

Investor Conference Call FY2023 Fiscal Year Ended May 31, 2023

August 9, 2023 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 Financial Year ended May 31, 2023, of our fiscal year 2023, 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



FY23 Highlights: Continued Success

Largest YoY Loan
Growth Since 2002
\$2.5B or 8%

\$2.2B Members'
Equity

0.27% NPL
0.05% Net Charge-off

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

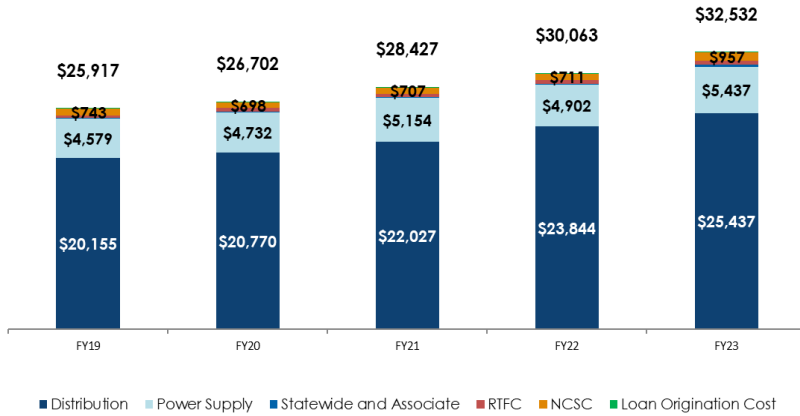
- **Continue to manage our financial performance diligently**
 - Gross loans to members increased from \$30B at FYE22 to \$32.5B at FYE23
 - Maintained a high quality loan portfolio: historically limited levels of charge-offs, loan defaults, nonperforming loans, and delinquencies
 - Superior financial metrics: an adjusted TIER of 1.25x during FY23
 - Strategic equity build-up: over \$2.2B of members' equity at FYE23
 - 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



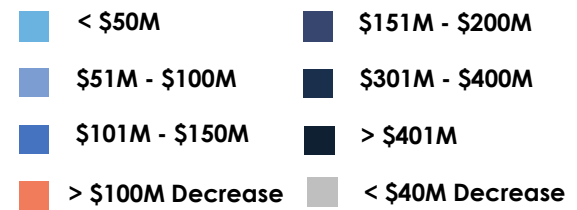
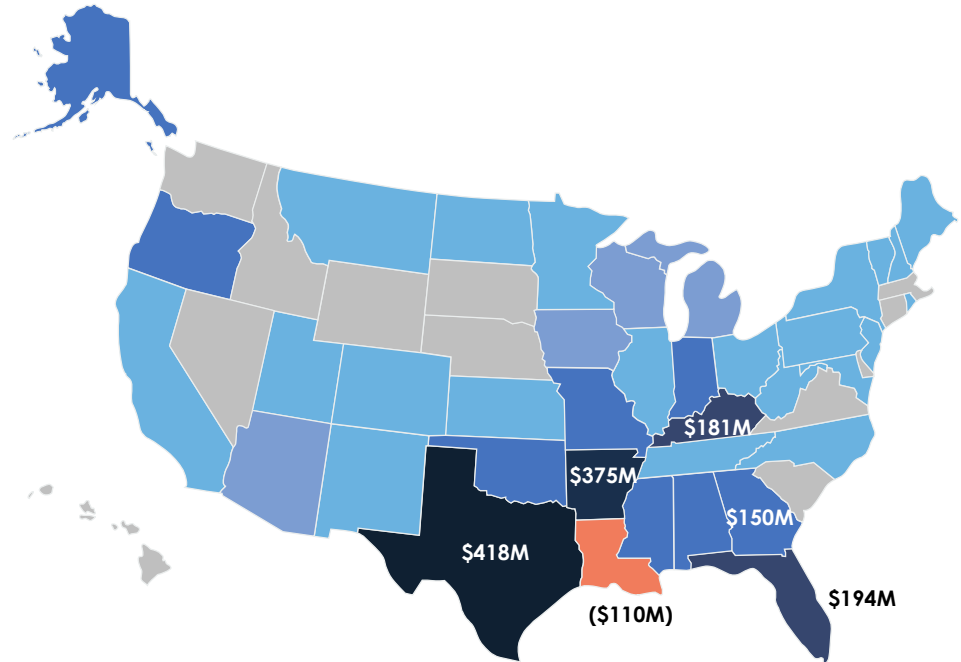
Loans To Members: Robust Loan Growth

Loans to Member by Member Class

(\$ In Millions)

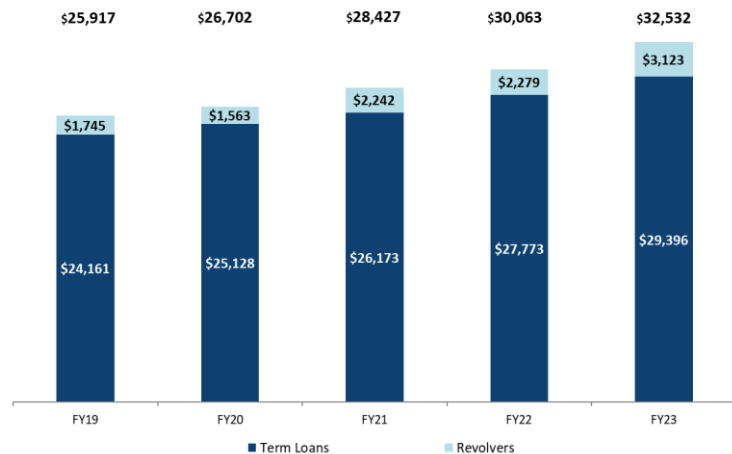


YoY Loan Growth by State



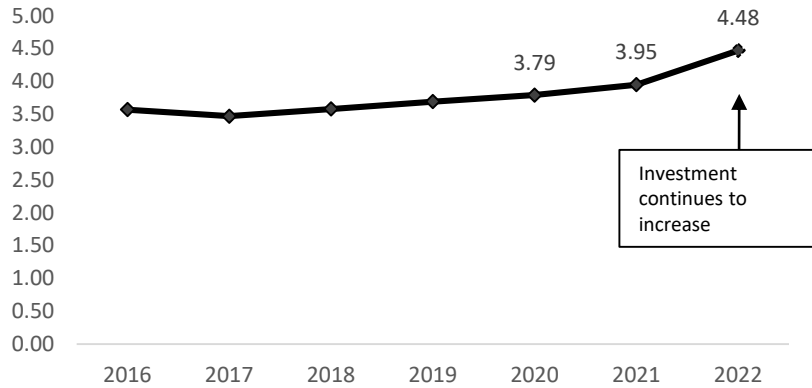
Loans to Member by Type

(\$ In Millions)

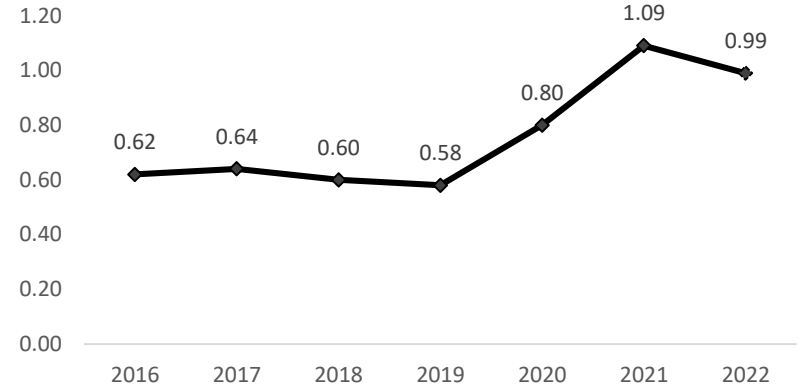


Electric Distribution Cooperatives

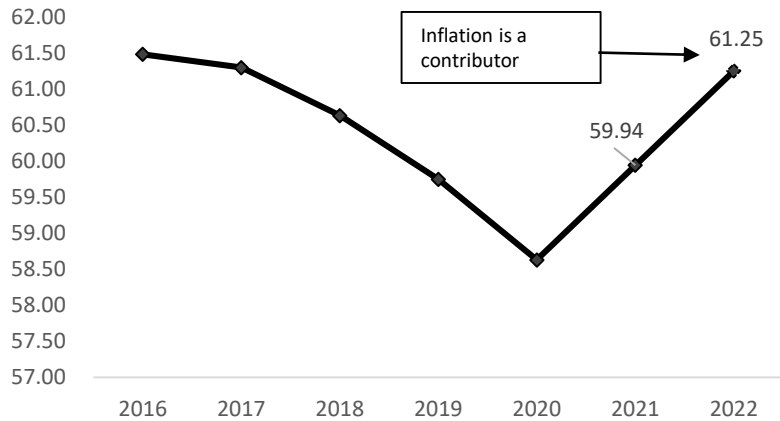
Annual Growth in Total Utility %¹⁾



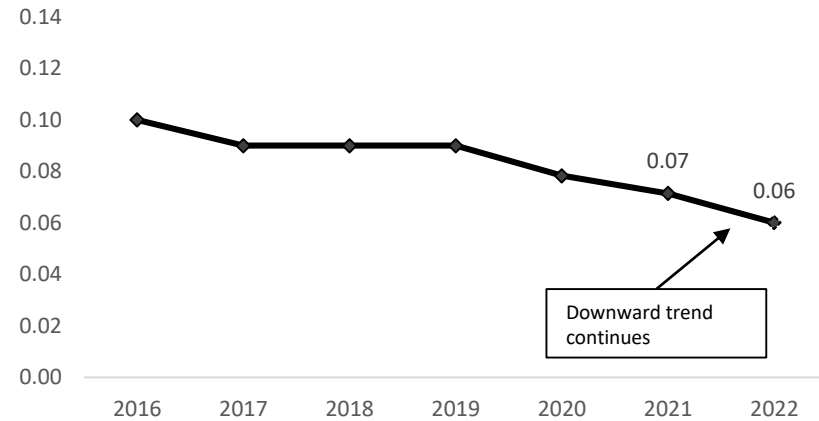
Average Consumer Growth %



Power Cost as a % of Revenue



Amount Written off as a % of Operating Revenue



1) TUP is a median calculation. TUP growth rate is organized from highest to lowest and the middle value is reported.

Financial Performance

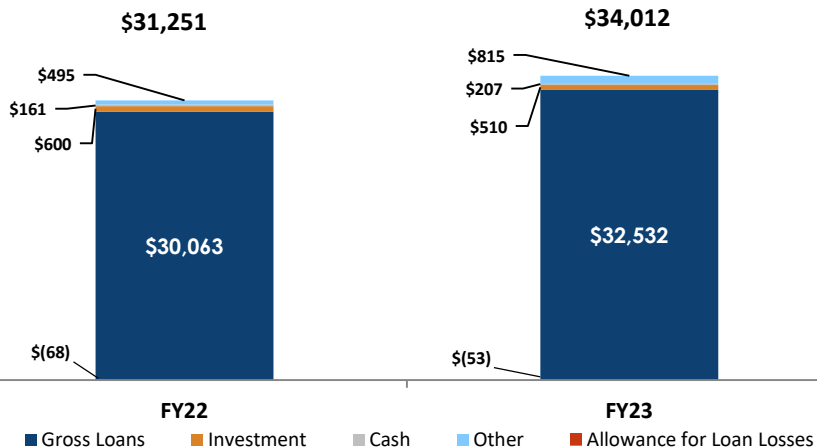
Ling Wang, Chief Financial Officer



Balance Sheet: Strong, Well-Managed Balance Sheet

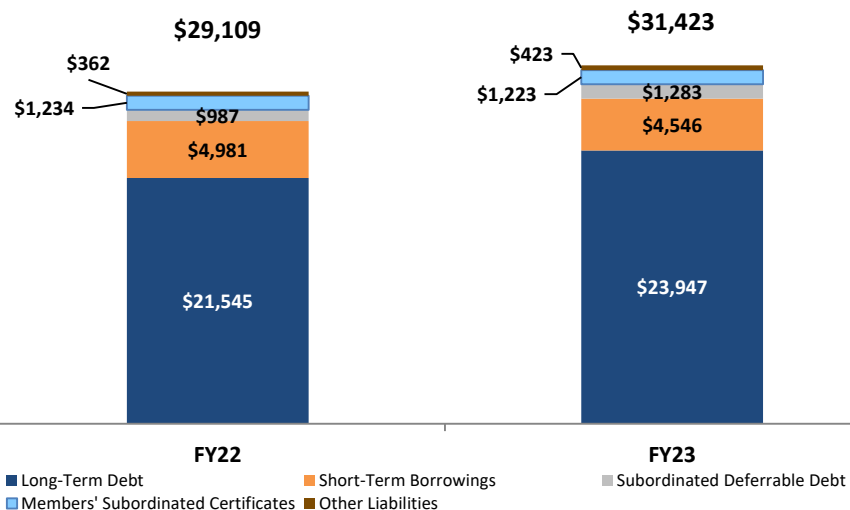
Total Assets (\$ in Millions)

\$2,761 million, or 9%, Increase in Total Assets



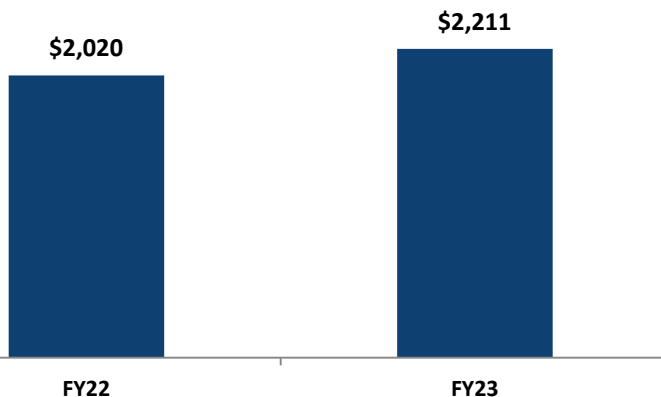
Total Liabilities (\$ in Millions)

\$2,314 million, or 8%, Increase in Total Liabilities



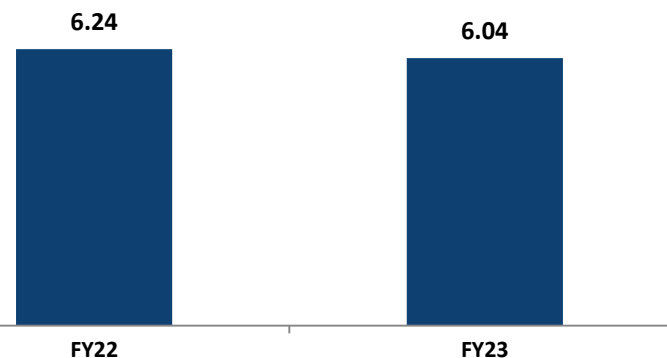
Members' Equity (\$ in Millions) ¹

\$191 million, or 9%, Increase in Members' Equity



Adjusted Debt to Equity Ratio ²

0.2, or 3%, Decrease in Adjusted Debt to Equity Ratio

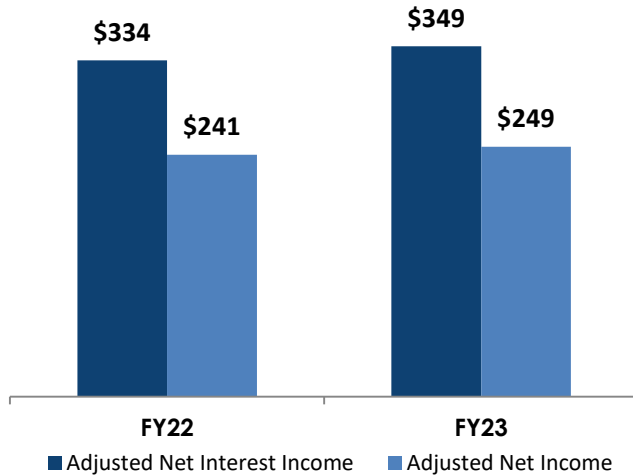


1) Refer to Appendix for non-GAAP reconciliations
 2) Adjusted total liabilities divided by adjusted total equity. Refer to Appendix for non-GAAP reconciliations

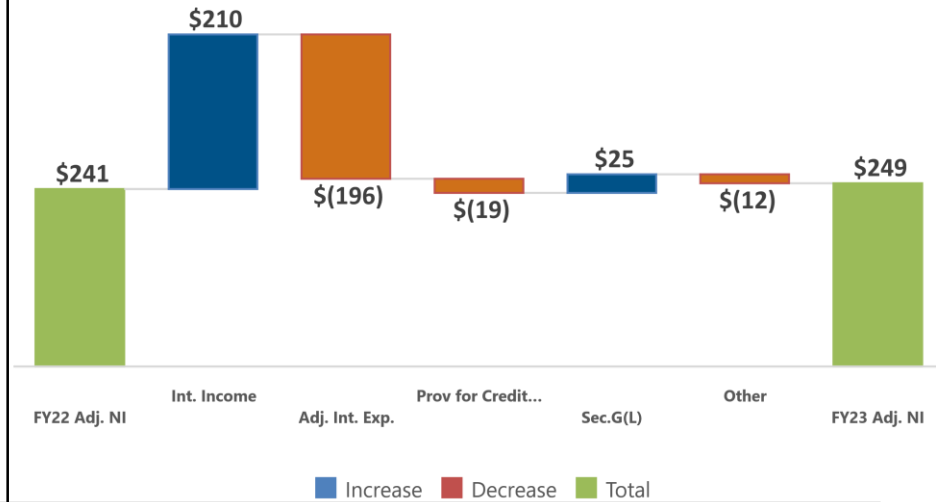
Income Statement: Strong Financial Performance

Adjusted Net Income \$8 million, 4% Increase
Adjusted Net Interest Income \$15 million, 4% Increase

(\$ in Millions)

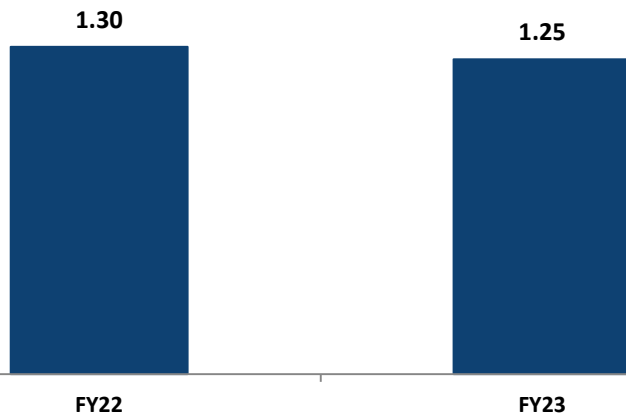


Adjusted Net Income Breakdown (\$ in Millions)



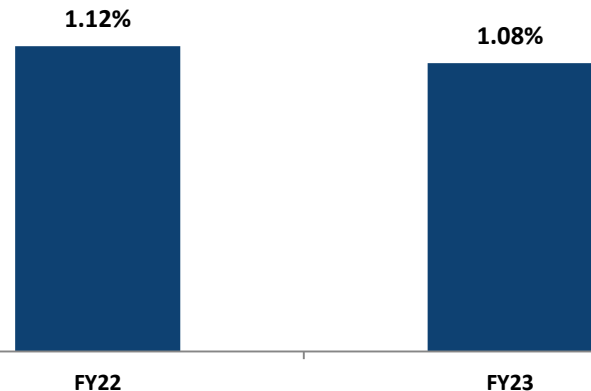
Adjusted TIER ¹

0.05, 4% Decrease



Adjusted Net Interest Yield ²

4bps, 4% Decrease

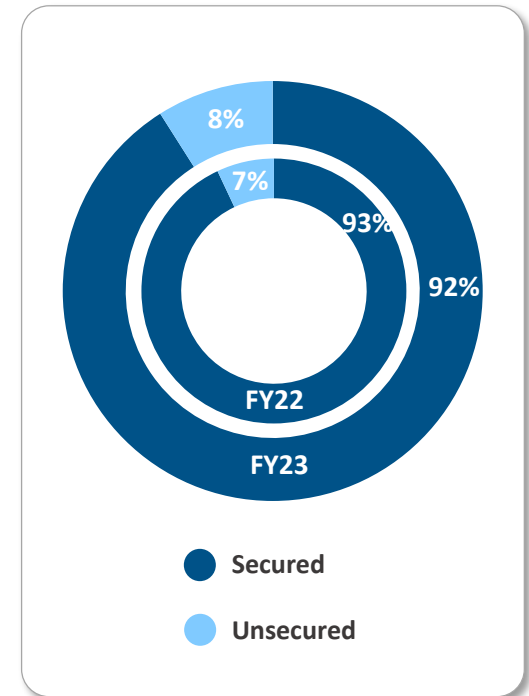
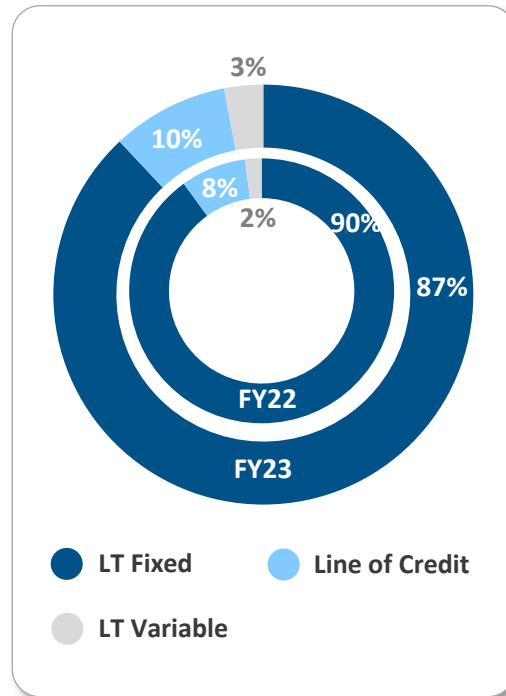
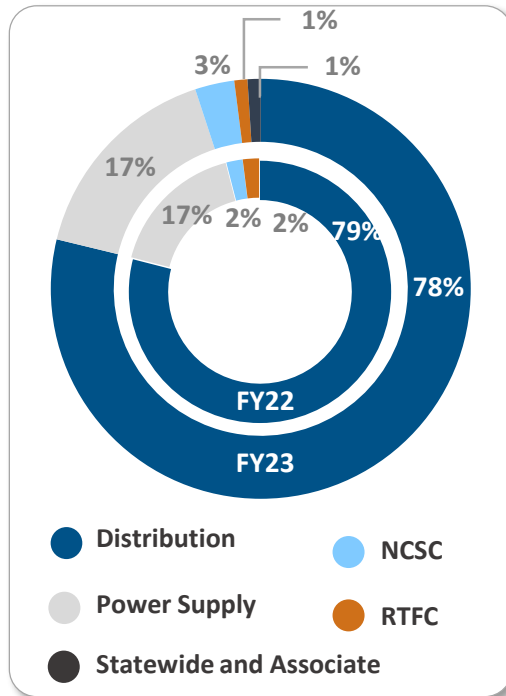


1) Adjusted TIER is calculated based on adjusted net income (loss) plus adjusted interest expense for the period divided by adjusted interest expense for the period. . Refer to Appendix for non-GAAP reconciliations
2) Adjusted Net Interest Yield is calculated based on adjusted net interest income for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

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

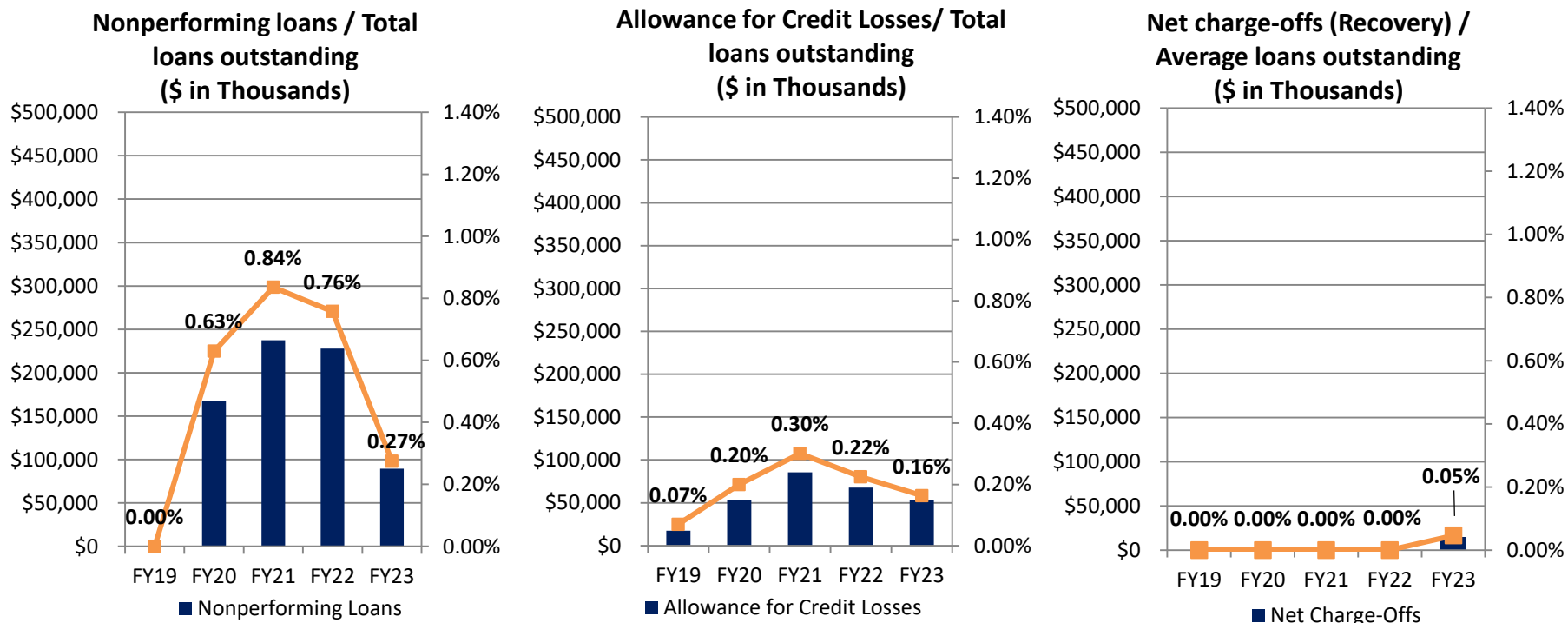
CFC's Electric Cooperative Borrowers/Members:

- 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



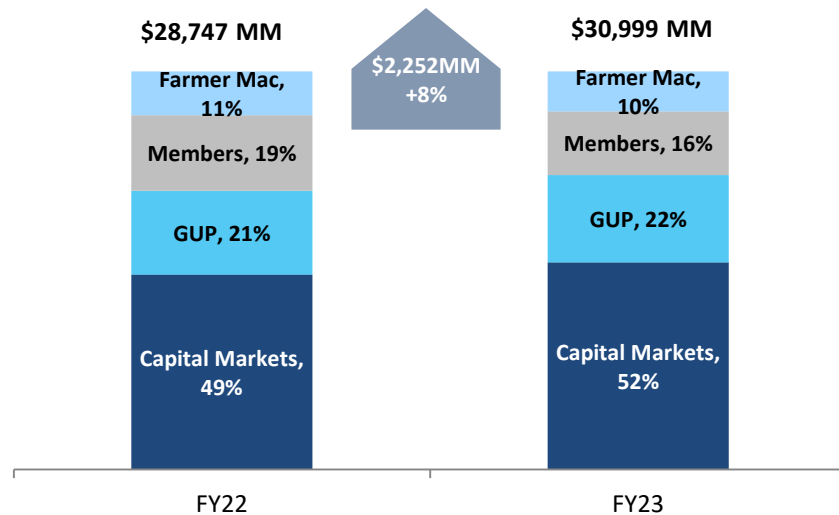
Credit Performance: Pristine Loan Portfolio

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

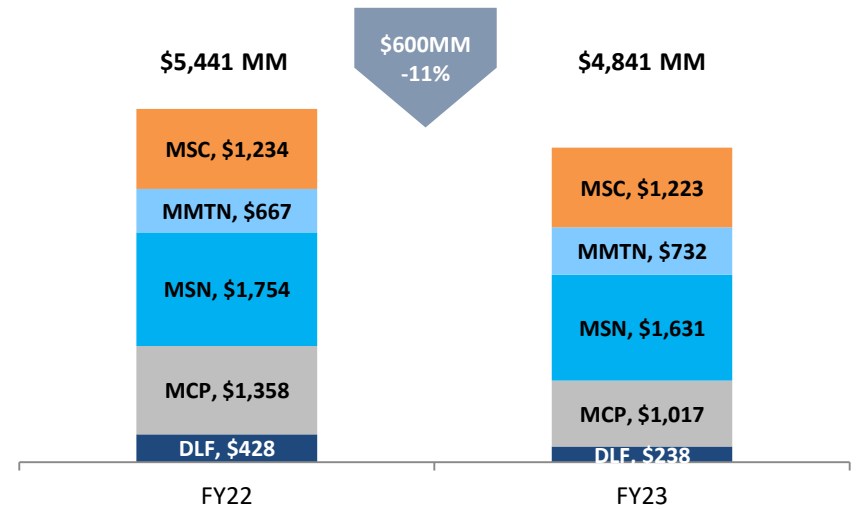


Debt Funding Sources: Well-Diversified Funding Mix

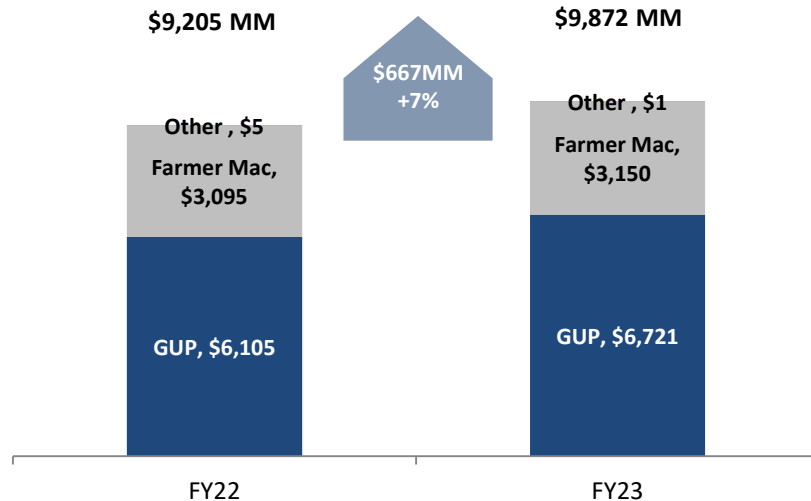
Total Debt Outstanding (\$ in Millions)



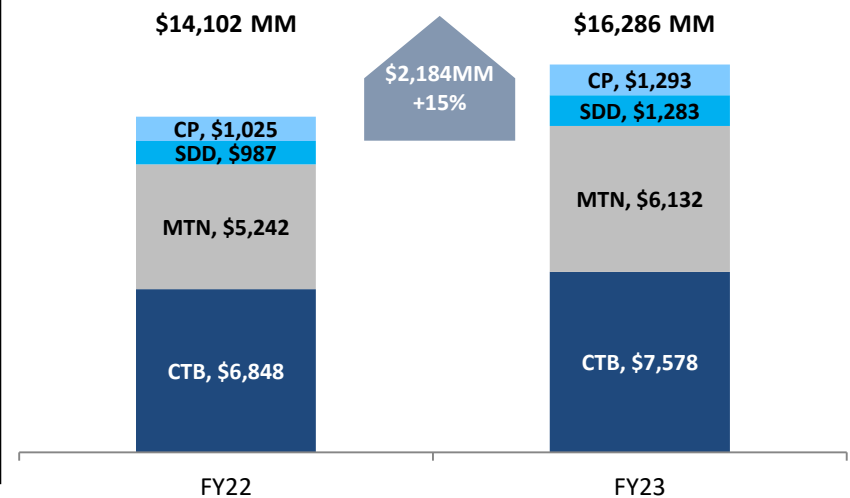
Member Investment¹ (\$ in Millions)



GUP & Farmer Mac (\$ in Millions)



Capital Markets Funding² (\$ in Millions)



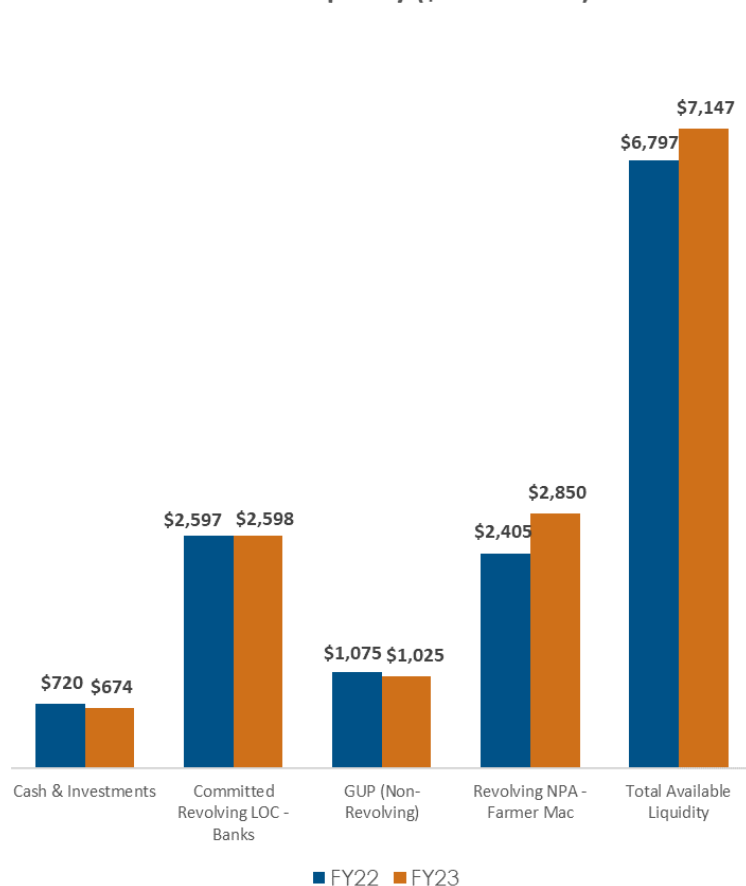
1) Abbreviations For Member Investment: Daily Liquidity Fund (DLF), Member Commercial Paper (MCP), Member Select Notes (MSN), Member Medium Term Notes (MMTN), Member Subordinated Certificates (MSC).

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	FY22		FY23	
	Total	Available	Total	Available
Cash & Investments	\$720	\$720	\$674	\$674
Committed Revolving LOC - Banks	\$2,600	\$2,597	\$2,600	\$2,598
GUP (Non-Revolving)	\$8,723	\$1,075	\$9,473	\$1,025
Revolving NPA - Farmer Mac ¹	\$5,500	\$2,405	\$6,000	\$2,850
Total Liquidity	\$17,543	\$6,797	\$18,747	\$7,147
Scheduled LT Loan Amortization and Repayments over the next 12 months				
		\$1,479		\$1,495
Total Debt Maturities over the next 12 months				
		\$6,894		\$6,929
Total Member Short-Term Investments				
		\$3,956		\$3,253
Non-member Debt and Member LT Debt Maturities				
Dealer CP		\$1,025		\$1,293
Long-term and Subordinated Debt ²		\$1,913		\$2,383
Total Non-member Debt and Member LT Debt Maturities		\$2,938		\$3,676
Excess Liquidity (excluding short-term member investments)				
		\$3,859/2.3x		\$3,471/1.9x

- 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 5/31/2023)

(\$ in Millions)	LT and Subordinated Debt Maturities	Net Loan Growth ²	Projected Cash Needs	Projected LT Debt Issuance
8/31/2023	\$734	\$468	\$1,202	\$868
11/30/2023	\$697	\$501	\$1,198	\$944
2/29/2024	\$1,169	\$350	\$1,519	\$1,561
5/31/2024	\$180	\$313	\$493	\$207
8/31/2024	\$108	\$350	\$458	\$115
11/30/2024	\$864	\$350	\$1,214	\$1,020
Totals	\$3,752	\$2,332	\$6,084	\$4,715

* Refer to Page 71 of Form 10-K for more detail



Appendix



Non-GAAP Reconciliations

Adjusted Total Liabilities and Adjusted Total Equity Details

(\$ in millions)	FY23	FY22
Total liabilities	\$ 31,423	\$ 29,109
Exclude:		
Derivative liabilities	115	128
Debt used to fund loans guaranteed by RUS	123	131
Subordinated deferrable debt	1,283	987
Subordinated certificates	1,223	1,234
Adjusted total liabilities	\$ 28,678	\$ 26,629
Total equity	\$ 2,589	\$ 2,142
Exclude:		
Period-end cumulative derivative forward value gains	343	91
Accumulated other comprehensive income attributable to derivatives	1	1
Include:		
Subordinated deferrable debt	1,283	987
Subordinated certificates	1,223	1,234
Adjusted total equity	\$ 4,752	\$ 4,270



Non-GAAP Reconciliations

Adjusted Net Interest Income and Adjusted Net Income Details

(\$ in millions)	FY23	FY22
Interest income	\$ 1,352	\$ 1,141
Interest expense	(1,037)	(706)
Include: Derivative cash settlements Interest income (expense)	34	(101)
Adjusted interest expense	(1,003)	(807)
Adjusted net interest income	\$ 349	\$ 334
Net income	\$ 502	\$ 799
Exclude: Derivative forward value gains	252	558
Adjusted Net income	\$ 249	\$ 241
Average Interest-Earning Assets	\$ 32,238	\$ 29,872

Members' Equity

(\$ in millions)	FY23	FY22
Members' Equity:		
Total CFC Equity	\$ 2,562	\$ 2,115
Exclude:		
Accumulated other comprehensive income	8	2
Period-end cumulative derivative forward value gains attributable to CFC	343	92
Subtotal	351	95
Member's Equity	\$ 2,211	\$ 2,020



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

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Network***