

Investor Conference Call – FY2022 Third Quarter Ended February 28, 2022

April 19, 2022 at 3 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 third quarter ended February 28, 2022, 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



Financial Highlights

(As of February 28, 2022 otherwise noted)

Continued Balance Sheet Expansion

- Loans to members totaled \$29.5 billion, an increase of \$1.1 billion or 4% from FYE21

High Quality Loan Portfolio

- No charge-offs fiscal year to date and no charge-offs in the electric portfolio since 2013

Strong Financial Metrics

- Adjusted TIER was 1.33 for the quarter and 1.31 for fiscal year to date
- Adjusted debt to equity ratio was 6.19x

Healthy Liquidity

- Diversified liquidity sources supported by cash, investments, committed bank lines, GUP, Farmer Mac and repo agreements



Financial Performance

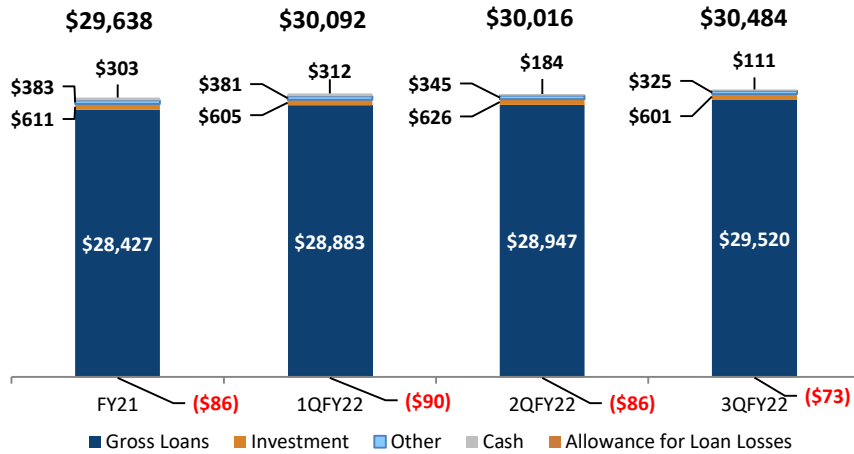
Ling Wang, Chief Financial Officer



3QFY22 Financial Results – Balance Sheet

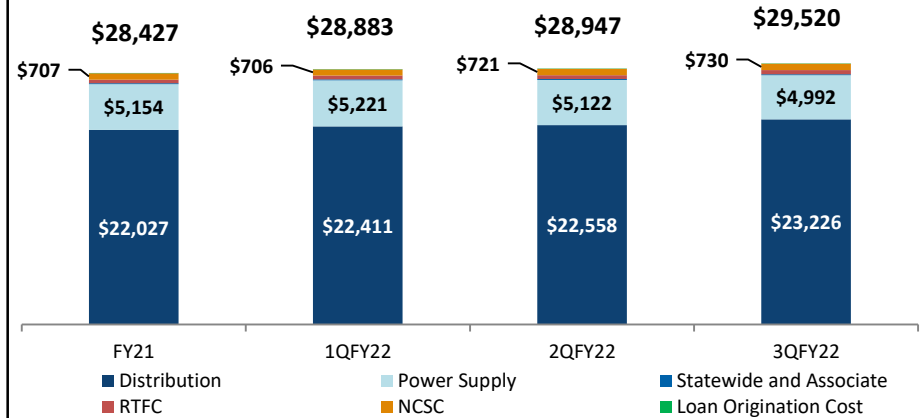
Total Assets (\$ in Mils)

YTD: \$845 MM, or 2.9%, Increase in Total Assets



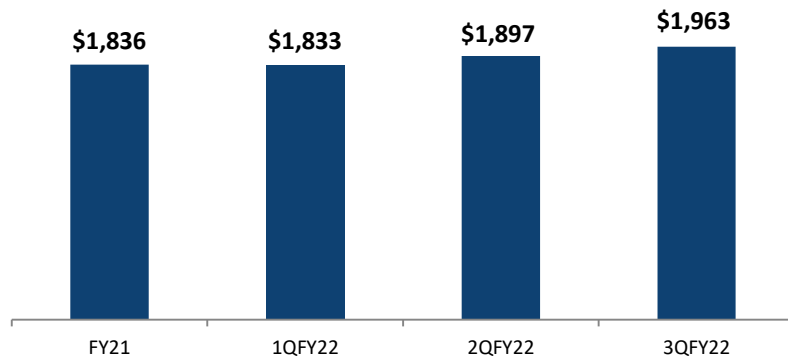
Loans to Members (\$ in Mils)

YTD: \$1,093 MM, or 3.8%, Increase in Loans to Members



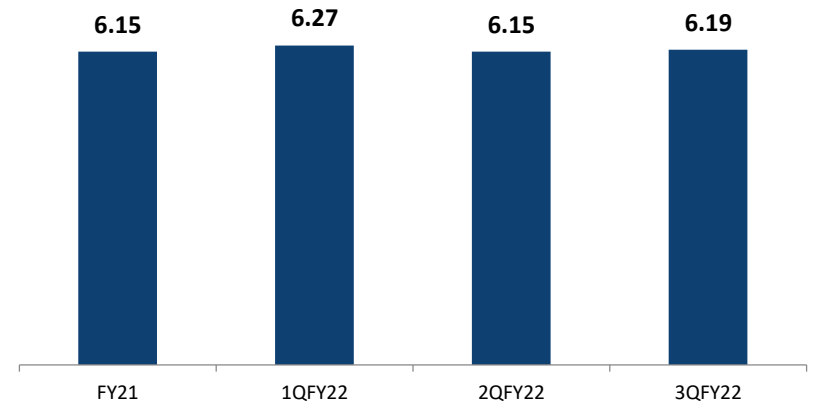
Members' Equity (\$ in Mils)

YTD: \$127 MM, or 6.9%, Increase in Members' Equity



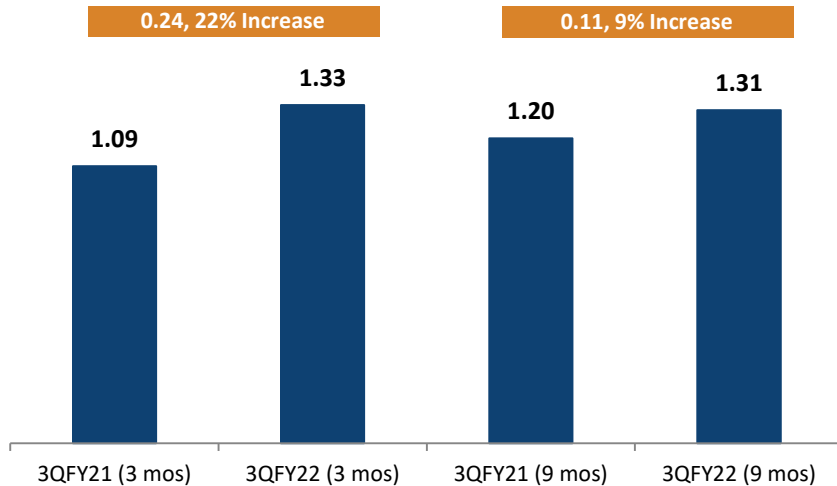
Adjusted Debt to Equity Ratio

YTD: 0.04, or 0.6% Increase in Adjusted Debt to Equity

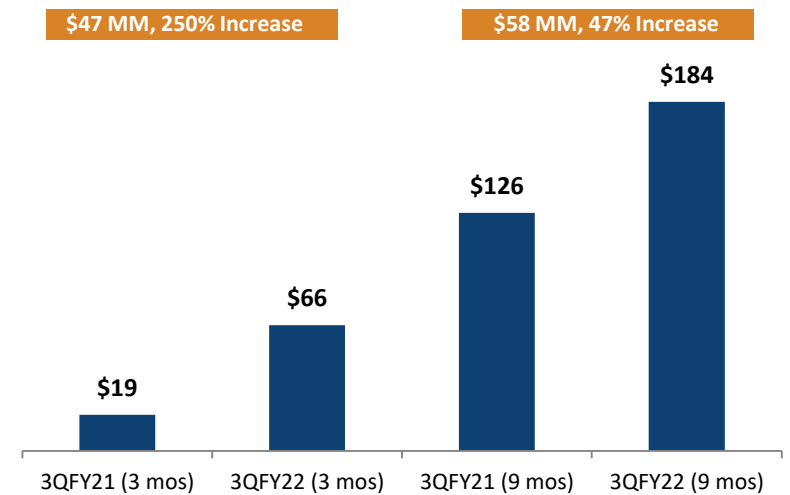


3QFY22 Financial Results – Income Statement

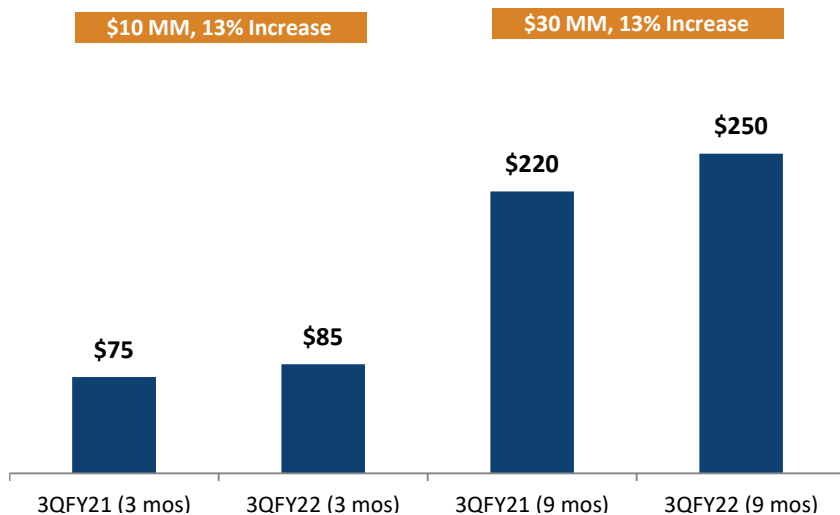
Adjusted TIER



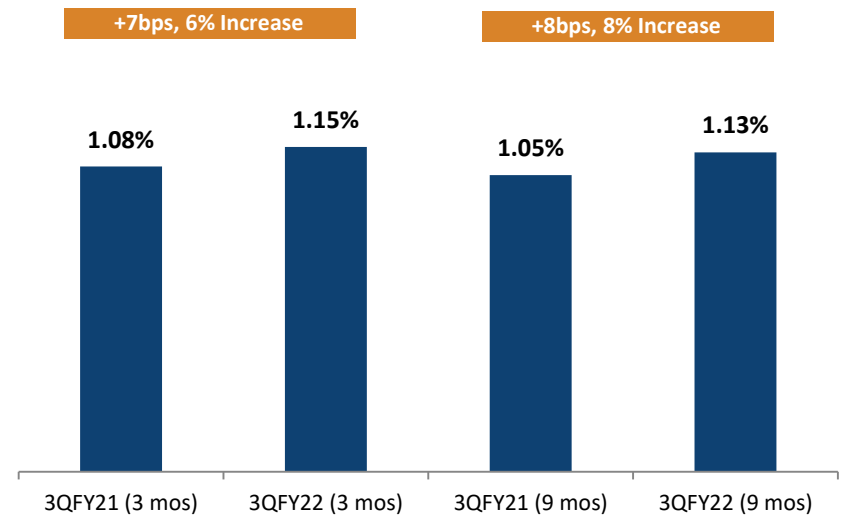
Adjusted Net Income (\$ in Mils)



Adjusted Net Interest Income (\$ in Mils)



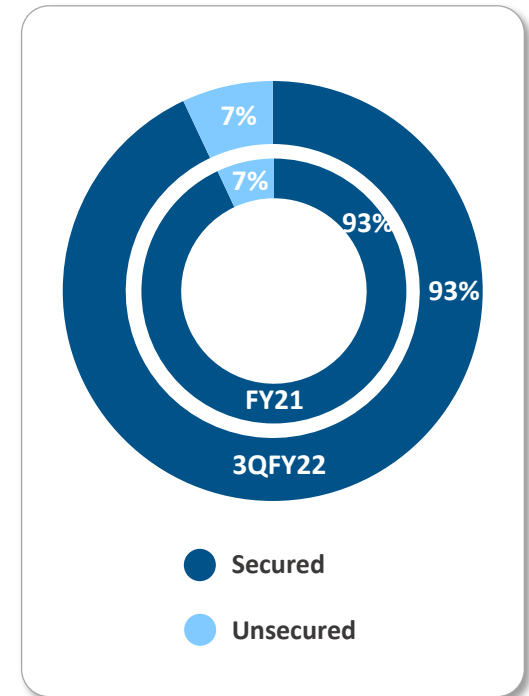
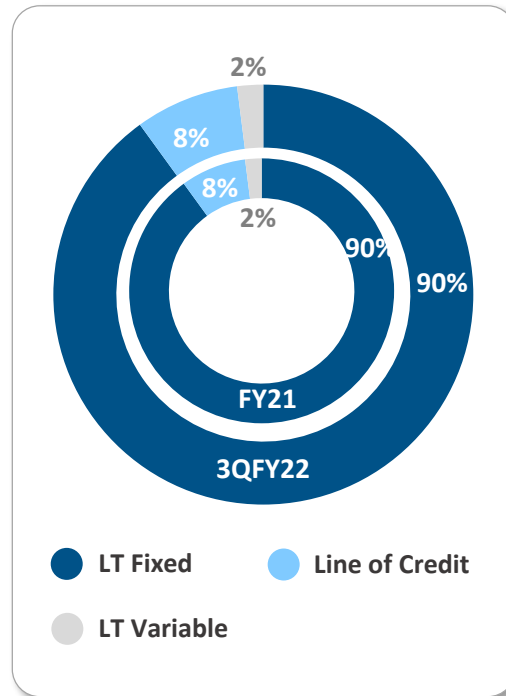
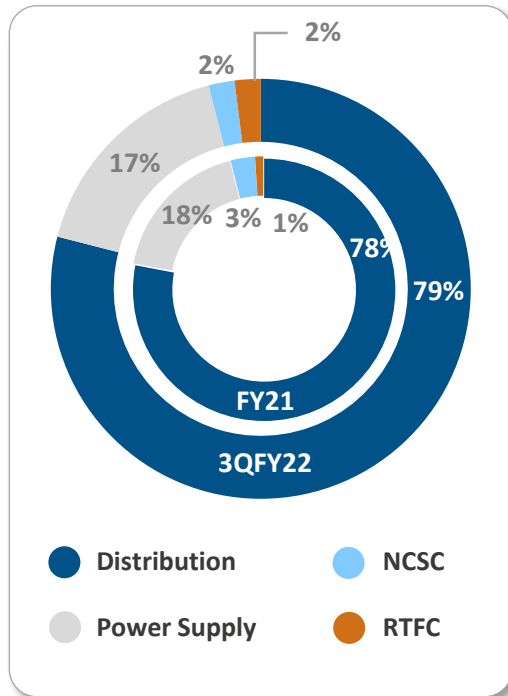
Adjusted Net Interest Yield



Loan Portfolio Overview

CFC's Electric Cooperative Borrowers/Members:

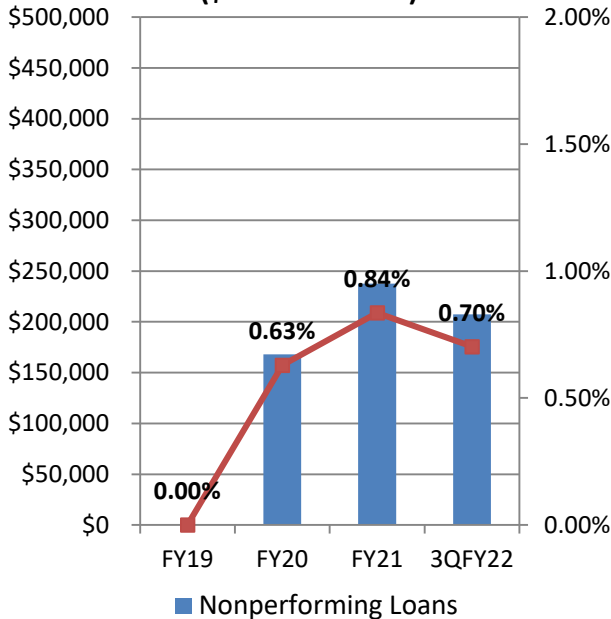
- Provide an essential service to their customers/owners
- Experience limited competition
- Generally serve exclusive territories with majority number of customers being residential
- Demonstrate stable operating and strong financial performance
- Are not rate regulated in the majority of states



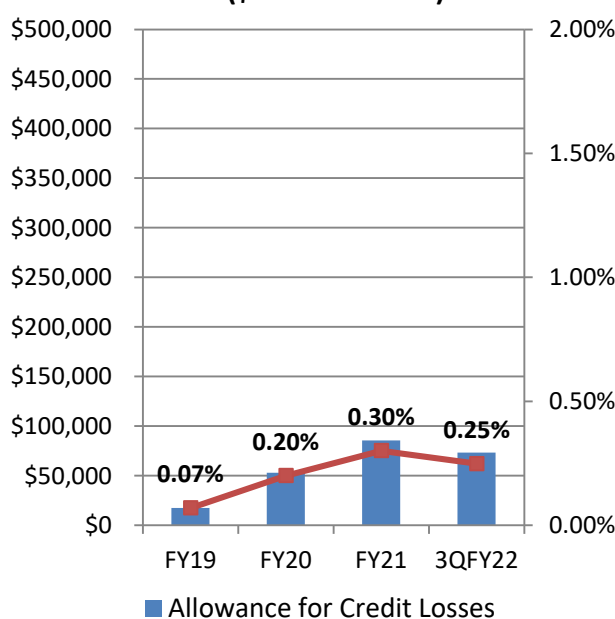
Credit Performance

- During CFC's 53-year history, only six defaults resulted in losses for the electric utility portfolio, which totaled \$86 million in net write-offs.
- CFC had no charge-offs during the nine months ended February 28, 2022.
- Historically, CFC has had low levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.

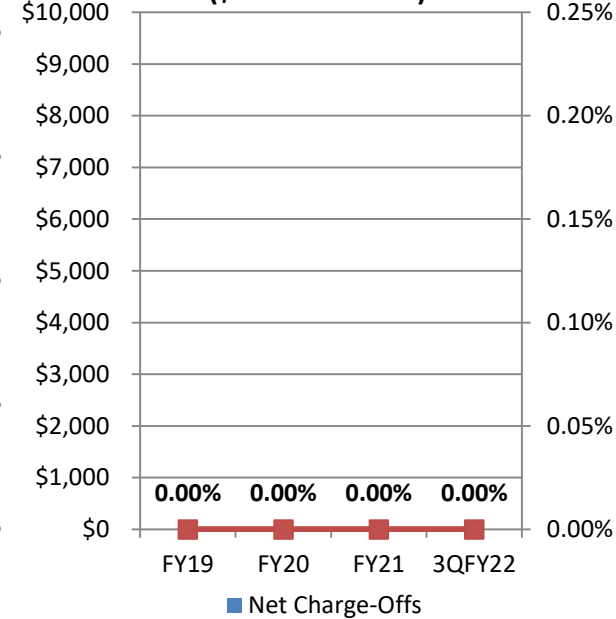
Nonperforming loans / Total loans outstanding
(\$ in Thousands)



Allowance for Credit Losses/ Total loans outstanding
(\$ in Thousands)

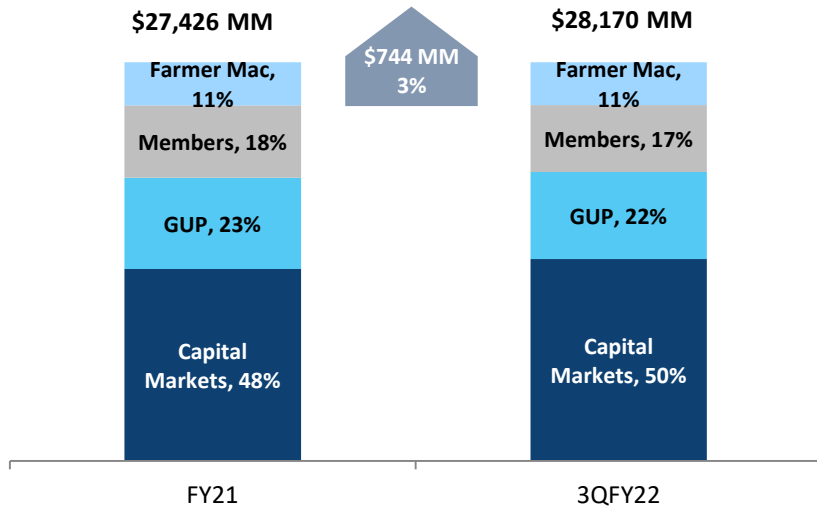


Net charge-offs (Recovery) / Average loans outstanding
(\$ in Thousands)

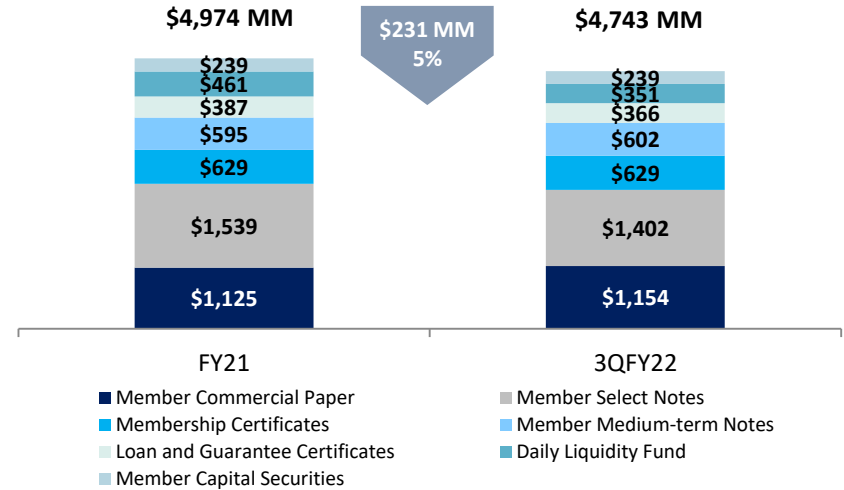


Debt Funding Sources

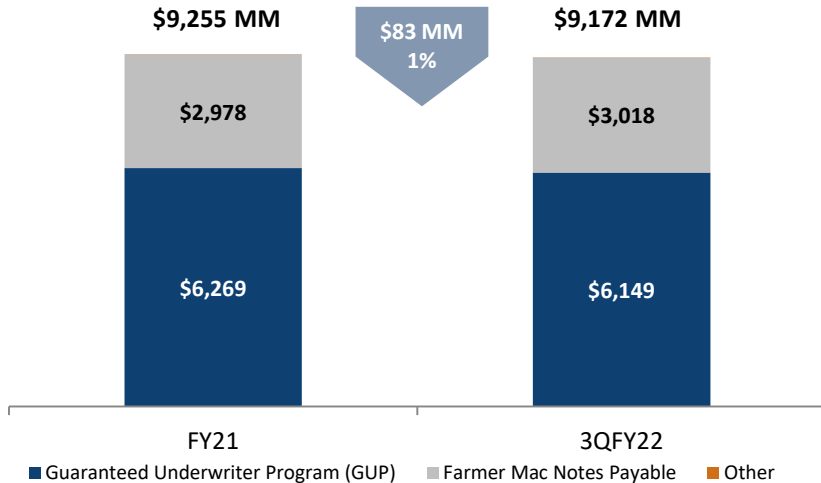
Total Debt Outstanding (\$ in Mills)



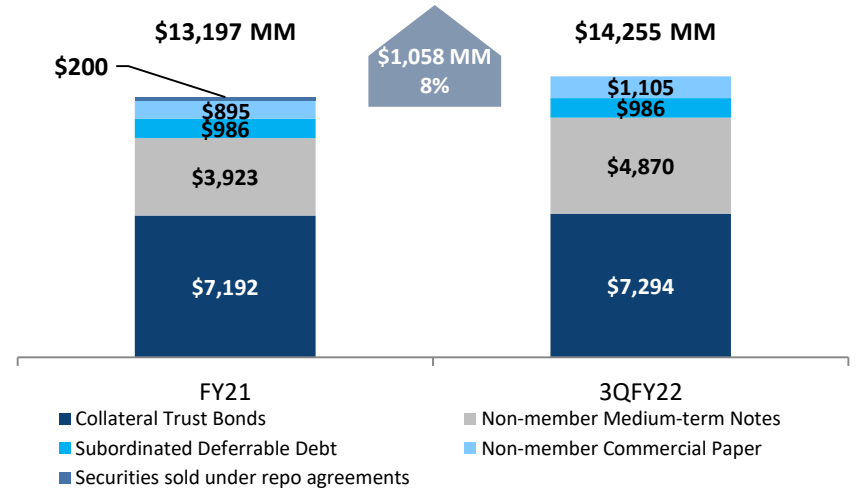
Member Investment (\$ in Mills)



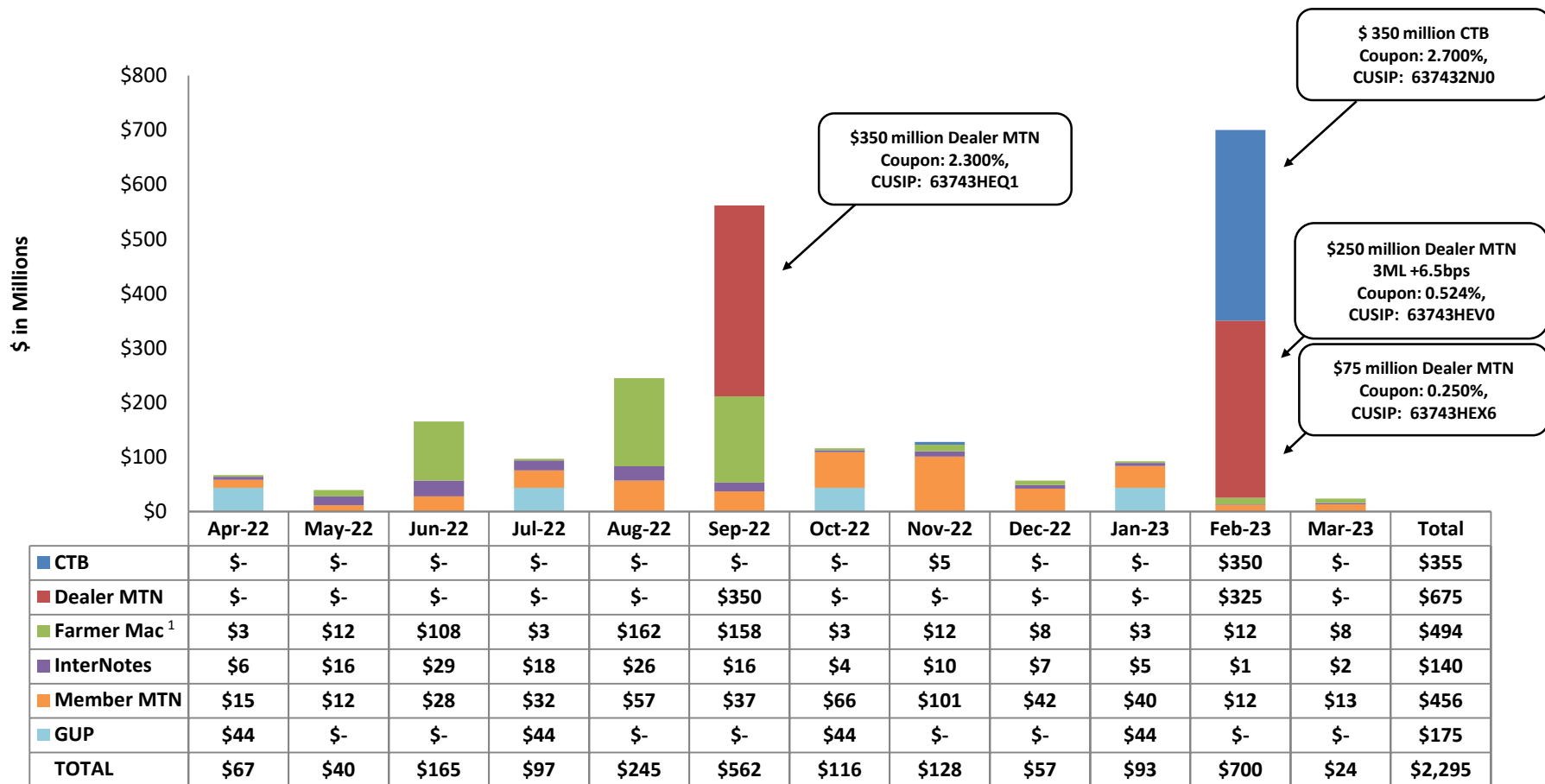
GUP & Farmer Mac (\$ in Mills)



Capital Markets Funding (\$ in Mills)



Monthly Debt Maturity/Amortization Schedule



(1) \$400 million in maturities and \$94 million in scheduled principal amortization

Note: Our members traditionally roll over their MTN investments at maturity. Data as of 3/31/2022



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 millions)

Liquidity Sources	May 31, 2021		February 28, 2022	
	Total	Available	Total	Available
Cash & Investments	\$871	\$871	\$669	\$669
Committed Revolving LOC - Banks	\$2,725	\$2,722	\$2,600	\$2,597
GUP (Non-Revolving)	\$8,173	\$975	\$8,723	\$1,075
Revolving NPA - Farmer Mac ¹	\$5,500	\$2,522	\$5,500	\$2,482
Total Liquidity	\$17,269	\$7,090	\$17,492	\$6,823
Debt Maturities over the next 12 months				
Non-member Debt and Member LT Debt Maturities		May 31, 2021		February 28, 2022
Repo Agreements		\$200		\$0
Dealer CP		\$895		\$1,105
Long-term and Subordinated Debt ²		\$2,604		\$2,356
Total Non-member Debt and Member LT Debt Maturities		\$3,699		\$3,461
Total Member Short-Term Investments		\$3,487		\$3,323
Total Debt Maturities over the next 12 months		\$7,186		\$6,784
Excess Liquidity ³		\$3,391/1.9x		\$3,362/2.0x
Scheduled LT Loan Amortization and Repayments over the next 12 months		\$1,425		\$1,458

(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 Funds as of 2/28/2022

(\$ in Mils.)	LT and Subordinated Debt Maturities	Net Loan Growth ¹	Other Sources/ (Uses) of Funds	Projected Cash Needs	Projected LT Debt Issuance
2/28/2022	\$606	\$334	\$826	\$114	\$57
5/31/2022	\$509	\$223	\$264	\$468	\$464
8/31/2022	\$807	\$223	\$234	\$796	\$734
11/30/2022	\$850	\$224	(\$263)	\$1,337	\$1,289
2/28/2023	\$686	\$223	\$233	\$676	\$612
5/31/2023	\$592	\$221	\$246	\$567	\$574
Totals	\$4,050	\$1,448	\$1,540	\$3,958	\$3,730

(1) Cumulative LT Loan Advances minus Anticipated Loan Repayments including scheduled loan amortizations, repricings and sales.

* Refer to Page 47 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 2/4/22)

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)

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

High Quality Loan Portfolio

98% of loans are to rural electric systems

93% of loans are on a senior secured basis

0.25% loan loss allowance coverage ratio

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

Strong Member Support

17% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity at \$1.96 billion as of 2/28/2022, a 51% 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)

2.0x times liquidity coverage ratio over the next 12 months, excluding short-term member investments



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

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Electric Cooperative
Network***