



Investor Conference Call FY2025 Second Quarter Ended November 30, 2024

January 16, 2025 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 second quarter ended November 30, 2024, as filed with the SEC and posted on the CFC website, for a discussion of why we believe our adjusted financial measures provide useful information in analyzing CFC's financial performance and the reconciliation to the most comparable GAAP financial 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



2QFY25 Highlights: Continue to Deliver Solid Results

\$35.6B
Loans to Members

\$2.5B
Members' Equity

**High Quality Loan
Portfolio**

**Robust Credit
Ratings**

➤ Continue to deliver strong financial results

- Gross Loans to members increased to \$35.6 billion at 2QFY25, an increase of \$1.1 billion or 3% from FYE2024
- High-quality loan portfolio: historically, limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies
- Consistent financial metrics: an adjusted TIER of 1.19x during 2QFY25
- Strategic equity build-up: \$2.5 billion of members' equity at 2QFY25
- Diverse funding sources and resilient liquidity

➤ Commit to maintain high investment grade credit ratings

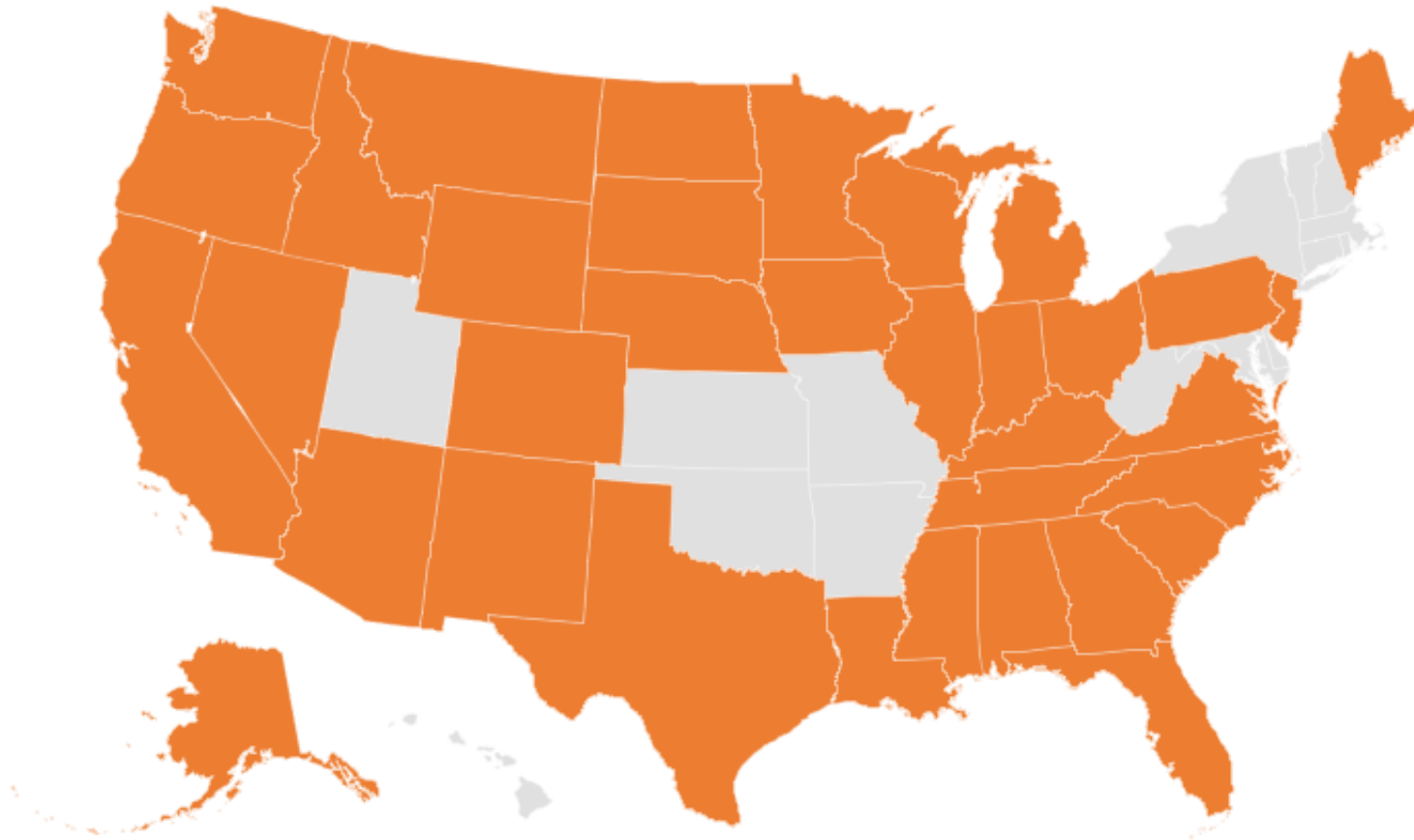
- A/A2/A- with stable outlook from all three rating agencies
- Executive team's incentive is tied to CFC credit ratings
- S&P affirmed CFC's credit ratings with a stable outlook during 2QFY25



New ERA Program Update*

- Total funding available under New Era Program is \$9.7 billion
- A total of 49 electric cooperatives have been selected for New Era Program, and 43 have been awarded
- More than \$9 billion allocated in grants and loans for 13+ GW capacity from renewable projects
- Additional recipients can be selected until January 20, 2025
- Projects to be completed by September 2031

New ERA Project Coverage



Powered by Bing
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* As of January 10, 2025

Financial Performance

LING WANG

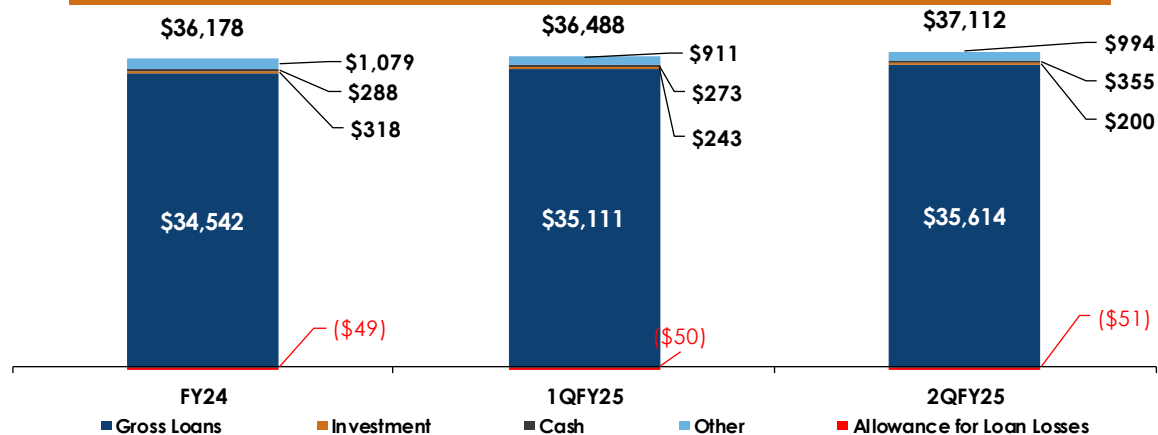
Chief Financial Officer



Balance Sheet: Strong, Sound Capital Structure

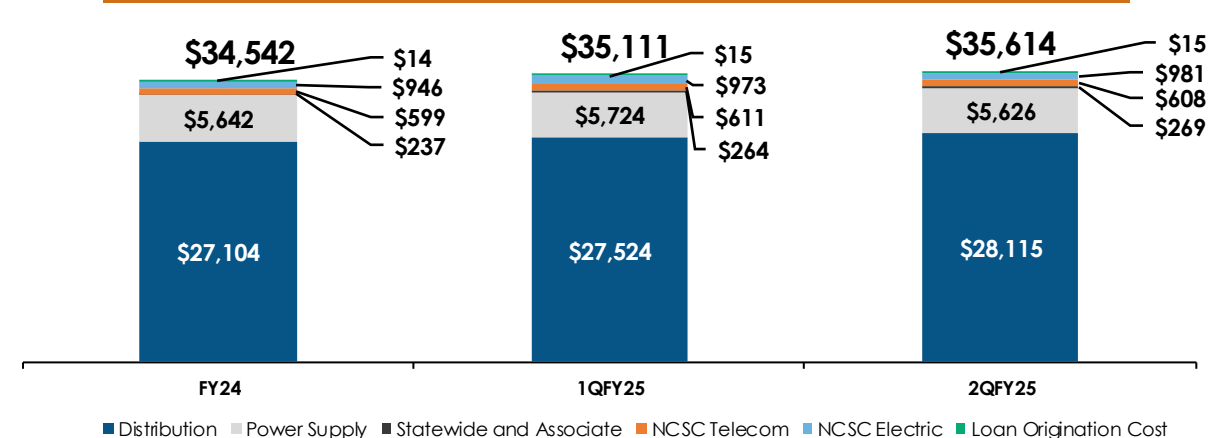
Total Assets (\$ in Millions)

\$935 million, or 3%, Increase in Total Assets From FY24 to 2QFY25



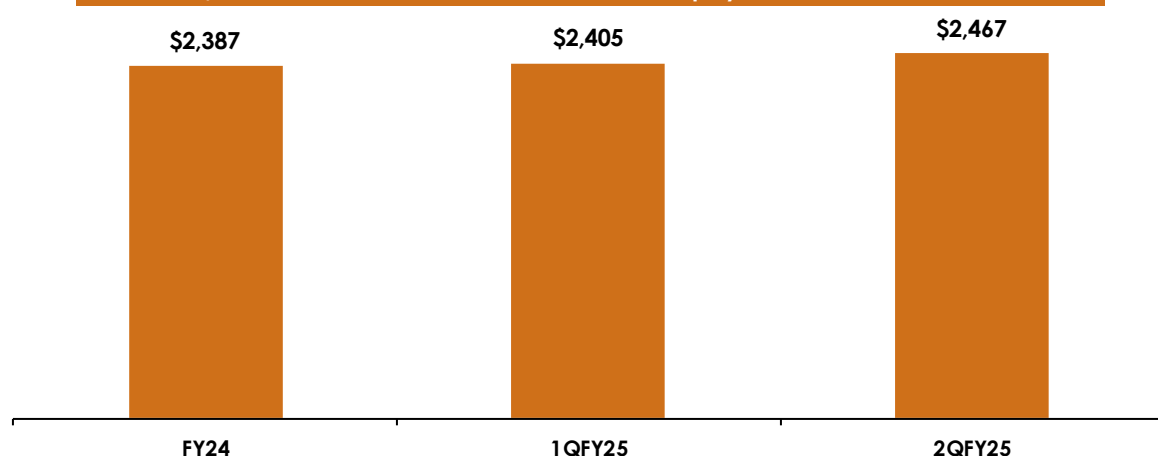
Total Loans to Members (\$ in Millions)

\$1.1 billion, or 3%, Increase in Total Loans To Members From FY24 to 2QFY25



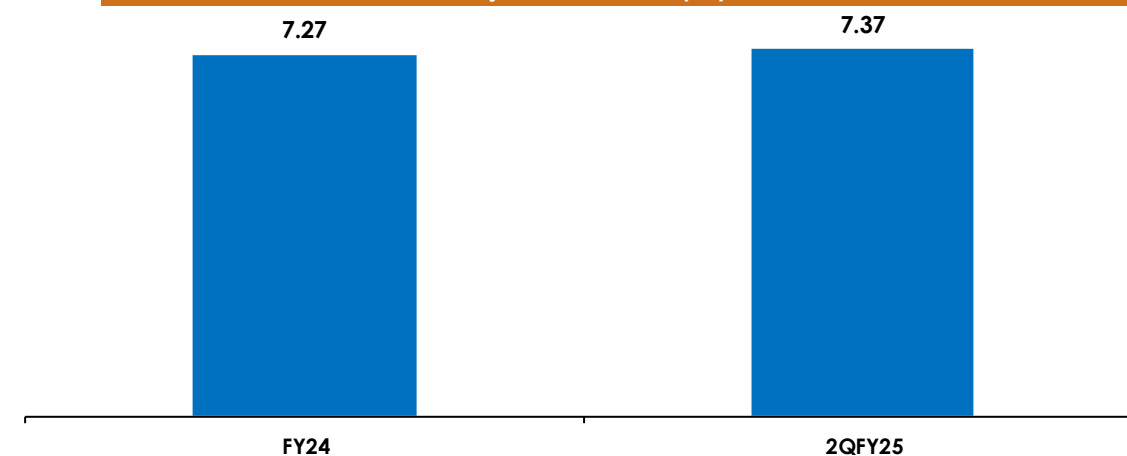
Members' Equity (\$ in Millions) ¹

\$80 million, or 3%, Increase in Members' Equity from FY24 to 2QFY25



Adjusted Debt to Equity Ratio ²

0.10, or 1%, Increase in Adjusted Debt to Equity Ratio From FY24 to 2QFY25



¹ Refer to Appendix for non-GAAP reconciliations.

² Adjusted total debt outstanding divided by adjusted total equity. Refer to Appendix for non-GAAP reconciliations.

Adjusted Debt to Equity Ratio

- Starting 2QFY 25, we have refined our methodology for calculating our adjusted debt to equity ratio.
- Due to revision of the methodology, we updated an internally established adjusted debt to equity threshold **from 6.0 to 1 to 8.5 to 1**.
- Key changes:
 - Reduce equity credit for subordinated deferrable debt from 100% to 50%
 - Replace total liabilities with total debt outstanding
- Aim to accurately reflect financial condition given the continued loan portfolio growth, align with rating agency methods, and ensure ratios align with business objectives.

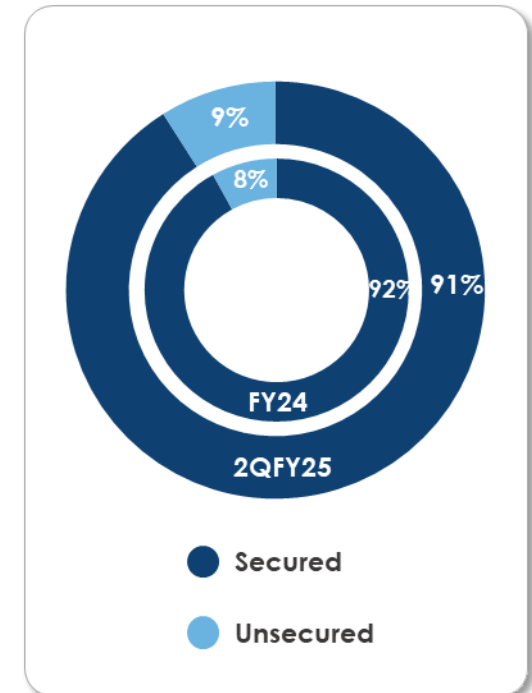
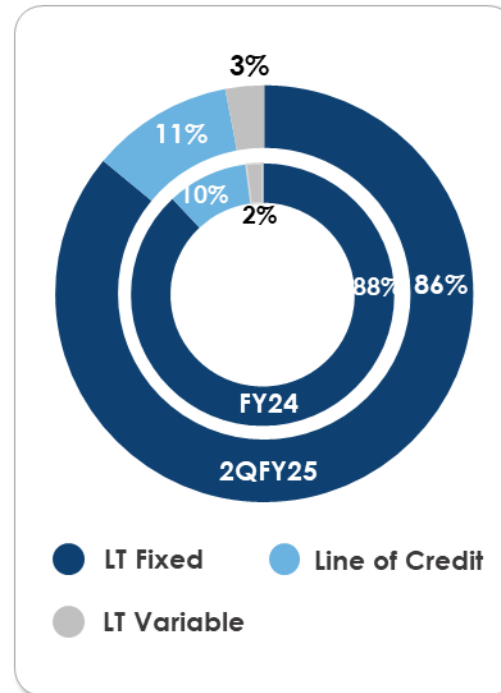
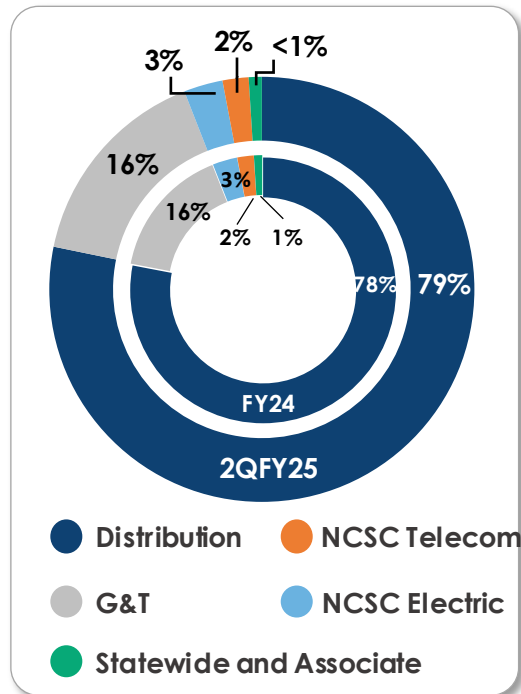
Prior Methodology	Revised Methodology
Adjusted Total Liabilities:	Adjusted Total Debt Outstanding:
Total liabilities	Total debt outstanding
Exclude:	Exclude:
Derivative liabilities	----
Debt used to fund loans guaranteed by RUS	----
100% Subordinated deferrable debt	50% of Subordinated deferrable debt
Members' subordinated certificates	Members' subordinated certificates
Adjusted Total Liabilities	Adjusted Total Debt Outstanding
Adjusted Total Equity:	Adjusted Total Equity:
Total equity	Total equity
Exclude:	Exclude:
Period-end cumulative derivative forward value gains	Period-end cumulative derivative forward value gains
AOCI attributable to derivatives	AOCI
Include:	Include:
100% Subordinated deferrable debt	50% of Subordinated deferrable debt
Members' subordinated certificates	Members' subordinated certificates
Adjusted Total Equity	Adjusted Total Equity
Adjusted Debt to Equity Threshold: 6.0 to 1	Adjusted Debt to Equity Threshold: 8.5 to 1
FY24 6.24	FY24 7.27 2QFY25 7.37



Loan Portfolio: 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 Quality Loan Portfolio

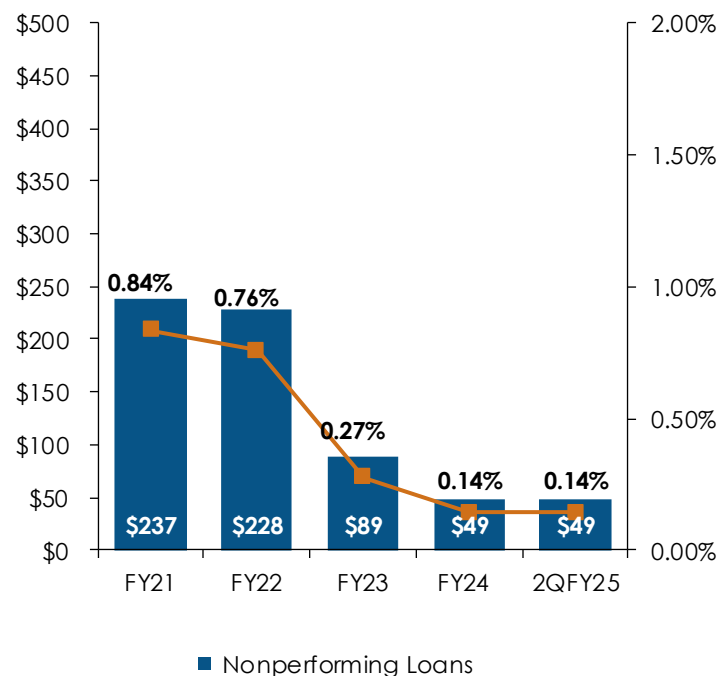


Historically, CFC has had limited levels of charge-offs, loan defaults, nonperforming loans and delinquencies.

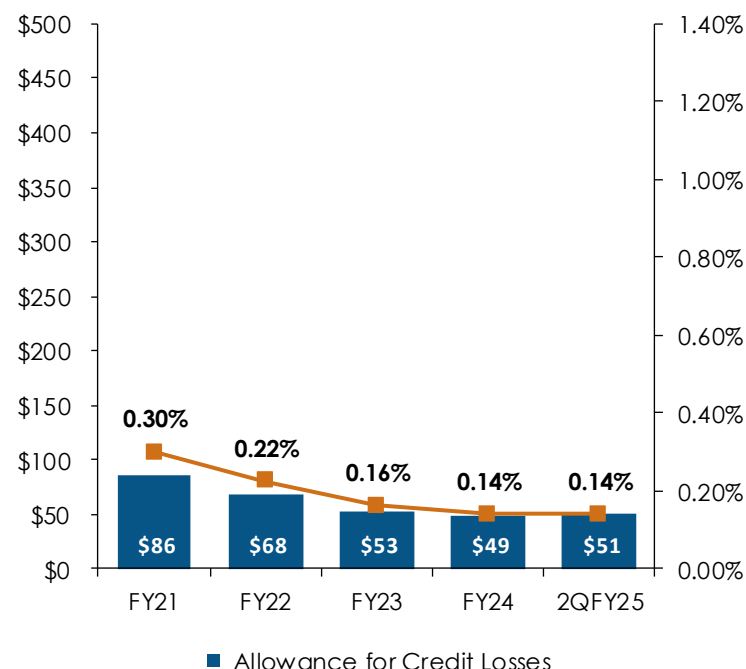
Electric Portfolio: 18 defaults and 8 losses with cumulative net charge-offs of \$100 million in 55-year history.



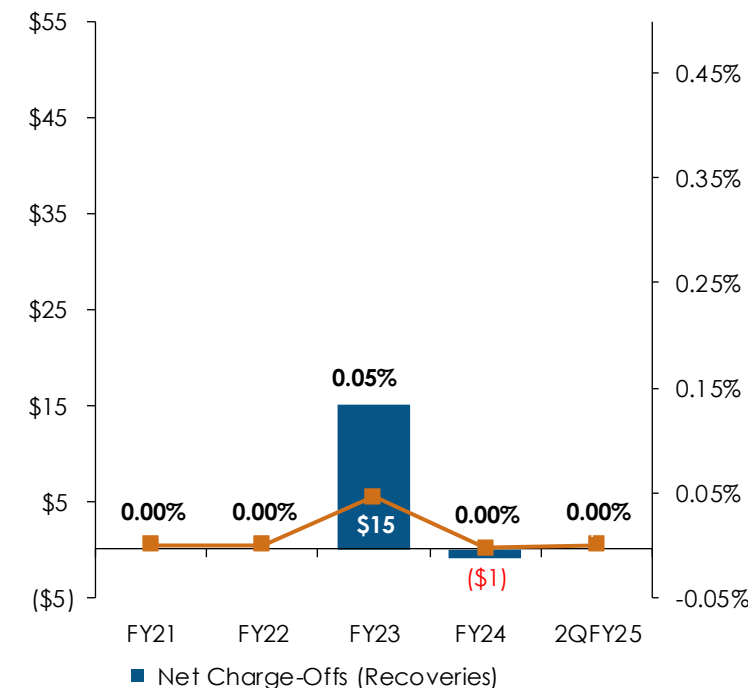
Nonperforming Loans / Total Loans Outstanding (\$ in Millions)



Allowance for Credit Losses/ Total Loans Outstanding (\$ in Millions)



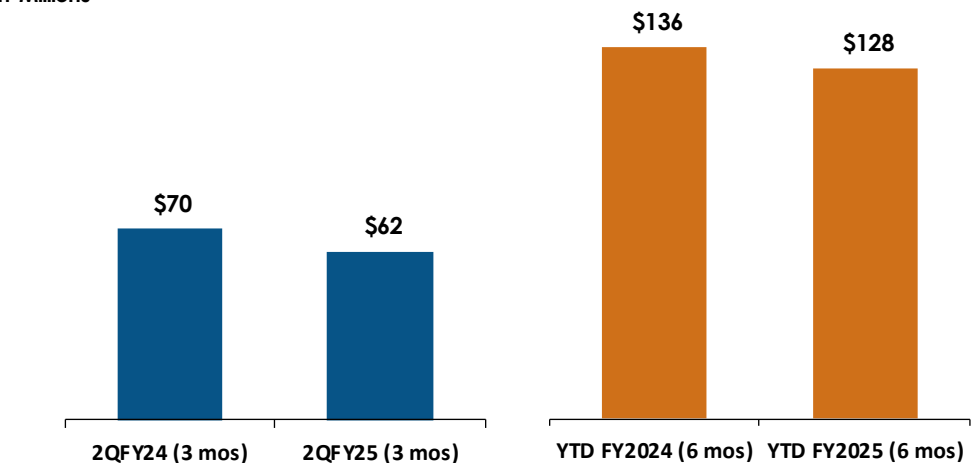
Net Charge-Offs (Recoveries) / Average Loans Outstanding (\$ in Millions)



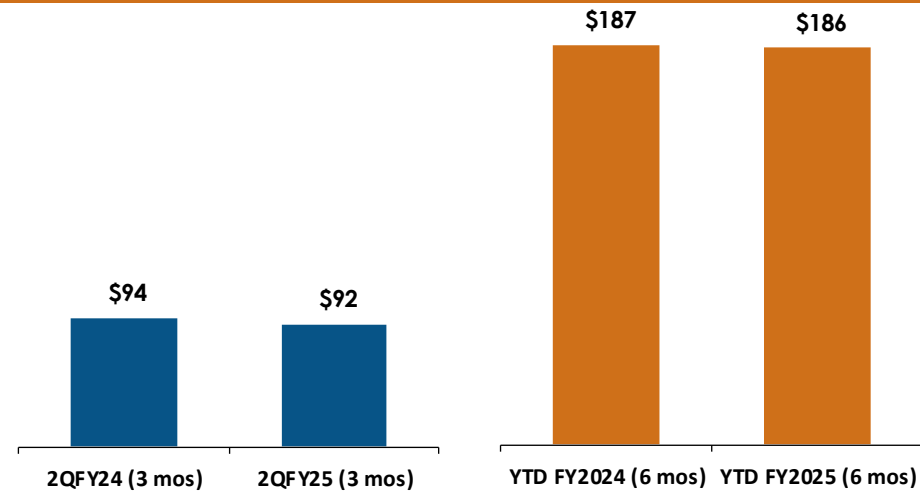
Income Statement: Disciplined, Solid Financial Performance

Adjusted Net Income (3mos) \$8 Million, 11% Decrease; (6mos) \$8 Million, 6% Decrease³

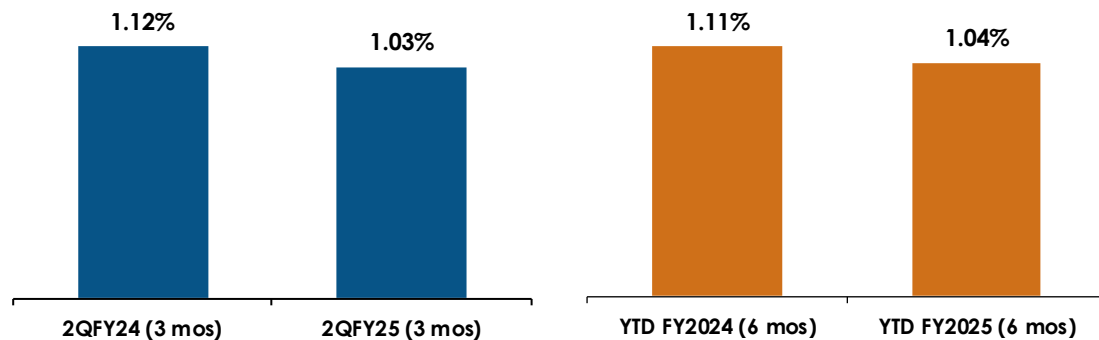
\$ in Millions



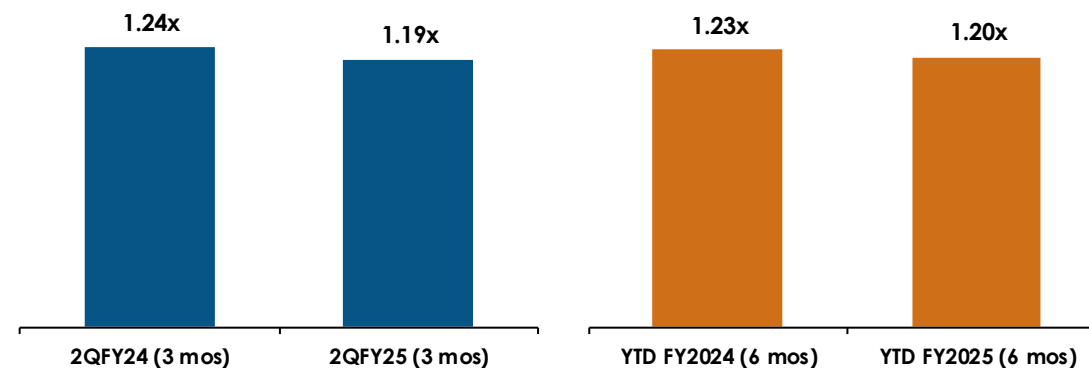
Adjusted Net Interest Income (3mos) \$2 Million, 2% Decrease; (6mos) \$1 Million, <1% Decrease³



Adjusted Net Interest Yield ² (3mos) 9bps, 8% Decrease; (6mos) 7bps, 6% Decrease



Adjusted TIER ¹ (3mos) 0.05, 4% Decrease; (6mos) 0.03, 2% Decrease

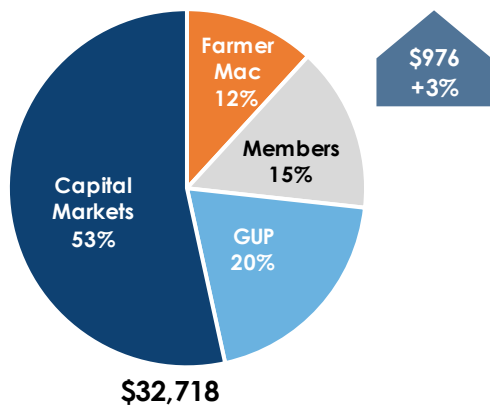


¹ Adjusted TIER is calculated based on adjusted net income (loss) plus adjusted interest expense for the period divided by adjusted interest expense for the period. Refer to Appendix for non-GAAP reconciliations.
² Adjusted Net Interest Yield is calculated based on annualized adjusted net interest income for the period divided by average interest-earning assets for the period. Refer to Appendix for non-GAAP reconciliations.
³ Refer to appendix for non-GAAP reconciliations.

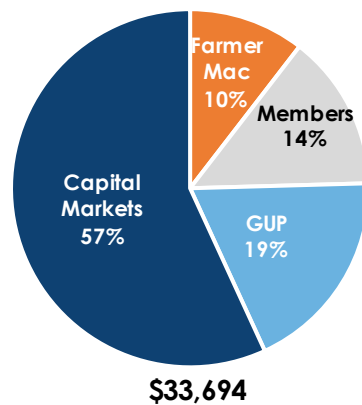
Debt Funding Sources: Well-Diversified Funding Mix

Total Debt Outstanding (\$ in Millions)

FY24

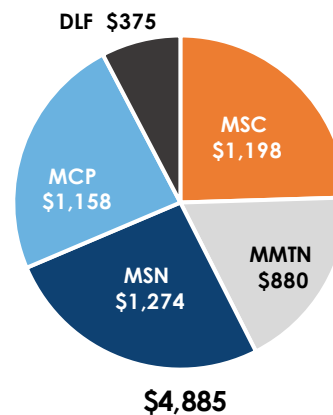


2QFY25

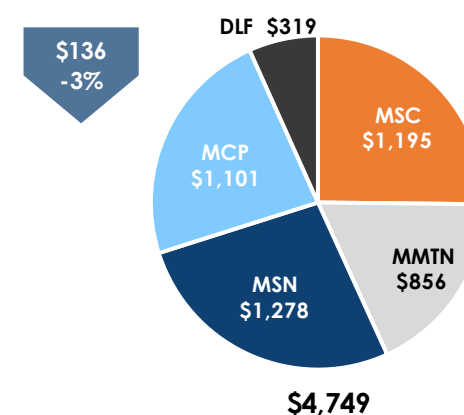


Member Investment ¹ (\$ in Millions)

FY24

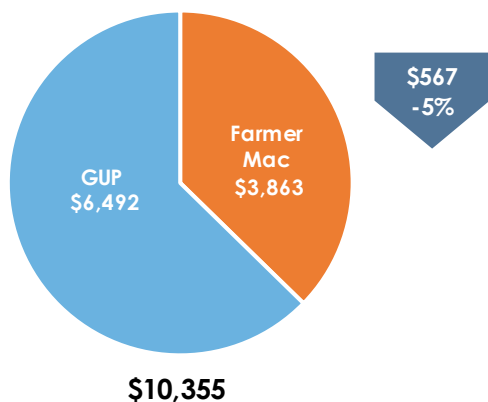


2QFY25

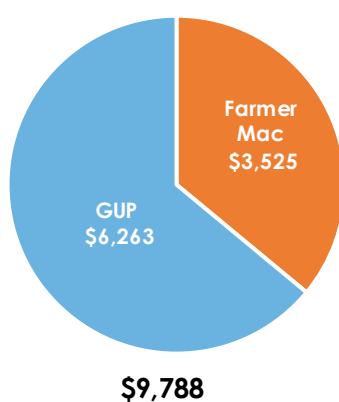


GUP & Farmer Mac (\$ in Millions)

FY24

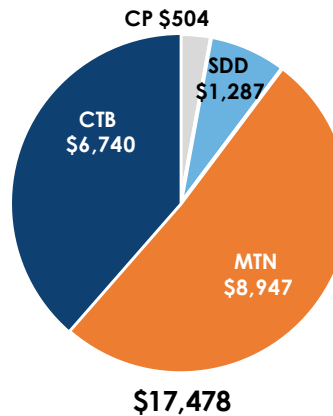


2QFY25

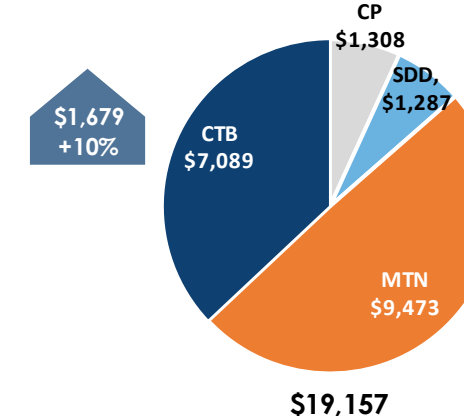


Capital Markets Funding ² (\$ in Millions)

FY24



2QFY25



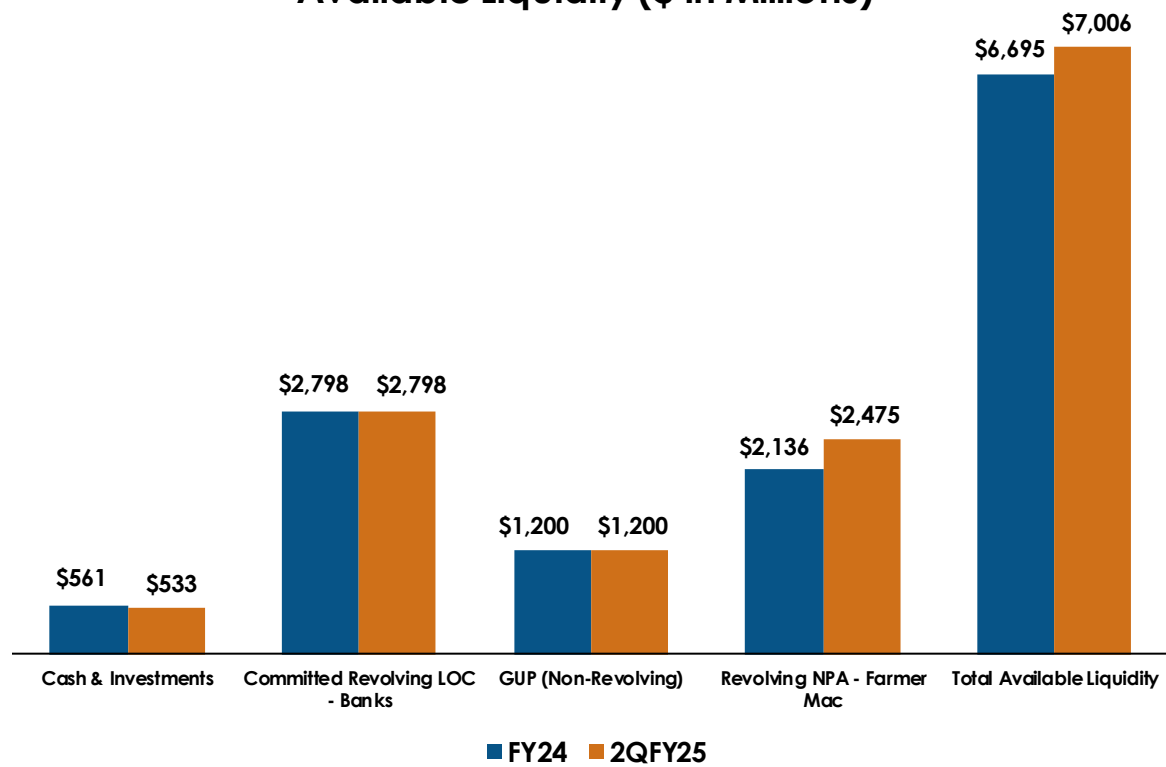
¹ Abbreviations For Member Investment: Daily Liquidity Fund (DLF), Member Commercial Paper (MCP), Member Select Notes (MSN), Member Medium Term Notes (MMTN), Member Subordinated Certificates (MSC).
² Abbreviations for Capital Markets Funding: Collateral Trust Bond (CTB), Non-Member Medium-Term Notes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

Liquidity Management: Resilient Liquidity Profile



CFC is a well-known seasoned issuer and has adequate access to both long-term and short-term funding options through two shelf registrations filed with the SEC

Available Liquidity (\$ in Millions)



Liquidity Sources	FY24		2QFY25	
	Total	Available	Total	Available
Cash & Investments	\$ 561	\$ 561	\$ 533	\$ 533
Committed Revolving LOC - Banks	2,800	2,798	2,800	2,798
GUP (Non-Revolving)	9,923	1,200	9,923	1,200
Revolving NPA - Farmer Mac ¹	6,000	2,136	6,000	2,475
Total Liquidity	\$ 19,284	\$ 6,695	\$ 19,256	\$ 7,006

Total Debt Maturities over the next 12 months	\$ 7,009	\$ 7,793
Total Member Short-Term Investments	\$ 3,328	\$ 3,184
Non-member Debt and Member LT Debt Maturities		
Farmer Mac Short-Term Notes Payable	\$ 500	\$ -
Dealer CP	505	1,308
Long-term and Subordinated Debt ²	2,676	3,301
Total Non-member Debt and Member LT Debt Maturities	\$ 3,681	\$ 4,609
Excess Liquidity (excluding short-term member investments)	\$ 3,014/1.8x	\$ 2,397/1.5x
Scheduled LT Loan Amortization and Repayments over the next 12 months		
	\$ 1,552	\$ 1,627

¹ Revolving NPA - Farmer Mac is subject to market conditions.

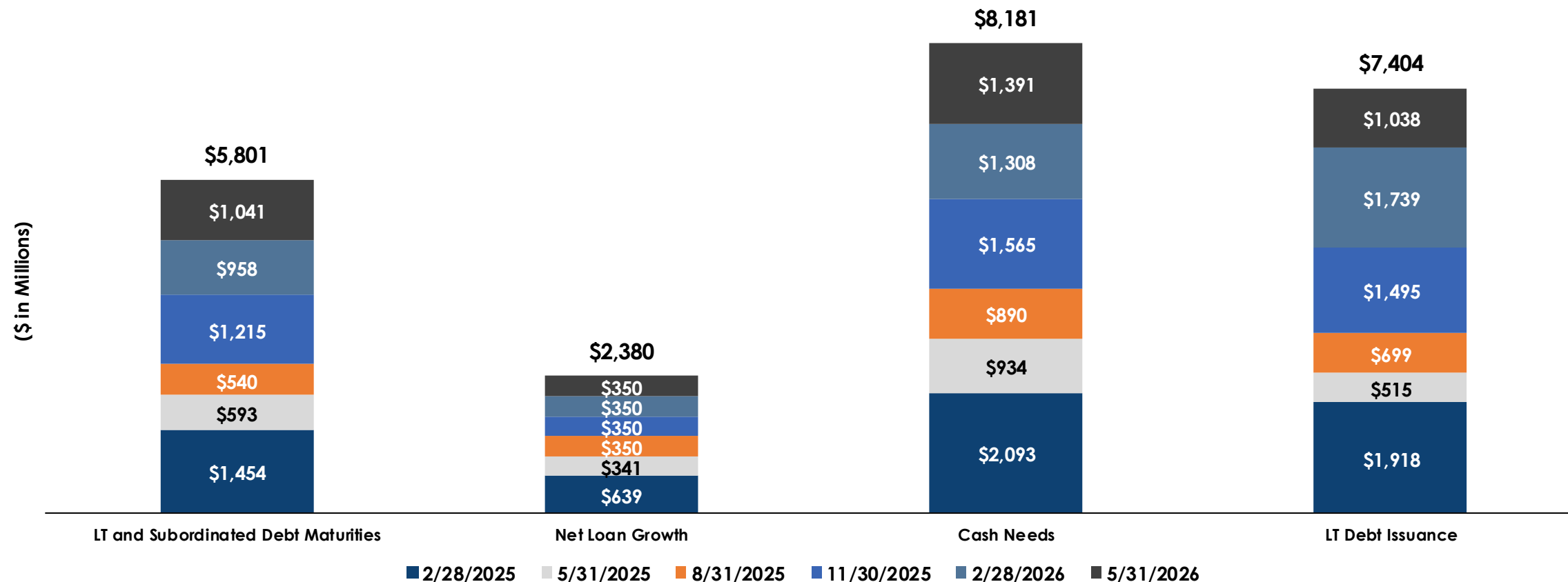
² Includes member LT MTNs and LT certificates maturing within 12 months.



Projected Long-Term Sources and Uses of Funds

(as of 11/30/2024)

18-month Projection for Sources and Uses of Funds*



* Refer to Page 38 of Form 10-Q for more detail

Appendix



Non-GAAP Reconciliations

Adjusted Total Debt Outstanding and Adjusted Total Equity

(\$ in millions)	FY24	2QFY25
Total debt outstanding	\$ 32,718	\$ 33,694
Exclude:		
50% of Subordinated deferrable debt	643	643
Members' Subordinated certificates	1,198	1,195
Adjusted total debt outstanding	\$ 30,877	\$ 31,856
Total equity	\$ 3,012	\$ 2,945
Exclude:		
Period-end cumulative derivative forward value gains	608	460
Accumulated other comprehensive loss	(1)	(1)
Include:		
50% of Subordinated deferrable debt	643	643
Members' Subordinated certificates	1,198	1,195
Adjusted total equity	\$ 4,247	\$ 4,325



Non-GAAP Reconciliations – Cont'd

Adjusted Net Interest Income and Adjusted Net Income

(\$ in millions)	2QFY24	2QFY25	YTD FY24	YTD FY25
Interest income	\$ 389	\$ 420	\$ 770	\$ 838
Interest expense	(324)	(354)	(640)	(711)
Include: Derivative cash settlements Interest income	29	26	56	59
Adjusted interest expense	(295)	(328)	(584)	(652)
Adjusted net interest income	\$ 94	\$ 92	\$ 186	\$ 186
Net income (loss)	\$ 148	\$ 145	\$ 376	\$ (20)
Exclude: Derivative forward value gains (losses)	78	83	240	(148)
Adjusted Net income	\$ 70	\$ 62	\$ 136	\$ 128
Average Interest-Earning Assets	\$ 33,871	\$ 35,609	\$ 33,704	\$ 35,481

Members' Equity

(\$ in millions)	FY24	1QFY25	2QFY25
Members' Equity:			
Total CFC Equity	\$ 2,992	\$ 2,781	\$ 2,925
Exclude:			
Accumulated other comprehensive loss	(1)	(1)	(1)
Period-end cumulative derivative forward value gains attributable to CFC	606	377	459
Subtotal	605	376	458
Members' Equity	\$ 2,387	\$ 2,405	\$ 2,467



