Investor Conference Call – FY2020 First Quarter Ended August 31, 2019

October 23, 2019 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
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, 2019, 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.
1QFY20 Financial Results – Balance Sheet

**Total Assets ($ in Mil)**

- **FY19:** $27,124
- **1QFY20:** $27,579

$455 MM Increase

**Loans to Members ($ in Mil)**

- **FY19:** $25,917
- **1QFY20:** $26,300

$383 MM Increase

**Members’ Equity ($ in Mil)**

- **FY19:** $1,626
- **1QFY20:** $1,623

$3 MM Decrease

**Adjusted Debt to Equity Ratio**

- **FY19:** 5.73
- **1QFY20:** 5.84

0.11 Increase
1QFY20 Financial Results – Income Statement

### Adjusted TIER
- 1QFY19 (3 mos): 1.13
- 1QFY20 (3 mos): 1.27
  - 0.14 Increase

### Adjusted Net Income ($ in Mils)
- 1QFY19 (3 mos): $28
- 1QFY20 (3 mos): $61
  - $33 MM Increase

### Adjusted Net Interest Income ($ in Mils)
- 1QFY19 (3 mos): $55
- 1QFY20 (3 mos): $66
  - $11 MM Increase

### Adjusted Net Interest Yield
- 1QFY19 (3 mos): 0.85%
- 1QFY20 (3 mos): 0.97%
  - 12 bps Increase
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 50-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 did not have any delinquent or nonperforming loans since June 1, 2016
- CFC had no charge-offs or loan defaults during 1QFY20
Debt Funding Sources

Total Debt Outstanding ($ in Mils)

- FY19: $25,162 MM
  - Farmer Mac, 12%
  - Members, 18%
  - GUP, 21%
  - Capital Markets, 49%
- 1QFY20: $25,464 MM
  - Farmer Mac, 12%
  - Members, 20%
  - GUP, 21%
  - Capital Markets, 47%

Member Investment ($ in Mils)

- FY19: $4,417 MM
  - $221
  - $299
  - $505
  - $626
  - $630
  - $1,024
  - $1,112
- 1QFY20: $4,972 MM
  - $221
  - $435
  - $505
  - $662
  - $630
  - $1,278
  - $1,241

GUP, Farmer Mac & Other ($ in Mils)

- FY19: $8,488 MM
  - $3,055
  - $2,962
  - $5,411
- 1QFY20: $8,372 MM
  - $2,962
  - $5,387

Capital Markets Funding ($ in Mils)

- FY19: $12,257 MM
  - $945
  - $986
  - $2,942
  - $7,384
- 1QFY20: $12,120 MM
  - $986
  - $2,916
  - $7,388

Capital Markets, 49%

- Guaranteed Underwriter Program (GUP)
- Farmer Mac Note Payable
- Other
Monthly Debt Maturity Schedule

Data as of 9/30/2019

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**

![Bar chart showing liquidity management]

**Liquidity Coverage/Excess Liquidity**

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<th>5/31/19</th>
<th>8/31/19</th>
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<tbody>
<tr>
<td>1.8x/4,002</td>
<td>1.5x/3,213</td>
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**Liquidity Coverage/Excess Liquidity (excluding short-term member debt)**

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1. $570 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 8/31/2019

<table>
<thead>
<tr>
<th>($ in Mils.)</th>
<th>LT Debt Maturities</th>
<th>Projected Net Loan Growth</th>
<th>Other Sources/(Uses) of Cash</th>
<th>Projected Cash Needs</th>
<th>Projected LT Debt Issuances</th>
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</thead>
<tbody>
<tr>
<td>11/30/19</td>
<td>$773</td>
<td>$59</td>
<td>$573</td>
<td>$259</td>
<td>$265</td>
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<tr>
<td>2/29/20</td>
<td>650</td>
<td>112</td>
<td>59</td>
<td>703</td>
<td>690</td>
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<tr>
<td>5/31/20</td>
<td>235</td>
<td>(113)</td>
<td>(20)</td>
<td>142</td>
<td>90</td>
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<td>8/31/20</td>
<td>564</td>
<td>(34)</td>
<td>(69)</td>
<td>599</td>
<td>620</td>
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<tr>
<td>11/30/20</td>
<td>504</td>
<td>7</td>
<td>70</td>
<td>441</td>
<td>420</td>
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<tr>
<td>2/28/21</td>
<td>314</td>
<td>12</td>
<td>(11)</td>
<td>337</td>
<td>320</td>
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<tr>
<td>Totals</td>
<td>$3,040</td>
<td>$43</td>
<td>$602</td>
<td>$2,481</td>
<td>$2,405</td>
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* Refer to Page 39 of 10Q for more details
Key Takeaways

Robust Credit Ratings

- Fitch: F1 (Short-Term); A+ (Senior Secured); A (Senior Unsecured); Stable Outlook (Last commented on 9/24/19)
- Moody’s: P-1 (Short-Term); A1 (Senior Secured); A2 (Senior Unsecured); Stable Outlook (Last commented on 11/30/18)
- S&P: A-1 (Short-Term); A (Senior Secured); A (Senior Unsecured); Stable Outlook (Last commented on 4/12/19)
- 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

- 20% of funding is from member-owners
- Historically low reinvestment risk on member investments
- Total members’ equity at $1.6 billion as of 8/31/2019, a 63% increase from $998 million as of 5/31/2013

Healthy Funding & Liquidity Profile

- Diversified funding sources (Cash, investments, bank lines, GUP & Farmer Mac)
- 1.5 times liquidity coverage ratio over the next 12 months
- 3.6 times liquidity coverage ratio over the next 12 months, excluding short-term debt maturities related to member investments

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
20% of funding is from member-owners
Historically low reinvestment risk on member investments
Total members’ equity at $1.6 billion as of 8/31/2019, a 63% increase from $998 million as of 5/31/2013
Diversified funding sources (Cash, investments, bank lines, GUP & Farmer Mac)
1.5 times liquidity coverage ratio over the next 12 months
3.6 times liquidity coverage ratio over the next 12 months, excluding short-term debt maturities related to member investments
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