

**Investor Conference Call
FY2024 Second Quarter Ended
November 30, 2023**

January 23, 2024 at 3 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, 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 \$33.6B

\$2.3B Members'
Equity

0.25% NPL
No Charge-Offs,
\$1MM in recoveries
YTD FY2024

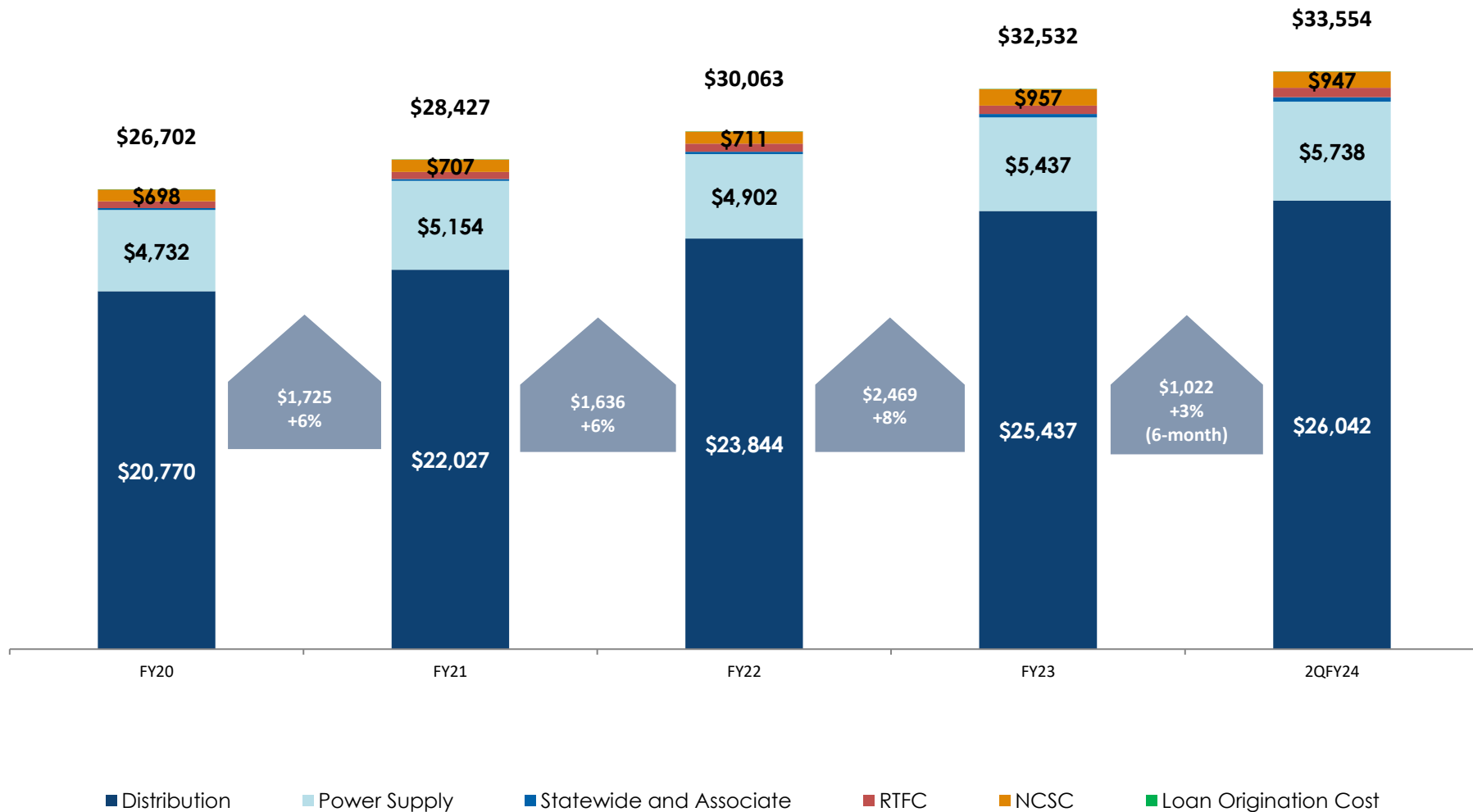
A+/A1/A-
F1/P-1/A-2
Stable Outlook

- **Continue to manage our financial performance diligently**
 - Gross Loans to members increased to \$33.6B at the end of 2QFY24, an increase of \$1,022 million or 3% 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 1.24x during 2QFY24 and 1.23x YTD FY2024
 - Strategic equity build-up: \$2.3B of members' equity at the end of 2QFY24
 - Diverse funding sources and resilient liquidity: cash, time deposits, 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

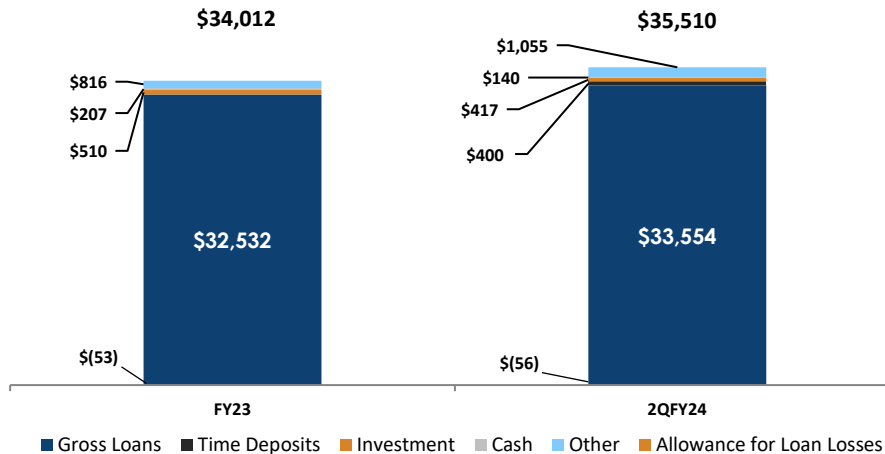
Ling Wang, Chief Financial Officer



Balance Sheet: Strong, Sound Capital Structure

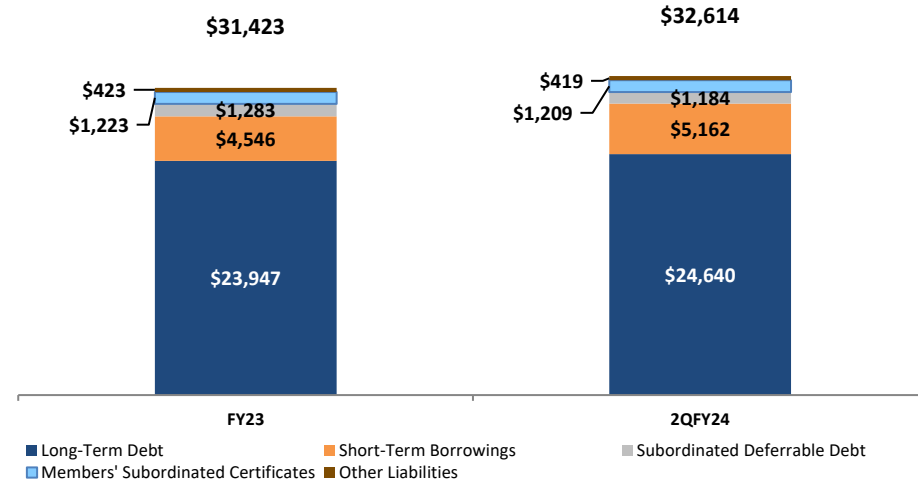
Total Assets (\$ in Millions)

\$1,498 million, or 4%, Increase in Total Assets



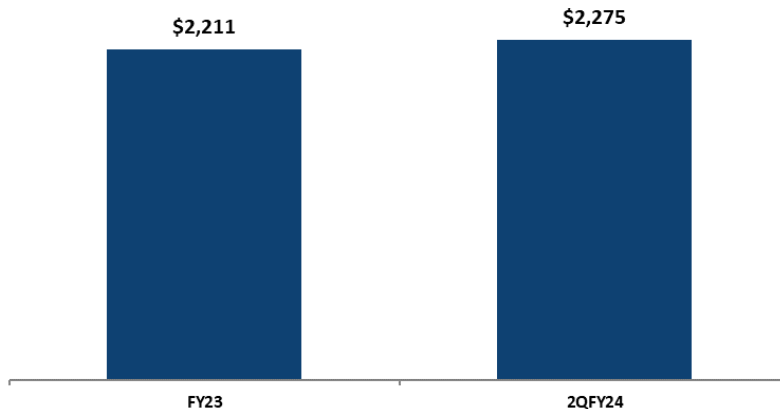
Total Liabilities (\$ in Millions)

\$1,191 million, or 4%, Increase in Total Liabilities



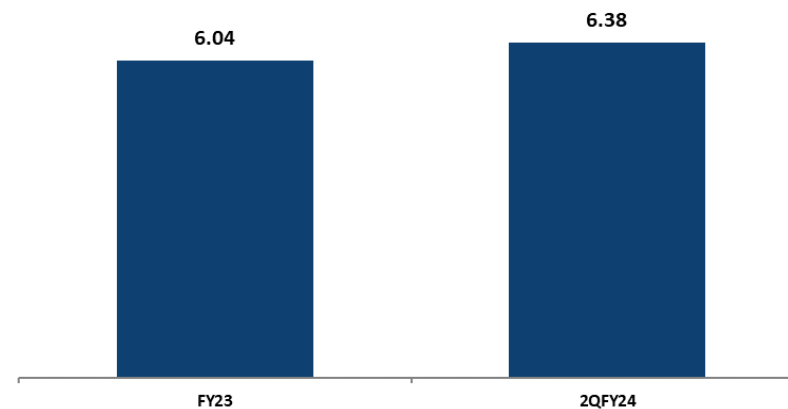
Members' Equity (\$ in Millions) ¹

\$64 million, or 3%, Increase in Members' Equity



Adjusted Debt to Equity Ratio ²

0.34, or 6%, Increase in Adjusted Debt to Equity Ratio

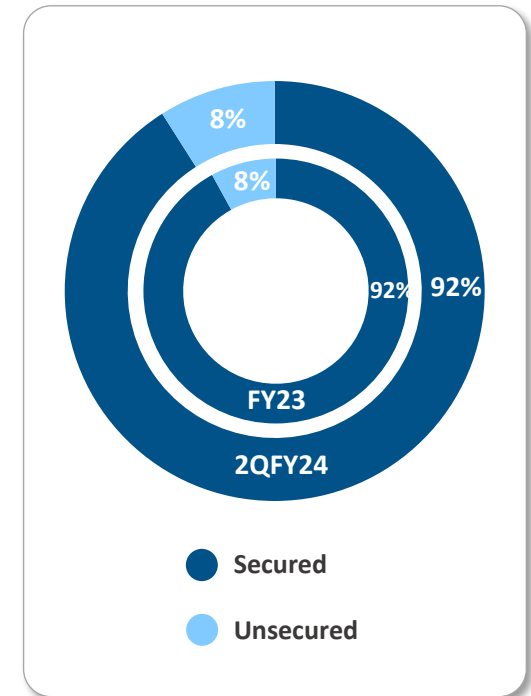
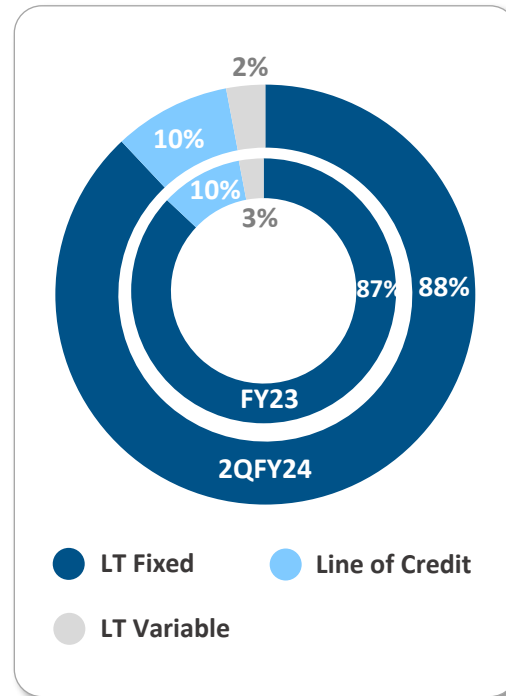
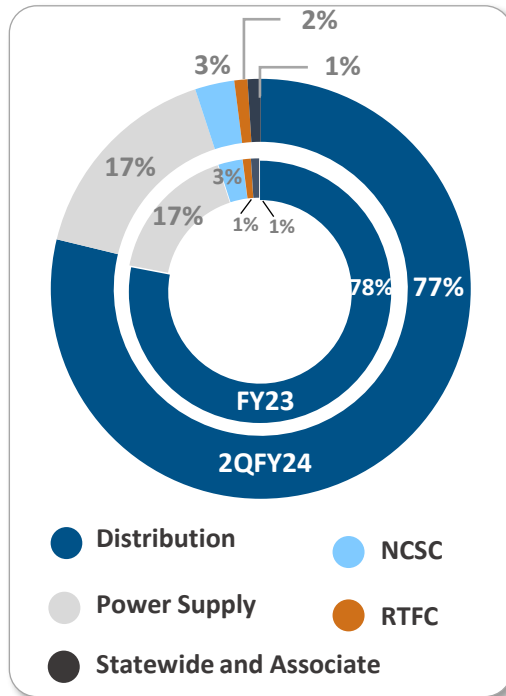


1) Refer to Appendix for non-GAAP reconciliations
 2) Adjusted total liabilities divided by adjusted total equity. Refer to Appendix for non-GAAP reconciliations

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

CFC's Electric Cooperative Borrowers/Members:

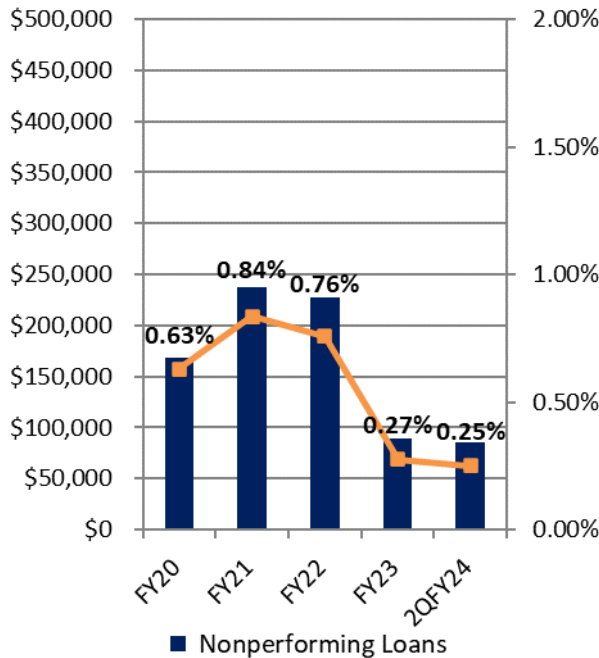
- Provide an essential service to their customers/owners
- Experience limited competition
- Generally serve exclusive territories with the majority of customers being classified as residential
- Demonstrate stable operating and strong financial performance
- Are not rate regulated in the majority of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



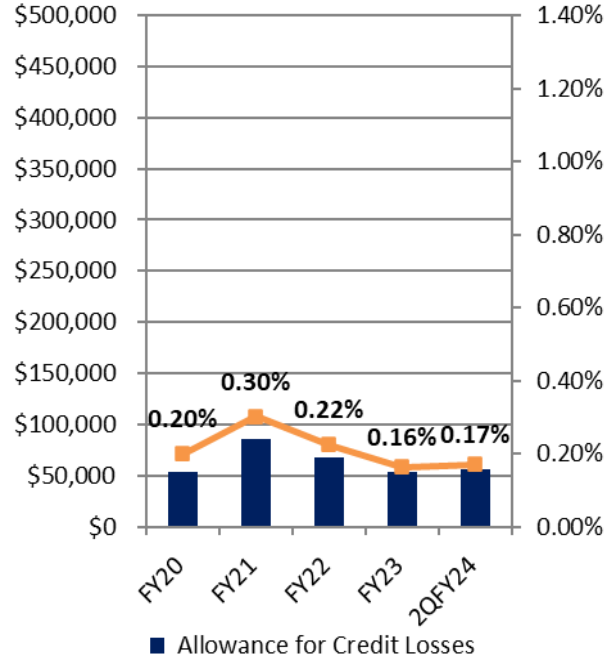
Credit Performance: Pristine Loan Portfolio

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

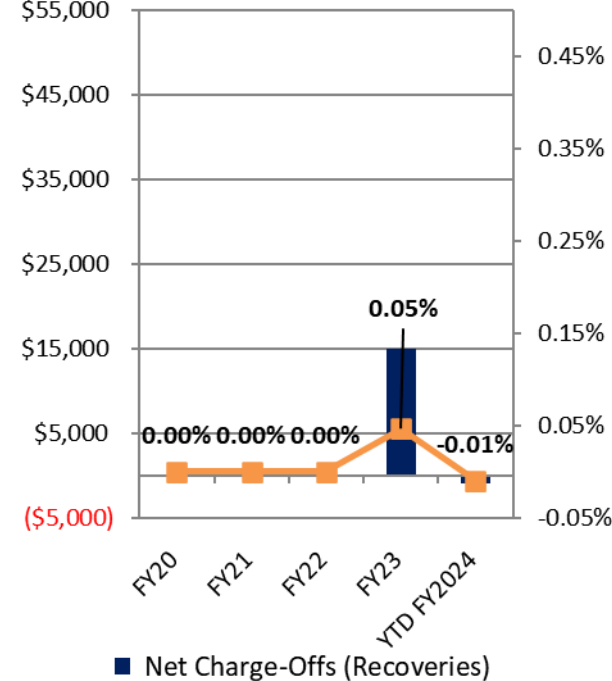
Nonperforming Loans / Total Loans Outstanding (\$ in Thousands)



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



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

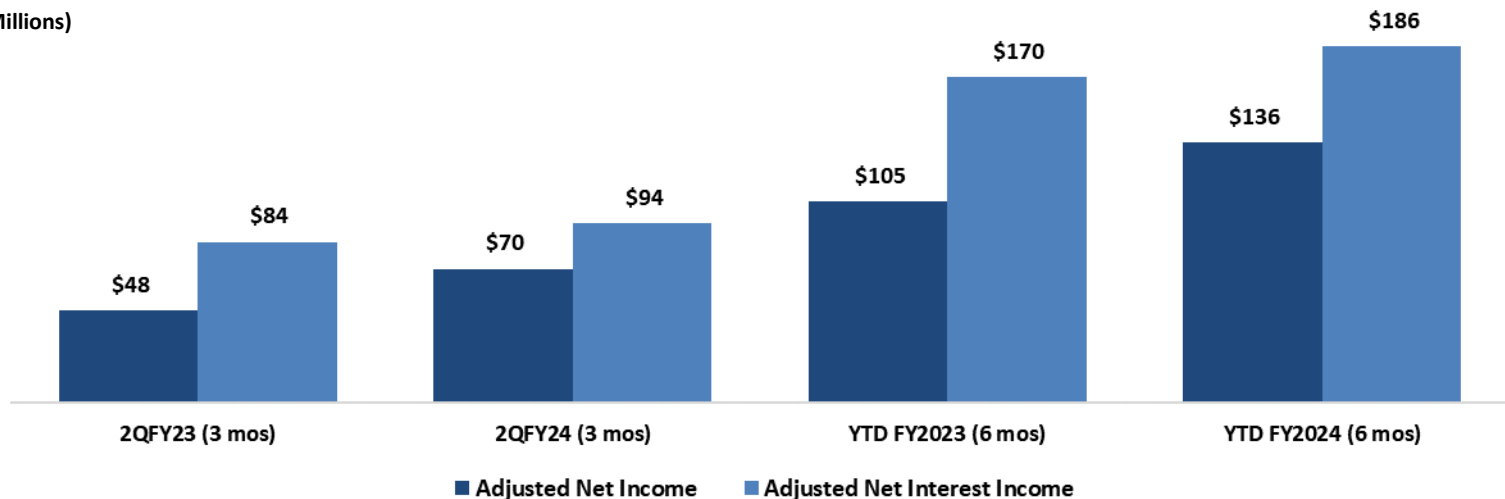


Income Statement: Solid Financial Performance

Adjusted Net Income (3mos) \$22 Million, 46% Increase; (6mos) \$31 Million, 29% Increase

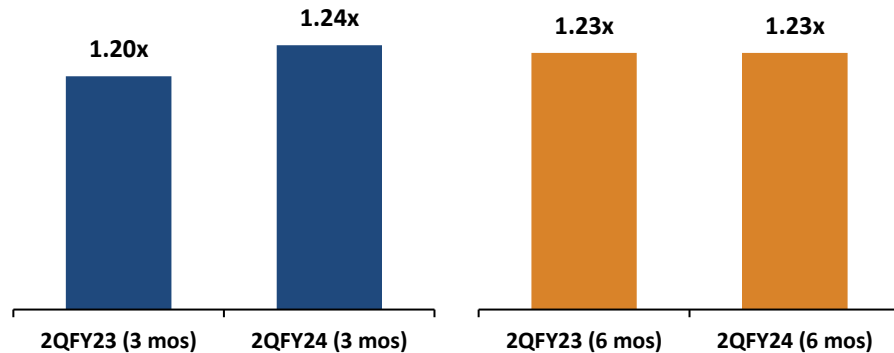
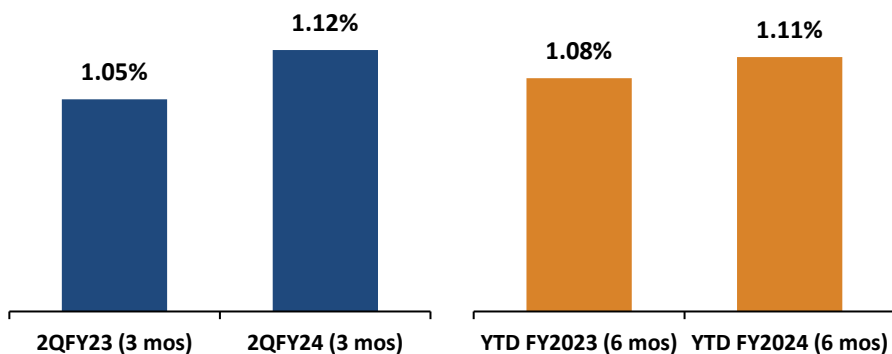
Adjusted Net Interest Income (3mos) \$10 million, 12% Increase; (6mos) \$16 Million, 10% Increase

(\$ in Millions)



Adjusted Net Interest Yield (3mos) 7bps, 7% Increase; (6mos) 3bps, 3% Increase

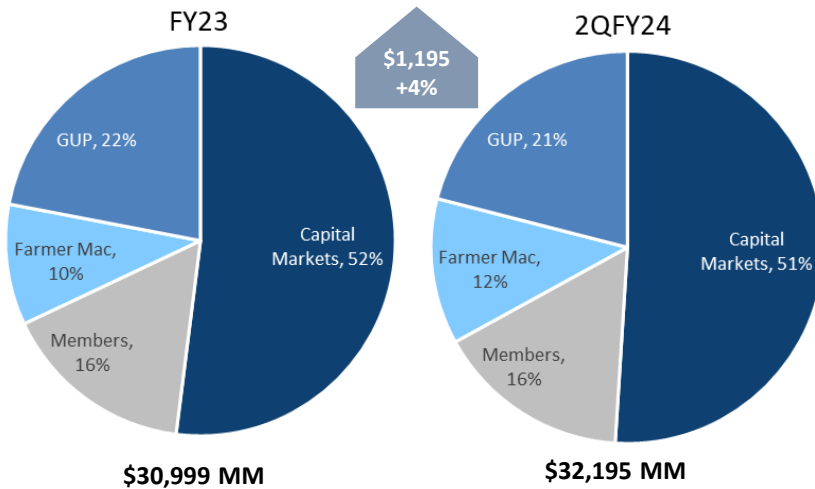
Adjusted TIER (3mos) 0.04, 3% Increase; (6mos) No Change



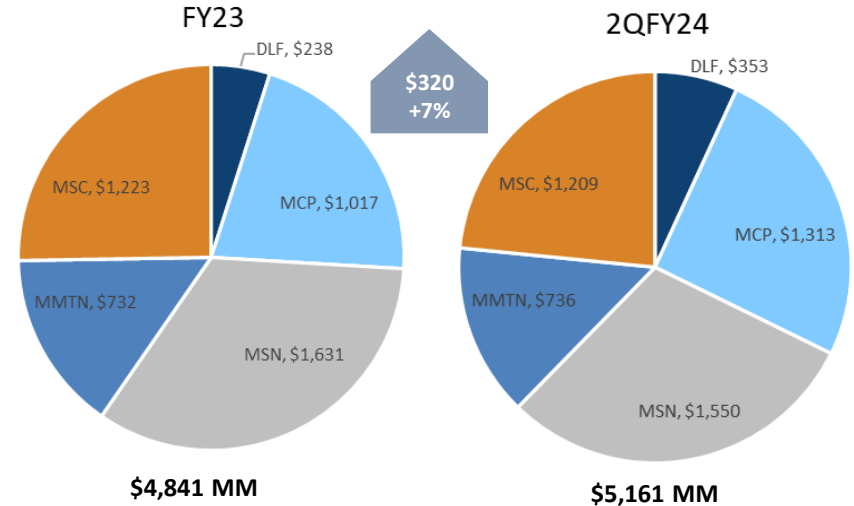
- Adjusted TIER is calculated based on adjusted net income (loss) plus adjusted interest expense for the period divided by adjusted interest expense for the period. Refer to Appendix for non-GAAP reconciliations
- Adjusted Net Interest Yield is calculated based on adjusted net interest income for the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

Debt Funding Sources: Well-Diversified Funding Mix

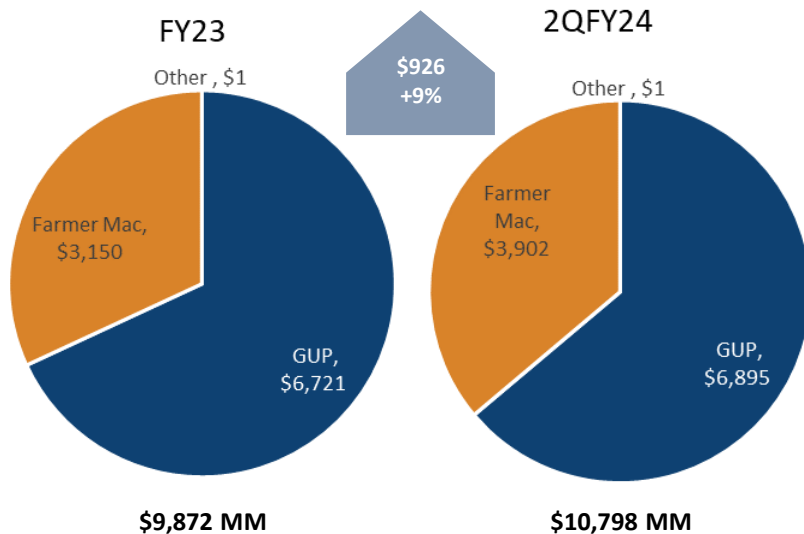
Total Debt Outstanding (\$ in Millions)



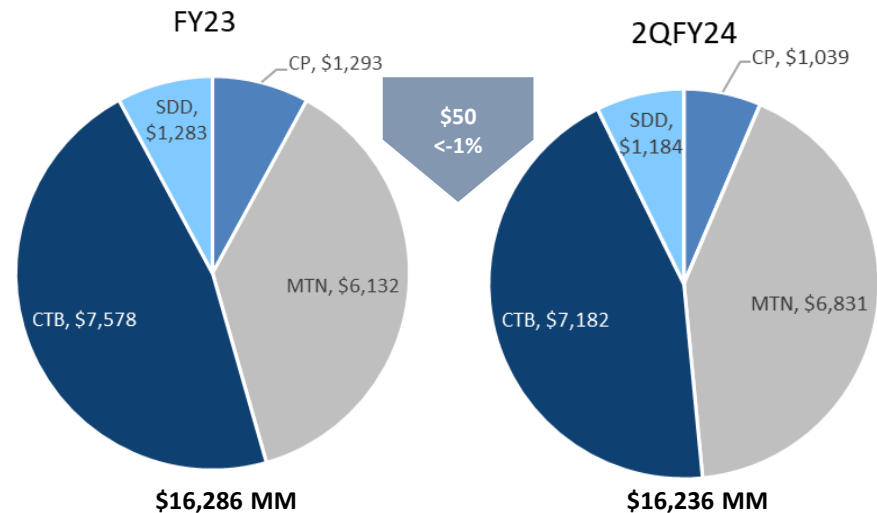
Member Investment¹ (\$ in Millions)



GUP & Farmer Mac (\$ in Millions)



Capital Markets Funding² (\$ in Millions)



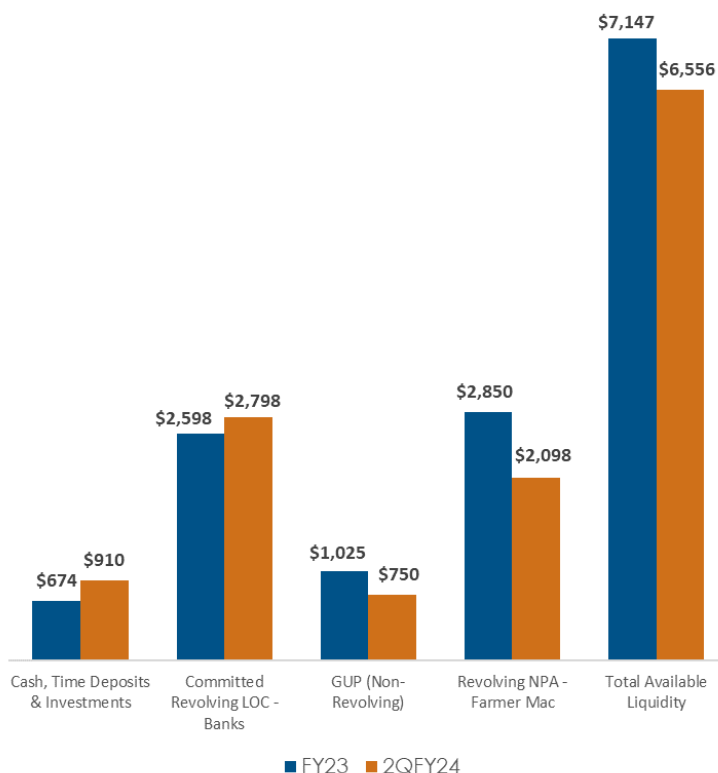
1) Abbreviations For Member Investment: Daily Liquidity Fund (DLF), Member Commercial Paper (MCP), Member Select Notes (MSN), Member Medium Term Notes (MMTN), Member Subordinated Certificates (MSC).

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)

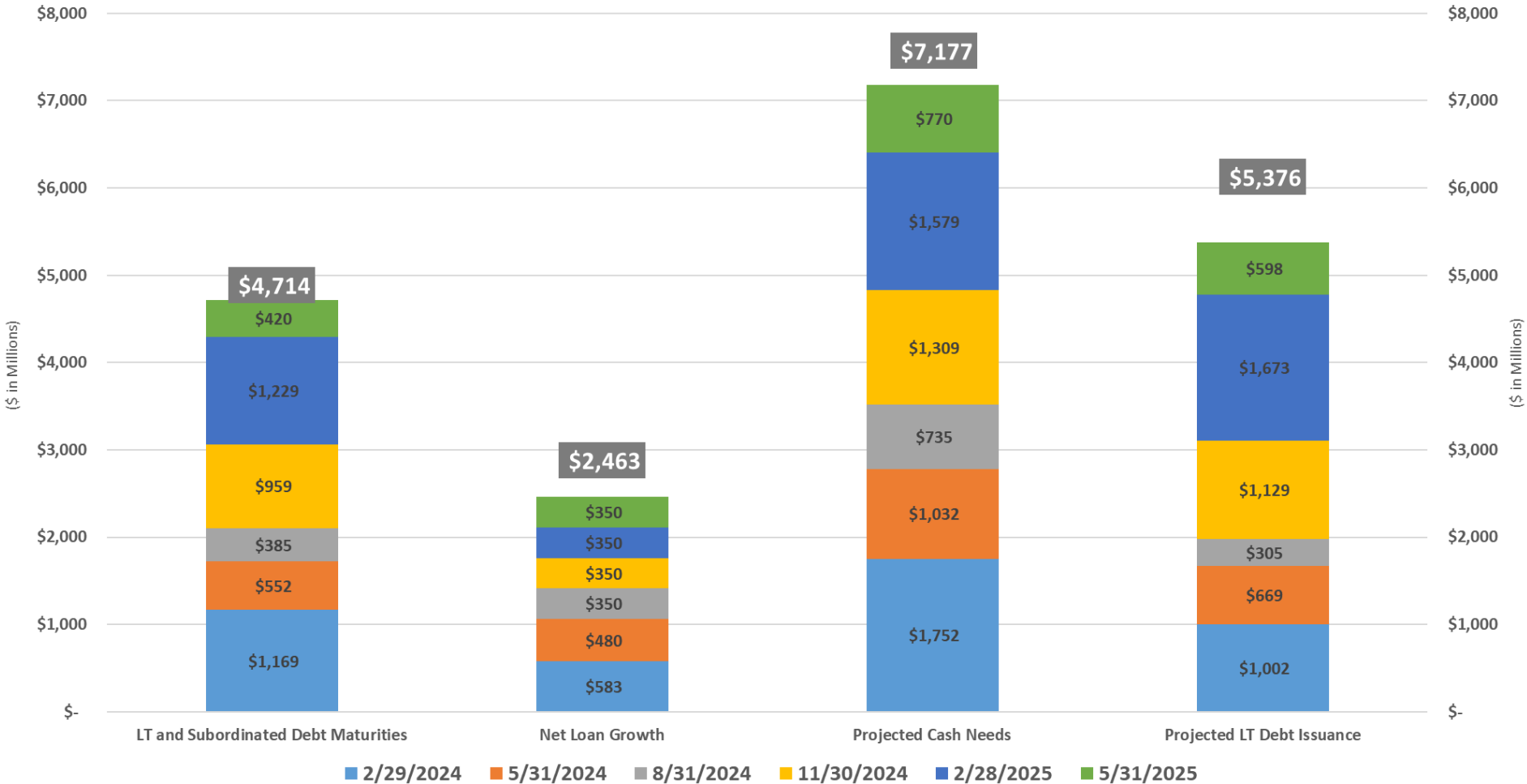
Liquidity Sources	FY23		2QFY24	
	Total	Available	Total	Available
Cash, Time Deposits & Investments	\$674	\$674	\$910	\$910
Committed Revolving LOC - Banks	\$2,600	\$2,598	\$2,800	\$2,798
GUP (Non-Revolving)	\$9,473	\$1,025	\$9,473	\$750
Revolving NPA - Farmer Mac ¹	\$6,000	\$2,850	\$6,000	\$2,098
Total Liquidity	\$18,747	\$7,147	\$19,183	\$6,556
Scheduled LT Loan Amortization and Repayments over the next 12 months				
		\$1,495		\$1,516
Total Debt Maturities over the next 12 months				
		\$6,929		\$7,380
Total Member Short-Term Investments				
		\$3,253		\$3,623
Non-member Debt and Member LT Debt Maturities				
Farmer Mac Short-Term Notes Payable		\$0		\$500
Dealer CP		\$1,293		\$1,039
Long-term and Subordinated Debt ²		\$2,383		\$2,218
Total Non-member Debt and Member LT Debt Maturities		\$3,676		\$3,757
Excess Liquidity (excluding short-term member investments)				
		\$3,471/1.9x		\$2,799/1.7x

- 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 11/30/2023)

18-month Projection for Sources and Uses of Funds*



* Refer to Page 42 of Form 10-Q for more detail

Appendix



Non-GAAP Reconciliations

Adjusted Total Liabilities and Adjusted Total Equity Details

(\$ in millions)	FY23	2QFY24
Total liabilities	\$ 31,423	\$ 32,614
Exclude:		
Derivative liabilities	115	93
Debt used to fund loans guaranteed by RUS	123	118
Subordinated deferrable debt	1,284	1,184
Subordinated certificates	1,223	1,209
Adjusted total liabilities	\$ 28,678	\$ 30,010
Total equity	\$ 2,589	\$ 2,896
Exclude:		
Period-end cumulative derivative forward value gains	343	583
Accumulated other comprehensive income attributable to derivatives	1	1
Include:		
Subordinated deferrable debt	1,284	1,184
Subordinated certificates	1,223	1,209
Adjusted total equity	\$ 4,752	\$ 4,705



Non-GAAP Reconciliations

Adjusted Net Interest Income and Adjusted Net Income Details

(\$ in millions)	2QFY23	2QFY24	YTD FY2023	YTD FY2024
Interest income	\$ 324	\$ 389	\$ 631	\$ 770
Interest expense	(245)	(324)	(455)	(640)
Include: Derivative cash settlements Interest income (expense)	5	29	(6)	56
Adjusted interest expense	(240)	(295)	461	(584)
Adjusted net interest income	\$ 84	\$ 94	\$ 170	\$ 186
Net income	\$ 190	\$ 148	\$ 351	\$ 376
Exclude: Derivative forward value gains	142	78	246	240
Adjusted Net income	\$ 48	\$ 70	\$ 105	\$ 136
Average Interest-Earning Assets	\$ 32,846	\$ 35,055	\$ 32,365	\$ 34,781

Members' Equity

(\$ in millions)	FY23	2QFY24
Members' Equity:		
Total CFC Equity	\$ 2,562	\$ 2,866
Exclude:		
Accumulated other comprehensive income	8	9
Period-end cumulative derivative forward value gains attributable to CFC	343	582
Subtotal	351	591
Member's Equity	\$ 2,211	\$ 2,275



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

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Network***