

**Investor Conference Call –  
FY2021 Second Quarter Ended  
November 30, 2020**

**January 20, 2021 at 10 a.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 second quarter ended November 30, 2020, of our fiscal year 2021, 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.



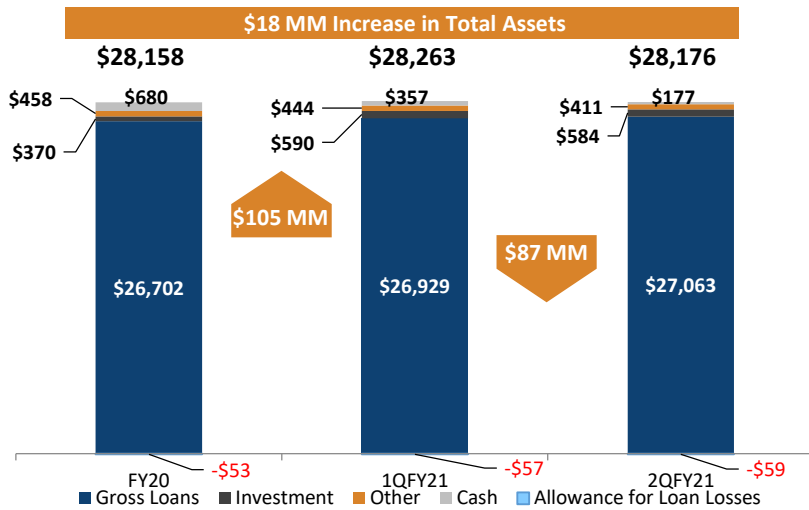
# Financial Performance

**J. Andrew Don, Chief Financial Officer**

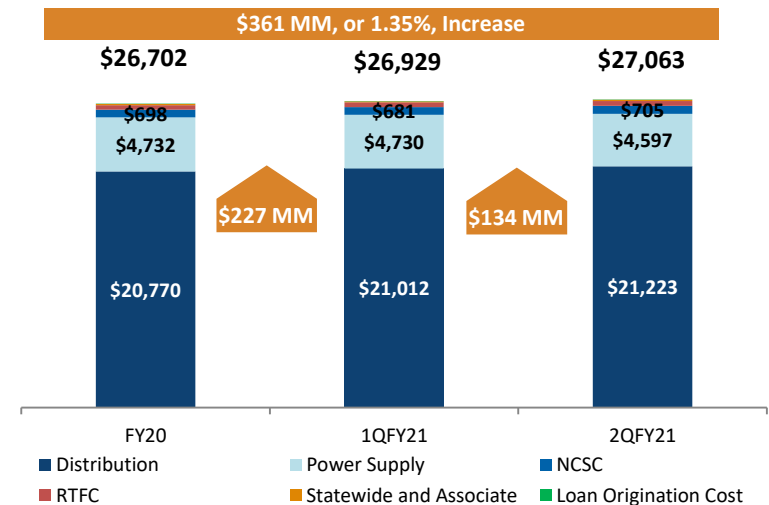


# 2QFY21 Financial Results – Balance Sheet

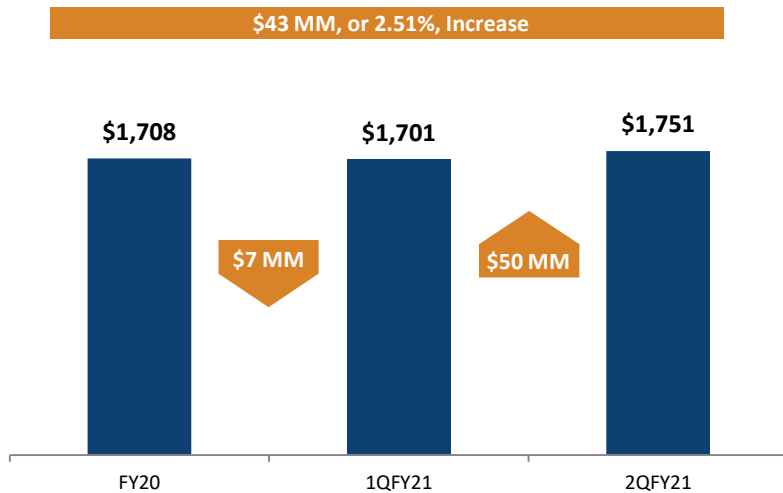
## Total Assets (\$ in Mils)



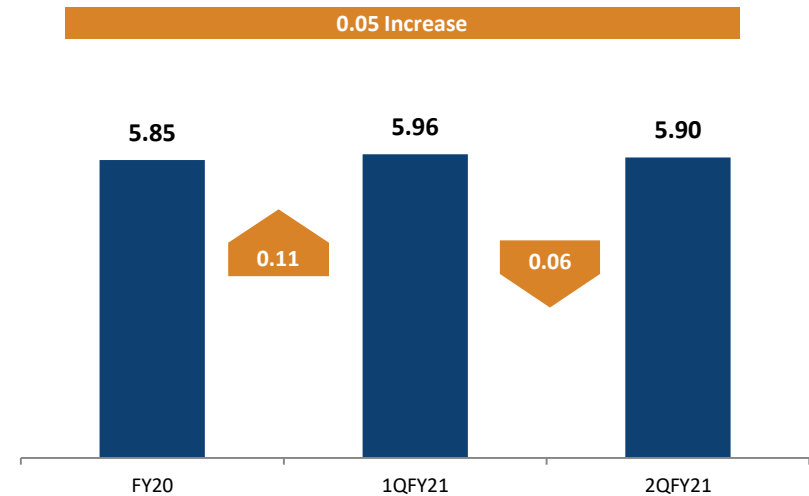
## Gross Loans to Members (\$ in Mils)



## Members' Equity (\$ in Mils)

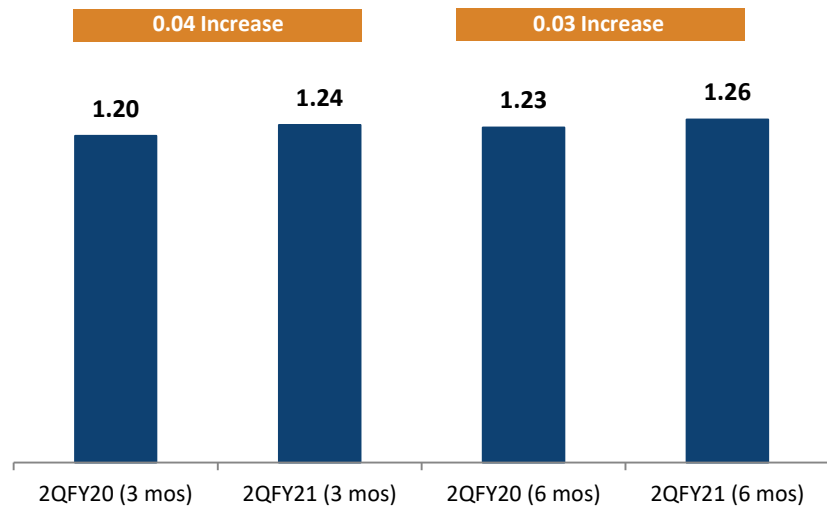


## Adjusted Debt to Equity Ratio

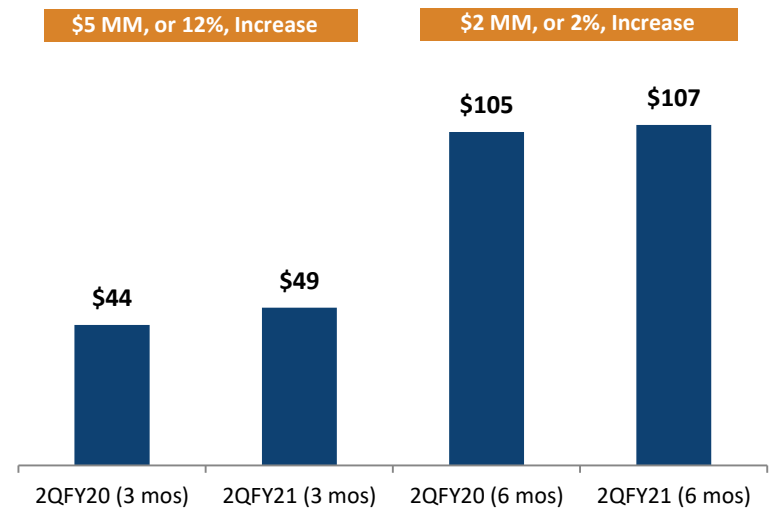


# 2QFY21 Financial Results – Income Statement

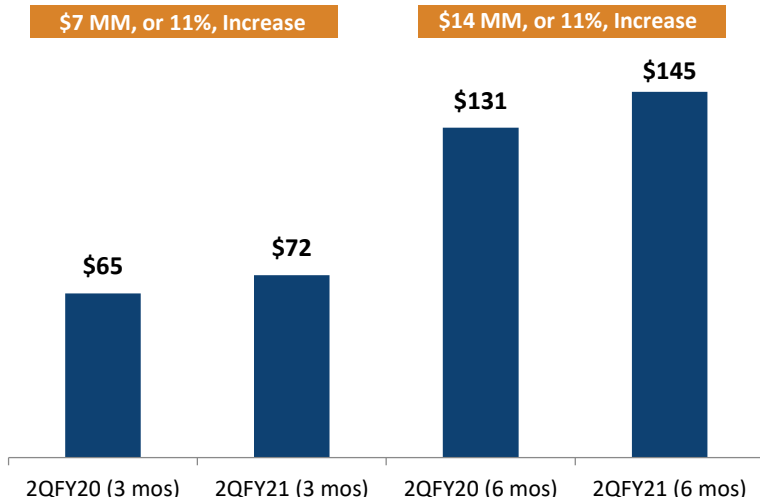
Adjusted TIER



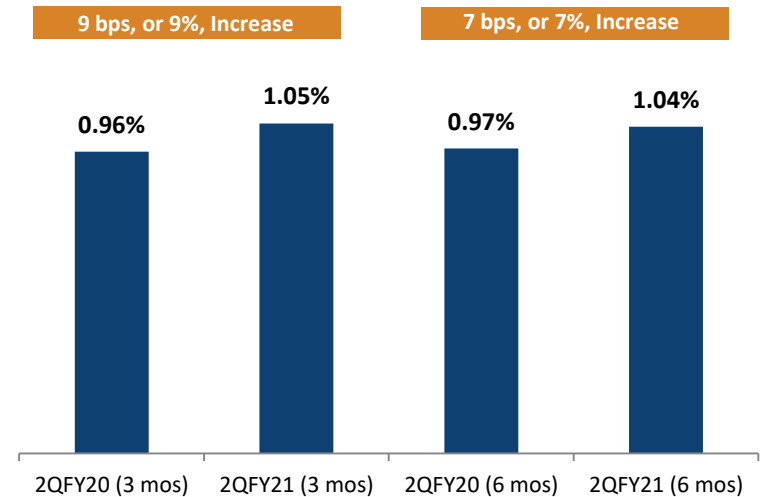
Adjusted Net Income (\$ in Mils)



Adjusted Net Interest Income (\$ in Mils)



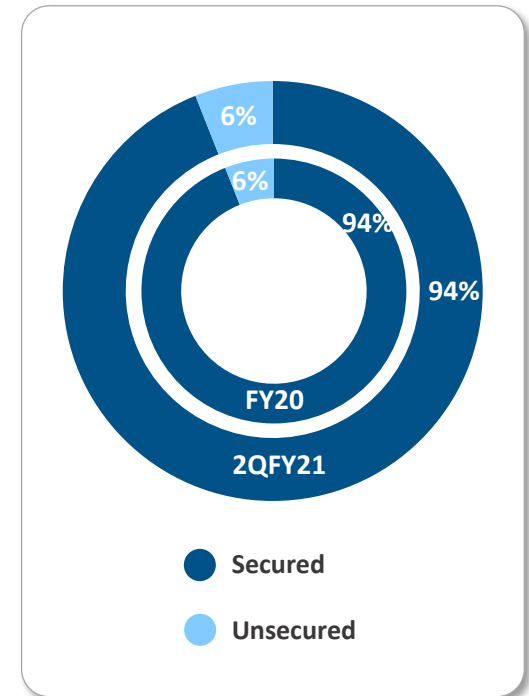
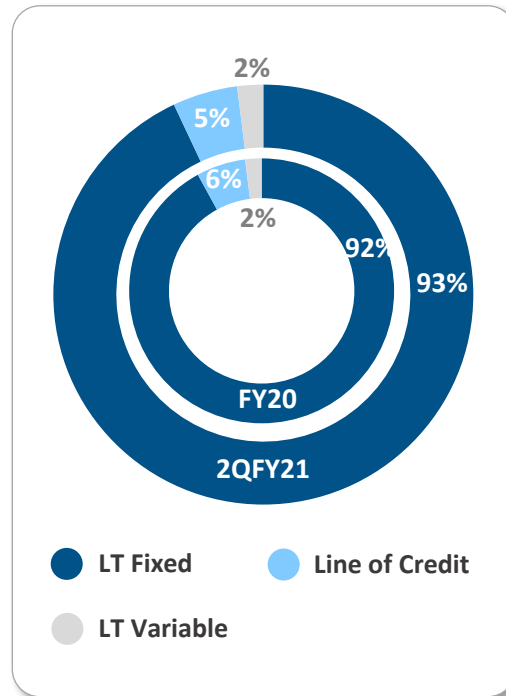
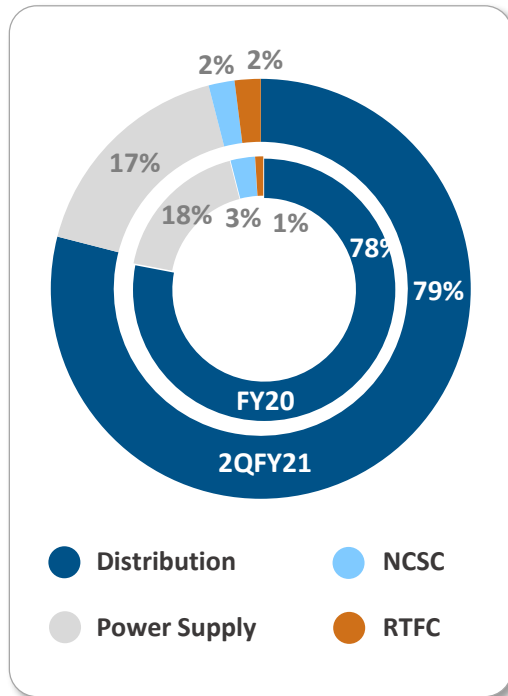
Adjusted Net Interest Yield



# Loan Portfolio Overview

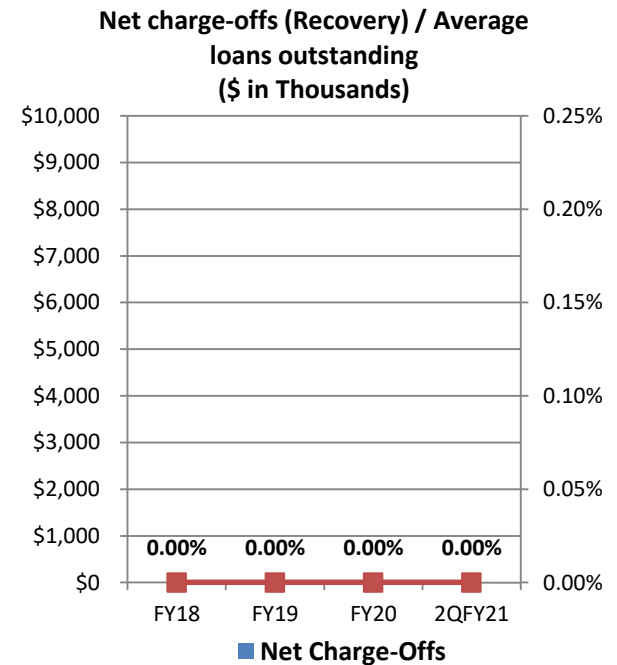
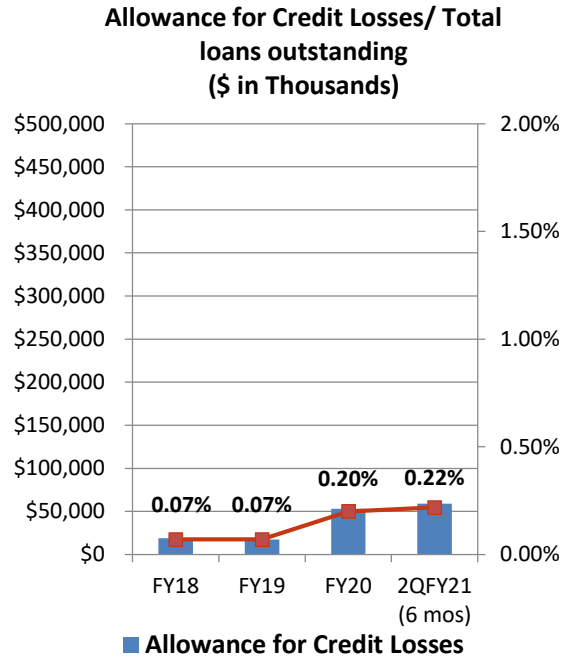
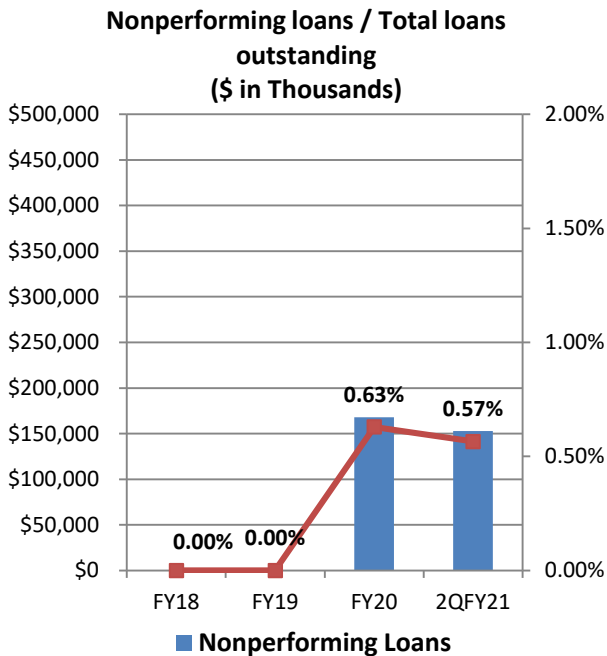
## CFC's Electric Cooperative Borrowers/Members:

- 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

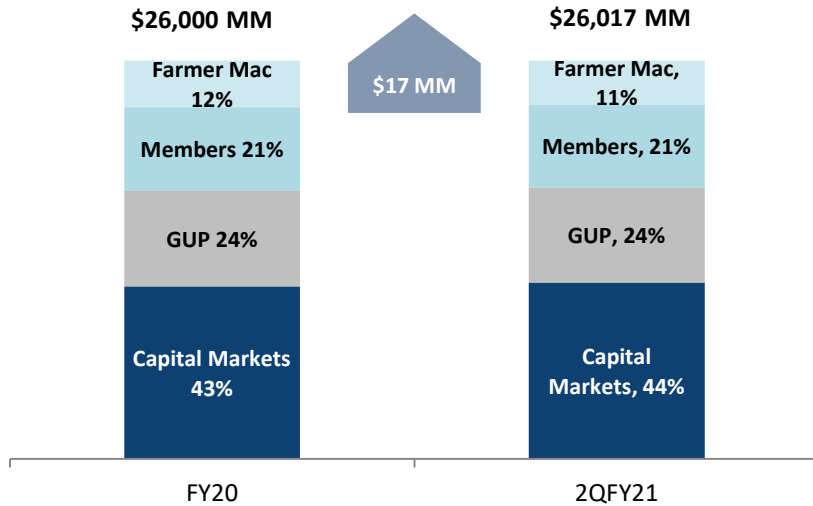
- During CFC's 51-year history, in the electric utility portfolio, there have only been 16 defaults, which resulted in six losses; net write-offs for the electric portfolio totaled \$86 million
- CFC had no charge-offs, loan defaults, or delinquent loans during the three and six months ended November 30<sup>th</sup>, 2020



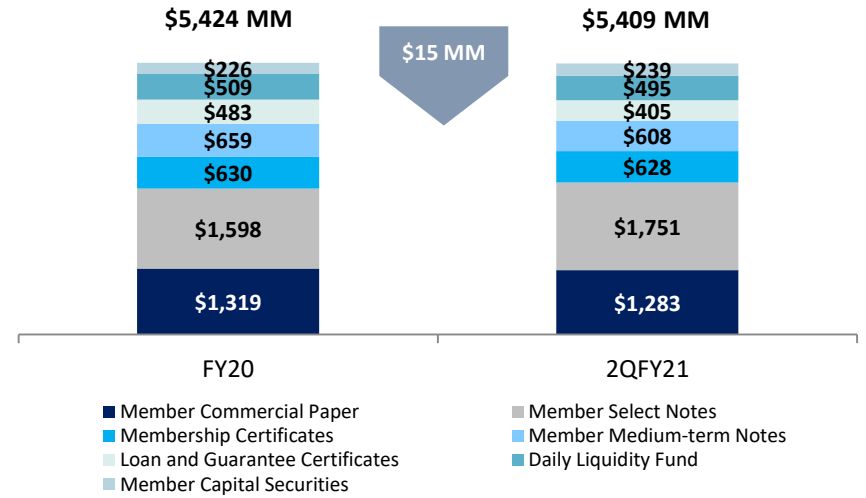


# Debt Funding Sources

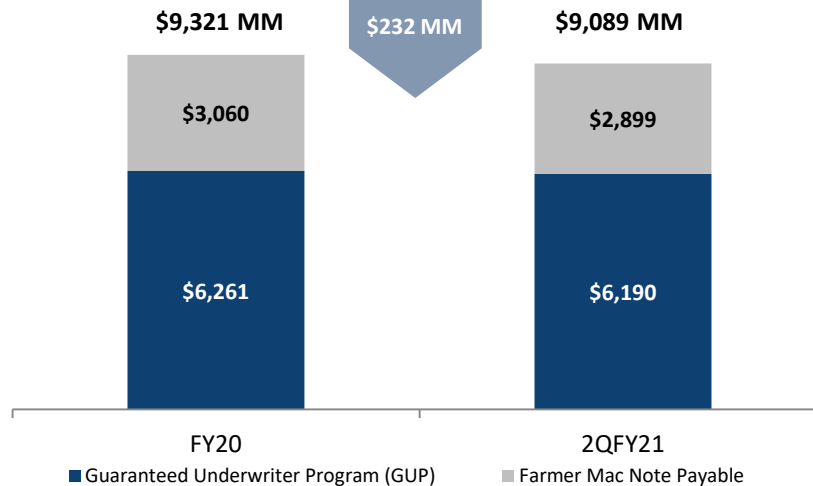
Total Debt Outstanding (\$ in Mils)



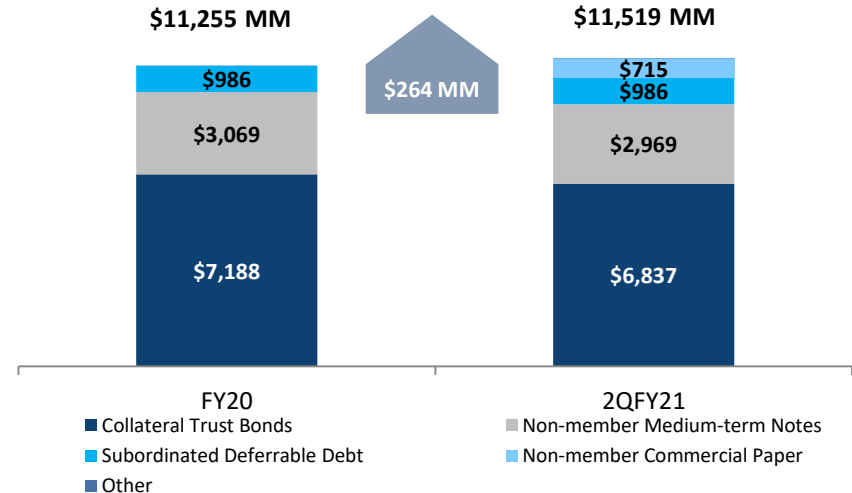
Member Investment (\$ in Mils)



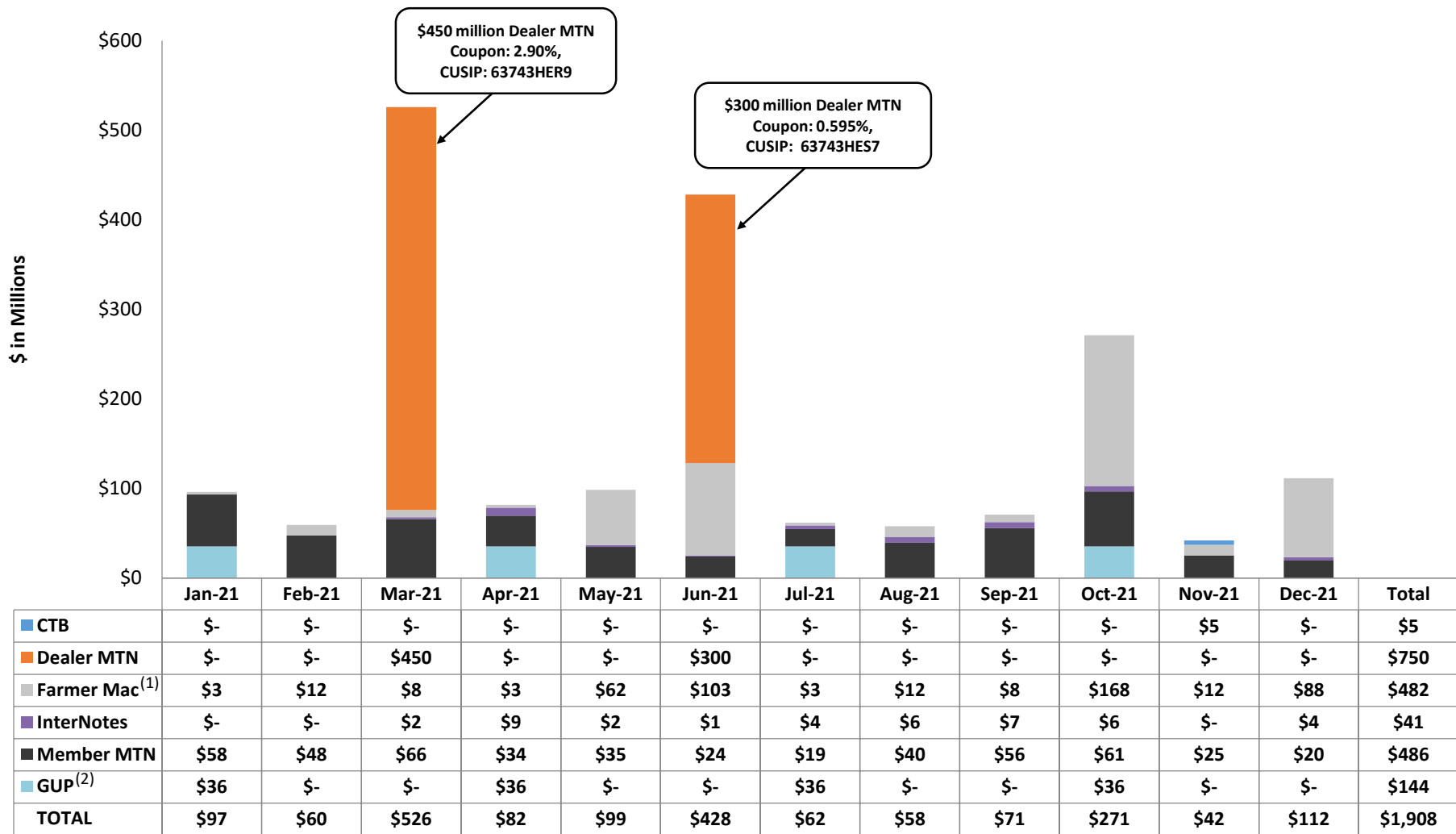
GUP & Farmer Mac (\$ in Mils)



Capital Markets Funding (\$ in Mils)



# Monthly Debt Maturity/Amortization Schedule



Note: Our members traditionally roll over their MTN investments at maturity. Data as of 12/31/2020

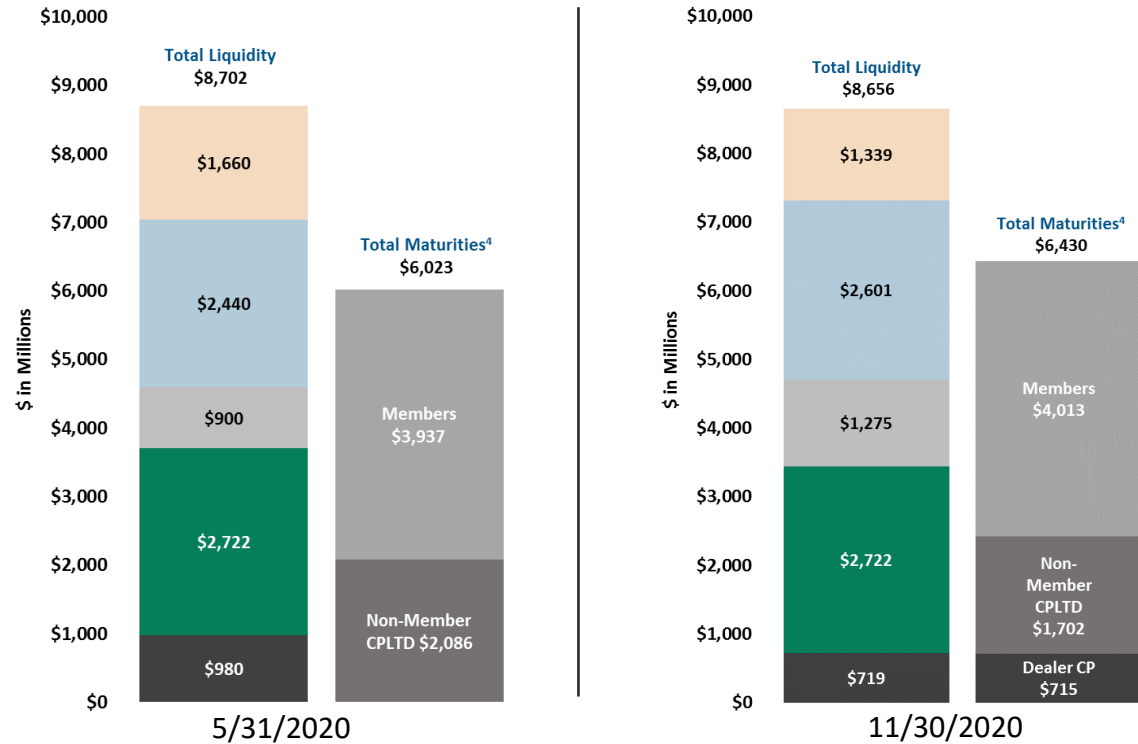
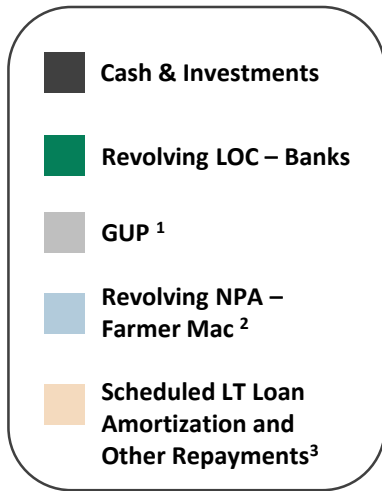


(1) \$390 million in maturities and \$92 million in scheduled principal amortization

(2) Amounts represent scheduled principal amortization

# Liquidity Management

- CFC is a well-known seasoned issuer and believes it has adequate access to both long-term and short-term funding options



Liquidity Coverage/Excess Liquidity

1.4x/\$2,679

1.3x/\$2,226

Liquidity Coverage/Excess Liquidity  
(excluding short-term member debt)

4.2x/\$6,616

3.6x/\$6,239

(1) The committed facilities under the GUP are not revolving  
(2) Revolving NPA - Farmer Mac is subject to market conditions

(3) Scheduled LT loan amortization and other repayments over the next 12 months  
(4) Short-term debt maturities include long-term debt maturities over the next 12 months



# Projected Sources and Uses of Liquidity as of 11/30/2020

(\$ in Mils.)	LT Debt Maturities	Projected Net Loan Growth	Other Sources/(Uses) of Cash	Projected Cash Needs	Projected LT Debt Issuances
2/28/21	\$454	\$459	\$104	\$809	\$755
5/31/21	707	\$16	124	\$599	535
8/31/21	548	\$153	179	\$522	483
11/30/21	352	(\$9)	(29)	\$372	311
2/28/22	1,234	\$212	(280)	\$1,726	1,703
5/31/22	547	\$194	223	\$518	455
<b>Totals</b>	<b>\$3,842</b>	<b>\$1,025</b>	<b>\$321</b>	<b>\$4,546</b>	<b>\$4,242</b>

\* Refer to Page 47 of 10-Q for more details



# Key Takeaways

## Robust Credit Ratings

Fitch: **F1** (Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 10/5/20)

Moody's: **P-1** (Short-Term); **A1** (Senior Secured); **A2** (Senior Unsecured); **Stable** Outlook (Last commented on 11/20/20)

S&P: **A-1** (Short-Term); **A** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 11/20/20)

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

## High Quality Loan Portfolios

98% of loans are to rural electric systems

94% of loans are on a senior secured basis

0.22% total allowance coverage ratio

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

## Strong Member Support

21% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity at \$1.8 billion as of 11/30/2020, a 35% increase from \$1.3 billion as of 5/31/2016

## Healthy Funding & Liquidity Profile

Diversified funding sources (Cash, investments, bank lines, GUP & Farmer Mac)

1.3x times liquidity coverage ratio over the next 12 months

3.6x times liquidity coverage ratio over the next 12 months, excluding short-term debt maturities related to member investments



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

***Created  
and Owned  
by America's  
Electric Cooperative  
Network***