

Investor Conference Call – FY 2018 Fiscal Year Ended May 31, 2018

August 7, 2018 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



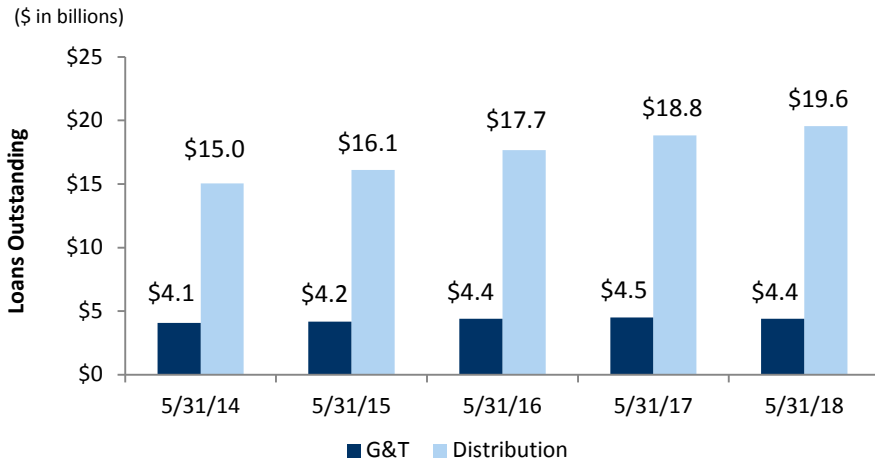
Non-GAAP Financial Measures

During our discussion, we may review certain non-GAAP adjusted financial measures. Please refer to our annual report on Form 10-K for the fiscal year ended May 31, 2018, 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.

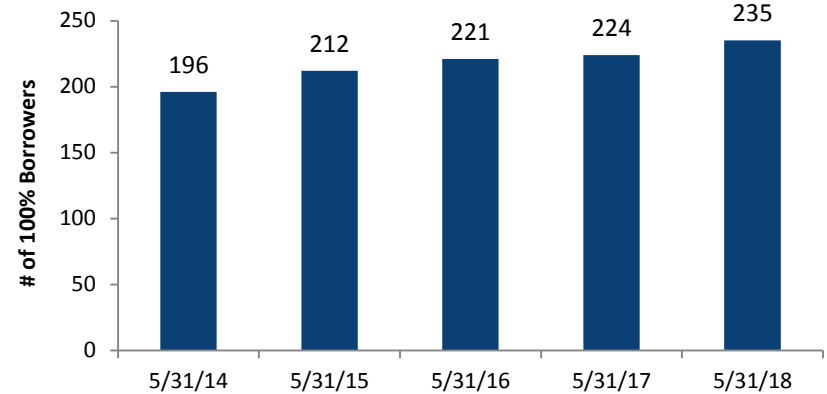


CFC Market Share

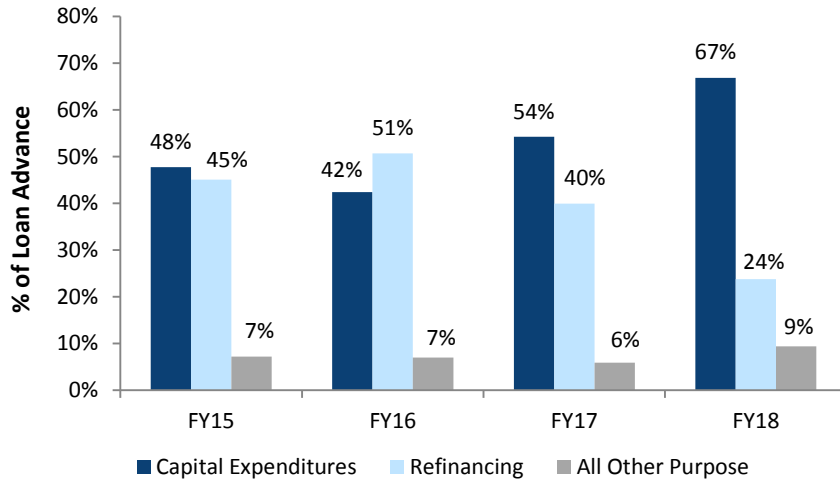
CFC Loans Outstanding



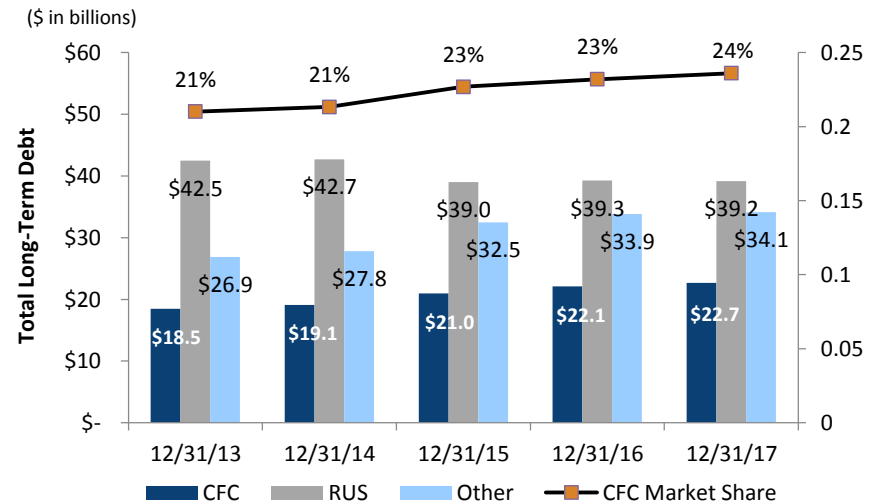
CFC 100% Borrowers



CFC LT Loan Advances by Purpose



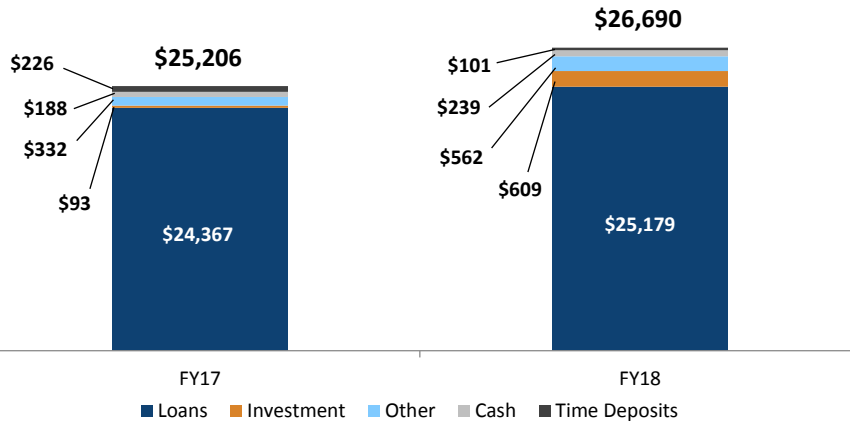
Electric Cooperatives Total LTD by Lender



FY18 Financial Results – Balance Sheet

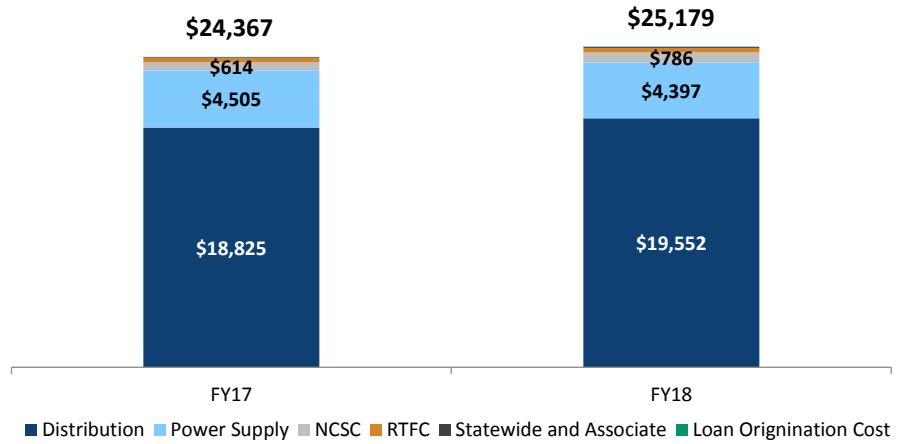
Total Assets (\$ in Mills)

\$1,484 MM Increase



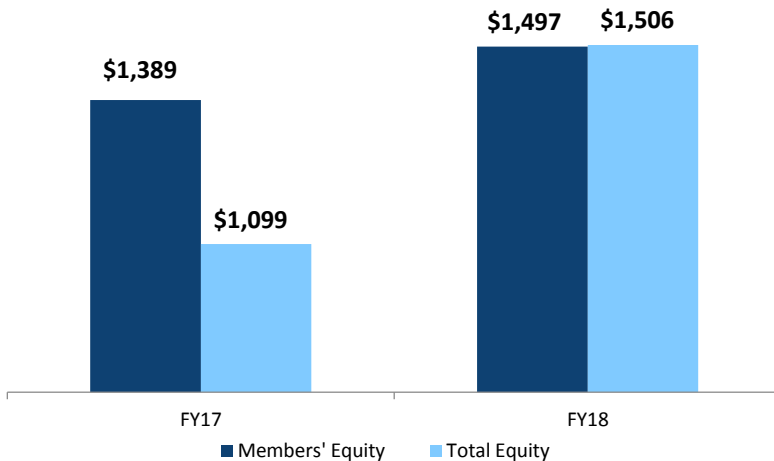
Loans to Members (\$ in Mills)

\$812 MM Increase



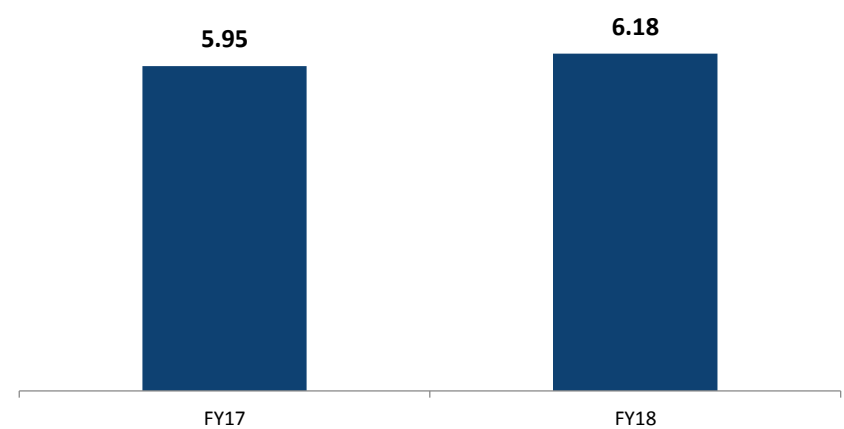
Members' Equity/Total Equity (\$ in Mills)

\$108 MM Increase in Members' Equity



Adjusted Debt to Equity Ratio

0.23 Increase



FY18 Financial Results – Income Statement

Adjusted TIER

0.01 Increase

1.16

1.17

FY17

FY18

Adjusted Net Income (\$ in Mils)

\$18 MM Increase

\$133

\$151

FY17

FY18

Adjusted Net Interest Income (\$ in Mils)

Stable

\$210

\$210

FY17

FY18

Adjusted Net Interest Yield

3 bps Decrease

0.86%

0.83%

FY17

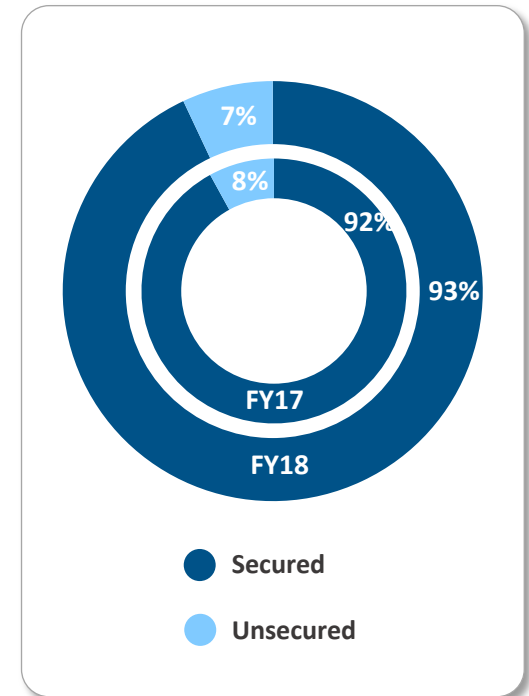
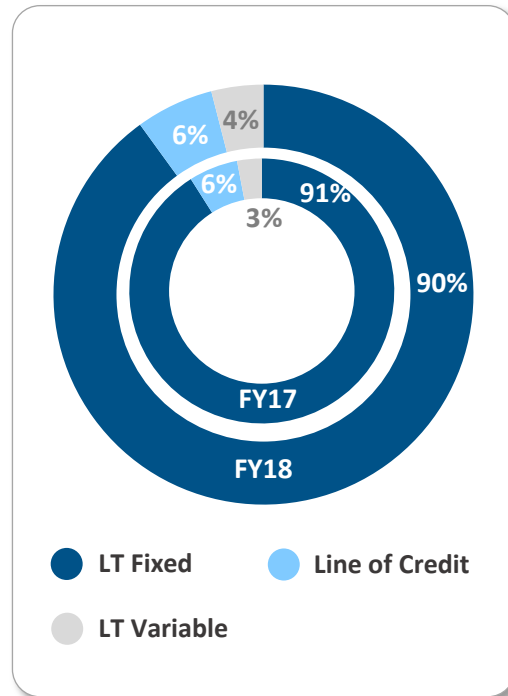
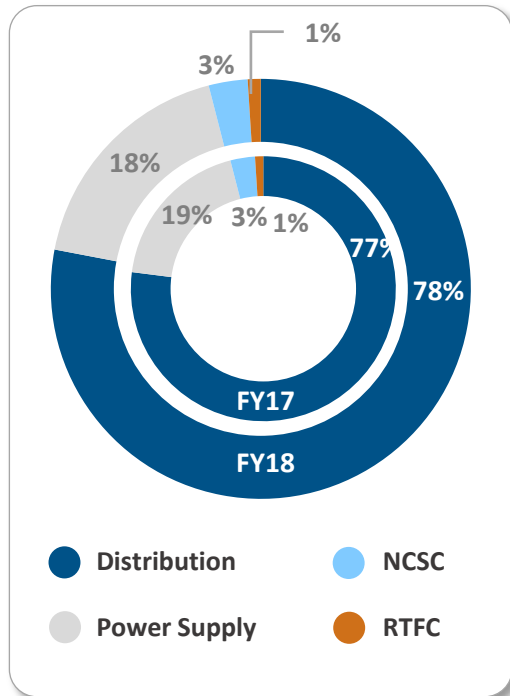
FY18



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



Consolidated Loans Outstanding by State & Territory at May 31, 2018

(Sorted by Loan Balance)

State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Texas	\$ 3,802,924	15.11%	70
Georgia	\$ 1,466,164	5.83%	48
Missouri	\$ 1,366,863	5.43%	48
Colorado	\$ 1,362,251	5.41%	26
Kansas	\$ 1,199,974	4.77%	30
Alaska	\$ 954,645	3.79%	17
Florida	\$ 930,291	3.70%	17
Illinois	\$ 917,945	3.65%	29
North Dakota	\$ 860,379	3.42%	18
South Carolina	\$ 769,124	3.06%	23
North Carolina	\$ 757,611	3.01%	28
Indiana	\$ 727,553	2.89%	37
Kentucky	\$ 720,433	2.86%	25
Oklahoma	\$ 719,252	2.86%	26
Minnesota	\$ 715,637	2.84%	53
Alabama	\$ 574,761	2.28%	27
Arkansas	\$ 568,098	2.26%	20
Ohio	\$ 527,464	2.10%	28
Pennsylvania	\$ 513,170	2.04%	17
Iowa	\$ 503,193	2.00%	39
Wisconsin	\$ 480,995	1.91%	24
Maryland	\$ 420,280	1.67%	2
Mississippi	\$ 397,009	1.58%	19
Oregon	\$ 357,642	1.42%	22
Utah	\$ 351,101	1.40%	6


State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Washington	\$ 336,551	1.34%	11
Virginia	\$ 315,903	1.26%	19
Louisiana	\$ 315,642	1.25%	10
Nevada	\$ 251,664	1.00%	6
Wyoming	\$ 248,768	0.99%	13
Michigan	\$ 231,613	0.92%	13
South Dakota	\$ 216,827	0.86%	31
Montana	\$ 195,177	0.78%	25
Arizona	\$ 184,411	0.73%	11
Hawaii	\$ 130,417	0.52%	2
Idaho	\$ 129,170	0.51%	12
Tennessee	\$ 128,151	0.51%	18
Delaware	\$ 111,558	0.44%	3
New Hampshire	\$ 91,072	0.36%	1
New Mexico	\$ 67,972	0.27%	16
Massachusetts	\$ 60,000	0.24%	1
Vermont	\$ 53,225	0.21%	5
California	\$ 32,670	0.13%	4
Nebraska	\$ 30,223	0.12%	13
New York	\$ 29,100	0.12%	7
New Jersey	\$ 16,657	0.07%	2
West Virginia	\$ 14,095	0.06%	2
Maine	\$ 9,369	0.04%	3
District of Columbia	\$ 2,500	0.01%	1
Total	\$ 25,167,493	100.00%	928

Top 10 States - FY17-18 Loan Growth

State/Territory	FY17-FY18 Loan Growth (\$ in 000s)	% of FY18 Total Loan Growth
Texas	\$ 183,791	22.66%
Florida	\$ 156,777	19.33%
Kansas	\$ 87,733	10.82%
Missouri	\$ 82,156	10.13%
Illinois	\$ 81,501	10.05%
Michigan	\$ 80,587	9.93%
Colorado	\$ 79,257	9.77%
Alaska	\$ 74,721	9.21%
Wisconsin	\$ 71,343	8.80%
Georgia	\$ 61,178	7.54%
All Other States	\$ (147,881)	-18.21%
Total Loan Growth	\$ 811,164	100.00%

Loans Outstanding to 20 Largest Borrowers

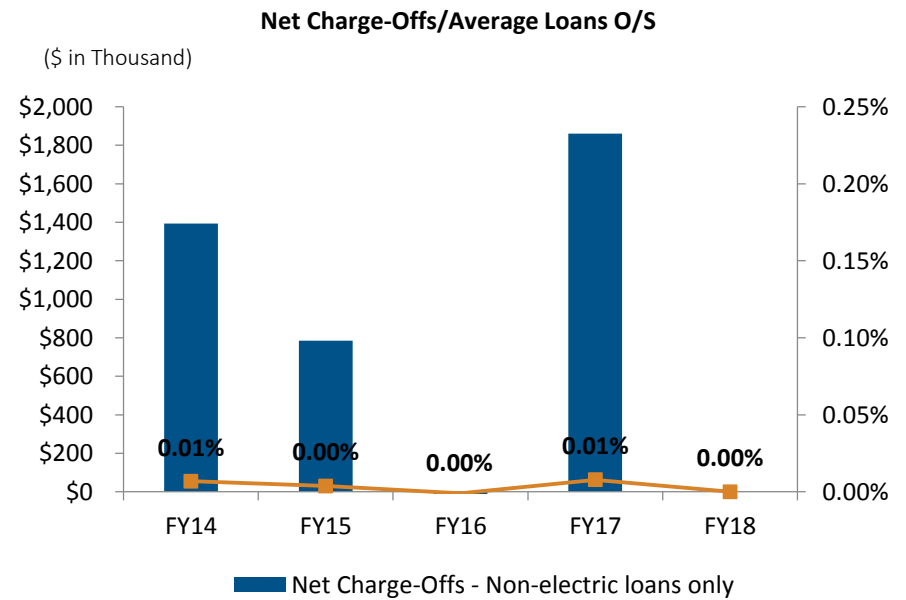
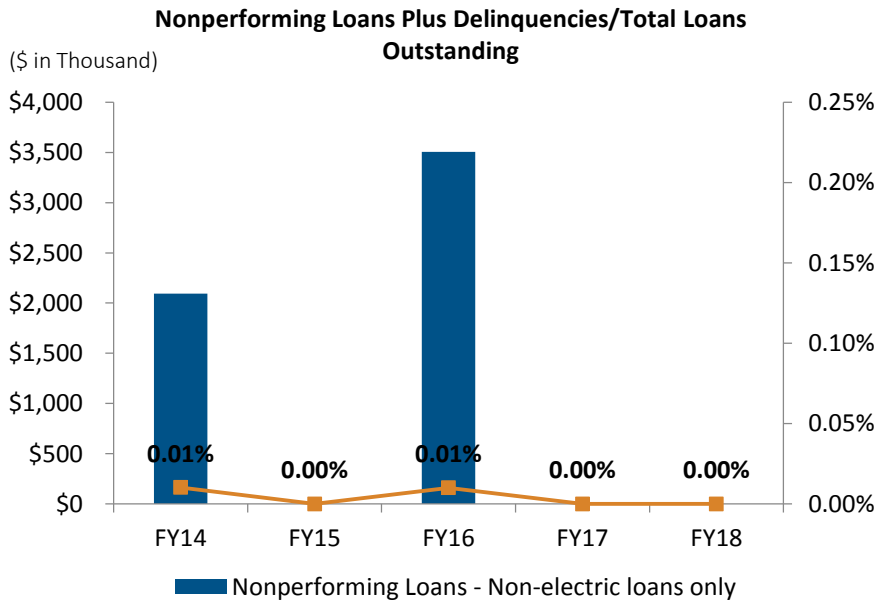
	Amount	% of Total
Loans Outstanding	\$5.61 billion	22%
(Less Loans covered under Farmer Mac Agreement)	(\$355 million)	(1%)
Net Loans Outstanding Exposure	\$5.26 billion	21%

 = Top 10 State - FY17-18 Loan Growth



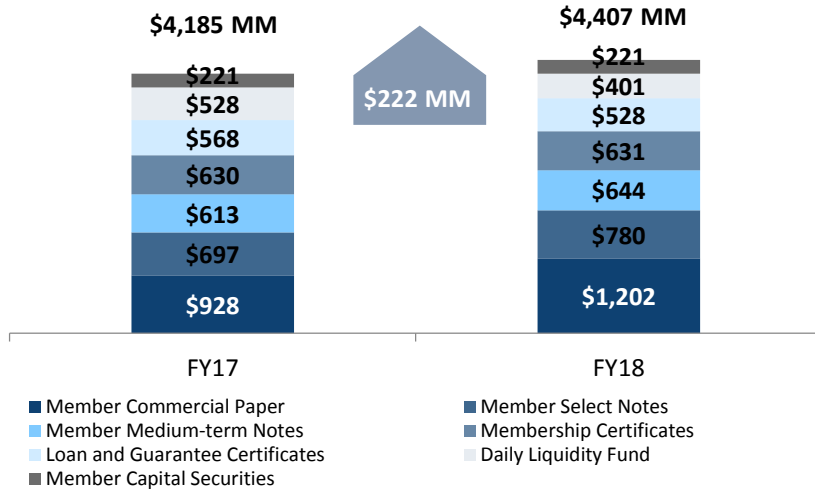
Credit Performance

- 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
- During fiscal year 2018, CFC did not have any nonperforming loans
- CFC had no charge-offs during fiscal year 2018

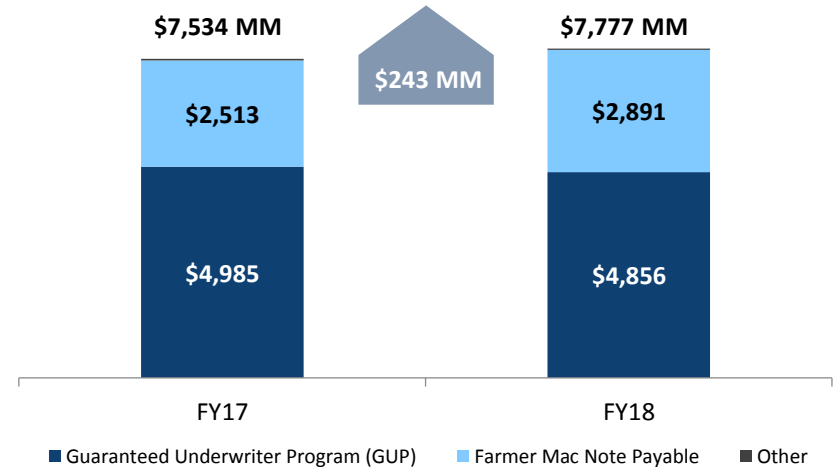


Debt Funding Sources

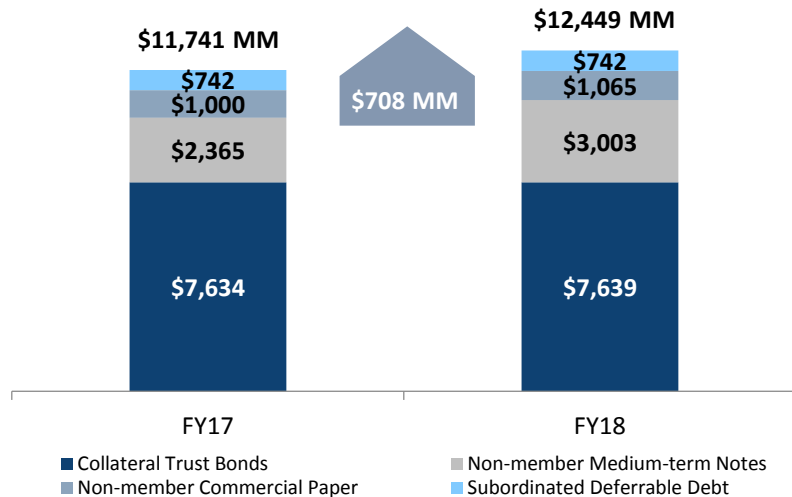
Member Investment (\$ in Mils)



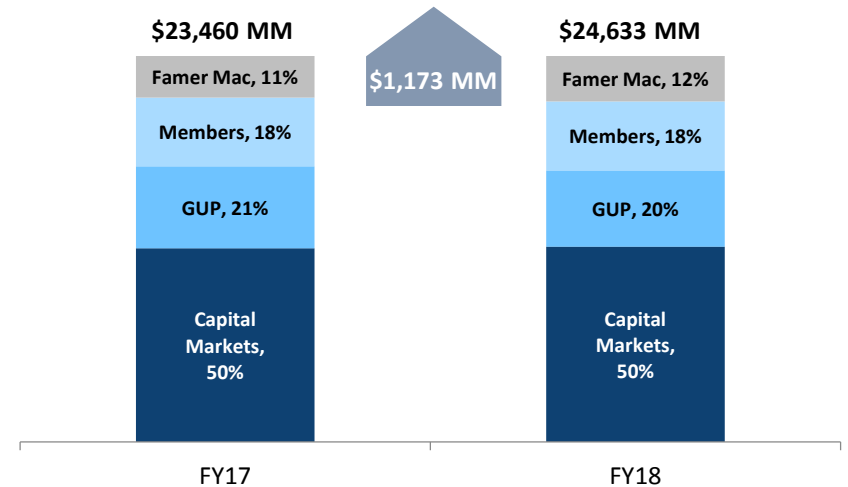
GUP, Farmer Mac & Other (\$ in Mils)



Capital Markets Funding (\$ in Mils)

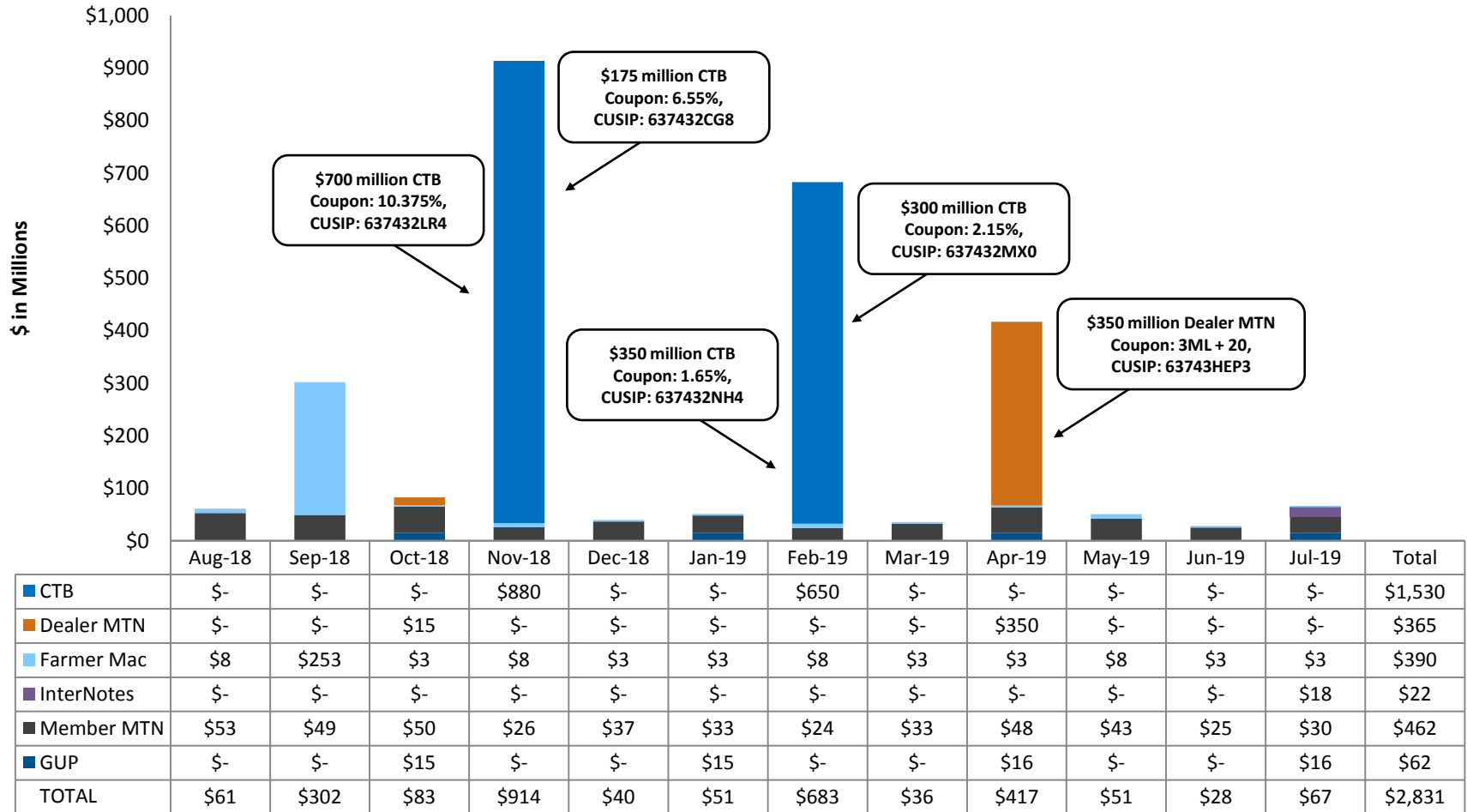


Total Debt Outstanding



Monthly Debt Maturity Schedule

Data as of 7/31/2018

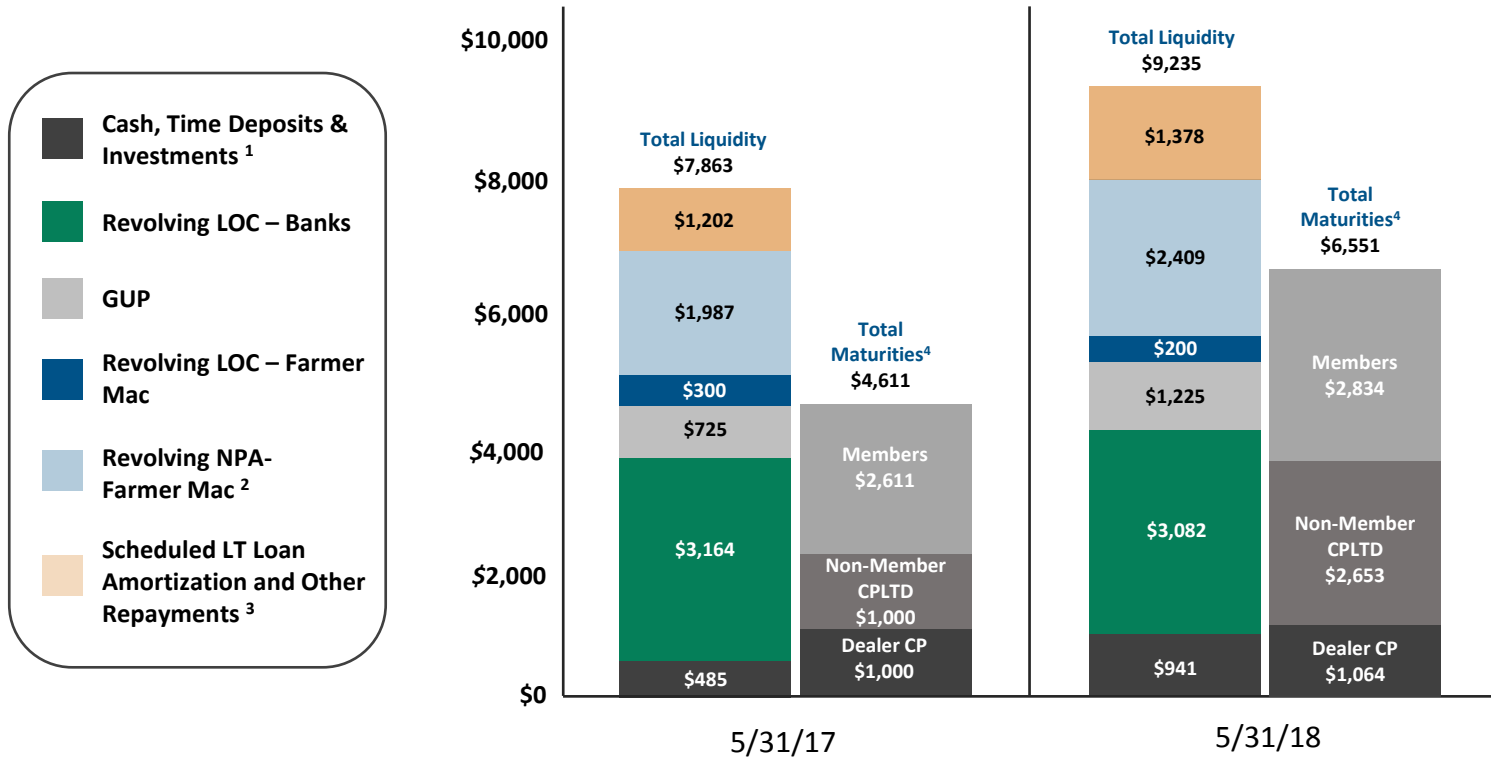


Note: Our members traditionally roll over their MTN investments at maturity.



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

1.7x/\$3,252

1.4x/\$2,684

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

3.9x/\$5,863

2.5x/\$5,518

(1) \$520 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 5/31/2018

(\$ in Mils.)	Projected Sources of Liquidity				Projected Uses of Liquidity				Other Sources/ (Uses) of Liquidity ⁵	Net LT Loan Growth ⁶
	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		
8/31/18	\$635	\$395		\$1,030	\$466	\$522	\$95	\$1,083	(\$53)	\$127
11/30/18	1,350	317	55	\$1,722	1,301	446		\$1,747	38	\$129
2/28/19	1,250	291		\$1,541	780	586		\$1,366	(77)	\$295
5/31/19	400	320		\$720	477	304		\$781	(52)	(\$16)
8/31/19	195	312		\$507	167	408		\$575	65	\$96
11/30/19	700	281	55	\$1,036	678	396		\$1,074	24	\$115
Totals	\$4,530	\$1,916	\$110	\$6,556	\$3,869	\$2,662	\$95	\$6,626	(\$55)	\$746

(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.



FY18 Major Financing Activities

Revolvers

- 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
- May 2018 – Advanced \$100 million which was paid off in June 2018

Year To Date FY19 Major Financing Activities

CTBs

- July 2018 – Redeemed early \$300 million of the \$1 billion 10.375% CTB with an original maturity of November 1, 2018

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

Farmer Mac

- July 2018 – Extended the draw period for the \$300 million Farmer Mac revolving note purchase agreement to December 2023

Key Takeaways

Robust Credit Ratings

Fitch: **F1** (Short-Term); **A+** (Senior Secured); **A** (Senior Unsecured); **Stable** Outlook (Last commented on 5/8/18)

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 5/29/18)

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

High Quality Loan Portfolio

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 nonperforming loans

Strong Member Support

18% of funding is from member-owners

Historically low reinvestment risk on member investments

Total members' equity at \$1.5 billion as of 5/31/2018, a 50% increase from \$998 million as of 5/31/2013

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)

1.4 times liquidity coverage ratio over the next 12 months

2.5 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***