

**Investor Conference Call –
FY2019 First Quarter Ended
August 31, 2018**

October 16, 2018 at 11 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.



Financial Performance

J. Andrew Don, Chief Financial Officer



Non-GAAP Financial Measures

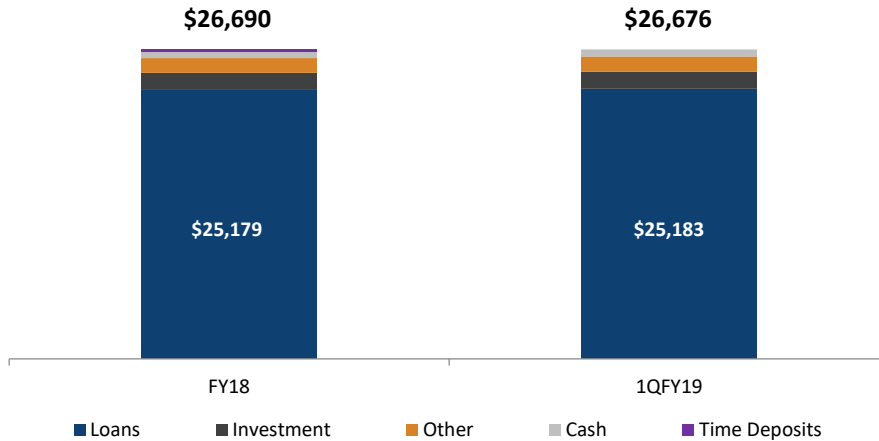
During our discussion, we may review certain non-GAAP adjusted financial measures. Please refer to our Form 10-Q for the fiscal quarter ended August 31, 2018, as filed with the SEC and posted on the CFC website, for a discussion of why we believe our adjusted measures provide useful information in analyzing CFC's financial performance and the reconciliation to the most comparable GAAP measures.



1QFY19 Financial Results – Balance Sheet

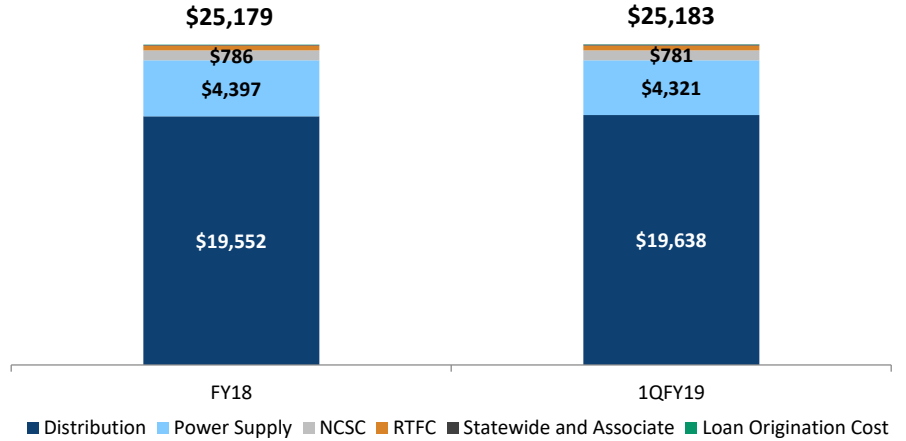
Total Assets (\$ in Mills)

\$14 MM Decrease in Total Assets



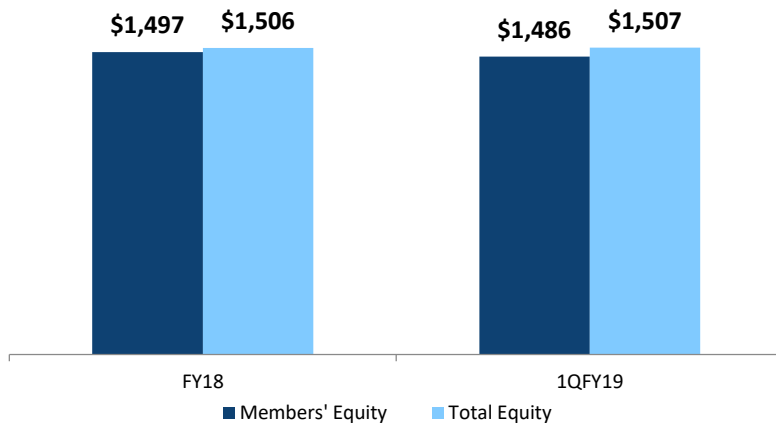
Loans to Members (\$ in Mills)

\$4 MM Increase



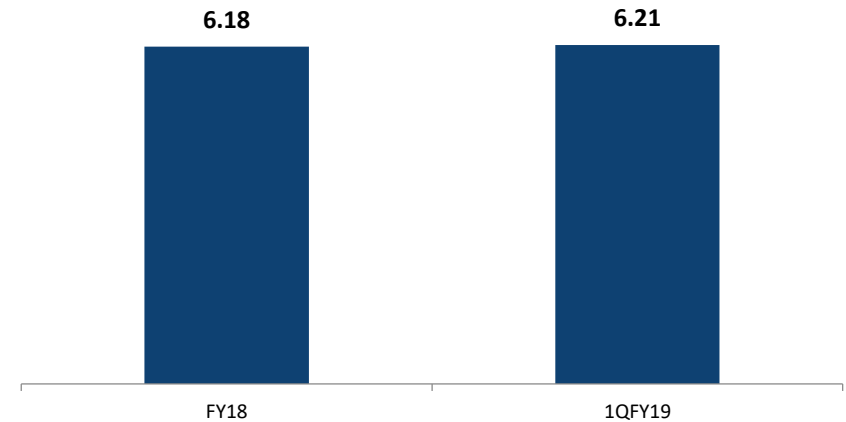
Members' Equity/Total Equity (\$ in Mills)

\$11 MM Decrease in Members' Equity



Adjusted Debt to Equity Ratio

0.03 Increase



1QFY19 Financial Results – Income Statement

Adjusted TIER

0.03 Decrease

1.16

1.13

1QFY18 (3 mos)

1QFY19 (3 mos)

Adjusted Net Income (\$ in Mils)

\$7 MM Decrease

\$35

\$28

1QFY18 (3 mos)

1QFY19 (3 mos)

Adjusted Net Interest Income (\$ in Mils)

\$2 MM Increase

\$53

\$55

1QFY18 (3 mos)

1QFY19 (3 mos)

Adjusted Net Interest Yield

1 bps Increase

0.84%

0.85%

1QFY18 (3 mos)

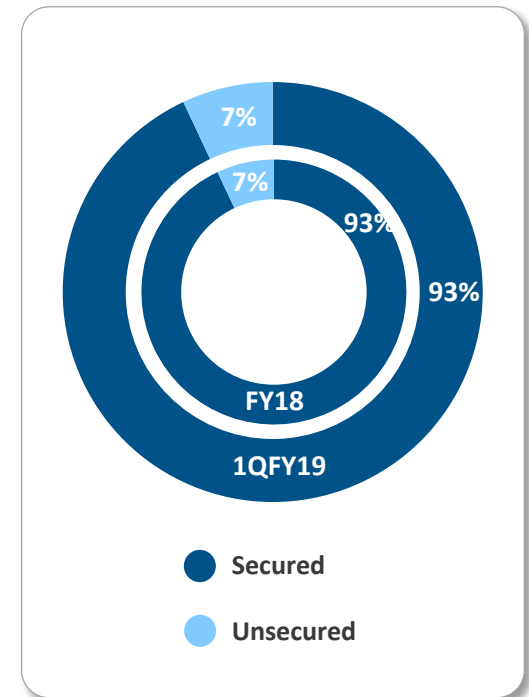
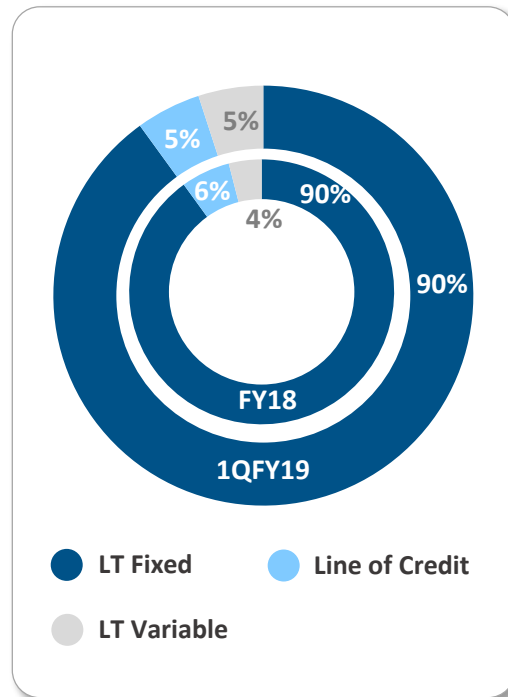
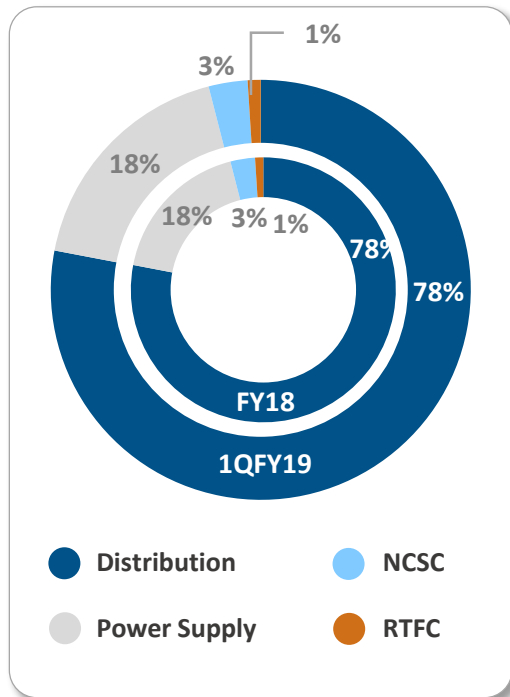
1QFY19 (3 mos)



Loan Portfolio Overview

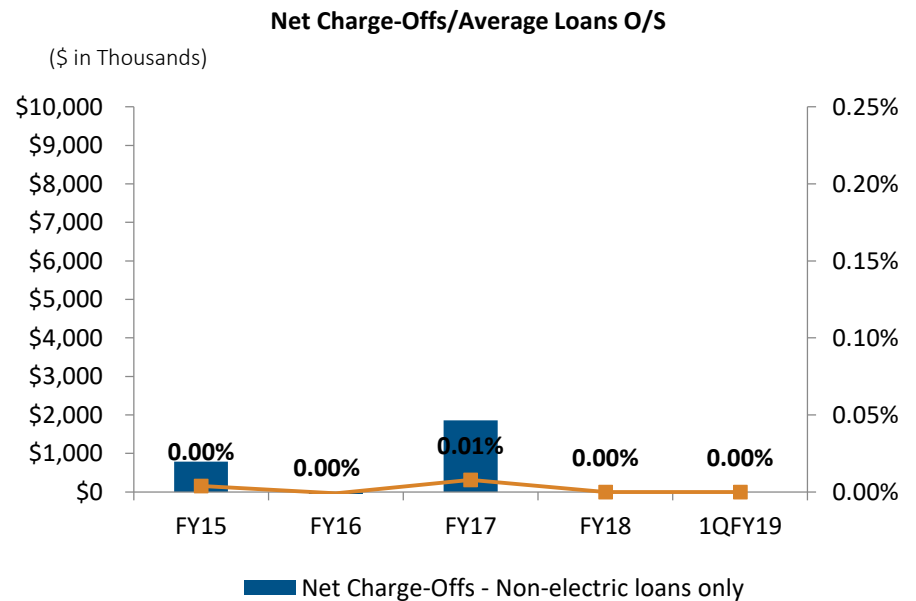
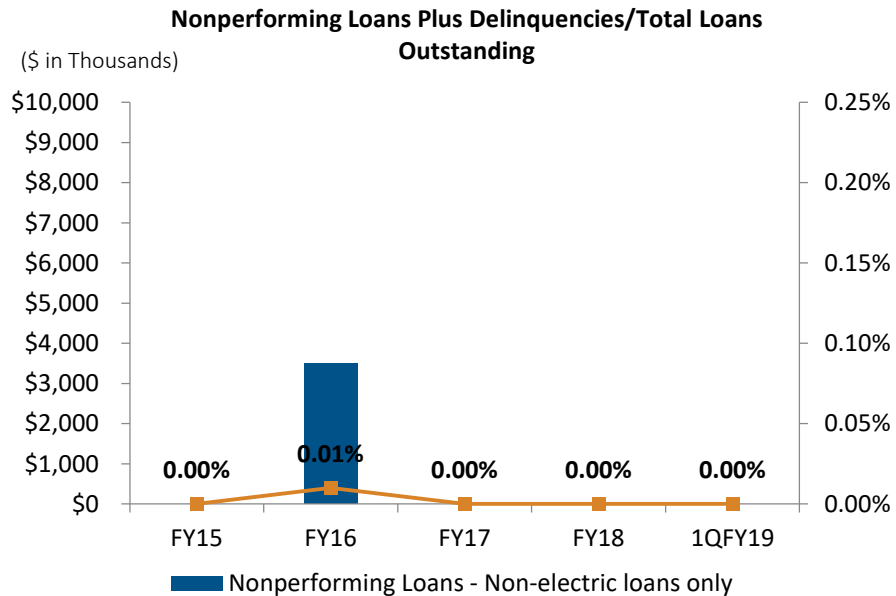
CFC's Electric Cooperative Borrowers/Members:

- 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



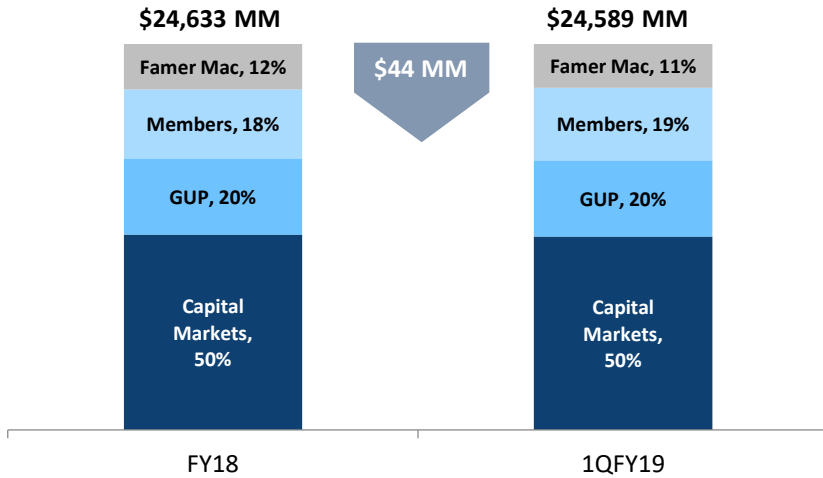
Credit Performance

- During CFC's 49-year history, there have only been 16 defaults and six losses in the electric utility portfolio; net write-offs for the electric portfolio totaled \$86 million
- At 1QFY19, CFC did not have any delinquent or nonperforming loans
- CFC had no charge-offs or loan defaults during 1QFY19

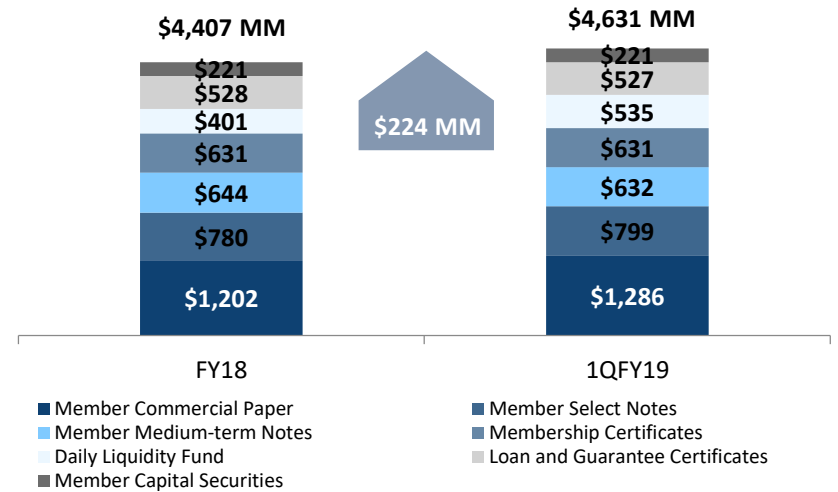


Debt Funding Sources

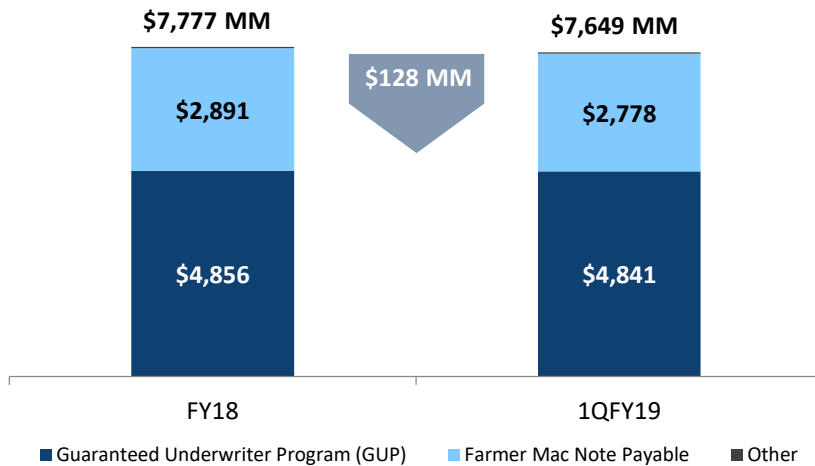
Total Debt Outstanding (\$ in Mills)



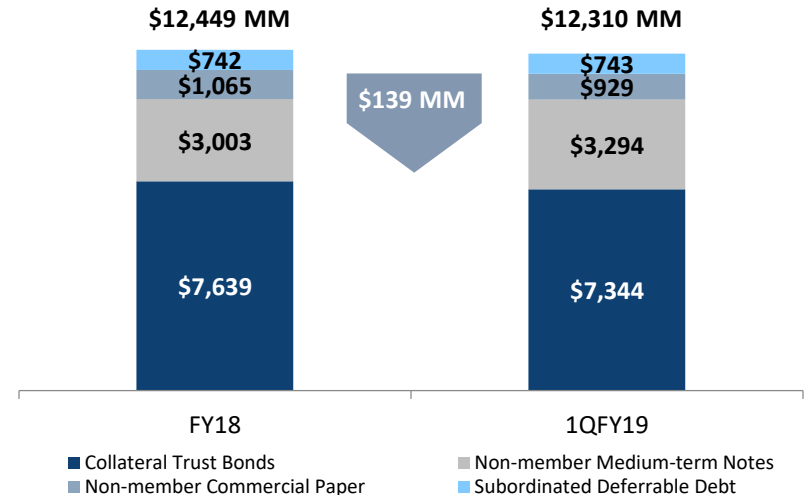
Member Investment (\$ in Mills)



GUP, Farmer Mac & Other (\$ in Mills)

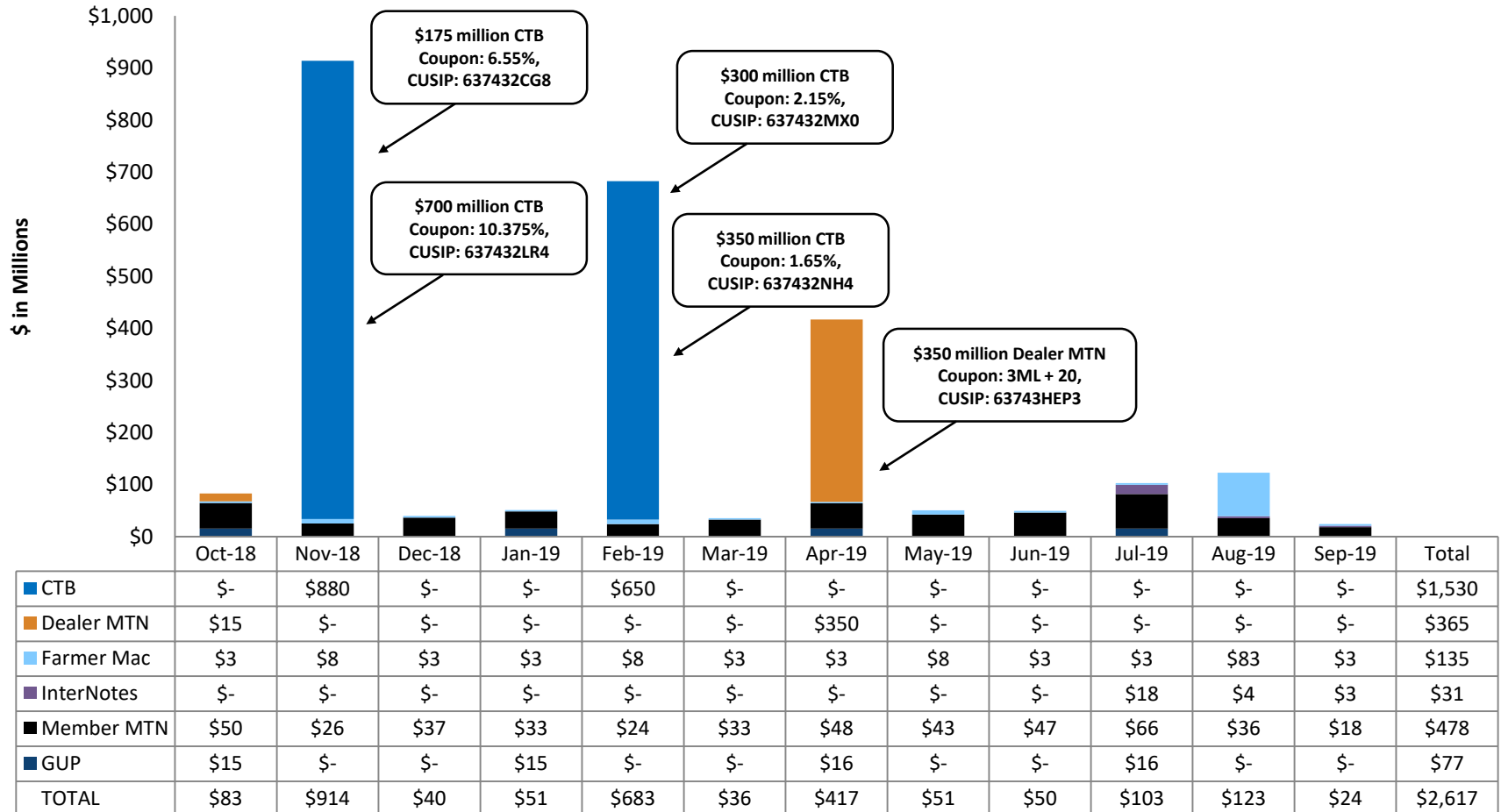


Capital Markets Funding (\$ in Mills)



Monthly Debt Maturity Schedule

Data as of 9/30/2018

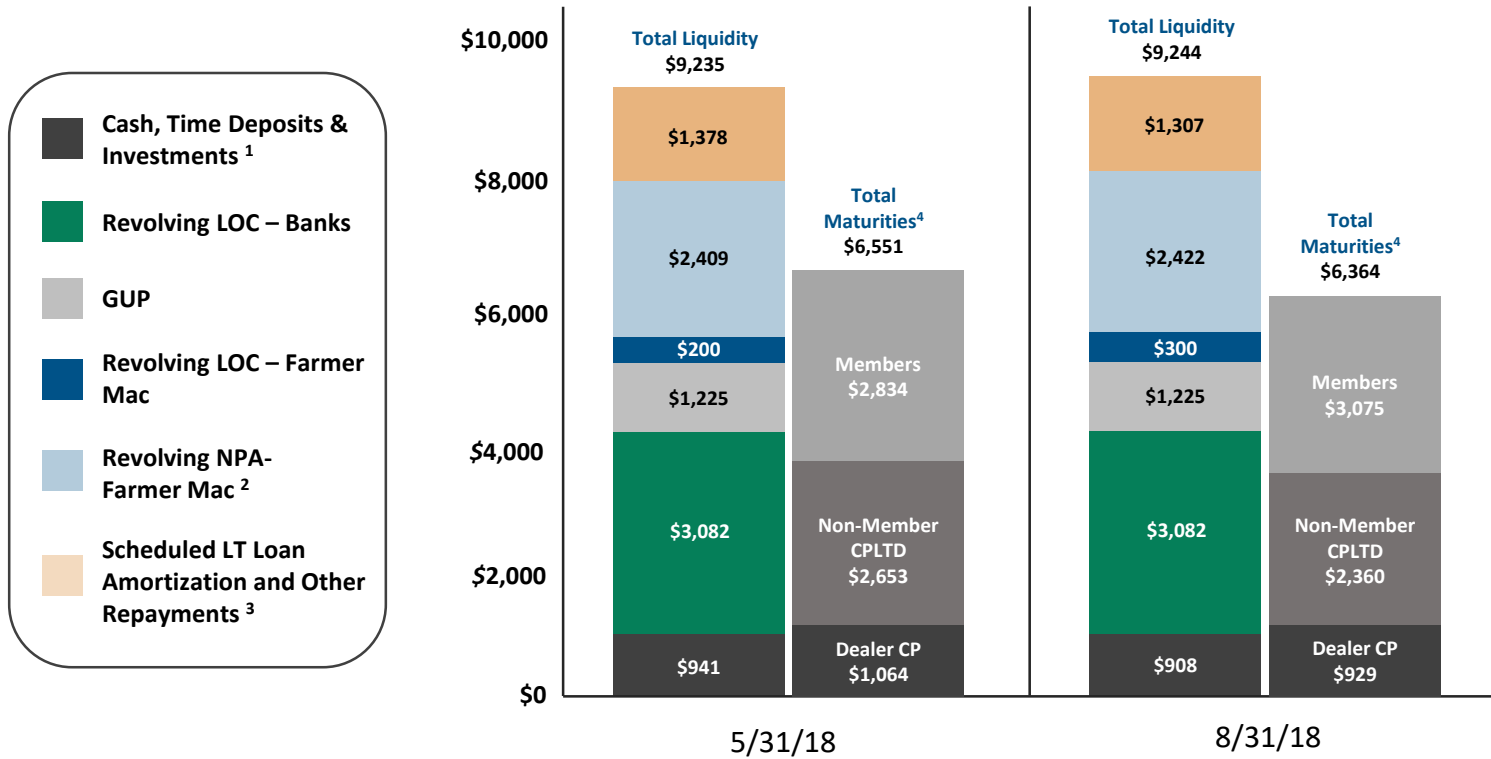


Note: Our members traditionally roll over their MTN investments at maturity.



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/\$2,684

1.5x/\$2,880

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

2.5x/\$5,518

2.8x/\$5,955

(1) \$554 million of investments are classified as held-to-maturity and it is our intention to hold these securities to maturity
 (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



Liquidity Position as of 8/31/2018

(\$ in Mils.)	Projected Sources of Liquidity				Projected Uses of Liquidity			Other Sources/ (Uses) of Liquidity ⁴	Net LT Loan Growth ⁵
	LT Debt Issuance	Anticipated LT Loan Repayments ¹	Other Loan Repayments ²	Total Projected Sources of Liquidity	LT Debt Maturities ³	LT Loan Advances	Total Projected Uses of Liquidity		
11/30/18	\$1,000	\$340		\$1,340	\$1,299	\$403	\$1,702	\$277	\$63
2/28/19	1,050	300	55	\$1,405	777	585	\$1,362	(48)	\$285
5/31/19	650	284		\$934	506	296	\$802	(228)	\$12
8/31/19	270	328		\$598	238	305	\$543	(40)	(\$23)
11/30/19	670	340		\$1,010	685	438	\$1,123	68	\$98
2/28/20	620	308		\$928	566	438	\$1,004	55	\$130
Totals	\$4,260	\$1,900	\$55	\$6,215	\$4,071	\$2,465	\$6,536	\$84	\$565

(1) Anticipated long-term loan repayments include scheduled long-term loan amortizations, anticipated cash repayments at repricing date and sales.

(2) Other loan repayments include anticipated short-term loan repayments.

(3) Long-term debt maturities includes medium-term notes with an original maturity of one year or less and expected early redemptions of debt.

(4) Includes net increase or decrease to dealer commercial paper, and purchases and maturity of investments.

(5) Cumulative LT Loan Advances minus Anticipated Loan Repayments including scheduled loan amortizations, repricings and sales.



Year To Date FY19 Major Financing Activities

CTBs

- July 2018 – Redeemed early \$300 million of the \$1 billion 10.375% CTB with an original maturity of November 1, 2018

MTNs

- July 2018 – Issued \$300 million 3-year floating-rate notes @ 3ML + 37.5 bps

GUP

- July 2018 – Repriced \$125 million @ 3.50% with a 15-year final maturity
- August 2018 – Received an approval for an additional \$750 million funding under the GUP

Farmer Mac

- July 2018 – Extended the draw period for the \$300 million Farmer Mac revolving note purchase agreement to December 2023
- September 2018 – Entered into a pricing agreement with Farmer Mac to advance \$250 million in November 2018 under the note purchase agreement

Key Takeaways

Robust Credit Ratings

Fitch: **F1** (Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 10/1/18)

Moody's: **P-1** (Short-Term); **A1** (Senior Secured); **A2** (Senior Unsecured); **Stable** Outlook (Last commented on 11/30/17)

S&P: **A-1** (Short-Term); **A** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 5/29/18)

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

High Quality Loan Portfolios

99% of loans are to rural electric systems

93% of loans are on a senior secured basis

0.07% loan loss allowance coverage ratio

No loan defaults, no nonperforming loans, no charge-offs & no delinquent loans

Strong Member Support

19% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity at \$1.5 billion as of 8/31/2018, a 49% increase from \$998 million as of 5/31/2013

Healthy Funding & Liquidity Profile

Maintain dealer commercial paper balance at the \$1 billion – \$1.25 billion level

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

1.5 times liquidity coverage ratio over the next 12 months

2.8 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***