

Investor Conference Call

For Fiscal Year 2017 Ended May 31, 2017

August 3, 2017, at 11 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 forwardlooking statements to reflect events, circumstances or changes in expectations after the date on which the statement is made.

Non-GAAP Financial Measures

During our discussion today, we will review certain non-GAAP adjusted financial measures. Please refer to our Form 10-K for the fiscal year ended May 31, 2017, 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.

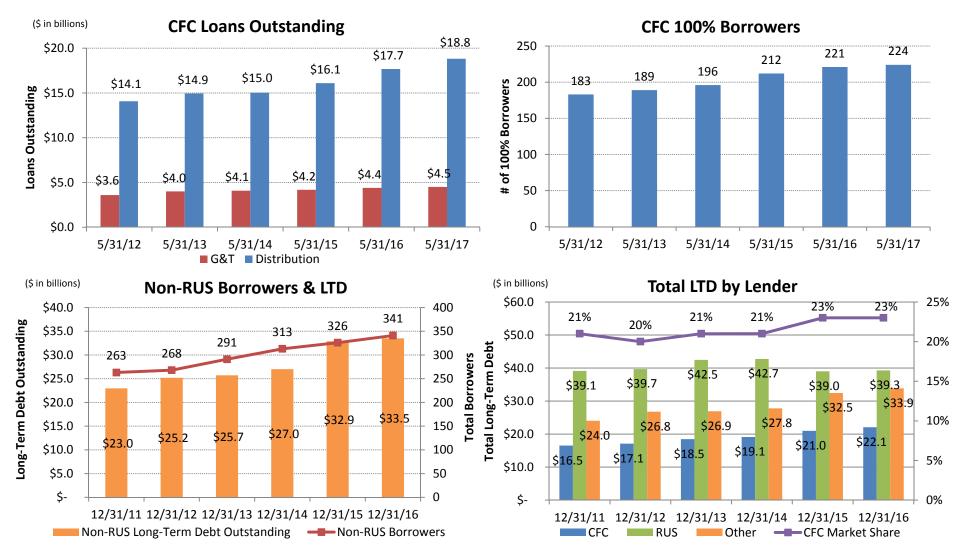


Business Update

Sheldon C. Petersen, Chief Executive Officer



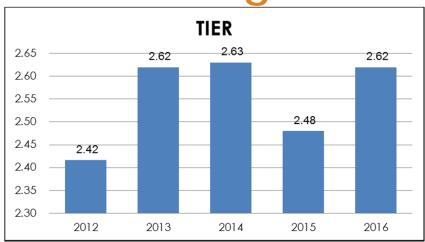
CFC Market Share

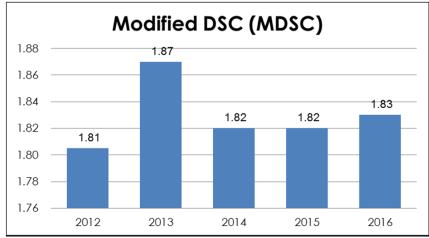


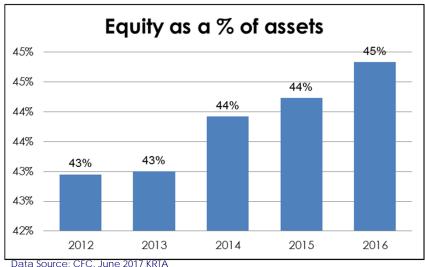
Except for CFC-related data, other reported data are based on member-provided information.

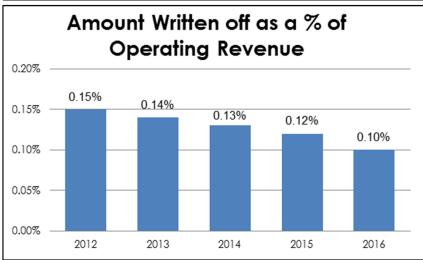


Electric Distribution Cooperatives' Credit Strength















Financial Performance

J. Andrew Don, SVP and Chief Financial Officer



Balance Sheet Summary

(dollar amounts in thousands)	05/31/16	05/31/17	Change	% Change
Cash and Cash Equivalents	\$209,168	\$188,421	(\$20,747)	-10%
Time Deposits	340,000	226,000	(114,000)	-34%
Investments	87,940	92,554	4,614	5%
Gross Loans to Members	23,162,696	24,367,044	1,204,348	5%
Less: Allowance for Loan Losses	(33,258)	(37,376)	(4,118)	12%
Loans to Members, Net	\$23,129,438	\$24,329,668	\$1,200,230	5%
Foreclosed Assets	102,967	0	(102,967)	-100%
Derivative Assets	80,095	49,481	(30,614)	-38%
Other Assets	320,592	319,568	(1,024)	0%
Total Assets	\$24,270,200	\$25,205,692	\$935,492	4%
Short-term Debt	2,938,848	3,342,900	404,052	14%
Long-term Debt	17,473,603	17,955,594	481,991	3%
Subordinated Deferrable Debt	742,212	742,274	62	0%
Members' Subordinated Certificates	1,443,810	1,419,025	(24,785)	-2%
Total Debt Outstanding	\$22,598,473	\$23,459,793	\$861,320	4%
Derivative Liabilities	594,820	385,337	(209,483)	-35%
Other Liabilities	259,529	261,757	2,228	1%
Total Equity	817,378	1,098,805	281,427	34%
Total Liabilities & Equity	\$24,270,200	\$25,205,692	\$935,492	4%
Members' Equity	\$1,298,138	\$1,389,303	91,165	7%
Key Financial Metrics				
Adjusted Liabilities¹	\$20,498,466	\$21,392,856	\$894,390	4%
Adjusted Total Equity ²	\$3,519,270	3,597,378	\$78,108	2%
Adjusted Debt-to-Equity Ratio	5.82	5.95	0.13	2%

¹⁻ Adjusted Liabilities = Total Liabilities - (Derivative Liabilities + Debt Used to Fund Loans Guaranteed by RUS + Subordinated Deferrable Debt + Subordinated Certificates)

²⁻ Adjusted 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)



Operating Results

	12 Months Ended				
			\$	%	
(dollar amounts in thousands)	5/31/2016	5/31/2017	Change	Change	
Interest Income	1 012 424	1 024 424	22.000	2%	
	1,012,636	1,036,634	23,998		
Interest Expense	(681,850)	(741,738)	(59,888)	9%	
Derivative Cash Settlements	(88,758)	(84,478)	4,280	-5%	
Adjusted Net Interest Income	242,028	210,418	(31,610)	-13%	
Provision (Benefit) for Loan Losses	646	(5,978)	(6,624)	-1025%	
Other Non-Interest Income (Loss)	14,886	17,964	3,078	21%	
Non-Interest Expense	(87,993)	(89,686)	(1,693)	2%	
Adjusted Net Income	169,567	132,718	(36,849)	-22%	
Derivative Forward Value	(221,083)	179,381	400,464	181%	
Net Income (Loss)	(51,516)	312,099	363,615	706%	
Adjusted TIER (1)	1.22	1.16	(0.06)	-5%	

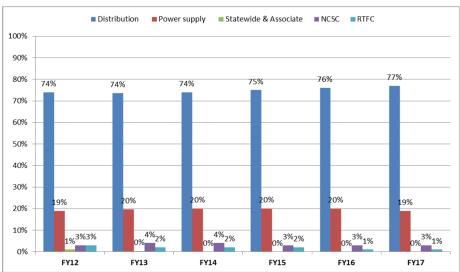
⁽¹⁾ Adjusted TIER = [(Interest Expense + Derivative Cash Settlements) + (Net Income +/- Derivative Forward Value Losses/Gains)] ÷ (Interest Expense + Derivative Cash Settlements)

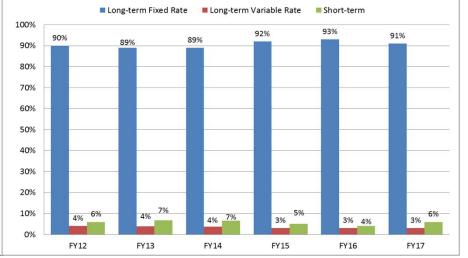
Loan Portfolio Overview

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

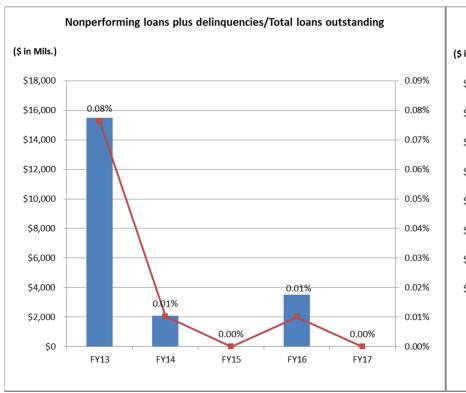


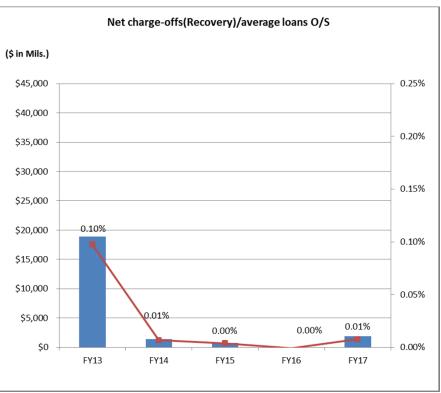




Credit Performance

- During CFC's 48-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 FYE17, CFC did not have any nonperforming loans.
- Net charge-offs to average loans outstanding totaled 0.01% at FYE17.







Consolidated Loans Outstanding by State & Territory at May 31, 2017

(Sorted by Loan Balance)

State/Territory	L	oan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Texas	\$	3,619,134	14.86%	73
Georgia	\$	1,404,985	5.77%	44
Missouri	\$	1,284,707	5.27%	48
Colorado	\$	1,282,993	5.27%	26
Kansas	\$	1,112,240	4.57%	31
North Dakota	\$	881,043	3.62%	18
Alaska	\$	879,924	3.61%	16
Illinois	\$	836,444	3.43%	27
Florida	\$	773,514	3.17%	17
North Carolina	\$	772,096	3.17%	28
South Carolina	\$	759,646	3.12%	23
Indiana	\$	740,714	3.04%	38
Kentucky	\$	735,386	3.02%	24
Minnesota	\$	726,350	2.98%	54
Oklahoma	\$	720,068	2.95%	26
Arkansas	\$	573,613	2.36%	21
Alabama	\$	549,208	2.26%	27
Ohio	\$	521,774	2.14%	28
Maryland	\$	501,375	2.06%	2
Pennsylvania	\$	491,910	2.02%	17
lowa	\$	462,510	1.90%	39
Wisconsin	\$	409,652	1.68%	24
Utah	\$	392,757	1.61%	6
Mississippi	\$	378,955	1.56%	18
Oregon	\$	347,598	1.43%	22

State/Territory	l	oan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Virginia	\$	346,035	1.42%	18
Nevada	\$	327,813	1.35%	5
Washington	\$	321,566	1.32%	11
Louisiana	\$	293,897	1.21%	10
Wyoming	\$	265,782	1.09%	15
South Dakota	\$	226,100	0.93%	32
Arizona	\$	198,594	0.81%	11
Montana	\$	173,000	0.71%	25
Michigan	\$	151,026	0.62%	14
Hawaii	\$	146,527	0.60%	2
Idaho	\$	136,031	0.56%	12
Delaware	\$	118,244	0.48%	3
New Hampshire	\$	90,539	0.37%	1
Tennessee	\$	86,979	0.36%	17
New Mexico	\$	71,903	0.29%	16
Massachusetts	\$	60,000	0.25%	1
Vermont	\$	46,326	0.19%	4
California	\$	34,201	0.14%	4
Nebraska	\$	32,127	0.13%	16
New York	\$	29,166	0.12%	6
New Jersey	\$	16,438	0.07%	2
West Virginia	\$	14,068	0.06%	2
Maine	\$	9,870	0.04%	3
Washington DC	\$	1,500	0.01%	1
Total	\$	24,356,330	100.00%	928

State/Territory	FY16-FY17 Loan Growth (\$ in 000s)	% of FY16-FY17 Total Loan Growth
Texas	\$ 186,048	15.45%
Colorado	\$ 120,656	10.02%
Kansas	\$ 114,868	9.54%
North Carolina	\$ 113,637	9.44%
Hawaii	\$ 102,878	8.55%
Indiana	\$ 90,436	7.51%
Kentucky	\$ 86,252	7.16%
Florida	\$ 79,354	6.59%
Maryland	\$ 66,949	5.56%
Missouri	\$ 61,935	5.14%
All Other States	\$ 180,799	15.04%
Total Loan Growth	\$ 1,203,813	100.00%

Loans Outstanding to 20 Largest Borrowers						
	Amount	% of Total				
Loans Outstanding	\$5.75 billion	23%				
(Less Loans covered under Farmer Mac Agreement)	(\$352 million)	(1%)				
Net Loans Outstanding Exposure	\$5.40 billion	22%				

= Top 10 State - FY16-17 Loan Growth



Debt Funding Sources

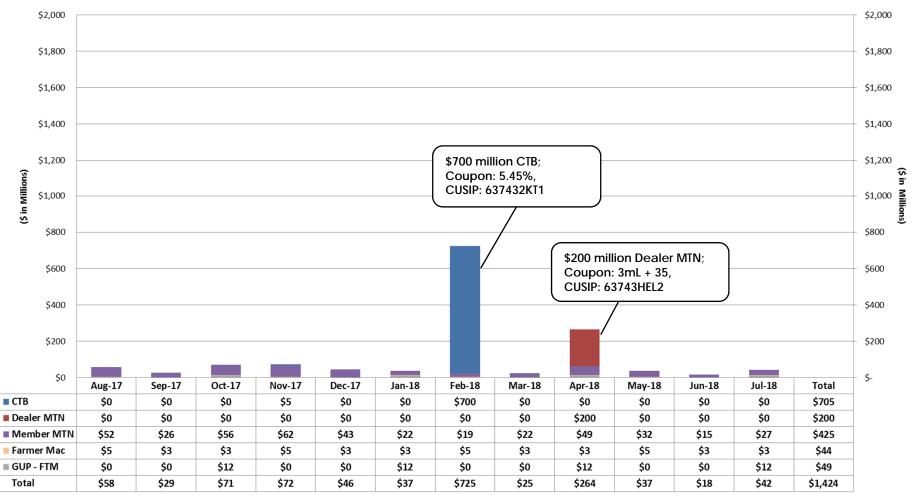
50% from Capital Markets 21% from Guaranteed Underwriter Program 18% from Member-Owners

11% from Farmer Mac

Debt Instrument	Maturity Range	5/31/2016 Amount (\$000s)	%	5/31/2017 Amount (\$000s)	%	Change from 5/31/16
Daily Liquidity Fund	Demand note	\$525,959	2.3%	\$527,990	2.3%	\$2,031
Member Commercial Paper	1 to 270 days	\$848,007	3.8%	\$928,158	4.0%	\$80,151
Member Select Notes	30 to 270 days	\$701,849	3.1%	\$696,889	3.0%	(\$4,960)
Member Medium-term Notes	Up to 30 years	\$654,058	2.9%	\$612,951	2.6%	(\$41,107)
Member Capital Securities	Up to 35 years	\$220,046	1.0%	\$221,097	0.9%	\$1,051
Membership Certificates	Up to 100 years	\$630,063	2.8%	\$630,098	2.7%	\$35
Loan and Guarantee Certificates	Up to 100 years	\$593,701	2.6%	\$567,830	2.4%	(\$25,871)
	Total - Members	\$4,173,683	18.5%	\$4,185,013	17.8%	\$11,330
Guaranteed Underwriter Program	Up to 20 years	\$4,777,111	21.1%	\$4,985,484	21.3%	\$208,373
Notes Payable (Farmer Mac)	Up to 30 years	\$2,303,123	10.2%	\$2,513,389	10.7%	\$210,266
Other	Up to 30 years	\$40,944	0.2%	\$35,223	0.2%	(\$5,721)
	Total - Other	\$7,121,178	31.5%	\$7,534,096	32.1%	\$412,918
Non-member Commercial Paper	1 to 270 days	\$659,935	2.9%	\$999,691	4.3%	\$339,756
Non-member Medium-term Notes	Up to 30 years	\$2,648,369	11.7%	\$2,364,671	10.1%	(\$283,698)
Collateral Trust Bonds	Up to 30 years	\$7,253,096	32.1%	\$7,634,048	32.5%	\$380,952
Subordinated Deferrable Debt	Up to 30 years	\$742,212	3.3%	\$742,274	3.2%	\$62
	Total - Capital Markets	\$11,303,612	50.0%	\$11,740,684	50.0%	\$437,072
	Total Debt Outstanding	\$22,598,473	100.0%	\$23,459,793	100.0%	\$861,320

Monthly Debt Maturity Schedule

Data as of 7/31/2017

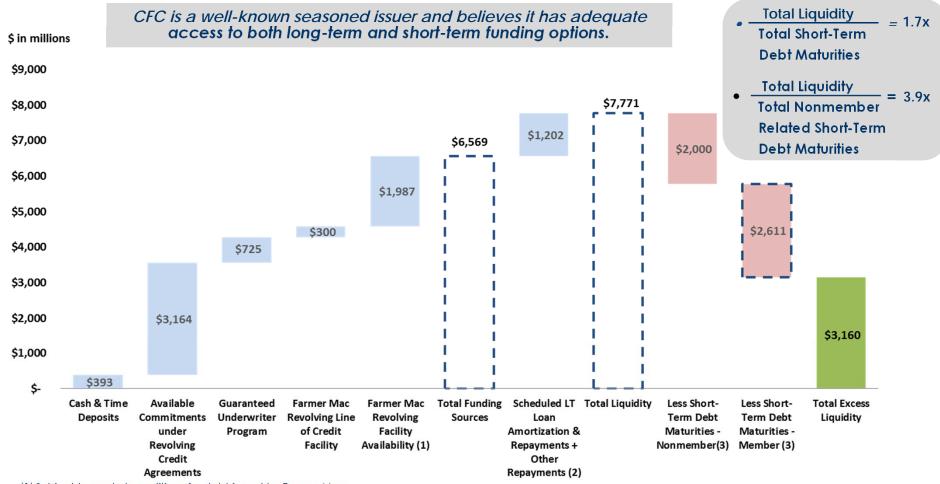


Note: Our members traditionally roll over their MTN investments at maturity.



Liquidity Management

At May 31, 2017, CFC had the following projected liquidity sources available:



- (1) Subject to market conditions for debt issued by Farmer Mac.
- (2) Anticipated loan repayments over the next 12 months.
- (3) Short-term debt maturities include long-term debt maturities over the next 12 months.



Liquidity Position at 5/31/2017

-	Projecte	ed Sources of Li	iquidity	Projec			
(\$ in Mils.)	LT Debt Issuance	Anticipated Loan Repayments	Total Projected Sources of Liquidity	LT Debt Maturities (1)	LT Loan Advances	Total Projected Uses of Liquidity	Net Loan Growth (2)
8/31/17	\$190	\$311	\$501	\$167	\$494	\$661	\$183
11/30/17	340	293	\$633	174	349	\$523	\$56
2/28/18	1,115	292	\$1,407	813	496	\$1,309	\$204
5/31/18	490	306	\$796	307	257	\$564	(\$49)
8/31/18	90	297	\$387	50	390	\$440	\$93
11/30/18	1,615	300	\$1,915	1,492	363	\$1,855	\$63
Totals	\$3,840	\$1,799	\$5,639	\$3,003	\$2,349	\$5,352	\$550

⁽¹⁾ Long-term debt maturities includes medium-term notes with an original maturity of less than one year.

⁽²⁾ Cumulative LT Loan Advances minus Scheduled LT Loan Amortization Payments.

FY17 Major Financing Activities

Revolvers

• November 2016 – Amended and extended maturities of the credit facilities by one year to November 2019 and November 2021.

MTNs

- November 2016 Issued \$300 million 3-year fixed-rate notes @ 1.50%.
- April 2017 Issued \$350 million 2-year fixed-rate notes @ 3ML + 20 bps.

InterNotes

•FY17 - \$197 million InterNotes issued with a weighted-average life of 10.34 years and weighted-average rate of 2.87%.

CTBs

- •February 2017 Issued a \$450 million 7-year CTB @ 2.95%.
- April 2017 Issued a \$450 million 5-year CTB @ 2.40%, and a \$350 million 10-year CTB @3.05%.

GUP

- August 2016 Advanced \$100 million @ 2.30%, with a 20-year final maturity.
- December 2016 Closed on the previously approved \$375 million funding under the GUP.
- February 2017 Advanced \$150 million @ 3.01% with a 20-year final maturity.
- March 2017 Submitted a new GUP loan application.

Farmer Mac

• February 2017 – Advanced a \$250 million, 30-year note @ 3ML + 84 bps and a \$100 million short-term note @ 1ML + 25 bps under the note purchase agreements.



Key Takeaways

Credit Ratings

- Fitch: **F1**(Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Affirmed on 5/15/17)
- Moody's: P-1 (Short-Term); A1 (Senior Secured); A2 (Senior Unsecured); Stable Outlook (Affirmed on 11/30/16)
- S&P: **A-1** (Short-Term); **A** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Affirmed on 5/1/17)
- Management's long-term incentives are tied to CFC credit ratings

High-Quality Portfolio

- 99% of loans are to rural electric systems
- 92% of loans are on a senior secured basis
- No loans in the portfolio are classified as nonperforming

Stable Member Investment & Strong Member Support

- 18% of funding is from member-owners
- Historically low reinvestment risk on member investments
- Total members' equity at \$1,389 million at 5/31/2017, a 108% increase from \$669 million at 5/31/2010

Liquidity and Funding Diversity

- Maintain dealer commercial paper balance at the \$1 \$1.25 billion level
- 1.7 times liquidity coverage ratio over the next 12 months
- 3.9 times liquidity coverage ratio over the next 12 months, excluding short-term debt maturities related to member investments

