

Investor Conference Call – FY2020 Fiscal Year Ended May 31, 2020

August 7, 2020 at 10 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.



Sheldon C. Petersen, Chief Executive Officer



Financial Performance

J. Andrew Don, Chief Financial Officer



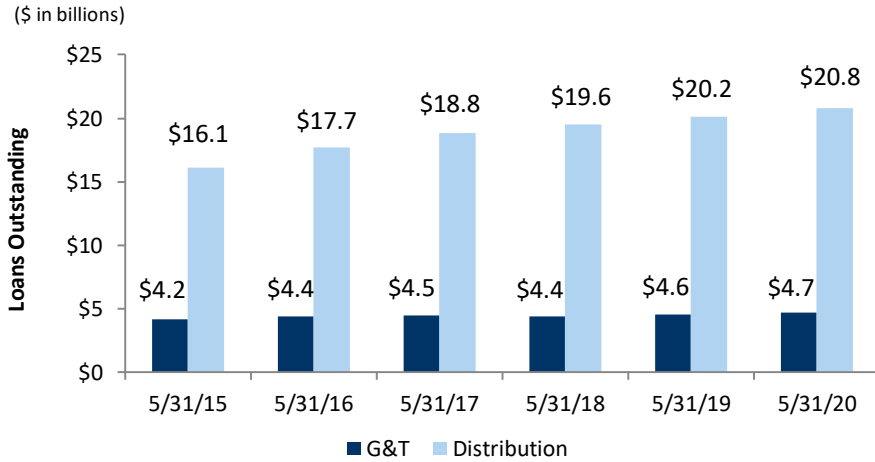
Non-GAAP Financial Measures

During our discussion, we may review certain non-GAAP adjusted financial measures. Please refer to our Form 10-K for the fiscal year ended May 31, 2020 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.

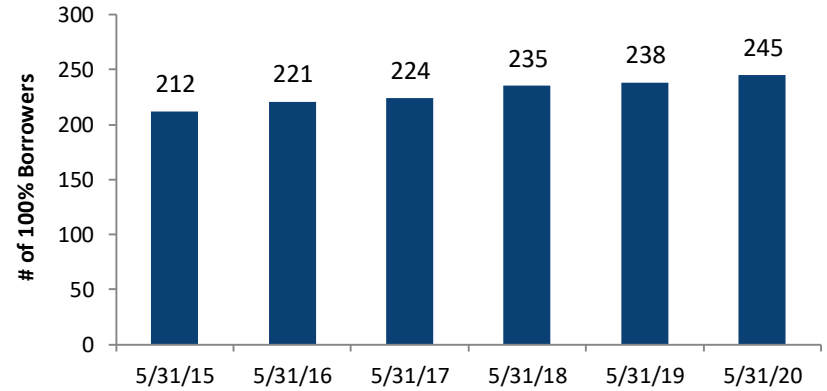


CFC Market Share

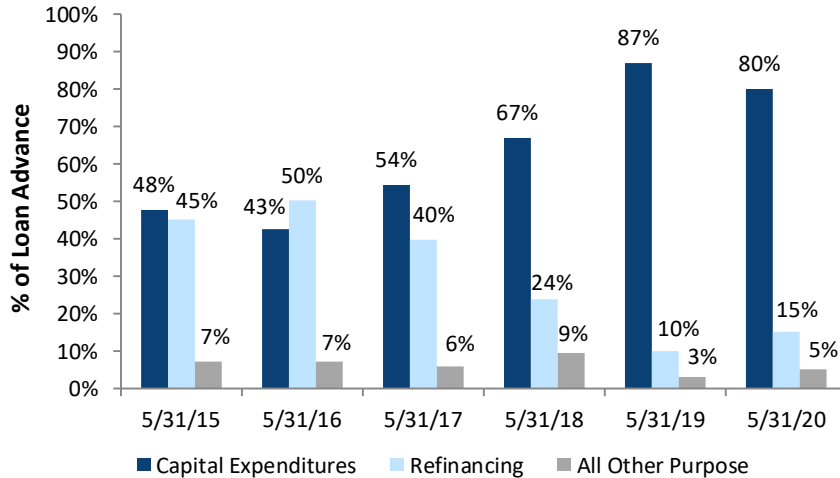
CFC Loans Outstanding ⁽¹⁾



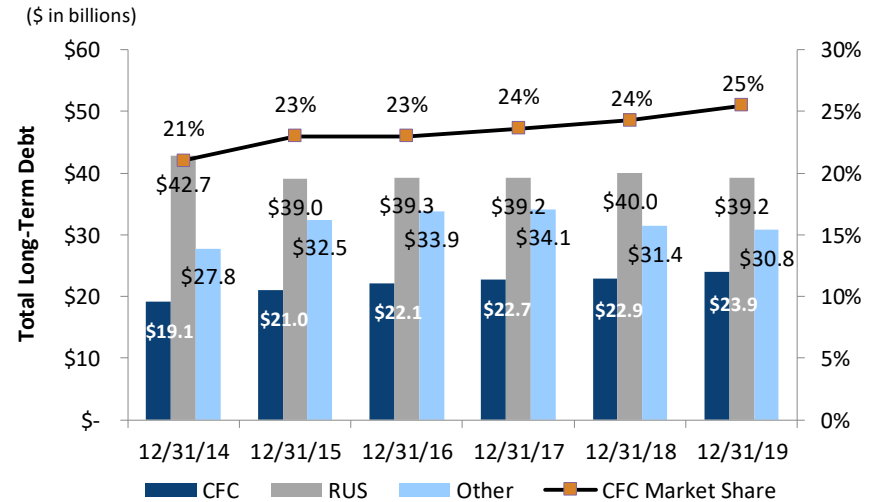
CFC 100% Borrowers



CFC LT Loan Advances by Purpose



Electric Cooperatives Total LTD by Lender ⁽²⁾

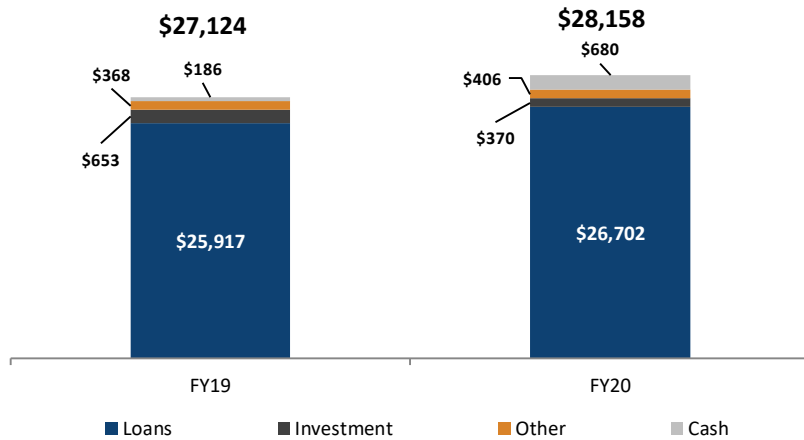


(1) Amounts do not include loans to Distribution and G&T borrowers in NCSC loan portfolio.
 (2) Amounts for debt held by the RUS and other lenders are based on member-provided information.

FY20 Financial Results – Balance Sheet

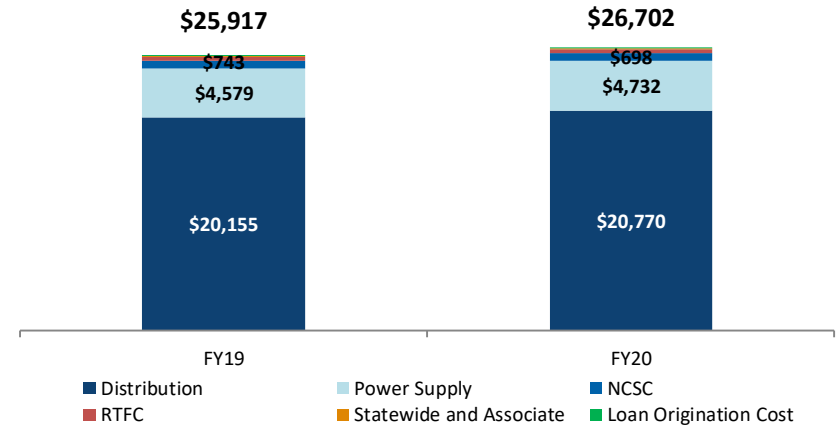
Total Assets (\$ in Mils)

\$1.03B Increase in Total Assets



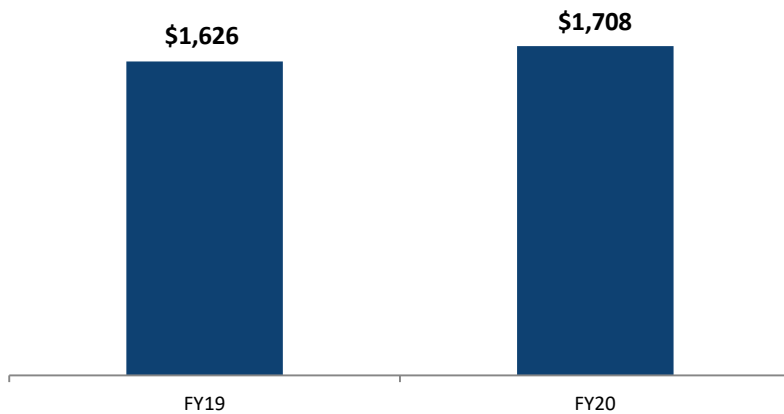
Loans to Members (\$ in Mils)

\$785 MM Increase



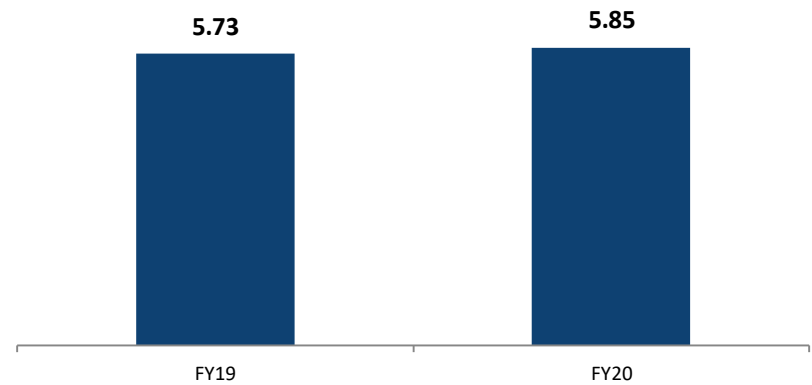
Members' Equity (\$ in Mils)

\$82 MM Increase



Adjusted Debt to Equity Ratio

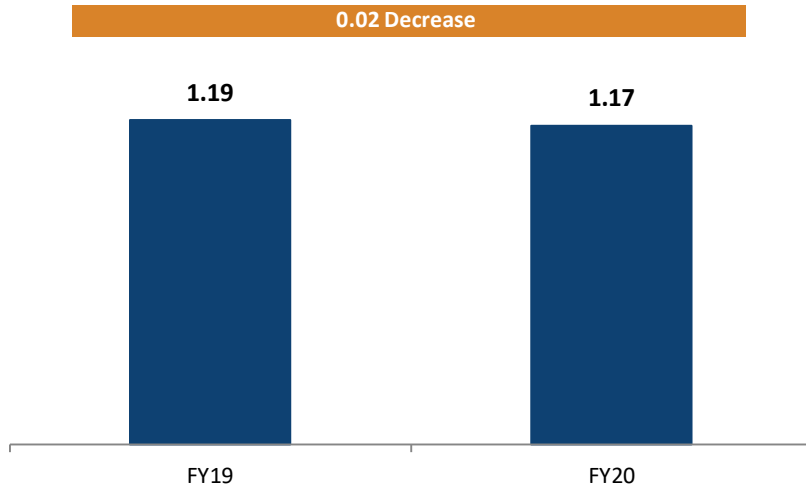
0.12 Increase



FY20 Financial Results – Income Statement

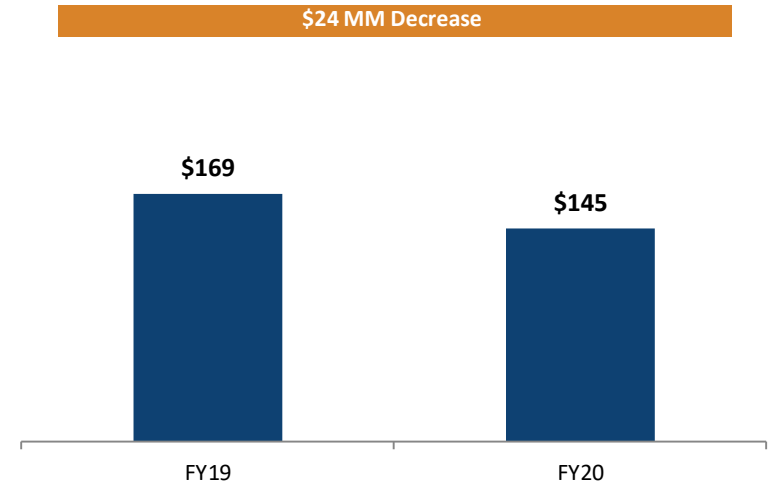
Adjusted TIER

0.02 Decrease



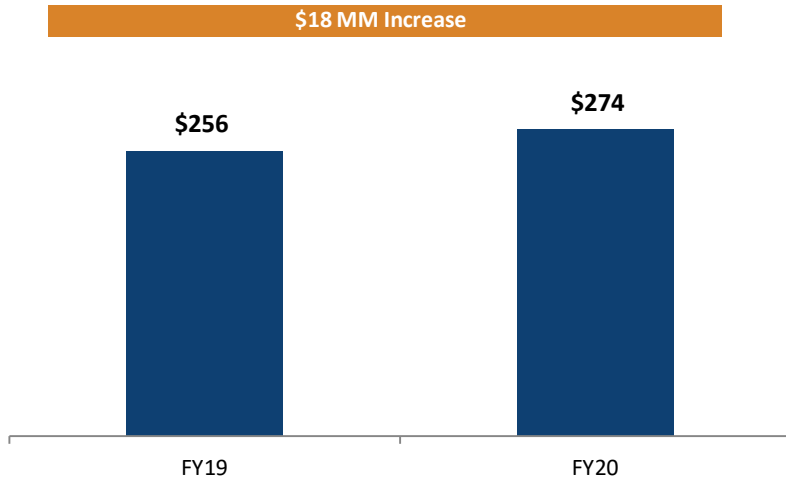
Adjusted Net Income (\$ in Mils)

\$24 MM Decrease



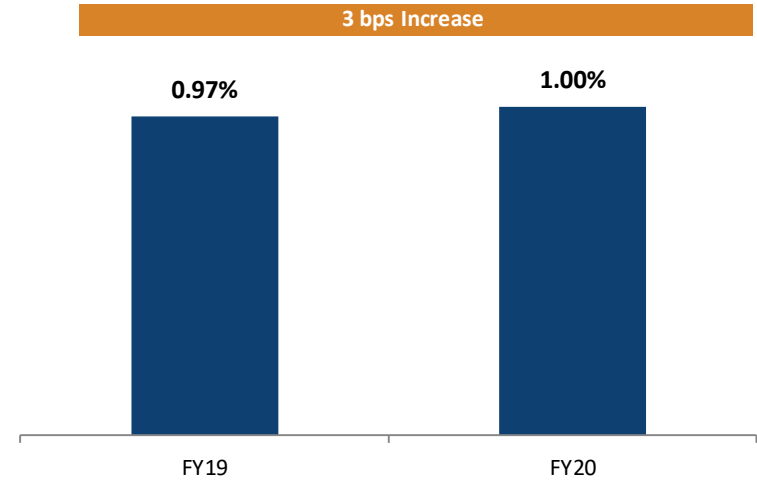
Adjusted Net Interest Income (\$ in Mils)

\$18 MM Increase



Adjusted Net Interest Yield

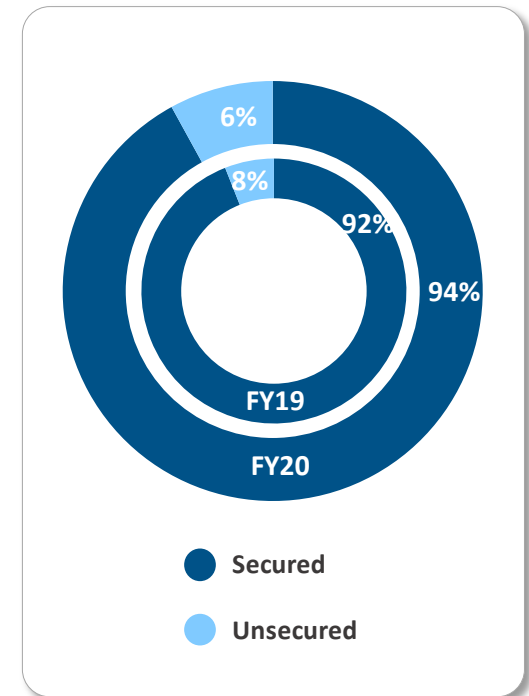
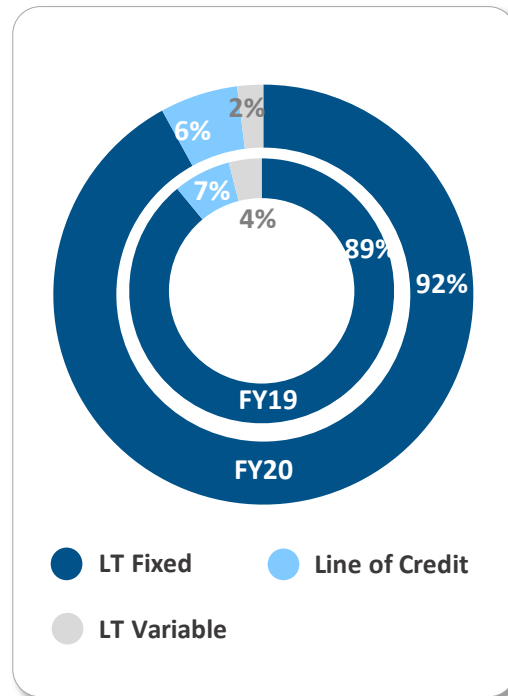
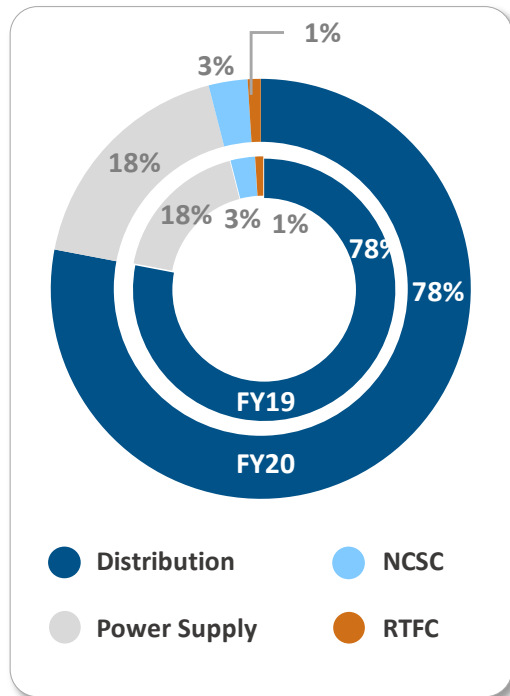
3 bps Increase



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, 2020

(Sorted by Loan Balance)

State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Texas	\$4,222,153	15.82%	67
Colorado	\$1,572,636	5.89%	26
Missouri	\$1,447,721	5.42%	45
Georgia	\$1,383,172	5.18%	45
Kansas	\$1,174,676	4.40%	31
Florida	\$1,107,952	4.15%	18
Alaska	\$947,715	3.55%	16
Illinois	\$935,452	3.51%	32
North Carolina	\$913,889	3.42%	28
North Dakota	\$858,433	3.22%	15
Indiana	\$830,118	3.11%	39
Oklahoma	\$820,735	3.08%	26
South Carolina	\$780,990	2.93%	21
Kentucky	\$750,975	2.81%	23
Minnesota	\$667,814	2.50%	48
Iowa	\$633,553	2.37%	34
Arkansas	\$618,712	2.32%	20
Alabama	\$609,992	2.29%	22
Ohio	\$606,583	2.27%	27
Pennsylvania	\$511,020	1.92%	16
Wisconsin	\$502,866	1.89%	24
Maryland	\$436,226	1.64%	2
Mississippi	\$400,209	1.50%	20
Oregon	\$356,101	1.33%	19
Virginia	\$328,816	1.23%	18

State/Territory	Loan Balance (\$ in 000s)	Loan Balance %	Number of Borrowers
Washington	\$326,718	1.22%	10
Wyoming	\$326,257	1.22%	11
Utah	\$294,562	1.10%	5
Michigan	\$267,954	1.00%	12
Nevada	\$250,185	0.94%	8
Louisiana	\$246,083	0.92%	10
Arizona	\$219,530	0.82%	11
Montana	\$201,336	0.75%	25
Tennessee	\$193,904	0.73%	17
South Dakota	\$191,581	0.72%	29
Idaho	\$122,598	0.46%	11
Hawaii	\$107,944	0.40%	2
Delaware	\$105,706	0.40%	3
New Hampshire	\$81,027	0.30%	1
New Mexico	\$61,560	0.23%	14
Massachusetts	\$60,000	0.23%	1
New York	\$55,277	0.21%	9
Vermont	\$53,560	0.20%	5
California	\$33,846	0.13%	4
Nebraska	\$29,636	0.11%	12
New Jersey	\$18,128	0.07%	2
West Virginia	\$10,548	0.04%	2
Maine	\$8,308	0.03%	2
Rhode Island	\$6,098	0.02%	1
Total	\$26,690,854	100.00%	889

Top 10 States - FY19-20 Loan Growth

State/Territory	FY19-FY20 Loan Growth (\$ in 000s)	% of FY20 Total Loan Growth
Texas	\$256,410	32.66%
Colorado	\$158,862	20.23%
North Carolina	\$95,165	12.12%
Indiana	\$84,862	10.81%
Oklahoma	\$82,885	10.56%
Iowa	\$51,871	6.61%
Tennessee	\$46,706	5.95%
Michigan	\$40,412	5.15%
Alabama	\$33,684	4.29%
Wyoming	\$27,020	3.44%
All Other States	(\$92,687)	-11.80%
Total Loan Growth	\$785,190	100.00%

Loans Outstanding to 20 Largest Borrowers

	Amount	% of Total
Loans Outstanding	\$5.88 billion	22%
(Less Loans covered under Farmer Mac Agreement)	(\$314 million)	(1%)
Net Loans Outstanding Exposure	\$5.56 billion	21%

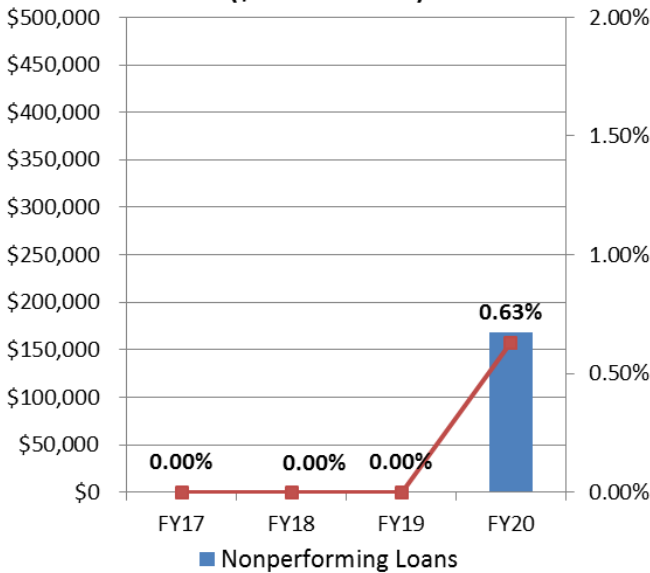
= Top 10 State - FY19-20 Loan Growth



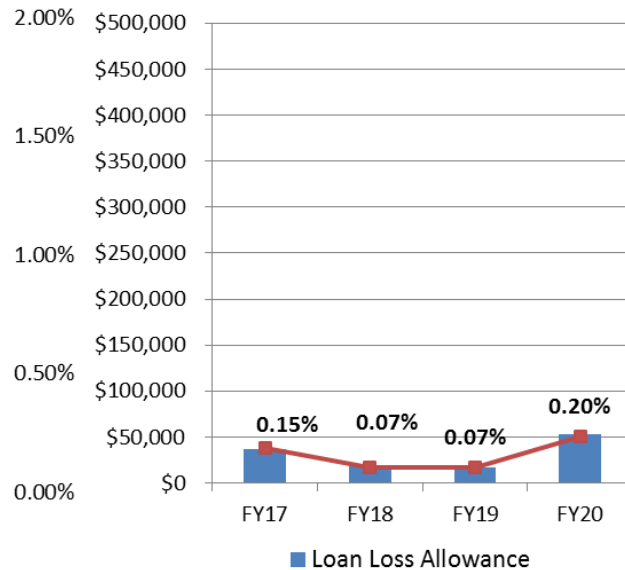
Credit Performance

- 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 FY2020

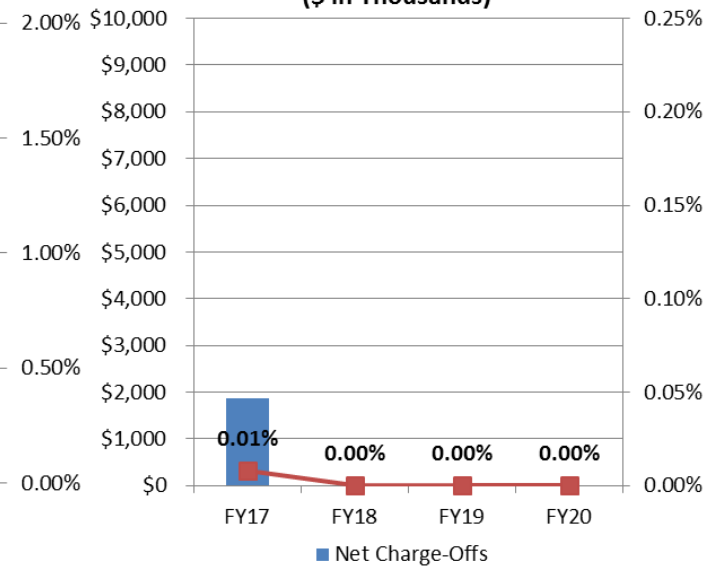
Nonperforming loans / Total loans outstanding
(\$ in Thousands)



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

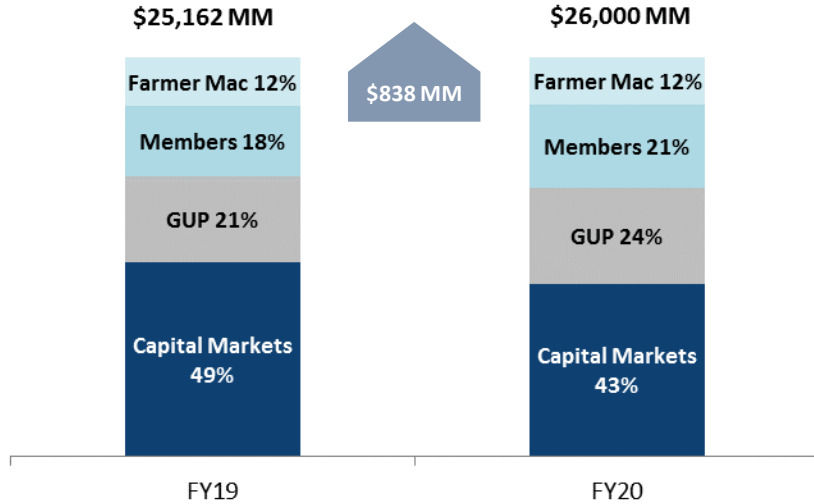


Net charge-offs (Recovery) / Average loans outstanding
(\$ in Thousands)

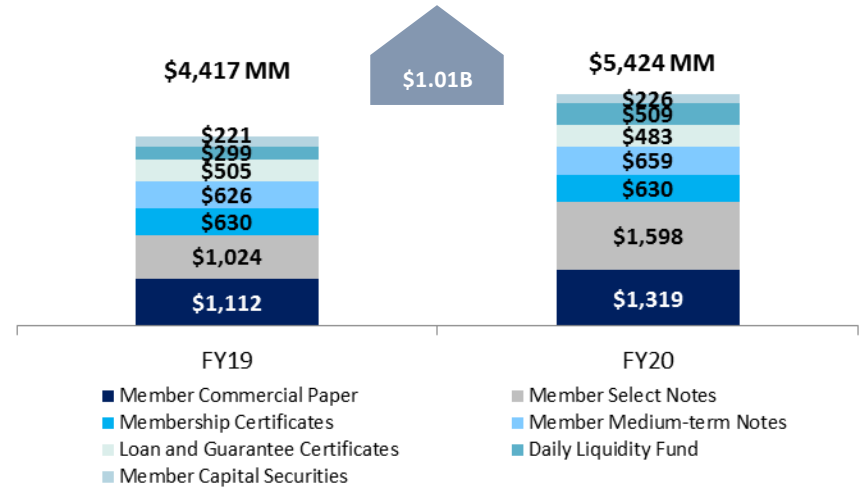


Debt Funding Sources

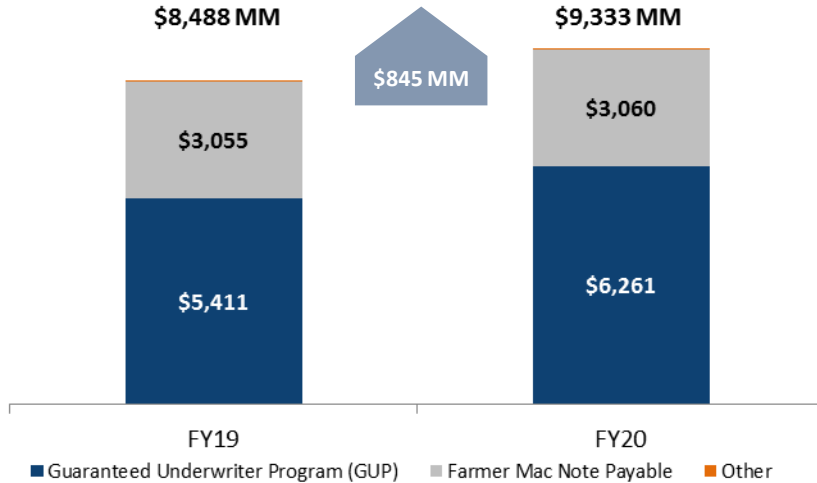
Total Debt Outstanding (\$ in Mils)



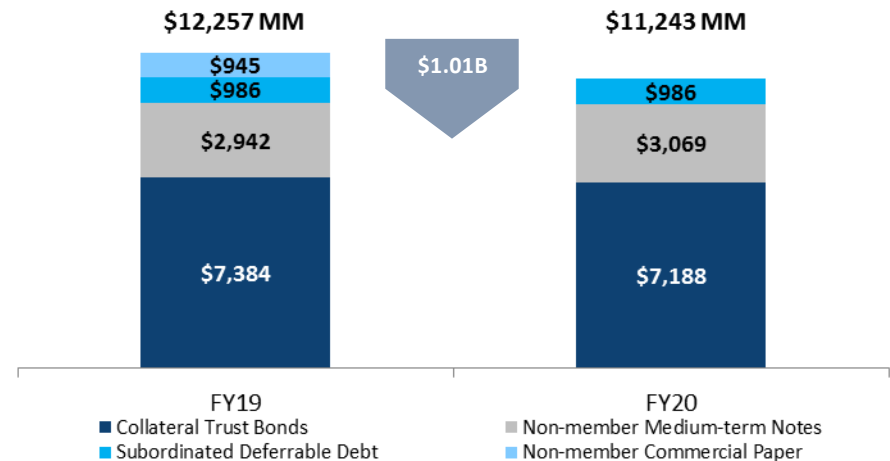
Member Investment (\$ in Mils)



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



Capital Markets Funding (\$ in Mils)



FY20 (Q1, Q2, Q3, Q4) 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%

MTNs

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

GUP

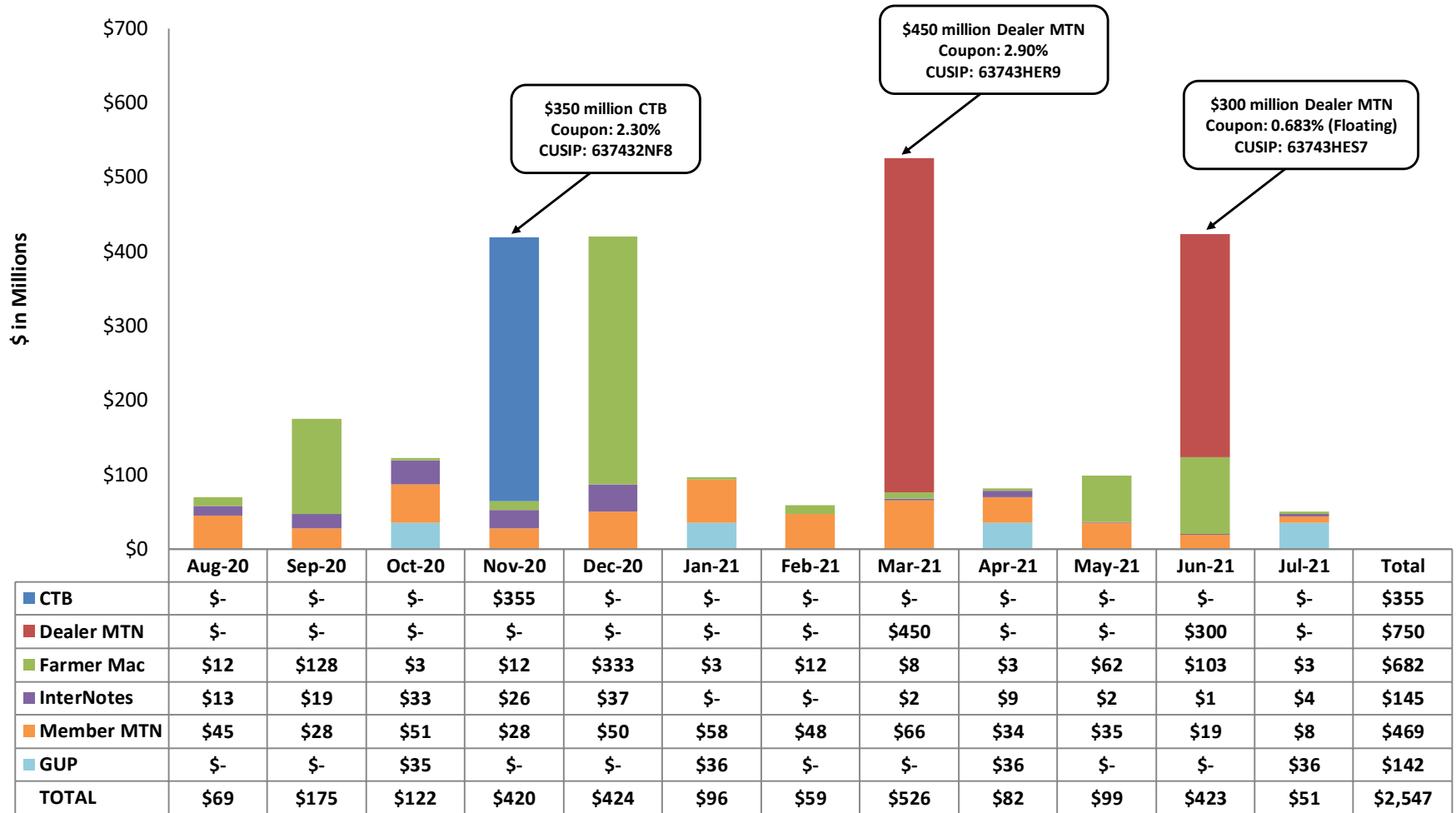
- January 2020 – Advanced \$25 million @ 3-month T-bill + 42.5 bps, or 1.992% all-in rate with a 20-year final maturity
- February 2020 – Closed a \$500 million committed loan facility
- February 2020 – Advanced \$150 million @ 3-month T-bill + 42.5 bps, or 1.963% all-in rate with a 20-year final maturity
- 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

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

Monthly Debt Maturity Schedule

Data as of 7/31/2020

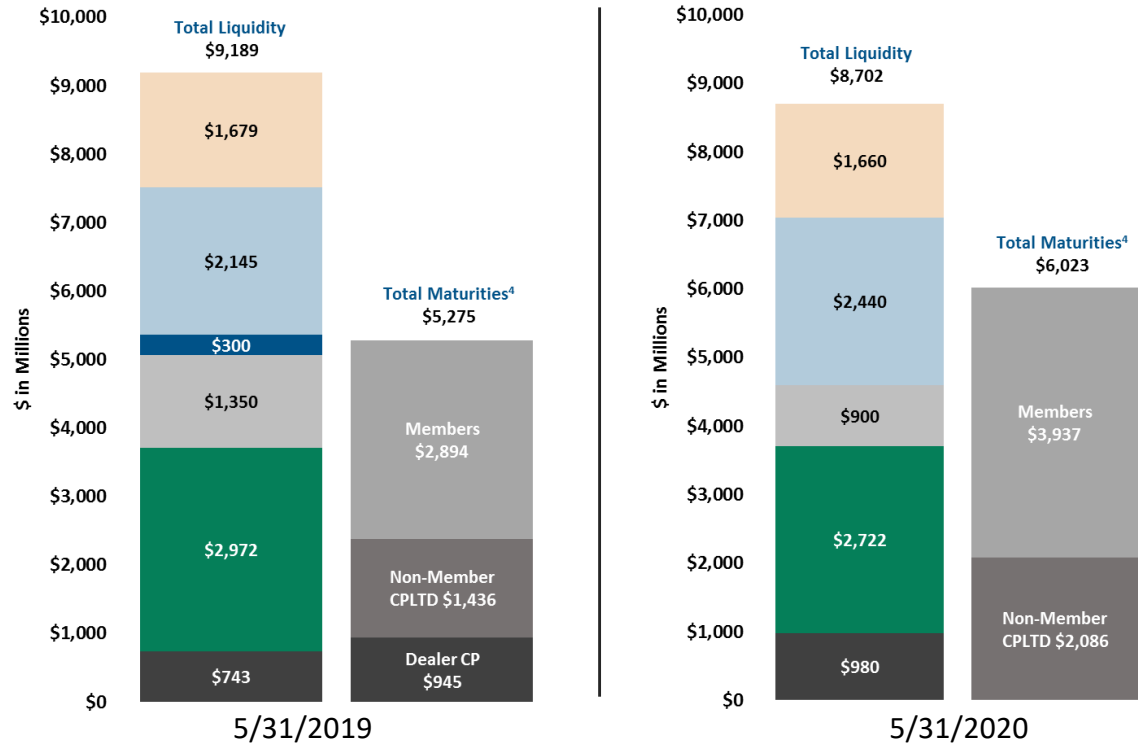
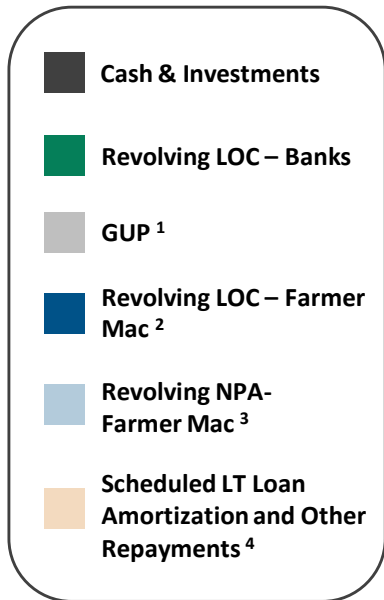


Note: Our members traditionally roll over their MTN investments at maturity.



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/\$3,914

1.4x/\$2,679

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

3.9x/\$6,808

4.2x/\$6,616

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

(2) The \$300 million Farmer Mac Revolving Line of Credit was terminated in December 2019

(3) Revolving NPA - Farmer Mac is subject to market conditions

(4) Scheduled LT loan amortization and other repayments over the next 12 months

(5) Short-term debt maturities include long-term debt maturities over the next 12 months



Projected Sources and Uses of Liquidity as of 5/31/2020

(\$ in Mils.)	LT Debt Maturities	Projected Net Loan Growth	Other Sources/(Uses) of Cash	Projected Cash Needs	Projected LT Debt Issuances
5/31/20	\$604	\$89	(\$2)	\$695	\$120
8/31/20	593	120	538	175	270
11/30/20	454	255	(362)	1,071	1,170
2/28/21	672	37	369	340	270
5/31/21	488	142	(15)	645	695
8/31/21	269	139	(4)	412	350
Totals	\$3,080	\$782	\$524	\$3,338	\$2,875

* Refer to Page 74 of 10K 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

94% of loans are on a senior secured basis

0.20% loan loss allowance coverage ratio

Low levels of charge-offs, loan defaults, nonperforming loans, and delinquencies historically

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 5/31/2020, a 46% increase from \$1.2 billion as of 5/31/2015

Healthy Funding & Liquidity Profile

Diversified funding sources (Cash, investments, bank lines, GUP & Farmer Mac)

1.4 times liquidity coverage ratio over the next 12 months

4.2 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.

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