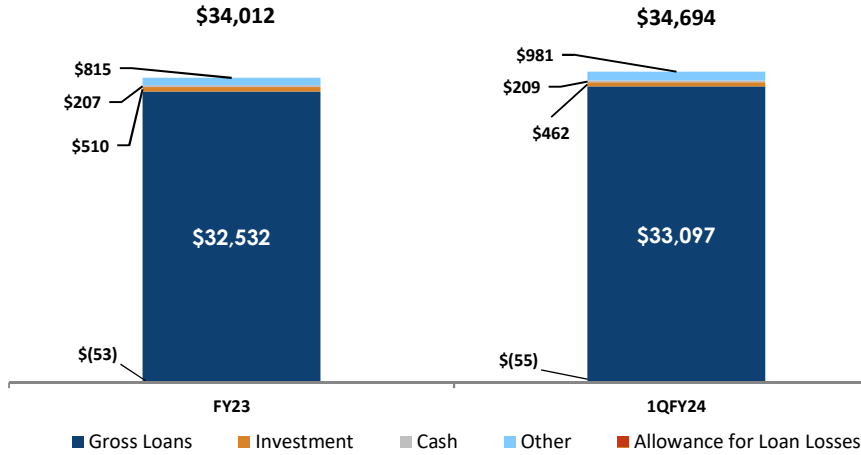
Ling Wang, Chief Financial Officer



Balance Sheet: Strong, Sound Capital Structure

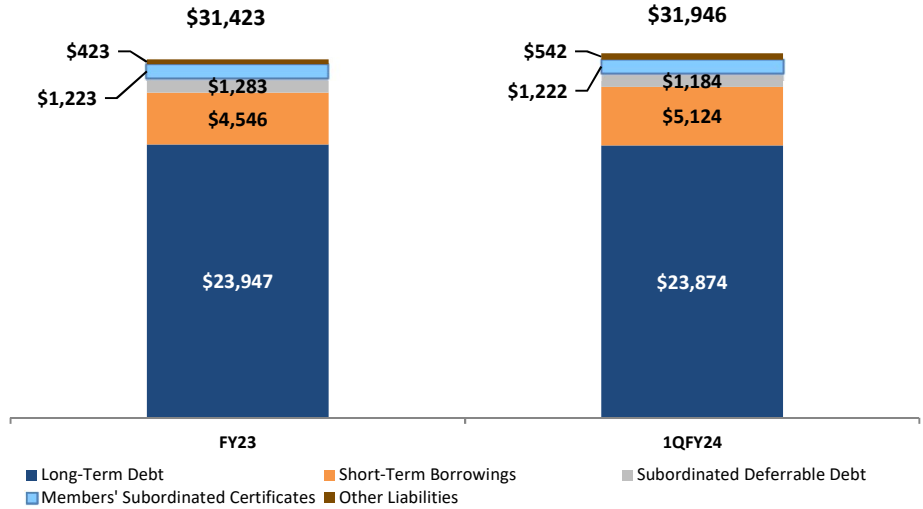
Total Assets (\$ in Millions)

\$682 million, or 2%, Increase in Total Assets



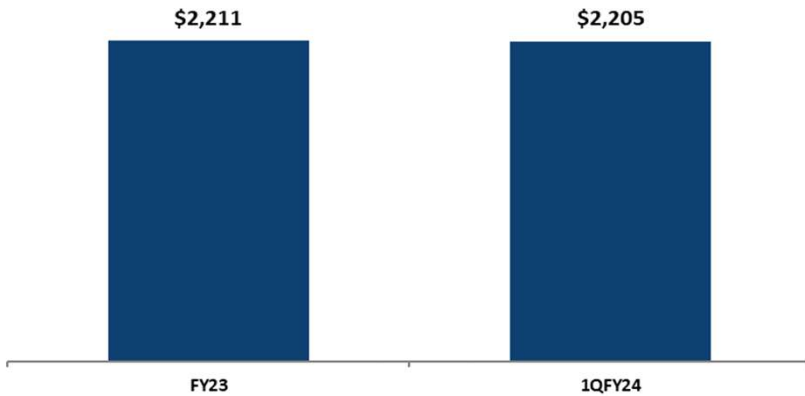
Total Liabilities (\$ in Millions)

\$523 million, or 2%, Increase in Total Liabilities



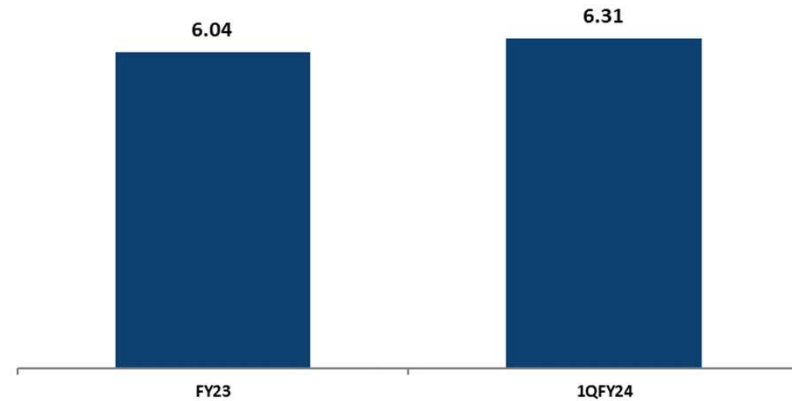
Members' Equity (\$ in Millions) ¹

\$6 million, or 0.3%, Decrease in Members' Equity



Adjusted Debt to Equity Ratio ²

0.27, or 4%, Increase in Adjusted Debt to Equity Ratio

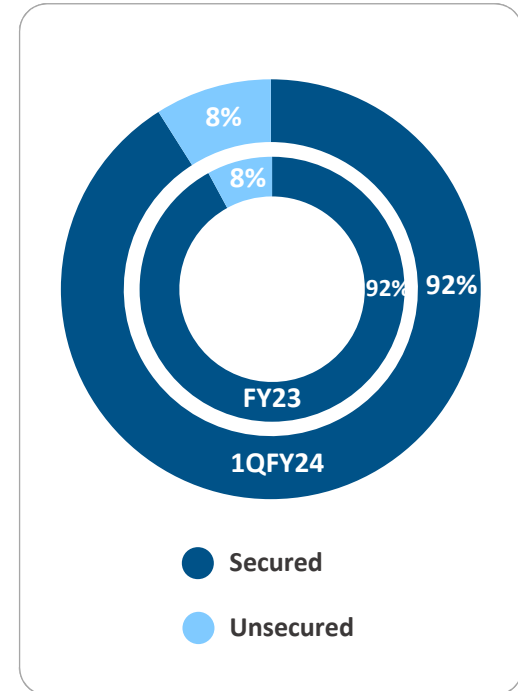
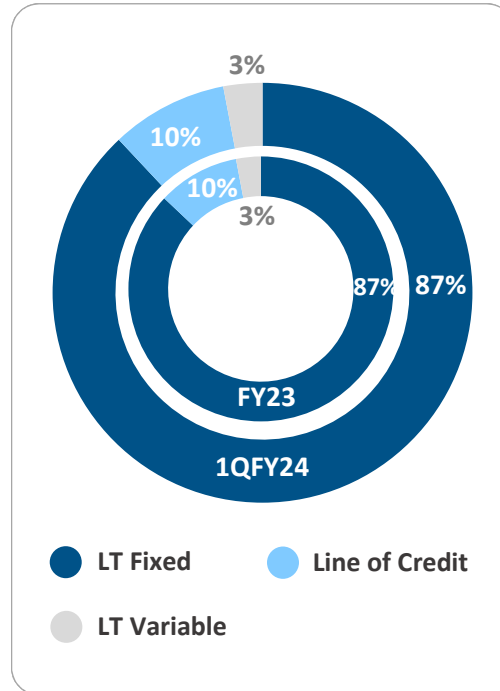
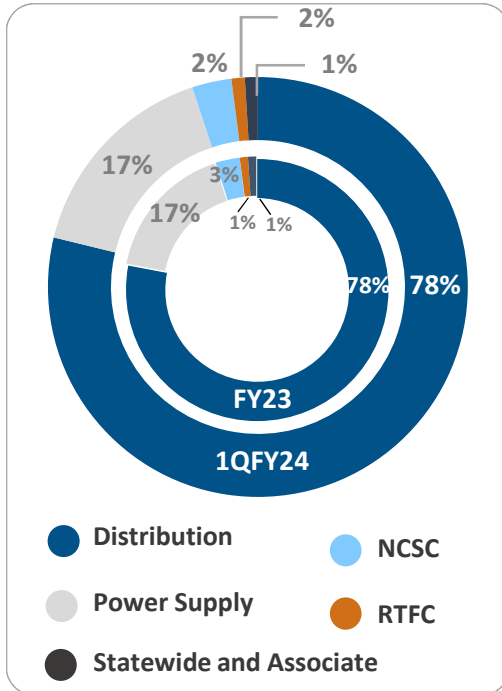


1) Refer to Appendix for non-GAAP reconciliations
 2) Adjusted total liabilities divided by adjusted total equity. Refer to Appendix for non-GAAP reconciliations

Loans: Long-term, Fixed-Rate, Secured Electric Utility Loans

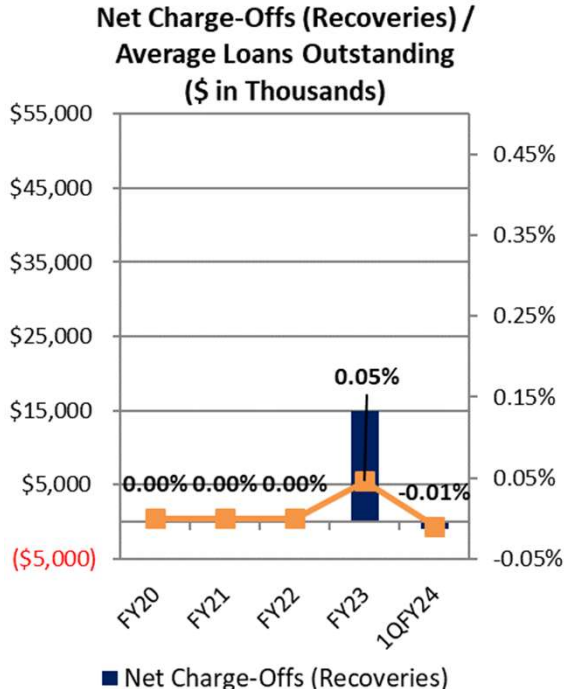
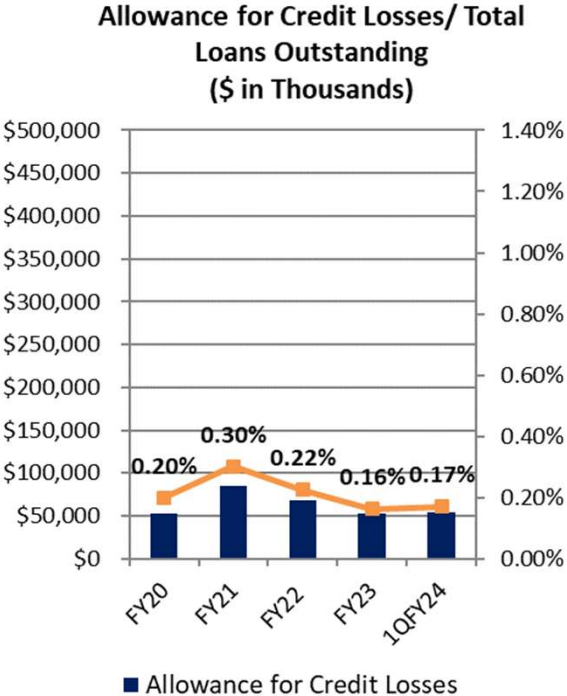
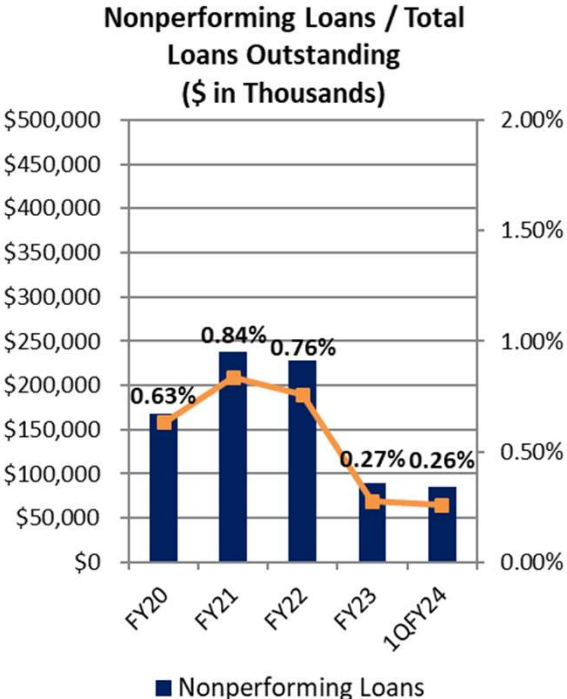
CFC's Electric Cooperative Borrowers/Members:

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

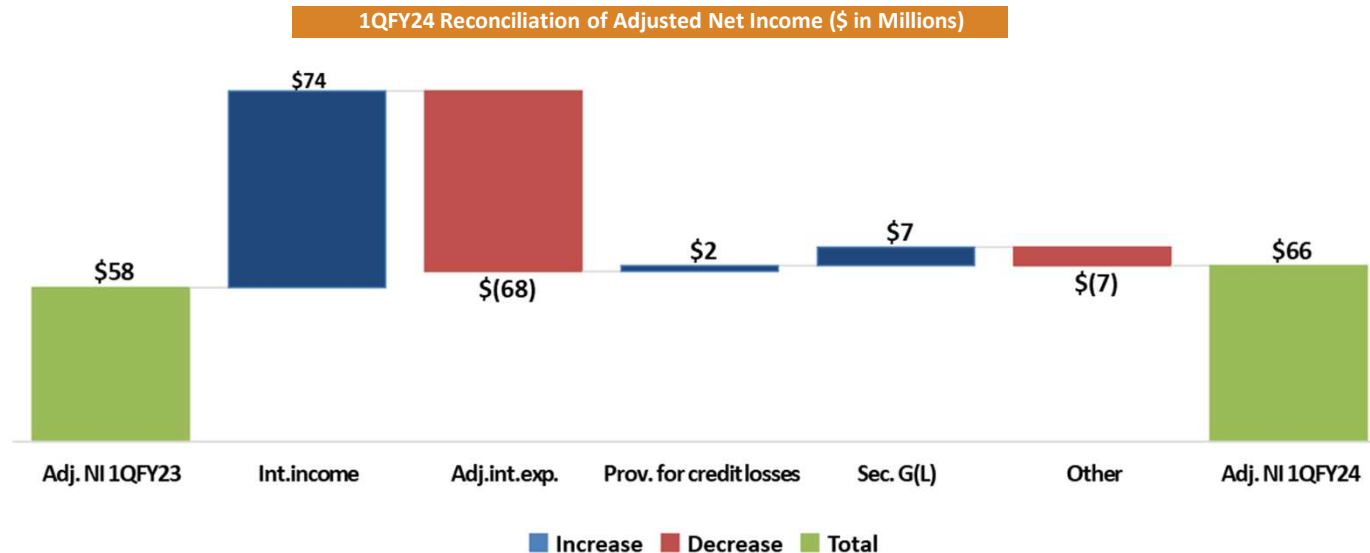


Credit Performance: Pristine Loan Portfolio

- Historically, CFC has had limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.



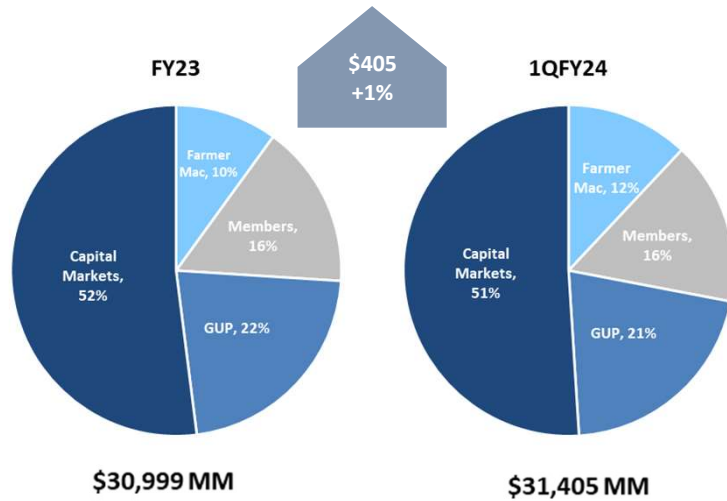
Income Statement: Solid Financial Performance



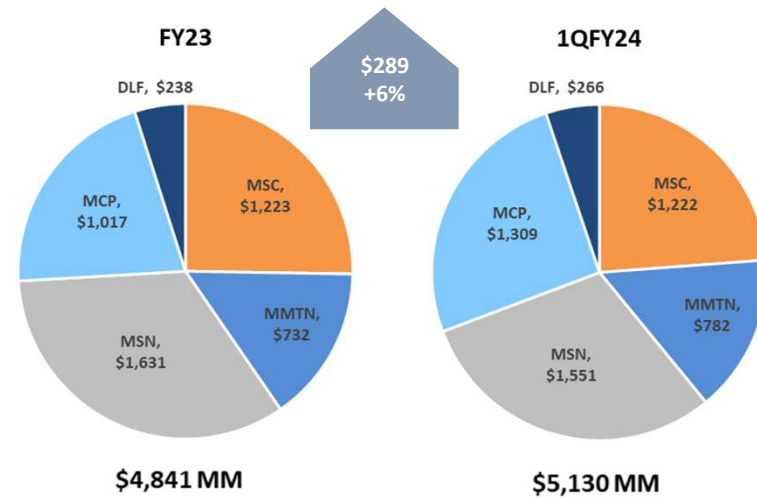
- Adjusted TIER is calculated based on adjusted net income (loss) plus adjusted interest expense for the period divided by adjusted interest expense for the period. Refer to Appendix for non-GAAP reconciliations
- Adjusted Net Interest Yield is calculated based on adjusted net interest income for the period divided by average interest-earning assets for the period. Refer to Appendix for non-GAAP reconciliations.

Debt Funding Sources: Well-Diversified Funding Mix

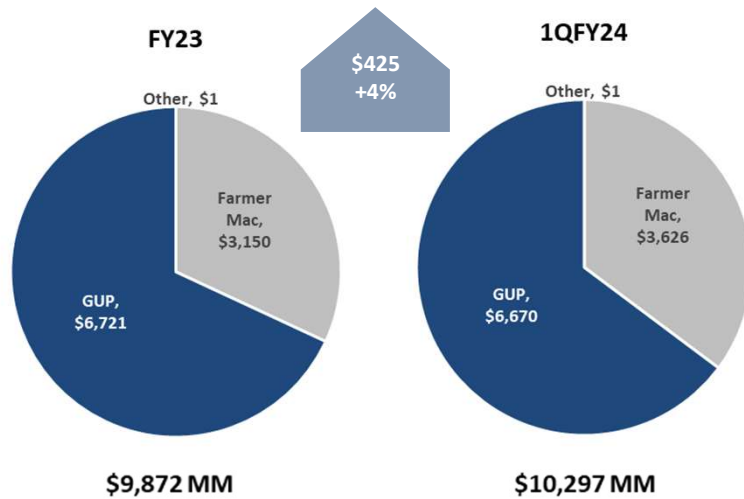
Total Debt Outstanding (\$ in Millions)



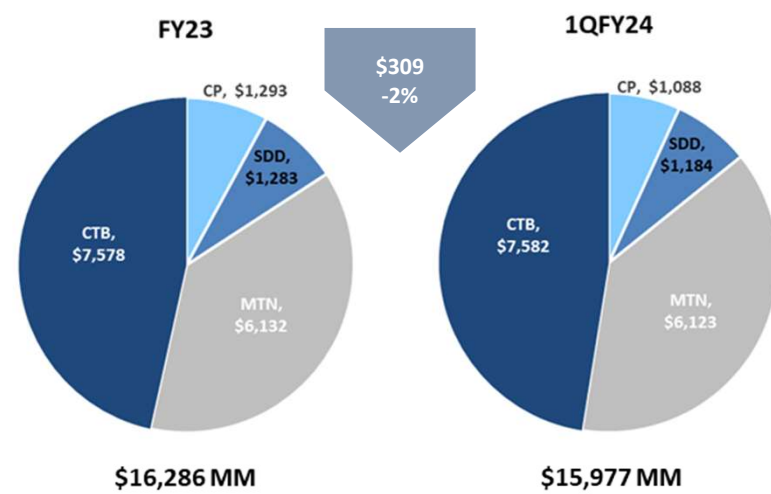
Member Investment¹ (\$ in Millions)



GUP & Farmer Mac (\$ in Millions)



Capital Markets Funding² (\$ in Millions)

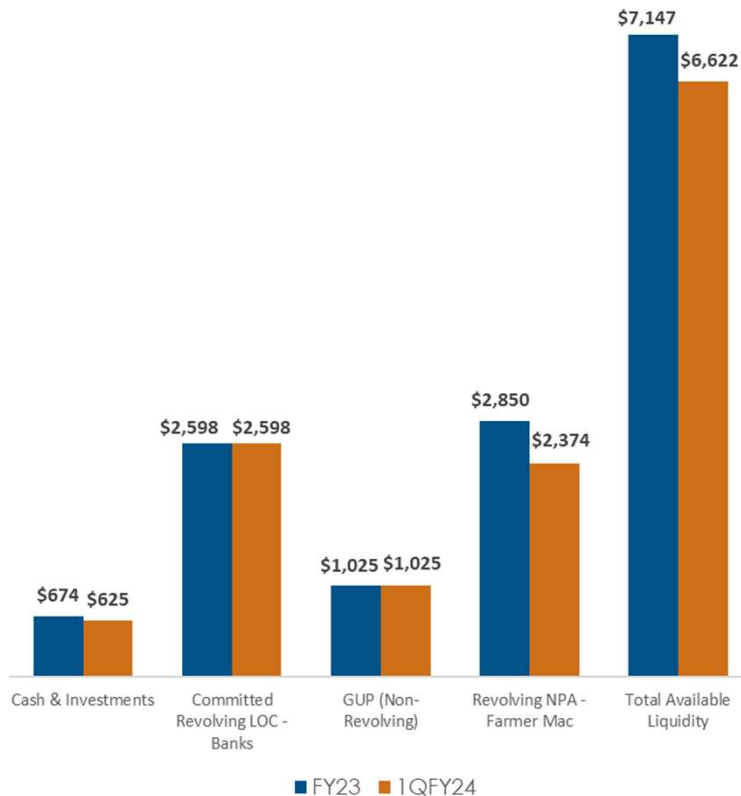


1) Abbreviations For Member Investment: Daily Liquidity Fund (DLF), Member Commercial Paper (MCP), Member Select Notes (MSN), Member Medium Term Notes (MMTN), Member Subordinated Certificates (MSC).
 2) Abbreviations for Capital Markets Funding: Collateral Trust Bond (CTB), Non-Member Medium-Term Notes (MTN), Subordinated Deferrable Debt (SDD), Non-Member Commercial Paper (CP).

Liquidity Management: Resilient Liquidity Profile

- CFC is a well-known seasoned issuer and believes it has adequate access to both long-term and short-term funding options

Available Liquidity (\$ in Millions)



(\$ in Millions)

Liquidity Sources	FY23		1QFY24	
	Total	Available	Total	Available
Cash & Investments	\$674	\$674	\$625	\$625
Committed Revolving LOC - Banks	\$2,600	\$2,598	\$2,600	\$2,598
GUP (Non-Revolving)	\$9,473	\$1,025	\$9,473	\$1,025
Revolving NPA - Farmer Mac ¹	\$6,000	\$2,850	\$6,000	\$2,374
Total Liquidity	\$18,747	\$7,147	\$18,698	\$6,622
Scheduled LT Loan Amortization and Repayments over the next 12 months				
		\$1,495		\$1,487
Total Debt Maturities over the next 12 months				
		\$6,929		\$7,011
Total Member Short-Term Investments				
		\$3,253		\$3,536
Non-member Debt and Member LT Debt Maturities				
Farmer Mac Short-Term Notes Payable		\$0		\$500
Dealer CP		\$1,293		\$1,088
Long-term and Subordinated Debt ²		\$2,383		\$1,887
Total Non-member Debt and Member LT Debt Maturities		\$3,676		\$3,475
Excess Liquidity (excluding short-term member investments)				
		\$3,471/1.9x		\$3,147/1.9x

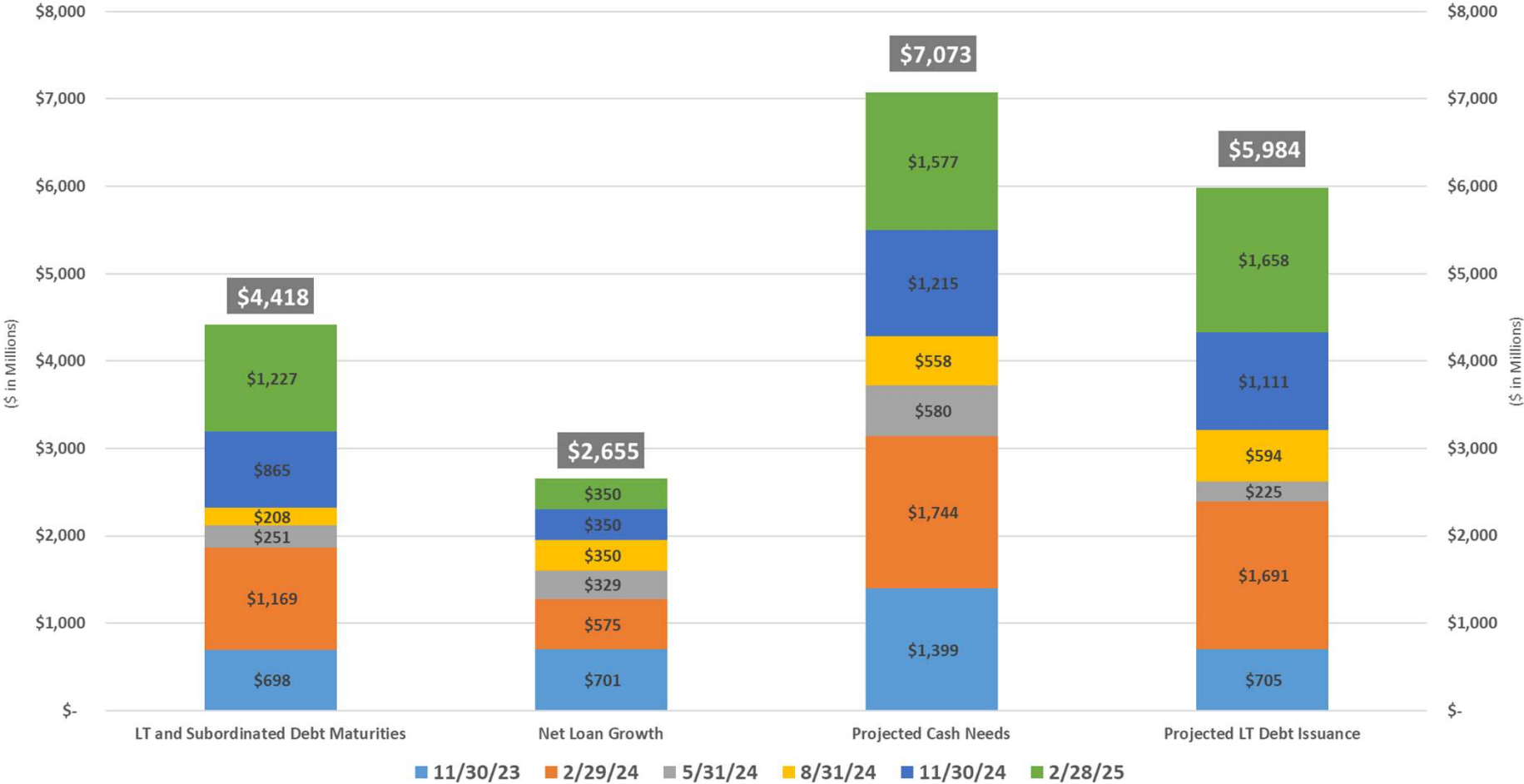
- 1) Revolving NPA - Farmer Mac is subject to market conditions
- 2) Includes member LT MTNs and LT certificates maturing within 12 months



Projected Long-Term Sources and Uses of Funds

(as of 8/31/2023)

18-month Projection for Sources and Uses of Funds*



* Refer to Page 39 of Form 10-Q for more detail

Appendix



Non-GAAP Reconciliations

Adjusted Total Liabilities and Adjusted Total Equity Details

(\$ in millions)	1QFY24	FY23
Total liabilities	\$ 31,946	\$ 31,423
Exclude:		
Derivative liabilities	108	115
Debt used to fund loans guaranteed by RUS	121	123
Subordinated deferrable debt	1,184	1,283
Subordinated certificates	1,222	1,223
Adjusted total liabilities	\$ 29,311	\$ 28,678
Total equity	\$ 2,748	\$ 2,589
Exclude:		
Period-end cumulative derivative forward value gains	505	343
Accumulated other comprehensive income attributable to derivatives	1	1
Include:		
Subordinated deferrable debt	1,184	1,283
Subordinated certificates	1,222	1,223
Adjusted total equity	\$ 4,648	\$ 4,752



Non-GAAP Reconciliations

Adjusted Net Interest Income and Adjusted Net Income Details

(\$ in millions)	1QFY24	1QFY23
Interest income	\$ 381	\$ 307
Interest expense	(316)	(209)
Include: Derivative cash settlements Interest income (expense)	28	(11)
Adjusted interest expense	(288)	(220)
Adjusted net interest income	\$ 93	\$ 87
Net income	\$ 228	\$ 162
Exclude: Derivative forward value gains	162	104
Adjusted Net income	\$ 66	\$ 58
Average Interest-Earning Assets	\$ 33,538	\$ 31,193

Members' Equity

(\$ in millions)	1QFY24	FY23
Members' Equity:		
Total CFC Equity	\$ 2,717	\$ 2,562
Exclude:		
Accumulated other comprehensive income	8	8
Period-end cumulative derivative forward value gains attributable to CFC	504	343
Subtotal	512	351
Member's Equity	\$ 2,205	\$ 2,211



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

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