

**Investor Conference Call –
FY2019 Second Quarter Ended
November 30, 2018**

January 25, 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



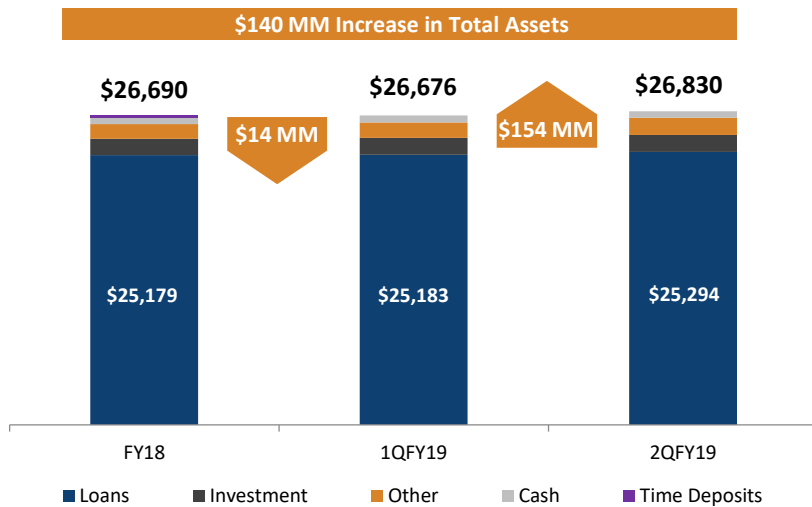
Non-GAAP Financial Measures

During our discussion, we may review certain non-GAAP adjusted financial measures. Please refer to our Form 10-Q for the fiscal quarter ended November 30, 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.

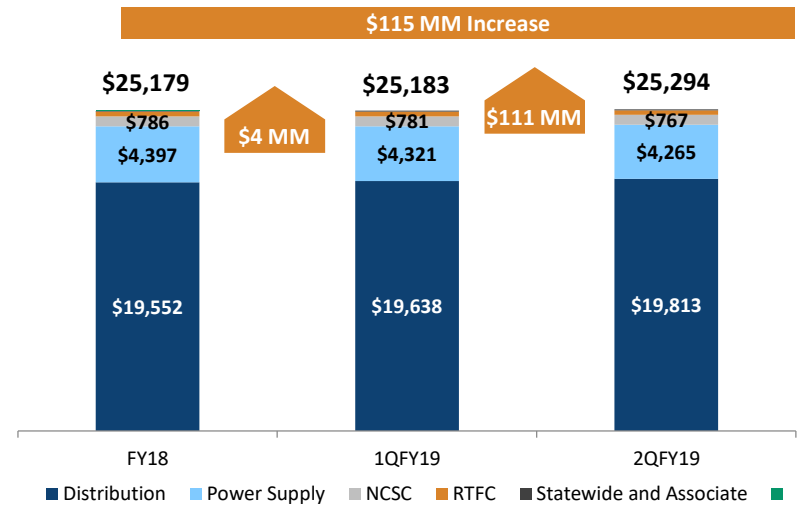


2QFY19 Financial Results – Balance Sheet

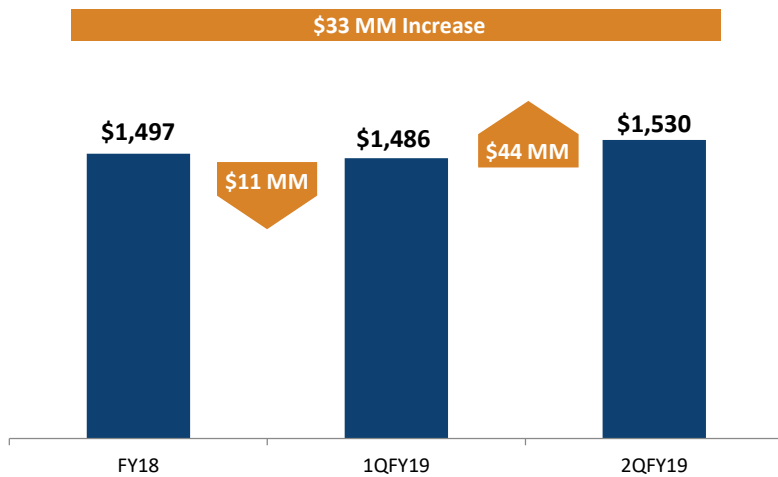
Total Assets (\$ in Mills)



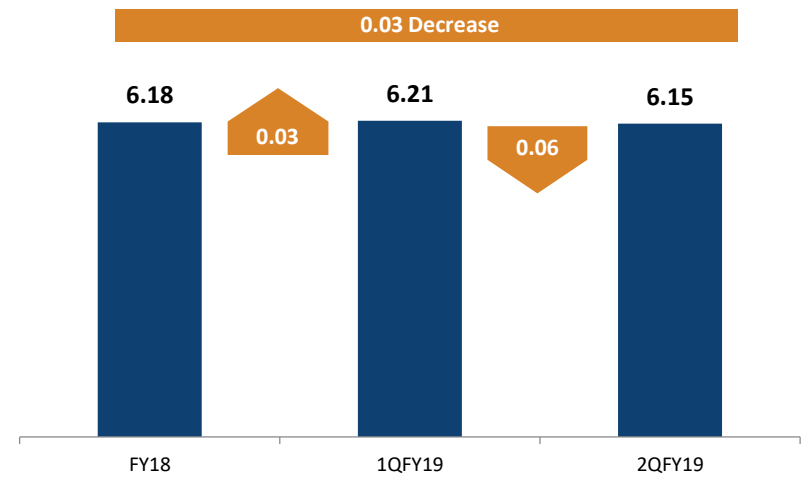
Loans to Members (\$ in Mills)



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

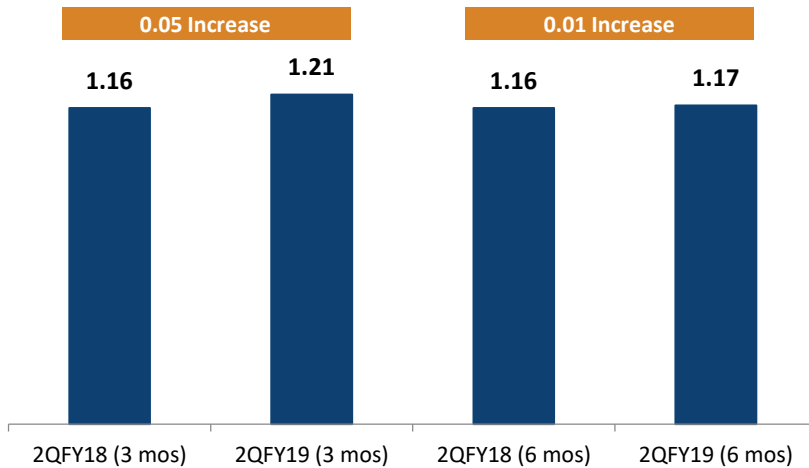


Adjusted Debt to Equity Ratio

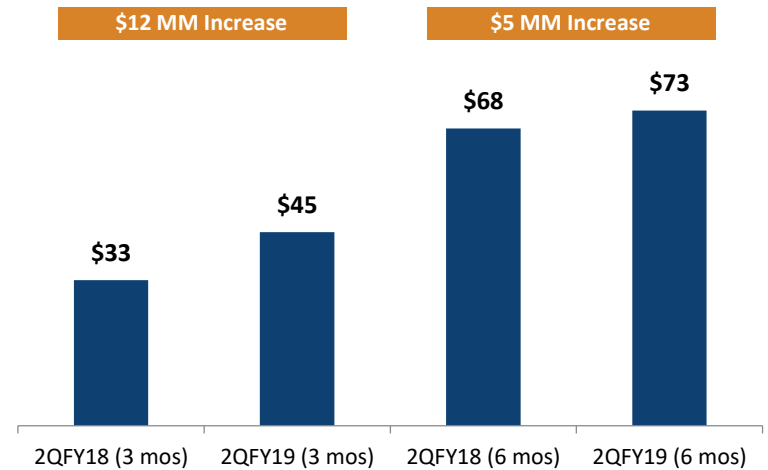


2QFY19 Financial Results – Income Statement

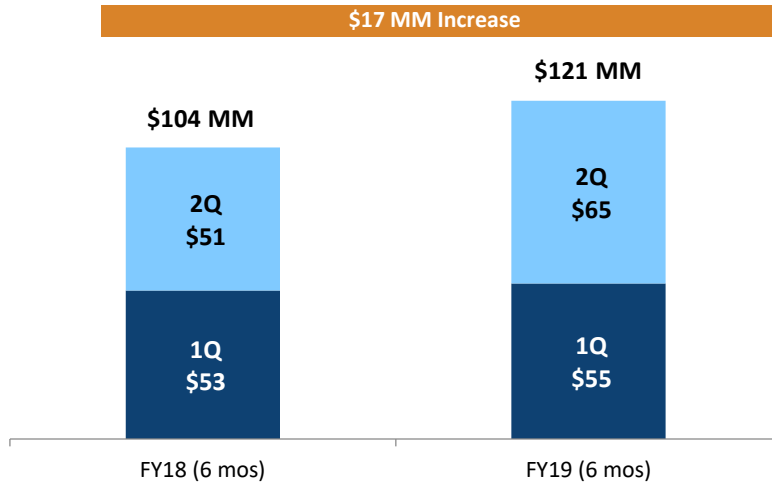
Adjusted TIER



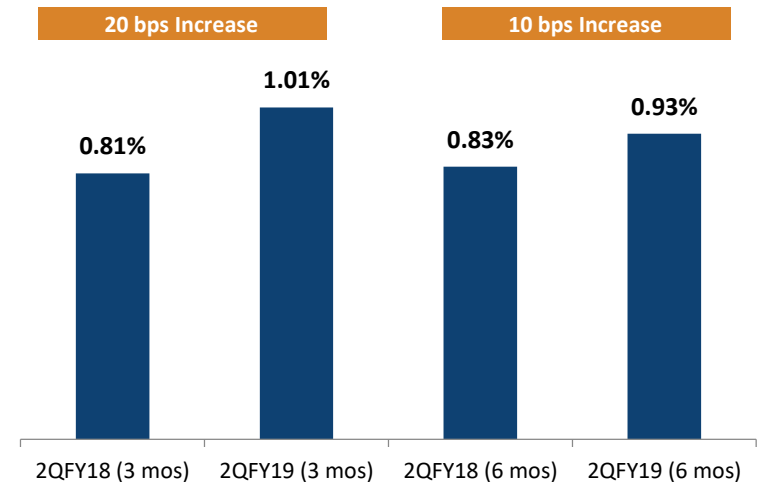
Adjusted Net Income (\$ in Mills)



Adjusted Net Interest Income (\$ in Mills)



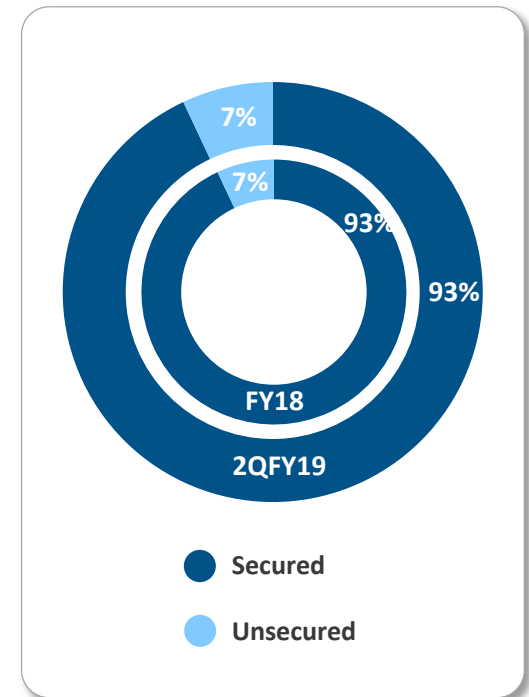
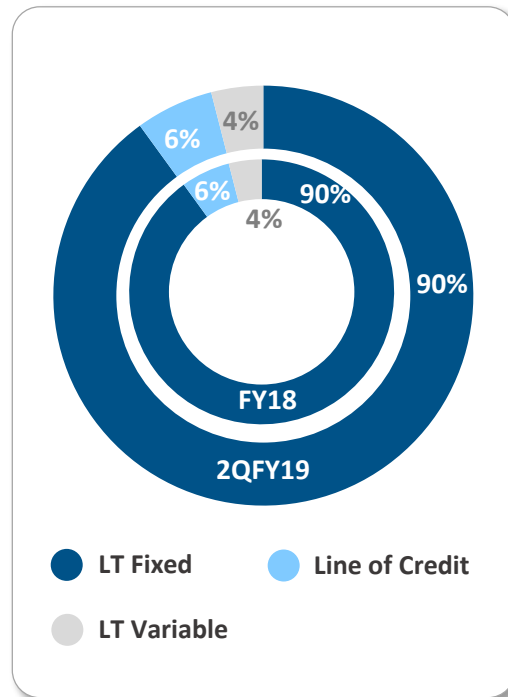
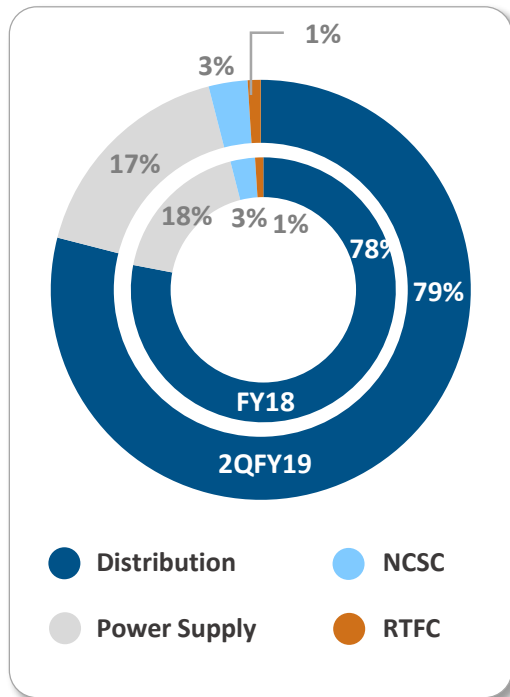
Adjusted Net Interest Yield



Loan Portfolio Overview

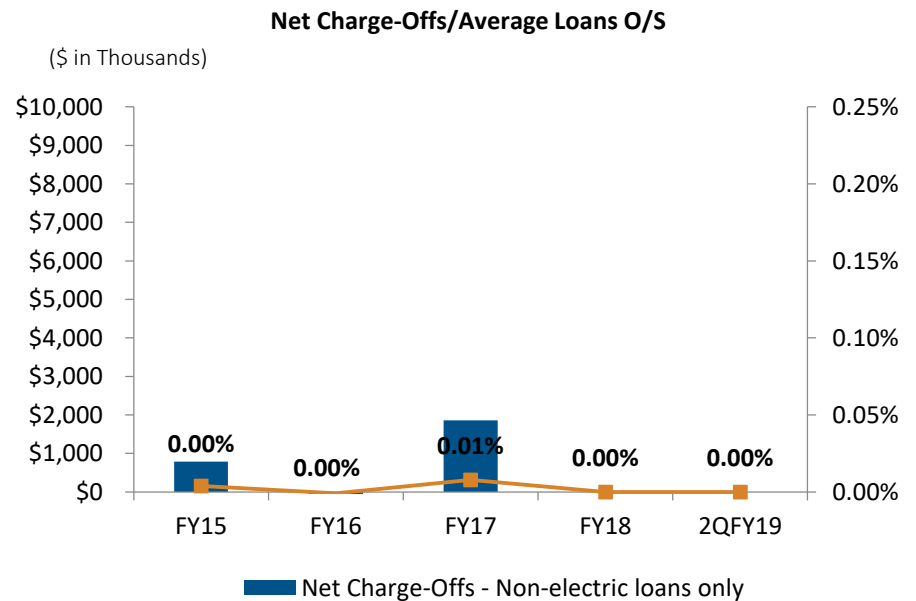
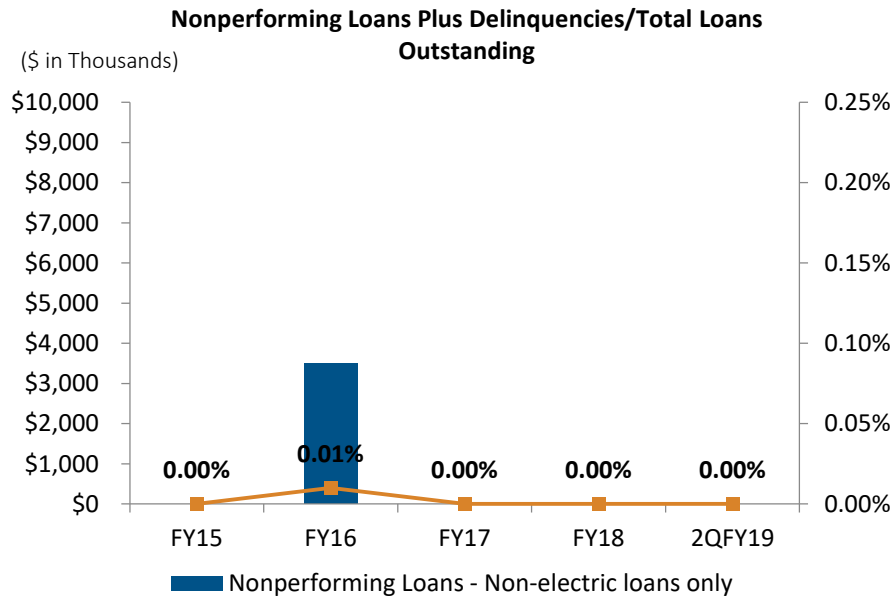
CFC's Electric Cooperative Borrowers/Members:

- 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



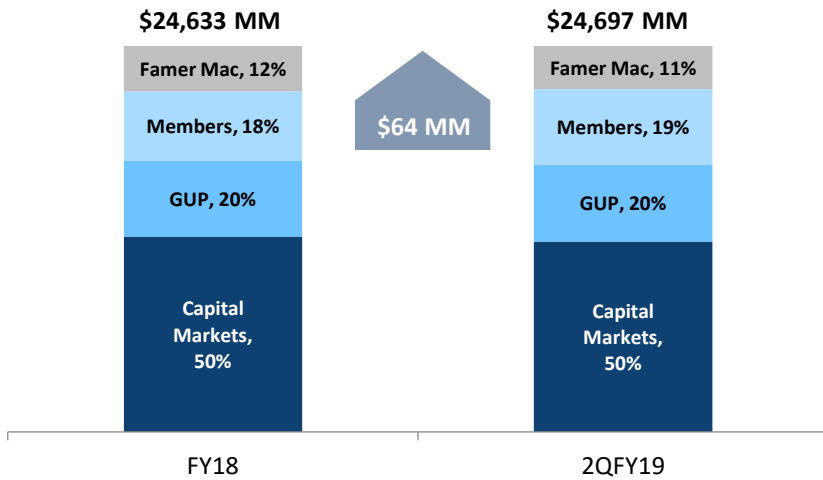
Credit Performance

- During CFC's 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
- CFC did not have any delinquent or nonperforming loans since June 1, 2016
- CFC had no charge-offs or loan defaults during 1HFY19 and FY18

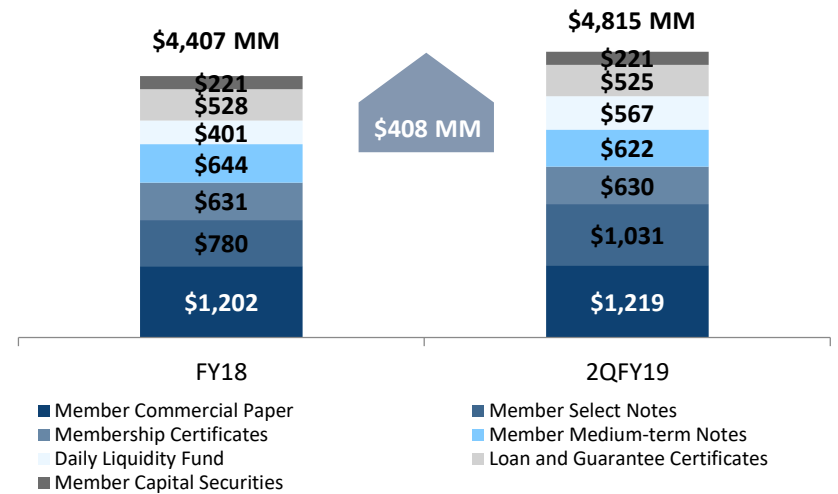


Debt Funding Sources

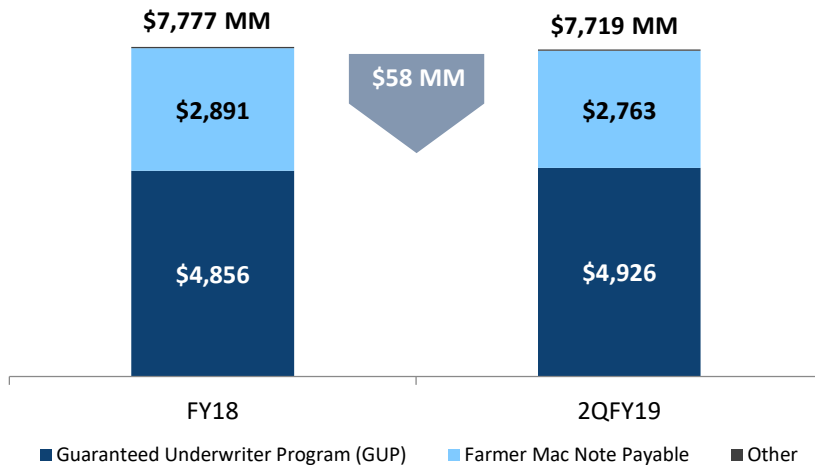
Total Debt Outstanding (\$ in Mills)



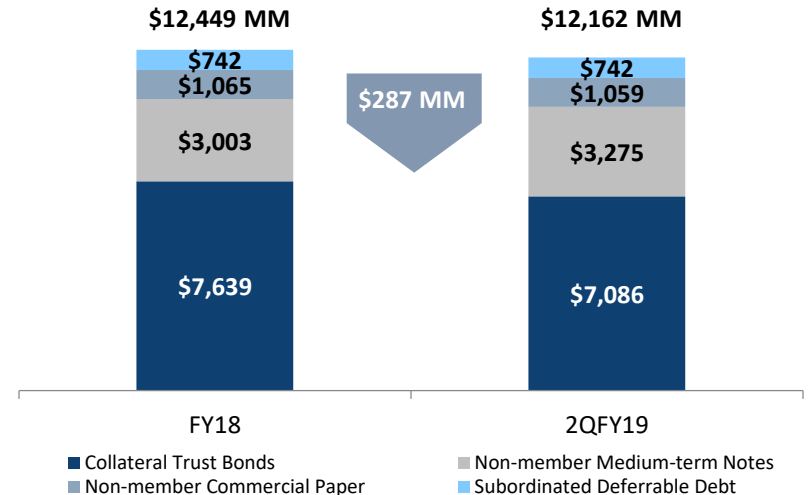
Member Investment (\$ in Mills)



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

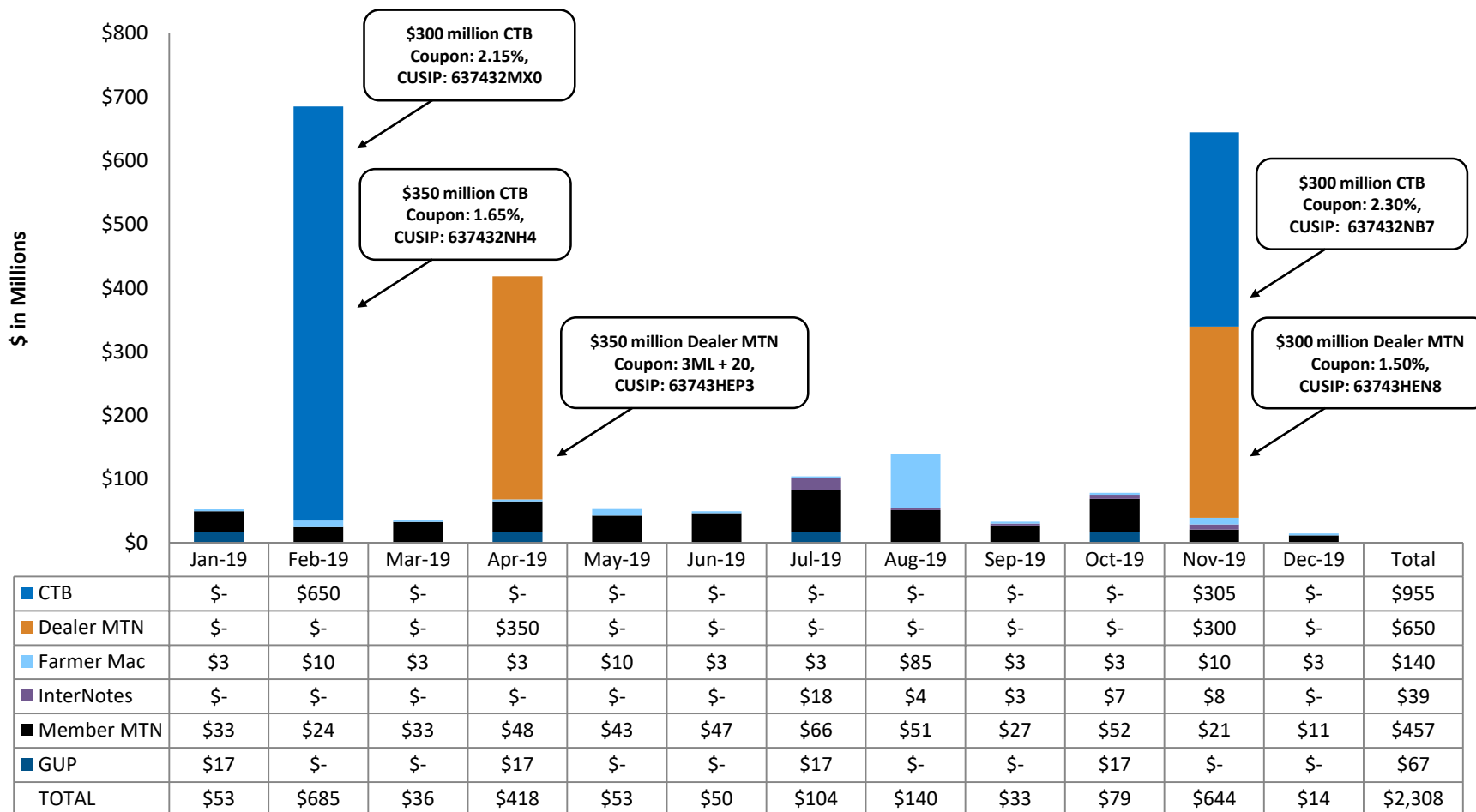


Capital Markets Funding (\$ in Mills)



Monthly Debt Maturity/Amortization Schedule

Data as of 12/31/2018

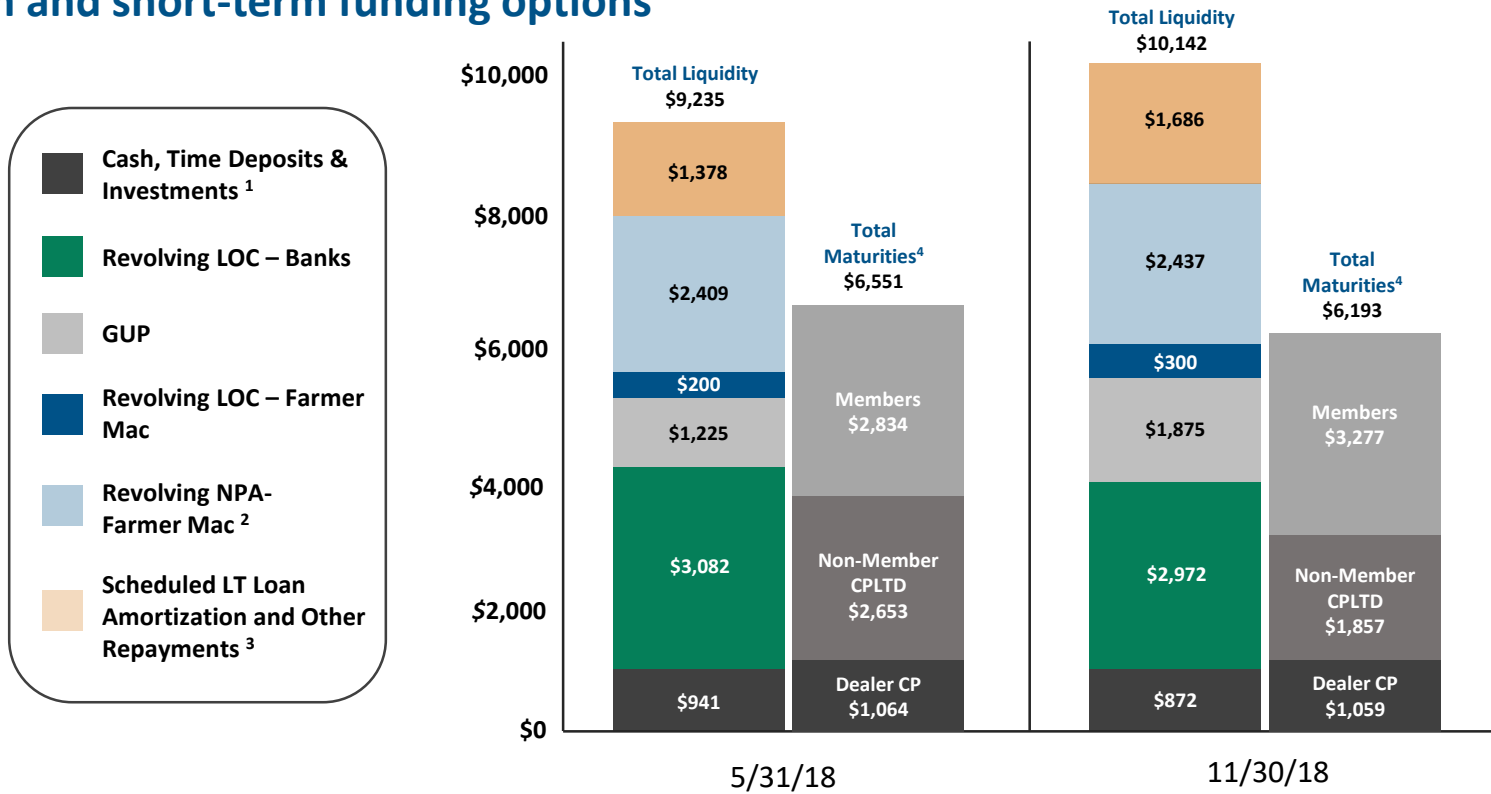


Note: Our members traditionally roll over their MTN investments at maturity.



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

1.6x/\$3,949

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

2.5x/\$5,518

3.5x/\$7,226

(1) \$558 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 11/30/2018

(\$ in Mils.)	Projected Sources of Liquidity				Projected Uses of Liquidity					
	LT Debt Issuance	Anticipated LT Loan Repayments ¹	Other Loan Repayments ²	Total Projected Sources of Liquidity	LT Debt Maturities ³	LT Loan Advances	Other Loan Advances ⁴	Total Projected Uses of Liquidity	Other Sources/ (Uses) of Liquidity ⁵	Net LT Loan Growth ⁶
2/28/19	\$1,320	\$405	\$106	\$1,831	\$780	\$790	\$547	\$2,117	\$168	\$385
5/31/19	495	292	269	\$1,056	509	434		\$943	(219)	\$142
8/31/19	340	321		\$661	294	328		\$622	(25)	\$7
11/30/19	815	293		\$1,108	735	346		\$1,081	(74)	\$53
2/29/20	690	317		\$1,007	571	501		\$1,072	42	\$184
5/31/20	90	301		\$391	76	406		\$482	15	\$105
Totals	\$3,750	\$1,929	\$375	\$6,054	\$2,965	\$2,805	\$547	\$6,317	(\$93)	\$876

(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) Other loan advances include anticipated short-term loan advances.

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

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



Q1 and Q2 Major Financing Activities

Revolvers

- **November 2018** – Amended and extended maturities of the credit facilities by one year to **November 2021** and **November 2023** and reduced the commitment amount by **\$110 million** from **\$3.085 billion** to **\$2.975 billion**

CTBs

- July 2018 – Redeemed early \$300 million of the \$1 billion 10.375% CTB with an original maturity of November 1, 2018
- **October 2018** – Issued a **\$325 million 10-year CTB @ 3.90%** and **\$300 million 30-year CTB @ 4.40%**
- **November 2018** – Paid off **\$880 million** of CTBs with a weighted average coupon of **9.60%**

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
- **November 2018** – Closed a **\$750 million committed loan facility with a 4.5 year draw period**
- **November 2018** – Advanced **\$100 million @ 3.635%** with a 20-year final maturity

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 11/30/18)

S&P: **A-1** (Short-Term); **A** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 10/17/18)

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

Pristine 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 11/30/2018, a 50% increase from \$998 million as of 5/31/2013

Healthy Funding & Liquidity Profile

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

1.6 times liquidity coverage ratio over the next 12 months

3.5 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***

Appendix

Adjusted Debt To Equity (Adjusted Liabilities / Adjusted Equity)	<p>[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)]</p>
Adjusted Interest Expense	<p>Interest Expense + Derivative Cash Settlements</p>
Adjusted Net Income	<p>Net Income – Derivative Forward Value Gains (Losses)</p>
Adjusted Net Interest Income	<p>Net Interest Income – Derivative Cash Settlements</p>
Adjusted Net Interest Yield	<p>Adjusted Net Interest Income / Total Average Interest-Earning Assets</p>
Adjusted TIER	<p>(Adjusted Interest Expense + Adjusted Net Income) / Adjusted Interest Expense</p>
Derivative Forward Value Gains or Losses	<p>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.</p>
Members' Equity	<p>GAAP Equity – AOCI – Noncontrolling Interests – Cumulative Derivative Forward Value Losses</p>