



# Investor Meeting

September 2024

# Forward-Looking Statements and Disclaimers

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.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities nor shall there be any sale of any securities in any state in which such solicitation or sale would be unlawful prior to registration or qualification of these securities under the laws of any such state. National Rural Utilities Cooperative Finance Corporation (the "Company" of "CFC") has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (the "SEC") with respect to which this communication relates. Before investing in any securities that the Company may offer, you should read the prospectus in that registration statement and the other documents the Company has filed with the SEC for more complete information about the Company and any potential offering. You may get these documents for free by visiting EDGAR on the SEC website at <http://www.sec.gov>. Alternatively, by calling collect the Company at 800-424-2954 or any underwriter or any dealer participating in any offering will arrange to send you the prospectus and the related prospectus supplement if you request it.



# Non-GAAP Financial Measures and Market Data

The information in this presentation includes non-GAAP financial measures. Please refer to our Form 10-K for the Fiscal Year ended May 31, 2024, as filed with the SEC, to find what we consider the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") and 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. Market data and industry forecasts are used in this presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information. Certain figures have been rounded for ease of presentation and may not sum due to rounding.



# Table of Contents

CFC: Created and Owned by America's Rural Electric  
Cooperative Network

- A Business Overview**
- B Financial Highlights**
- C Funding & Liquidity**
- D Appendix**

# BUSINESS OVERVIEW

September 2024

*Leadership*

*Service*

*Accuracy*



*Personal and Professional Development*  
*Serving in Excel Customer Service*

*Personal Accountability*

*Integrity*





# About CFC

Created and Owned by America's Rural Electric  
Cooperative Network

“

CFC is the largest private lender  
in the electric cooperative industry.

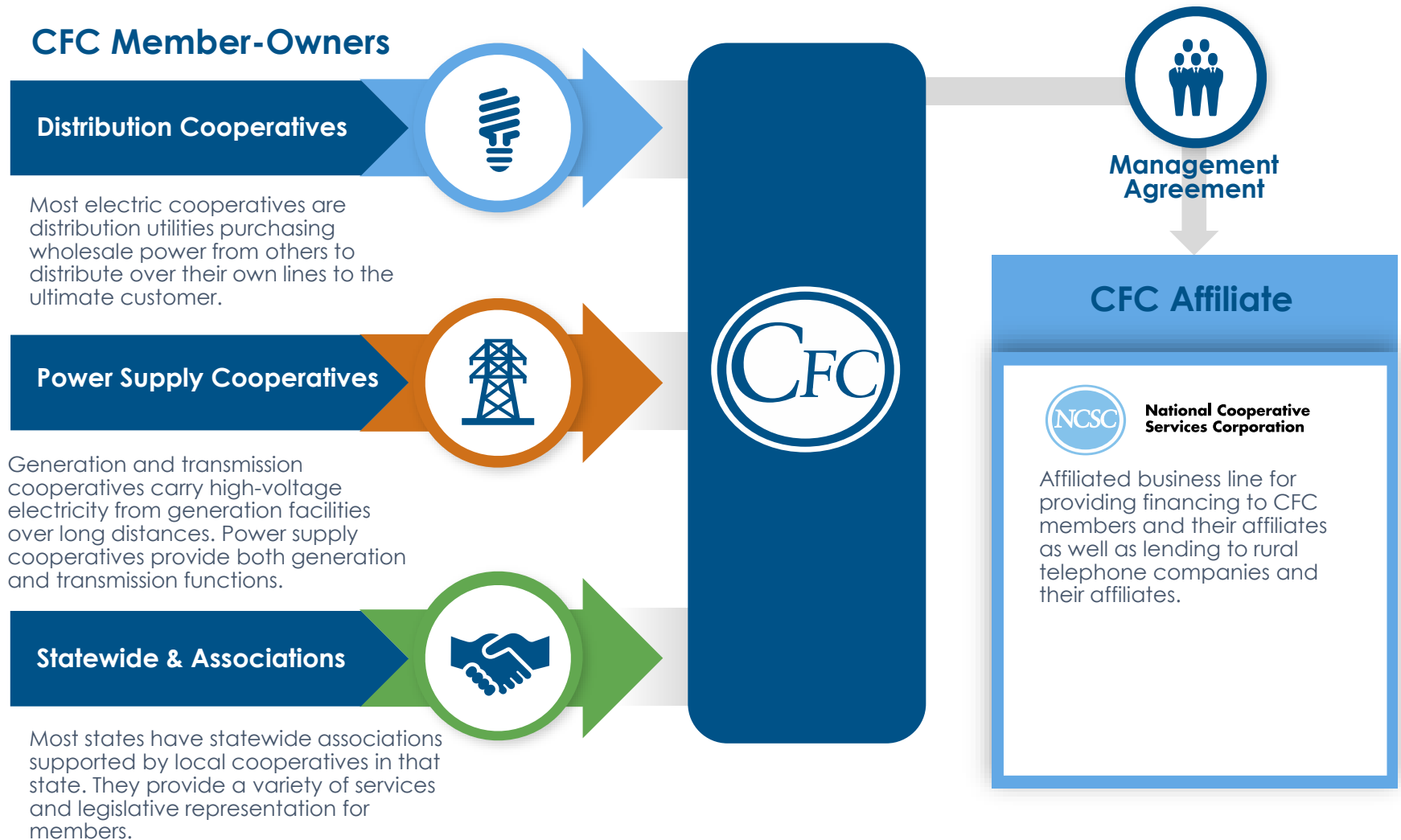
”

<b>Formed</b>	1969
<b>Entity Type</b>	Tax-exempt, member-owned cooperative.
<b>Ownership</b>	Created, owned and governed by rural electric cooperatives.
<b>Headquarters</b>	Dulles, Virginia.
<b>Mission</b>	Meet the financing and strategic services needs of the rural electric cooperative network today, tomorrow and into the future.
<b>Total Loans, Gross<sup>1</sup></b>	\$34.5 Billion
<b>Total Assets<sup>1</sup></b>	\$36.2 Billion
<b>Membership<sup>1</sup></b>	Primarily 842 electric distribution cooperatives and 68 power supply cooperatives



1) As of 5/31/2024

# Company Overview



# Credit Ratings & Debt Instruments\*

DEBT INSTRUMENT	FitchRatings	MOODY'S	S&P Global
	Ratings Outlook → Stable Last Credit Opinion → 9/19/24	Stable 2/21/24	Stable 12/7/23
<b>COLLATERAL TRUST BONDS</b> Offer a direct pledge of electric distribution mortgage notes.	A+	A1	A-
<b>MEDIUM TERM NOTES &amp; INTERNOTES</b> Offer a direct general corporate obligation of CFC.	A	A2	A-
<b>SUBORDINATED NOTES</b> Offer a direct general corporate obligation of CFC; obligations are subordinated to other senior debt but senior to CFC's members' subordinated certificates.	BBB+	A3	BBB
<b>COMMERCIAL PAPER</b> Offer a direct general corporate obligation of CFC with backup lines of credit provided by a group of banks.	F1	P-1	A-2
<b>GUARANTEE OF TAX-EXEMPT BONDS</b> CFC acts as guarantor and a stand-by liquidity provider.	A/F1	A2/P-1	A-/A-2



\* Note: A Securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.



# Collateral Trust Bonds (CTBs)

Secured by the pledge of permitted investments and eligible senior secured mortgage notes from distribution system borrowers.

Principal amount of eligible mortgage notes pledged must be in an amount at least equal to the outstanding principal amount of CTBs.

## TRUSTEE

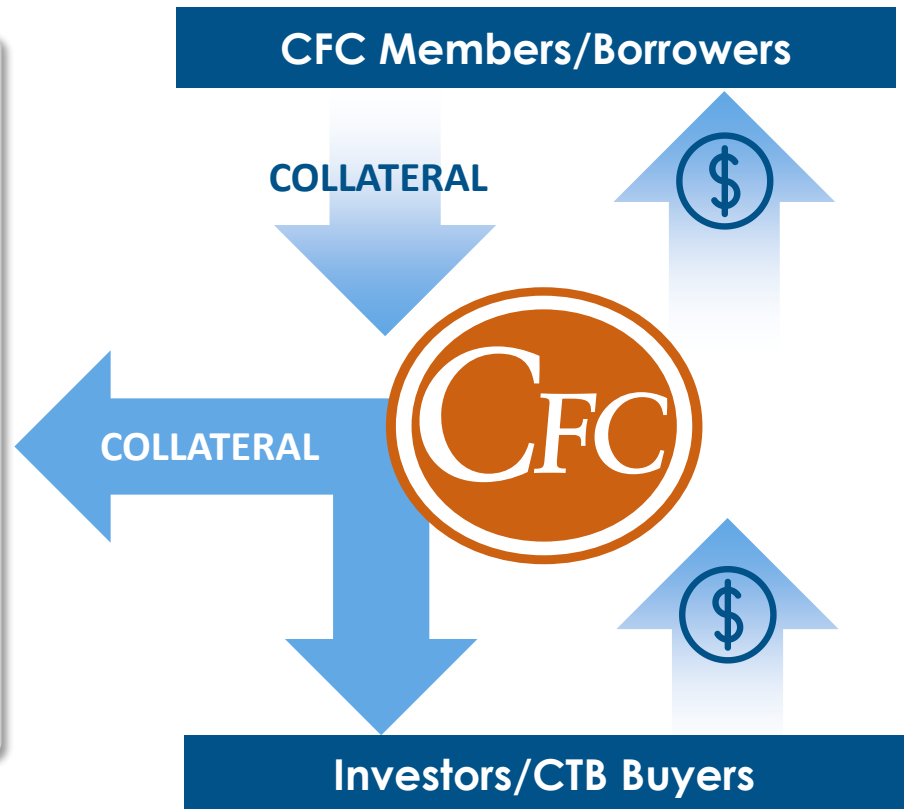
(US Bank Trust Company, National Association)

### Description of Collateral

**Electric distribution cooperative senior secured mortgage notes:**  
**Lien on all utility assets, a pledge of revenue and after acquired property.**

#### Eligible Mortgage Notes Criteria:

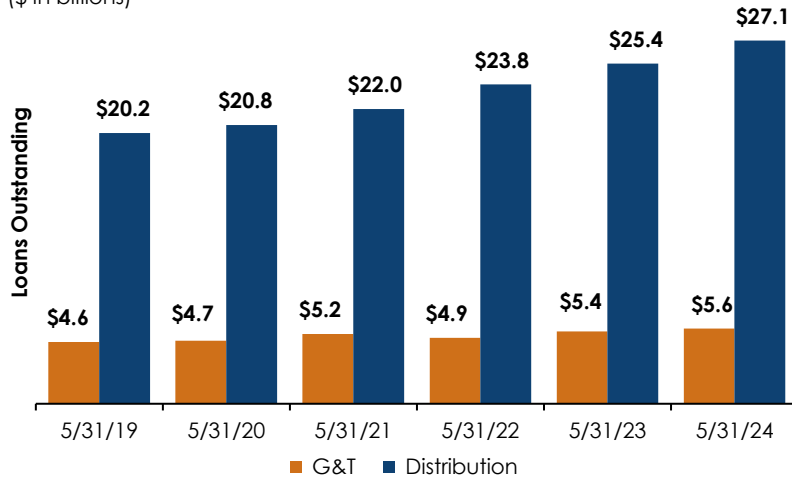
- The borrower must be performing and in good standing with CFC
- Notes of distribution members where 50% or more of the operating revenues are derived from direct sales of electricity
- Distribution members having equity ratios of at least 20% and average debt service coverage ratios of at least 1.35x
- All eligible mortgage notes of any one member cannot exceed 10% of the aggregate amount of all eligible collateral



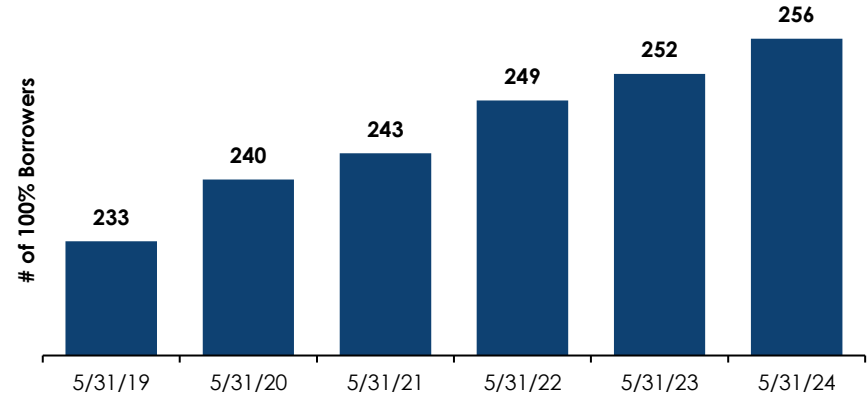
# Focus on Electric Lending – Largest Private Lender

CFC Loans Outstanding <sup>1</sup>

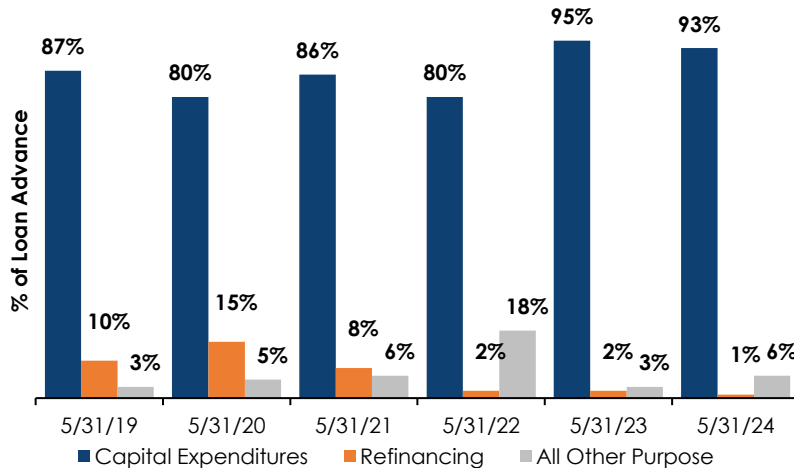
(\$ in billions)



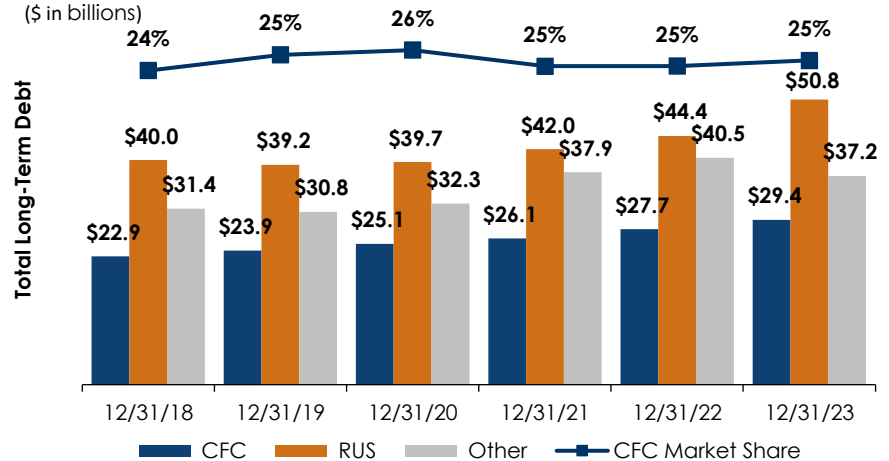
CFC 100% Class A Borrowers <sup>3</sup>



CFC Long-Term Loan Advances by Purpose



Electric Cooperatives Total Long-Term Debt by Lender <sup>2</sup>



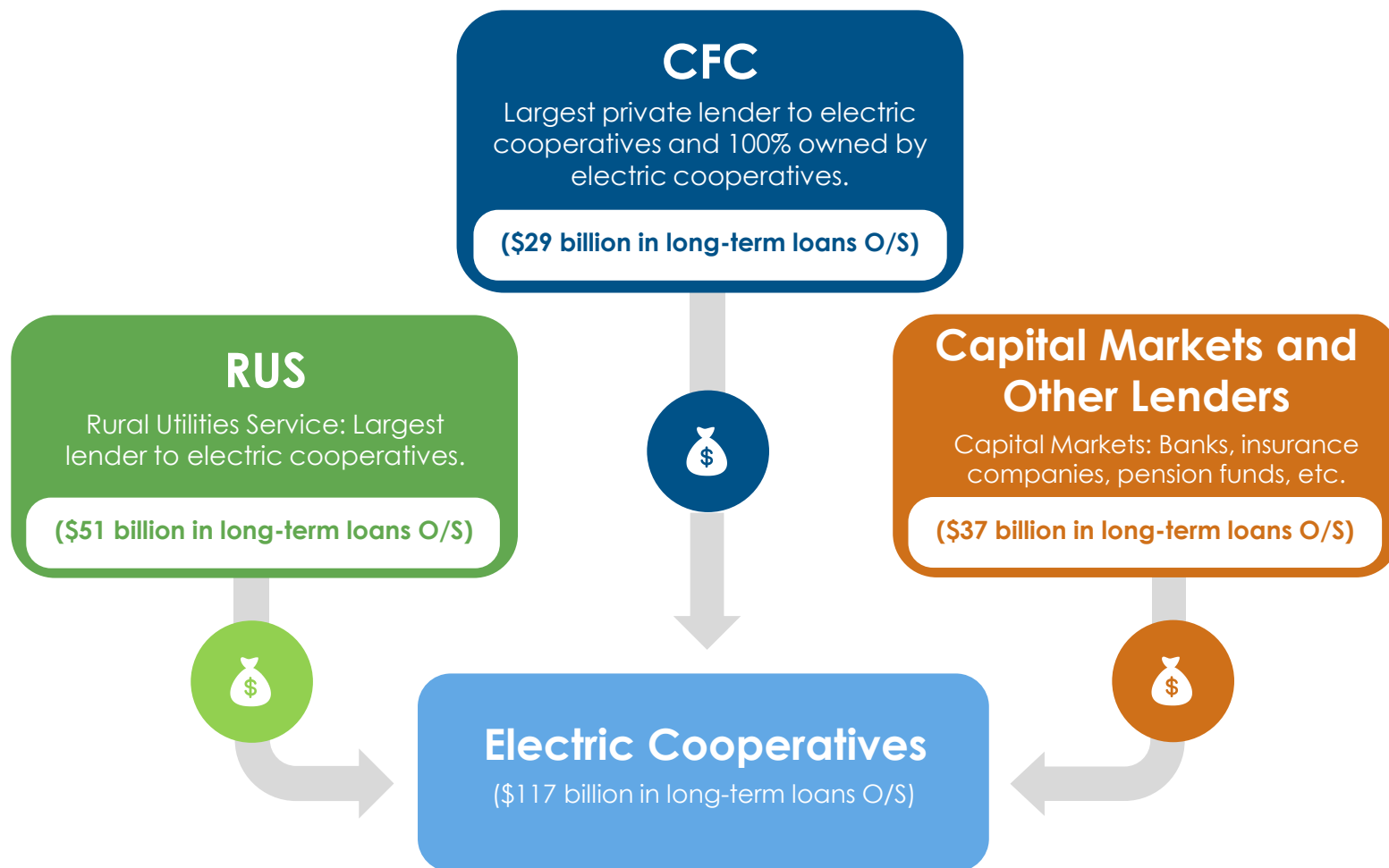
<sup>1</sup> Amounts do not include loans to Distribution and G&T borrowers in NCSC loan portfolio.

<sup>2</sup> Amounts for debt held by RUS and other lenders are based on member-provided information. Source FY2024 10-K

<sup>3</sup> Class A Borrowers consist of Distribution members

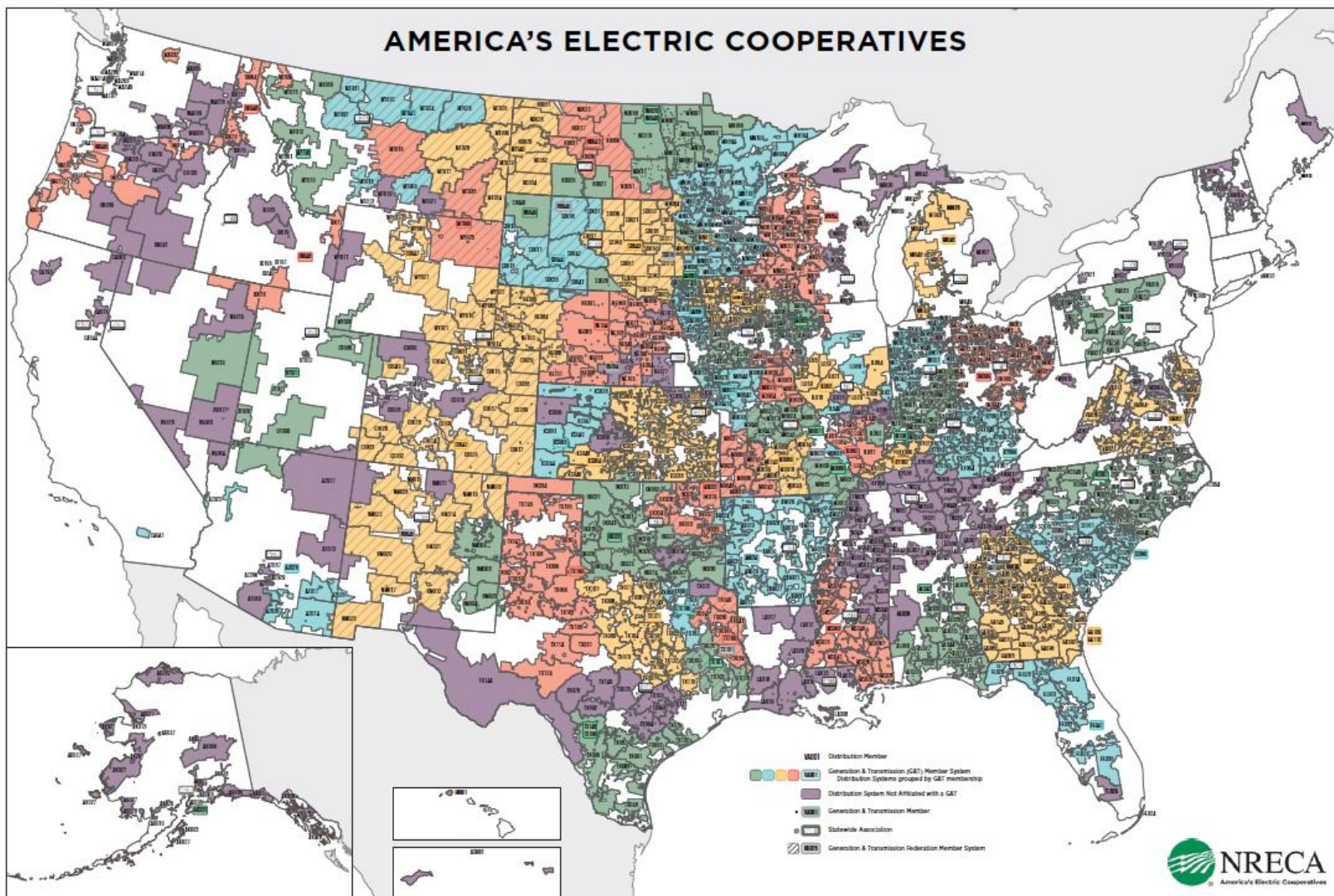
# Electric Cooperative Lending Landscape

Data as of 5/31/2024; reported amounts are based on 10-K information.



# Distribution Cooperative Members

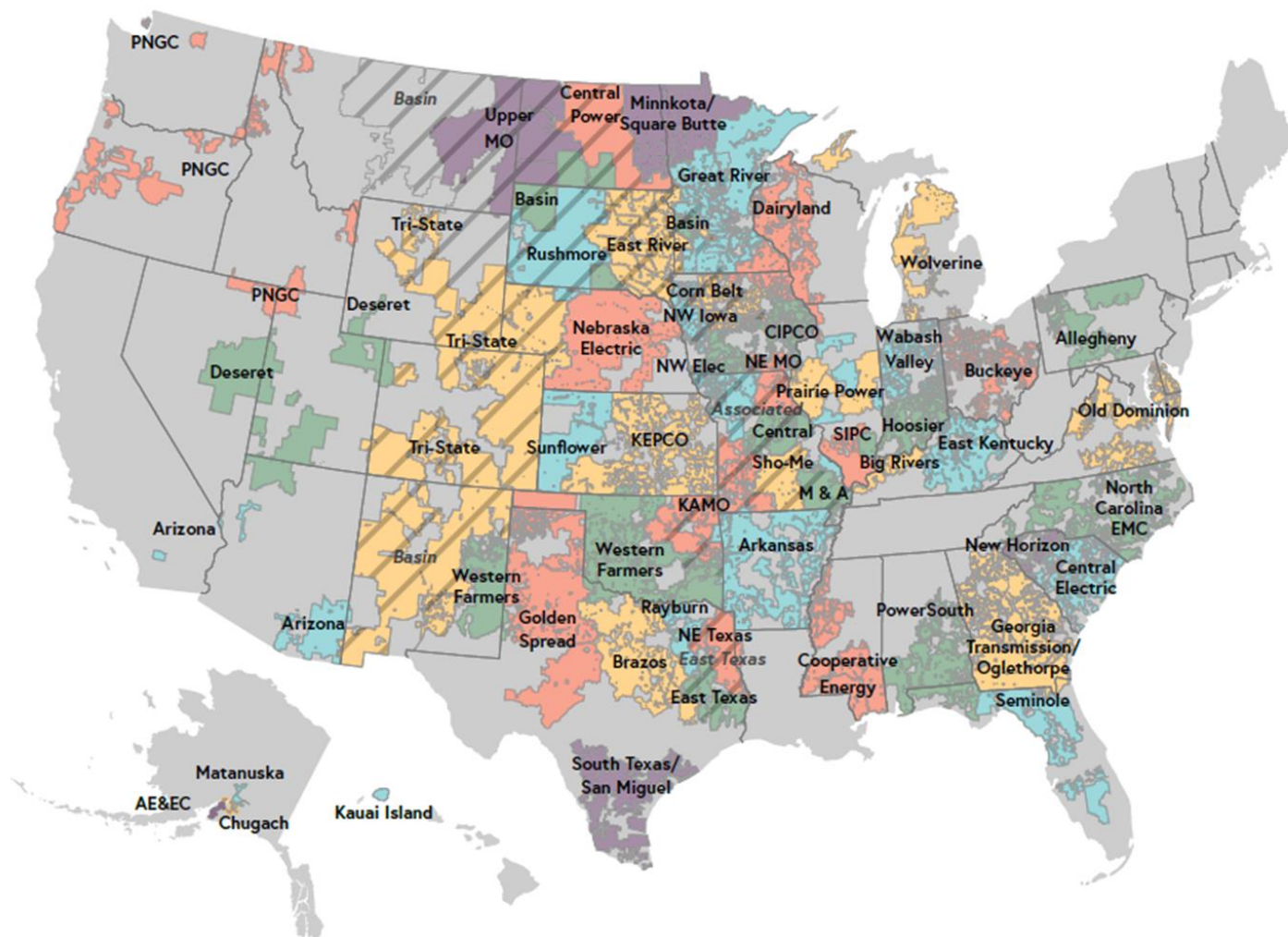
842 Distribution Members as of 5/31/2024





# Generation & Transmission Cooperative Members

68 G&T Members as of 5/31/2024



REV: May 2022

Copyright © 2022 by the National Rural Electric Cooperative Association. All Rights Reserved.



Source: NRECA 2022



# Consolidated Loans Outstanding by State & Territory at May 31, 2024

State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Texas	\$5,768,541	16.71%	67
Missouri	\$1,970,898	5.71%	43
Georgia	\$1,928,968	5.59%	41
Colorado	\$1,856,131	5.37%	27
Florida	\$1,371,889	3.97%	21
Indiana	\$1,335,402	3.87%	41
Arkansas	\$1,300,777	3.77%	23
Oklahoma	\$1,146,034	3.32%	27
Kansas	\$1,132,115	3.28%	27
Alaska	\$1,102,280	3.19%	16
Illinois	\$1,077,578	3.12%	29
South Carolina	\$967,266	2.80%	22
North Carolina	\$937,980	2.72%	26
Alabama	\$903,850	2.62%	23
Kentucky	\$885,890	2.56%	22
North Dakota	\$859,671	2.49%	16
Iowa	\$823,010	2.38%	37
Mississippi	\$702,725	2.04%	22
Ohio	\$691,210	2.00%	26
Wisconsin	\$657,260	1.90%	27
Michigan	\$654,702	1.90%	10
Minnesota	\$647,409	1.87%	44
Pennsylvania	\$604,228	1.75%	15
Louisiana	\$580,074	1.68%	9
Maryland	\$517,462	1.50%	2
= Top 10 State - FY23-24 Loan Growth			

State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Arizona	\$445,663	1.29%	10
Oregon	\$419,733	1.22%	20
Virginia	\$408,405	1.18%	18
Tennessee	\$328,361	0.95%	22
Wyoming	\$327,877	0.95%	10
Washington	\$301,138	0.87%	10
Montana	\$297,348	0.86%	22
South Dakota	\$257,253	0.74%	28
Utah	\$225,337	0.65%	4
Nevada	\$204,211	0.59%	7
New Hampshire	\$181,263	0.52%	2
New York	\$130,570	0.38%	16
Idaho	\$116,385	0.34%	10
Hawaii	\$82,646	0.24%	2
Delaware	\$61,534	0.18%	3
Massachusetts	\$60,000	0.17%	1
New Mexico	\$54,431	0.16%	10
Vermont	\$51,192	0.15%	4
Nebraska	\$40,151	0.12%	10
California	\$37,165	0.11%	4
New Jersey	\$23,943	0.07%	2
Maine	\$20,493	0.06%	3
West Virginia	\$10,246	0.03%	2
Washington DC	\$10,167	0.03%	1
Rhode Island	\$9,324	0.03%	1
<b>Total</b>	<b>\$34,528,184</b>	<b>100.00%</b>	<b>885</b>

## Top 10 States - FY23-24 Loan Growth

State/Territory	FY23-FY24 Loan Growth (\$ in 000s)	% of FY24 Total Loan Growth
Texas	\$239,738	11.93%
Arkansas	\$197,509	9.83%
Georgia	\$176,591	8.79%
Colorado	\$159,179	7.92%
Missouri	\$155,120	7.72%
South Carolina	\$142,991	7.12%
Illinois	\$94,765	4.72%
Michigan	\$93,391	4.65%
Alabama	\$89,651	4.46%
Indiana	\$87,574	4.36%
All Other States	\$523,951	28.49%
<b>Total Loan Growth</b>	<b>\$2,008,835</b>	<b>100.00%</b>

## Loans Outstanding to 20 Largest Borrowers

	Amount	% of Total
Loans Outstanding	\$6.851 billion	20%
(Less Loans covered under Farmer Mac Agreement)	(\$226 million)	-1%
<b>Net Loans Outstanding Exposure</b>	<b>\$6.625 billion</b>	<b>19%</b>



# CFC Capital Structure

As of 5/31/2024

**All of CFC's Members' Subordinated Certificates are subordinated to all CFC senior secured, senior unsecured and nonmember subordinated debt issuances.**



Senior Secured Debt (o/s) (including Collateral Trust Bonds, Farmer Mac Notes, GUP Notes)

**\$17,095 million**

Senior Unsecured Debt (o/s) (including Medium Term Notes, Commercial Paper, Daily Liquidity Funds, Select Notes, other debt)

**\$13,138 million**

Subordinated Deferrable Notes (o/s)

**\$1,287 million**

Members' Subordinated Certificates (o/s): Membership Subordinated Certificates (**\$629 million**), Loans & Guarantee Subordinated Certificates (**\$323 million**), Member Capital Securities (**\$246 million**)

**\$1,198 million**

Members' Equity

**\$2,387 million**

**\$3.6**  
billion of  
cushion



# CFC Corporate Responsibility

CFC's LEED Gold-certified building and 42-acre ecofriendly campus serve as CFC's headquarters. CFC has recently installed electric charging stations at our headquarters.



**\$243 Million**  
contributed to  
REDL&G<sup>1</sup> over  
the past  
20 years.



**Member  
Education**  
through  
webinars and  
published CFC  
corporate  
responsibility  
content.



**Sustainability  
Bonds**  
proceeds fund  
loans for rural  
broadband and  
renewable energy  
projects.



**Corporate  
Citizenship  
Report**  
published in  
May 2024.



**Sustainability  
Bond Report**  
published in  
August 2021 and  
2023.



1) Rural Economic Development Loan & Grant Programs (REDL&G)



# FINANCIAL HIGHLIGHTS

September 2024

# FY24 Financial Highlights

(as of May 31, 2024, unless otherwise noted)



## Growing Balance Sheet

- Loans to members totaled \$34.5 billion, a \$2.0 billion or 6% increase from FYE23
- Mainly long-term, fixed-rate, secured utility loans

## High Quality Loan Portfolio



- Historically limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies
- Geographically diverse borrower base with 98% loans to electric utilities



## Strong Financial Metrics

- Adjusted TIER of 1.24x for FY2024
- Nearly \$2.4 billion Members' equity

## Diverse Funding Sources & Healthy Liquidity



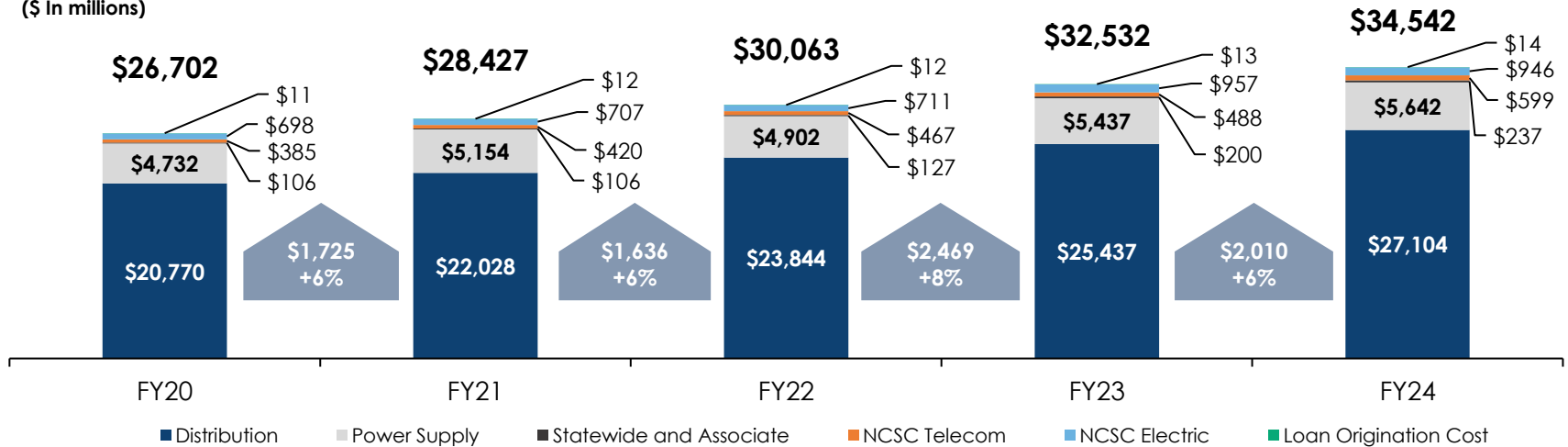
- Diversified liquidity sources supported by cash, investments, committed bank lines, Guaranteed Underwriter Program (GUP), Farmer Mac, and repo facilities



# Loans to Members: Robust Loan Growth

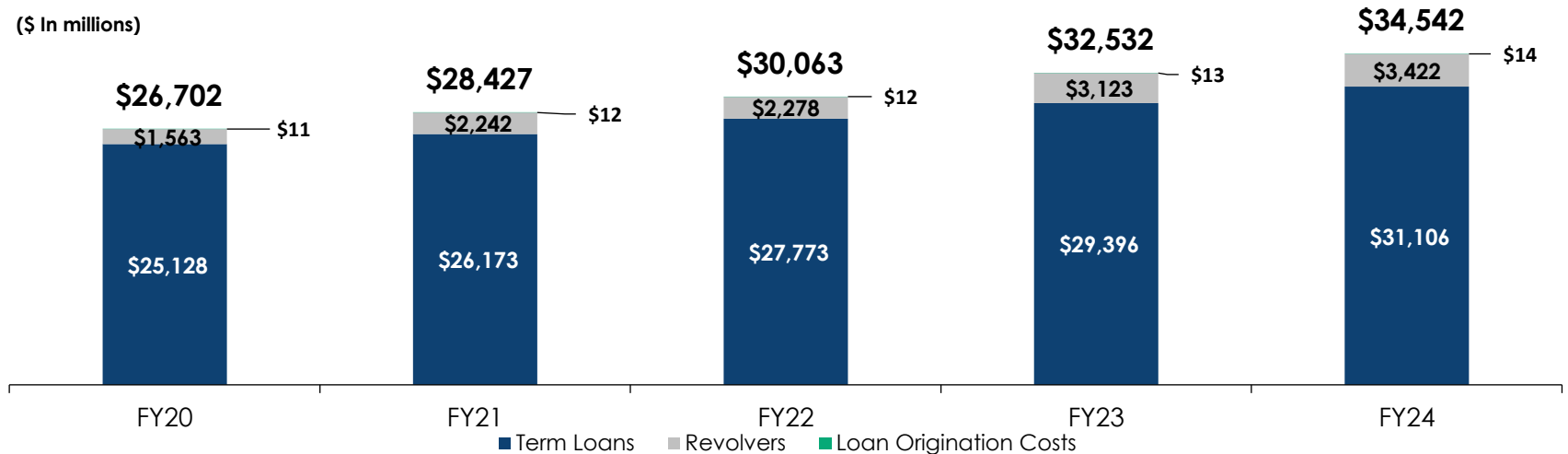
## Loans to Member by Member Class

(\$ In millions)



## Loans to Member by Type

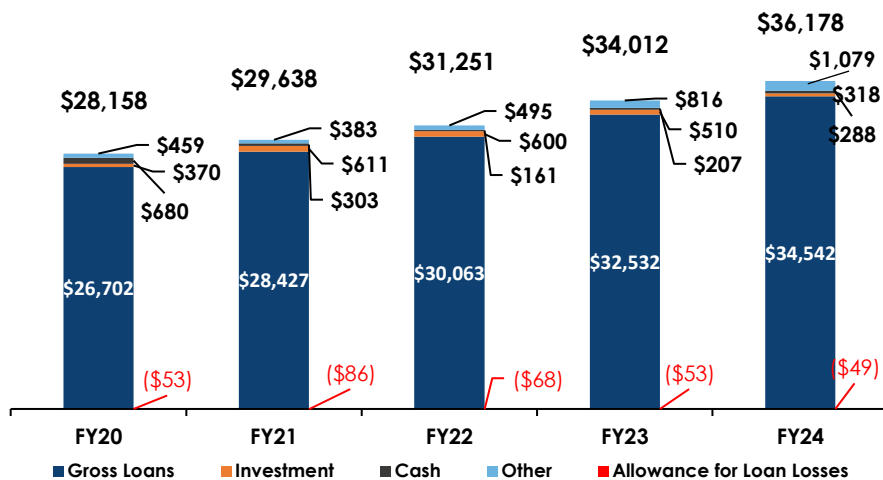
(\$ In millions)



# Balance Sheet: Strong, Sound Capital Structure

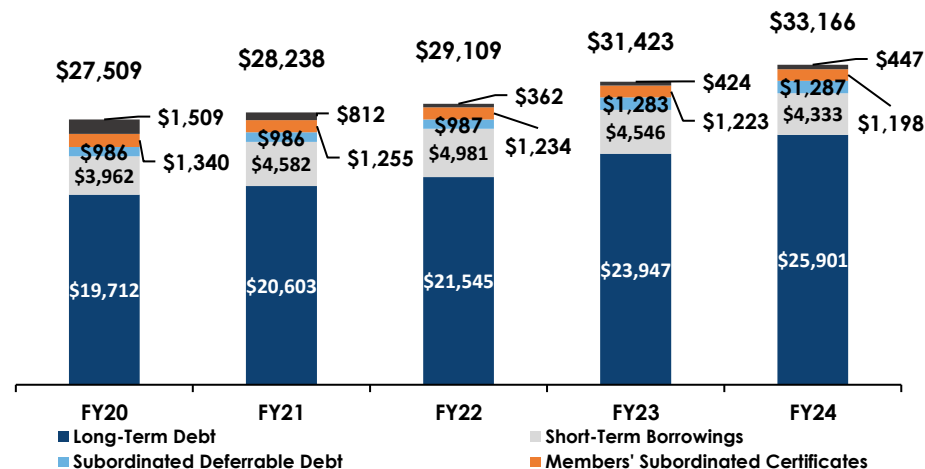
## Total Assets (\$ in Millions)

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



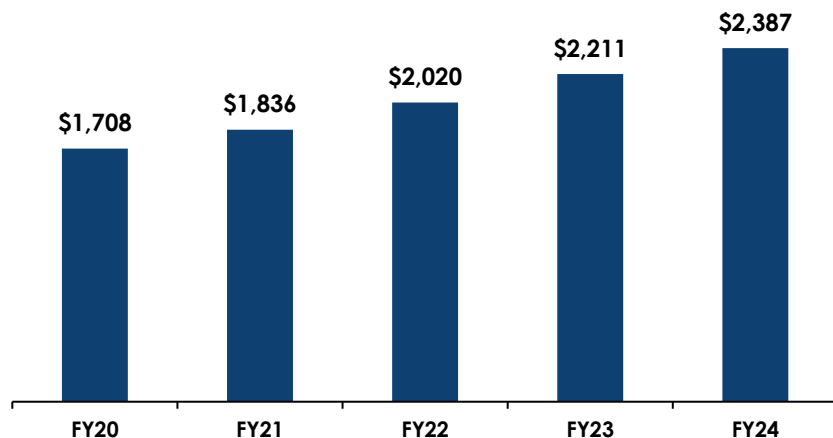
## Total Liabilities (\$ in Millions)

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



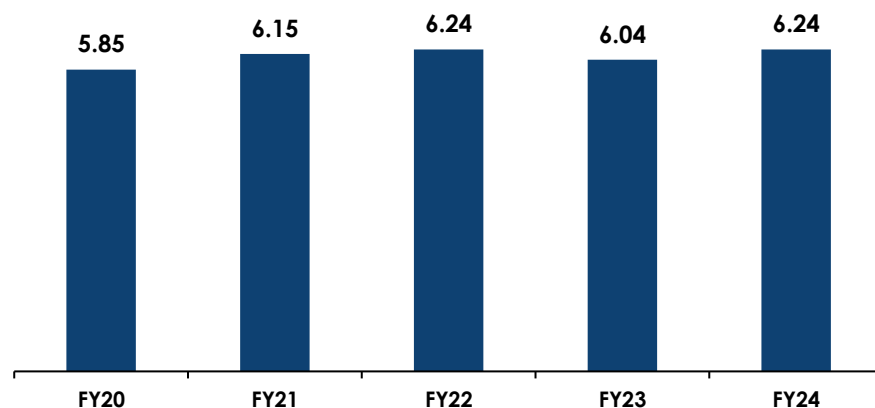
## Members' Equity (\$ in Millions) <sup>1</sup>

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



## Adjusted Debt-to-Equity Ratio

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

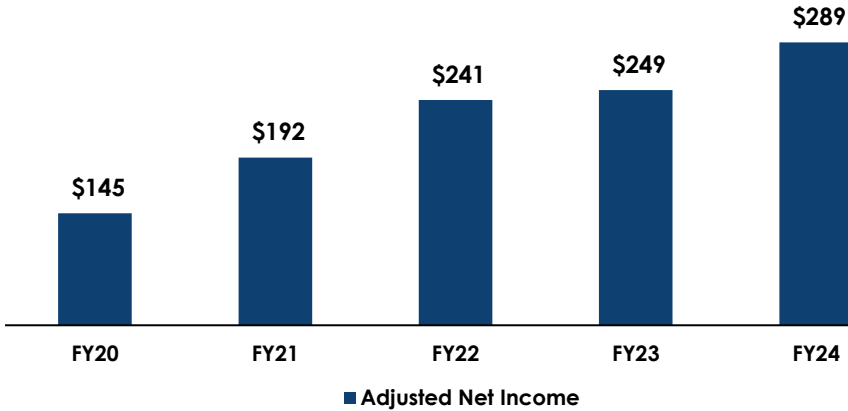


1) Refer to Appendix for non-GAAP reconciliations

# Income Statement: Solid Financial Performance

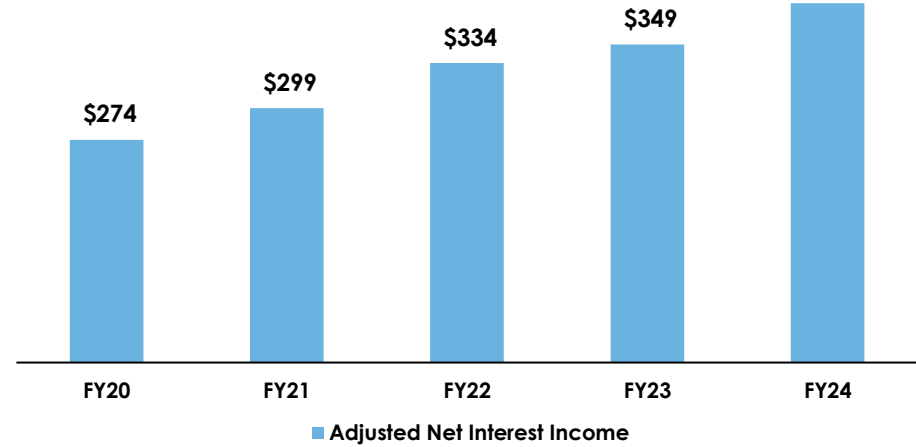
Adjusted Net Income: \$144 Million, 99% Increase from FY2020 to FY2024

(\$ in Millions)

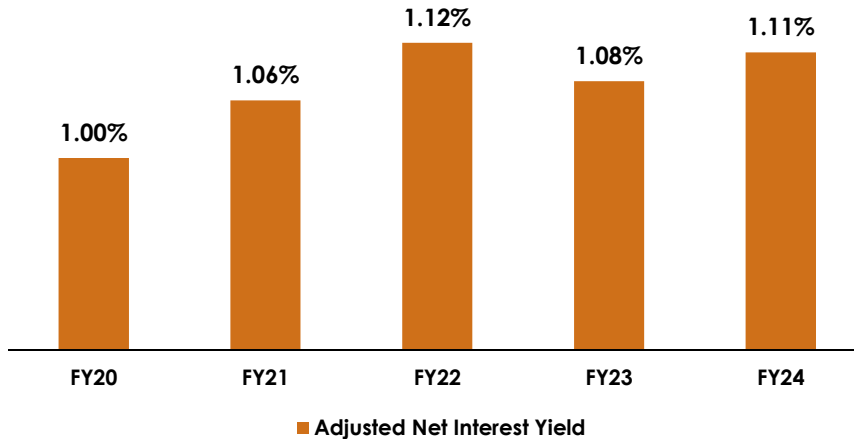


Adjusted Net Interest Income: \$107 million, 39% Increase from FY2020 to FY2024

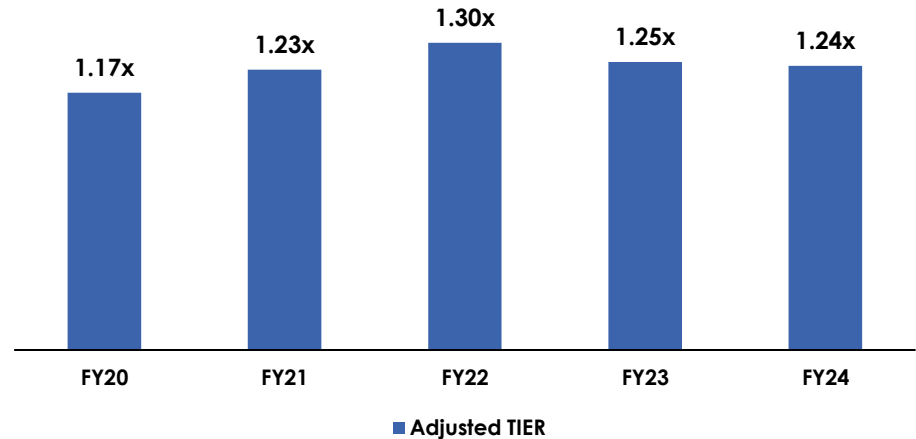
(\$ in Millions)



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



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

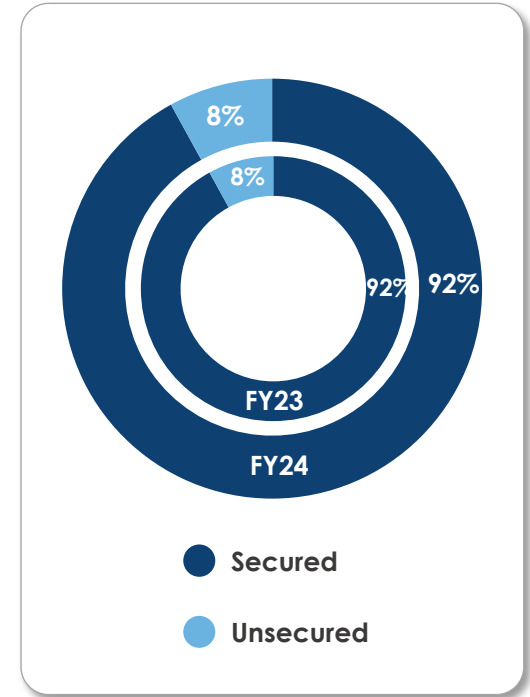
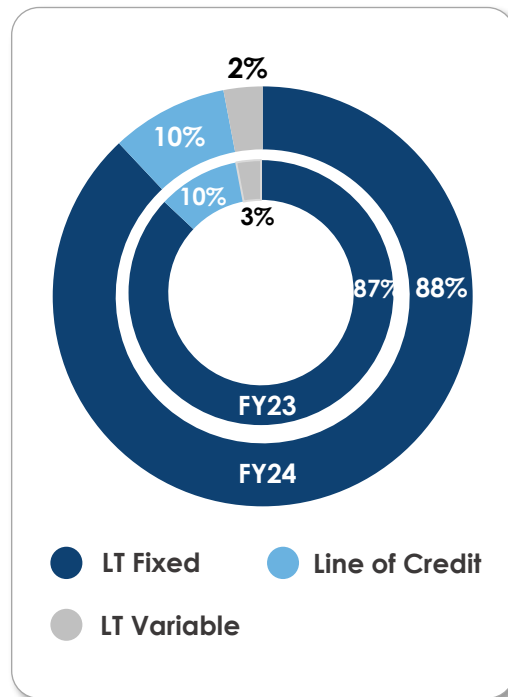
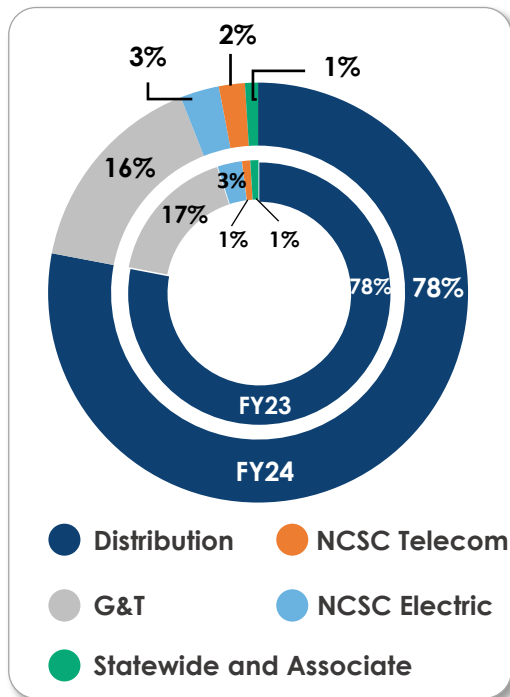


- Adjusted TIER is calculated based on adjusted net income (loss) plus adjusted interest expense for the period divided by adjusted interest expense for the period. Refer to Appendix for non-GAAP reconciliations.
- Adjusted Net Interest Yield is calculated based on adjusted net interest income for the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

# 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.



Charts are percentage of total loan portfolio

# Credit Performance



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

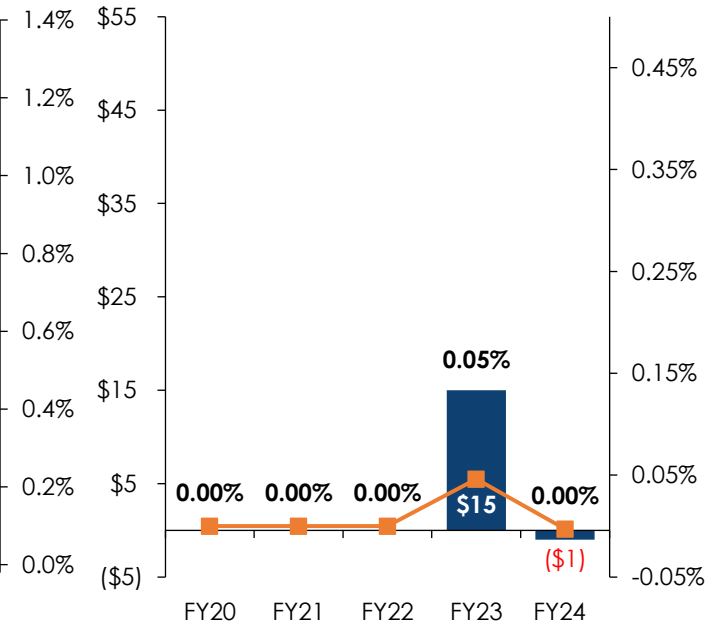
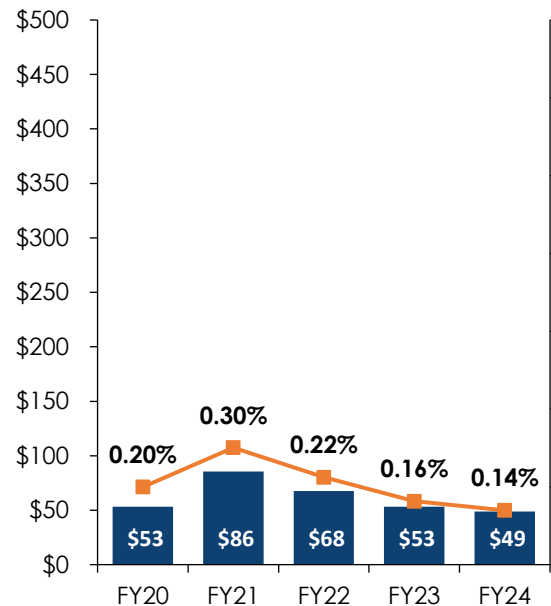
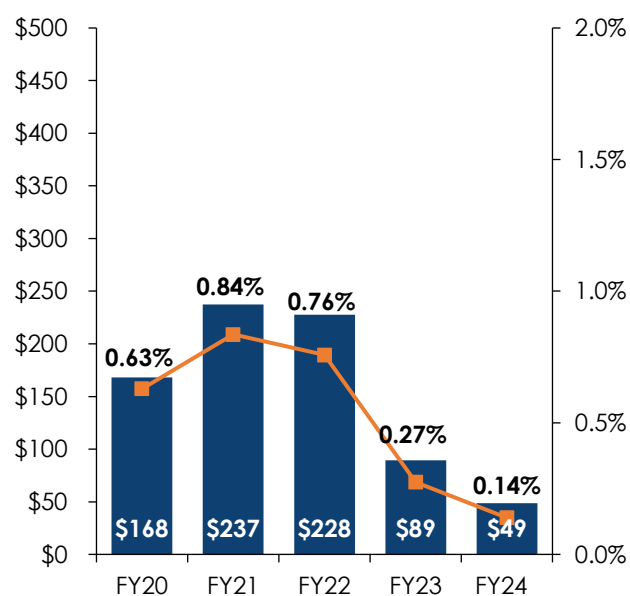
Electric Portfolio: 18 defaults and 8 losses with cumulative net charge-offs of \$100 million in 55-year history.



**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)**



■ Nonperforming Loans

■ Allowance for Credit Losses

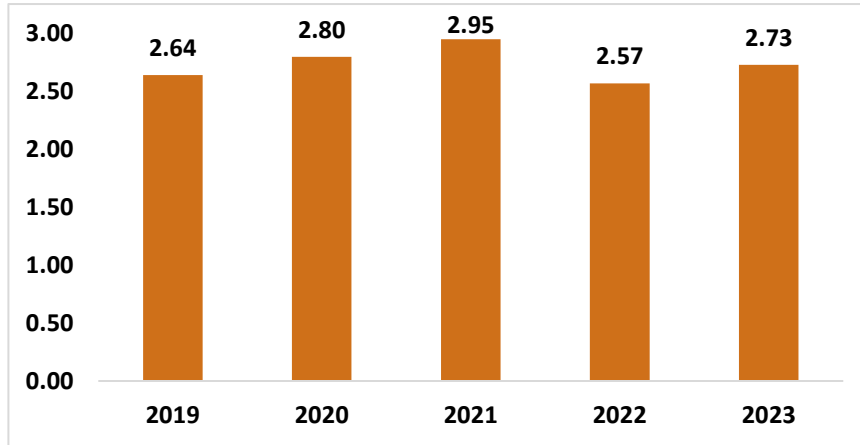
■ Net Charge-Offs (Recoveries)



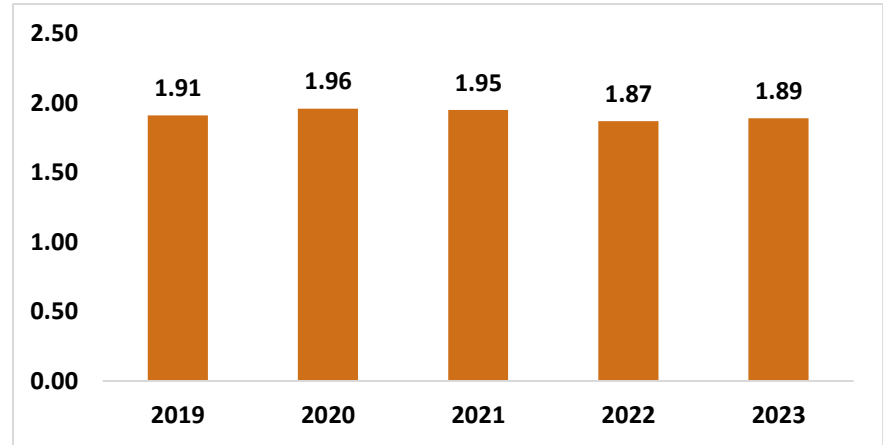


# Electric Distribution Cooperatives Credit Strength

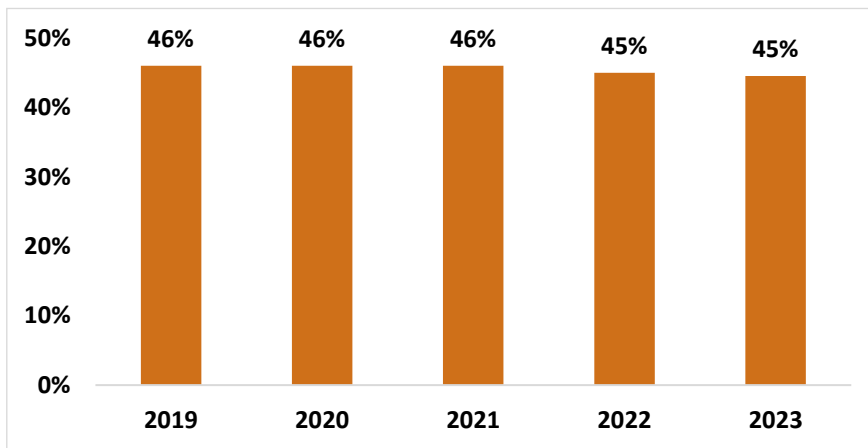
TIER



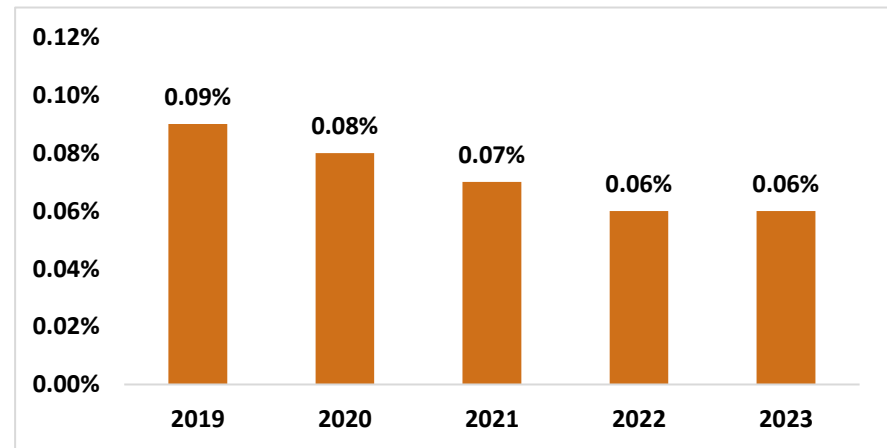
Modified DSC



Equity as a % of assets



Amount Written Off as a % of Operating Revenue



---

# FUNDING & LIQUIDITY

September 2024

---



# Funding Strategy

## Member Investments

Attract additional and retain existing investments from members.

## Dealer CP Issuance

Minimize wholesale funding risk by maintaining dealer CP balance in the range of \$1 billion to \$1.5 billion at each fiscal quarter-end.

## CTB and MTN Issuance

Strategically balance between secured and unsecured issuances

## InterNotes Issuances

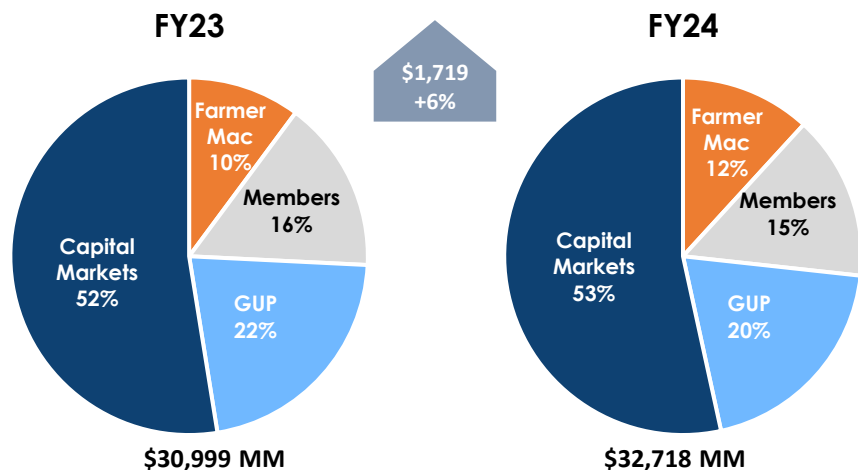
Target retail investors through postings via InspereX platform.

## GUP & Farmer Mac Issuance

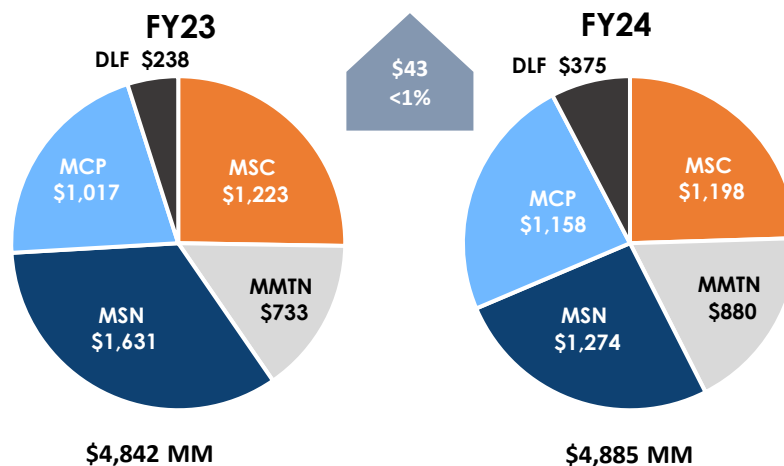
Maintain flexibility and preserve availability.

# Debt Funding Sources: Well-Diversified Funding Mix

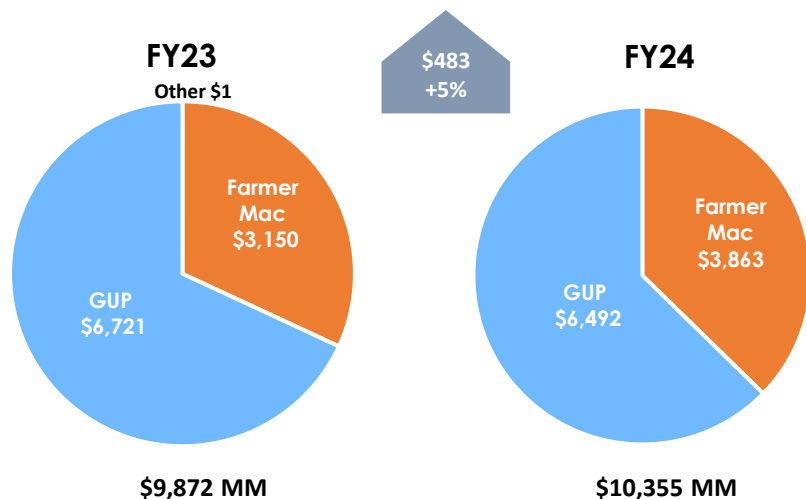
Total Debt Outstanding (\$ in Millions)



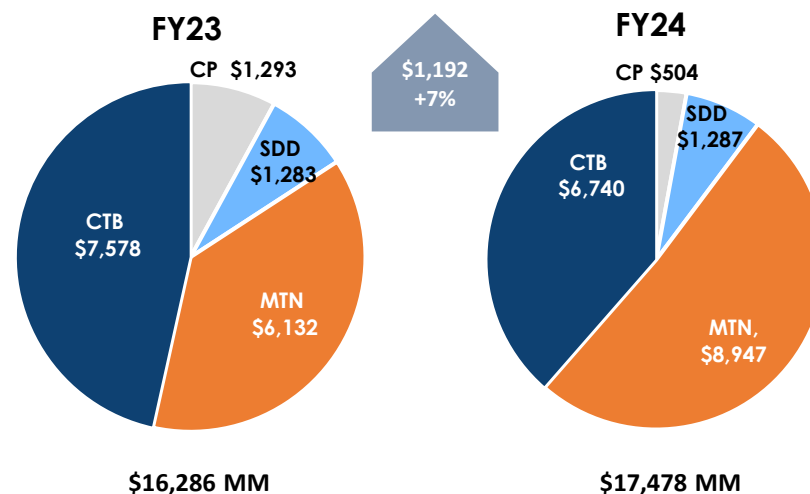
Member Investment<sup>1</sup> (\$ in Millions)



GUP & Farmer Mac (\$ in Millions)



Capital Markets Funding<sup>2</sup> (\$ 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).

# FY24 Major Financing Activities

## Revolvers

- November 2023 – Closed an Amend and Extend transaction to extend the maturity dates by one year to November 2026 and November 2027 and increase the aggregate commitment amount by \$200 million from \$2.6 billion to \$2.8 billion at closing.

## CTBs

- No issuances.

## MTNs

- June 2023 – Issued \$400 million 5-year DMTN @ 5.05%.
- November 2023 – Issued \$400 million 3-year DMTN @ 5.60%.
- November 2023 – Issued \$300 million 18-month floating-rate DMTN @ SOFR + 70 bps.
- February 2024 – Issued \$300 million 3-year floating rate DMTN @ SOFR + 80 bps.
- February 2024 – Issued \$600 million 3-year DMTN @ 4.80%.
- February 2024 – Issued \$500 million 5-year DMTN @ 4.85%.
- February 2024 – Issued \$450 million 7-year DMTN @ 5.00%.
- May 2024 – Issued \$450 million 3-year MTN @ 5.10%.
- May 2024 – Issued \$350 million 5-year MTN @ 5.15%.

## GUP

- September 2023 – Advanced \$275 million 30-year note @ 4.97%.
- December 2023 – Closed on a \$450 million committed facility.
- April 2024 – Paid down a \$300 million facility and repriced a \$100 million facility until 1/15/2029 @ 4.797%.

## Farmer Mac

- July 2023 – Advanced \$500 million 1-year floating-rate note @ SOFR + 52 bps.
- November 2023 – Advanced \$150 million 5-year note @ 5.306%.
- November 2023 – Advanced \$150 million 7-year note @ 5.447%.

## Subordinated Debt

- June 2023 – Redeemed \$100 million from 2043 subordinated deferrable debt.
- February 2024 – Issued \$100 million 30-year (NC5) subordinated notes @ 7.125%.



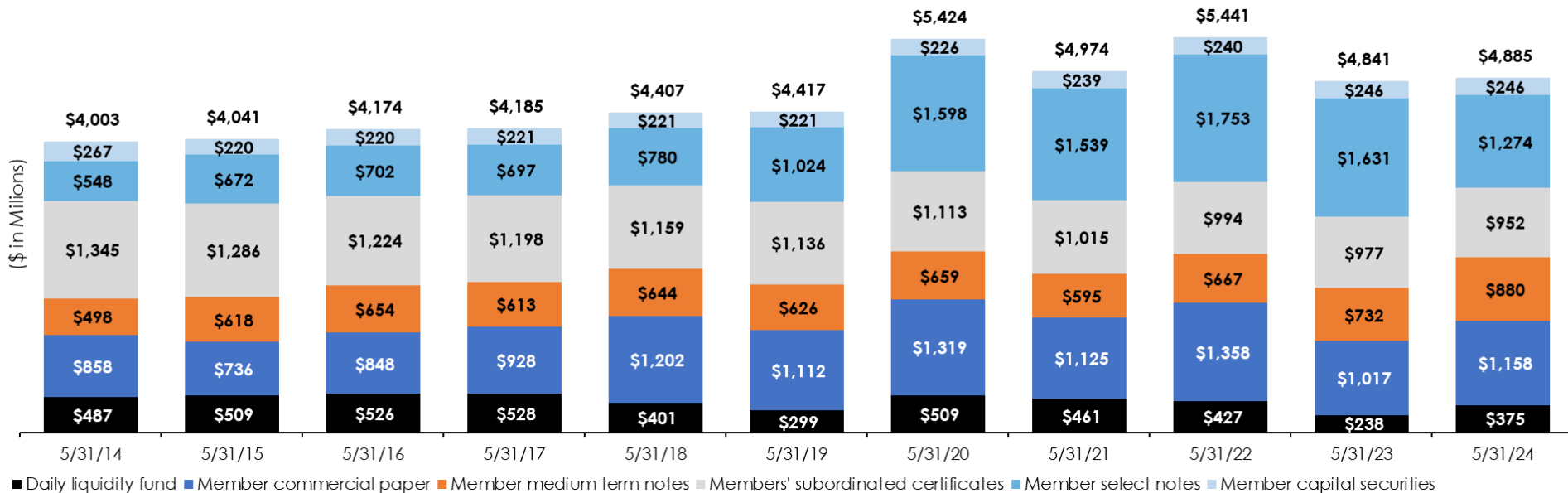
# Member Investments



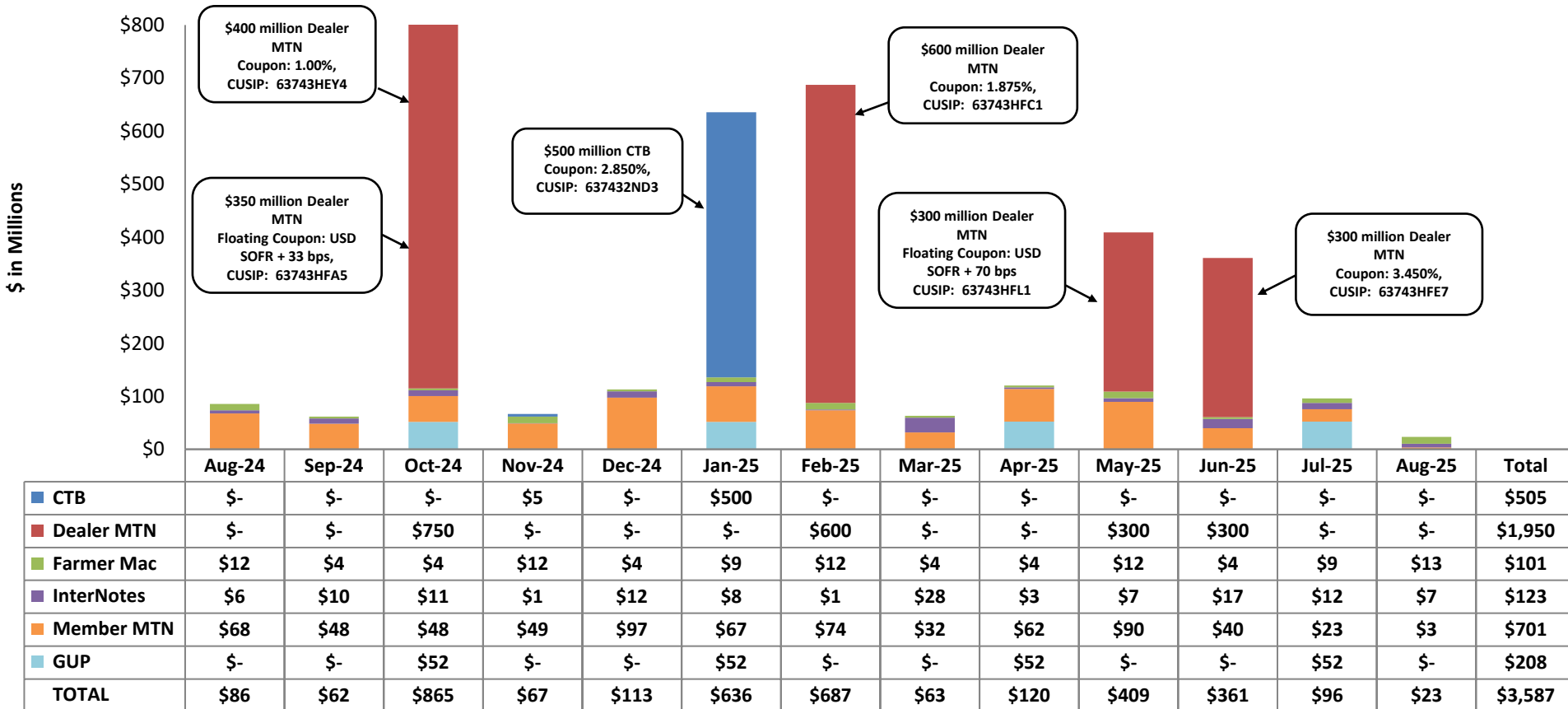
Over the last 12 fiscal quarters, member investments have averaged \$5.05 billion as of the end of each fiscal quarter.



Member investments have been stable over the years.



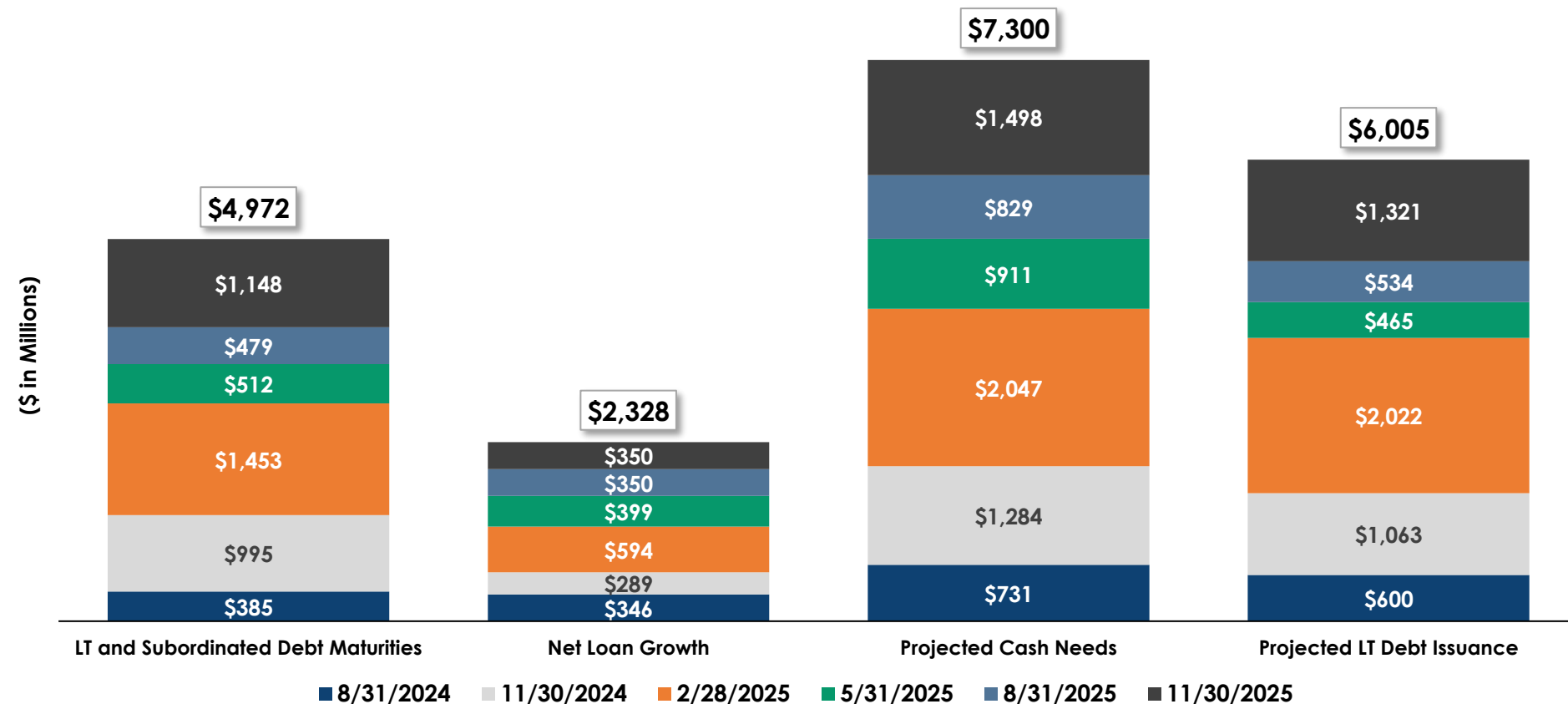
# Monthly Debt Maturity/Amortization Schedule



Note: Our members traditionally roll over their MTN investments at maturity. Data as of 7/31/2024.

# Projected Long-Term Sources and Uses of Funds (as of 5/31/2024)

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

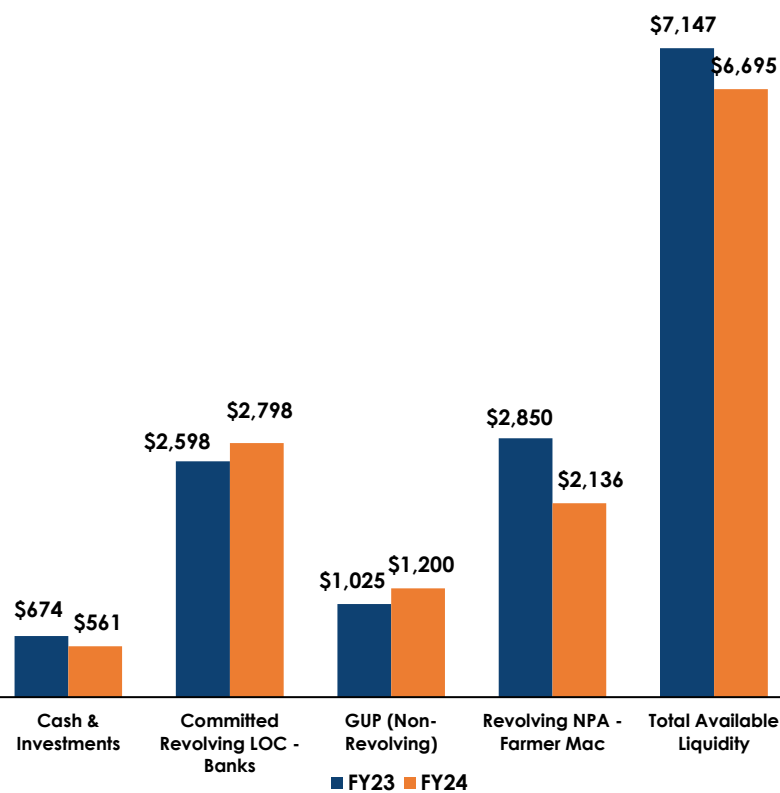


\* Refer to Page 67 of Form 10-K for more detail.

# 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>	<b>\$ 6,929</b>	<b>\$ 7,009</b>
<b>Total Member Short-Term Investments</b>	<b>\$ 3,253</b>	<b>\$ 3,328</b>
<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>	<b>\$ 3,471/1.9x</b>	<b>\$ 3,014/1.8x</b>
<b>Scheduled LT Loan Amortization and Repayments over the next 12 months</b>	<b>\$ 1,495</b>	<b>\$ 1,552</b>

1) Revolving NPA – Farmer Mac is subject to market conditions.

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



# CFC Credit Highlights

## Organic balance sheet expansion.

- 95% of total assets consist of loans to members.
- 98% of loans are to electric utility companies.

## Consistent and stable financial metrics.

- Average adjusted TIER of 1.24x from FY20 to FY24.
- Adjusted debt-to-equity ratio declined to 6.24 at FYE2024 from 7.06 at FYE2008.
- Members' equity increased to almost \$2.4 billion at FYE2024 from \$613 million in FYE2008.

## Pristine loan portfolio.

- Extremely low default rate and charge-off history for the electric loan portfolio.
- 92% of loans are made on a senior secured basis.

## Healthy liquidity and diversified funding sources.

- Diversified liquidity sources supported by various funding sources (cash, investments, committed bank lines, GUP, Farmer Mac and repo agreements).
- 1.8x liquidity coverage at FYE2024.
- Steady member investments over the years.



\*As of 5/31/2024 unless otherwise noted.

A person wearing a high-visibility yellow and blue safety vest and blue jeans is holding a large, dark, flexible cable that forms a large loop around their waist. The background is a blue sky with some clouds and a distant horizon. The entire image has a blue tint.

# APPENDIX

September 2024





# Corporate Governance

**CFC is committed to strong corporate governance.**

**Board of directors consists of up to 23 members.**

**20 managers and directors elected from 10 geographic districts.**

- Two from the industry's trade association, National Rural Electric Cooperative Association ("NRECA").
- One at-large position elected from general membership that meets the requirements of the audit committee financial expert as defined by Section 407 of the Sarbanes–Oxley Act of 2002.

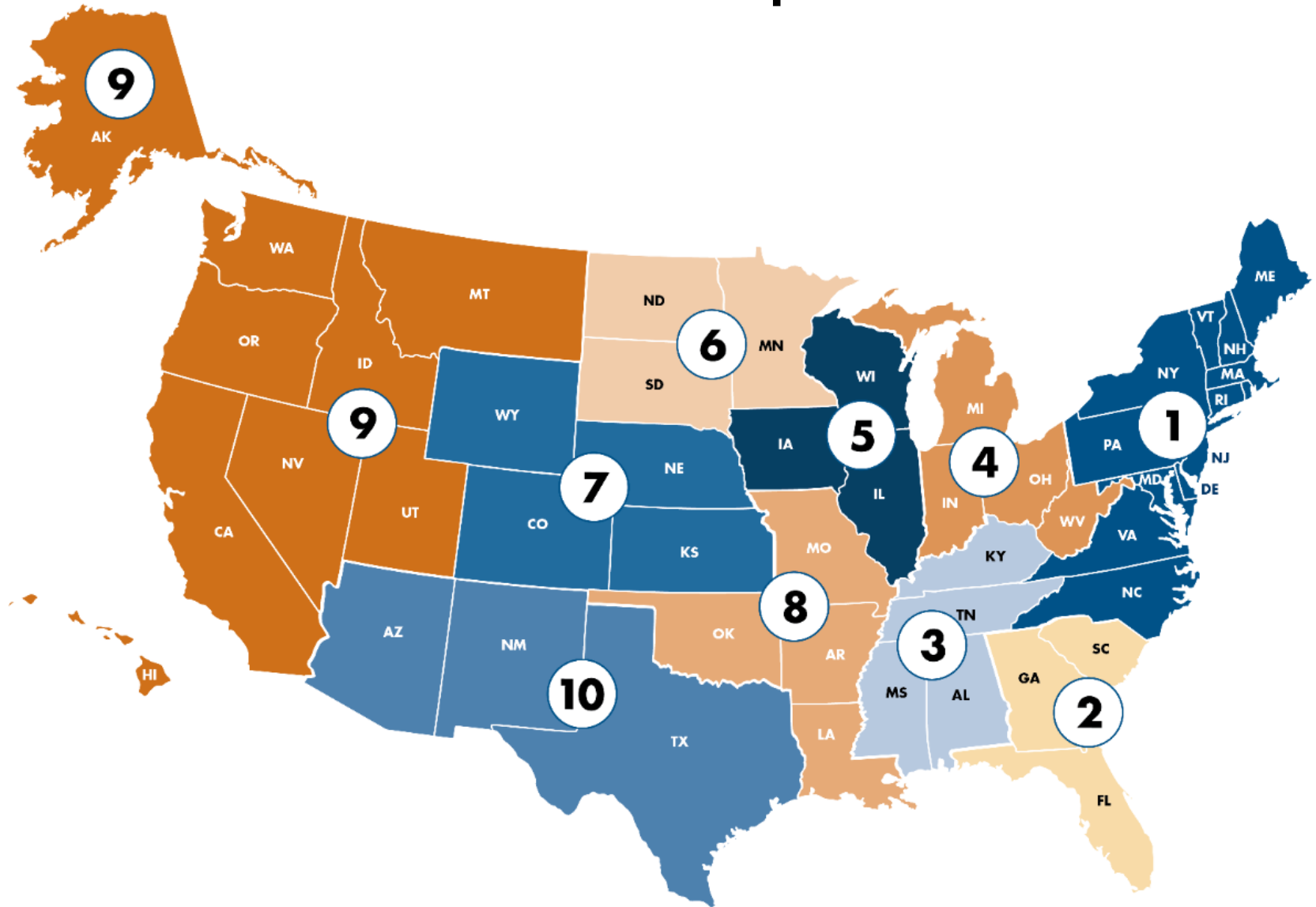
**No members of CFC management hold board seats.**

**Elected board members serve a 3-year term; limited to a maximum of two consecutive terms.**

**Audit, finance advisory, executive, loan, compensation and corporate relations committees are maintained by the board.**

**Audit committee consists of no less than seven board members. Meetings held up to five times annually.**

# District Map



# CFC Leadership



**CFC Board  
of Directors**



**CFC Senior  
Leadership**



**CFC Corporate  
Citizenship**

**Visit Us Online At [WWW.NRUCFC.COOP](http://WWW.NRUCFC.COOP)**



The information on CFC's website is not incorporated by reference into this presentation

# U.S. Electric Utilities Overview

In the U.S., there are primarily three kinds of utilities that are distinguished by their business structure. They are electric cooperatives, investor-owned utilities (“IOUs”) and municipal systems.



An **electric cooperative** is owned by the members it serves. Therefore, all of the owners live in the cooperative's service territory, with most customers living in rural or semi-rural areas. A cooperative operates on a nonprofit, cost-of-service basis.



An **IOU** is owned by stockholders who may or may not be customers and who may or may not live in the service area. The IOU is a for-profit enterprise.



**Municipal systems** are usually owned by a city, a state or federal government agency. Municipal customers are usually located in urban or semi-urban areas.

# U.S. Electric Utilities Overview

IOUs	Municipals	Cooperatives
Rate regulated.	Not rate regulated.	Most are not rate regulated.
Profit seeking; operated for the benefit of public shareholders with obligations to serve regulated ratepayers.	Operated for public benefit for the region served with obligation to serve customers.	Not-for-profit; operated for the benefit of their member-owners.
Most are large and may have multiple subsidiaries.	Most are small relative to IOUs.	All are small relative to IOUs.
Subject to competition in the wholesale market, with some competition in the retail market.	Little retail competition although subject to competition in the wholesale market.	Little competition.
Tend to have comparable rates with cooperatives and higher rates compared with municipals.	Tend to have lower rates than G&T cooperatives and IOUs.	Rates tend to be comparable with IOUs.
Private shareholder equity; no government support.	No private equity; may have access to local government fiscal support in times of fiscal stress.	Most borrow from RUS and cooperative financial institutions; larger issuers access the capital markets.

# Balance Sheet Summary

**Total Assets** reached \$36.2 billion at FYE24, a 6% increase from FY23 and a 28% increase from FY20.

**Gross Loans to Members** increased to \$34.5 billion at FYE24, a 6% increase from FY23 and a 29% increase from FY20.

**Members' Equity** grew to \$2.4 billion at FYE24, an 8% increase from FY23 and a 40% increase from FY20.

(\$ in thousands)	5/31/2020	5/31/2021	5/31/2022	5/31/2023	5/31/2024	FY23 to FY24 Change	Change in %
Cash and Cash Equivalents	\$ 680,019	\$ 303,361	\$ 161,114	\$ 207,237	\$ 288,341	\$ 81,104	39
Investment Securities	370,135	611,277	599,904	510,369	318,237	(192,132)	(38)
Gross Loans to Members	26,702,380	28,426,961	30,063,386	32,532,086	34,542,285	2,010,199	6
Less: Allowance for Credit Losses	(53,125)	(85,532)	(67,560)	(53,094)	(48,726)	4,368	8
<b>Loans to Members, Net</b>	<b>\$ 26,649,255</b>	<b>\$ 28,341,429</b>	<b>\$ 29,995,826</b>	<b>\$ 32,478,992</b>	<b>\$ 34,493,559</b>	<b>\$ 2,014,567</b>	<b>6</b>
Derivative Assets	173,195	121,259	222,042	460,762	691,249	230,487	50
Other Assets	285,001	261,037	272,496	354,700	386,428	31,728	9
<b>Total Assets</b>	<b>\$ 28,157,605</b>	<b>\$ 29,638,363</b>	<b>\$ 31,251,382</b>	<b>\$ 34,012,060</b>	<b>\$ 36,177,814</b>	<b>\$ 2,165,754</b>	<b>6</b>
Short-term Debt	3,961,985	4,582,096	4,981,167	4,546,275	4,332,690	(213,585)	(5)
Long-term Debt <sup>1</sup>	19,712,024	20,603,123	21,545,440	23,946,548	25,901,165	1,954,617	8
Subordinated Deferrable Debt	986,119	986,315	986,518	1,283,436	1,286,861	3,425	0
Members' Subordinated Certificates	1,339,618	1,254,660	1,234,161	1,223,126	1,197,651	(25,475)	(2)
<b>Total Debt Outstanding</b>	<b>\$ 25,999,746</b>	<b>\$ 27,426,194</b>	<b>\$ 28,747,286</b>	<b>\$ 30,999,385</b>	<b>\$ 32,718,367</b>	<b>\$ 1,718,982</b>	<b>6</b>
Derivative Liabilities	1,258,459	584,989	128,282	115,074	80,988	(34,086)	(30)
Other Liabilities	250,578	227,301	233,845	308,352	366,290	57,938	19
<b>Total Equity</b>	<b>\$ 648,822</b>	<b>\$ 1,399,879</b>	<b>\$ 2,141,969</b>	<b>\$ 2,589,249</b>	<b>\$ 3,012,169</b>	<b>\$ 422,920</b>	<b>16</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 28,157,605</b>	<b>\$ 29,638,363</b>	<b>\$ 31,251,382</b>	<b>\$ 34,012,060</b>	<b>\$ 36,177,814</b>	<b>\$ 2,165,754</b>	<b>6</b>
Members' Equity <sup>2</sup>	1,707,770	1,836,135	2,019,952	2,211,092	2,386,663	175,571	8
<b>Key Financial Ratios</b>							
<b>Adjusted Liabilities<sup>3</sup></b>	<b>\$23,777,823</b>	<b>\$25,273,384</b>	<b>\$26,629,324</b>	<b>\$28,678,302</b>	<b>\$30,486,255</b>	<b>\$1,807,953</b>	<b>6</b>
<b>Adjusted Total Equity<sup>4</sup></b>	<b>4,061,411</b>	<b>4,106,172</b>	<b>4,270,476</b>	<b>4,751,712</b>	<b>4,888,009</b>	<b>\$136,297</b>	<b>3</b>
<b>Adjusted Debt-to-Equity Ratio</b>	<b>5.85</b>	<b>6.15</b>	<b>6.24</b>	<b>6.04</b>	<b>6.24</b>	<b>0.20</b>	<b>3</b>

<sup>1</sup> Includes long-term debt maturities due within 12 months.

<sup>2</sup> Members' Equity = GAAP equity - AOCI - Noncontrolling interests - Cumulative derivative forward value gains (losses).

<sup>3</sup> Adjusted Liabilities = Total Liabilities - (Derivative Liabilities + Debt used to fund loans guaranteed by RUS + Subordinated Deferrable Debt + Subordinated Certificates).

<sup>4</sup> Adjusted Equity = Total Equity - (Prior-Year Cumulative Derivative Forward Value and Foreign Currency Adjustments + Year-to-Date Derivative Forward Value, net + Accumulated Other Comprehensive Income) + (Subordinated Deferrable Debt + Subordinated Certificates).





# Income Statement Summary

Adjusted Net Interest Income increased by \$32 million YOY to \$381 million, a 9% increase.

Adjusted Net Interest Income averaged \$328 million over the five-year period.

Adjusted Net Income increased by \$40 million YOY to \$289 million, a 16% increase.

Adjusted Net Income averaged \$223 million over the five-year period.

Adjusted TIER of 1.24 for FY24, well above the target level of 1.10.

Adjusted TIER averaged 1.24 over the five-year period.

For the twelve months ended May 31							
(\$ in thousands)	2020	2021	2022	2023	2024	2023 to 2024 Change	Change in %
Interest Income	\$ 1,151,286	\$ 1,116,601	\$ 1,141,243	\$ 1,351,729	\$ 1,593,351	\$ 241,622	18
Interest Expense	(821,089)	(702,063)	(705,534)	(1,036,508)	(1,339,088)	(302,580)	(29)
Derivative Cash Settlements	(55,873)	(115,645)	(101,385)	33,577	127,166	93,589	279
<b>Adjusted Net Interest Income</b>	<b>\$ 274,324</b>	<b>\$ 298,893</b>	<b>\$ 334,324</b>	<b>\$ 348,798</b>	<b>\$ 381,429</b>	<b>\$ 32,631</b>	<b>9</b>
Benefit (Provision) for Loan Losses	(35,590)	(28,507)	17,972	(603)	5,516	6,119	1,015
Non-Interest Income	32,392	20,424	(12,986)	13,160	33,564	20,404	155
Non-Interest Expense	(126,278)	(98,778)	(98,640)	(112,035)	(131,064)	(19,029)	(17)
<b>Adjusted Net Income</b>	<b>\$ 144,848</b>	<b>\$ 192,032</b>	<b>\$ 240,670</b>	<b>\$ 249,320</b>	<b>\$ 289,445</b>	<b>\$ 40,125</b>	<b>16</b>
Derivative Forward Value	(734,278)	621,946	557,867	252,267	264,871	12,604	5
<b>Net Income (Loss)</b>	<b>\$ (589,430)</b>	<b>\$ 813,978</b>	<b>\$ 798,537</b>	<b>\$ 501,587</b>	<b>\$ 554,316</b>	<b>\$ 52,729</b>	<b>11</b>
<b>Adjusted TIER <sup>1</sup></b>	<b>1.17</b>	<b>1.23</b>	<b>1.30</b>	<b>1.25</b>	<b>1.24</b>	<b>(0.01)</b>	<b>(1)</b>

<sup>1</sup> Adjusted TIER = (Adjusted Interest Expense + Adjusted Net Income) / Adjusted Interest Expense.



# 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

## 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	(1,082)	(461)	95	351	605
<b>Members' Equity</b>	<b>\$ 1,708</b>	<b>\$ 1,836</b>	<b>\$ 2,020</b>	<b>\$ 2,211</b>	<b>\$ 2,387</b>



# Definitions of Non-GAAP Financial Measures

<b>Adjusted Debt-to-Equity (Adjusted Liabilities/ Adjusted Equity)</b>	Total Liabilities - (Derivative Liabilities + Debt used to fund loans guaranteed by RUS + Subordinated Deferrable Debt + Subordinated Certificates)] / [Total Equity - (Prior-Year Cumulative Derivative Forward Value and Foreign Currency Adjustments + Year-to-Date Derivative Forward Value, net + Accumulated Other Comprehensive Income) + (Subordinated Deferrable Debt + Subordinated Certificates).
<b>Adjusted Interest Expense</b>	Interest Expense + Derivative Cash Settlements Expense.
<b>Adjusted Net Income</b>	Net Income – Derivative Forward Value Gains (Losses).
<b>Adjusted Net Interest Income</b>	Net Interest Income – Derivative Cash Settlements Expense.
<b>Adjusted Net Interest Yield</b>	Adjusted Net Interest Income / Total Average Interest-Earning Assets.
<b>Adjusted TIER</b>	(Adjusted Interest Expense - Adjusted Net Income) / Adjusted Interest Expense.
<b>Derivative Forward Value Gains or Losses</b>	Derivative forward value gains or losses reflect changes in estimated fair value of the interest rate swaps based on the projected movement in interest rates from the current reporting period through the maturity of the swaps in place at the time. They do not represent current-period realized cash gains or losses and are excluded from the calculations of adjusted net income, members' equity and adjusted equity.
<b>Members' Equity</b>	GAAP Equity – AOCI – Noncontrolling Interests – Cumulative Derivative Forward Value Gains (Losses).

