Investor Conference Call – FY2020 Second Quarter Ended November 30, 2019

January 21, 2020 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

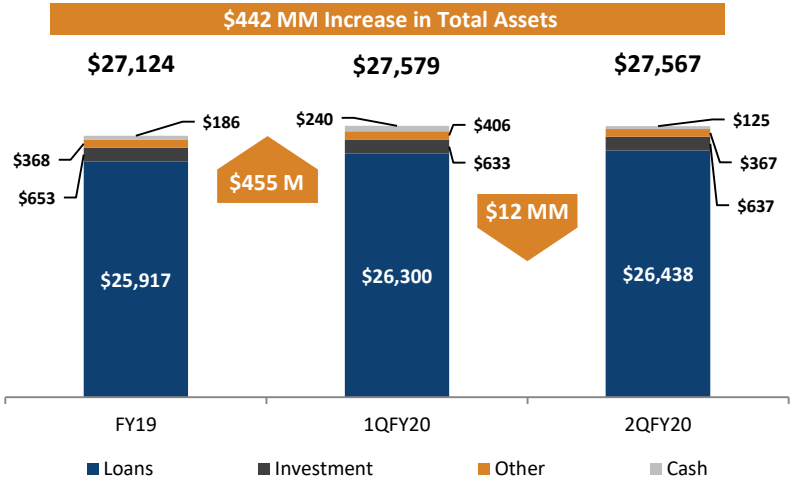
J. Andrew Don, Chief Financial Officer

Non-GAAP Financial Measures

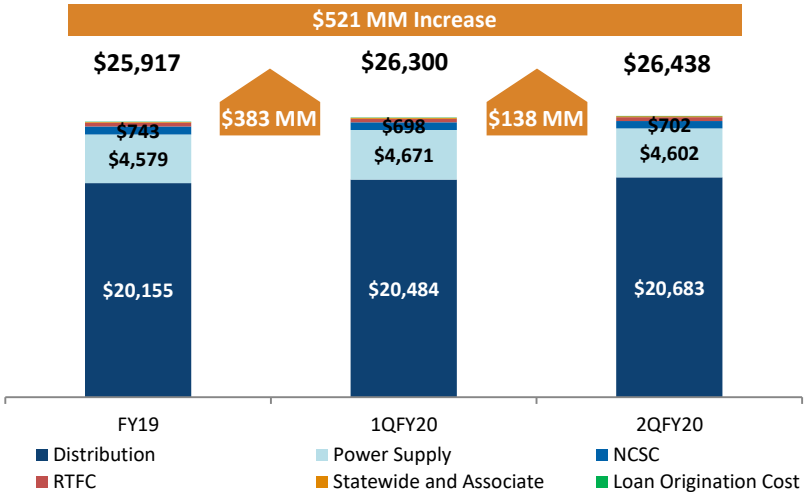
During our discussion, we may review certain non-GAAP adjusted financial measures. Please refer to our Form 10-Q for the fiscal quarter ended November 30, 2019, as filed with the SEC and posted on the CFC website, for a discussion of why we believe our adjusted measures provide useful information in analyzing CFC's financial performance and the reconciliation to the most comparable GAAP measures.

2QFY20 Financial Results – Balance Sheet

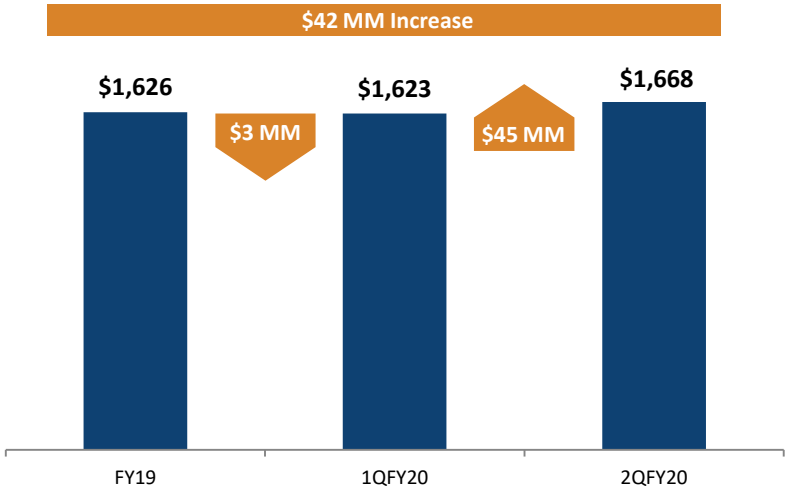
Total Assets ($ in Mils)



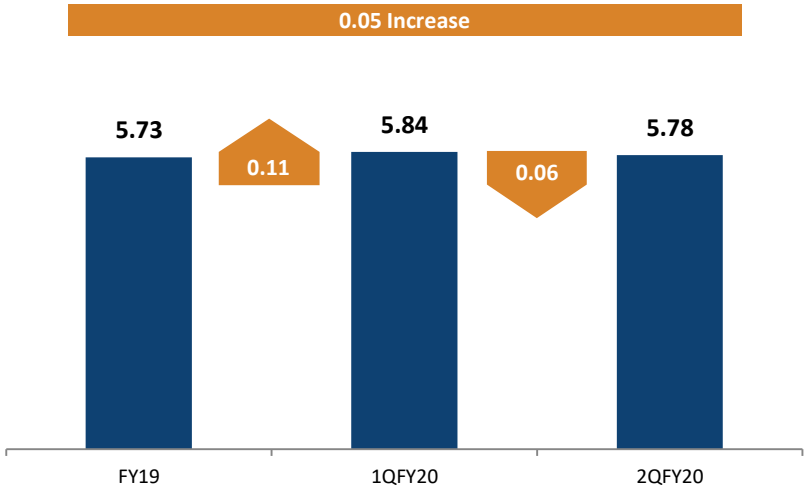
Loans to Members ($ in Mils)



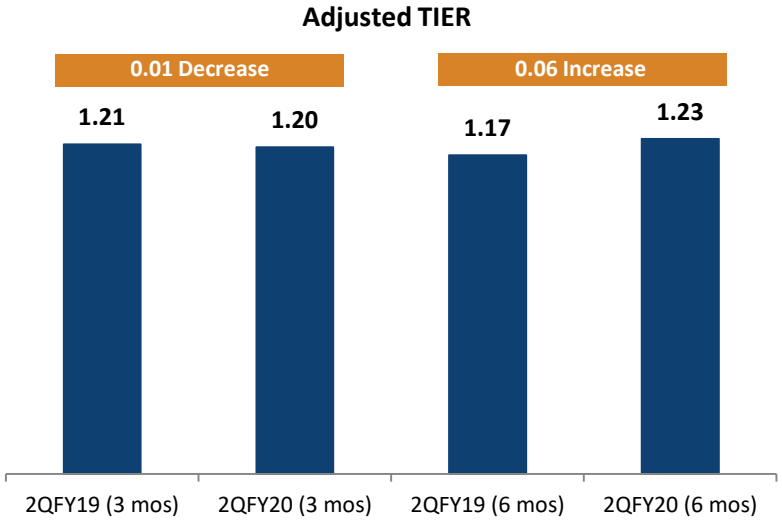
Members' Equity ($ in Mils)

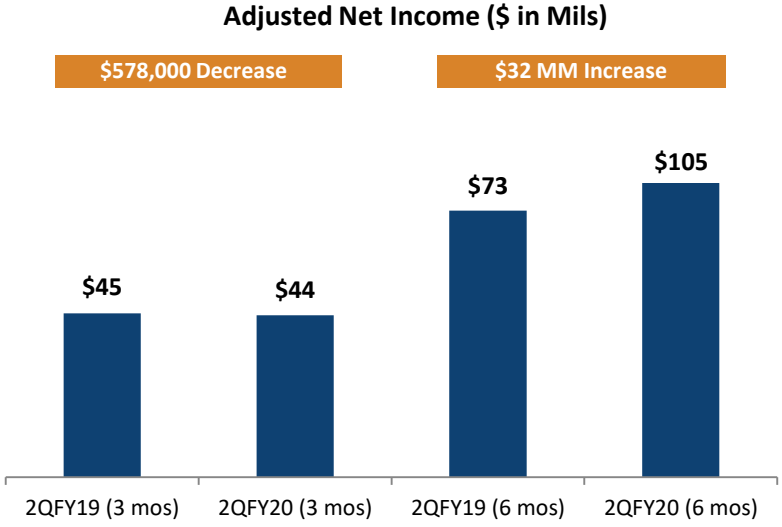


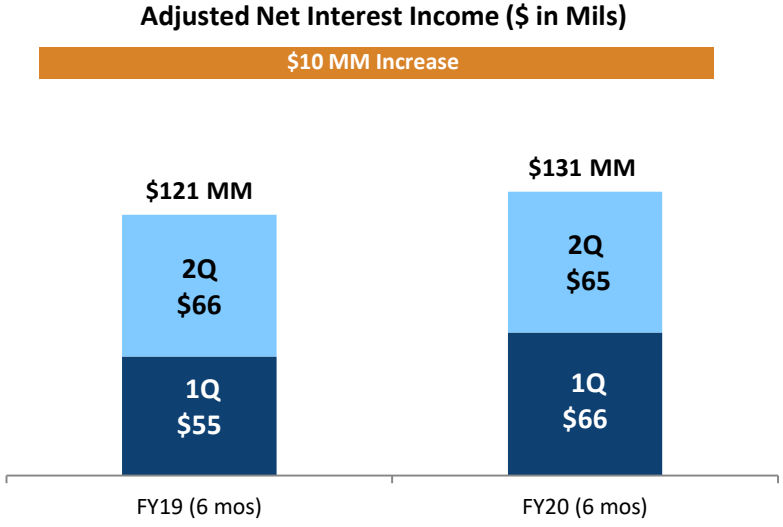
Adjusted Debt to Equity Ratio

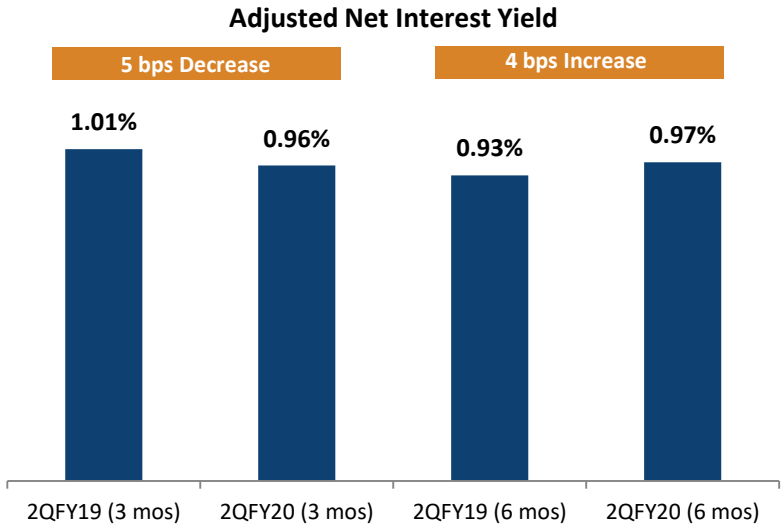


2QFY20 Financial Results – Income Statement





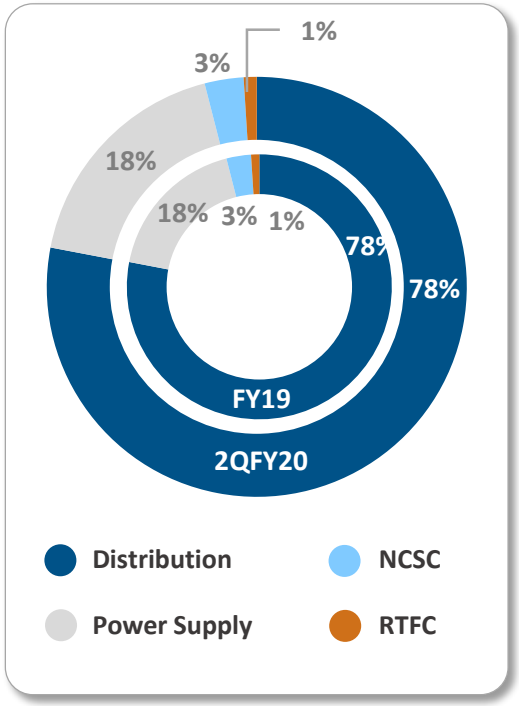


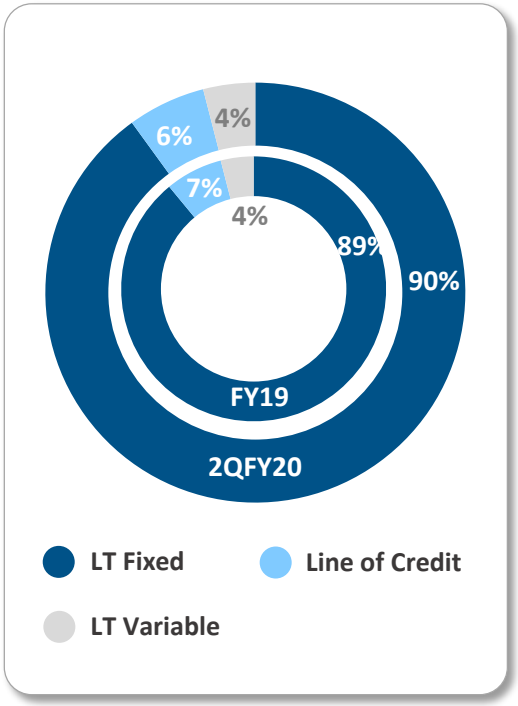


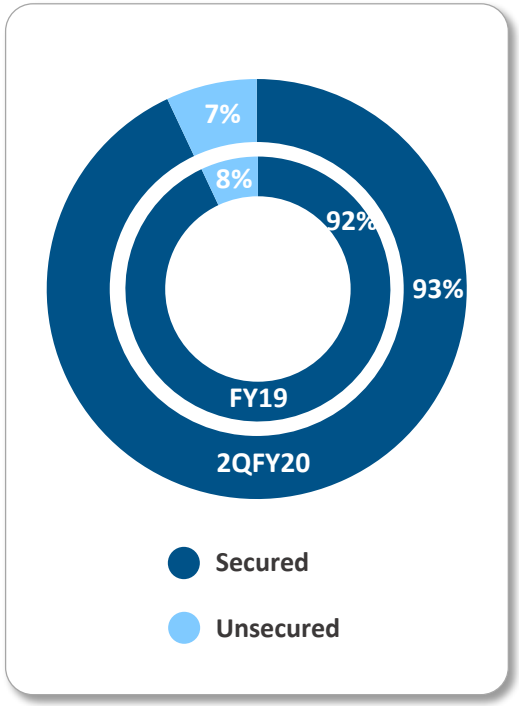
Loan Portfolio Overview

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**

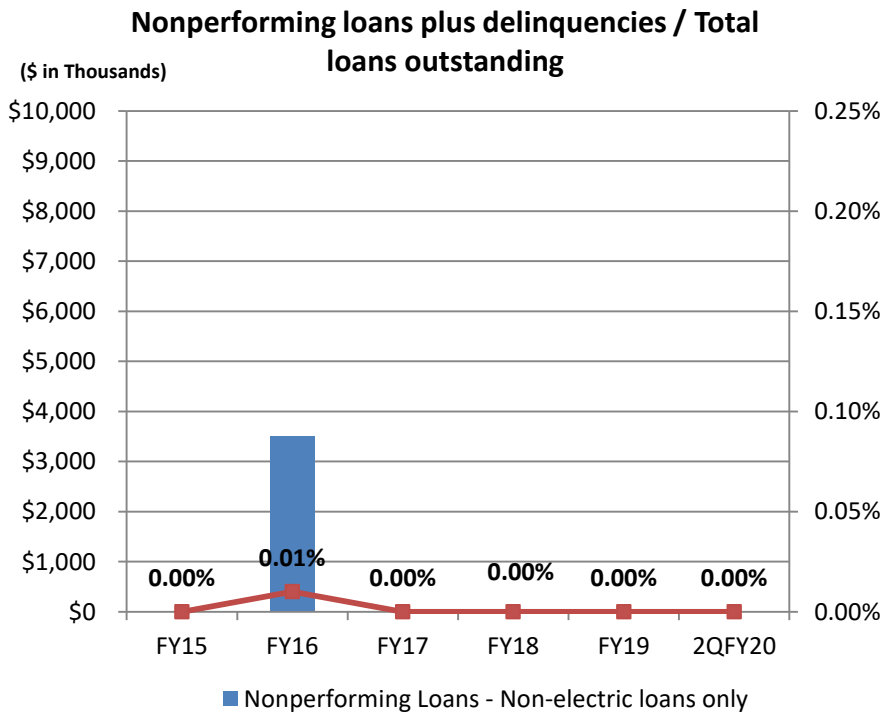


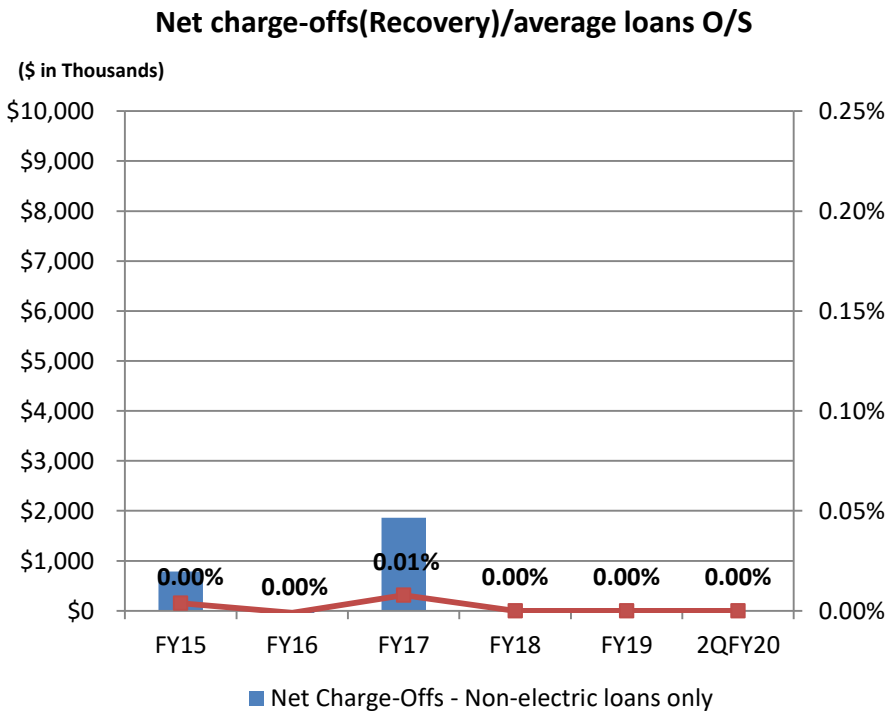




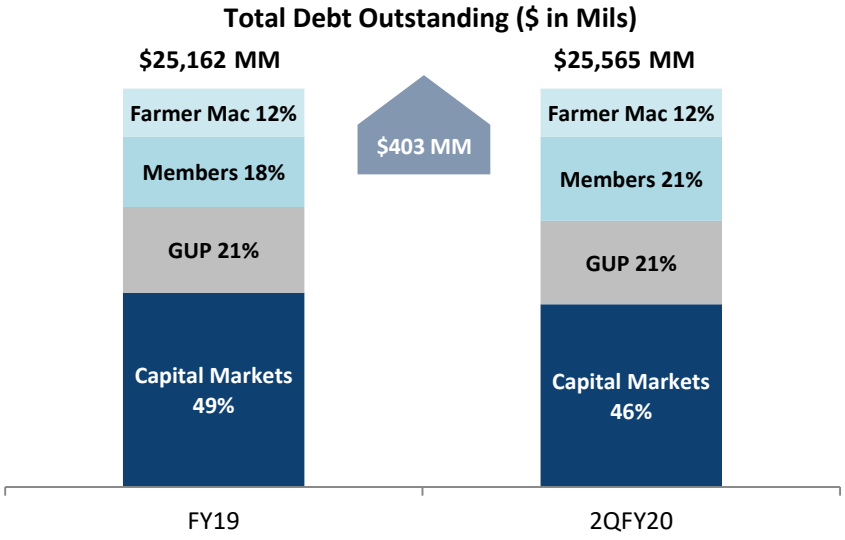
Credit Performance

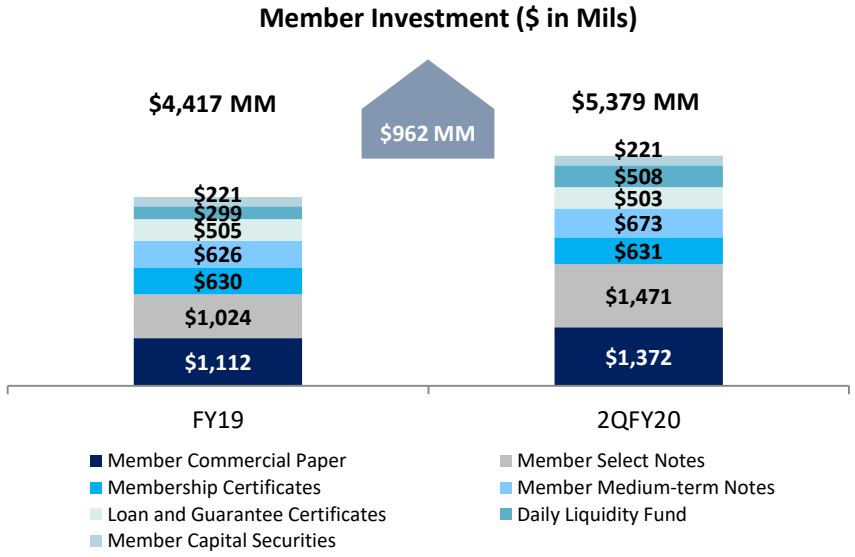
- **During CFC's 50-year history, in the electric utility portfolio, there have only been 16 defaults, which resulted in six losses; net write-offs for the electric portfolio totaled $86 million**
- **CFC did not have any delinquent or nonperforming loans since June 1, 2016**
- **CFC had no charge-offs or loan defaults during 2QFY20**

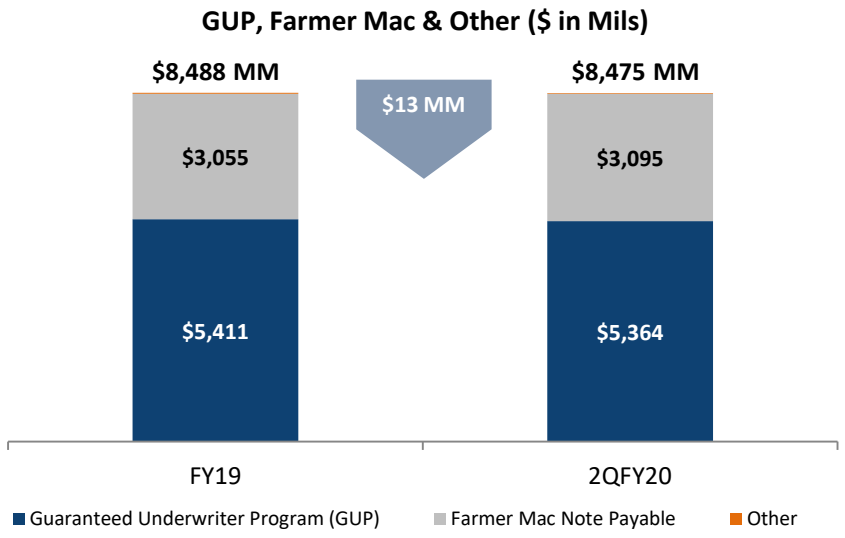


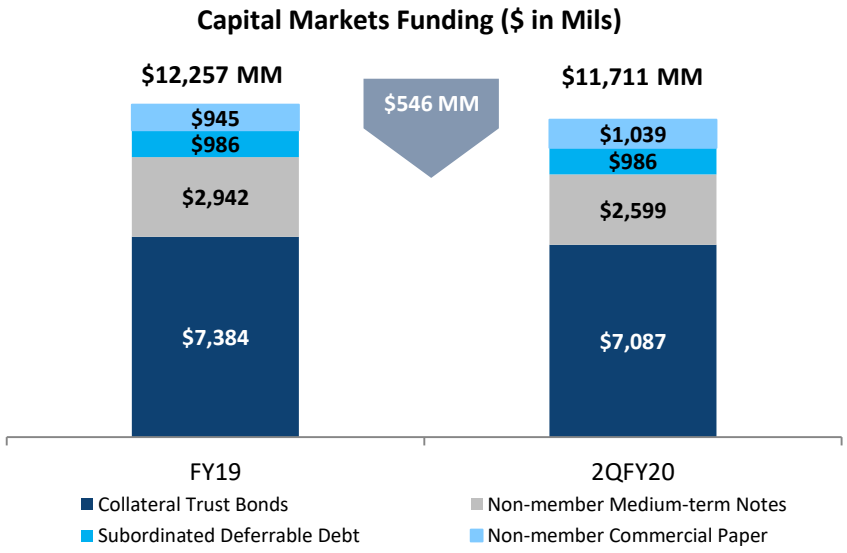


Debt Funding Sources



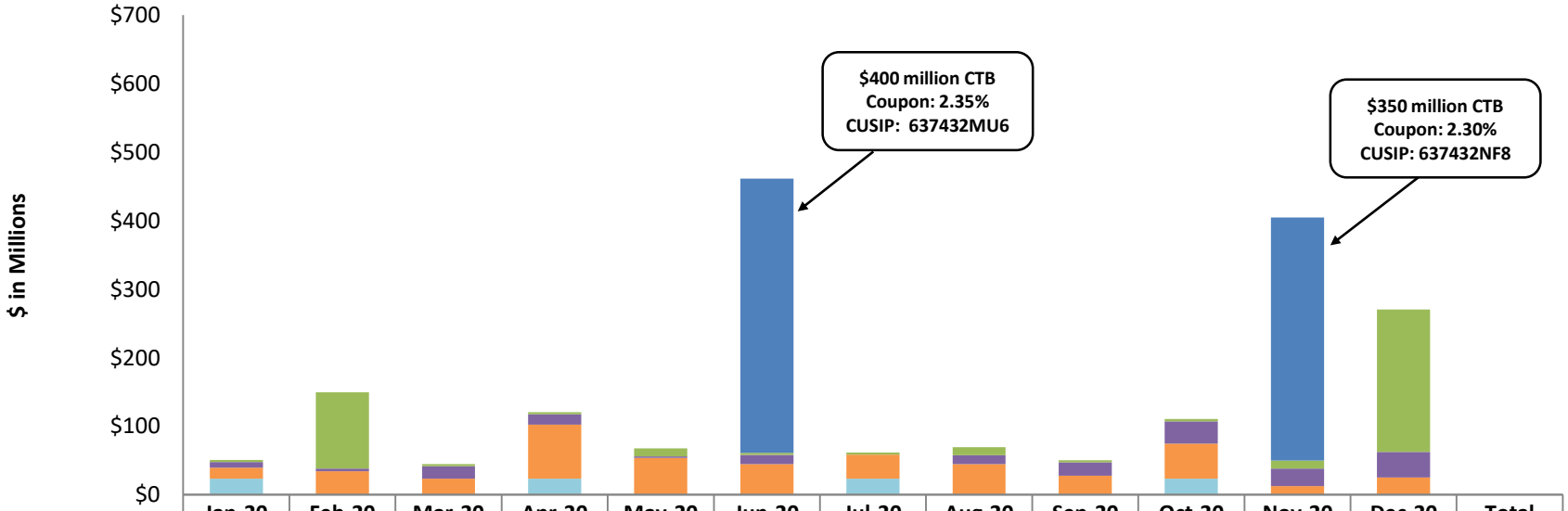






Monthly Debt Maturity Schedule

Data as of 12/31/2019

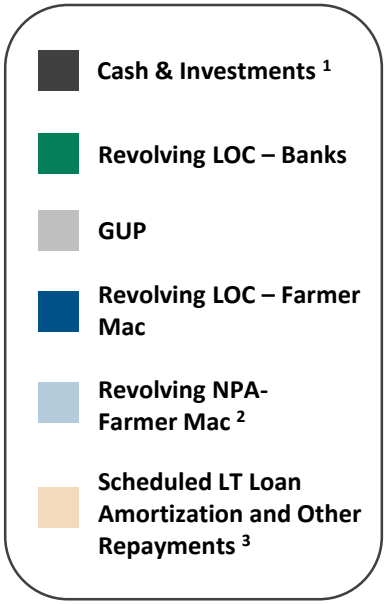


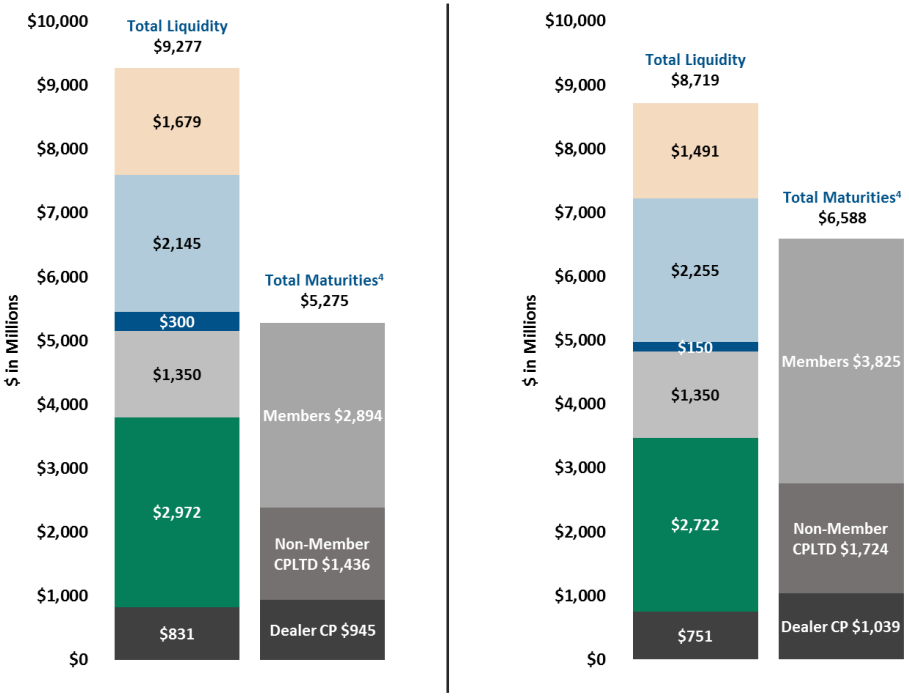
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
CTB	$-	$-	$-	$-	$-	$400	$-	$-	$-	$-	$355	$-	$755
Farmer Mac	$3	$112	$3	$3	$12	$3	$3	$12	$3	$3	$12	$208	$377
InterNotes	$8	$4	$18	$15	$2	$14	$-	$13	$19	$33	$26	$37	$189
Member MTN	$16	$34	$24	$79	$54	$45	$35	$45	$28	$51	$13	$25	$449
GUP	$23	$-	$-	$23	$-	$-	$24	$-	$-	$24	$-	$-	$94
TOTAL	$50	$150	$45	$120	$68	$462	$62	$70	$50	$111	$406	$270	$1,864

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**





	5/31/2019	11/30/2019
Liquidity Coverage/Excess Liquidity	1.8x/$4,002	1.3x/$2,131
Liquidity Coverage/Excess Liquidity (excluding short-term member debt)	3.9x/$6,896	3.2x/$5,956

(1) $574 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 11/30/2019

($ in Mils.)	LT Debt Maturities	Projected Net Loan Growth	Other Sources/(Uses) of Cash	Projected Cash Needs	Projected LT Debt Issuances
2/29/20	$650	$119	$230	$539	$890
5/31/20	233	19	(15)	267	190
8/31/20	592	(6)	(297)	883	920
11/30/20	547	15	(23)	585	570
2/28/21	335	(7)	0	328	320
5/31/21	576	(2)	(49)	623	570
Totals	**$2,933**	**$138**	**($154)**	**$3,225**	**$3,460**

* Refer to Page 42 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 11/26/19)
- S&P: A-1 (Short-Term); A (Senior Secured); A (Senior Unsecured); Stable Outlook (Last commented on 11/4/19)
- 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
- 0.06% loan loss allowance coverage ratio
- No loan defaults, no nonperforming loans, no charge-offs & no delinquent loans

Strong Member Support

- 21% of funding is from member-owners
- Historically low reinvestment risk on member investments
- Total members' equity at $1.7 billion as of 11/30/2019, a 67% increase from $998 million as of 5/31/2013

Healthy Funding & Liquidity Profile

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

Created
and Owned
by America's
Electric Cooperative
Network