



**National Rural Utilities
Cooperative Finance Corporation**

Investor Meeting

November 2020



Forward-Looking Statements

This presentation contains forward-looking statements within the Securities Act of 1933, as amended, and the Securities 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 include, but are not limited to, include, but are not limited to, general economic conditions, legislative changes including those that could affect our tax status, governmental monetary and fiscal policies, demand for our loan products, lending competition, changes in the quality or composition of our loan portfolio, changes in our ability to access external financing, changes in the credit ratings on our debt, valuation of collateral supporting impaired loans, charges associated with our operation or disposition of foreclosed assets, technological changes within the rural electric utility industry, regulatory and economic conditions in the rural electric industry, nonperformance of counterparties to our derivative agreements, the costs and effects of legal or governmental proceedings involving us or our members, the impact of natural disasters or public health emergencies, such as the emergence in 2019 and continued spread of a novel coronavirus that causes coronavirus disease 2019 (“COVID-19”), which was declared a global pandemic by the World Health Organization (“WHO”) in March 2020. The risks described above are not exhaustive, and additional factors could adversely affect our business and financial performance, including those discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended May 31, 2020 filed with the Securities and Exchange Commission (“SEC”) on August 5, 2020. 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.



Non-GAAP Financial Measures and Market Data

The information in this presentation includes non-GAAP financial measures. Please refer to our Form 10-Q for the fiscal quarter ended August 31, 2020, as filed with the SEC and as posted on the CFC website, to find what we consider the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") and 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. Market data and industry forecasts are used in this presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be the reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.



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BUSINESS OVERVIEW

November 2020

About CFC

Created and Owned by America's Rural Electric Cooperative Network

“

CFC is the largest private lender
in the electric cooperative industry

”

Formed	1969
Entity Type	Tax-exempt, member-owned cooperative
Ownership	Created, owned and governed by rural electric cooperatives
Headquarters	Dulles, Virginia
Mission	To bridge the financial needs of the rural electric network with the expectations of the global capital markets, one cooperative at a time
Total Loans*	\$26.9 Billion
Total Assets*	\$28.3 Billion
Total Members†	1,671 consisting of 909 distribution and G&T cooperatives and 762 statewide & regional associations, NRECA, CFC, RTFC, and NCSC associates

* As of 8/31/2020

† As of 5/31/2020

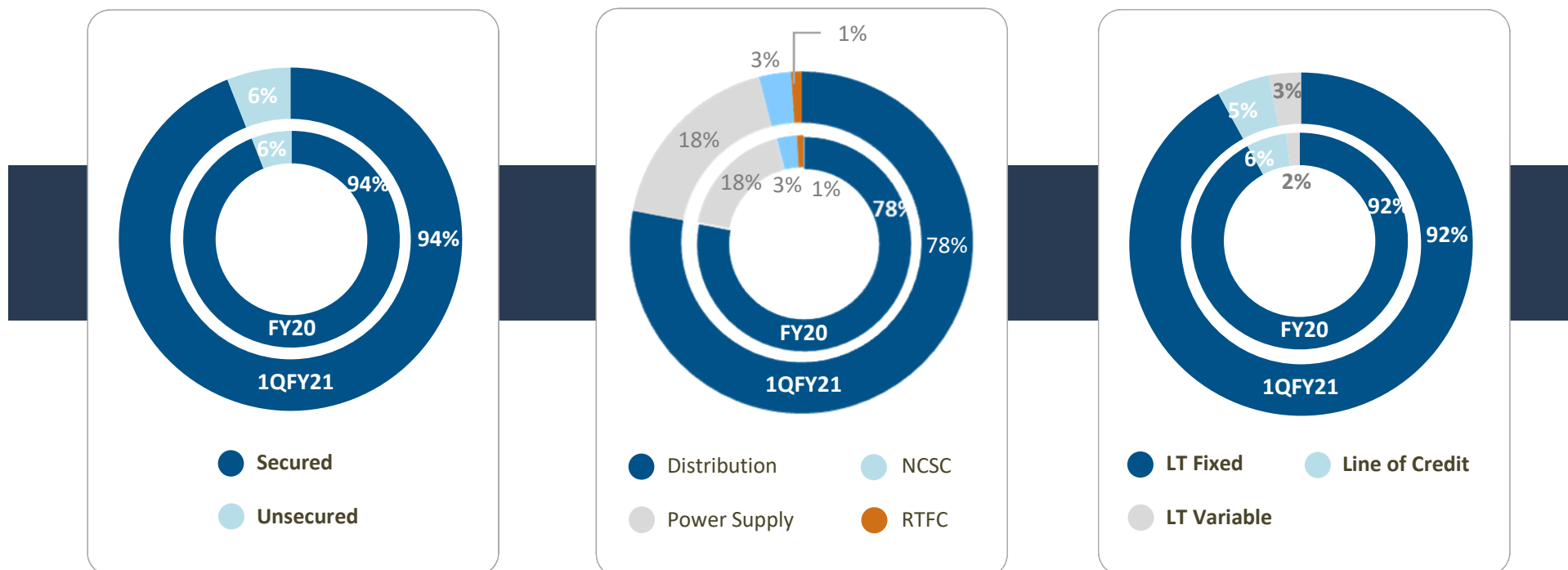
Credit Ratings & Debt Instruments

CFC's management and staff's long-term incentives are tied to CFC's credit ratings

DEBT INSTRUMENT	FitchRatings	MOODY's	S&P Global
	Ratings Outlook ➡ Stable	Stable	Stable
	Last Credit Opinion ➡ 10/5/20	11/26/19	11/4/19
COLLATERAL TRUST BONDS Offer a direct pledge of electric distribution mortgage notes	A+	A1	A
MEDIUM TERM NOTES & INTERNOTES Offer a direct general corporate obligation of CFC	A	A2	A
SUBORDINATED DEBT Offer a direct general corporate obligation of CFC; Obligations are subordinated to other senior debt but senior to CFC's members' subordinated certificates	BBB+	A3	BBB+
COMMERCIAL PAPER Offer a direct general corporate obligation of CFC with backup lines of credit provided by a group of banks	F1	P-1	A-1
GUARANTEE OF TAX-EXEMPT BONDS CFC acts as guarantor and a stand-by liquidity provider	A/F1	A2/P-1	A/A-1

CFC Loan Portfolios Overview

As of 8/31/2020



Strategy

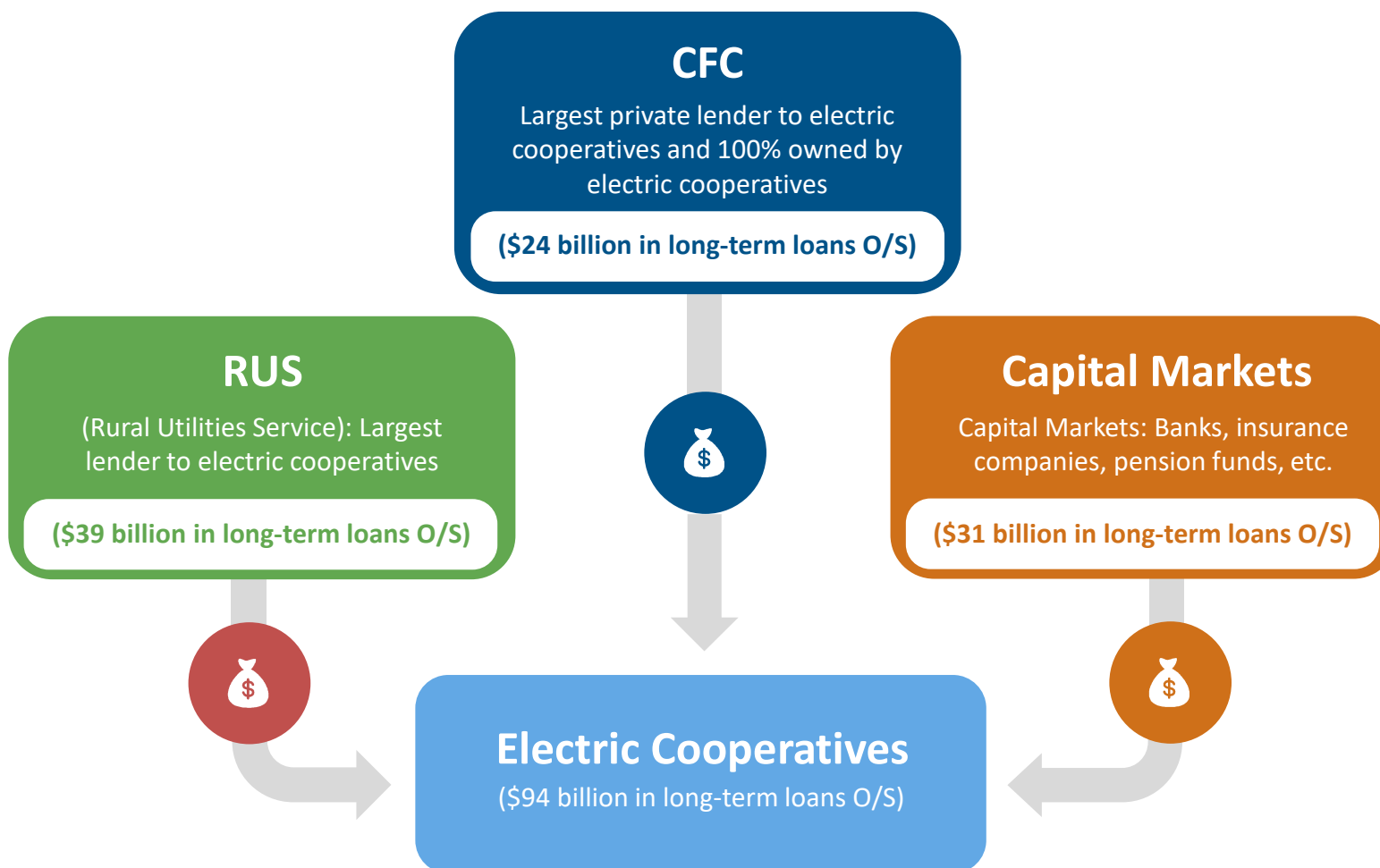
Focus on lending to the rural electric cooperative sector

- 94%, or \$25.4 billion, of loans are on a senior secured basis
- 99%, or \$26.5 billion, of loans are to the electric utility sector
- Loan portfolios consist of 92%, or \$24.8 billion, long-term fixed rate loans



Electric Cooperative Lending Landscape

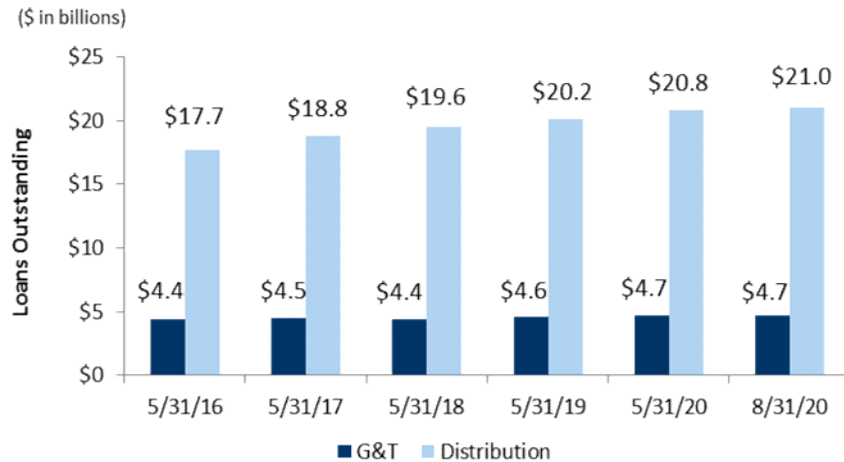
Data as of 12/31/2019; Except for CFC amount, other reported amounts are based on member-provided information.



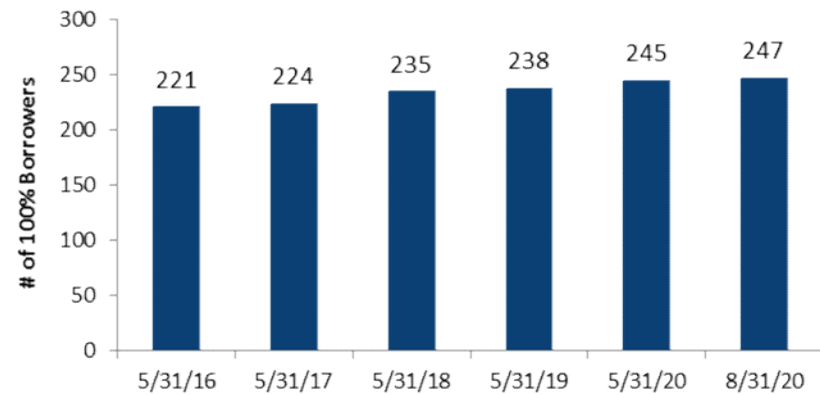
Source: FY2020 Form 10-K

CFC Market Share

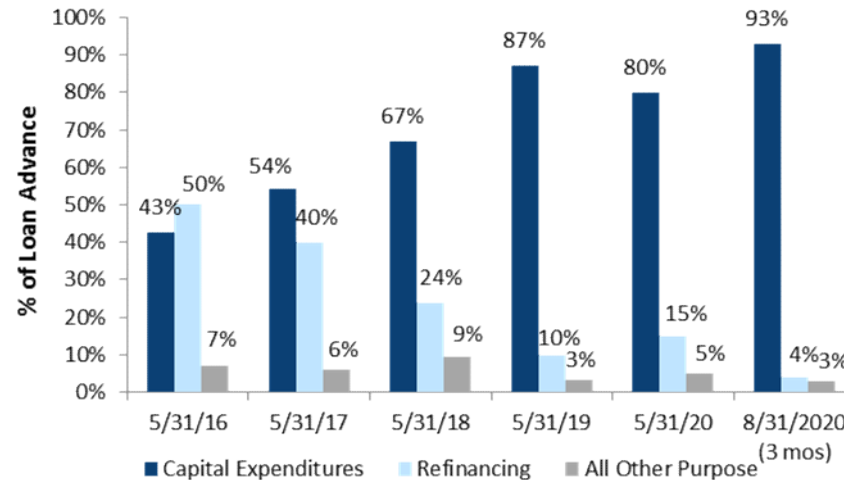
CFC Loans Outstanding ⁽¹⁾



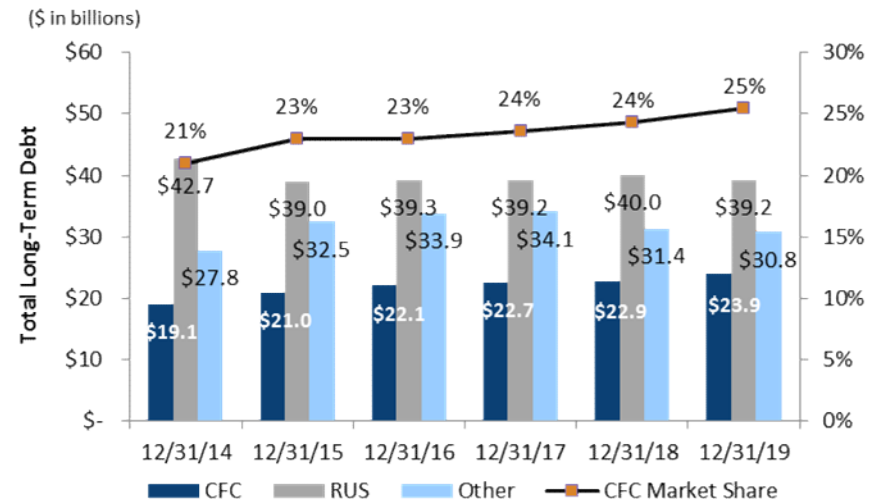
CFC 100% Borrowers



CFC LT Loan Advances by Purpose



Electric Cooperatives Total LTD by Lender ⁽²⁾



⁽¹⁾ Amounts do not include loans to Distribution and G&T borrowers in NCSC loan portfolio

⁽²⁾ Amounts for debt held by the RUS and other lenders are based on member-provided information

A background image of a business meeting with a blue overlay. Two people in suits are seated at a table. One person is holding a tablet, and the other is holding a pen. A glass of water and a document with a bar chart are also on the table.

CREDIT HIGHLIGHTS

November 2020

FY20 and 1QFY21 Highlights

Lending

Strong Loan Demand from Members:

- Over the last five fiscal years, annual long-term loan advances to our members have averaged approximately \$2.4 billion.
- \$2.4 billion of long term loan advances during FY20 and \$807 million of long term loan advances during the three months of 1QFY21
- Net loan volume increased \$785 million during FY20 and \$227 million during 1QFY21
- The average loan retention was 96% for CFC loans that repriced during the most recent three fiscal years
- 100% Borrowers: Continue to gain additional 100% borrowers over the years (a total of 247 100% borrowers at 1QFY21)

Funding

Diversified Funding Sources:

- At 1QFY21, 43% of funding from capital markets, 24% from Guaranteed Underwriter Program (GUP), 21% from members, and 12% from Farmer Mac

Liquidity

Durable Liquidity Profile:

- At 1QFY21, \$8.4 billion of liquidity from various sources including \$876 million cash, cash equivalent and debt investment securities, \$2.7 billion committed bank lines, \$900 million committed facilities under GUP, \$1.5 billion in scheduled loan amortization and repayments and \$2.5 billion revolving credit capacity via Farmer Mac secured note purchase agreement
- Manage outstanding dealer commercial paper at/or below \$1.25 billion at each quarter-end

Operating Results

Consistent and Stable Operating Performance:

- Average adjusted TIER of 1.18x for the last five fiscal years. The adjusted TIER was 1.28x at 1QFY21
- Members' equity of \$1.7 billion at FYE20 and 1QFY21, a 31% increase from \$1.3 billion at FYE16

Portfolio Management

Focused on Electric Lending:

- 99% of loans are to electric utility borrowers
- During CFC's 51-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 had no charge-offs, loan defaults or delinquent loans during FY20 and 1QFY21



COVID-19 Update

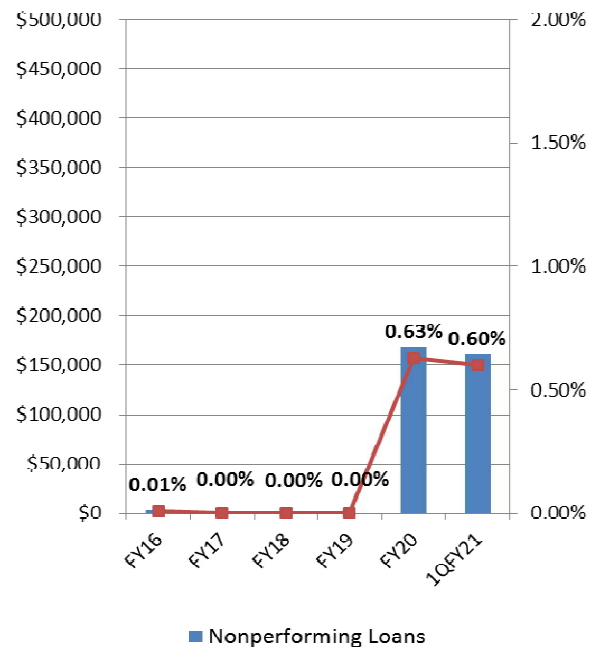
- **In response to the COVID-19 pandemic, CFC has been working diligently to protect the health and safety of its employees while also fulfilling its commitments to meet its members' needs.**
 - In mid-March CFC implemented an emergency business resumption plan resulting in approximately 95% of employees working remotely.
 - Starting mid-June, CFC implemented a return to work policy that included staggered staff rotation schedule, physical distancing measures, mask wearing requirements and an enhanced cleaning program to maintain the well-being of the employees.
 - CFC's business resiliency plans and technology systems have effectively supported both remote and on-site operations.
- **Electric cooperatives strive to maintain robust, flexible business-continuity and emergency preparedness plans that enable them to respond promptly and effectively to natural disasters, emergencies and other unexpected crises.**
 - Most of CFC's electric cooperative borrowers derive a larger share of revenues from residential customers than commercial and industrial customers, which has helped mitigate risk as residential loads have generally increased.
 - CFC has been working with its members not only as a lender, but also by offering a full range of products, services, tools and training to help cooperatives continue to deliver uninterrupted service during the COVID-19 pandemic.



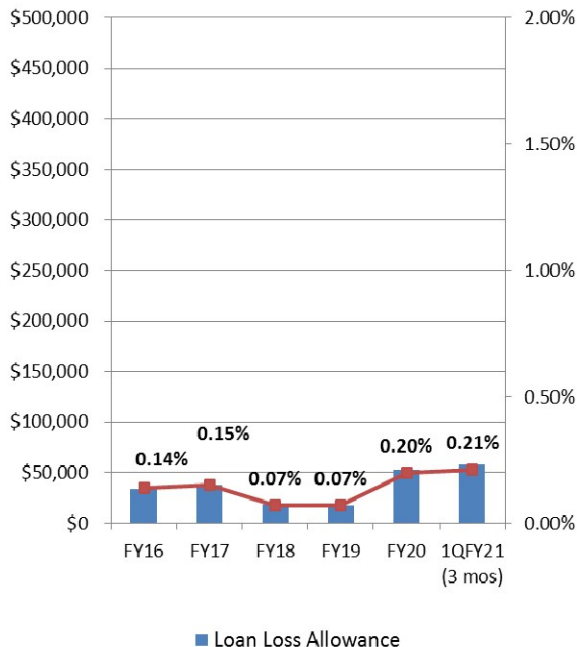
High Quality Loan Portfolio

99% of loans are to electric utility borrowers
Historically low levels of charge-offs, loan defaults, nonperforming loans and delinquencies

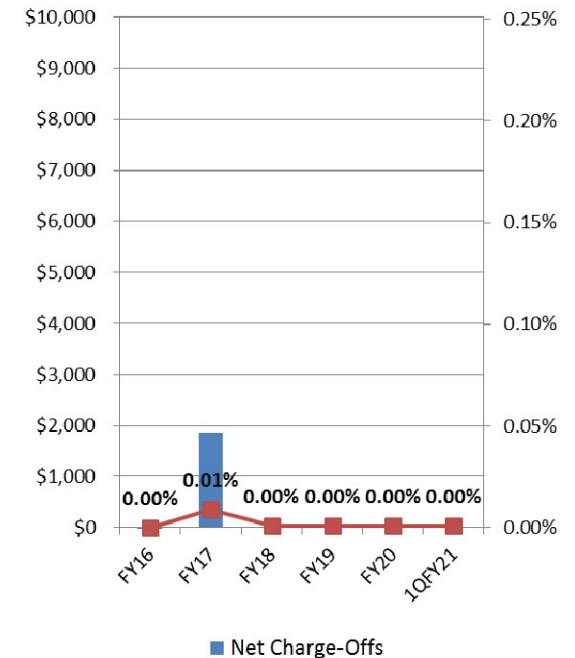
Nonperforming loans / Total loans outstanding
 (\$ in Thousands)



Loan Loss Allowance / Total loans outstanding
 (\$ in Thousands)

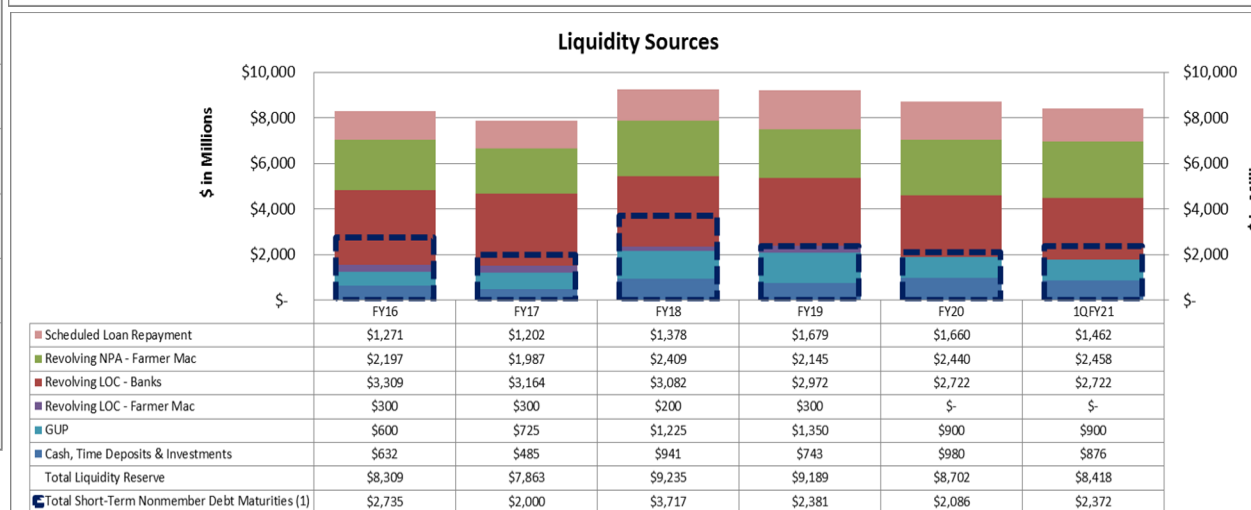
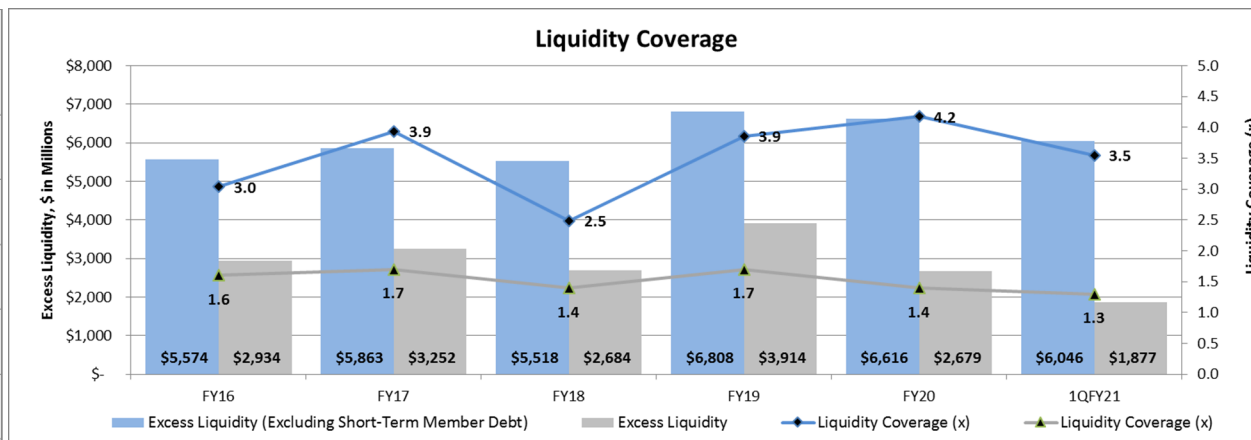
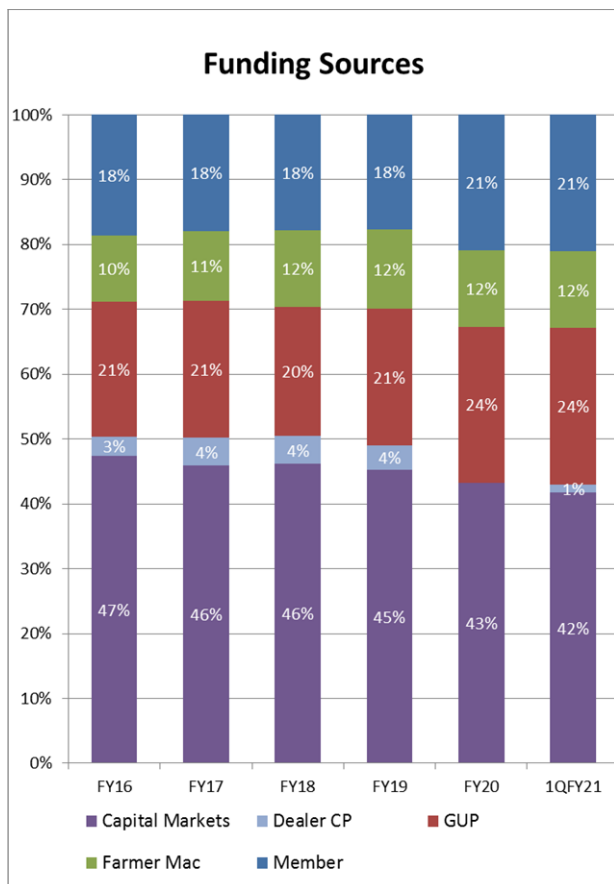


Net charge-offs (Recovery) / Average loans outstanding
 (\$ in Thousands)



Durable Liquidity Profile & Diversified Funding Sources

At 1QFY21, 1.3 times liquidity coverage over all debt maturity in the next 12 month & 3.5 times liquidity coverage over nonmember debt maturities in the next 12 months



(1) Short-term nonmember debt includes Dealer CP and Dealer Medium-Term Notes, InterNotes, Collateral Trust Bonds, Farmer Mac notes payable, GUP notes payable, and other notes payable maturing within 12 months.

Commitment to Grow Members' Equity

Grow members' equity through retained earnings
Maintain an adjusted debt to Equity ratio at or below 6 to 1

CFC Capital Structure

As of 8/31/2020

Senior Secured Debt (o/s) (including Collateral Trust Bonds, Farmer Mac Notes, GUP Notes, Clean Renewable Energy Bonds)

\$15,816 million

Senior Unsecured Debt (o/s) (including Medium Term Notes, Commercial Paper, Daily Liquidity Funds, Select Notes, other debt)

\$7,668 million

Subordinated Deferrable Notes (o/s)

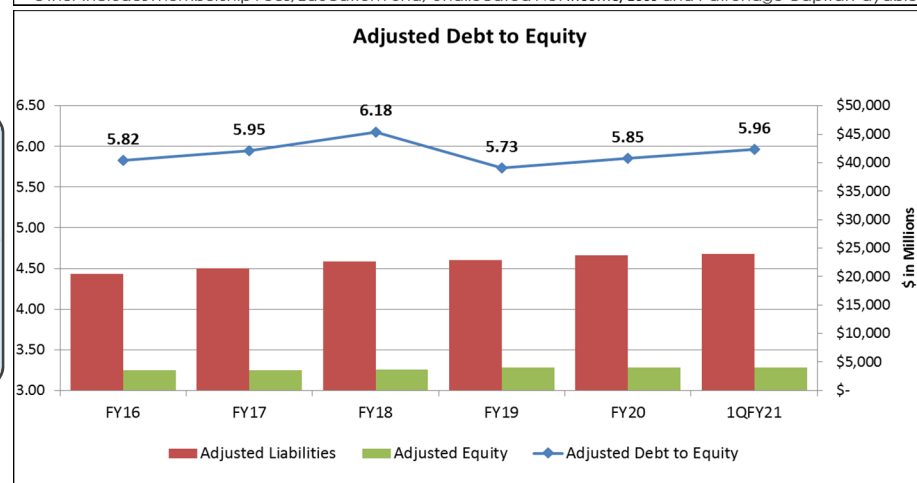
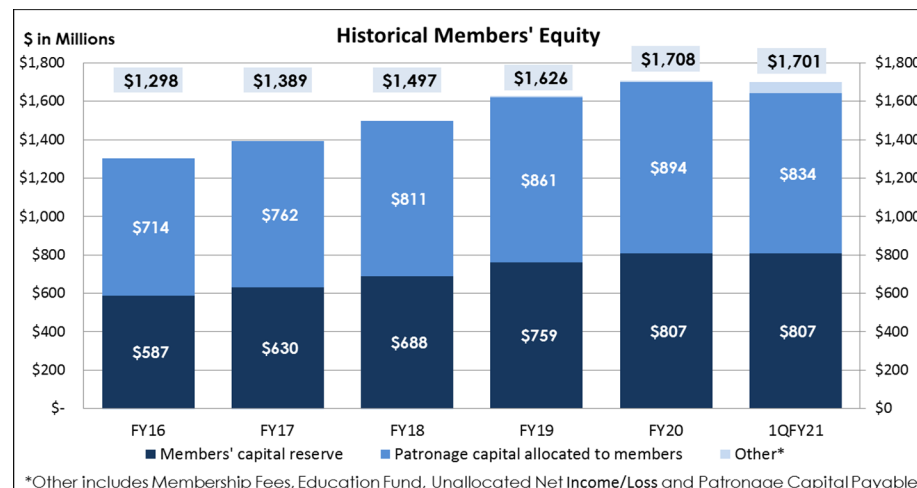
\$986 million

Members' Subordinated Certificates (o/s)
Membership Subordinated Certificates (**\$630 million**),
Loans & Guarantee Subordinated Certificates (**\$440 million**), Member Capital Securities (**\$229 million**)

\$1,299 million

Members' Equity
\$1,701 million

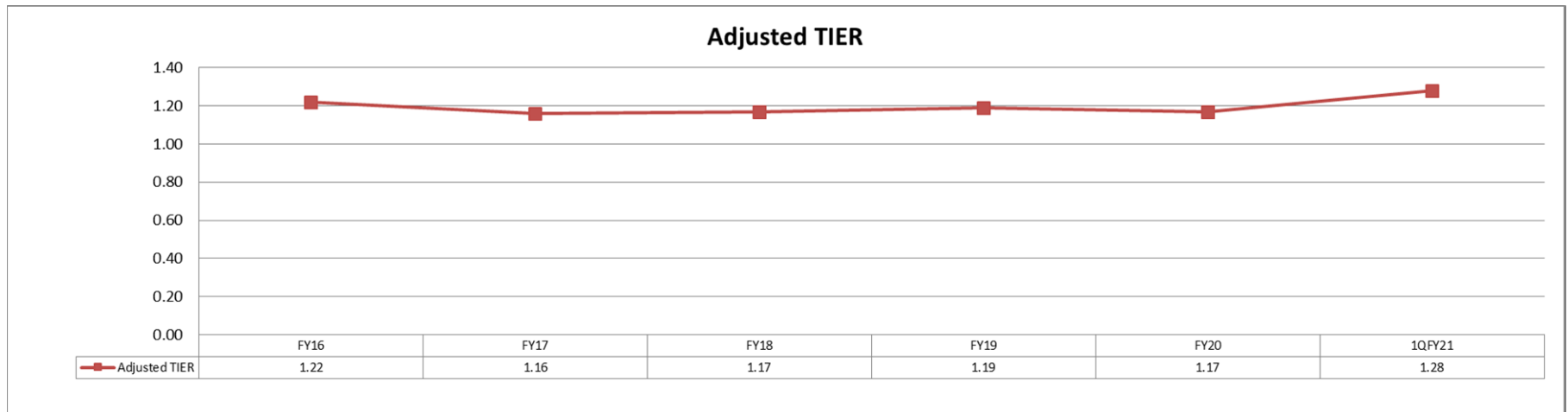
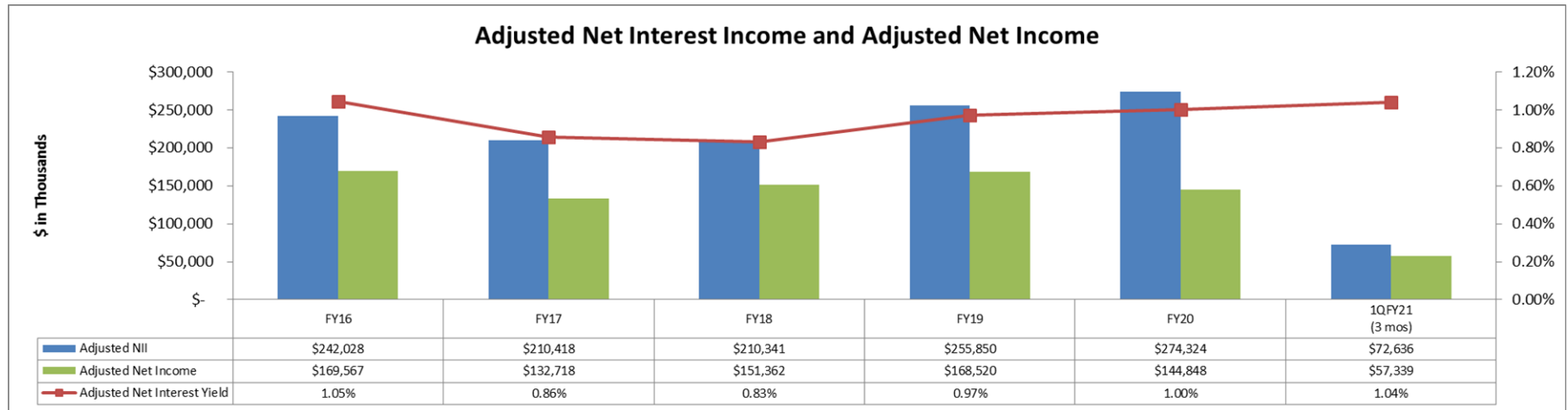
\$3,000
million of
cushion



Note: Refer to slide 3 for information on Non-GAAP financial measures and slide 35 for definitions of Non-GAAP financial measures

Stable & Consistent Operating Results

Design rates to earn an adjusted TIER of 1.10x or higher



Note: Refer to slide 3 for information on Non-GAAP financial measures and slide 35 for definitions of Non-GAAP financial measures



Funding Overview

November 2020

Funding Strategy

Member Investments

Attract additional and retain existing investments from members

Dealer CP Issuance

Minimize wholesale funding risk by maintaining dealer CP balance at/or below \$1.25 billion

CTB and MTN Issuance

Smaller tranches and more frequent issuances with strategic balance between secured and unsecured issuances

InterNotes Issuances

Target retail investors through postings via Incapital platform

GUP & Farmer Mac Issuance

Maintain flexibility and preserve availability



FY20 (Q1, Q2, Q3, Q4) & FY21 Major Financing Activities

Revolvers

- November 2019 – Amended and extended the maturity date of three-year facility by one year to November 2022 and reduced the total commitment amount under three-year and five-year facilities by \$250 million from \$2.975 billion to \$2.725 billion

CTBs

- February 2020 – Issued a \$500 million 10-year CTB @ 2.40%
- October 2020 – Issued a \$400 million 10-year Sustainability CTB @ 1.35%

MTNs

- February 2020 – Issued a \$500 million 2-year MTN @ 1.75%

GUP

- January 2020 – Advanced \$25 million @ 3-month T-bill + 42.5 bps, or 1.992% all-in rate with a 20-year final maturity
- February 2020 – Closed a \$500 million committed loan facility
- February 2020 – Advanced \$150 million @ 3-month T-bill + 42.5 bps, or 1.963% all-in rate with a 20-year final maturity
- February 2020 – Advanced \$150 million @ 2.101% fixed rate with a 20-year final maturity
- March 2020 – Advanced \$125 million @ 1.702% fixed rate with a 20-year final maturity
- March 2020 – Advanced \$250 million @ 1.840% fixed rate with a 20-year final maturity
- March 2020 – Advanced \$250 million @ 3-month T-bill + 42.5 bps, or 0.466% all-in rate with a 20-year final maturity
- September 2020 – \$375 million new GUP Series approved by the RUS

Farmer Mac

- December 2019 – Terminated \$300 million revolving note purchase agreement and increased the note purchase agreement by \$300 million from \$5.2 billion to \$5.5 billion
- March 2020 – Advanced \$125 million 6-month note @ L+85 bps and \$125 million 9-month note @ L+90 bps



1.35%, \$400 million Sustainability CTB due March 2031

Use of Proceeds	Evaluation and Selection	Management of Proceeds	Reporting	External Review
<ul style="list-style-type: none"> Investments, expenditures or disbursements related to the construction, development, acquisition, maintenance, and operation of (i) access to essential services, such as broadband, for underserved and rural areas⁽¹⁾, and (ii) renewable energy such as solar, wind, geothermal, and renewable battery storage w/direct emissions less than 100 g CO₂/kWh 	<ul style="list-style-type: none"> CFC business units will work with CFC treasury team to identify and evaluate projects for eligibility Final approval will be made by the CFO 	<ul style="list-style-type: none"> CFC has established an internal tracking system to monitor proceeds Pending allocation, proceeds may be temporarily used to pay down short-term borrowings or invested in cash, cash equivalents, and/or U.S. government securities Funds will not knowingly be placed in investments that include greenhouse gas intensive projects 	<ul style="list-style-type: none"> On an annual basis and until such time as all net proceeds have been allocated, CFC will publish a Sustainability Bond Report on its website which will include (i) the amount of net proceeds allocated to each Eligible Project, (ii) expected impact metrics, where feasible and (iii) examples of individual project descriptions along with the outstanding amount of net proceeds yet to be allocated to projects at the end of the reporting period 	<ul style="list-style-type: none"> Sustainalytics provided a Second Party Opinion on the environmental and social benefits of CFC's Sustainability Bond Framework as well as the alignment to GBP, SBP, and SBG An independent registered public accounting firm will provide annual attestation of management's assertion regarding amounts allocated to each eligible project category until the proceeds are fully allocated



⁽¹⁾ A rural area is generally defined as one with a population less than 50,000

Collateral Trust Bonds (CTBs)

Secured by the pledge of permitted investments and eligible senior secured mortgage notes from distribution system borrowers.

Principal amount of eligible mortgage notes pledged must be in an amount at least equal to the outstanding principal amount of CTBs.

TRUSTEE

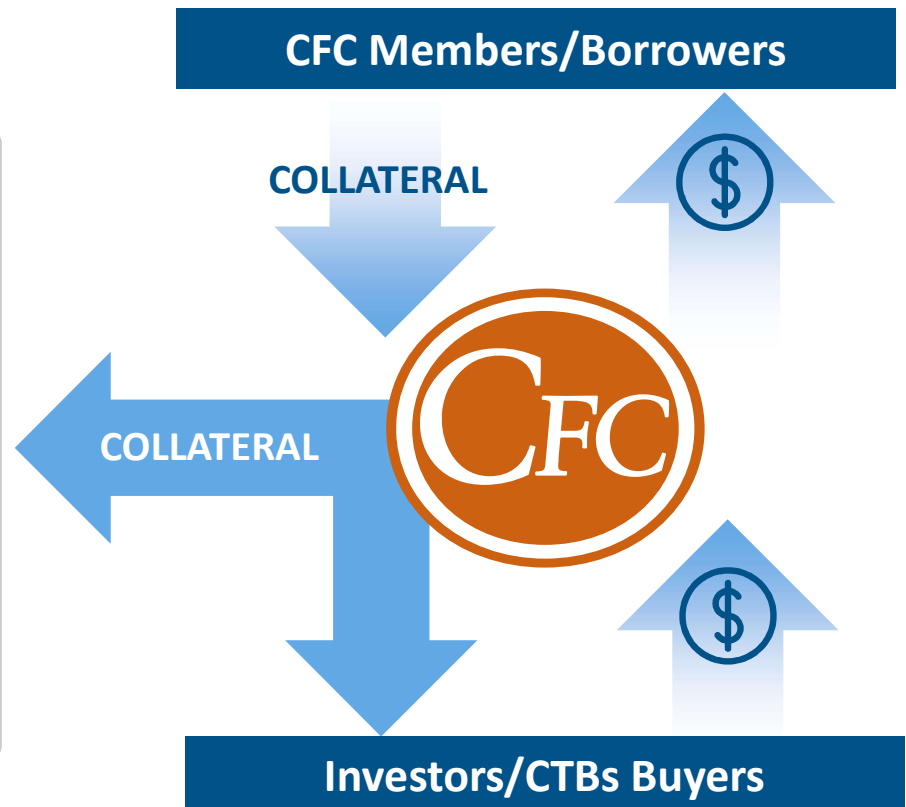


Description of Collateral

**Electric distribution cooperative senior secured mortgage notes:
Lien on all utility assets, a pledge of revenue and after acquired property.**

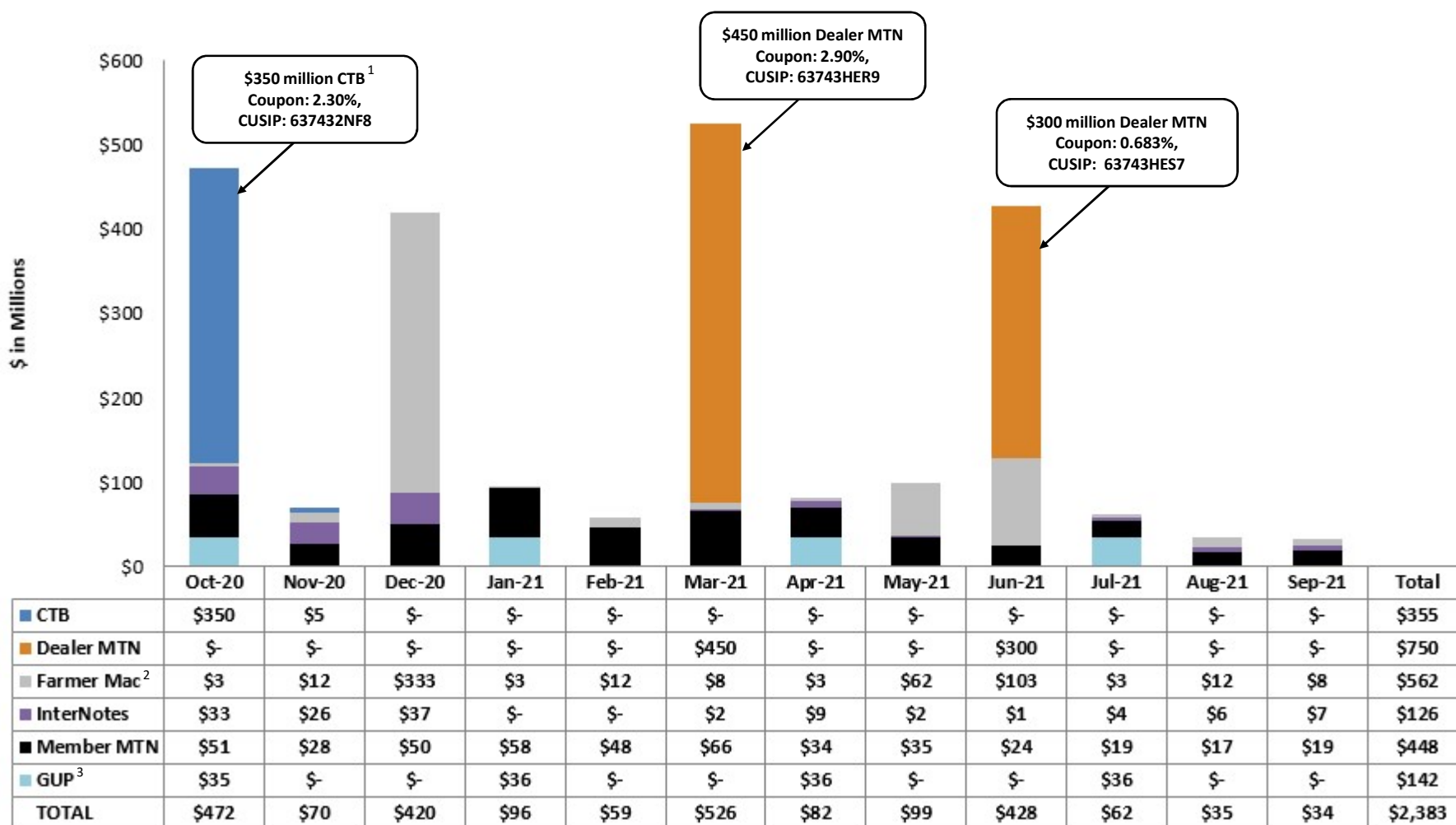
Eligible Mortgage Notes Criteria:

- The borrower must be performing and in good standing with CFC
- Notes of distribution members where 50% or more of the operating revenues are derived from direct sales of electricity
- Distribution members having equity ratios of at least 20% and average debt service coverage ratios of at least 1.35x
- All eligible mortgage notes of any one member cannot exceed 10% of the aggregate amount of all eligible collateral



Long-Term Debt Maturity Schedule by Month

Note: Our members traditionally roll over their MTN investments at maturity. Data as of 9/30/2020



(1) Original maturity date was 11/1/2020. Redeemed early on 10/1/2020
 (2) \$470 million in maturities and \$92 million in scheduled principal amortization
 (3) Amounts represent scheduled principal amortization

Projected Sources and Uses of Liquidity as of 8/31/2020

(\$ in Mils.)	LT Debt Maturities	Projected Net Loan Growth	Other Sources/(Uses) of Cash	Projected Cash Needs	Projected LT Debt Issuances
11/30/20	\$593	\$146	\$50	\$689	\$563
2/28/21	454	130	205	379	461
5/31/21	707	19	535	191	121
8/31/21	516	134	58	592	552
11/30/21	269	145	316	98	35
2/28/22	1,233	149	(64)	1,446	1,421
Totals	\$3,772	\$723	\$1,100	\$3,395	\$3,153

* Refer to Page 42 of 10-Q for more details

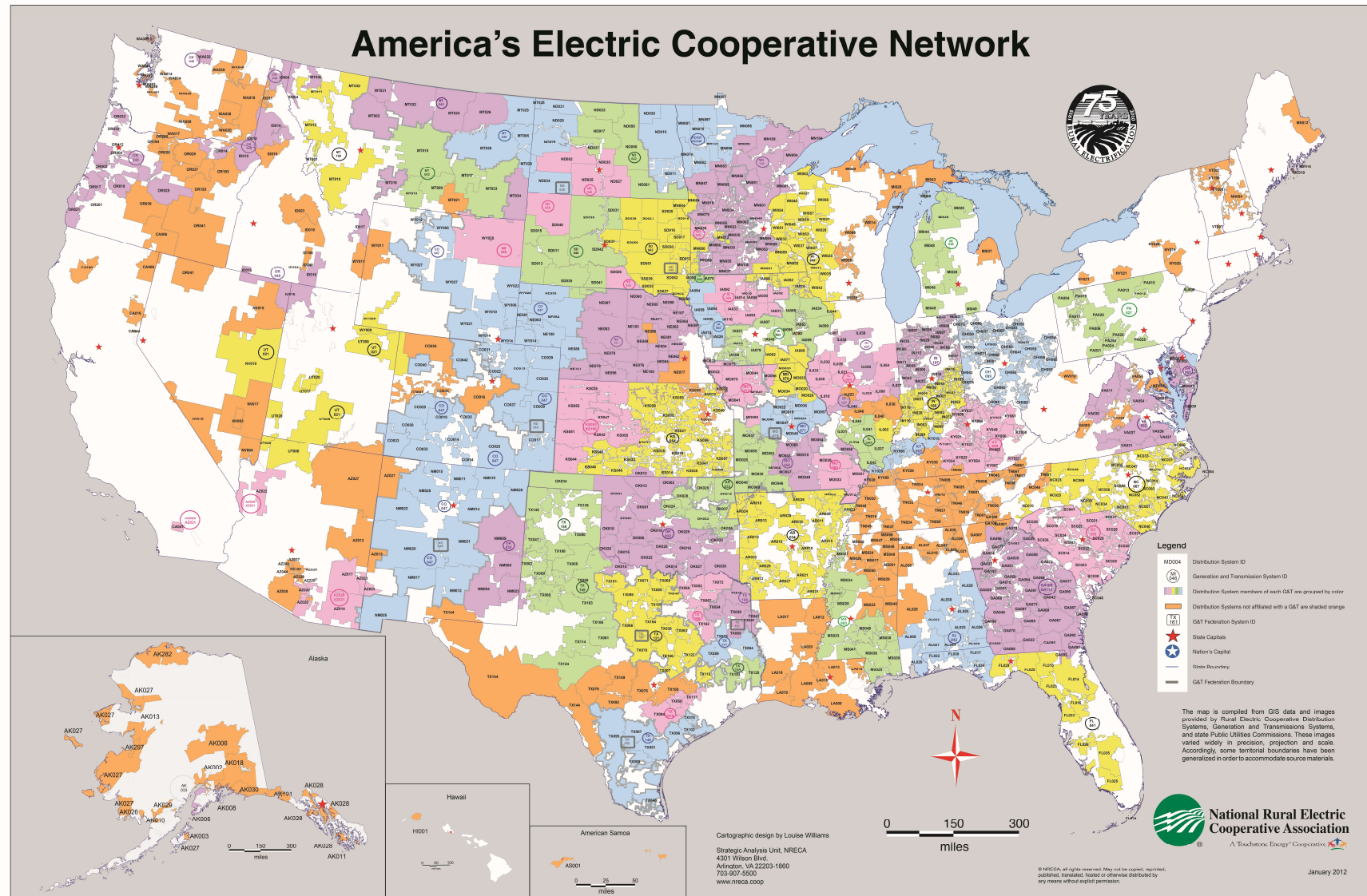




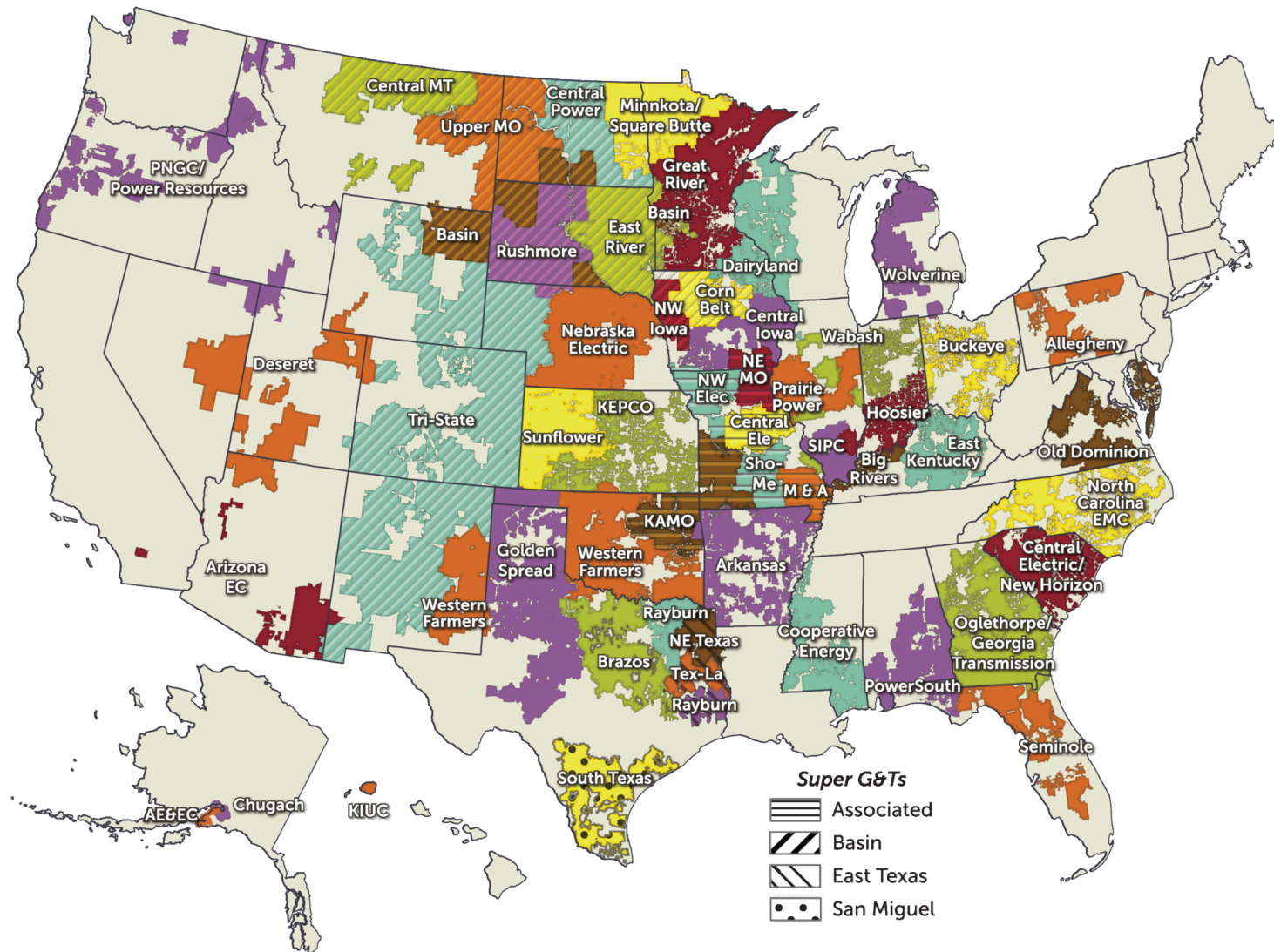
APPENDIX

November 2020

Distribution Cooperative Members



Generation & Transmission Cooperative Members



Balance Sheet Summary

- Grow equity through accretion of net margins
- Maintaining an adjusted debt-to-equity ratio around 6.0 to 1

(dollar amounts in thousands)	05/31/16	05/31/17	05/31/18	05/31/19	05/31/20	2019 to 2020 change	Change in %
Cash and Cash Equivalents	\$209,168	\$188,421	\$238,824	\$186,204	\$680,019	\$493,815	265%
Time Deposits	340,000	226,000	100,000	0	0	0	N/A
Investment Securities	87,940	92,554	609,851	652,977	370,135	(282,842)	-43%
Gross Loans to Members	23,162,696	24,367,044	25,178,608	25,916,904	26,702,380	785,476	3%
Less: Allowance for Loan Losses	(33,258)	(37,376)	(18,801)	(17,535)	(53,125)	(35,590)	203%
Loans to Members, Net	23,129,438	24,329,668	25,159,807	25,899,369	26,649,255	749,886	3%
Foreclosed Assets	102,967	0	0	0	0	0	N/A
Derivative Assets	80,095	49,481	244,526	41,179	173,195	132,016	321%
Other Assets	320,592	319,568	337,196	344,643	285,001	(59,642)	-17%
Total Assets	\$24,270,200	\$25,205,692	\$26,690,204	\$27,124,372	\$28,157,605	\$1,033,233	4%
Short-term Debt	\$2,938,848	\$3,342,900	\$3,795,910	\$3,607,726	\$3,961,985	\$354,259	10%
Long-term Debt ¹	17,473,603	17,955,594	18,714,960	19,210,793	19,712,024	501,231	3%
Subordinated Deferrable Debt	742,212	742,274	742,410	986,020	986,119	99	0%
Members' Subordinated Certificates	1,443,810	1,419,025	1,379,982	1,357,129	1,339,618	(17,511)	-1%
Total Debt Outstanding	22,598,473	23,459,793	24,633,262	25,161,668	25,999,746	838,078	3%
Derivative Liabilities	594,820	385,337	275,932	391,724	1,258,459	866,735	221%
Other Liabilities	259,529	261,757	275,157	267,098	250,578	(16,520)	-6%
Total Equity	817,378	1,098,805	1,505,853	1,303,882	648,822	(655,060)	-50%
Total Liabilities & Equity	\$24,270,200	\$25,205,692	\$26,690,204	\$27,124,372	\$28,157,605	\$1,033,233	4%
Members' Equity²	\$1,298,138	\$1,389,303	\$1,496,620	\$1,625,847	\$1,707,770	\$81,923	5%
Key Financial Ratios							
Adjusted Liabilities ³	\$20,498,466	\$21,392,856	\$22,625,162	\$22,931,626	\$23,777,823	\$846,197	4%
Adjusted Total Equity ⁴	\$3,519,270	\$3,597,378	\$3,661,239	\$3,999,164	\$4,061,411	\$62,247	2%
Adjusted Debt-to-Equity Ratio	5.82	5.95	6.18	5.73	5.85	0.12	2%

¹Includes long-term debt maturities due within twelve months

²Members' Equity = GAAP equity - AOCI - Noncontrolling interests - Cumulative derivative forward value losses

³Adjusted Liabilities = Total Liabilities - (Derivative Liabilities + Debt used to fund loans guaranteed by RUS + Subordinated Deferrable Debt + Subordinated Certificates)

⁴Adjusted Equity = 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)



Income Statement Summary

- Tax exempt, cost-plus based cooperative lender
- Design rates to earn an adjusted TIER of 1.10x or higher

For the twelve months ended May 31, 2020							
(dollar amounts in thousands)	2016	2017	2018	2019	2020	2019 to 2020 change	Change in %
Interest Income	\$1,012,636	\$1,036,634	\$1,077,357	\$1,135,670	\$1,151,286	\$15,616	1%
Interest Expense	(681,850)	(741,738)	(792,735)	(836,209)	(821,089)	(15,120)	-2%
Derivative Cash Settlements	(88,758)	(84,478)	(74,281)	(43,611)	(55,873)	12,262	28%
Adjusted Net Interest Income	242,028	210,418	210,341	255,850	274,324	18,474	7%
Benefit (Provision) for Loan Losses	646	(5,978)	18,575	1,266	(35,590)	36,856	2911%
Other Non-Interest Income	14,886	17,964	17,578	13,556	32,392	18,836	139%
Non-Interest Expense	(87,993)	(89,686)	(95,132)	(102,152)	(126,278)	24,126	24%
Adjusted Net Income	169,567	132,718	151,362	168,520	144,848	(23,672)	-14%
Derivative Forward Value	(221,083)	179,381	306,002	(319,730)	(734,278)	414,548	
Net Income (Loss)	(\$51,516)	\$312,099	\$457,364	(\$151,210)	(\$589,430)	(\$438,220)	
Adjusted TIER ¹	1.22	1.16	1.17	1.19	1.17	-0.02	-2%

¹Adjusted TIER = (Adjusted Interest Expense + Adjusted Net Income) / Adjusted Interest Expense



1QFY21 Balance Sheet Summary

(dollar amounts in thousands)	05/31/20	08/31/20	FYE20 to 1QFY21 Change	Change in %
Cash and Cash Equivalents	\$680,019	\$357,194	(\$322,825)	-47%
Investment Securities	370,135	589,792	219,657	59%
Gross Loans to Members	26,702,380	26,928,877	226,497	1%
Less: Allowance for Loan Losses	(53,125)	(57,351)	(4,226)	8%
Loans to Members, Net	26,649,255	26,871,526	222,271	1%
Derivative Assets	173,195	167,463	(5,732)	-3%
Other Assets	285,001	276,646	(8,355)	-3%
Total Assets	\$28,157,605	\$28,262,621	\$105,016	0%
Short-term Debt	\$3,961,985	\$4,553,491	\$591,506	15%
Long-term Debt ¹	19,712,024	19,181,520	(530,504)	-3%
Subordinated Deferrable Debt	986,119	986,166	47	0%
Members' Subordinated Certificates	1,339,618	1,298,845	(40,773)	-3%
Total Debt Outstanding	25,999,746	26,020,022	20,276	0%
Derivative Liabilities	1,258,459	1,165,585	(92,874)	-7%
Other Liabilities	250,578	345,510	94,932	38%
Total Equity	648,822	731,504	82,682	13%
Total Liabilities & Equity	\$28,157,605	\$28,262,621	\$105,016	0%
Members' Equity²	\$1,707,770	\$1,701,392	(\$6,378)	0%
Key Financial Ratios				
Adjusted Liabilities ³	\$23,777,823	\$23,935,630	\$157,807	1%
Adjusted Total Equity ⁴	\$4,061,411	\$4,016,225	(\$45,186)	-1%
Adjusted Debt-to-Equity Ratio	5.85	5.96	0.11	2%

¹Includes long-term debt maturities due within twelve months

²Members' Equity = GAAP equity - AOCI - Noncontrolling interests - Cumulative derivative forward value losses

³Adjusted Liabilities = Total Liabilities - (Derivative Liabilities + Debt used to fund loans guaranteed by RUS + Subordinated Deferrable Debt + Subordinated Certificates)

⁴Adjusted Equity = 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)



1QFY21 Operating Results

(dollar amounts in thousands)	Three Months Ended August 31,				Twelve Months Ended May 31,			
			\$	%			\$	%
	2019	2020	Change	Change	2019	2020	Change	Change
Interest Income	\$290,015	\$279,584	(\$10,431)	-4%	\$1,135,670	\$1,151,286	\$15,616	1%
Interest Expense	(213,271)	(179,976)	33,295	-16%	(836,209)	(821,089)	15,120	-2%
Derivative Cash Settlements	(11,043)	(26,972)	(15,929)	144%	(43,611)	(55,873)	(12,262)	28%
Adjusted Net Interest Income	65,701	72,636	6,935	11%	255,850	274,324	\$18,474	7%
Benefit (Provision for Loan Losses)	(30)	(326)	(296)	987%	1,266	(35,590)	36,856	2911%
Other Non-Interest Income	(383,164)	68,451	451,615	-118%	13,556	32,392	18,836	139%
Non-Interest Expense	(17,629)	(23,146)	(5,517)	31%	(102,152)	(126,278)	(24,126)	24%
Adjusted Net Income	60,603	57,339	(3,264)	-5%	168,520	144,848	(\$23,672)	-14%
Derivative Forward Value	(384,682)	87,248	471,930	-123%	(319,730)	(734,278)	(414,548)	130%
Net Income (Loss)	(\$324,079)	\$144,587	\$468,666	-145%	(\$151,210)	(\$589,430)	(\$438,220)	290%
Adjusted TIER ¹	1.27	1.28	0.01	1%	1.19	1.17	(0.02)	-2%

¹Adjusted TIER = (Adjusted Interest Expense + Adjusted Net Income) / Adjusted Interest Expense



Interest Rate Swaps–Impact on Financial Statements

Notional outstanding for interest rate swaps

(\$ in 000s)	FY16	%	FY17	%	FY18	%	FY19	%	FY20	%	1QFY21	%
Pay fixed/Received floating	\$6,661,471	66%	\$6,807,013	65%	\$6,987,999	65%	\$7,379,280	68%	\$6,604,808	71%	\$6,540,816	72%
Pay floating/Receive fixed	\$3,499,000	34%	\$3,699,000	35%	\$3,824,000	35%	\$3,399,000	32%	\$2,699,000	29%	\$2,599,000	28%
Total-Notional Amount Outstanding	\$10,160,471	100%	\$10,506,013	100%	\$10,811,999	100%	\$10,778,280	100%	\$9,303,808	100%	\$9,139,816	100%
Avg. Life of Pay fixed	18 years		19 years		19 years		19 years		20 years		19 years	
Avg. Life of Pay floating	3 years		4 years		5 years		4 years		4 years		4 years	

Derivative Gains/(Losses) impact on the income statement

(\$ in 000s)	FY16	FY17	FY18	FY19	FY20	1QFY21	
Derivative Cash Settlements	(\$88,758)	(\$84,478)	(\$74,281)	(\$43,611)	(\$55,873)	(\$26,972)	Represents realized gains/losses
Derivative Forward Value	(\$221,083)	\$179,381	\$306,002	(\$319,730)	(\$734,278)	\$87,248	Represents unrealized gains/losses
Derivative Gains (Losses)	(\$309,841)	\$94,903	\$231,721	(\$363,341)	(\$790,151)	\$60,276	

Derivative Forward Value Gains/(Losses) impact on the balance sheet

(\$ in 000s)	FY16	FY17	FY18	FY19	FY20	1QFY21	
Period-end cumulative derivative forward value losses	(\$520,357)	(\$340,976)	(\$34,974)	(\$354,704)	(\$1,088,982)	(\$1,001,734)	Represents mark to market gains/losses of the entire interest rate swaps portfolio



Debt Funding Sources

43%

Capital Markets

24%

Guaranteed Underwriter Program

21%

Member-Owners

12%

Farmer Mac

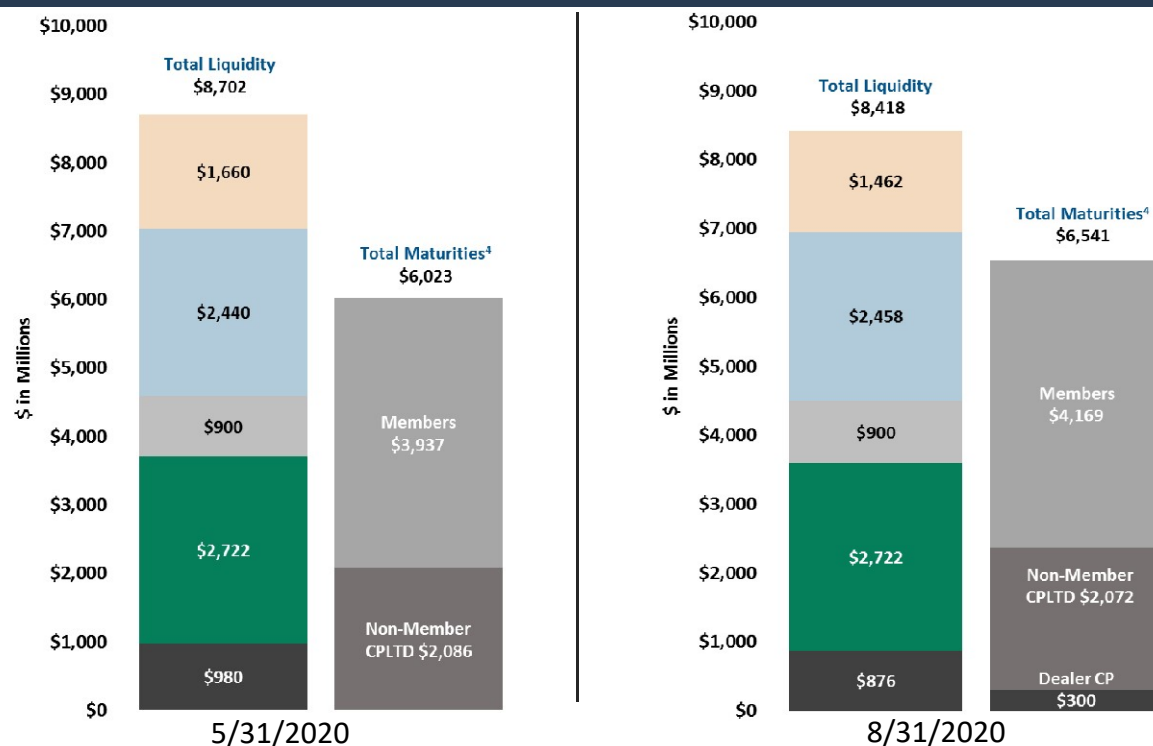
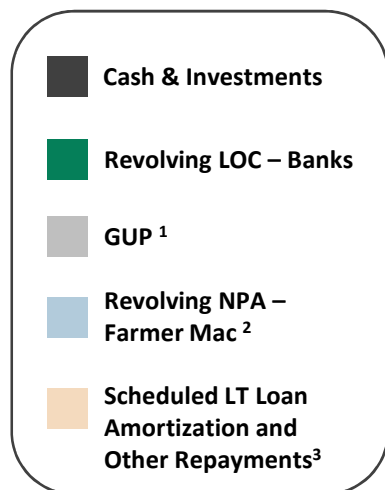
Debt Instrument	Security Type	Maturity Range	5/31/2020 Amount (\$000s)	%	8/31/2020 Amount (\$000s)	%	Change from 5/31/20
Daily Liquidity Fund	Unsecured	Demand note	\$508,618	2.0%	\$645,036	2.5%	\$136,418
Member Commercial Paper	Unsecured	1 to 270 days	\$1,318,566	5.1%	\$1,421,582	5.5%	\$103,016
Member Select Notes	Unsecured	30 to 270 days	\$1,597,959	6.1%	\$1,655,029	6.4%	\$57,070
Member Medium-term Notes	Unsecured	Up to 30 years	\$658,959	2.5%	\$598,248	2.3%	(\$60,711)
Member Capital Securities	Unsecured	Up to 35 years	\$226,170	0.9%	\$228,620	0.9%	\$2,450
Membership Certificates	Unsecured	Up to 100 years	\$630,483	2.4%	\$630,483	2.4%	\$0
Loan and Guarantee Certificates	Unsecured	Up to 100 years	\$482,965	1.9%	\$439,742	1.7%	(\$43,223)
Total - Members			\$5,423,720	20.9%	\$5,618,740	21.6%	\$195,020
Guaranteed Underwriter Program	Secured	Up to 20 years	\$6,261,312	24.1%	\$6,225,855	23.9%	(\$35,457)
Notes Payable (Farmer Mac)	Secured	Up to 30 years	\$3,059,637	11.8%	\$3,041,843	11.7%	(\$17,794)
Other	Secured/Unsecured	Up to 30 years	\$11,612	0.0%	\$11,649	0.04%	\$37
Total - Other			\$9,332,561	35.9%	\$9,279,347	35.7%	(\$53,214)
Non-member Commercial Paper	Unsecured	1 to 270 days	\$0	0.0%	\$299,998	1.2%	\$299,998
Non-member Medium-term Notes	Unsecured	Up to 30 years	\$3,068,793	11.8%	\$3,043,323	11.7%	(\$25,470)
Collateral Trust Bonds	Secured	Up to 30 years	\$7,188,553	27.6%	\$6,792,448	26.1%	(\$396,105)
Subordinated Deferrable Debt	Unsecured	Up to 45 years	\$986,119	3.8%	\$986,166	3.8%	\$47
Total - Capital Markets			\$11,243,465	43.2%	\$11,121,935	42.7%	(\$121,530)
Total Debt Outstanding			\$25,999,746	100.0%	\$26,020,022	100.0%	\$20,276



Liquidity Management

CFC had the following actual and projected liquidity sources (\$ in millions)

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/\$2,679	1.3x/\$1,877
Liquidity Coverage/Excess Liquidity (excluding short-term member debt)	4.2x/\$6,616	3.5x/\$6,047



(1) The committed facilities under the GUP are not revolving
 (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

Definitions of Non-GAAP Financial Measures

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

