

# FARMER MAC

Accelerating Rural Opportunities

Equity Investor Presentation  
**Fourth Quarter 2024**

---

# Forward-Looking Statements

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, 2024, filed with the SEC on February 21, 2025. These reports are also available on Farmer Mac's website ([www.farmermac.com](http://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 December 31, 2024, 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 required by applicable law. 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. Copyright © 2025 by Farmer Mac. No part of this document may be duplicated, reproduced, distributed, or displayed in public in any manner or by any means without the written permission of Farmer Mac.

# Use of Non-GAAP Financial Measures

This presentation is for general informational purposes only, is current only as of December 31, 2024 and should be read in conjunction with Farmer Mac's Annual Report on Form 10-K filed with the SEC on February 21, 2025. 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 the effects of fair value fluctuations. These fluctuations are not expected to have a cumulative net impact on Farmer Mac's financial condition or results of operations reported in accordance with GAAP if the related financial instruments are held to maturity, as is expected.

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 interest income and interest expense associated with the consolidated trusts and the average balance of the loans underlying these trusts; and (2) the fair value changes of financial derivatives and the corresponding assets or liabilities designated in fair value hedge accounting relationships. Net effective spread also principally differs from net interest income and net interest yield because it includes the accrual of income and expense related to the contractual amounts due on financial derivatives that are not designated in hedge accounting relationships ("undesignated financial derivatives") and the net effects of terminations or net settlements on financial derivatives, which consist of: (1) the net effects of cash settlements on agency forward contracts on the debt of other GSEs and U.S. Treasury security futures that we use as short-term economic hedges on the issuance of debt; and (2) the net effects of initial cash payments that Farmer Mac receives upon the inception of certain swaps.

# WHY INVEST IN FARMER MAC?

## Uniquely Positioned

A New York Stock Exchange Listed Government Sponsored Enterprise (GSE) that provides investors the unique opportunity to invest in American agriculture and rural infrastructure.

## Focused on Growth

Well-positioned to benefit from the growing agricultural mortgage market, strong demand for renewable energy projects, and agricultural mortgage-backed securities.

## Value Creation

Consistent performance with a dedication to strategic initiatives and organizational alignment.

# MISSION FOCUSED



## Strengthen Rural America

- Farmer Mac is a publicly traded company driven by our mission to **increase the accessibility of financing to provide vital liquidity for American agriculture and rural infrastructure.**
- **NYSE: AGM & AGM.A**



## Lower Financing Costs

- Farmer Mac increases the accessibility of financing and lowers financing costs for American agriculture and rural infrastructure.
- **GSE funding advantage:** 10-year Treasury +0.27% as of December 31, 2024



## Increase Access to Credit

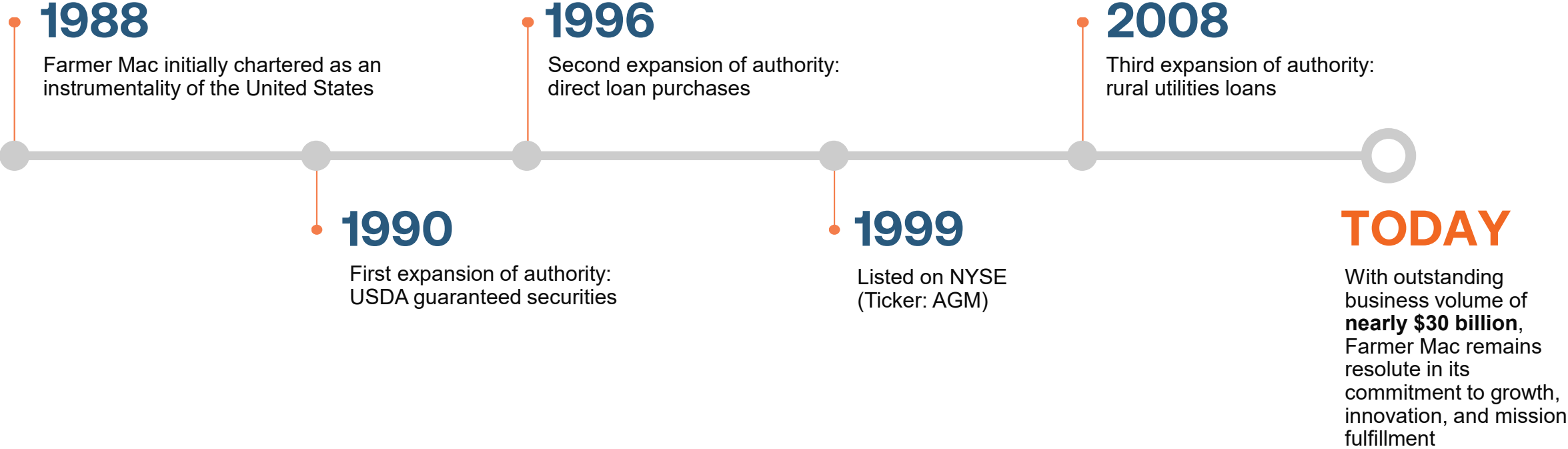
- Farmer Mac provides a secondary market to a diverse customer set, offering a wide range of products and innovative solutions.
- Successfully issued 5 large, structured **FARM Series Agricultural Mortgage-Backed Securities (AMBS)**



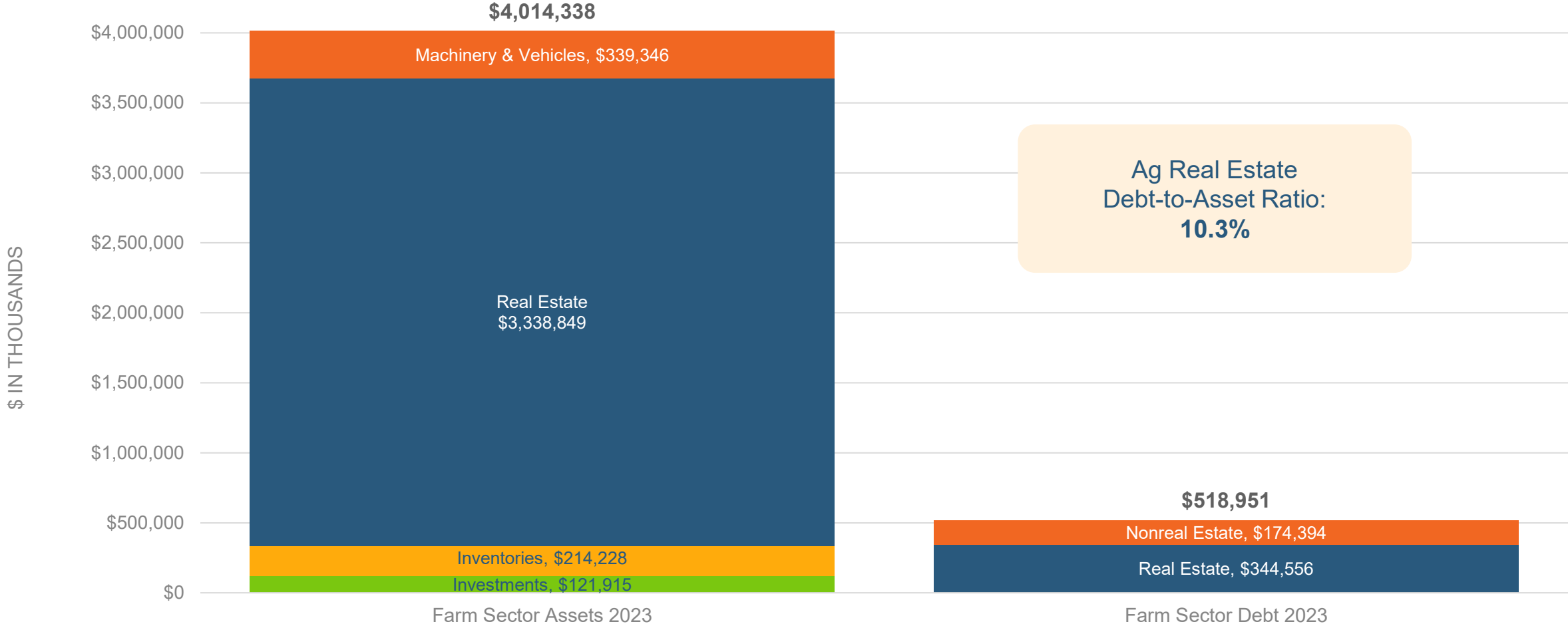
## Our Corporate Culture is Rooted in Our Values

- Innovation
- Passion for our Mission
- Integrity
- Excellence
- Relationships

# A MISSION-DRIVEN, FOR-PROFIT COMPANY



# CENTRAL TO A LARGE AGRICULTURAL MORTGAGE MARKET <sup>(1)</sup>



# COMPETITIVE LANDSCAPE



## FARMER MAC

(FCS Secondary Market GSE)

Agricultural Finance Line of Business  
(Farm & Ranch and Corporate AgFinance)



# FARMER MAC'S OPERATING MODEL



## ▶ Farmer Mac's Regulatory/Congressional Oversight

- Regulated by the Farm Credit Administration (FCA) through its Office of Secondary Market Oversight (OSMO)
- Congressional oversight through Senate and House Agricultural Committees

Operating model excludes issued agricultural mortgage-backed securities and long-term standby purchase commitment credit protection components of our business.

# SEGMENT PROFITABILITY

Line of Business	Segment	Volume (\$ IN BILLIONS AS OF 12/31/2024)	4Q2024 Net Effective Spread (%)	Risk-Adjusted Gross Return on Allocated Capital (%)
Agricultural Finance	Farm & Ranch	\$18.6	0.96%	29%
	Corporate AgFinance	\$1.9	1.95%	22%
Infrastructure Finance	Power & Utilities	\$6.8	0.32%	16%
	Broadband Infrastructure	\$0.8	2.34%	27%
	Renewable Energy	\$1.4	1.76%	27%
Treasury	Funding	–	0.42%	-
	Investments	–	0.15%	-
		<b>\$29.5</b>	<b>1.16%</b>	-

▶ **Each business segment is comprised of both spread-based and fee-income products**

- Loan purchases (spread)
- Wholesale Funding (spread)
- Purchase Commitments (fee)
- Loans Serviced for Others (fee)

▶ **Net effective spread and fees determined by a variety of factors, including:**

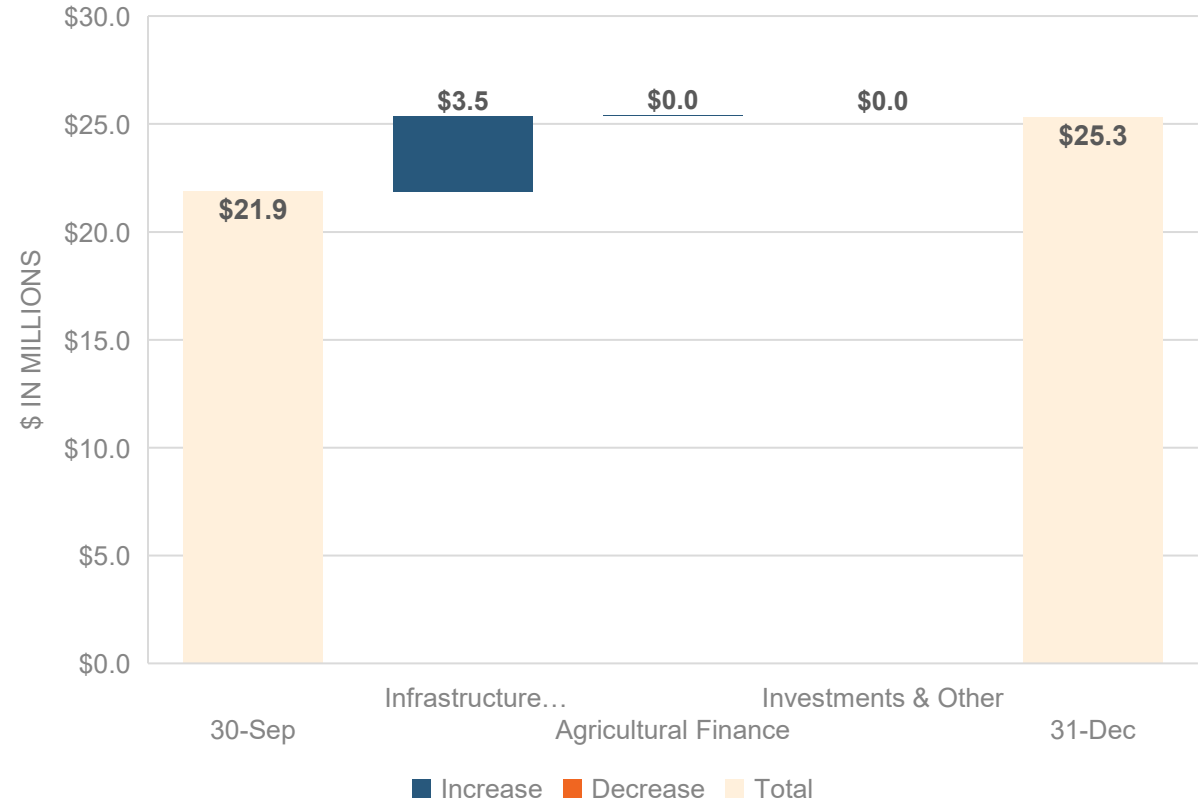
- Funding execution
- Credit profile
- Economic factors

# ALLOWANCE FOR LOSSES —QUARTERLY

▶ The total allowance for losses increased \$3.4 million to \$25.3 million in fourth quarter 2024.

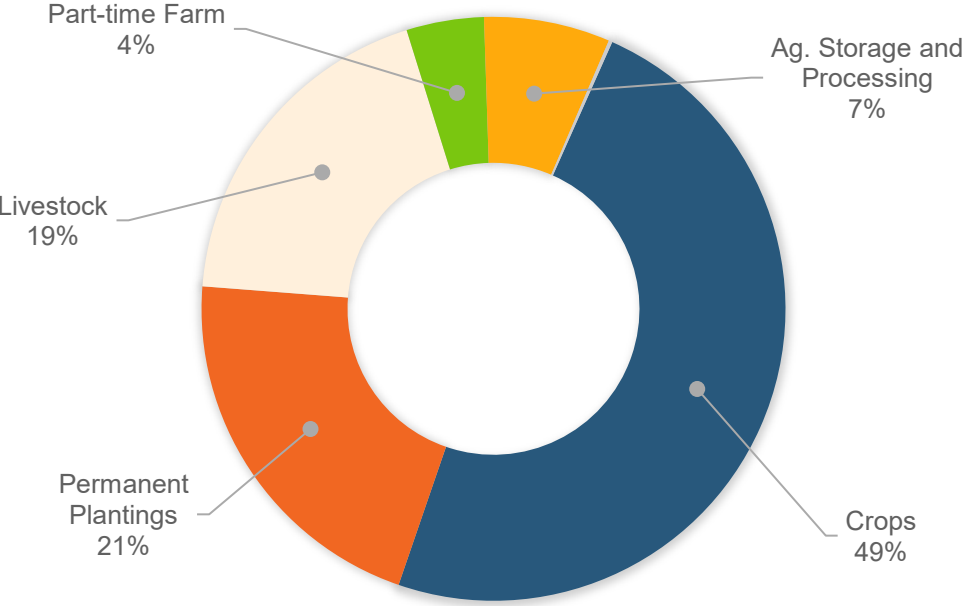
- The \$3.5 million net provision to the allowance for the Infrastructure Finance portfolio during the quarter ended December 31, 2024 was primarily attributable to new volume in the Infrastructure Finance line of business and a single Renewable Energy loan that was downgraded to substandard during the quarter.
- The \$0.5 million provision to the allowance that was attributable to volume growth, was offset by a \$0.5 million charge-off associated with an Ag Storage and Processing loan.

September 30, 2024 to December 31, 2024 Allowance Fluctuation

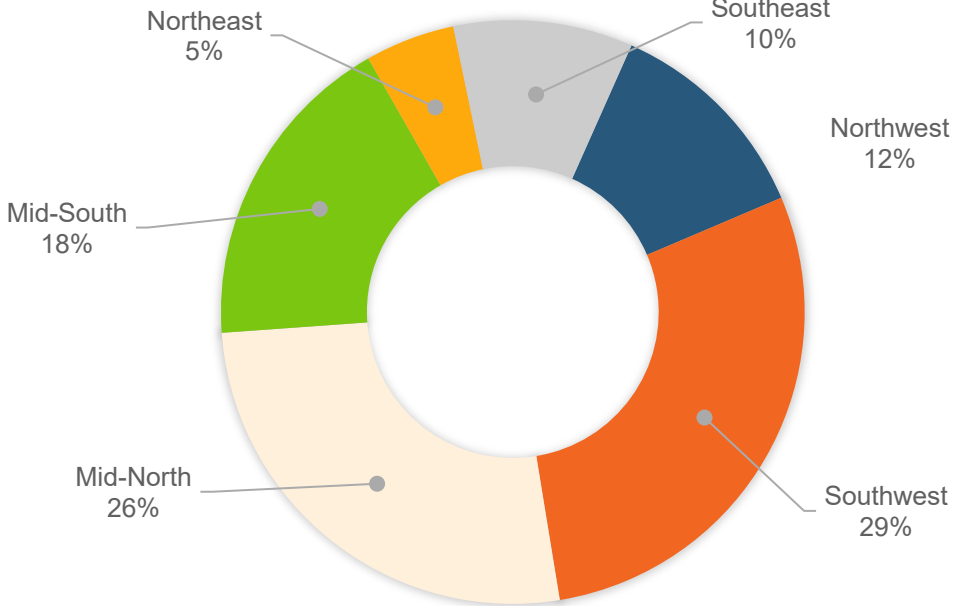


# AGRICULTURAL FINANCE LOAN PORTFOLIO DIVERSIFICATION

By Commodity Type



By Geographic Region



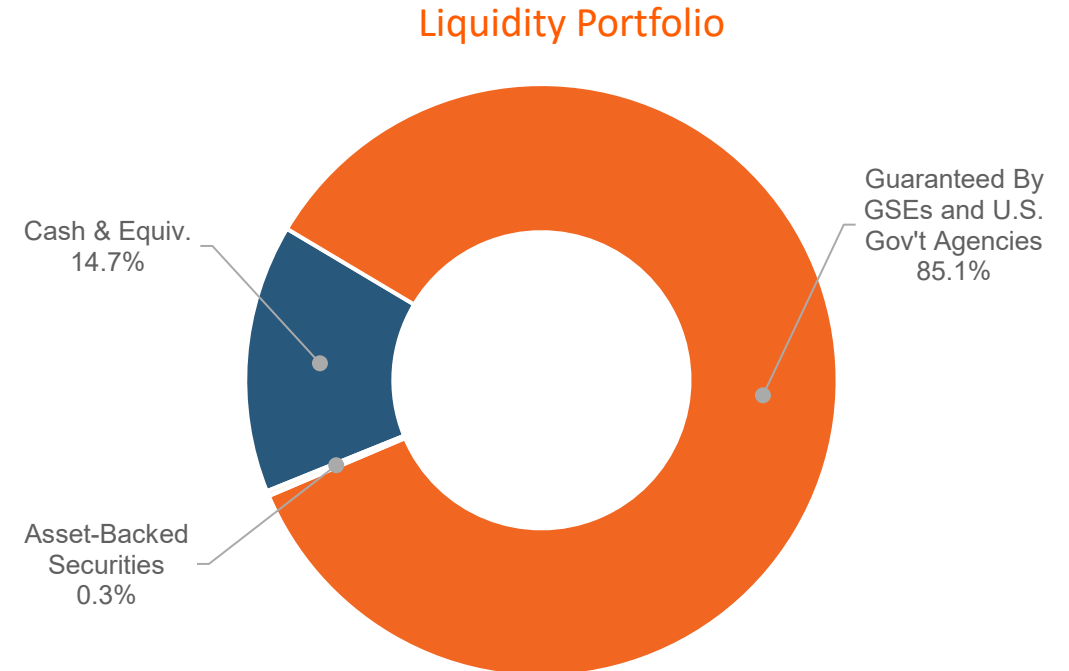
As of December 31, 2024

► **Agricultural Update**<sup>(2)</sup>

- USDA's Economic Research Service estimates \$158.8 billion in net cash incomes in 2024, a decrease from 2023 and 2022 incomes.

# TREASURY/INVESTMENTS SEGMENT

- ▶ Includes the financial results of the company's funding, liquidity, and capital allocation strategies and operations
- ▶ **Liquidity & Investment Portfolio**
  - Maintain investment portfolio to provide back-up source of liquidity in excess of regulatory requirements
    - \$7.0 billion as of December 31, 2024
    - Investments net effective spread of 0.15% in fourth quarter 2024
- ▶ **Benefits from Asset-Liability Management Strategies**
  - Leverage a funds transfer pricing process to allocate interest expense to each segment, and allocate the costs and benefits of hedging strategies to the Treasury segment

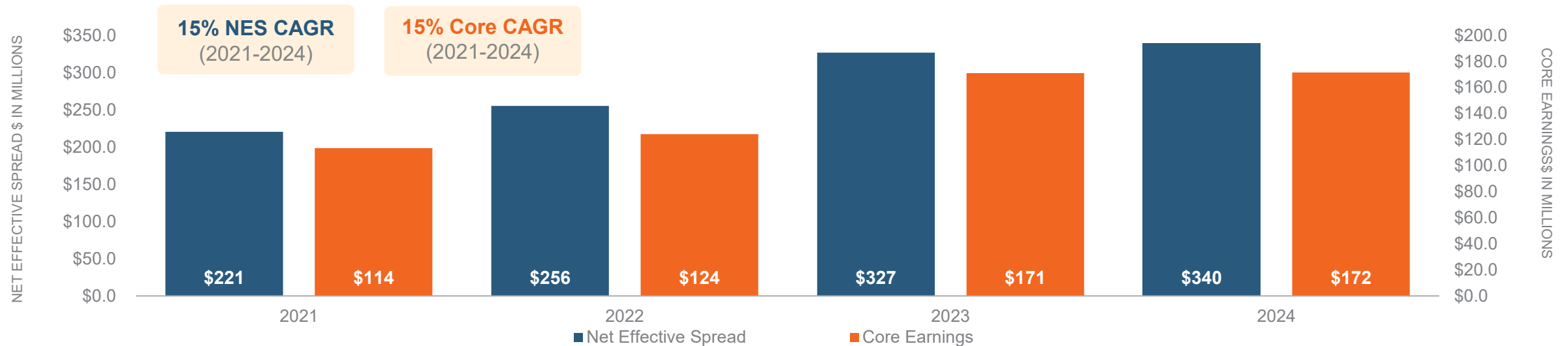


As of December 31, 2024

# GROWING, RECURRING, HIGH-QUALITY EARNINGS

- Consistent historical financial performance highlights the diversification and resiliency of Farmer Mac’s business model
- Disciplined asset liability management and uninterrupted access to the capital markets have provided buffer against market volatility and changing credit market conditions

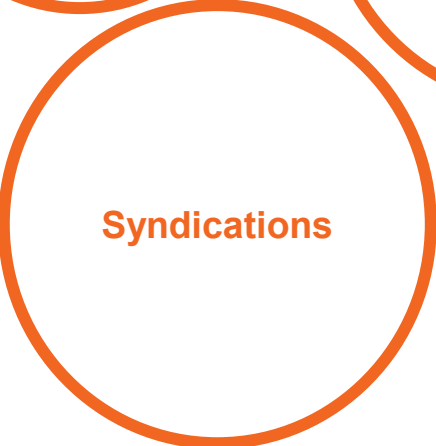
## Net Effective Spread & Core Earnings



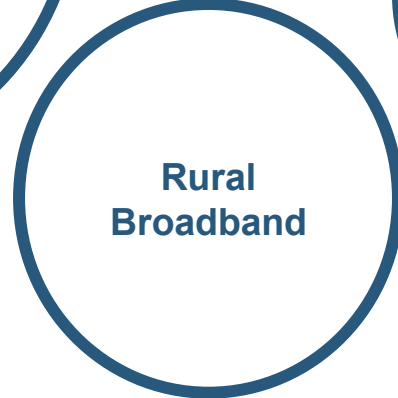
CAGR is defined as Compound Annual Growth Rate. Core earnings and net effective spread are non-GAAP measures. For a reconciliation of core earnings to GAAP net income attributable to common stockholders and a reconciliation of net effective spread to GAAP net interest income, please refer to pages 27-28 of the Appendix.

# GROWTH OPPORTUNITIES TO INCREASE ASSETS UNDER MANAGEMENT

## Agricultural Finance



## Infrastructure Finance



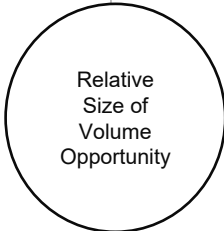
Core Farm & Ranch business provides consistent growth opportunities throughout market cycles.



Farm & Ranch



Corporate AgFinance



15

Well positioned to benefit from the growing demand for renewable power and generation



Power & Utilities



Renewable Energy



Broadband Infrastructure

# AGRICULTURAL MORTGAGE-BACKED SECURITIES OPPORTUNITY

- ▶ **FARM securitization program exemplifies Farmer Mac's core mission to lower costs for the end borrower and improve credit availability in rural America, while transforming the agricultural mortgage market industry with new efficiencies**
- ▶ **Building upon the existing FARM Securitization Program by creating a securitization product for our customers**
  - Utilize the current capability to originate new types of eligible loans into a conduit that de-risks the sector
  - Creates new financing for borrowers and expands sources of revenue for Farmer Mac





# FARMER MAC USES 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

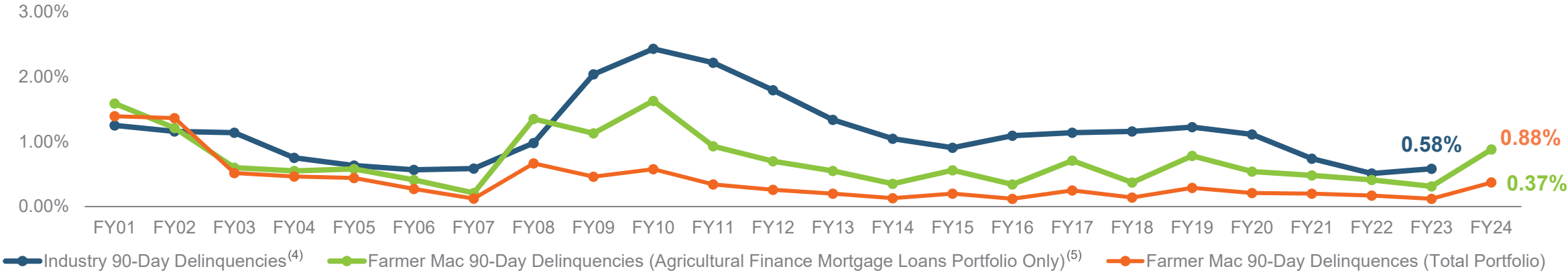
- Focus on repayment capacity through stressed inputs
- Not a “lender of last resort”
- Farm Credit Administration is our safety and soundness regulator

## ▶ Losses less likely even in default

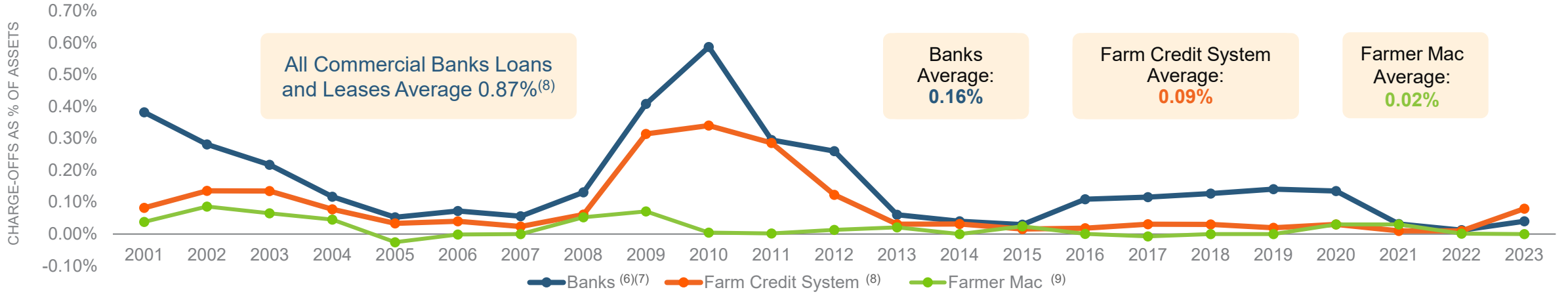
- Average portfolio LTV of 46% as of December 31, 2024
- Land values need to decline >55% to generate material losses across Agricultural Finance mortgage loans portfolio
- “Stress scenario” losses of 17% to 48%
- 1980s crisis saw land value declines of ~23%<sup>(3)</sup>

# CREDIT CONSISTENTLY OUTPERFORMS

90-Day Delinquencies

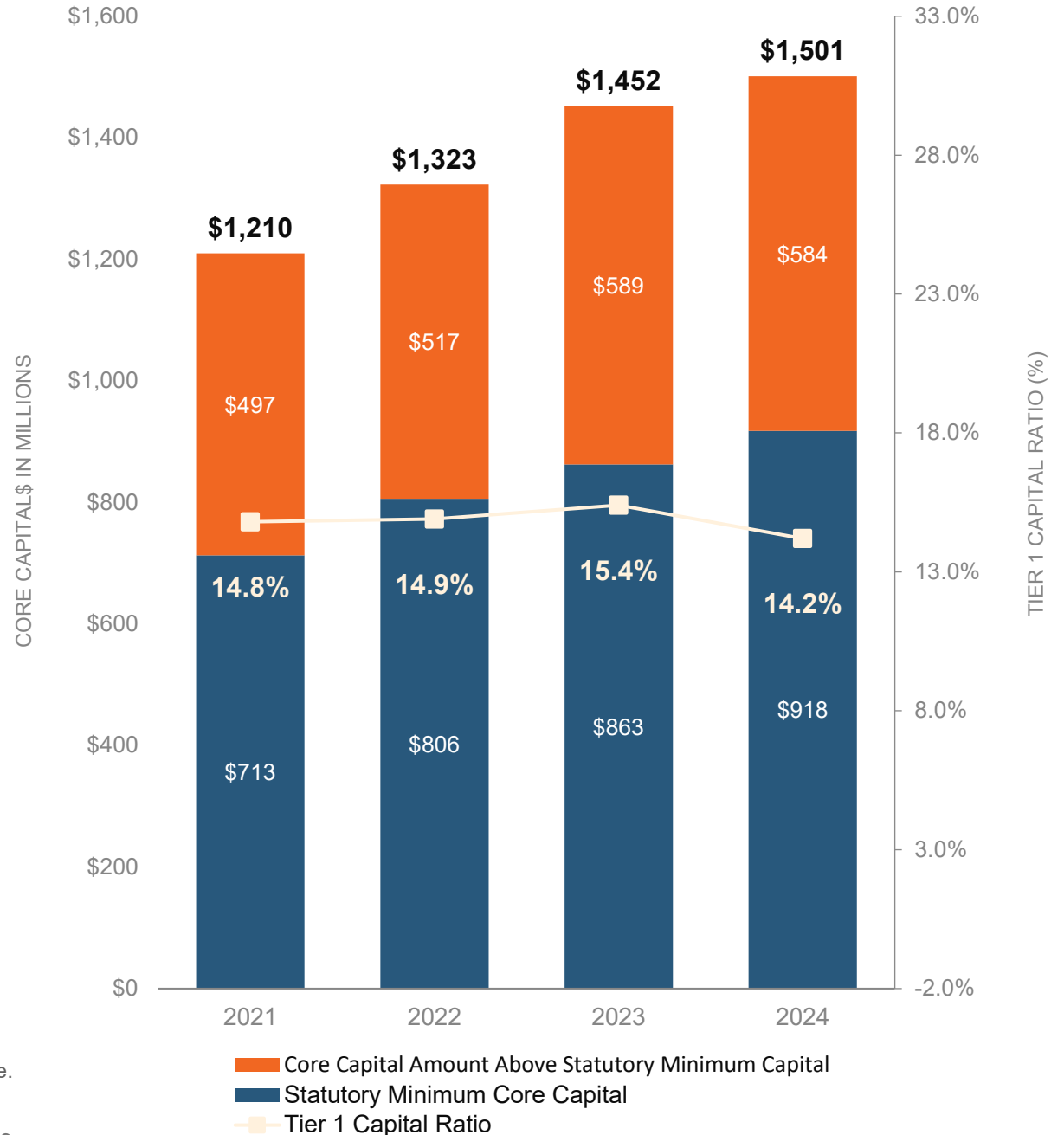


Agricultural Lender Charge-off Rates



# STRONG, GROWING CAPITAL BASE

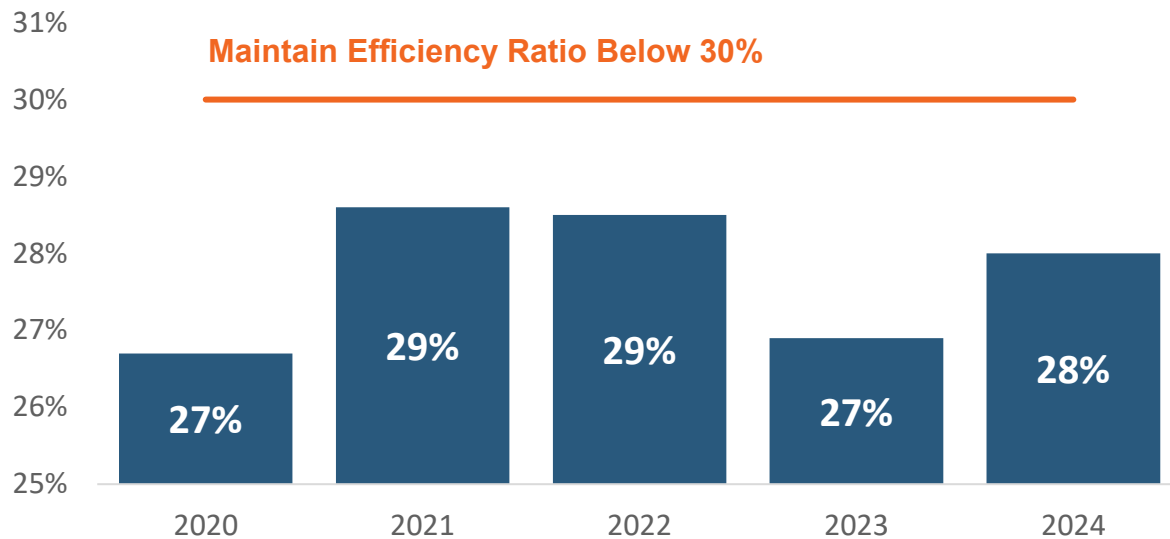
- Consistent, strong earnings growth has supported capital base and allowed for consistent returns to shareholders
- Opportunistically issued Preferred Stock during low-rate environment, further bolstering capital
  - \$100M Preferred Series D in May 2019 @ 5.700%
  - \$79.5M Preferred Series E in May 2020 @ 5.750%
  - \$120M Preferred Series F in August 2020 @ 5.250%
  - \$125M Preferred Series G in May 2021 @ 4.875%
- Securitization provides capital relief through the transfer of credit risk to capital markets



Statutory Minimum Core Capital defined as total stockholders' equity less accumulated other comprehensive income.

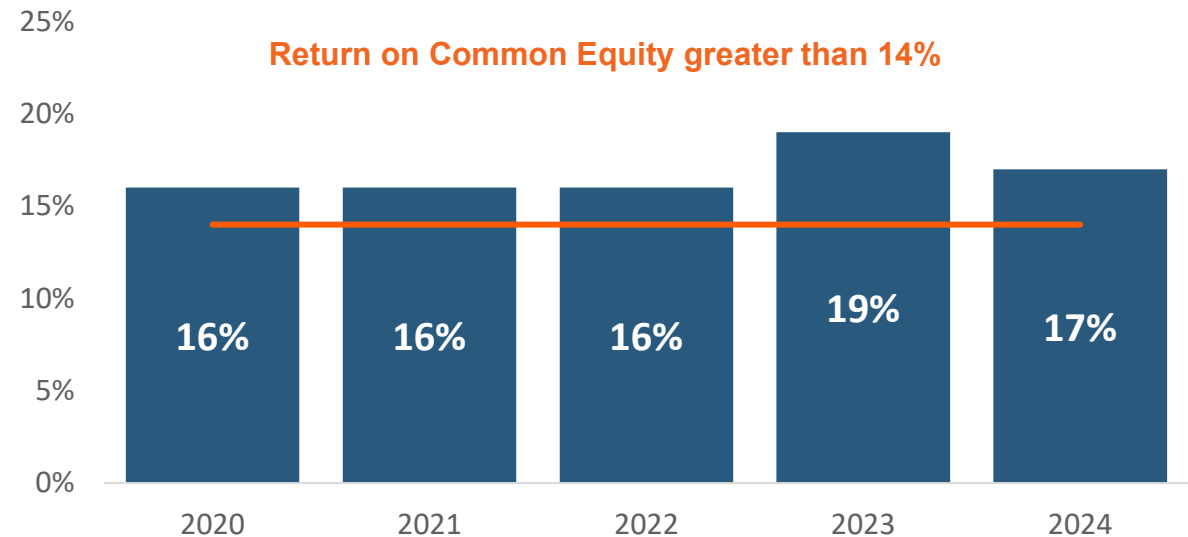
# KEY METRICS

## Operating Efficiency



- 191 employees managing nearly \$30 billion in assets, as of 2024 year-end
- Nearly \$900,000 in earnings per employee, as of 2024 year-end

## Return on Common Equity



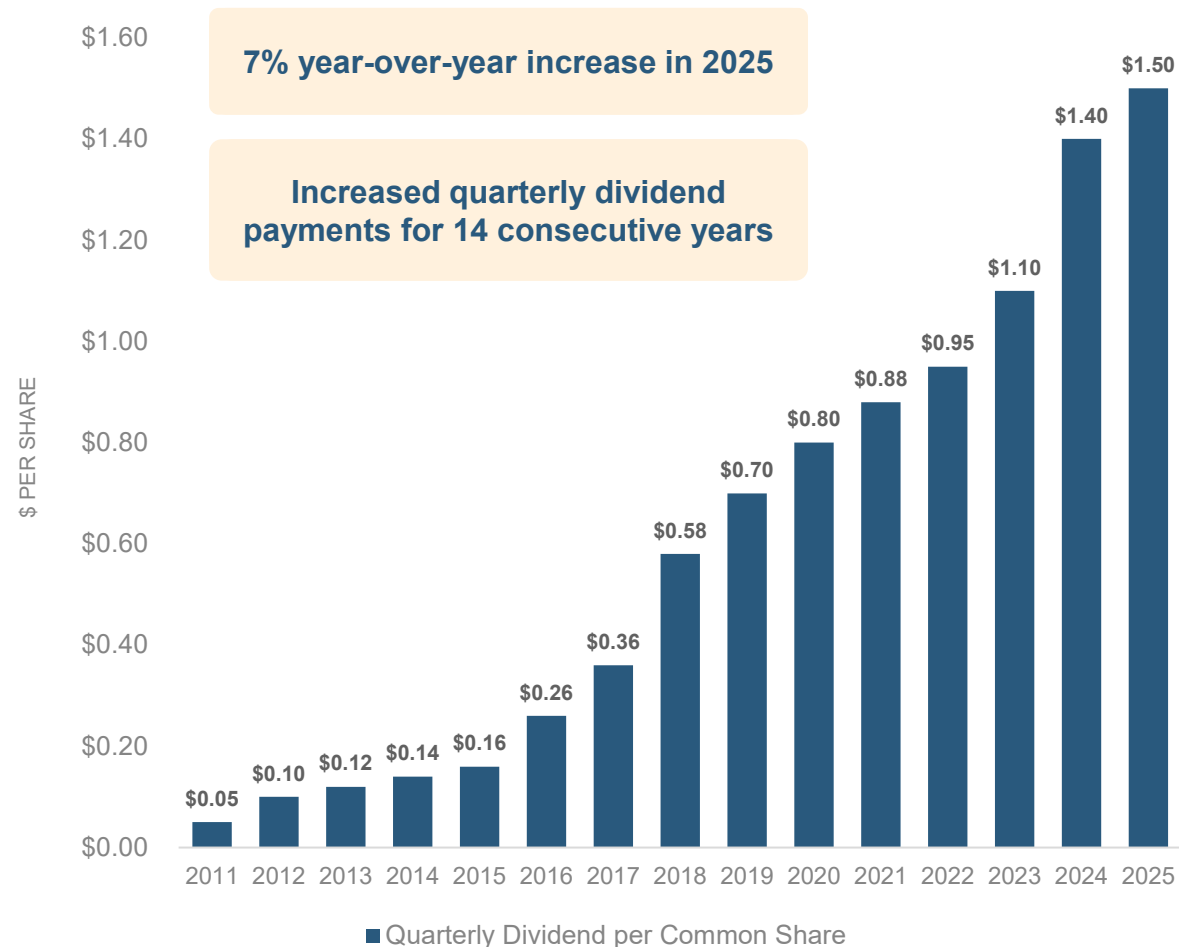
- Greater than 90% of total revenues are recurring net effective spread and fees
- Strong returns enable consistent dividend growth

# QUALITY EARNINGS DRIVE STRONG DIVIDENDS

▶ **Strong earnings and consistent capital position support continued dividend growth for Farmer Mac.**

- Farmer Mac’s dividend growth rate over the past 13 years is substantially greater than those seen from the two major market indices.
- 2025 marks the 14th consecutive year of higher annual dividends for Farmer Mac.
- Farmer Mac is committed to strong returns and responsible growth.

	Dividend Yield <sup>1</sup>	13 Yr. Dividend CAGR
<b>Farmer Mac</b>	<b>2.84%</b>	<b>29.21%</b>
<b>S&amp;P 500</b>	1.27%	8.1%
<b>Russell 2000</b>	1.23%	7.2%



1. Dividend yield data as of 12/31/2024

# WHY INVEST IN FARMER MAC?

## Uniquely Positioned

A New York Stock Exchange Listed Government Sponsored Enterprise (GSE) that provides investors the unique opportunity to invest in American agriculture and rural infrastructure.

## Focused on Growth

Well-positioned to benefit from the growing agricultural mortgage market, strong demand for renewable energy projects, and agricultural mortgage-backed securities.

## Value Creation

Consistent performance with a dedication to strategic initiatives and organizational alignment.

# APPENDIX

---

# KEY COMPANY METRICS

(\$ in thousands, except per share amounts)	2024	2023	2022	2021	2020
Core Earnings	\$171,630	\$171,156	\$124,314	\$113,570	\$100,612
Core Earnings per Diluted Share	\$15.64	\$15.65	\$11.42	\$10.47	\$9.33
Net Effective Spread (\$)	\$339,564	\$326,980	\$255,529	\$220,668	\$196,956
Net Effective Spread (%)	1.15%	1.18%	1.02%	0.98%	0.93%
Guarantee & Commitment Fees	\$20,321	\$18,928	\$18,144	\$17,533	\$19,150
Core Capital Above Statutory Minimum	\$583,527	\$589,400	\$516,900	\$496,800	\$331,400
Common Stock Dividends per Share	\$5.60	\$4.40	\$3.80	\$3.52	\$3.20
Outstanding Business Volume	\$29,523,030	\$28,471,024	\$25,922,082	\$23,614,463	\$21,929,095
90-Day Delinquencies	0.37%	0.12%	0.17%	0.20%	0.21%
Recovery/(Credit Losses)	(\$4,694)	\$0	(\$903)	\$1,054	(\$5,759)
Book Value per Share	\$97.85	\$89.24	\$77.61	\$67.37	\$60.41
Core Earnings Return on Equity	17%	19%	16%	16%	16%

- 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 27-28 of the Appendix.

- Book Value per Share excludes accumulated other comprehensive income.



# EQUITY CAPITAL STRUCTURE

	Summary Stratifications	NYSE Ticker	Dividend Yield	Shares Outstanding
COMMON STOCK	<b>CLASS A VOTING COMMON STOCK</b> • Ownership restricted to non-Farm Credit System financial institutions	AGM.A	3.76%	1.0 million
	<b>CLASS B VOTING COMMON STOCK</b> • Ownership restricted to Farm Credit System institutions	–	–	0.5 million
	<b>CLASS C NON-VOTING COMMON STOCK</b> • No ownership restrictions	AGM	2.84%	9.4 million
PREFERRED STOCK	<b>SERIES D NON-CUMULATIVE PREFERRED STOCK</b> • Option to redeem on any payment date on or after July 17, 2024 • Redemption Value: \$25 per share	AGM.PR.D	5.700%	4.0 million
	<b>SERIES E NON-CUMULATIVE PREFERRED STOCK</b> • Option to redeem on any payment date on or after July 17, 2025 • Redemption Value: \$25 per share	AGM.PR.E	5.750%	3.2 million
	<b>SERIES F NON-CUMULATIVE PREFERRED STOCK</b> • Option to redeem on any payment date on or after October 18, 2025 • Redemption Value: \$25 per share	AGM.PR.F	5.250%	4.8 million
	<b>SERIES G NON-CUMULATIVE PREFERRED STOCK</b> • Option to redeem on any payment date on or after July 17, 2026 • Redemption Value: \$25 per share	AGM.PR.G	4.875%	5.0 million

- 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:

- 30 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

Maturity (Years)	3	5	7	10
<b>Spread to Treasury</b> As of December 31, 2024	6 bps	7 bps	19 bps	27 bps

# RECONCILIATION OF NET INCOME TO CORE EARNINGS

<i>(in thousands)</i>	Core Earnings by Period Ended				
	2024	2023	2022	2021	2020
Net income attributable to common stockholders	\$ 180,428	\$ 172,838	\$ 150,979	\$ 111,413	\$ 94,904
Less reconciling items:					
Gains/(Losses) on undesignated financial derivatives due to fair value changes	3,344	5,142	13,495	(1,430)	(1,701)
Gains/(Losses) on hedging activities due to fair value changes	11,548	(5,394)	5,343	(1,809)	(4,759)
(Losses)/gains on trading assets	(85)	1,979	(917)	(115)	51
Net effects of amortization of premiums/discounts and deferred gains on assets consolidated at fair value	45	175	39	130	58
Net effects of terminations or net settlements on financial derivatives	(1,666)	227	15,794	494	1,236
Issuance costs on retirement of preferred stock	(1,619)	-	-	-	(1,667)
Income tax effect related to reconciling items	(2,769)	(447)	(7,089)	573	1,074
Sub-total	8,798	1,682	26,665	(2,157)	(5,708)
Core earnings	\$ 171,630	\$ 171,156	\$ 124,314	\$ 113,570	\$ 100,612

# RECONCILIATION OF NET INTEREST INCOME TO NET EFFECTIVE SPREAD

## Net Effective Spread By Period Ended

<i>\$ in thousands</i>	2024		2023		2022		2021		2020	
	Dollars	Yield	Dollars	Yield	Dollars	Yield	Dollars	Yield	Dollars	Yield
Net interest income/yield	\$ 353,867	1.16%	\$ 327,547	1.15%	\$ 270,940	1.04%	\$ 221,951	0.94%	\$ 195,848	0.87%
Net effects of consolidated trusts	(4,477)	0.02%	(4,171)	0.02%	(4,239)	0.02%	(4,864)	0.02%	(6,601)	0.02%
Expense related to undesignated financial derivatives	(1,377)	0.00%	(4,845)	-0.02%	(7,756)	-0.03%	2,841	0.02%	3,468	0.02%
Amortization of premiums/discounts on assets consolidated at fair value	(29)	0.00%	(175)	0.00%	(24)	0.00%	(45)	0.00%	197	0.00%
Amortization of losses due to terminations or net settlements on financial derivatives	3,128	0.01%	3,230	0.01%	2,413	0.01%	446	0.00%	120	0.00%
Fair Value Changes on fair value hedge relationships	(11,548)	-0.04%	5,394	0.02%	(5,805)	-0.02%	339	0.00%	3,924	0.02%
<b>Net Effective Spread</b>	<b>\$ 339,564</b>	<b>1.15%</b>	<b>\$ 326,980</b>	<b>1.18%</b>	<b>\$ 255,529</b>	<b>1.02%</b>	<b>\$ 220,668</b>	<b>0.98%</b>	<b>\$ 196,956</b>	<b>0.93%</b>

# RESOURCES

- ▶ Footnote 1: USDA Economic Research Service year end 2023 balance sheet (<https://data.ers.usda.gov/reports.aspx?ID=17835>). Fam Sector Assets and Farm Sector Debt values are values for 2023 from USDA Economic Research Service.
- ▶ Footnote 2: USDA, Economic Research Service U.S. and State-Level Farm Income and Wealth Statistic (<https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/data-files-us-and-state-level-farm-income-and-wealth-statistics/>).
- ▶ Footnote 3: USDA, National Agricultural Statistics Service (as of August 2015). Historic values are not necessarily predictive of future results or outcomes.
- ▶ Footnote 4: 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 December 2022).
- ▶ Footnote 5: Delinquencies reflect Farmer Mac’s Agricultural Finance mortgage loan portfolio 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 6: Kansas City Federal Reserve Agriculture Finance Databook (<https://www.kansascityfed.org/agriculture/agfinance -updates/>).
- ▶ Footnote 7: Banks’ charge-off rate is a percentage of agricultural loan assets.
- ▶ Footnote 8: Farm Credit Banks Funding Corporation Annual Information Statements; Farm Credit System’s charge-off rate is the percentage of total loans and guarantees.
- ▶ Footnote 9: Farmer Mac’s charge-off rate is the percentage of total loans and guarantees.

**FARMER MAC**