Investor Conference Call - FY2018 Third Quarter Ended February 28, 2018

April 20, 2018 at 10 a.m. ET
Forward Looking Statements

This presentation contains 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 forward-looking statements about our current expectations are included in our annual and quarterly periodic reports previously 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 February 28, 2018, as filed with the SEC and as 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.
3QFY18 Financial Results – Balance Sheet

### Total Assets ($ in Mils)

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>1QFY18</th>
<th>2QFY18</th>
<th>3QFY18</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$25,206</td>
<td>$25,481</td>
<td>$25,880</td>
<td>$26,476</td>
<td>$1,270 MM</td>
</tr>
<tr>
<td>Other</td>
<td>$24,367</td>
<td>$24,642</td>
<td>$24,825</td>
<td>$25,343</td>
<td>$976 MM</td>
</tr>
<tr>
<td>Cash</td>
<td>$188</td>
<td>$293</td>
<td>$292</td>
<td>$292</td>
<td>$106 MM</td>
</tr>
<tr>
<td>Investment</td>
<td>$332</td>
<td>$329</td>
<td>$373</td>
<td>$536</td>
<td>$207 MM</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>$373</td>
<td>$24,825</td>
<td>$24,825</td>
<td>$25,343</td>
<td>$518 MM</td>
</tr>
</tbody>
</table>

### Loans to Members ($ in Mils)

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>1QFY18</th>
<th>2QFY18</th>
<th>3QFY18</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$24,367</td>
<td>$24,642</td>
<td>$24,825</td>
<td>$25,343</td>
<td>$976 MM</td>
</tr>
<tr>
<td>Other</td>
<td>$614</td>
<td>$275 MM</td>
<td>$659</td>
<td>$183 MM</td>
<td>$518 MM</td>
</tr>
<tr>
<td>Cash</td>
<td>$18,825</td>
<td>$19,070</td>
<td>$19,231</td>
<td>$19,688</td>
<td>$4,423</td>
</tr>
<tr>
<td>Investment</td>
<td>$740</td>
<td>$4,414</td>
<td>$4,414</td>
<td>$4,414</td>
<td></td>
</tr>
<tr>
<td>Time Deposits</td>
<td>$4,505</td>
<td>$4,490</td>
<td>$4,490</td>
<td>$4,423</td>
<td></td>
</tr>
</tbody>
</table>

### Members’ Equity/Total Equity ($ in Mils)

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>1QFY18</th>
<th>2QFY18</th>
<th>3QFY18</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Equity</td>
<td>$1,389</td>
<td>$1,379</td>
<td>$1,413</td>
<td>$1,447</td>
<td>$10 MM</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$1,099</td>
<td>$1,062</td>
<td>$1,240</td>
<td>$1,459</td>
<td>$34 MM</td>
</tr>
</tbody>
</table>

### Adjusted Debt to Equity Ratio

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>1QFY18</th>
<th>2QFY18</th>
<th>3QFY18</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>5.95</td>
<td>6.05</td>
<td>6.12</td>
<td>6.21</td>
<td>0.26</td>
</tr>
<tr>
<td>1QFY18</td>
<td>0.10</td>
<td>0.07</td>
<td>0.09</td>
<td>0.09</td>
<td></td>
</tr>
<tr>
<td>2QFY18</td>
<td>0.07</td>
<td>0.07</td>
<td>0.09</td>
<td>0.09</td>
<td></td>
</tr>
<tr>
<td>3QFY18</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td></td>
</tr>
</tbody>
</table>
3QFY18 Financial Results – Income Statement

Adjusted TIER
- 3QFY17 (3 mos): 1.18
- 3QFY18 (3 mos): 1.16
- 3QFY17 (9 mos): 1.17
- 3QFY18 (9 mo): 1.16
- 0.02 Decrease
- 0.01 Decrease

Adjusted Net Income ($ in Mils)
- 3QFY17 (3 mos): $36
- 3QFY18 (3 mos): $34
- 3QFY17 (9 mos): $102
- 3QFY18 (9 mo): $103
- $2 MM Decrease
- $1 MM Increase

Adjusted Net Interest Income ($ in Mils)
- 3QFY17 (3 mos): $154
- 3QFY18 (3 mos): $154
- 3QFY17 (9 mos): $158
- 3QFY18 (9 mo): $158
- Stable

Adjusted Net Interest Yield
- 3QFY17 (3 mos): 0.87%
- 3QFY18 (3 mos): 0.86%
- 3QFY17 (9 mos): 0.86%
- 3QFY18 (9 mo): 0.84%
- 1 bps Decrease
- 2 bps Decrease
CFC’s Electric Cooperative Borrowers/Members:

• Provide an essential service
• 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

Loan Portfolio Overview
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 3QFY18, CFC did not have any nonperforming loans.
- CFC had no charge-offs during year to date of fiscal year 2018.
Debt Funding Sources

**Member Investment (in Mils)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Member Commercial Paper</th>
<th>Member Select Notes</th>
<th>Loan and Guarantee Certificates</th>
<th>Member Medium-term Notes</th>
<th>Membership Certificates</th>
<th>Daily Liquidity Fund</th>
<th>Member Capital Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/2017</td>
<td>$4,185 MM</td>
<td>$221</td>
<td>$45 MM</td>
<td>$528</td>
<td>$568</td>
<td>$630</td>
<td>$613</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>$4,229 MM</td>
<td>$221</td>
<td>$45 MM</td>
<td>$507</td>
<td>$528</td>
<td>$630</td>
<td>$648</td>
</tr>
</tbody>
</table>

**GUP, Farmer Mac & Other (in Mils)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Guaranteed Underwriter Program (GUP)</th>
<th>Farmer Mac Note Payable</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/2017</td>
<td>$7,534 MM</td>
<td>$2,513</td>
<td>$4,985</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>$7,709 MM</td>
<td>$175 MM</td>
<td>$2,805</td>
</tr>
</tbody>
</table>

**Capital Markets Funding (in Mils)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Collateral Trust Bonds</th>
<th>Non-member Medium-term Notes</th>
<th>Subordinated Deferrable Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/2017</td>
<td>$11,741 MM</td>
<td>$742</td>
<td>$2,365</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>$12,490 MM</td>
<td>$742</td>
<td>$3,058</td>
</tr>
</tbody>
</table>

**Total Debt Outstanding**

<table>
<thead>
<tr>
<th>Date</th>
<th>Capital Markets, 50%</th>
<th>GUP, 21%</th>
<th>Farmers Mac, 11%</th>
<th>Members, 18%</th>
<th>Farmers Mac, 12%</th>
<th>Members, 17%</th>
<th>GUP, 20%</th>
<th>Capital Markets, 51%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/2017</td>
<td>$23,460 MM</td>
<td>$749 MM</td>
<td>$969 MM</td>
<td>$2,365 MM</td>
<td>$2,365 MM</td>
<td>$2,358 MM</td>
<td>$2,365 MM</td>
<td>$2,365 MM</td>
</tr>
</tbody>
</table>
## Monthly Debt Maturity Schedule

### Data as of 3/31/2018

### Monthly Debt Maturity Schedule

<table>
<thead>
<tr>
<th>Month</th>
<th>CTB</th>
<th>Dealer MTN</th>
<th>Farmer Mac</th>
<th>InterNotes</th>
<th>Member MTN</th>
<th>GUP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-18</td>
<td>$-</td>
<td>$200</td>
<td>$3</td>
<td>$-</td>
<td>$49</td>
<td>$15</td>
<td>$268</td>
</tr>
<tr>
<td>May-18</td>
<td>$-</td>
<td>$-</td>
<td>$8</td>
<td>$-</td>
<td>$32</td>
<td>$-</td>
<td>$40</td>
</tr>
<tr>
<td>Jun-18</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$36</td>
<td>$-</td>
<td>$43</td>
</tr>
<tr>
<td>Jul-18</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
<td>$59</td>
</tr>
<tr>
<td>Aug-18</td>
<td>$-</td>
<td>$-</td>
<td>$8</td>
<td>$-</td>
<td>$53</td>
<td>$-</td>
<td>$61</td>
</tr>
<tr>
<td>Sep-18</td>
<td>$-</td>
<td>$-</td>
<td>$253</td>
<td>$-</td>
<td>$49</td>
<td>$-</td>
<td>$302</td>
</tr>
<tr>
<td>Oct-18</td>
<td>$-</td>
<td>$15</td>
<td>$3</td>
<td>$-</td>
<td>$50</td>
<td>$-</td>
<td>$83</td>
</tr>
<tr>
<td>Nov-18</td>
<td>$1,180</td>
<td>$-</td>
<td>$8</td>
<td>$-</td>
<td>$26</td>
<td>$-</td>
<td>$1,214</td>
</tr>
<tr>
<td>Dec-18</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$37</td>
<td>$-</td>
<td>$40</td>
</tr>
<tr>
<td>Jan-19</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$33</td>
<td>$-</td>
<td>$51</td>
</tr>
<tr>
<td>Feb-19</td>
<td>$-</td>
<td>$-</td>
<td>$8</td>
<td>$-</td>
<td>$10</td>
<td>$-</td>
<td>$669</td>
</tr>
<tr>
<td>Mar-19</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$23</td>
<td>$-</td>
<td>$26</td>
</tr>
<tr>
<td>Apr-19</td>
<td>$-</td>
<td>$-</td>
<td>$3</td>
<td>$-</td>
<td>$16</td>
<td>$-</td>
<td>$385</td>
</tr>
<tr>
<td>Total</td>
<td>$1,180</td>
<td>$300</td>
<td>$302</td>
<td>$83</td>
<td>$3,240</td>
<td>$669</td>
<td>$3,240</td>
</tr>
</tbody>
</table>

### Notes:
- **$200 million Dealer MTN**
  - Coupon: 3ML + 35, CUSIP: 63743HEL2
- **$1,000 million CTB**
  - Coupon: 10.375%, CUSIP: 637432LR4
- **$175 million CTB**
  - Coupon: 6.55%, CUSIP: 637432CG8
- **$300 million CTB**
  - Coupon: 2.15%, CUSIP: 637432MX0
- **$350 million CTB**
  - Coupon: 3ML + 20, CUSIP: 637433EP3

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

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| Cash, Time Deposits & Investments | $7,863 |
| Revolving LOC – Banks | $1,987 |
| GUP | $1,202 |
| Revolving LOC – Farmer Mac | $300 |
| Scheduled LT Loan Amortization and Other Repayments | $725 |
| Revolving NPA - Farmer Mac | $485 |

**Total Liquidity**

- **5/31/17**
  - $7,863
  - $1,987
  - $1,202
  - $300
  - $725
  - $485

- **2/28/18**
  - $9,114
  - $2,395
  - $1,521
  - $300
  - $1,225

**Total Maturities**

- **5/31/17**
  - $4,611
  - $1,987
  - $1,202
  - $300
  - $725

- **2/28/18**
  - $6,099
  - $2,395
  - $1,521
  - $300
  - $1,225

**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 Position as of 2/28/2018

<table>
<thead>
<tr>
<th>($ in Mils.)</th>
<th>LT Debt Issuance</th>
<th>Anticipated LT Loan Repayments¹</th>
<th>Other Loan Repayments²</th>
<th>Total Projected Sources of Liquidity</th>
<th>LT Debt Maturities³</th>
<th>LT Loan Advances</th>
<th>Other Loan Advances⁴</th>
<th>Total Projected Uses of Liquidity</th>
<th>Other Sources/(Uses) of Liquidity⁵</th>
<th>Net LT Loan Growth⁶</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/18</td>
<td>365</td>
<td>300</td>
<td>220</td>
<td>885</td>
<td>336</td>
<td>405</td>
<td></td>
<td>741</td>
<td>(244)</td>
<td>105</td>
</tr>
<tr>
<td>8/31/18</td>
<td>150</td>
<td>316</td>
<td>52</td>
<td>518</td>
<td>166</td>
<td>480</td>
<td></td>
<td>646</td>
<td>135</td>
<td>164</td>
</tr>
<tr>
<td>11/30/18</td>
<td>1,875</td>
<td>327</td>
<td></td>
<td>2,202</td>
<td>1,601</td>
<td>528</td>
<td>13</td>
<td>2,142</td>
<td>(66)</td>
<td>201</td>
</tr>
<tr>
<td>2/28/19</td>
<td>1,175</td>
<td>306</td>
<td></td>
<td>1,481</td>
<td>760</td>
<td>549</td>
<td></td>
<td>1,309</td>
<td>(172)</td>
<td>243</td>
</tr>
<tr>
<td>5/31/19</td>
<td>510</td>
<td>282</td>
<td></td>
<td>792</td>
<td>407</td>
<td>354</td>
<td></td>
<td>761</td>
<td>(32)</td>
<td>72</td>
</tr>
<tr>
<td>8/31/19</td>
<td>295</td>
<td>309</td>
<td></td>
<td>604</td>
<td>167</td>
<td>405</td>
<td></td>
<td>572</td>
<td>(30)</td>
<td>96</td>
</tr>
<tr>
<td>Totals</td>
<td>4,370</td>
<td>1,840</td>
<td>272</td>
<td>6,482</td>
<td>3,437</td>
<td>2,721</td>
<td>13</td>
<td>6,171</td>
<td>(409)</td>
<td>881</td>
</tr>
</tbody>
</table>

(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.
Year To Date FY18 Major Financing Activities

**Rivolvers**
- November 2017 – Amended and extended maturities of the credit facilities by one year to November 2020 and November 2022

**MTNs**
- August 2017 – Issued $350 million 5-year fixed-rate notes @ 2.30%
- February 2018 – Issued $300 million 3-year fixed-rate notes @ 2.90%
- April 2018 – Reopened 2.90% MTN due 2021 and added $150 million to this issuance

**CTBs**
- February 2018 – Issued a $700 million 10-year CTB @ 3.40%

**GUP**
- August 2017 – Advanced $100 million @ 2.83% with a 20-year final maturity
- November 2017 – Closed $750 million committed facility under the GUP with a 5-year draw period
- January 2018 – Redeemed $325 million @ 2.1% with an original maturity of April 15, 2026
- February 2018 – Advanced $150 million @ 3.43% with a 20-year final maturity

**Farmer Mac**
- February 2018 – Advanced $325 million @ 3.76% with a 30-year final maturity
- February 2018 – Extended the draw period for one of the Farmer Mac revolving note purchase agreement by two years to 1/11/2022. Increased the total aggregate amount of the two Farmer Mac revolving note purchase agreements by $700 million to $5.5 billion
Key Takeaways

Robust Credit Ratings

- Fitch: F1 (Short-Term); A+ (Senior Secured); A (Senior Unsecured); Stable Outlook (Last commented on 9/8/17)
- 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 10/20/17)
- Management’s long-term incentives are tied to CFC credit ratings

High Quality Loan Portfolio

- 99% of loans are to rural electric systems
- 91% of loans are on a senior secured basis
- 0.15% loan loss allowance coverage ratio
- No nonperforming loans

Strong Member Support

- 17% of funding is from member-owners
- Historically low reinvestment risk on member investments
- Total members’ equity at $1.4 billion as of 2/28/2018, a 78% increase from $815 million as of 5/31/2012

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)
- Historically low reinvestment risk on member investments
- Total members’ equity at $1.4 billion as of 2/28/2018, a 78% increase from $815 million as of 5/31/2012
- 1.5 times liquidity coverage ratio over the next 12 months
- 2.6 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
91% of loans are on a senior secured basis
0.15% loan loss allowance coverage ratio
No nonperforming loans
17% of funding is from member-owners
Historically low reinvestment risk on member investments
Total members’ equity at $1.4 billion as of 2/28/2018, a 78% increase from $815 million as of 5/31/2012
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
2.6 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