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MISSION | VOICES

 **FARM CREDIT**



2019 CTAO Spring Conference

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SVP INVESTOR RELATIONS
FEDERAL FARM CREDIT BANKS FUNDING CORPORATION

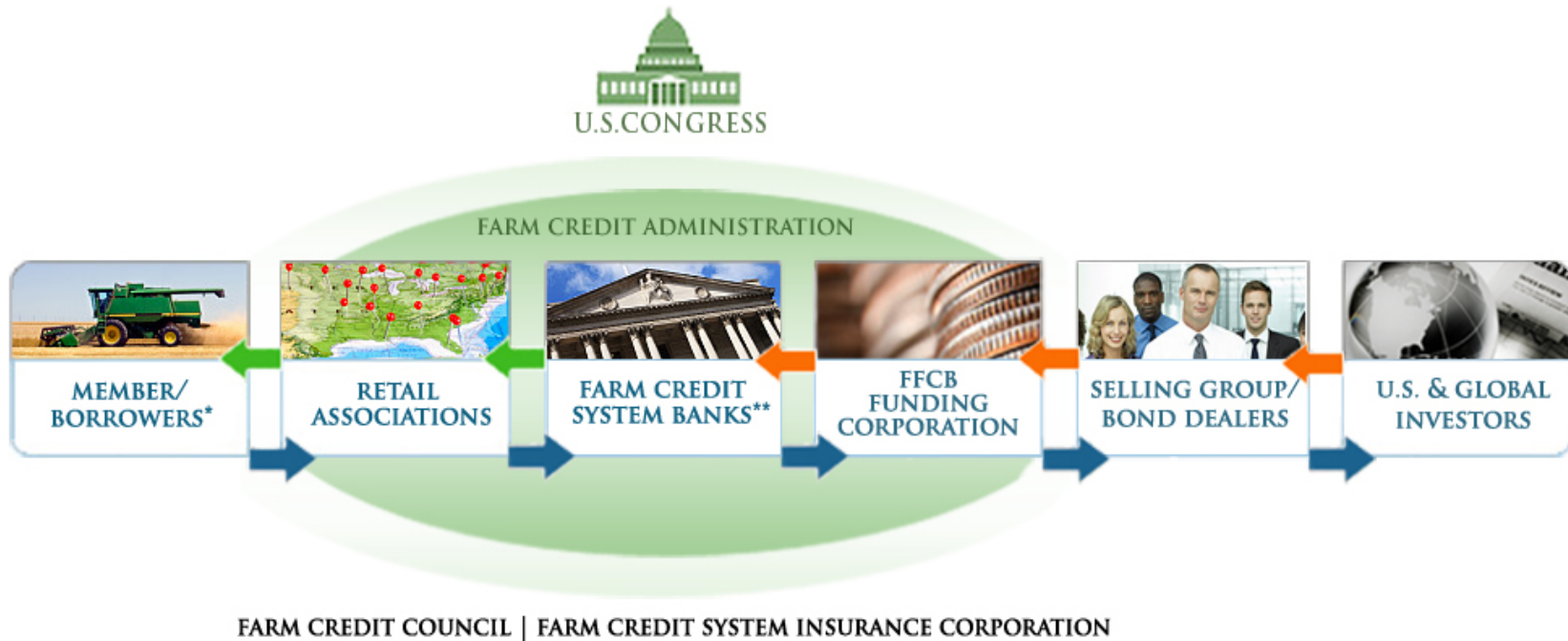
MAY 2019

OVERVIEW OF THE FARM CREDIT SYSTEM

- Created by an Act of Congress (1916)
- Government Sponsored Enterprise (GSE) created to support rural communities and agriculture with reliable, consistent credit and financial services
- Network of cooperatives owned by its borrowers (farmers, ranchers, agricultural cooperatives and rural customers)
- Regulated and examined by the Farm Credit Administration (FCA), an independent agency in the Executive Branch of the US Government
- Federal Farm Credit Banks Consolidated Systemwide Debt Securities are issued daily to fund the System's loan portfolio, investments and operations
 - Total Debt Outstanding = \$283 Billion *(as of 4/30/19)*
- The Farm Credit System funds approximately 40% of all US farm business debt. *(March 2019, USDA ERS)*

***Farm Credit supports rural communities and agriculture
with reliable, consistent credit and financial services today and tomorrow.***

STRUCTURE/OWNERSHIP

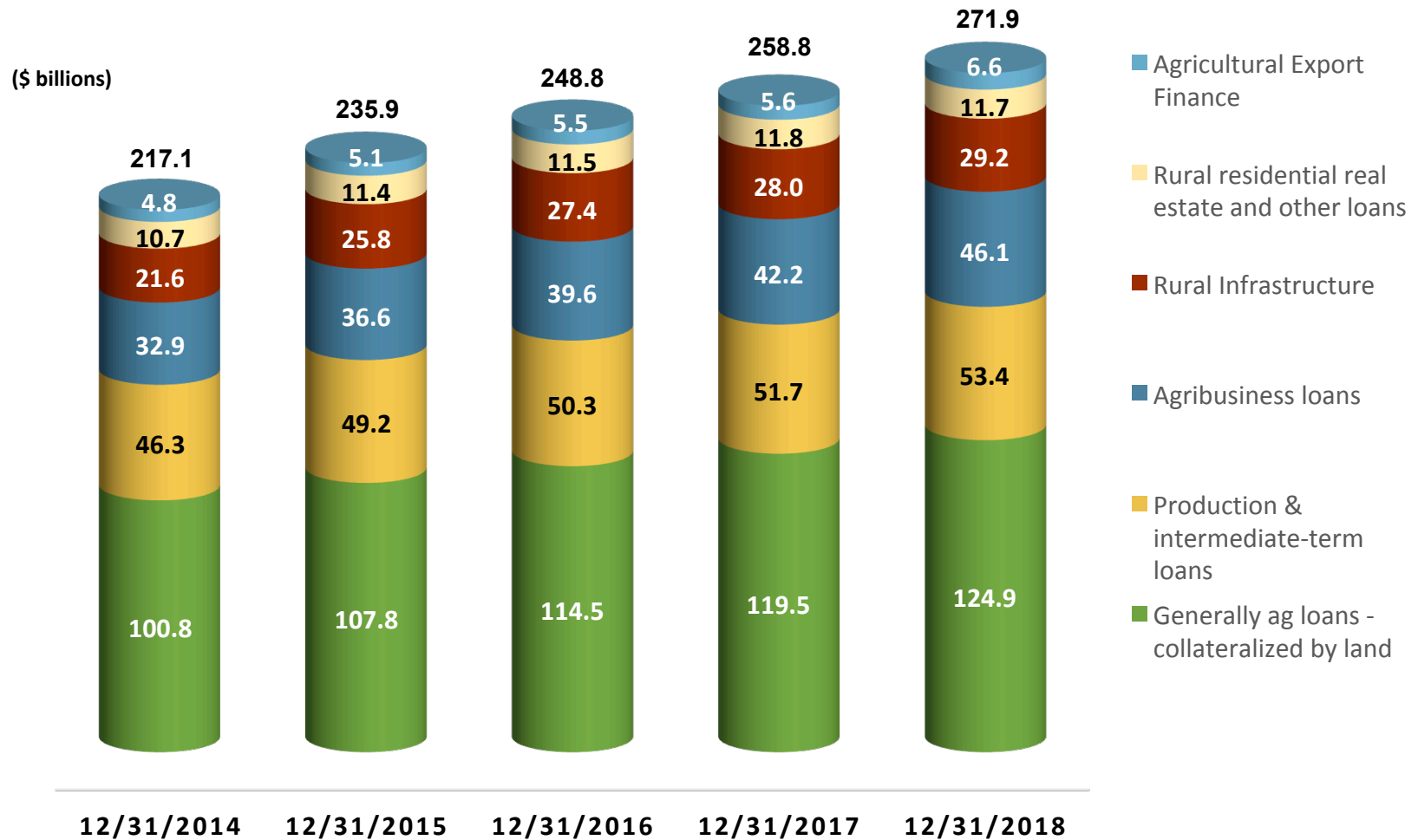


* Farmers, ranchers, rural homeowners, ag cooperatives, rural utility systems & agribusinesses

** Farm Credit System Banks - AgFirst, AgriBank, FCB of Texas, CoBank.
 CoBank has lending authority to Associations within its District as well as nationwide lending authorities to agricultural cooperatives, rural utilities and other eligible borrowers.

GROSS LOANS

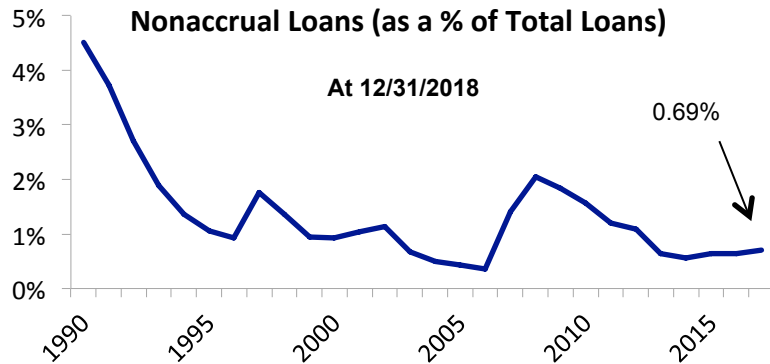
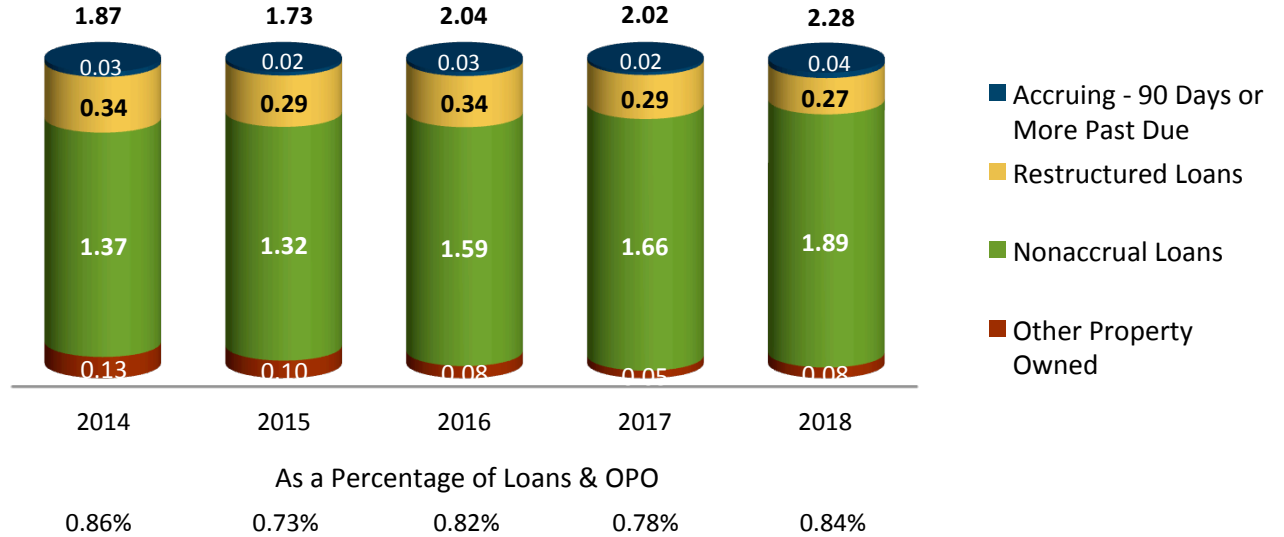
- The System continues to experience moderate loan growth
- A variety of loan types are available to qualified borrowers
- Loan eligibility is based on credit, collateral AND repayment capacity/cash flow.



NONPERFORMING ASSETS

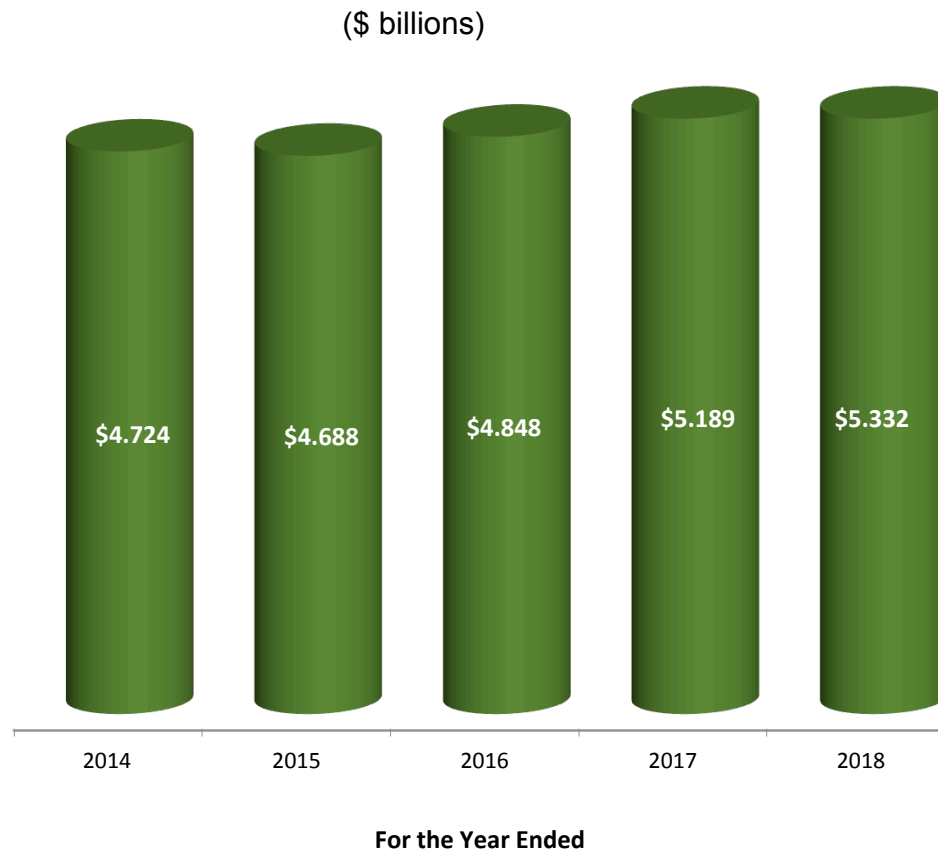
- Nonperforming assets represented 0.84% of the System's loans and OPO at 12/31/18.
- Nonaccrual loans represented 0.69% of the System's loans at 12/31/18.
- Credit risk of certain loans is reduced by off-farm income sources and crop insurance.
- 65.3% of nonaccruals were current as to principal and interest payment at 12/31/18.

Nonperforming Assets (\$ billions)



NET INCOME

- Net Interest Spread* declined to 2.12% at 12/31/18 from 2.25% at 12/31/17.
- Net Interest Margin** was 2.46% at 12/31/18 two basis points decrease from 12/31/17.



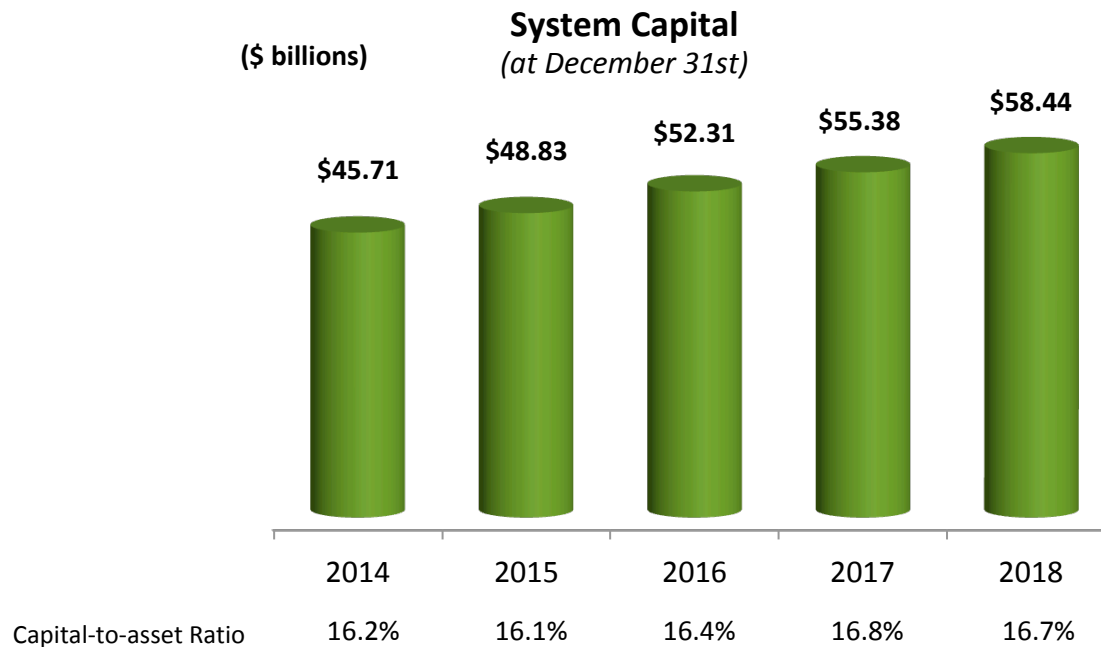
*Net Interest Spread = average rate on total earning assets – average rate on interest bearing liabilities

**Net Interest Margin = net interest income / average earnings assets

SYSTEM CAPITAL

Regulatory Capital Requirements (at December 31, 2018)

	<u>CET 1 Capital</u>	<u>Tier 1 Capital</u>	<u>Total Capital</u>	<u>Tier 1 Leverage</u>	<u>Permanent Capital</u>
Minimum Requirement	4.5%	6.0%	8.0%	4.0%	7.0%
Minimum Requirement w/ Conservation Buffer	7.0%	8.5%	10.5%	5.0%	--
Banks	9.9% - 21.2%	14.6% - 21.6%	15.6% - 21.8%	5.5% - 7.5%	14.7% - 21.7%
Associations	12.0% - 39.6%	12.0% - 39.6%	13.4% - 40.9%	10.6% - 35.6%	13.1% - 40.1%



Note: Systemwide Debt Securities are the general unsecured joint and several obligations of the Banks and are not the direct obligations of the Associations. The System combined capital reflects Association capital which may not be available to support principal or interest payments on Systemwide Debt Securities. The amounts of combined Bank capital, combined Association capital and the Insurance Fund are reflected on page F-41 in the 2018 Annual Information Statement of the Farm Credit System.

GEOGRAPHIC DIVERSIFICATION

Farm Credit System Loan Portfolio

(percent of total loan volume at 12/31/18)

- Farm Credit System lends in all 50 states, the Commonwealth of Puerto Rico and U.S. territories
- Loan portfolio has broad geographic diversification
- Highest concentration is 11%
- Geographic diversification minimizes overall effects of local agricultural events

STATE	%
California	11.00
Texas	6.91
Iowa	5.36
Illinois	4.99
Minnesota	4.52
Nebraska	3.86
Ohio	3.59
Kansas	3.15
Wisconsin	3.06
Indiana	2.96
Michigan	2.70
Missouri	2.67
South Dakota	2.66
New York	2.53
North Carolina	2.48
Georgia	2.38
Washington	2.23

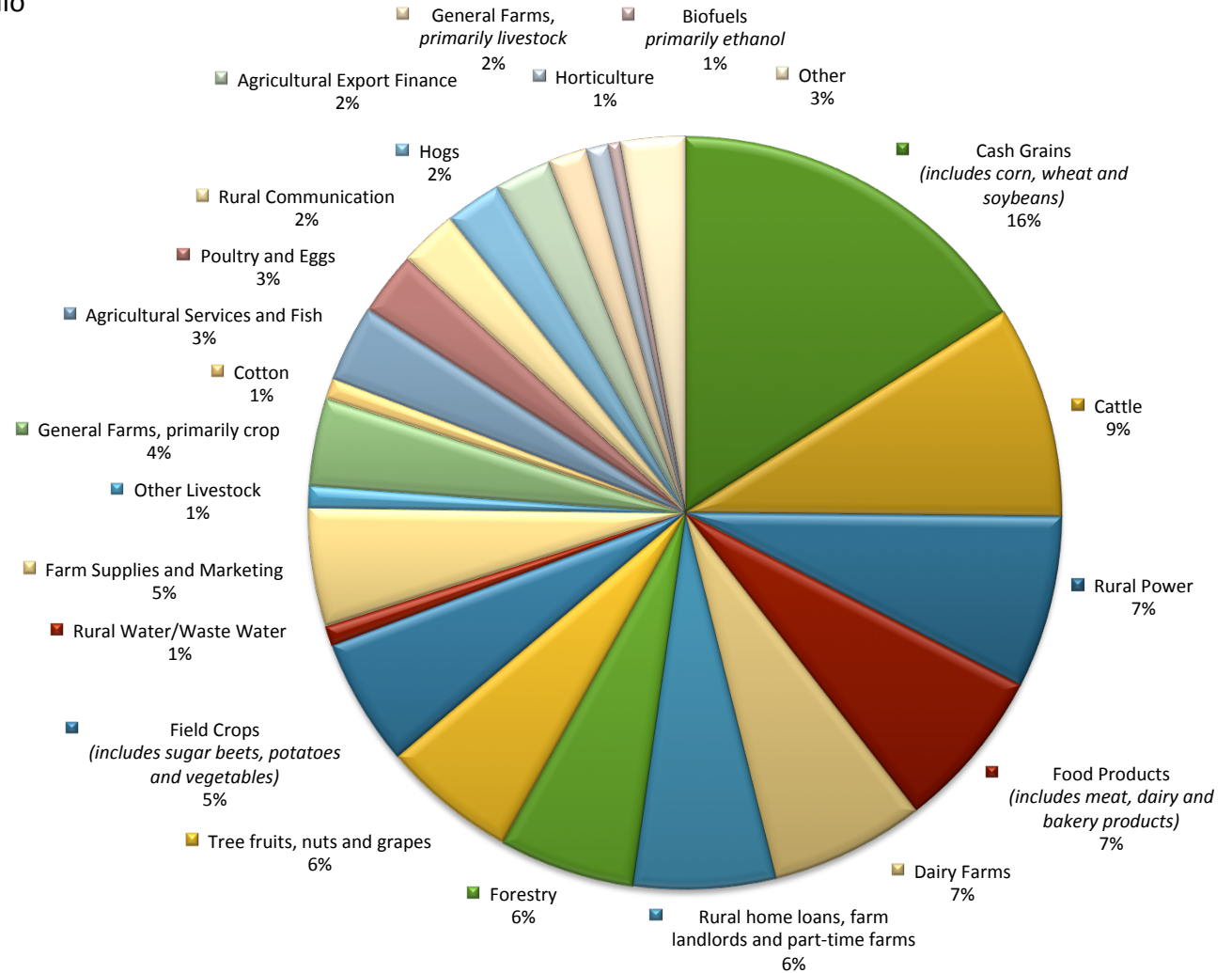
STATE	%
North Dakota	2.20
Florida	2.13
Colorado	1.97
Arkansas	1.80
Tennessee	1.78
Kentucky	1.77
Virginia	1.76
Idaho	1.58
Oregon	1.26
Oklahoma	1.26
Pennsylvania	1.25
Alabama	1.23
Mississippi	1.16
Maryland	0.93
South Carolina	0.86
All other states	10.01
	100.00

Source: Farm Credit System Annual Information Statement - 2018

AGRICULTURAL DIVERSIFICATION

- Broad diversification within the Farm Credit System loan portfolio
- Highest concentration is 16%
- Diversification minimizes concentration risk

Farm Credit System Loan Portfolio (at 12/31/18)



Source: Based on loans described in the Farm Credit System Annual Information Statement – 2018

LOANS BY DOLLAR SIZE

Farm Credit System Loan Portfolio (at 12/31/18)

- Farm Credit System lends to qualified borrowers of all sizes
- 87% borrowers between \$1,000 and \$499,000

Range (\$ thousands)	Amount Outstanding (\$ millions)	% of Portfolio	# of Borrowers	% of Portfolio (# of borrowers)
\$1 -- \$249	32,241	12	414,896	76
\$250 -- \$499	21,568	8	61,570	11
\$500 -- \$999	25,236	9	36,117	7
\$1,000 -- \$4,999	57,954	22	29,785	5
\$5,000 -- \$24,999	41,493	15	4,224	<1
\$25,000 -- \$99,999	37,458	14	803	<1
\$100,000 -- \$249,999	30,602	11	201	<1
Over \$250,000	25,392	9	64	<1
TOTAL	271,944	100	547,660	100

Source: Based on loans described in the Farm Credit System Annual Information Statement – 2018

DEBT SECURITIES OVERVIEW

- Issued by the 4 System Banks on a joint and several basis
- Aaa/P-1 rating by Moody's, AAA/F1+ by Fitch and AA+/A-1+ rating by S&P on Systemwide Debt Securities
- Interest is generally exempt from state, local and municipal income taxes
- 20% BIS (Bank for International Settlements) risk-weighting *(Basel II, June 2006; Basel III, July 2013)*
- Name diversification in fixed income portfolios
- Supported by Selling Group of 30 investment firms
- A broad range of investors purchase Systemwide Debt Securities

FARM CREDIT DEBT (as of 4/30/19)

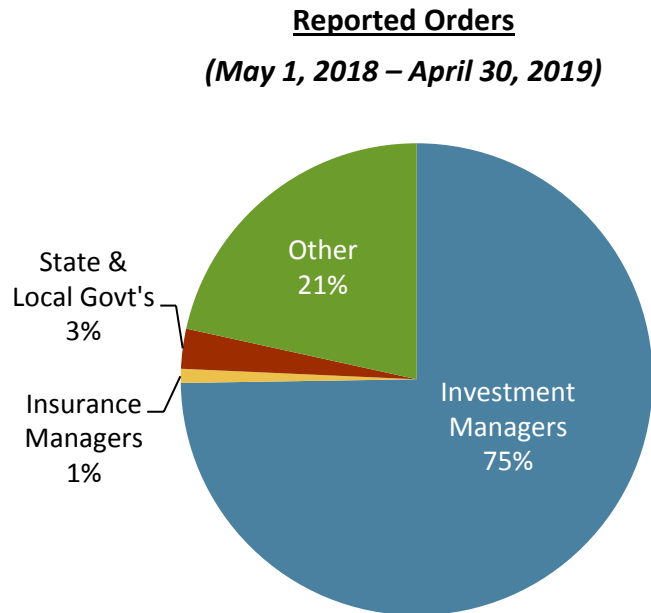
	Discount Notes	Floating Rate	Callables	Bullets
Maturity	1 to 365 days	1 to 30 years		
Issued	Daily	Daily and/or as needed		
Settlement	Cash/regular	5 to 7 business days		
Typical Maturity Range	O/N-30 days	1 – 3 years	1 – 5 years	1 – 5 years
Indices/Call Feature	N/A	LIBOR, SOFR, Prime, T-Bills, Fed Funds (monthly, quarterly, daily, weekly resets)	American, Bermudan, European (3mo or longer lockouts)	N/A
Avg. Issuance size (YTD)	N/A	\$276.9 MM	\$67.7 MM	\$84.5 MM
Outstanding	\$19.8 B	\$111.3 B	\$79.3 B	\$72.2 B
YTD Issuance	\$70.3 B (total) \$52.8 B (o/n)	\$21.6 B	\$8.9 B	\$6.3 B
Distribution Method	10 member core group	30 Member Selling Group (Auction/Negotiated)		

■ Bloomberg FFCB<go>

DISCOUNT NOTES *(as of 4/30/19)*

Maturity Range	Outstanding	2019 YTD Issuance	WAM YTD Issuance
1 to 365 days	\$19.8 B	\$17.5 B (excludes o/n maturities) \$52.8 B (o/n maturities)	23 days (includes o/n)

- Generally issued daily
 - Sizes and maturities posted to the window at 4pm EDT
 - Priced next morning
 - Investor orders receive priority
 - Remaining DNs are allocated on a first come first served basis
- Reverse inquiries considered
- Distributed through 10 member core group, available to entire selling group with re-allowance



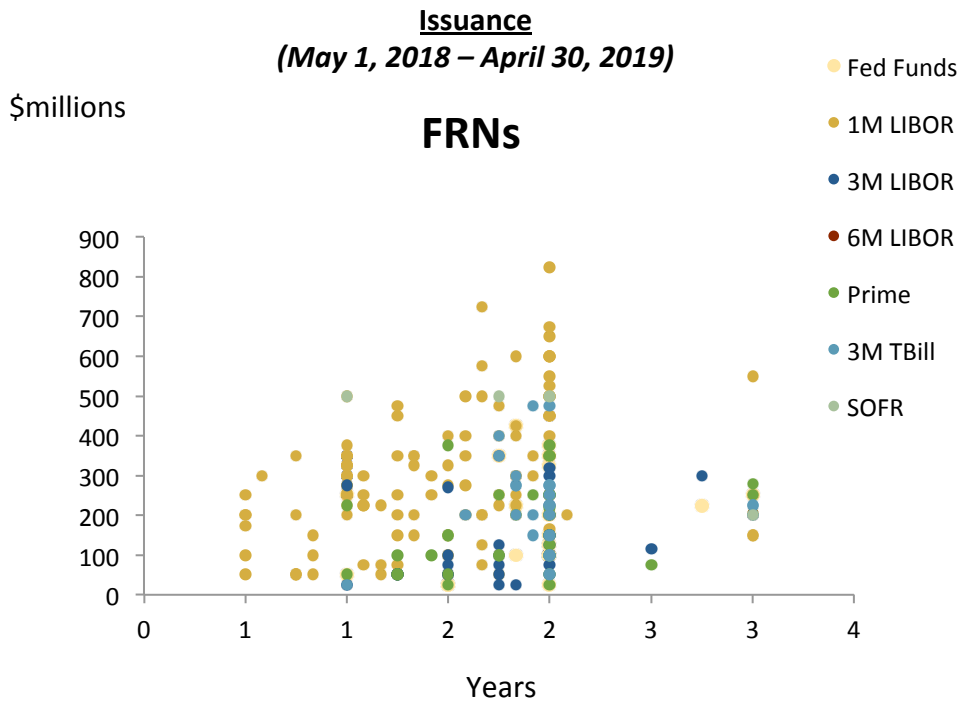
Discount Notes Issuance		
Maturity (days)	2019 YTD (%)	2018 (%)
O/N-30	79 (75 o/n)	76 (73 o/n)
31-60	12	6
> 60	8	17

Please note columns above may total over 100% due to rounding.

FLOATING RATE BONDS *(as of 4/30/19)*

Typical Maturity	Outstanding	YTD Issuance	Indices (YTD Issuance)					
1 to 3 years	\$111.3 B	\$21.6 B	1ML 65%	3ML 2%	PRIME 9%	T-Bills 7%	SOFR 8%	Fed Funds 9%

- 1 to 2 year Floating Rate Bonds are typically auctioned
- 2+ years Floating Rate Bonds typically negotiated
- Issuance practices are responsive to market conditions

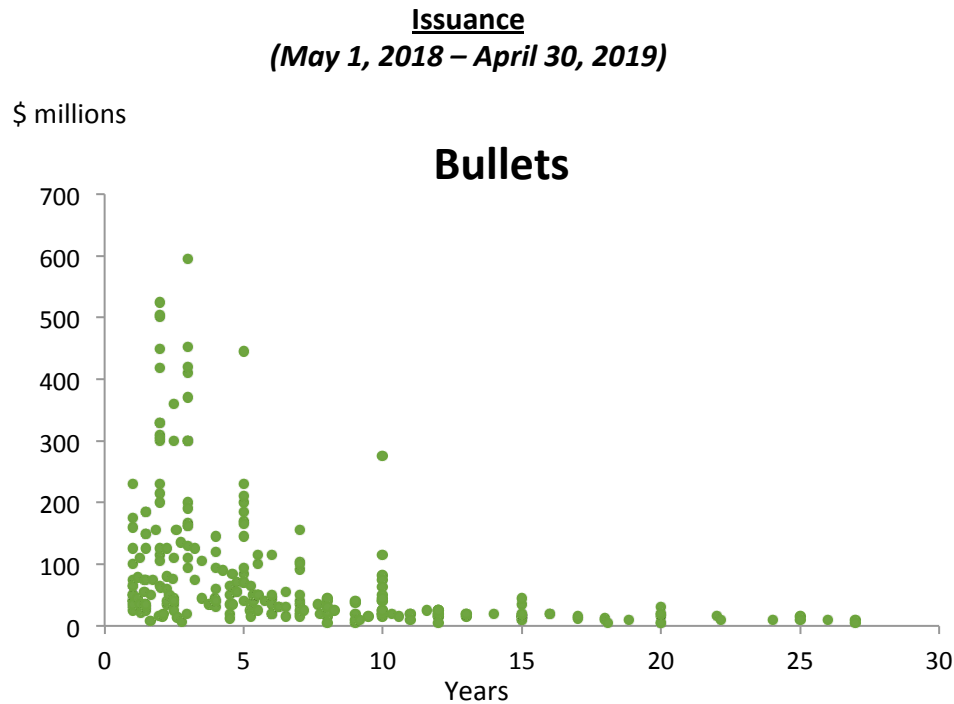


Recent Issuance (April)				
Structure	Trade Date	Size (\$ MM)	Index	Coupon (Spread)
2-year	4/1/2019	250	Prime	-296.5
2-year	4/8/2019	450	1M LIBOR	4.5
1.75-year	4/9/2019	500	SOFR	10.5
2-year	4/16/2019	350	Fed Funds	12
2-year	4/16/2019	50	T-Bill	14.5
1-year	4/18/2019	300	1M LIBOR	-3
1-year	4/24/2019	150	T-Bill	6.5

FIXED RATE NON-CALLABLE BONDS *(as of 4/30/19)*

Typical Maturity	Outstanding	YTD Issuance	Average Issuance Size (YTD)
1 to 5 years	\$72.2 B	\$6.3 B	\$84.5 MM

- Offerings vary in size and maturity
- Auctioned as needed
- Reopen outstanding issues when possible
- May be swapped back to floating (YTD issuance swapped to LIBOR=19%)

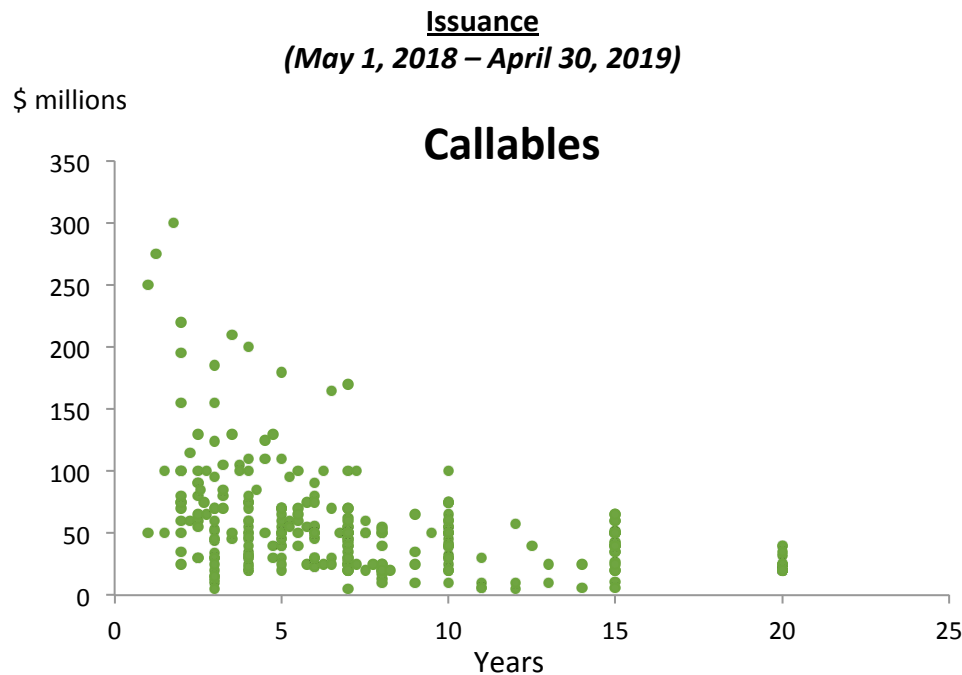


Recent Issuance (April)			
Structure	Trade Date	Size (\$ MM)	Coupon (%)
5.5-year	4/15/2019	115	2.470
27-year	4/17/2019	5	3.580
1-year	4/22/2019	35	2.400
2-year	4/22/2019	200	2.400
7-year	4/22/2019	15	2.660
16-year	4/23/2019	20	3.160
10-year	4/26/2019	35	2.800

FIXED RATE CALLABLE BONDS (as of 4/30/19)

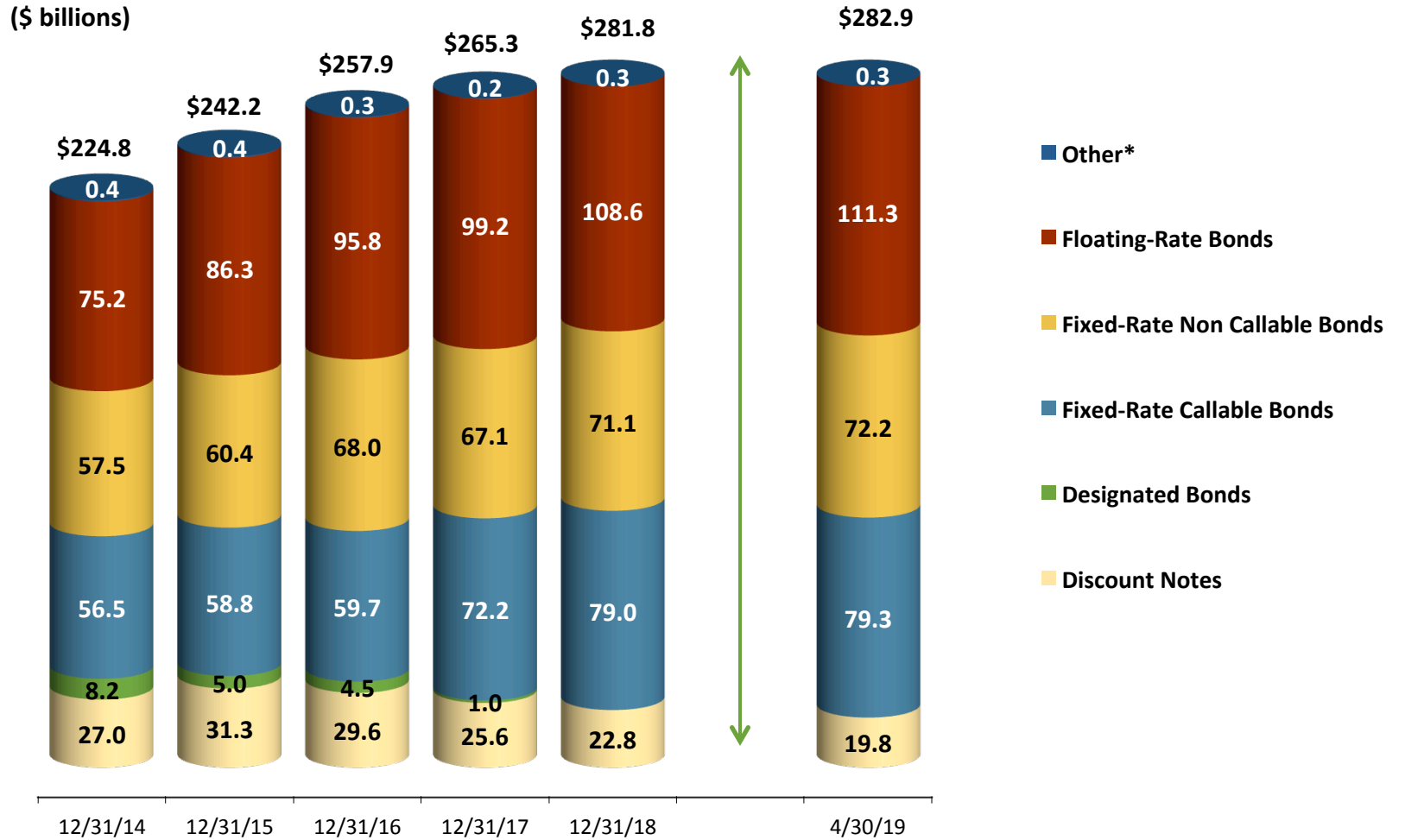
Typical Maturity	Outstanding	YTD Issuance	Average Issuance Size (YTD)	Possible Call Feature
1 to 5 years	\$79.3 B	\$8.9 B	\$67.7 MM	American, Bermudan, European

- Offerings vary in size and maturity
- Auctioned as needed
- Reopen outstanding issues when possible
- Predominantly American Calls



Recent Issuance (April)			
Structure	Trade Date	Size (\$ MM)	Coupon (%)
2.5Y NC 6M	4/2/2019	65	2.550
9Y NC 1Y	4/5/2019	25	3.240
10Y NC 5Y	4/10/2019	10	2.920
20Y NC 1Y	4/10/2019	35	3.770
1.25Y NC 3M	4/11/2019	275	2.500
20Y NC 3Y	4/15/2019	20	3.650
4Y NC 6M	4/26/2019	40	2.660

SYSTEMWIDE DEBT SECURITIES OUTSTANDING



Please note columns may not total due to rounding

*Includes Linked Deposits and Retail Bonds

FARM CREDIT'S LOCAL IMPACT - AgCredit

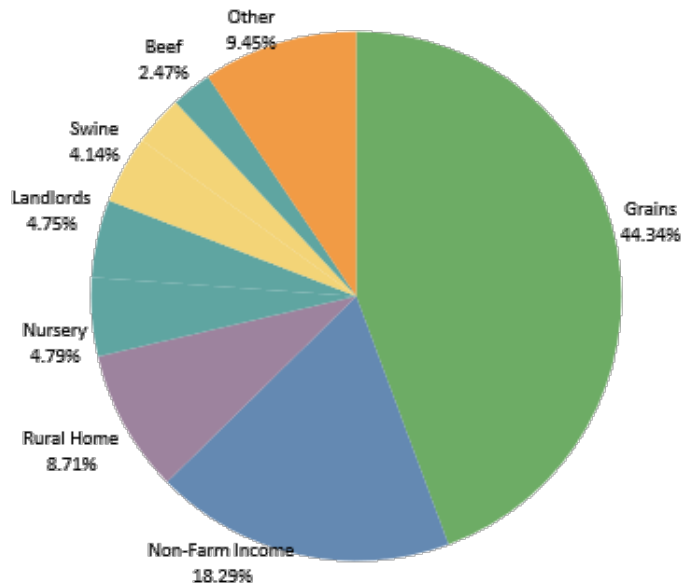
AgCredit (HQ in Fostoria)

Loans and Leases

- Serving 18 counties in northern Ohio



Total Exposure by Repayment Dependency



- \$2 Billion in loans outstanding

Farm Credit supports rural communities and agriculture with reliable, consistent credit and financial services today and tomorrow.

FARM CREDIT IN YOUR COMMUNITIES - AgCredit

Patronage payment

- \$27M returned to borrowers in your communities in 2018

Education

- Balance Sheets
- Business Plan Template
- Succession/Transition Planning
- Educational Opportunities

Investing in Agriculture's future in Ohio

- **AgStart** - Young, Beginning, Small, Women, Veteran programs
- **Mission Fund Grants**
 - Education—*Educating young, beginning or future farmers*
 - Environment—*Maintaining or improving the quality of the rural environment*
 - Technology—*Supporting the advancement and utilization of technology for the benefit of farmers and rural cooperatives*
 - Quality of Rural Life—*Programs, projects or initiatives that enhance the quality of life for farmers and rural communities*

DISCLAIMER

This overview is provided for general information purposes only. It is not an offer to sell or a solicitation of an offer to buy any Systemwide Debt Securities. Debt Securities are offered only in jurisdictions where permissible by offering documents available through our Selling Group. Systemwide Debt Securities may not be eligible for sale in certain jurisdictions or to certain persons and may not be suitable for all types of investors. All statements made in this overview are qualified in their entirety by the information in the most recent

[Federal Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes Offering Circular](#), including the financial and other Systemwide information incorporated therein, and other offering documents. Copies of offering documents can be obtained, if permitted by applicable law through Selling Group members or through the Funding Corporation's website at www.farmcreditfunding.com.

Any forward-looking statements in this presentation are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in the System's most recent Annual and Quarterly Information Statements. The System undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NEW NATIONAL MESSAGING CAMPAIGN



The “One Mission. Many Voices.” national messaging campaign brings Farm Credit’s mission to life through the many voices of its customers, directors, employees, and others. Please visit www.farmcreditvoices.com to learn more.