



# Investor Conference Call Fiscal Year Ended May 31, 2024

August 5, 2024 at 1 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-K for the fiscal year ended May 31, 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*



# FY24 Highlights: Continued to Deliver Solid Results

**\$2B**  
Loan Growth

**\$2.4B**  
Members' Equity

**No Charge-Offs & No  
New Nonperforming  
loans  
during FY2024**

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

## ➤ Continue to manage our financial performance diligently

- Gross Loans to members increased to \$34.5 billion at FYE2024, an increase of \$2 billion or 6% from FYE2023
- 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 1.24x during FY2024
- Strategic equity build-up: \$2.4B of members' equity at FYE2024
- 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

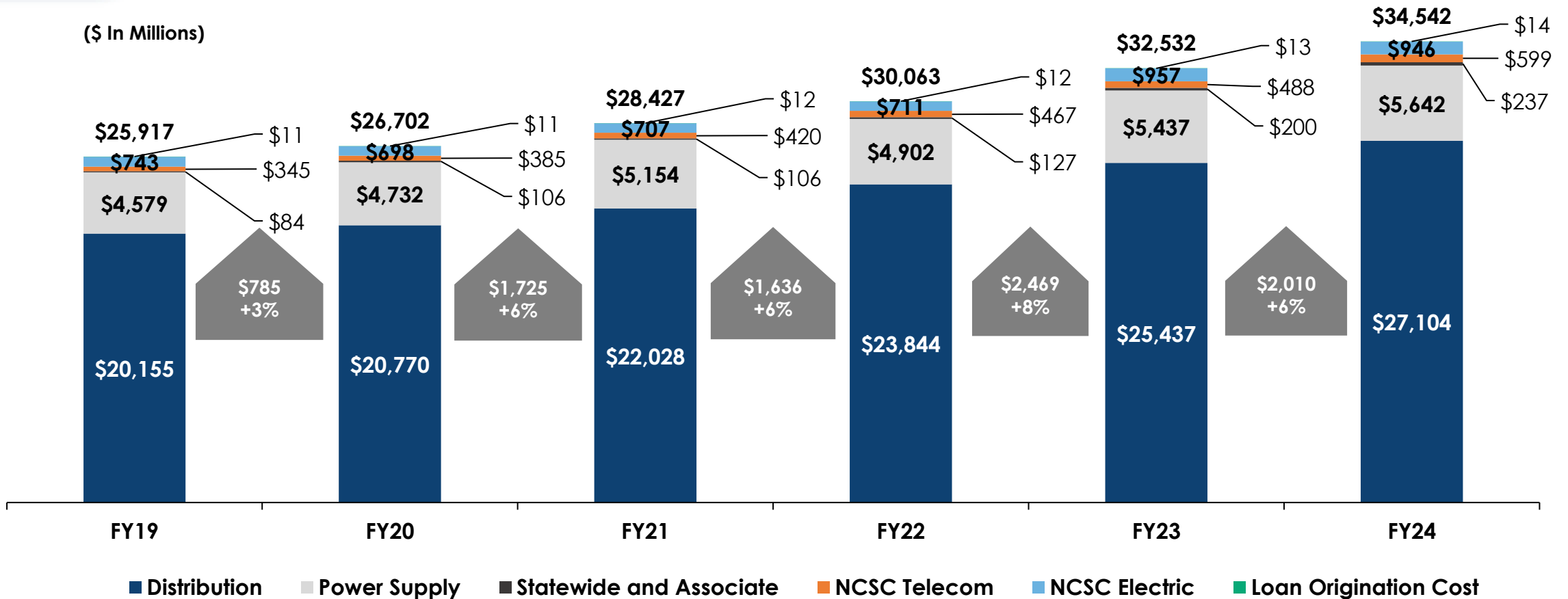
- Executive team's incentive is tied to CFC credit ratings



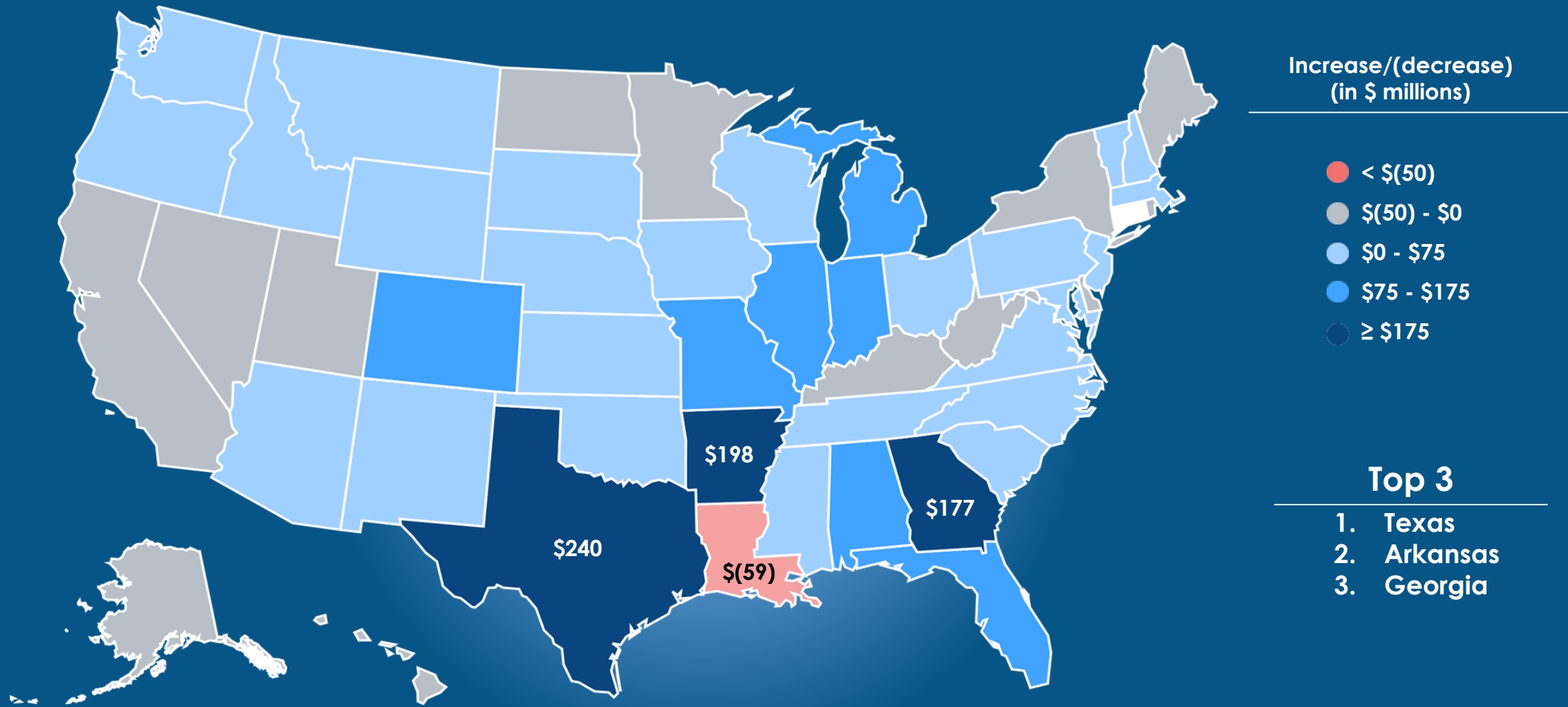
# Loans To Members: Largest Private Lender for Rural Electric Cooperatives



- Nearly \$9 billion or 33% of net loan growth from FYE19 to FYE24
- 25% of market share as of 12/31/2023

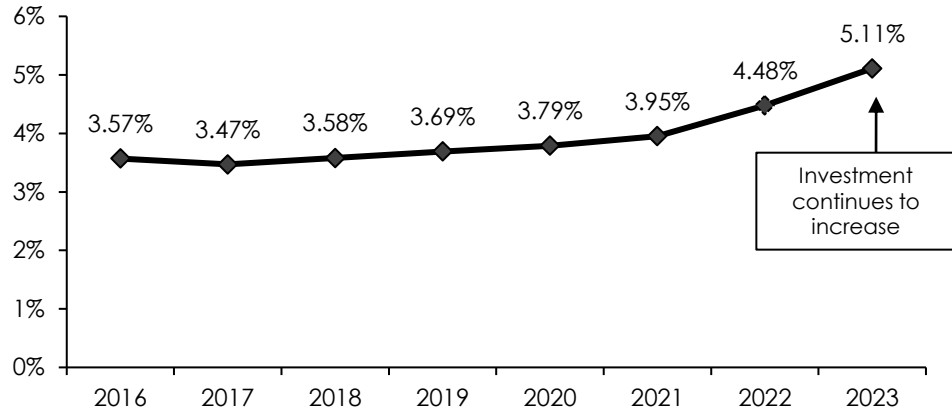


# YoY Loan Growth by State: Geographically Diversified Loan Portfolio

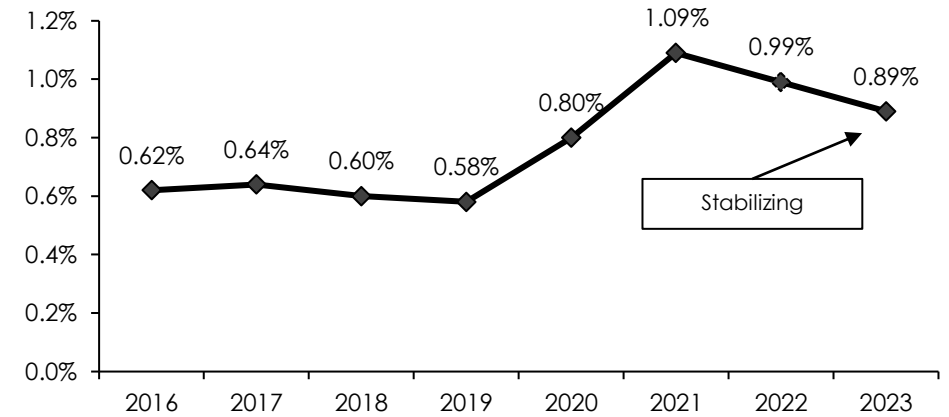


# Electric Distribution Cooperatives Financial Strength

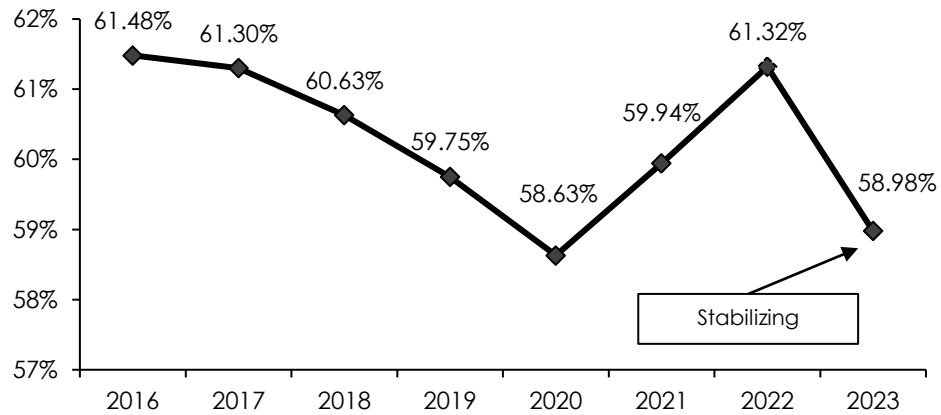
### Annual Growth in Total Utility % <sup>1</sup>



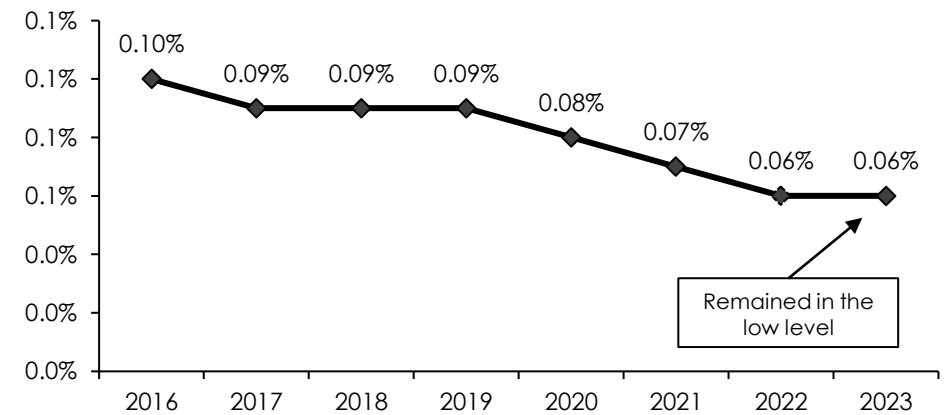
### Annual Growth in # of Consumers (%)



### Power Cost as a % of Revenue



### Amount Written off as a % of Operating Revenue



<sup>1</sup> TUP is a median calculation. TUP growth rate is organized from highest to lowest and the middle value is reported.



# Financial Performance

**LING WANG**

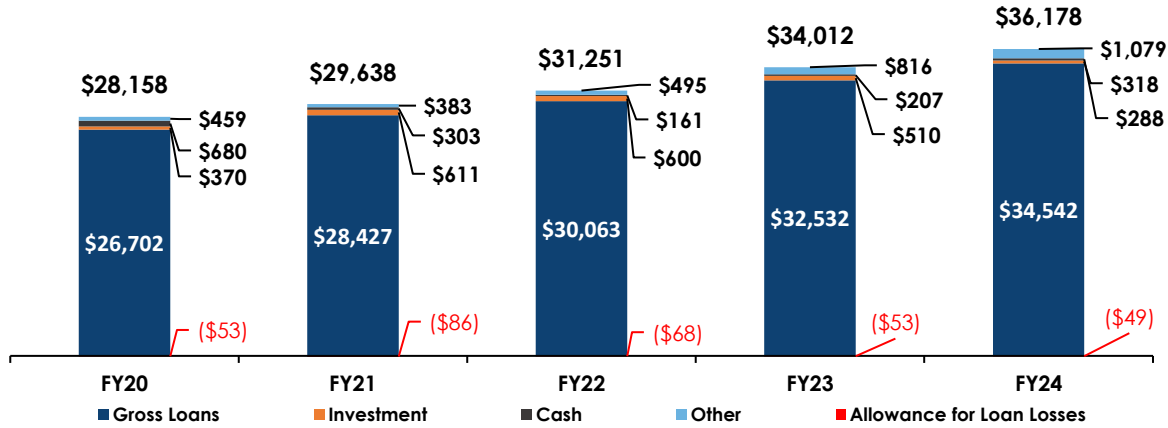
*Chief Financial Officer*



# Balance Sheet: Strong, Sound Capital Structure

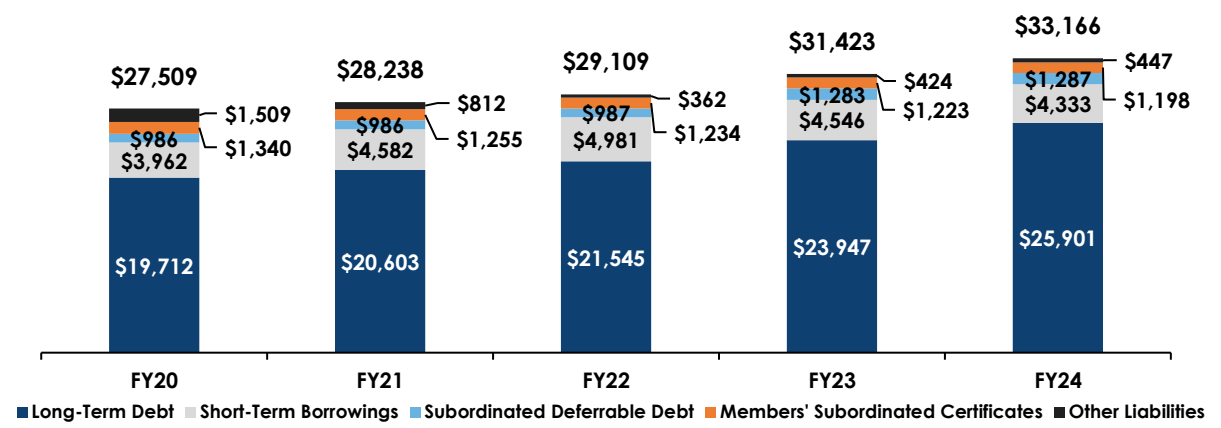
## Total Assets (\$ in Millions)

\$8,020 million, or 28%, Increase in Total Assets From FY2020 to FY2024



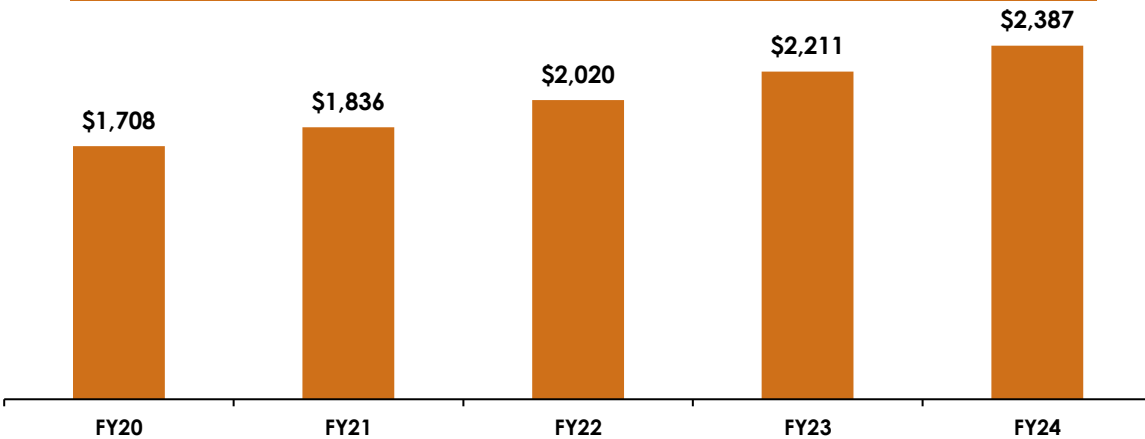
## Total Liabilities (\$ in Millions)

\$5,657 million, or 21%, Increase in Total Liabilities From FY2020 to FY2024



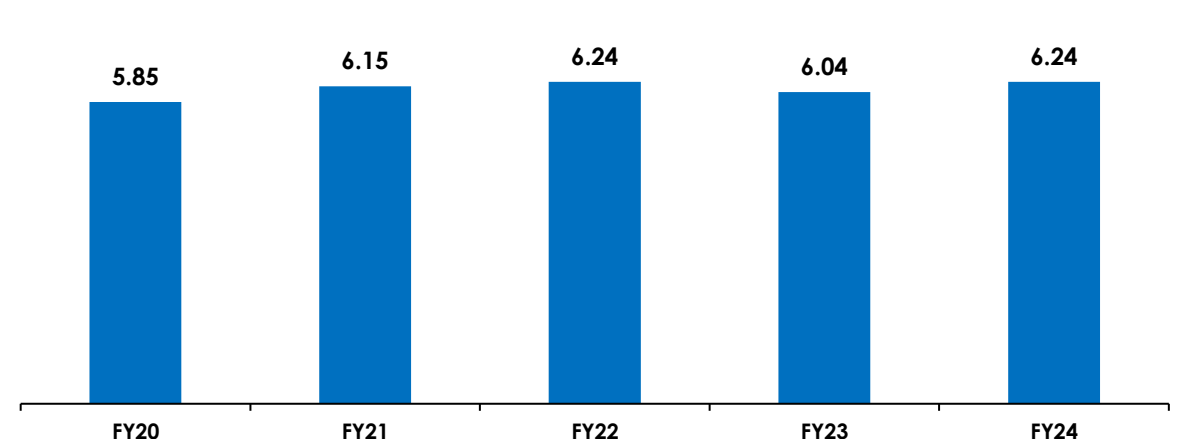
## Members' Equity (\$ in Millions) <sup>1</sup>

\$679 million, or 40%, Increase in Members' Equity from FY2020 to FY2024



## Adjusted Debt to Equity Ratio <sup>2</sup>

0.39, or 7%, Increase in Adjusted Debt to Equity Ratio From FY2020 to FY2024



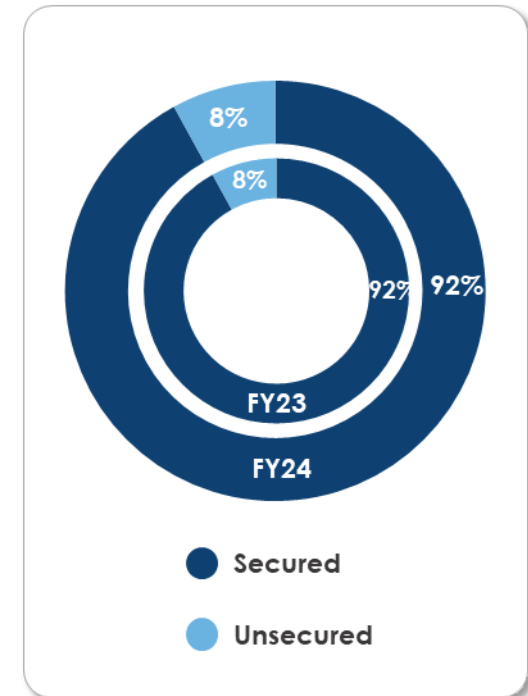
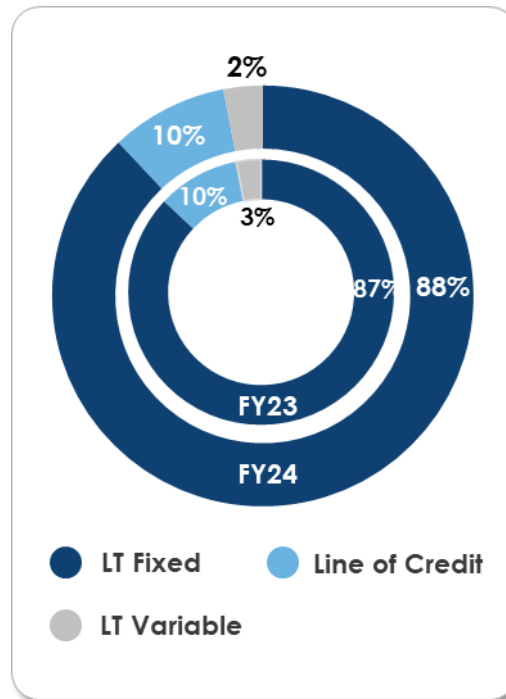
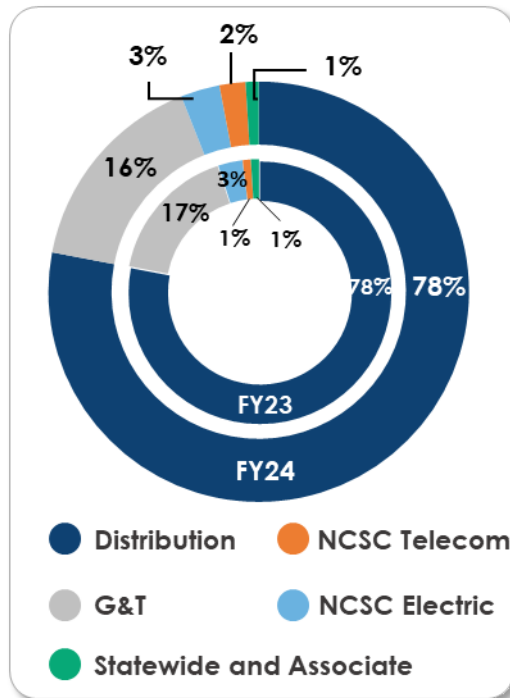
<sup>1</sup> Refer to Appendix for non-GAAP reconciliations

<sup>2</sup> Adjusted total liabilities divided by adjusted total equity. Refer to Appendix for non-GAAP reconciliations

# 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

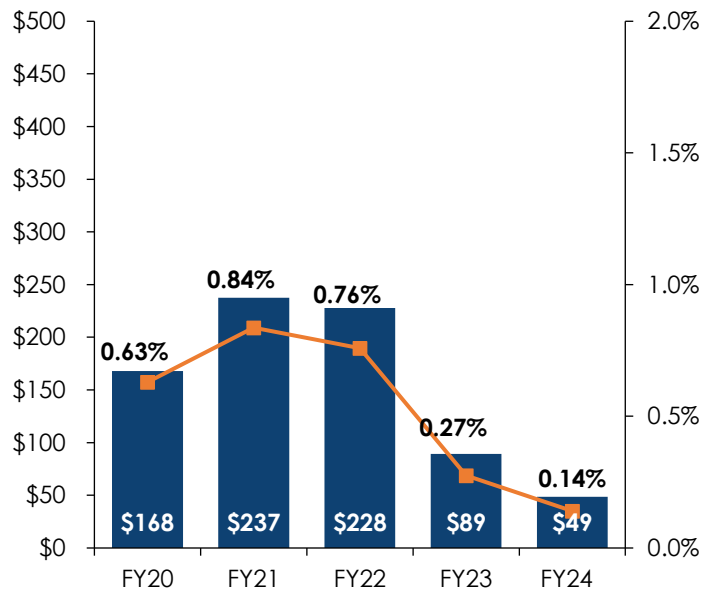


# Credit Performance: Pristine Quality Loan Portfolio



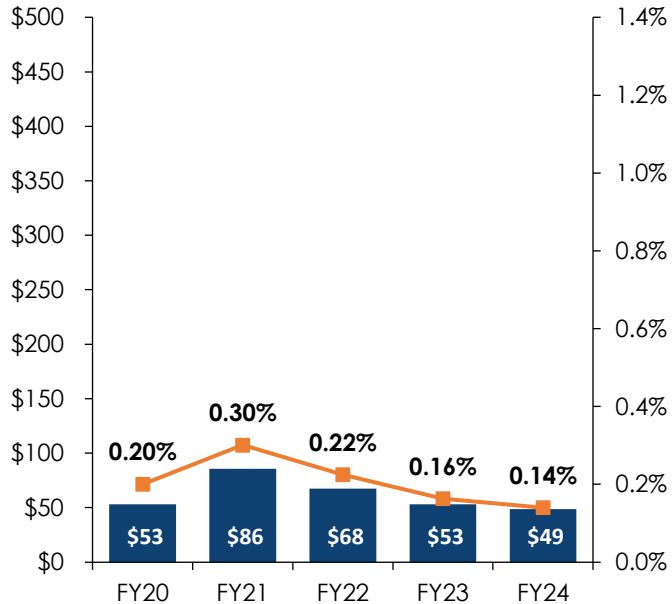
Historically, CFC has had limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies.

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



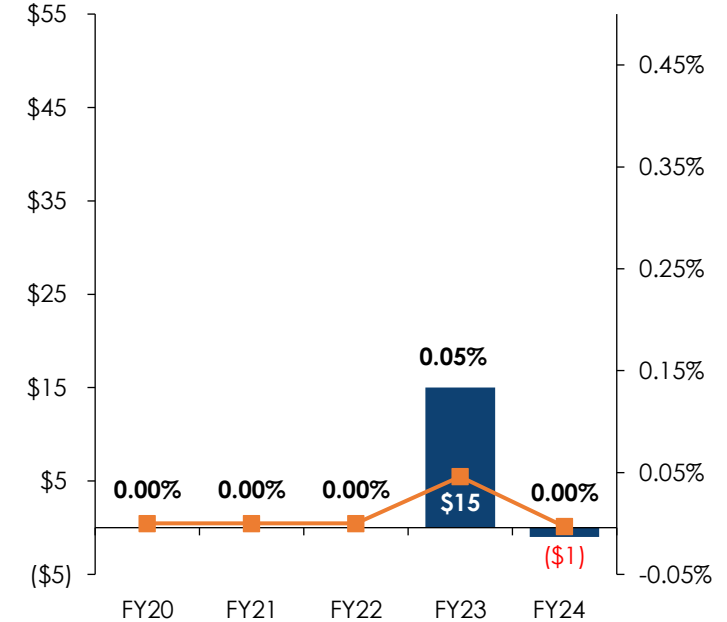
■ Nonperforming Loans

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



■ Allowance for Credit Losses

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



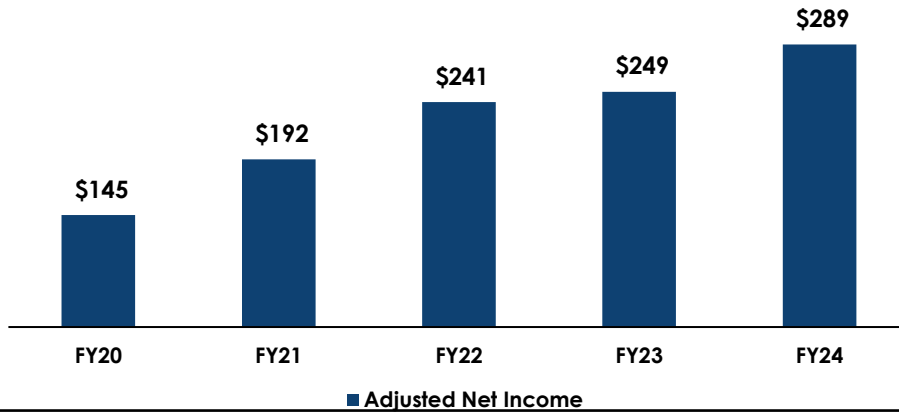
■ Net Charge-Offs (Recoveries)



# Income Statement: Disciplined, Solid Financial Performance

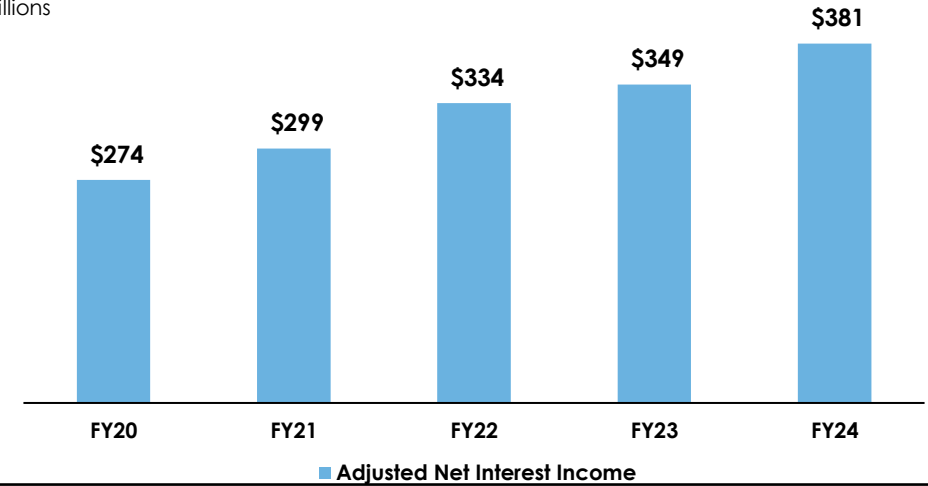
Adjusted Net Income: \$144 million, 99% Increase From FY2020 to FY2024

\$ in Millions

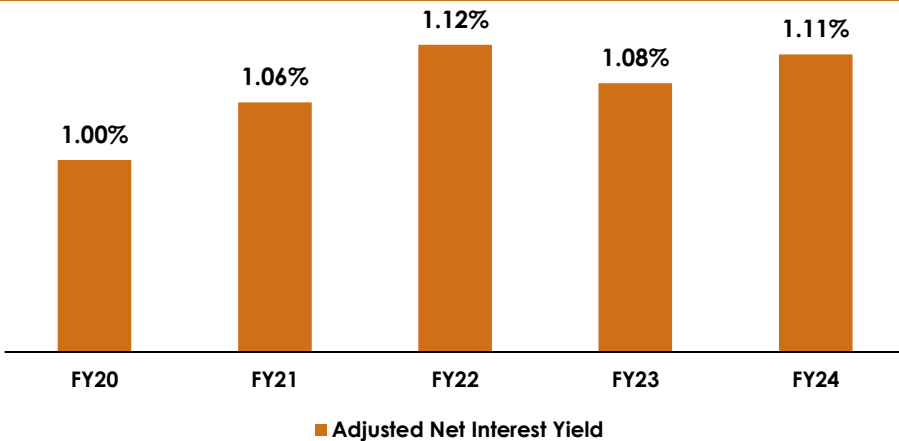


Adjusted Net Interest Income: \$107 million, 39% Increase from FY2020 to FY2024

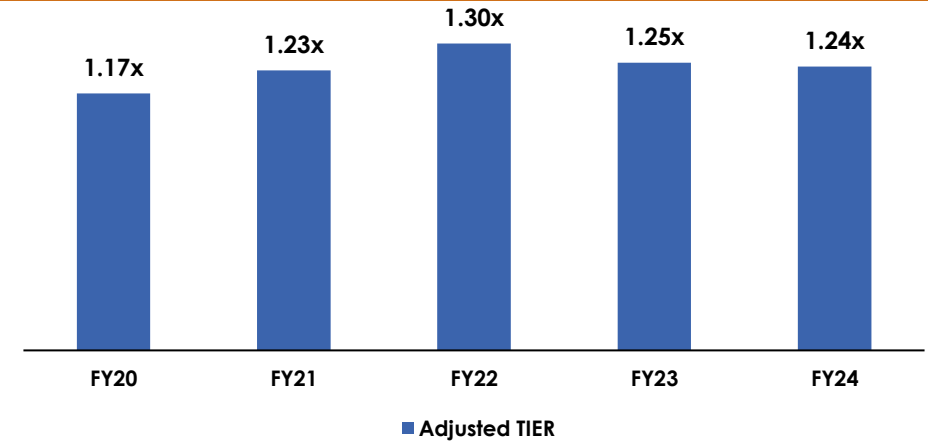
\$ in Millions



Adjusted Net Interest Yield <sup>2</sup>: 11bps, 11% Increase From FY2020 to FY2024



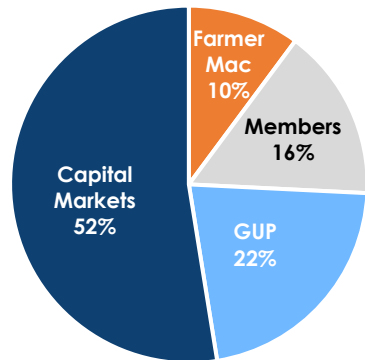
Adjusted TIER <sup>1</sup>: 0.07, 6% Increase from FY2020 to FY2024



<sup>1</sup> 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  
<sup>2</sup> 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

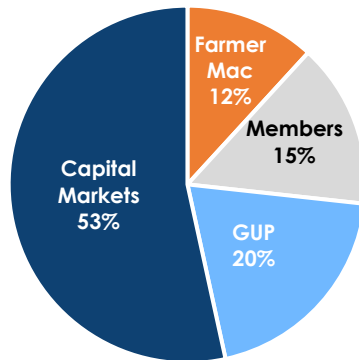
**Total Debt Outstanding (\$ in Millions)**  
FY23



\$30,999

\$1,719  
+6%

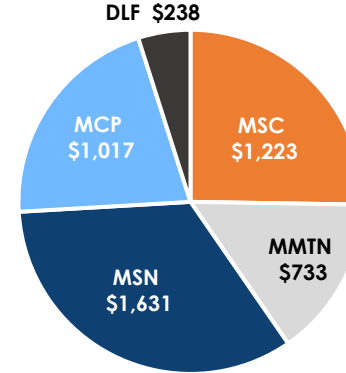
FY24



\$32,718

**Member Investment <sup>1</sup> (\$ in Millions)**

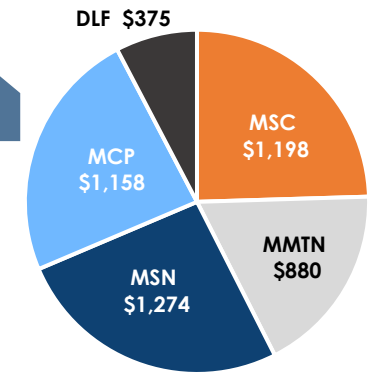
FY23



\$4,842

\$43  
<1%

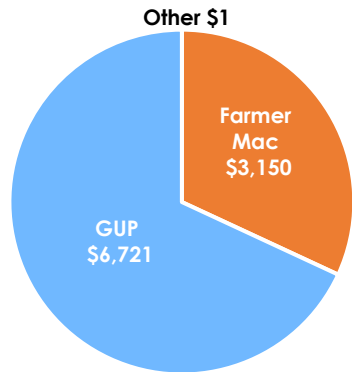
FY24



\$4,885

**GUP & Farmer Mac (\$ in Millions)**

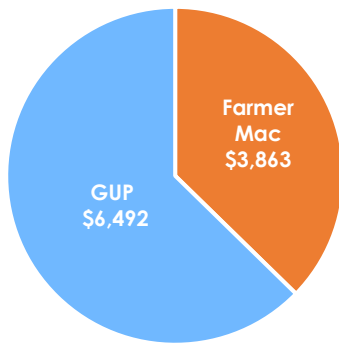
FY23



\$9,872

\$483  
+5%

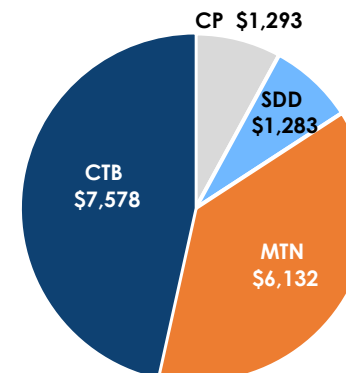
FY24



\$10,355

**Capital Markets Funding <sup>2</sup> (\$ in Millions)**

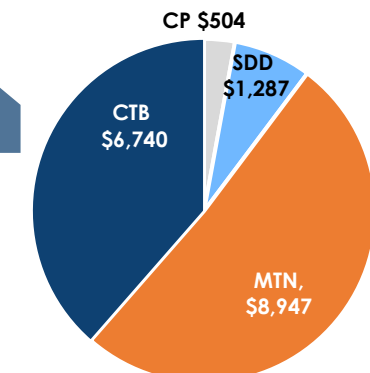
FY23



\$16,286

\$1,192  
+7%

FY24



\$17,478



<sup>1</sup> 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).

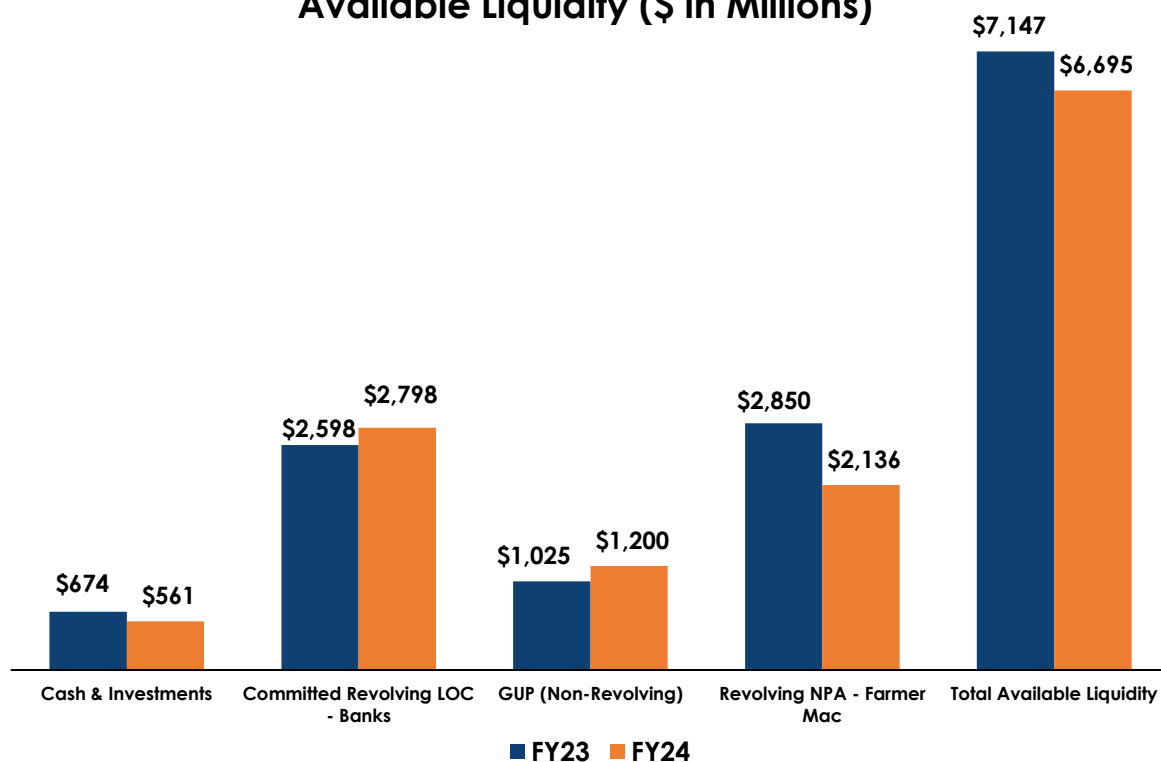
<sup>2</sup> Abbreviations for Capital Markets Funding: Collateral Trust Bond (CTB), Non-Member Medium-Term Notes (MTN), Subordinated Deferrable Debt (SDD), Non-Member Commercial Paper (CP).

# 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 through two shelf registrations filed with the SEC

## Available Liquidity (\$ in Millions)



Liquidity Sources	FY23		FY24	
	Total	Available	Total	Available
Cash & Investments	\$ 674	\$ 674	\$ 561	\$ 561
Committed Revolving LOC - Banks	2,600	2,598	2,800	2,798
GUP (Non-Revolving)	9,473	1,025	9,923	1,200
Revolving NPA - Farmer Mac <sup>1</sup>	6,000	2,850	6,000	2,136
<b>Total Liquidity</b>	<b>\$ 18,747</b>	<b>\$ 7,147</b>	<b>\$ 19,284</b>	<b>\$ 6,695</b>

<b>Total Debt Maturities over the next 12 months</b>	\$ 6,929	\$ 7,009
<b>Total Member Short-Term Investments</b>	\$ 3,253	\$ 3,328
<b>Non-member Debt and Member LT Debt Maturities</b>		
Farmer Mac Short-Term Notes Payable	\$ -	\$ 500
Dealer CP	1,293	505
Long-term and Subordinated Debt <sup>2</sup>	2,383	2,676
<b>Total Non-member Debt and Member LT Debt Maturities</b>	<b>\$ 3,676</b>	<b>\$ 3,681</b>

<b>Excess Liquidity (excluding short-term member investments)</b>	\$ 3,471/1.9x	\$ 3,014/1.8x
<b>Scheduled LT Loan Amortization and Repayments over the next 12 months</b>	\$ 1,495	\$ 1,552

<sup>1</sup> Revolving NPA - Farmer Mac is subject to market conditions

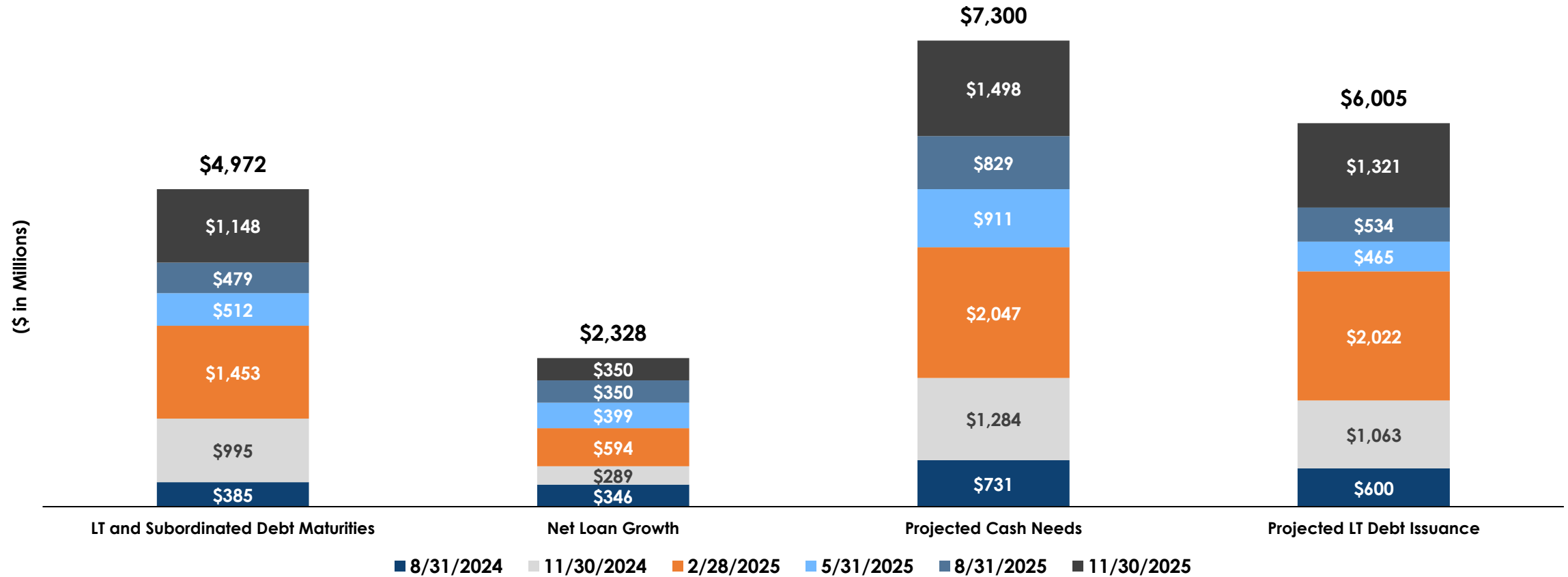
<sup>2</sup> Includes member LT MTNs and LT certificates maturing within 12 months



# Projected Long-Term Sources and Uses of Funds

(as of 5/31/2024)

## 18-month Projection for Sources and Uses of Funds\*



\* Refer to Page 67 of Form 10-K for more detail



# Appendix



# Non-GAAP Reconciliations

## Adjusted Total Liabilities and Adjusted Total Equity

(\$ in millions)	FY20	FY21	FY22	FY23	FY24
Total liabilities	\$ 27,509	\$ 28,238	\$ 29,109	\$ 31,423	\$ 33,166
Exclude:					
Derivative liabilities	1,258	585	128	115	81
Debt used to fund loans guaranteed by RUS	147	139	131	124	114
Subordinated deferrable debt	986	986	987	1,283	1,287
Subordinated certificates	1,340	1,255	1,234	1,223	1,198
<b>Adjusted total liabilities</b>	<b>\$ 23,778</b>	<b>\$ 25,273</b>	<b>\$ 26,629</b>	<b>\$ 28,678</b>	<b>\$ 30,486</b>
Total equity	\$ 649	\$ 1,400	\$ 2,142	\$ 2,589	\$ 3,012
Exclude:					
Current fiscal year-end cumulative derivative forward value gains (losses)	(1,089)	(467)	92	342	608
Accumulated other comprehensive income attributable to derivatives	2	2	1	1	1
Include:					
Subordinated deferrable debt	986	986	987	1,283	1,287
Subordinated certificates	1,339	1,255	1,234	1,223	1,198
<b>Adjusted total equity</b>	<b>\$ 4,061</b>	<b>\$ 4,106</b>	<b>\$ 4,270</b>	<b>\$ 4,752</b>	<b>\$ 4,888</b>



# Non-GAAP Reconciliations – Cont'd

## Adjusted Net Interest Income and Adjusted Net Income

(\$ in millions)	FY20	FY21	FY22	FY23	FY24
Interest income	\$ 1,151	\$ 1,117	\$ 1,141	\$ 1,352	\$ 1,593
Interest expense	(821)	(702)	(706)	(1,037)	(1,339)
Include: Derivative cash settlements Interest income (expense)	(56)	(116)	(101)	34	127
Adjusted interest expense	(877)	(818)	(807)	(1,003)	(1,212)
<b>Adjusted net interest income</b>	<b>\$ 274</b>	<b>\$ 299</b>	<b>\$ 334</b>	<b>\$ 349</b>	<b>\$ 381</b>
Net income	\$ (589)	\$ 814	\$ 799	\$ 501	\$ 554
Exclude: Derivative forward value gains (losses)	(734)	622	558	252	265
<b>Adjusted Net income</b>	<b>\$ 145</b>	<b>\$ 192</b>	<b>\$ 241</b>	<b>\$ 249</b>	<b>\$ 289</b>
<b>Average Interest-Earning Assets</b>	<b>\$ 27,384</b>	<b>\$ 28,243</b>	<b>\$ 29,872</b>	<b>\$ 32,238</b>	<b>\$ 34,375</b>

## Members' Equity

(\$ in millions)	FY20	FY21	FY22	FY23	FY24
<b>Members' Equity:</b>					
Total CFC Equity	\$ 626	\$ 1,375	\$ 2,115	\$ 2,562	\$ 2,992
Exclude:					
Accumulated other comprehensive income	(2)	(0)	2	8	(1)
Period-end cumulative derivative forward value gains attributable to CFC	(1,080)	(461)	93	343	606
Subtotal	<b>(1,082)</b>	<b>(461)</b>	<b>95</b>	<b>351</b>	<b>605</b>
Members' Equity	<b>\$ 1,708</b>	<b>\$ 1,836</b>	<b>\$ 2,020</b>	<b>\$ 2,211</b>	<b>\$ 2,387</b>



