

Investor Conference Call – FY2022 Second Quarter Ended November 30, 2021

January 25, 2022 at 4 p.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

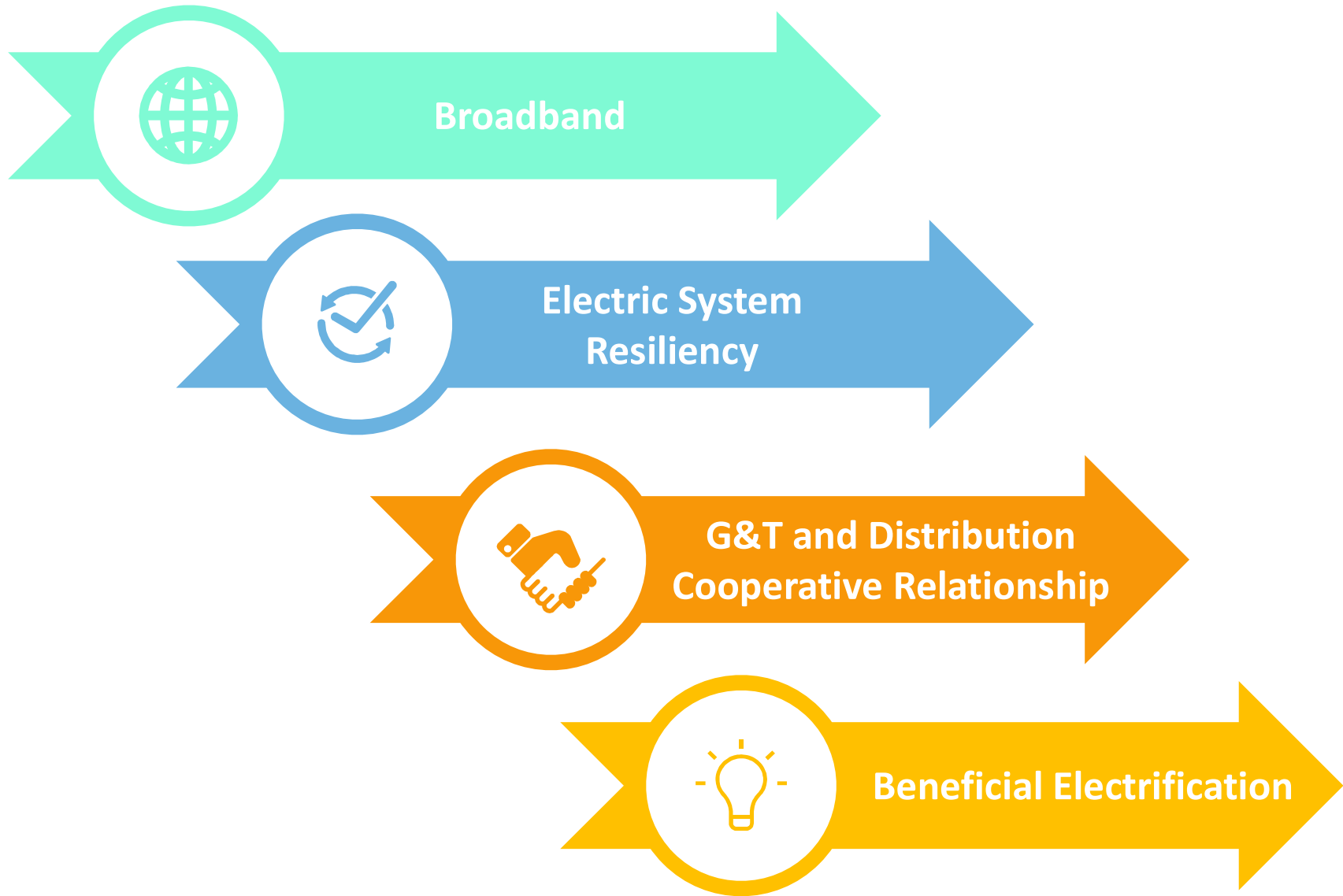
During our discussion, we review certain non-GAAP adjusted financial measures. Please refer to our Form 10-Q for the second quarter ended November 30, 2021, of our fiscal year 2022, as filed with the SEC and posted on the CFC website, for a discussion of why we believe our adjusted measures provide useful information in analyzing CFC's financial performance and the reconciliation to the most comparable GAAP measures.



J. Andrew Don, Chief Executive Officer



Electric Cooperative Trends



Financial Highlights

(As of November 30, 2021 otherwise noted)

Continued Balance Sheet Expansion

- Loans to members totaled \$28.9 billion, an increase of \$520 million or 2% from FYE21

High Quality Loan Portfolio

- No charge-off for fiscal year to date and no charge-offs in the electric loans since 2013

Strong Financial Metrics

- Adjusted TIER was 1.32 for the quarter and 1.29 for fiscal year to date
- Adjusted debt to equity ratio was 6.15x aligned with the targeted level of 6.0x

Healthy Liquidity

- 12-month liquidity coverage ratio was 2.3x, including scheduled loan repayments and excluding member short-term investments



Financial Performance

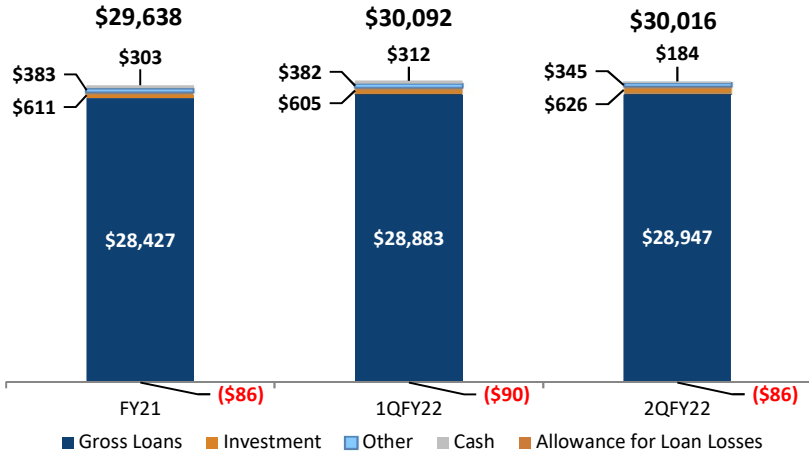
Ling Wang, Chief Financial Officer



2QFY22 Financial Results – Balance Sheet

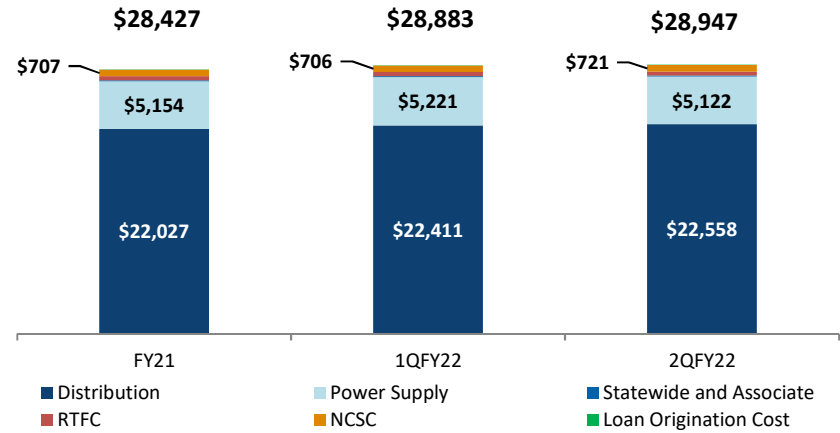
Total Assets (\$ in Mils)

\$377 MM, or 1.3%, Increase in Total Assets



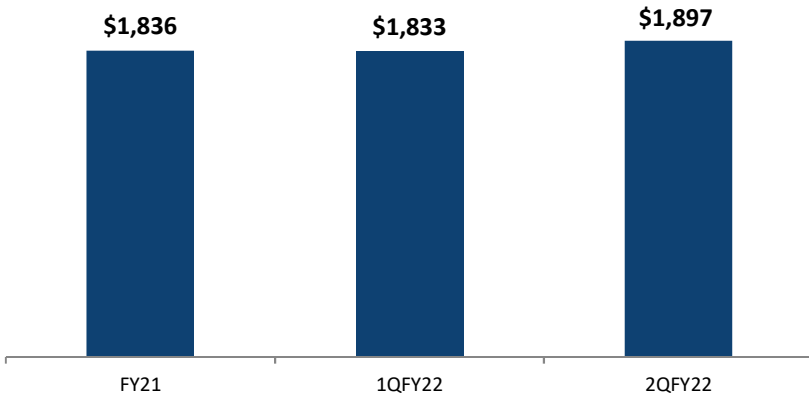
Loans to Members (\$ in Mils)

\$520 MM, or 1.8%, Increase in Loans to Members



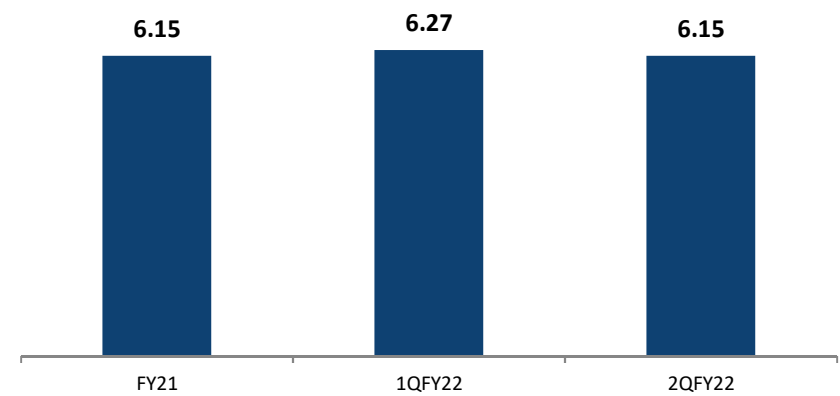
Members' Equity (\$ in Mils)

\$61 MM, or 3.3%, Increase in Members' Equity



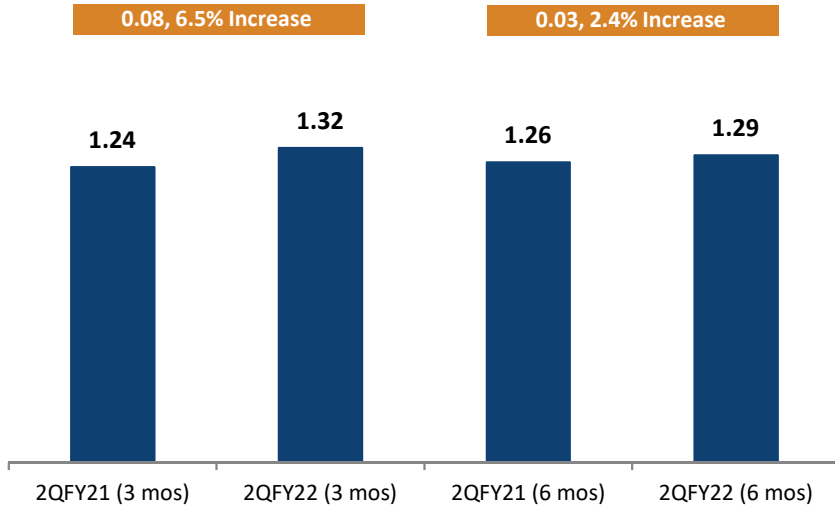
Adjusted Debt to Equity Ratio

No Change in Debt to Equity Ratio

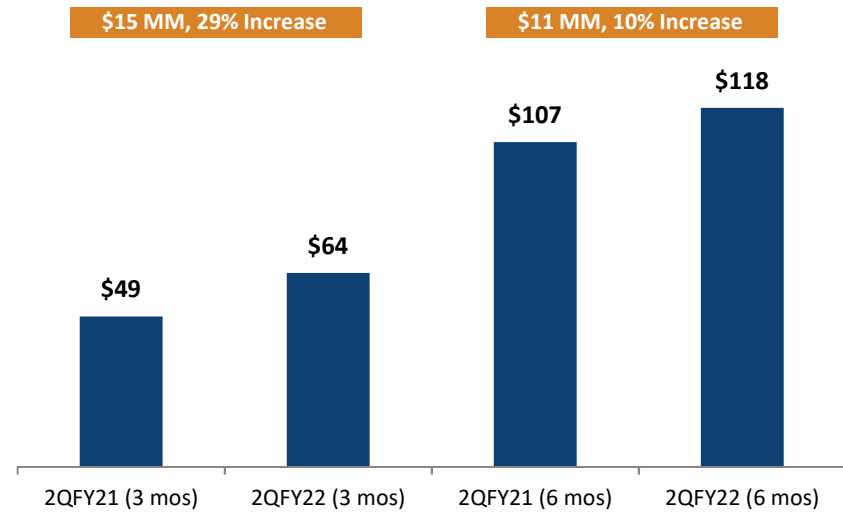


2QFY22 Financial Results – Income Statement

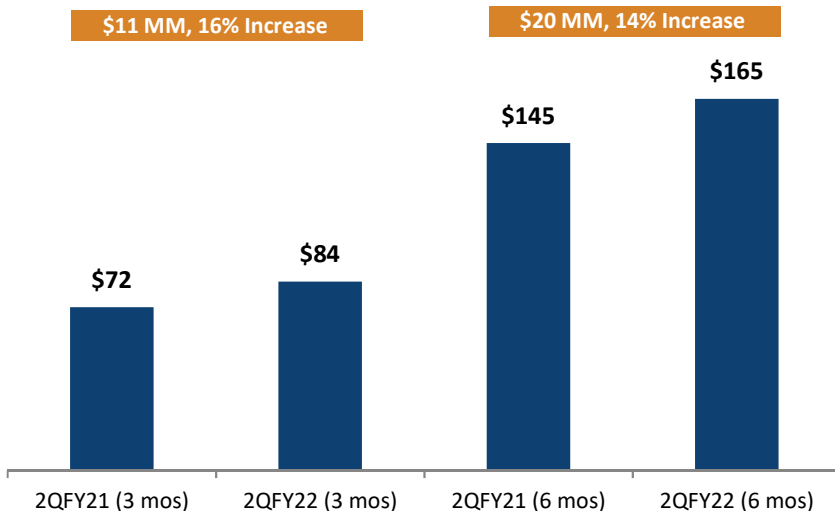
Adjusted TIER



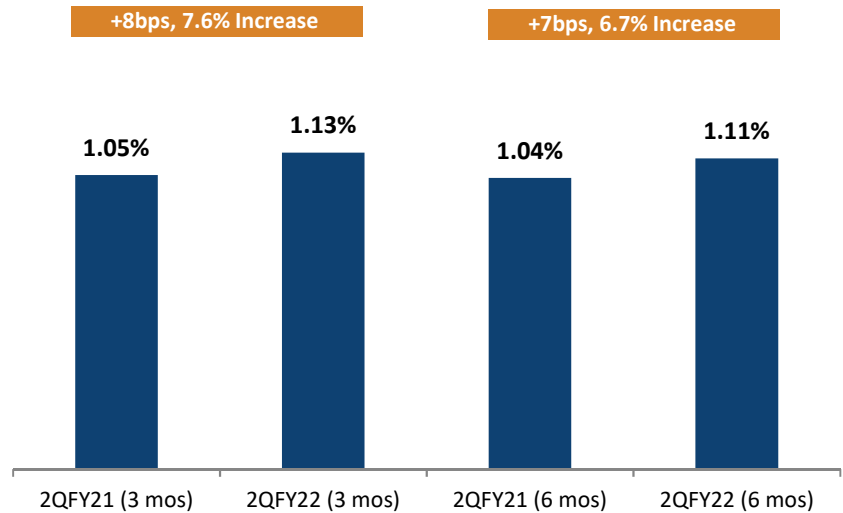
Adjusted Net Income (\$ in Mils)



Adjusted Net Interest Income (\$ in Mils)



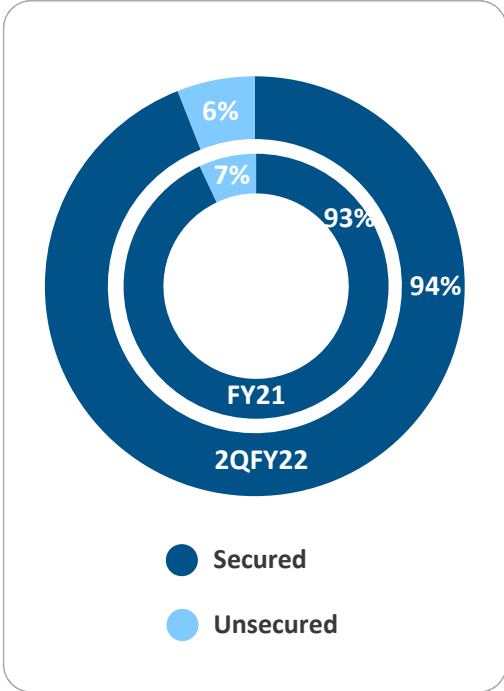
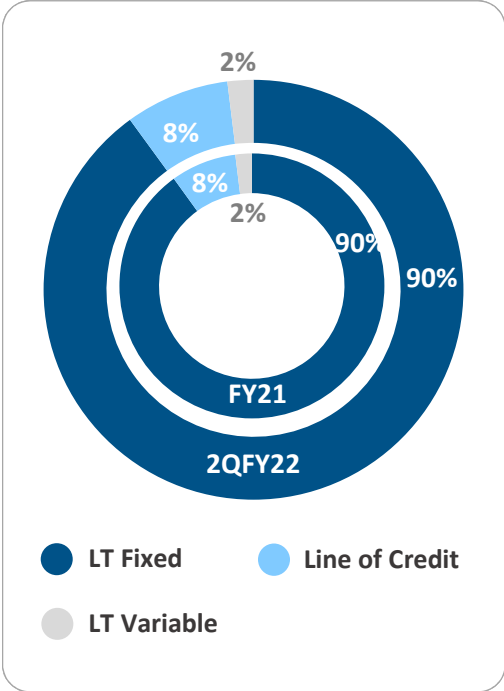
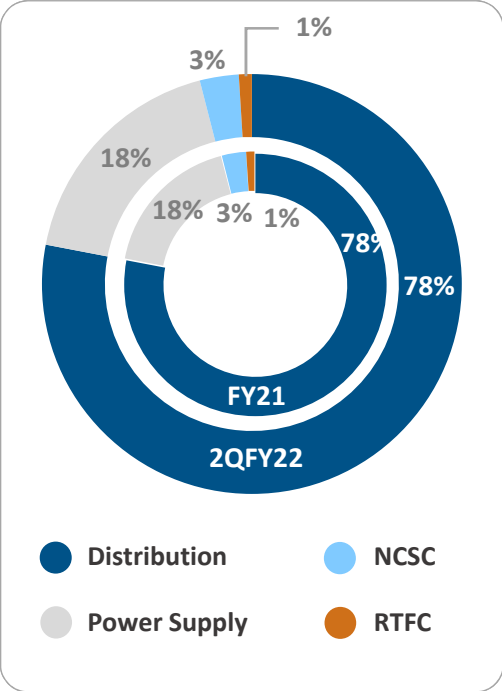
Adjusted Net Interest Yield



Loan Portfolio Overview

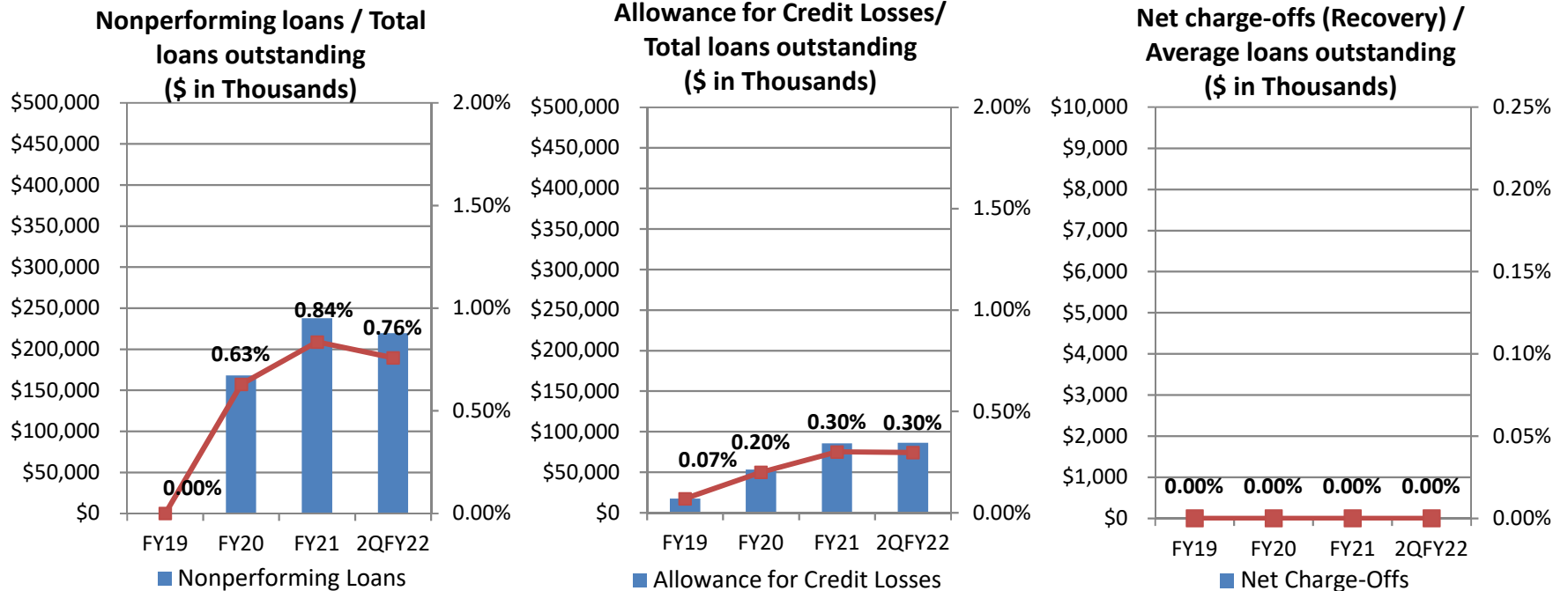
CFC’s Electric Cooperative Borrowers/Members:

- 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



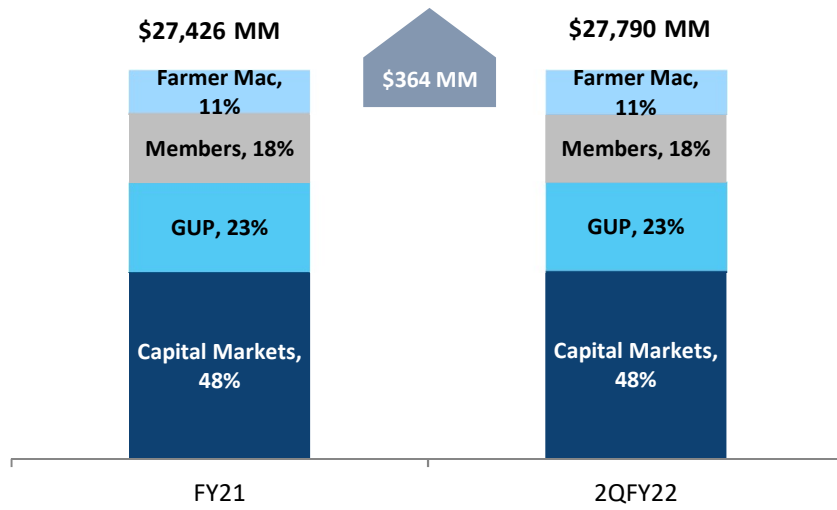
Credit Performance

- During CFC’s 52-year history, in the electric utility portfolio, there have only been 17 defaults including Brazos Electric. Of the 16 defaults prior to the Brazos default, only six resulted in losses which totaled \$86 million in net write-offs.
- CFC had no charge-offs during the six months ended November 30, 2021. Historically, CFC has had low levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.

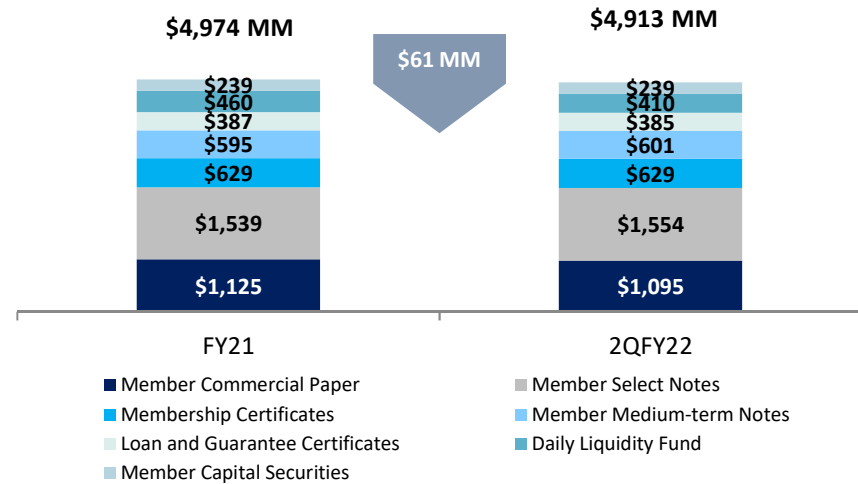


Debt Funding Sources

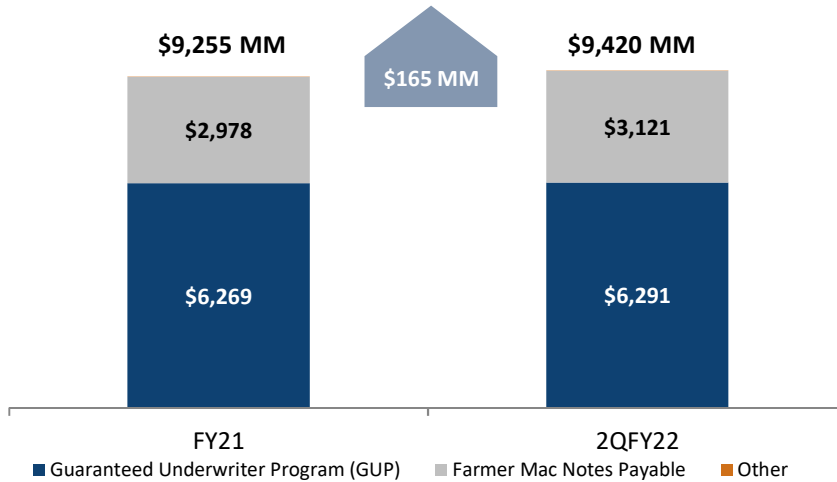
Total Debt Outstanding (\$ in Mils)



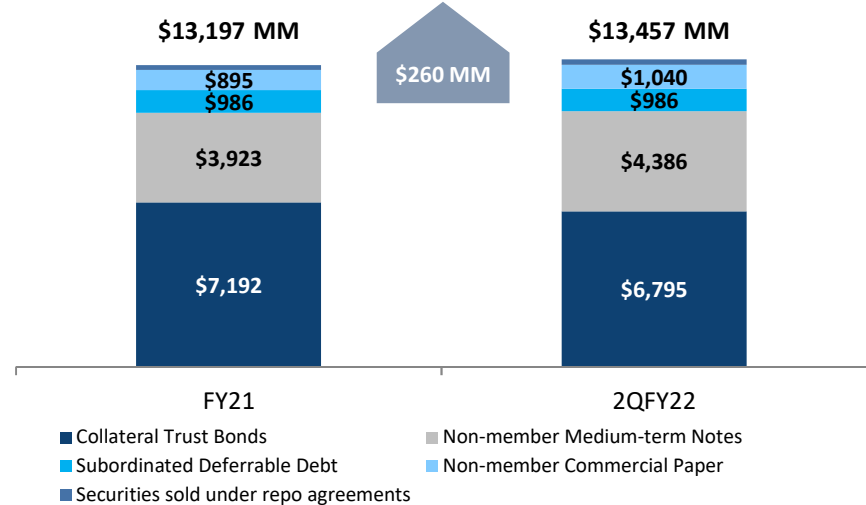
Member Investment (\$ in Mils)



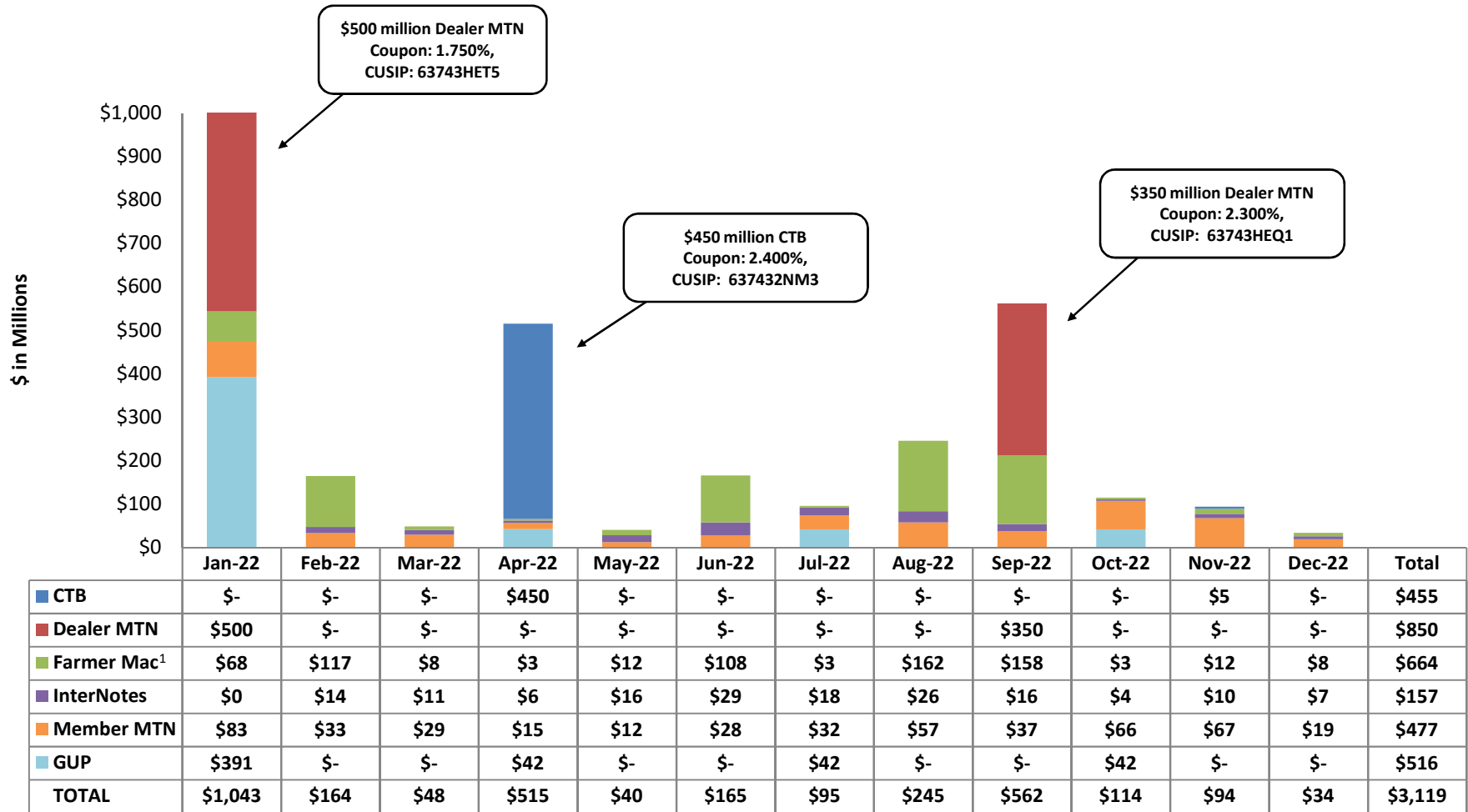
GUP & Farmer Mac (\$ in Mils)



Capital Markets Funding (\$ in Mils)



Monthly Debt Maturity/Amortization Schedule



Note: Our members traditionally roll over their MTN investments at maturity. Data as of 12/31/2021



(1) \$570 million in maturities and \$94 million in scheduled principal amortization

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 millions)

Liquidity Sources	May 31, 2021		November 30, 2021	
	Total	Available	Total	Available
Cash & Investments	\$871	\$871	\$762	\$762
Committed Revolving LOC - Banks	\$2,725	\$2,722	\$2,600	\$2,597
GUP (Non-Revolver)	\$8,173	\$975	\$8,723	\$1,325
Revolving NPA - Farmer Mac ¹	\$5,500	\$2,522	\$5,500	\$2,379
Total Liquidity	\$17,269	\$7,090	\$17,585	\$7,063
Debt Maturities over the next 12 months				
Non-member Debt and Member LT Debt Maturities		May 31, 2021		November 30, 2021
Repo Agreements		\$200		\$249
Farmer Mac		-		-
Dealer CP		\$895		\$1,040
Long-term and Subordinated Debt ²		\$2,495		\$2,463
Total Non-member Debt and Member LT Debt Maturities		\$3,590		\$3,752
Total Member Short-Term Investments		\$3,596		\$3,458
Total Debt Maturities over the next 12 months		\$7,185		\$7,210
Excess Liquidity³		\$3,989/1.9x		\$3,311/1.9x
Scheduled LT Loan Amortization and Repayments over the next 12 months		\$1,834		\$1,464
Excess Liquidity³ (Including scheduled LT loan repayments)		\$5,334/2.5x		\$4,775/2.3x

- (1) Revolving NPA - Farmer Mac is subject to market conditions
(2) Includes member LT MTNs and LT certificates maturing within 12 months
(3) Excess Liquidity excludes member short-term investments



Projected Sources and Uses of Liquidity as of 11/30/2021

(\$ in Mils.)	LT Debt Maturities	Net Loan Growth	Other Sources/ (Uses) of Liquidity	Projected Cash Needs	Projected LT Debt Issuance
2/28/2022	\$1,018	\$376	(\$35)	\$1,429	\$1,182
5/31/2022	\$604	\$155	\$105	\$654	\$590
8/31/2022	\$508	\$187	\$381	\$314	\$308
11/30/2022	\$732	\$188	\$252	\$668	\$602
2/28/2023	\$939	\$188	(\$245)	\$1,372	\$1,317
5/31/2023	\$152	\$188	\$216	\$124	\$49
Totals	\$3,953	\$1,282	\$674	\$4,561	\$4,048

* Refer to Page 46 of 10-Q for more details



Key Takeaways

Strong Credit Ratings

Fitch: **F1** (Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 9/13/21)

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)

Management's long-term incentives are tied to CFC credit ratings

High Quality Loan Portfolio

99% of loans are to rural electric systems

94% of loans are on a senior secured basis

0.30% loan loss allowance coverage ratio

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

Strong Member Support

18% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity at \$1.9 billion as of 11/30/2021, a 46% increase from \$1.3 billion as of 5/31/2016

Healthy Funding & Liquidity Profile

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

2.3x times liquidity coverage ratio over the next 12 months, excluding short-term member investments and including scheduled long-term loan principal amortization and repayment



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

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Network***