In addition to historical information, this presentation includes forward-looking statements that reflect management's current expectations for Farmer Mac's future financial results, business prospects, and business developments. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Management’s expectations for Farmer Mac’s future necessarily involve assumptions, estimates, and the evaluation of risks and uncertainties. Various factors or events, both known and unknown, could cause Farmer Mac’s actual results to differ materially from the expectations as expressed or implied by the forward-looking statements. Some of these factors are identified and discussed in Farmer Mac’s Annual Report on Form 10-K for the year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission (“SEC”) on February 25, 2020, Farmer Mac’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the SEC on May 11, 2020, Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, filed with the SEC on August 10, 2020, and Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed with the SEC on November 9, 2020. These reports are also available on Farmer Mac’s website (www.farmermac.com). Considering these potential risks and uncertainties, no undue reliance should be placed on any forward-looking statements expressed in this presentation. Any forward-looking statements made in this presentation are current only as of September 30, 2020, except as otherwise indicated. Farmer Mac undertakes no obligation to release publicly the results of revisions to any such forward-looking statements that may be made to reflect new information or any future events or circumstances, except as otherwise mandated by the SEC. The information in this presentation is not necessarily indicative of future results.

NO OFFER OR SOLICITATION OF SECURITIES

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any Farmer Mac security. Farmer Mac securities are offered only in jurisdictions where permissible by offering documents available through qualified securities dealers. Any investor who is considering purchasing a Farmer Mac security should consult the applicable offering documents for the security and their own financial and legal advisors for information about and analysis of the security, the risks associated with the security, and the suitability of the investment for the investor’s particular circumstances.

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Use of Non-GAAP Financial Measures

This presentation is for general informational purposes only, is current only as of September 30, 2020, and should be read in conjunction with Farmer Mac’s Quarterly Report on Form 10-Q filed with the SEC on November 9, 2020. In the accompanying analysis of its financial information, Farmer Mac uses the following non-GAAP financial measures: core earnings, core earnings per share, and net effective spread. Farmer Mac uses these non-GAAP measures to measure corporate economic performance and develop financial plans because, in management’s view, they are useful alternative measures in understanding Farmer Mac’s economic performance, transaction economics, and business trends. The non-GAAP financial measures that Farmer Mac uses may not be comparable to similarly labeled non-GAAP financial measures disclosed by other companies. Farmer Mac's disclosure of these non-GAAP financial measures is intended to be supplemental in nature and is not meant to be considered in isolation from, as a substitute for, or as more important than, the related financial information prepared in accordance with GAAP.

Core earnings and core earnings per share principally differ from net income attributable to common stockholders and earnings per common share, respectively, by excluding specified infrequent or unusual transactions that Farmer Mac believes are not indicative of future operating results and that may not reflect the trends and economic financial performance of Farmer Mac’s core business. Core earnings and core earnings per share also differ from net income attributable to common stockholders and earnings per common share, respectively, by excluding specified infrequent or unusual transactions that Farmer Mac believes are not indicative of future operating results and that may not reflect the trends and economic financial performance of Farmer Mac’s core business.

Farmer Mac uses net effective spread to measure the net spread Farmer Mac earns between its interest-earning assets and the related net funding costs of these assets. Net effective spread differs from net interest income and net interest yield because it excludes: (1) the amortization of premiums and discounts on assets consolidated at fair value that are amortized as adjustments to yield in interest income over the contractual or estimated remaining lives of the underlying assets; (2) interest income and interest expense related to consolidated trusts with beneficial interests owned by third parties, which are presented on Farmer Mac’s consolidated balance sheets as “Loans held for investment in consolidated trusts, at amortized cost;” and (3) beginning January 1, 2018, the fair value changes of financial derivatives and the corresponding assets and liabilities designated in a fair value hedge relationship. Net effective spread also principally differs from net interest income and net interest yield because it includes: (1) the accrual of income and expense related to the contractual amounts due on financial derivatives that are not designated in hedge relationships; and (2) effective in fourth quarter 2017, the net effects of terminations or net settlements on financial derivatives.
**Investment Highlights**

| **Quality Assets** | • 90-Day delinquencies of only **0.40%** across all lines of business  
• Cumulative Farm & Ranch lifetime losses of only **0.12%** |
| **Funding Advantage** | • Issue at **narrow**, GSE spreads to U.S. Treasuries  
• E.g., 10-year U.S. Treasury **+0.45%** as of September 30, 2020 |
| **Growth Prospects** | • Ag productivity **must double** to meet expected global demand  
• 6.1% share of an **~$267 billion** and growing U.S. ag mortgage market |
| **Operational Efficiency** | • Overhead / outstanding business volume **~20 bps**  
• **~$900,000 earnings** per employee in 2019 |
| **Quality, Recurring Earnings** | • 99% of total revenues is recurring net effective spread and fees  
• Outstanding business volume **CAGR of 10.6%** (2000 to 2019) |
| **Strong Returns, Responsible Growth** | • Core earnings **ROE ~17%** in 2019  
• **Double-digit** annual core earnings growth (2016-2019) |
Our Mission
Farmer Mac is committed to help build a strong and vital rural America by increasing the availability and affordability of credit for the benefit of American agricultural and rural communities.

Our Stakeholders
- Farmers, ranchers and rural Americans
- Stockholders
- Financial Institutions
- Employees
- Congress
- Regulator

Our Corporate Social Responsibility
- To help create sustainable, vibrant rural American communities
- We achieve this by conducting our business
  - With absolute integrity
  - By holding ourselves to high ethical standards
  - By promoting a diverse, respectful, and inclusive culture
Executive Leadership

Bradford T. Nordholm
President & Chief Executive Officer

• 40+ years of agricultural and energy finance experience
• Joined Farmer Mac in October 2018 from Starwood Energy Group, a leading private investment firm where he served as CEO and later as Vice Chairman
• Prior experience includes CEO of US Central and management positions at National Cooperative and within the Farm Credit System

Aparna Ramesh
Executive Vice President – Chief Financial Officer & Treasurer

• 20+ years of experience in mission-oriented finance roles
• Joined Farmer Mac in 2020 from Federal Reserve Bank of Boston, where she previously served as Senior Vice President and Chief Financial Officer
• Prior experience includes roles spanning product management, asset-liability management and profitability within Cambridge Savings Bank and M&T Bank

Zachary N. Carpenter
Executive Vice President – Chief Business Officer

• 14+ years of experience in agribusiness banking, capital markets, finance, and corporate strategy
• Joined Farmer Mac in 2019 from CoBank, where he previously served as Managing Director and Sector Vice President of its Corporate Agribusiness Banking Group
• Prior experience includes Executive Director in CoBank’s Capital Markets division and Vice President in Finance and Corporate Strategy at Goldman Sachs
U.S. Agricultural Balance Sheet

$ IN THOUSANDS

Farm Sector Assets

- Investments, $87,479,909
- Inventories, $162,684,406
- Real Estate, $2,545,995,513
- Machinery & Vehicles, $278,991,092

Farm Sector Debt

- Ag Real Estate Debt-to-Asset Ratio: 10.5%
- Nonreal Estate, $151,754,403
- Real Estate, $266,840,441
- Farm Sector Debt, $418,594,844
- Farmer Mac, $16,384,164

Farmer Mac Market Share: 6.1%
Central to a Large Addressable Ag Mortgage Market

Farm Credit System (FCS) (Cooperative GSE)
- Four FCS Banks
- 68 Retail Agricultural Credit Associations

Addressable Agriculture Mortgage Market
$267 Billion
(Farmers & Ranchers)

Non-FCS Ag Lenders
- Insurance Companies
- Ag Banks
- Non-Bank Lenders

Farm Credit System
(FCS Secondary Market GSE)
$16.4 Billion
(6.1% Market Share)
Loan Purchase
Wholesale Funding
Credit Protection

$61B
$13B
(3) (4)

AG BANKS
Non-FCS Ag Lenders

Mortgage Financing
Mortgage Financing
Growth Opportunities

Broaden Farmer Mac’s Market
Evaluating opportunities not currently being pursued by Farmer Mac
• New lines of business
• New products

Deepen Farmer Mac’s Market
Improving processes and operating practices
• Customer interaction
• Transaction processes
• Existing loan features and pricing
# Lines of Business and Products

**AS OF SEPTEMBER 30, 2020**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Target Customers</th>
<th>F &amp; R</th>
<th>USDA</th>
<th>RU</th>
<th>IC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOAN PURCHASES</strong></td>
<td>• Ag Banks</td>
<td>$5.9</td>
<td>$2.7</td>
<td>$2.1</td>
<td>--</td>
<td>$10.7</td>
</tr>
<tr>
<td></td>
<td>• FCS Institutions</td>
<td>27%</td>
<td>12%</td>
<td>9%</td>
<td>--</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>• Insurance Companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rural Utilities Cooperatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WHOLESALE FINANCING</strong></td>
<td>• Ag Banks</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$8.3</td>
</tr>
<tr>
<td></td>
<td>• Ag Investment Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>• Insurance Companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>• Farm Equity AgVantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rural Utilities Cooperatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CREDIT PROTECTION</strong></td>
<td>• FCS Institutions</td>
<td>$2.4</td>
<td>--</td>
<td>$0.6</td>
<td>--</td>
<td>$3.0</td>
</tr>
<tr>
<td></td>
<td>• Ag Banks</td>
<td>11%</td>
<td>3%</td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>• Insurance Companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ag Investment Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rural Utilities Cooperatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$8.3</td>
<td>$2.7</td>
<td>$2.7</td>
<td>$8.3</td>
<td>$22.0</td>
</tr>
</tbody>
</table>

*Note: Table may not sum to total due to rounding*
Growing, Recurring, High-Quality Earnings

**Outstanding Business Volume**

- $17.4 billion in 2016
- $19.0 billion in 2017
- $19.7 billion in 2018
- $21.1 billion in 2019
- $22.0 billion in 3Q20

$ in billions, 6.7% CAGR (2016-2019)

**Net Effective Spread & Core Earnings**

- 11.1% CAGR (2016-2019)
- 20.6% CAGR (2016-2019)

Core earnings and net effective spread are non-GAAP measures. For more information on the use of these non-GAAP measures, please see page 3. For a reconciliation of core earnings to GAAP net income attributable to common stockholders and a reconciliation of net effective spread to GAAP net interest income, please refer to pages 24-25 of the Appendix.
Proven, Rigorous Underwriting

**Industry-leading credit requirements**
- Total debt coverage ratio of at least 1.25x
- LTVs average 40% to 45% on mortgages purchased
- Minimum borrower net equity of 50%

**Credits are less likely to default**
- Focus on repayment capacity through stressed inputs
- Not a “lender of last resort”
- Farm Credit Administration is our safety and soundness regulator

**Losses less likely even in default**
- Average LTV of 45% as of September 30, 2020
- Land values need to decline >55% to generate losses
- “Stress scenario” losses of 17% to 48%
- 1980s crisis saw land value declines of ~23%
Credit Consistently Outperforms

90-Day Delinquencies

Agricultural Lender Charge-off Rates

Industry 90-Day Delinquencies
Farmer Mac 90-Day Delinquencies (Farm & Ranch Portfolio Only)
Farmer Mac 90-Day Delinquencies (Total Portfolio)

Agricultural Lender Charge-off Rates

Banks
Farm Credit System
Farmer Mac

All Commercial Banks Loans and Leases
Average 0.96%

Banks Average 0.19%
Farm Credit System Average 0.11%
Farmer Mac Average 0.02%
**Historical Credit Losses**

Farm & Ranch line of business has historical cumulative losses of 0.12%, or less than 1bp per year

- Cumulative F&R losses of $33 million on $29 billion of cumulative F&R historical business volume

Farmer Mac’s Rural Utilities, USDA Guarantees, and Institutional Credit lines of business have not had any credit losses to date
**Strong and Growing Equity Capital Base**

Statutory Minimum Core Capital defined as total stockholders’ equity less accumulated other comprehensive income.
Quality Earnings Drives Strong Dividends

Initiated New Dividend Policy:
Target ~30% Payout Ratio of Core Earnings

Increased Target Payout Ratio of Core Earnings to ~35%

Quarterly Dividend per Common Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$0.05</td>
</tr>
<tr>
<td>2012</td>
<td>$0.10</td>
</tr>
<tr>
<td>2013</td>
<td>$0.12</td>
</tr>
<tr>
<td>2014</td>
<td>$0.14</td>
</tr>
<tr>
<td>2015</td>
<td>$0.16</td>
</tr>
<tr>
<td>2016</td>
<td>$0.26</td>
</tr>
<tr>
<td>2017</td>
<td>$0.36</td>
</tr>
<tr>
<td>2018</td>
<td>$0.58</td>
</tr>
<tr>
<td>2019</td>
<td>$0.70</td>
</tr>
<tr>
<td>2020</td>
<td>$0.80</td>
</tr>
</tbody>
</table>
Investment Highlights

**Quality Assets**
- 90-Day delinquencies of only **0.40%** across all lines of business
- Cumulative Farm & Ranch lifetime losses of only **0.12%**

**Funding Advantage**
- Issue at **narrow**, GSE spreads to U.S. Treasuries
- E.g., 10-year U.S. Treasury **+0.45%** as of September 30, 2020

**Growth Prospects**
- Ag productivity **must double** to meet expected global demand
- 6.1% share of an **$267 billion** and growing U.S. ag mortgage market

**Operational Efficiency**
- Overhead / outstanding business volume **~20 bps**
- **~$900,000 earnings** per employee in 2019

**Quality, Recurring Earnings**
- 99% of total revenues is recurring net effective spread and fees
- Outstanding business volume **CAGR of 10.6%** (2000 to 2019)

**Strong Returns, Responsible Growth**
- Core earnings **ROE ~17%** in 2019
- **Double-digit** annual core earnings growth (2016-2019)
### Key Company Metrics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Earnings</td>
<td>$74,181</td>
<td>$93,742</td>
<td>$84,047</td>
<td>$65,631</td>
<td>$53,481</td>
</tr>
<tr>
<td>Core Earnings per Diluted Share</td>
<td>$6.88</td>
<td>$8.70</td>
<td>$7.82</td>
<td>$6.08</td>
<td>$4.98</td>
</tr>
<tr>
<td>Net Effective Spread ($)</td>
<td>$142,434</td>
<td>$168,608</td>
<td>$151,195</td>
<td>$141,303</td>
<td>$123,072</td>
</tr>
<tr>
<td>Net Effective Spread (%)</td>
<td>0.92%</td>
<td>0.91%</td>
<td>0.91%</td>
<td>0.91%</td>
<td>0.84%</td>
</tr>
<tr>
<td>Guarantee &amp; Commitment Fees</td>
<td>$14,498</td>
<td>$21,335</td>
<td>$20,733</td>
<td>$20,350</td>
<td>$19,170</td>
</tr>
<tr>
<td>Core Capital Above Statutory Minimum</td>
<td>$314,200</td>
<td>$196,700</td>
<td>$182,600</td>
<td>$136,800</td>
<td>$143,200</td>
</tr>
<tr>
<td>Common Stock Dividends per Share</td>
<td>$2.40</td>
<td>$2.80</td>
<td>$2.32</td>
<td>$1.44</td>
<td>$1.04</td>
</tr>
<tr>
<td>Outstanding Business Volume</td>
<td>$21,989,288</td>
<td>$21,117,942</td>
<td>$19,724,525</td>
<td>$19,007,311</td>
<td>$17,399,475</td>
</tr>
<tr>
<td>90-Day Delinquencies</td>
<td>0.40%</td>
<td>0.29%</td>
<td>0.14%</td>
<td>0.25%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Charge-Offs</td>
<td>$394</td>
<td>$67</td>
<td>$17</td>
<td>$327</td>
<td>$130</td>
</tr>
<tr>
<td>Book Value per Share</td>
<td>$57.84</td>
<td>$54.80</td>
<td>$49.01</td>
<td>$42.59</td>
<td>$38.42</td>
</tr>
<tr>
<td>Core Earnings Return on Equity</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

- Core earnings, core earnings per share, and net effective spread are non-GAAP measures. For more information on the use of these non-GAAP measures, please see page 3. For a reconciliation of core earnings to GAAP net income attributable to common stockholders and core earnings per share to earnings per common share, and a reconciliation of net effective spread to GAAP net interest income, please refer to pages 24-25 of the Appendix.
- Periods prior to fourth quarter 2017 have been recast to reflect the revised methodology for calculating net effective spread that became effective in fourth quarter 2017, as further described on page 3.
- Book Value per Share excludes accumulated other comprehensive income.
# Equity Capital Structure

<table>
<thead>
<tr>
<th>COMMON STOCK</th>
<th>NYSE Ticker</th>
<th>Dividend Yield</th>
<th>Shares Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLASS A VOTING COMMON STOCK</td>
<td>AGM.A</td>
<td>5.78%</td>
<td>1.0 million</td>
</tr>
<tr>
<td>• Ownership restricted to non-Farm Credit System financial institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLASS B VOTING COMMON STOCK</td>
<td>--</td>
<td>--</td>
<td>0.5 million</td>
</tr>
<tr>
<td>• Ownership restricted to Farm Credit System institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLASS C NON-VOTING COMMON STOCK</td>
<td>AGM</td>
<td>5.03%</td>
<td>9.2 million</td>
</tr>
<tr>
<td>• No ownership restrictions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PREFERRED STOCK</th>
<th>NYSE Ticker</th>
<th>Dividend Yield</th>
<th>Shares Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERIES C FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK</td>
<td>AGM.PR.C</td>
<td>6.000%</td>
<td>3.0 million</td>
</tr>
<tr>
<td>• Option to redeem at any time on or after July 18, 2024</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Redemption Value: $25 per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERIES D NON-CUMULATIVE PREFERRED STOCK</td>
<td>AGM.PR.D</td>
<td>5.700%</td>
<td>4.0 million</td>
</tr>
<tr>
<td>• Option to redeem at any time on or after July 17, 2024</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Redemption Value: $25 per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERIES E NON-CUMULATIVE PREFERRED STOCK</td>
<td>AGM.PR.E</td>
<td>5.750%</td>
<td>3.2 million</td>
</tr>
<tr>
<td>• Option to redeem at any time on or after July 17, 2025</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Redemption Value: $25 per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERIES F NON-CUMULATIVE PREFERRED STOCK</td>
<td>AGM.PR.F</td>
<td>5.250%</td>
<td>4.8 million</td>
</tr>
<tr>
<td>• Option to redeem at any time on or after October 17, 2025</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Redemption Value: $25 per share</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Common stock dividend annualized divided by quarter-end closing price
- Par value of annual dividend for preferred stock
Funding

Finance asset purchases with proceeds of debt issuances
- 20+ dealers
- Match-funding provides for stable net effective spread and immaterial interest rate risk

Farmer Mac’s debt securities carry privileges for certain holders
- 20% capital risk weighting
- Eligible collateral for Fed advances
- Legal investments for many federally supervised financial institutions (banks, etc.)

Debt Securities Trade at Narrow Spreads to Comparable Maturity Treasuries

<table>
<thead>
<tr>
<th>MATURITY (YEARS)</th>
<th>3</th>
<th>5</th>
<th>7</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPREAD TO TREASURY (AS OF SEPTEMBER 30, 2020)</td>
<td>13 bps</td>
<td>22 bps</td>
<td>36 bps</td>
<td>45 bps</td>
</tr>
</tbody>
</table>
Current Expected Credit Losses (CECL)

Current Expected Credit Losses Methodology adopted on January 1, 2020

- Losses are those expected over the entire life of each loan or security

Third Quarter 2020 Allowance increased $1.2 million from Second quarter 2020

- Rural Utilities increase due to continued net growth in loan purchase volume
- Farm & Ranch relatively flat due to improvement in economic factor forecasts offset by credit downgrades
  - Improving commodity prices
  - Stable farmland values
  - A small number of credit downgrades in LTSPC portfolio
- Release in AgVantage portfolio driven by scheduled maturities

Second Quarter 2020 to Third Quarter 2020 Allowance Fluctuation

- $18.8 to $20.0
- $0.3 increase
- $0.3 decrease
- ($0.2) decrease
“Demand Pull” Provides Sustained Growth Opportunity

World population is expected to grow to 9.8 billion by 2050
- Arable land per person is expected to decline over 40% from 2005 to 2050

USDA projects a 75% increase in total production and consumption of major field crops in the same period
- 43% increase in world population
- Higher protein diets as incomes in developing countries increase

Productivity would need to nearly double by 2050 to feed the world
## Reconciliation of Net Income to Core Earnings

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>3Q20 YTD</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to common stockholders</td>
<td>$59,745</td>
<td>$93,650</td>
<td>$94,898</td>
<td>$71,300</td>
<td>$64,152</td>
</tr>
<tr>
<td>Less reconciling items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Losses)/gains on undesignated financial derivatives due to fair value changes</td>
<td>(1,933)</td>
<td>10,077</td>
<td>7,959</td>
<td>10,218</td>
<td>8,585</td>
</tr>
<tr>
<td>(Losses)/gains on hedging activities due to fair value changes</td>
<td>(13,846)</td>
<td>(9,010)</td>
<td>4,449</td>
<td>(719)</td>
<td>5,043</td>
</tr>
<tr>
<td>Unrealized gains/(losses) on trading assets</td>
<td>(173)</td>
<td>326</td>
<td>81</td>
<td>(24)</td>
<td>1,460</td>
</tr>
<tr>
<td>Amortization of premiums/discounts and deferred gains on assets consolidated at fair value</td>
<td>135</td>
<td>(122)</td>
<td>(461)</td>
<td>(1,327)</td>
<td>(849)</td>
</tr>
<tr>
<td>Net effects of terminations or net settlements on financial derivatives and hedging activities</td>
<td>(346)</td>
<td>1,089</td>
<td>1,708</td>
<td>2,674</td>
<td>2,178</td>
</tr>
<tr>
<td>Issuance costs on retirement of preferred stock</td>
<td>(1,667)</td>
<td>(1,956)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Re-measurement of net deferred tax asset due to enactment of new tax legislation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,365)</td>
<td>-</td>
</tr>
<tr>
<td>Income tax effect related to reconciling items</td>
<td>3,394</td>
<td>(496)</td>
<td>(2,885)</td>
<td>(3,788)</td>
<td>(5,746)</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>(14,436)</strong></td>
<td><strong>(92)</strong></td>
<td><strong>10,851</strong></td>
<td><strong>5,669</strong></td>
<td><strong>10,671</strong></td>
</tr>
<tr>
<td><strong>Core earnings</strong></td>
<td><strong>$74,181</strong></td>
<td><strong>$93,742</strong></td>
<td><strong>$84,047</strong></td>
<td><strong>$65,631</strong></td>
<td><strong>$53,481</strong></td>
</tr>
</tbody>
</table>

- Periods prior to 2017 have been recast to reflect the revised methodology for calculating net effective spread that became effective in fourth quarter 2017, as further described on page 3.
- Issuance costs on retirement of preferred stock relates to the write-off of deferred issuance costs as a result of the retirement of Series A Preferred Stock and Series B Preferred Stock.
Reconciliation of Net Interest Income to Net Effective Spread

<table>
<thead>
<tr>
<th>$ in thousands</th>
<th>3Q20 YTD</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollars</td>
<td>Yield</td>
<td>Dollars</td>
<td>Yield</td>
<td>Dollars</td>
</tr>
<tr>
<td>Net interest income/yield</td>
<td>$134,321</td>
<td>0.80%</td>
<td>$173,135</td>
<td>0.87%</td>
<td>$174,436</td>
</tr>
<tr>
<td>Net effects of consolidated trusts</td>
<td>(5,003)</td>
<td>0.03%</td>
<td>(7,669)</td>
<td>0.03%</td>
<td>(6,757)</td>
</tr>
<tr>
<td>Expense related to undesignated financial derivatives</td>
<td>9</td>
<td>0.00%</td>
<td>(5,095)</td>
<td>-0.03%</td>
<td>(11,685)</td>
</tr>
<tr>
<td>Amortization of premiums/discounts on assets consolidated at fair value</td>
<td>(92)</td>
<td>0.00%</td>
<td>398</td>
<td>0.00%</td>
<td>417</td>
</tr>
<tr>
<td>Amortization of losses due to terminations or net settlements on financial derivatives and hedging activities</td>
<td>90</td>
<td>0.00%</td>
<td>(68)</td>
<td>0.00%</td>
<td>(275)</td>
</tr>
<tr>
<td>Fair Value Changes on fair value hedge relationships</td>
<td>13,109</td>
<td>0.09%</td>
<td>7,907</td>
<td>0.04%</td>
<td>(4,941)</td>
</tr>
<tr>
<td>Net Effective Spread</td>
<td>$142,434</td>
<td>0.92%</td>
<td>$168,608</td>
<td>0.91%</td>
<td>$151,195</td>
</tr>
</tbody>
</table>

Footnote 2: Farmer’s Mac’s total excludes loan purchases, LTSPCs, and AgVantage business with rural utilities customers. Market share represents Farmer Mac’s percentage of only Farm Sector Real Estate Debt outstanding.

Footnote 3: Eligible ag real estate mortgage market structure shown includes the forecast for outstanding unpaid principal balance of first lien ag mortgage assets as of December 31, 2019.

Footnote 4: USDA, Economic Research Service forecast for remaining non-bank lenders for year-end 2019 on a prorated basis.

Footnote 5: USDA, National Agricultural Statistics Service (as of August 2015). Historic values are not necessarily predictive of future results or outcomes.

Footnote 6: FDIC Call Report Data & Farm Credit Funding Corp Annual Information Statements – Non-accrual real estate loans and accruing loans that are 90 days or more past due made by commercial and Farm Credit System banks (as of June 2020).

Footnote 7: Delinquencies include loans held and loans underlying off-balance sheet Farm & Ranch Guaranteed Securities and LTSPCs that are 90 days or more past due, in foreclosure, or in bankruptcy with at least one missed payment, excluding loans performing under either their original loan terms or a court-approved bankruptcy plan.


Footnote 9: Banks’ charge-off rate is a percentage of agricultural loan assets.

Footnote 10: Farm Credit Banks Funding Corporation Annual Information Statements; Farm Credit System’s charge-off rate is the percentage of total loans and guarantees.

Footnote 11: Farmer Mac's charge-off rate is the percentage of total loans and guarantees.
