

Second Quarter



*Equity Investor
Presentation*

2017

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 a number of assumptions and 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, 2016, filed with the U.S. Securities and Exchange Commission ("SEC") on March 9, 2017, Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed with the SEC on May 10, 2017, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on August 9, 2017, which are also available on Farmer Mac's website (www.farmermac.com). In light of 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 June 30, 2017, 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 contained in this presentation is not necessarily indicative of future results.

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Use of Non-GAAP Financial Measures

This presentation is for general informational purposes only, is current only as of June 30, 2017, and should be read in conjunction with Farmer Mac's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2017. 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. These 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 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; and (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."



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Executive Summary

Farmer Mac Overview

Farmer Mac was created in response to the agricultural credit crisis of the 1980s

- Increase access to and reduce the cost of capital for the benefit of American agricultural and rural communities
- Provide financial solutions to a broad spectrum of the agricultural community

Lines of Business

- Farm & Ranch
- USDA Guarantees
- Rural Utilities
- Institutional Credit

Diverse Product Suite

- Loan purchases
- Wholesale financing
- Credit protection

1987

Farmer Mac initially chartered by Congress as an instrumentality of the United States

1996

First major charter revision and expansion of authority (direct loan purchases)

1998

Outstanding business volume reaches \$1 billion

1999

First listed on NYSE (AGM & AGM.A)

2008

Second major charter revision and expansion of authority (Rural Utilities)

Outstanding business volume reaches \$10 billion

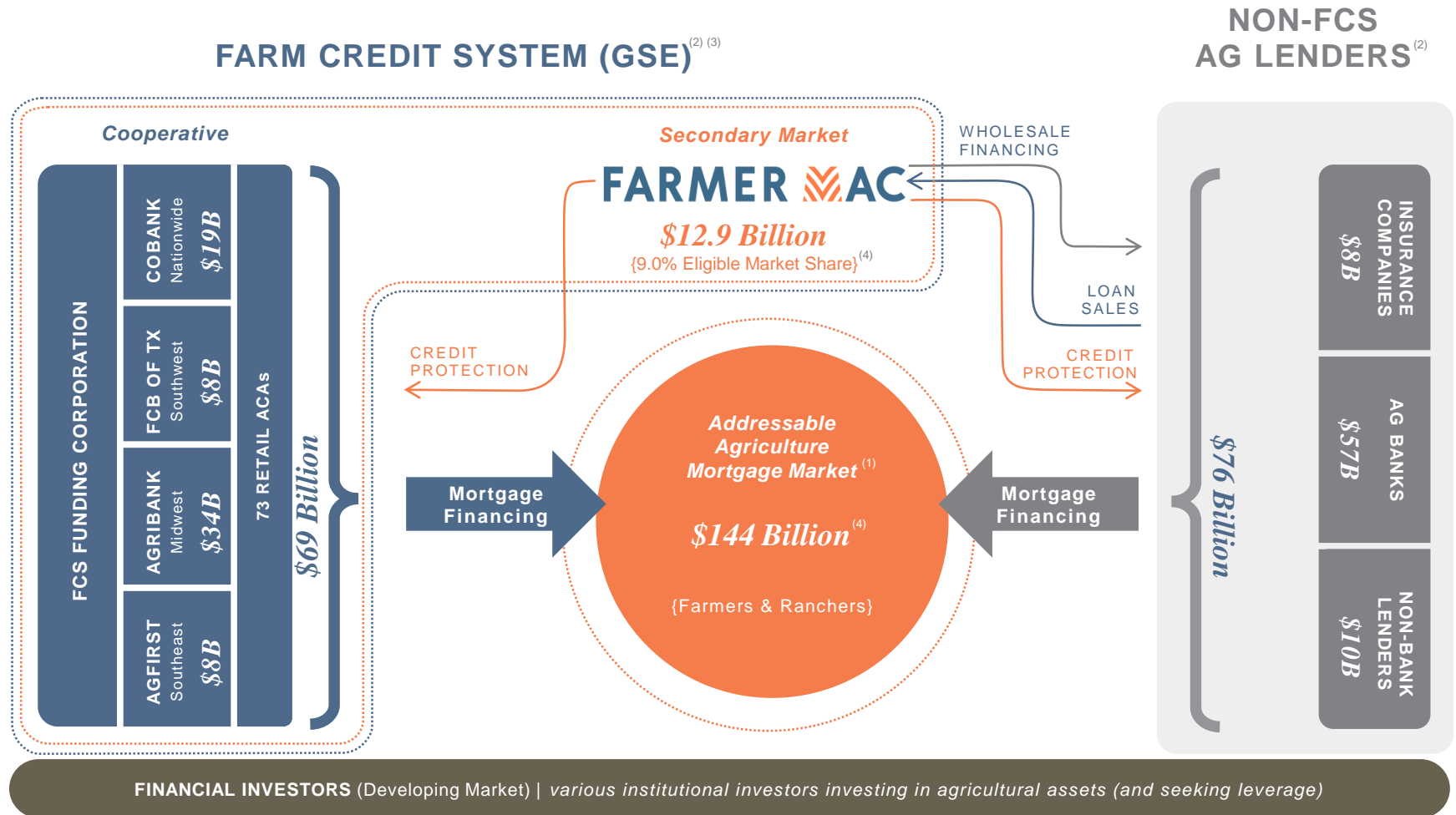
2015

Outstanding business volume reaches \$15 billion



Agricultural Real Estate Mortgage Market Structure⁽¹⁾

AS OF DECEMBER 31, 2016



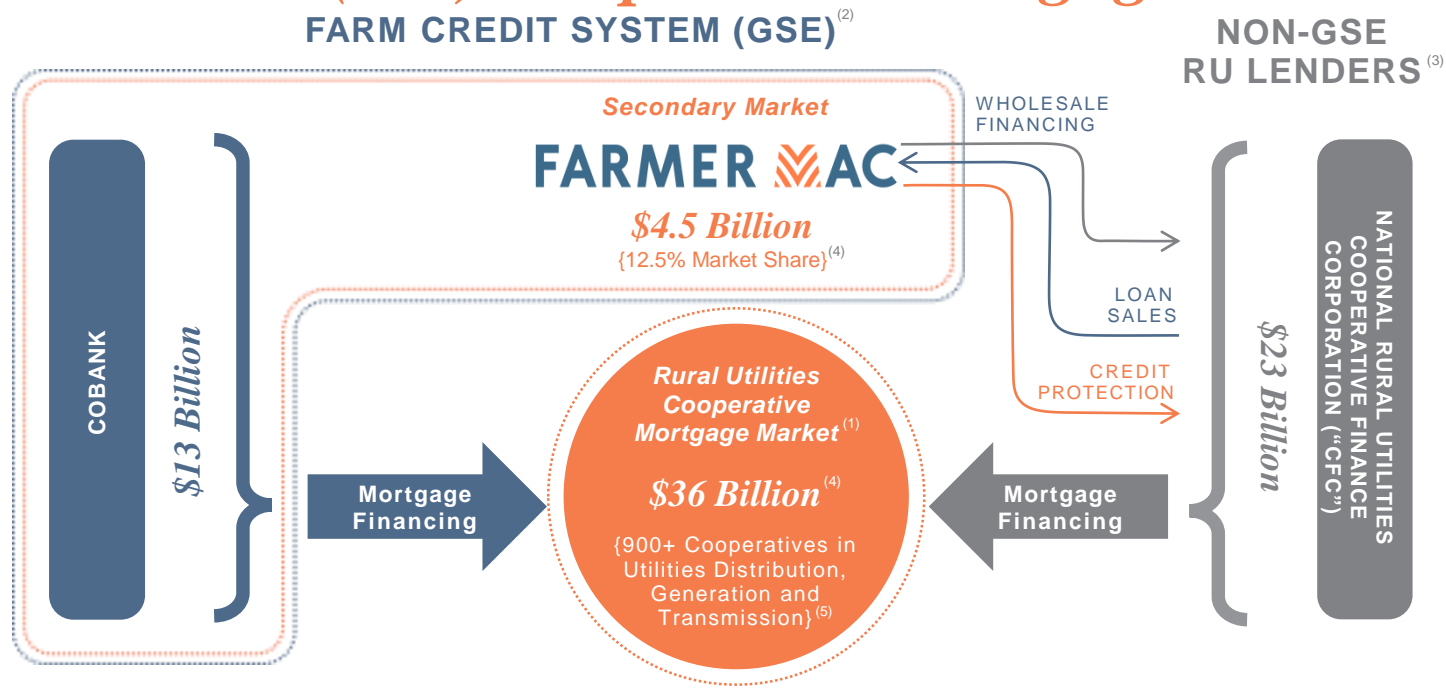
⁽¹⁾ Eligible ag real estate mortgage market structure shown here includes the forecast for outstanding unpaid principal balance of first lien ag mortgage assets as of December 31, 2016 reduced by forty percent to estimate loans that would not qualify for Farmer Mac's Farm & Ranch line of business.

⁽²⁾ Source: FDIC Call Reports (ag banks), Federal Reserve Board of Governors (insurance companies and Farm Service Agency portion of non-bank lenders), and USDA, Economic Research Service forecast for remaining non-bank lenders adjusted for estimates of Farmer Mac eligibility; nominal dollars forecast for year-end 2016 on a prorated basis (February 2017).

⁽³⁾ Source: Farm Credit Administration, Call Report data as of December 2016 adjusted for estimates of Farmer Mac eligibility.

⁽⁴⁾ Sum of FCS, non-FCS, and Farmer Mac first lien ag real estate mortgage assets does not add up to the total due to the nature of Farmer Mac's secondary market business model.

Rural Utilities (RU) Cooperative Mortgage Market⁽¹⁾



Market Opportunity

Industry dynamics may lead to Farmer Mac growth opportunities

- Push toward higher Tier 1 capital and more duration-matched funding
- Opportunities to help CFC refinance debt away from other sources of rural utilities credit
- Needs for longer term capital expenditures in response to regulatory policies

⁽¹⁾ RU cooperative mortgage market structure includes only the outstanding unpaid principal balance of first lien RU cooperative real estate mortgage assets.

⁽²⁾ Source: CoBank 2016Q4 Financial Information, Electric Distribution and Generation & Transmission nominal dollars as of December 31, 2016.

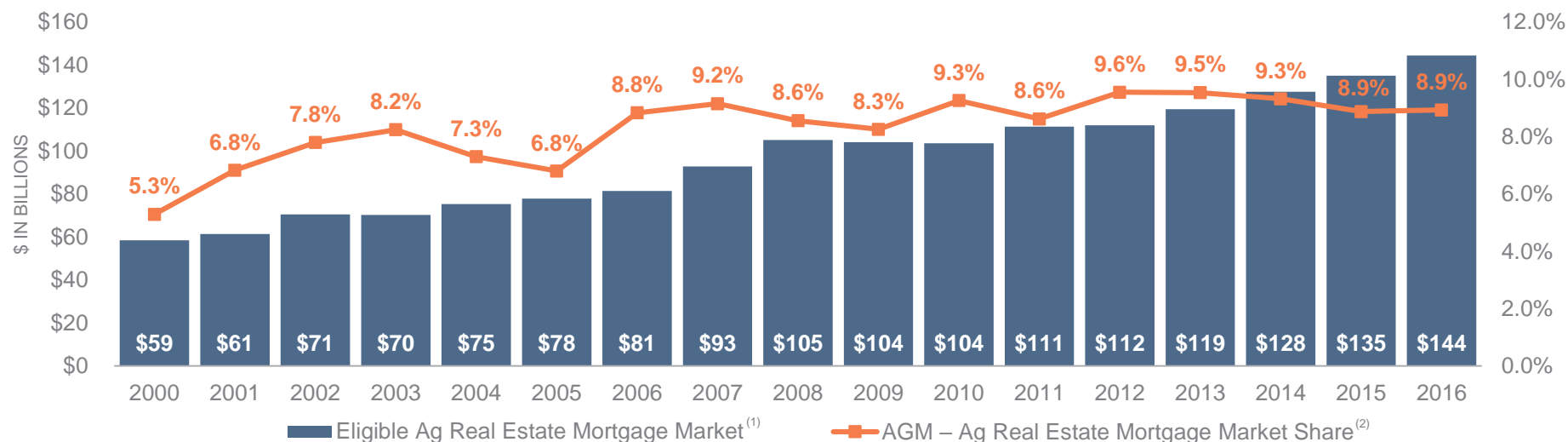
⁽³⁾ Source: CFC 10-Q, nominal dollars as of November 30, 2016, Long-term Loans Table 6.

⁽⁴⁾ Nominal dollars for 2016; Sum of FCS, non-GSE and Farmer Mac first lien RU cooperative real estate mortgage assets does not add up to the total due to the nature of Farmer Mac's secondary market business model.

⁽⁵⁾ Source: National Rural Electric Cooperative Association

Ag Real Estate Mortgage Market and Farmer Mac

Agricultural Real Estate Mortgage Market



Farmer Mac Business Volume

\$ IN BILLIONS

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2Q17
Agricultural Outstanding Business Volume ⁽²⁾	\$3.1	\$4.2	\$5.5	\$5.8	\$5.5	\$5.3	\$7.2	\$8.5	\$9.0	\$8.6	\$9.6	\$9.6	\$10.7	\$11.4	\$11.9	\$12.0	\$12.9	\$13.6
Total Outstanding Volume	\$3.1	\$4.2	\$5.5	\$5.8	\$5.5	\$5.3	\$7.2	\$8.5	\$10.1	\$10.7	\$12.2	\$11.9	\$13.0	\$14.0	\$14.6	\$15.9	\$17.4	\$18.3

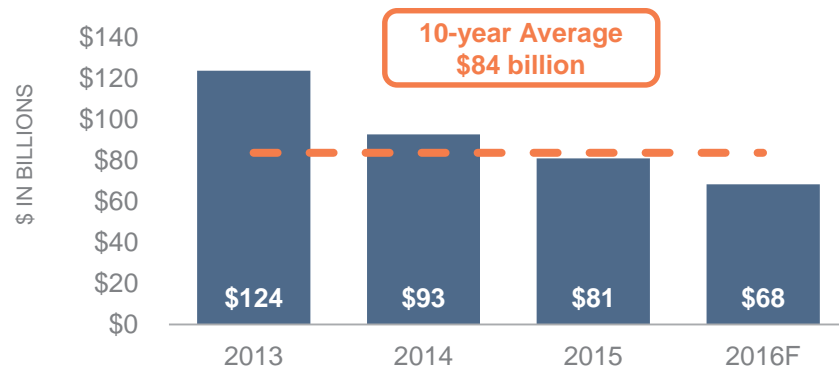
⁽¹⁾ Source: Farmer Mac calculations using USDA, Economic Research Service, Federal Reserve Board of Governors, FDIC Call Report and FCS Call Report data; nominal dollars forecast for year-end 2016 on a prorated basis (February 2017).



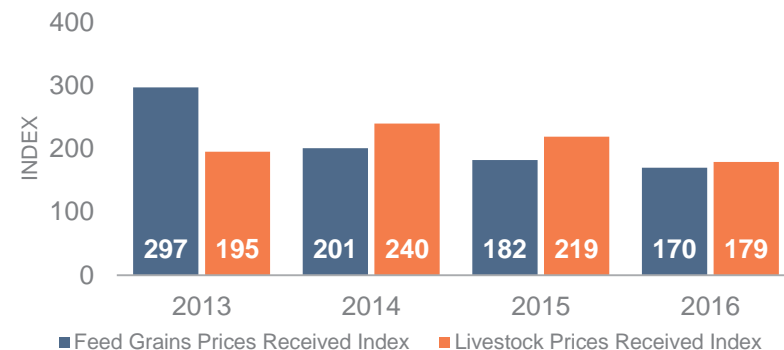
⁽²⁾ Includes total outstanding balance of loan purchases, guarantees, and Long-Term Standby Purchase Commitments (LTSPCs) in the Farm & Ranch line of business, USDA Guarantees, and AgVantage securities secured by collateral eligible for the Farm & Ranch line of business; excludes all loan purchases, guarantees, and LTSPCs in the Rural Utilities line of business and AgVantage securities secured by collateral eligible for the Rural Utilities line of business.

Agricultural Industry Dashboard

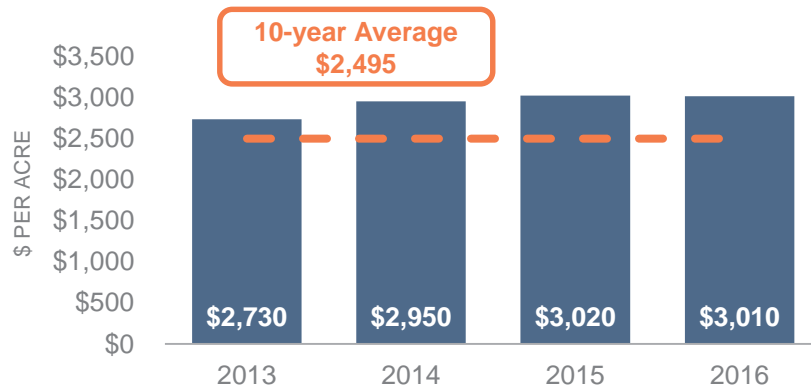
Farm Income⁽¹⁾



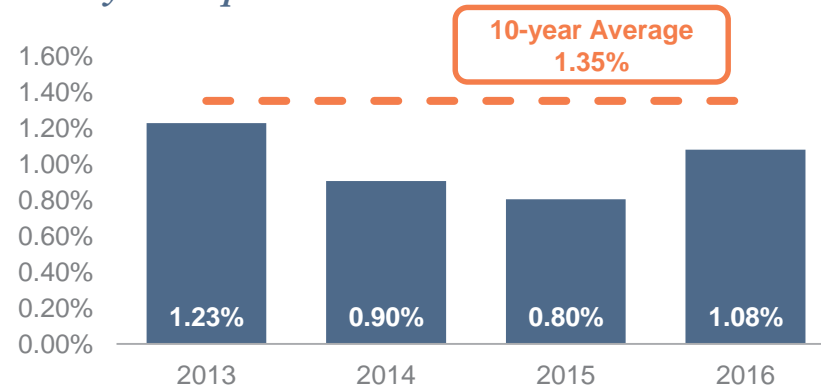
Commodity Index⁽²⁾⁽³⁾



Land Value⁽²⁾⁽⁴⁾



90-Day Delinquencies⁽⁵⁾



(1) Source: USDA, Economic Research Service, nominal dollars (as of February 2017).

(2) Source: USDA, National Agricultural Statistics Service, nominal dollars (as of March 2017).

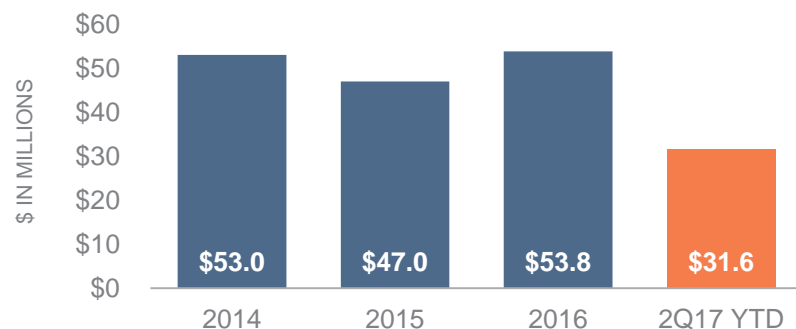
(3) Commodity prices indexed according to 1999 base year as 100.

(4) Land values per acre include all farm and pasture land, irrigated and non-irrigated.

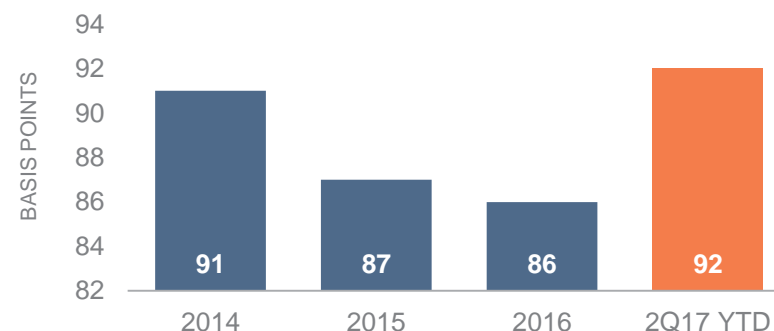
(5) Source: Kansas City Federal Reserve, Ag Finance Databook & Farm Credit Funding Corp Annual Information Statements – Non-accrual real estate loans and accruing loans that are 90 days or more past due made by commercial and Farm Credit System banks (as of May 2017).

Farmer Mac Dashboard

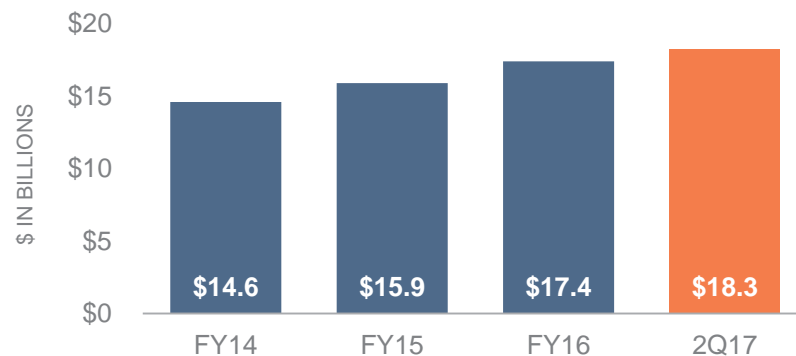
Core Earnings⁽¹⁾



Net Effective Spread⁽¹⁾

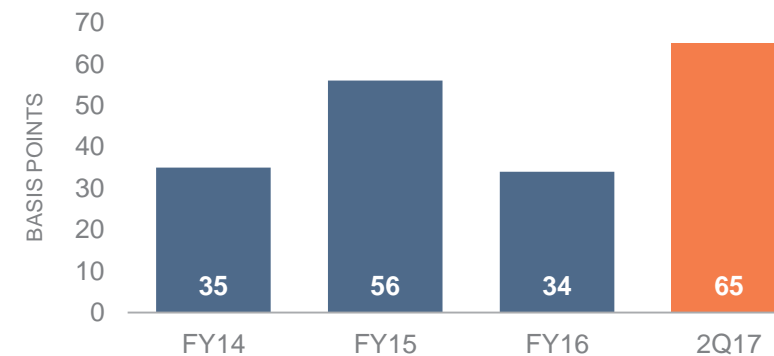


Outstanding Business Volume



90-Day Delinquencies⁽²⁾

(Farm & Ranch Line of Business Only)



⁽¹⁾ 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 36 and 38 of the "Appendix – Farmer Mac."

⁽²⁾ 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.

Farmer Mac's Investment Highlights

Quality Assets

- Rigorous underwriting standards
- Low delinquencies
- Low cumulative historical credit losses

Funding Advantage

- Finance assets through issuance of low-cost public debt
- Issue at narrow, GSE spreads to U.S. Treasuries

Growth Prospects

- Robust worldwide demand for agricultural products
- Increase market share through business development efforts
- Significant wholesale financing opportunities

Operational Efficiency

- Overhead / outstanding business volume ~ 25 bps
- Outstanding business volume ~\$200 million per employee (81 employees)

Consistent Returns

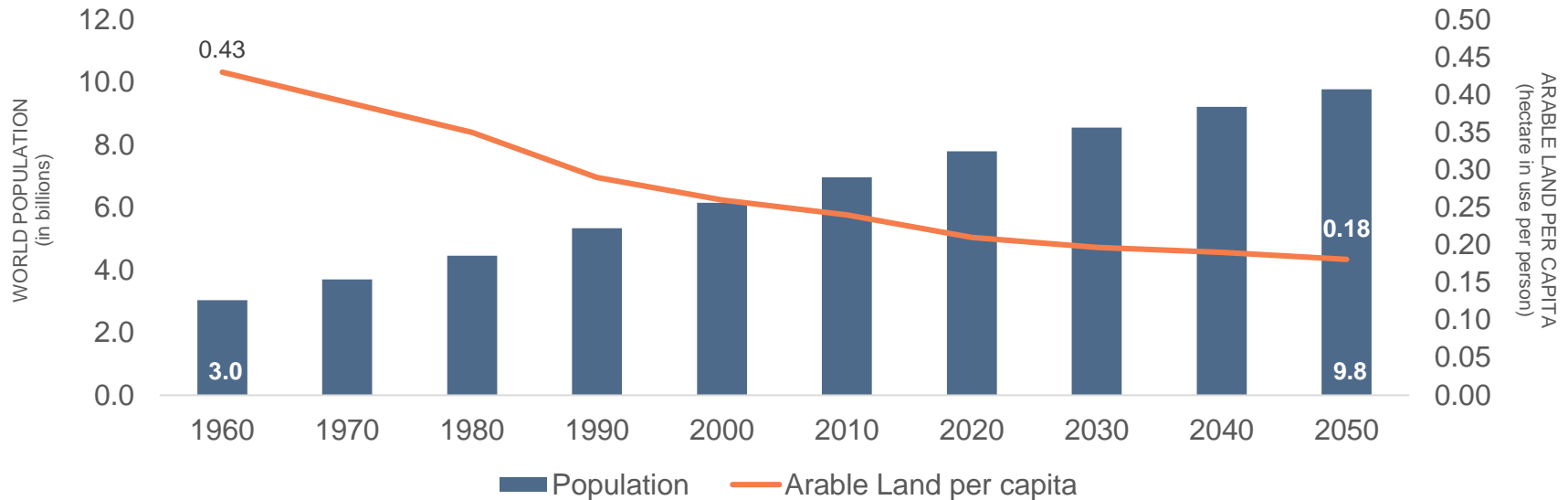
- Core earnings growth
- Annual core earnings return on equity ~ 15%
- Dividend policy targeted at growing payouts of core earnings to ~ 30% by 2018





Farmer Mac Overview

Global Outlook – “Demand Pull”^{(1) (2)}



World population is expected to grow to 9.8 billion by 2050, while arable land per person is expected to decline over 40% in the same time period

USDA projects a 75% increase in total production and consumption of major field crops between 2005 and 2050

- 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

- Thus, extremely high capacity utilization
- Creating significant “demand pull” over time

Farmer Mac's Unique Market Position

Farmer Mac enjoys a unique position, sharing in upside opportunity in strong markets and benefiting from downside protection and increased relative demand in weak markets

Strong Market – Farmer Mac can participate in the upside

- Situation: Credit is healthy, transaction volumes are high, and capital is plentiful
- Impacts on Farmer Mac:
 - Farmer Mac can benefit from higher industry volumes and healthy credit
 - However, when farm income is high and capital is plentiful, the relative value of access to GSE capital may be marginally lower
 - Earnings can benefit from lower credit costs, but spreads may be tighter

Weak Market – Farmer Mac can benefit from loss protection and increased demand due to tighter credit conditions

- Situation: Declining farm income, land values, and credit quality; less access to capital
- Impacts on Farmer Mac:
 - Farmer Mac can benefit from loss protection given its unique diversified geographic/commodity portfolio and its conservative underwriting standards
 - Farmer Mac can also benefit from the greater relative value of GSE capital in tighter credit market conditions
 - However, in bear markets, no entity will be immune to declining credit quality, although spreads may be more favorable

Farmer Mac's Downside Protection

Conservative underwriting with significant focus on repayment strength and low LTVs

- Total Debt Coverage (TDC) ratio of at least 1.25x
- Generally maximum LTVs of 60% to 70%, but in practice average 40% to 45% on mortgages purchased
- Require minimum borrower net equity of 50% across all agricultural assets
- Significant scrutiny given to property access and access to water, among other items

Farmer Mac credits less likely to default as compared to the broader industry

- Farmer Mac is generally recognized as having the tightest credit requirements for ag mortgage loans
- Primary focus on repayment capacity through stressed input assumptions during underwriting process
- Farmer Mac is not a “lender of last resort”
- Farm Credit Administration is a strong safety and soundness regulator

Farmer Mac credits less likely to incur losses even when a default occurs

- Given Farmer Mac's portfolio average LTV of 44% as of June 30, 2017, average farm asset value losses would need to be in excess of 56% to begin to generate the first dollar of loss to Farmer Mac
 - “Expected losses” of farm asset values range from 0% to 30% for various commodity types in Farmer Mac's base case scenario
 - Farmer Mac's “stress scenario losses” of farm asset values range from 17% to 50% for various commodity types
 - The 1980s agricultural credit crisis saw farm asset values decline approximately⁽¹⁾ 23% from peak to trough



⁽¹⁾ Source: USDA, National Agricultural Statistics Service (as of August 2015).

Agricultural Risk Management Tools

Farmers today use a broad array of risk management tools, many of which were not available or not accepted during the ag credit crisis of the 1980s

- Many now view costs of hedging simply as a cost of doing business
- Have learned from their parents' experiences in the 1980s
- Risk management includes revenue and cost protection and more sophisticated asset liability management

Revenue Hedging

- Crop insurance – approximately 92% of planted acres to principal crops carry some form of crop insurance⁽¹⁾
- Crop insurance premiums still federally subsidized and losses shared by the federal government
- Futures/forward sales – many producers use hedging instruments to sell grain crops forward at planting stage

Cost Hedging

- Feed costs hedged with futures/forwards
- Fertilizer and fuel costs can be similarly hedged
- Water availability can be provided via “water banks” and secondary sources of water, e.g. wells
- Water costs can also be hedged with forward purchase agreements

Debt service is better managed with low absolute leverage levels and better rate options

⁽¹⁾ Source: USDA, Risk Management Agency 2016 Summary of Business, Net Acres Insured and USDA NASS 2016 Acreage Report.

AS OF JUNE 30, 2017

FARMER MAC OVERVIEW

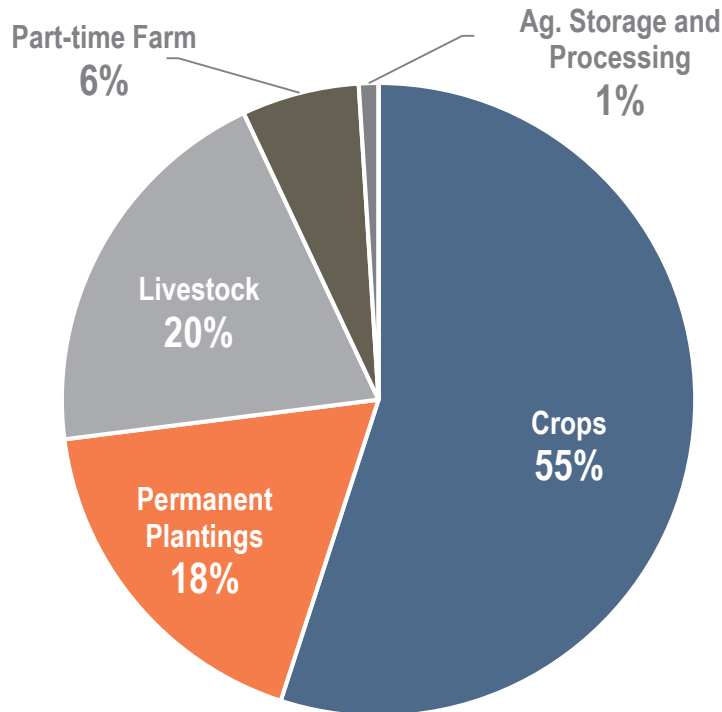
Business Development

<i>Product Type</i>	<i>Marketing Channel</i>	<i>Target Customers</i>
AG LOAN PURCHASES AND CREDIT PROTECTION	<ul style="list-style-type: none"> • Marketing department with 5 relationship managers • Geographically dispersed nationwide • Cover ag banks and non-bank originators • Seek to add new ag lenders as eligible loan sellers for Farmer Mac • Seek to add customers utilizing LTSPCs 	<ul style="list-style-type: none"> • Over 3,200 commercial banks with agricultural loans on-balance sheet (approximately 600 are currently sellers)⁽¹⁾ • Special focus on large-cap ag banks • Farm Credit System (FCS) • Insurance company ag lenders
WHOLESALE FINANCING FOR RURAL LENDERS	<ul style="list-style-type: none"> • Director of Institutional Business Development • C-suite outreach to target firms • Attend industry conferences 	<ul style="list-style-type: none"> • Insurance company ag lenders • Larger banks with ag mortgage portfolios • Rural utilities cooperative lenders
WHOLESALE FINANCING FOR INVESTORS IN AG ASSETS	<ul style="list-style-type: none"> • Same as “Wholesale Financing for Rural Lenders” above • Leverage capital markets relationships to identify ag funds and ag companies seeking low-cost wholesale financing 	<ul style="list-style-type: none"> • Public or private ag investment funds (all structures) • Agricultural companies – production ag and agribusiness (for profit and cooperative)
RURAL UTILITIES LOAN PURCHASES AND CREDIT PROTECTION	<ul style="list-style-type: none"> • C-suite relationships • Credit department contacts • Capital markets relationship contacts 	<ul style="list-style-type: none"> • National Rural Utilities Cooperative Finance Corporation (non-GSE) • CoBank (FCS GSE)

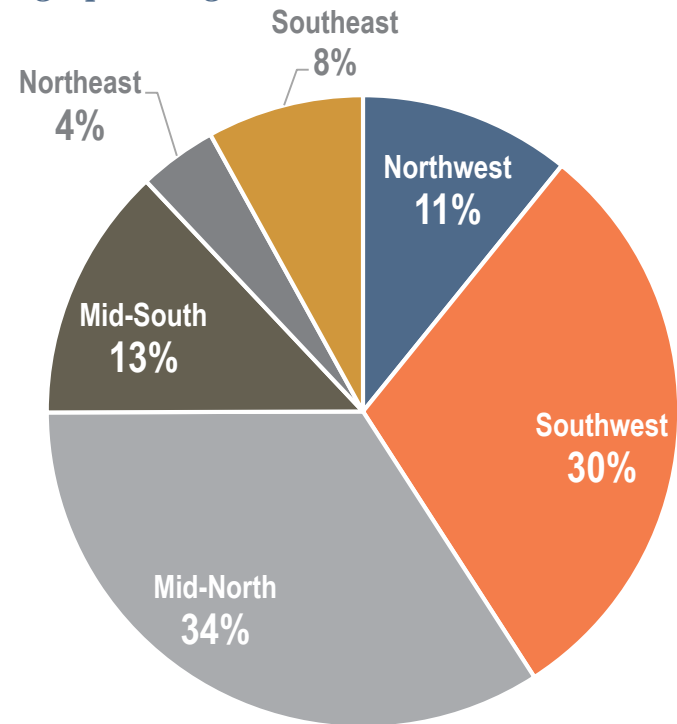
Farm & Ranch Loan Portfolio Diversification⁽¹⁾

AS OF JUNE 30, 2017

By Commodity Type



By Geographic Region



⁽¹⁾ Farm & Ranch portfolio includes on-balance sheet loans and LTSPCs.



Core Earnings Drivers⁽¹⁾

Core earnings are primarily a direct function of three key factors:

Things to Consider

BUSINESS VOLUME

- Macro supply/demand for ag credit
- Farmer Mac business development success
- Impact of potential credit quality shocks
- Impact of potential rate shocks

NET EFFECTIVE SPREAD⁽¹⁾

- Macro supply/demand for ag credit
- Absolute level of interest rates
- Business mix
- Delinquencies

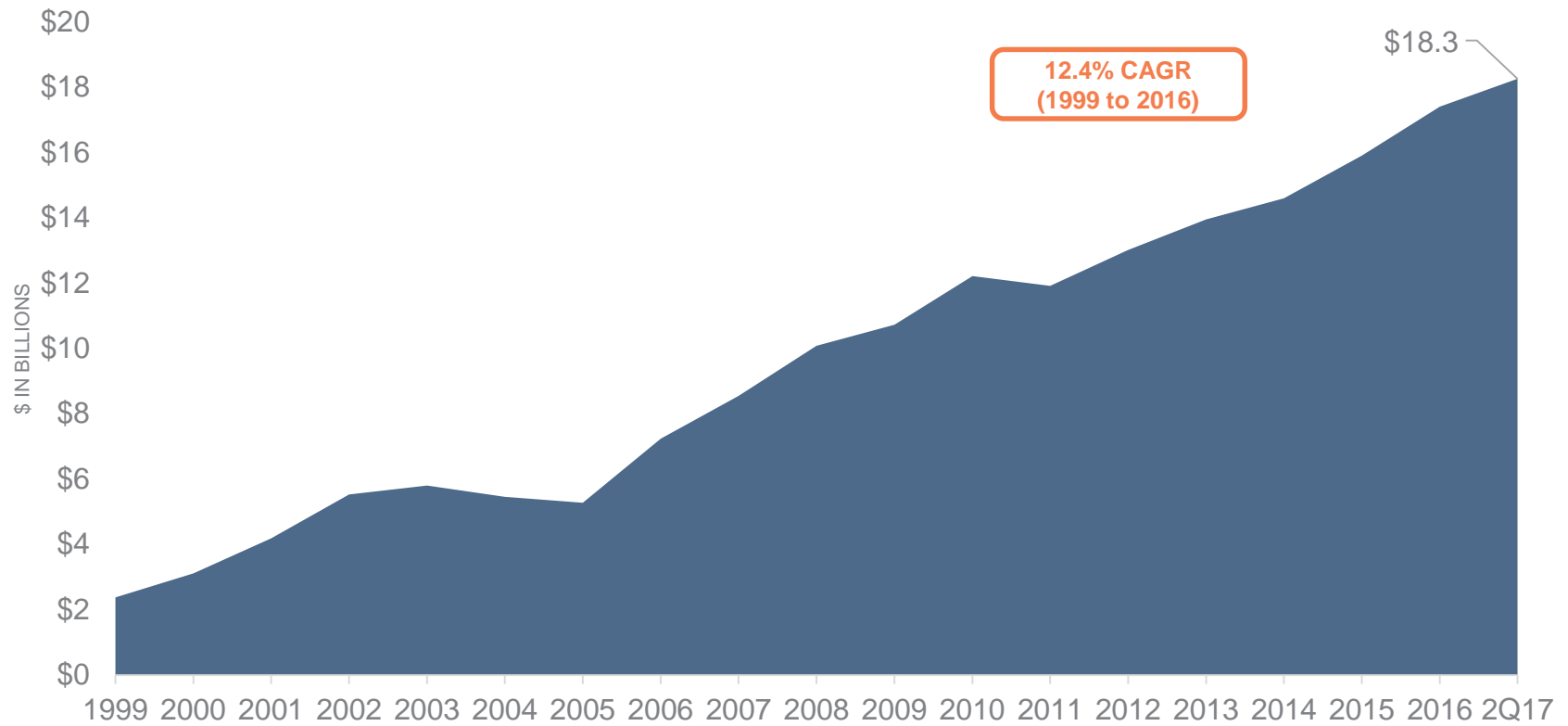
CREDIT QUALITY

- Idiosyncratic borrower impacts: death in family, divorce, & disease
 - Commodity price volatility
 - Acts of nature: droughts, disease, etc.
-

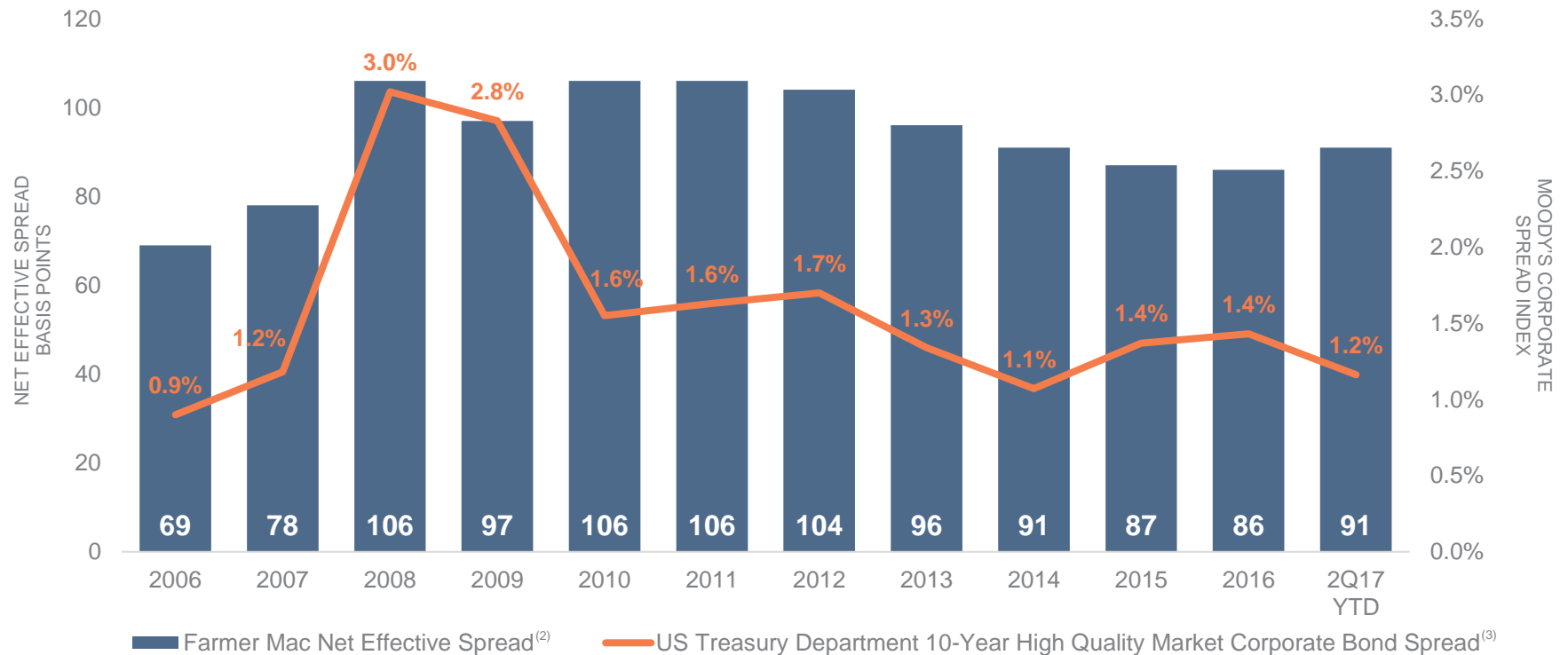


⁽¹⁾ Core earnings and net effective spread are non-GAAP measures. For a reconciliation of core earnings to GAAP net income attributable to common stockholders and a reconciliation of net effective spread to GAAP net interest income, please refer to pages 35-38 of the "Appendix – Farmer Mac."

Farmer Mac Outstanding Business Volume



Farmer Mac Net Effective Spread⁽¹⁾



⁽¹⁾ Net effective spread is a non-GAAP measure. For a reconciliation of net effective spread to GAAP net interest income, please refer to page 38 of the "Appendix – Farmer Mac." **FARMER MAC OVERVIEW**

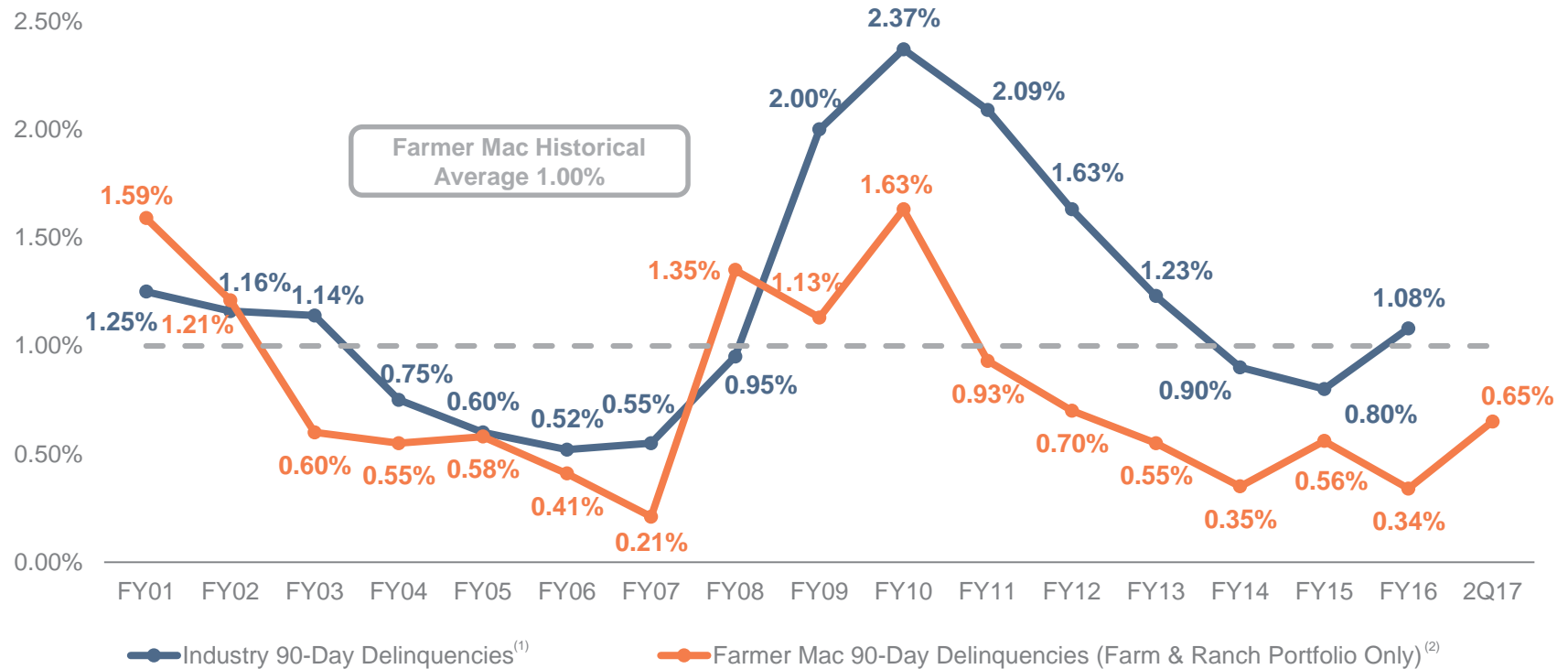
⁽²⁾ Beginning Jan. 1, 2015, Farmer Mac classified all of the income from Farmer Mac Guaranteed Securities that it holds in its portfolio as interest income. Periods prior to 2011 have not been restated.

⁽³⁾ Source: St. Louis Fed, Economic Database: Average 10-Year High Quality Market (HQM) Corporate Bond Par Yield – Average 10-Year Treasury CMT.



Farmer Mac Credit vs. Industry

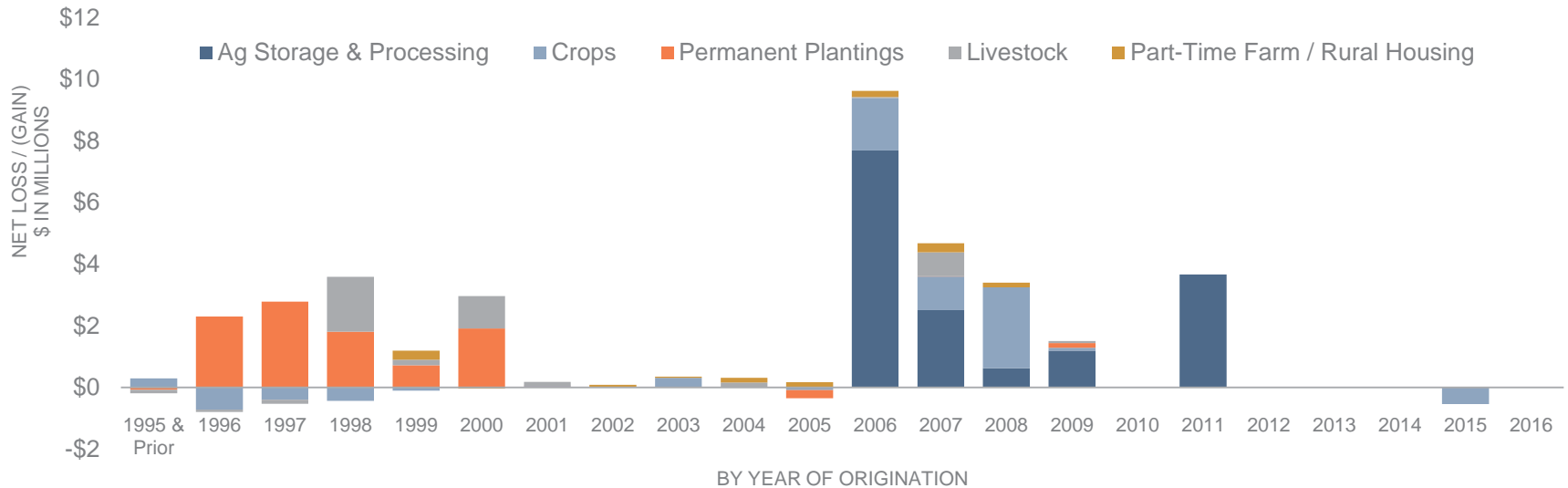
90-Day Delinquencies



⁽¹⁾ Source: Kansas City Federal Reserve, Ag Finance Databook & 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 banks and Farm Credit System institutions; Farm Credit Data as of 2016Q4; Kansas City Fed data as of 2016Q3.

⁽²⁾ 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.

Farmer Mac – Historical Credit Losses



Farm & Ranch line of business has historical cumulative losses of 0.15%, or less than 1bp per year

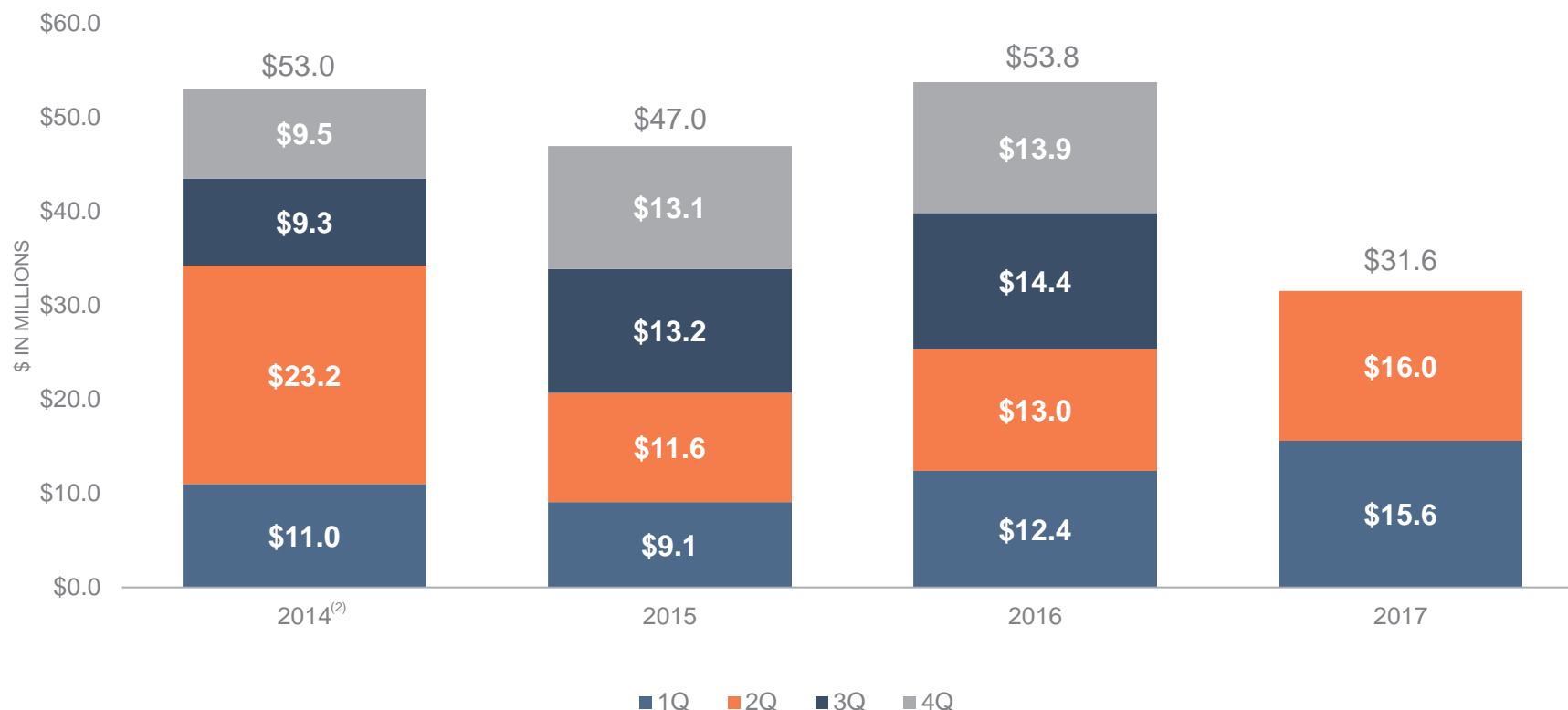
- Cumulative losses of \$34 million on \$23 billion of cumulative historical business volume

Farmer Mac's Rural Utilities, USDA Guarantees, and Institutional Credit lines of business have not had any credit losses to date



Farmer Mac Financial Performance

Core Earnings (Non-GAAP Measure)⁽¹⁾

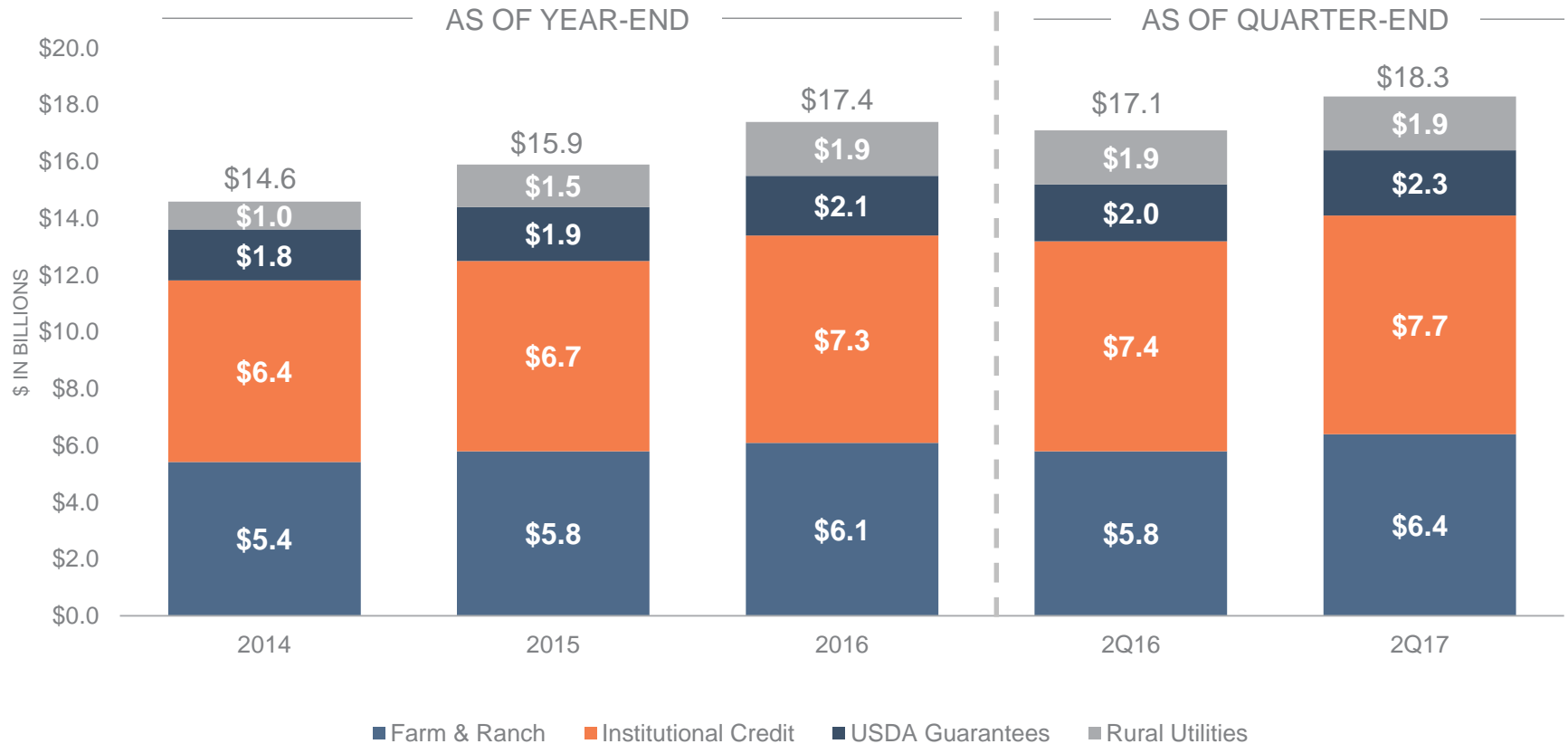


⁽¹⁾ Core earnings is a non-GAAP measure. For a reconciliation of core earnings to GAAP net income attributable to common stockholders, please refer to pages 35-36 of the "Appendix – Farmer Mac."

⁽²⁾ Core earnings for 2014 include the effects of the cash management and liquidity initiative implemented in second quarter 2014, and the capital structure initiative under which Farmer Mac issued \$150 million of preferred stock in advance of the planned March 30, 2015 redemption of all outstanding Farmer Mac II Preferred Stock and related Farm Asset-Linked Capital Securities (FALConS). Each of these initiatives have been described in Farmer Mac's prior SEC filings, including its Annual Reports on Form 10-K for the years ended December 31, 2014 and December 31, 2015, filed with the SEC on March 16, 2015 and March 10, 2016, respectively.



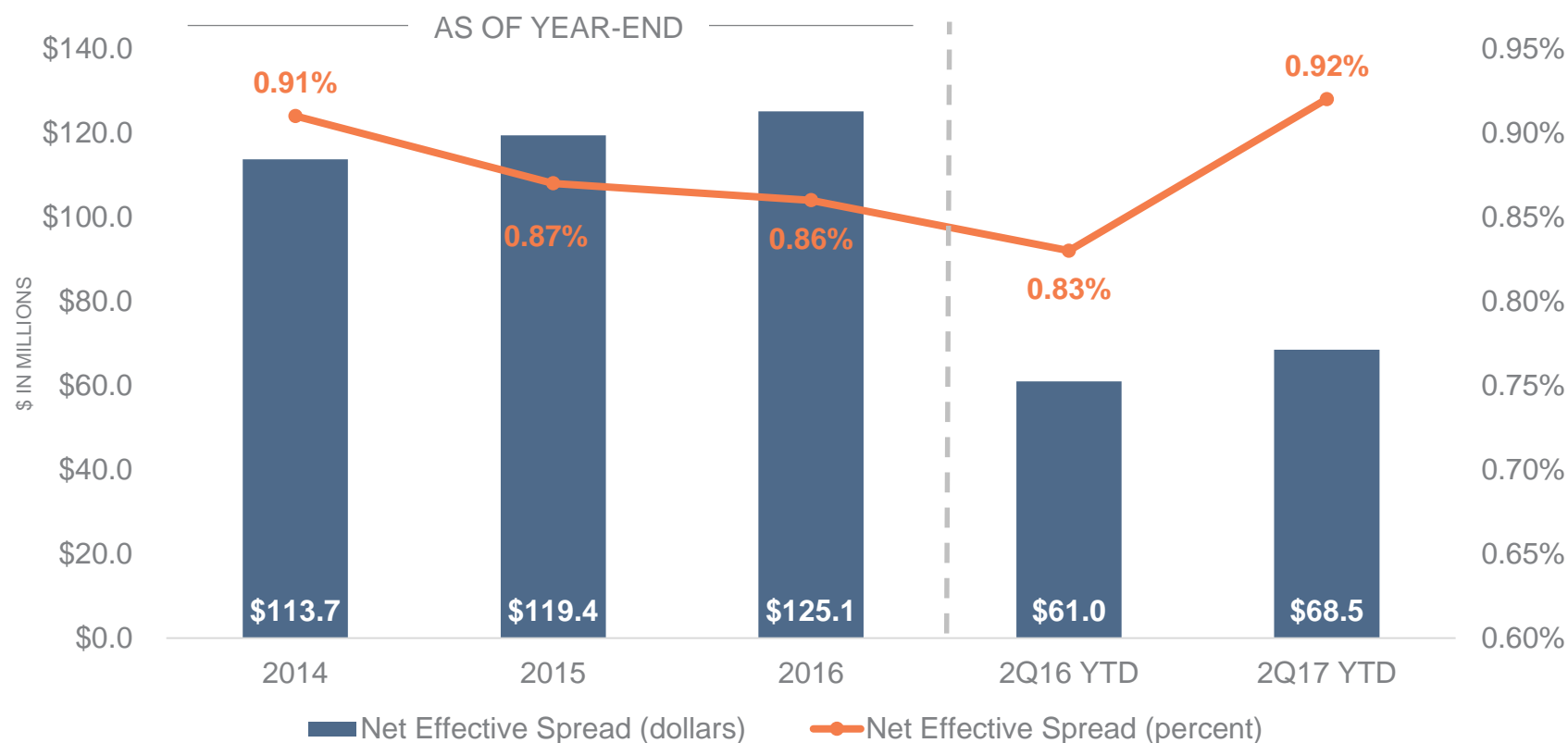
Business Volume⁽¹⁾



⁽¹⁾ Includes on- and off-balance sheet outstanding business volume.

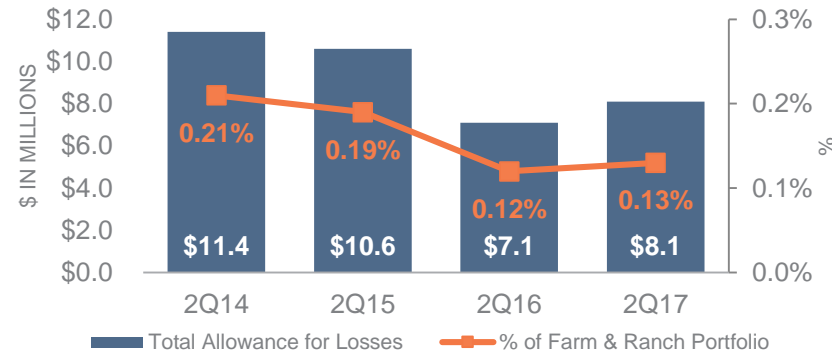


Net Effective Spread (Non-GAAP Measure)⁽¹⁾

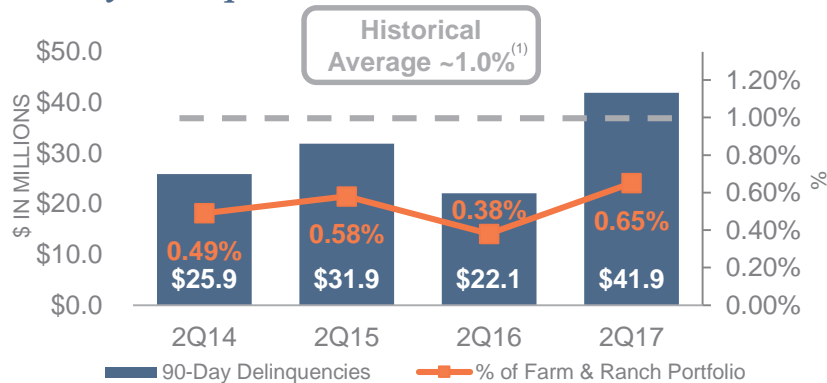


Credit Metrics

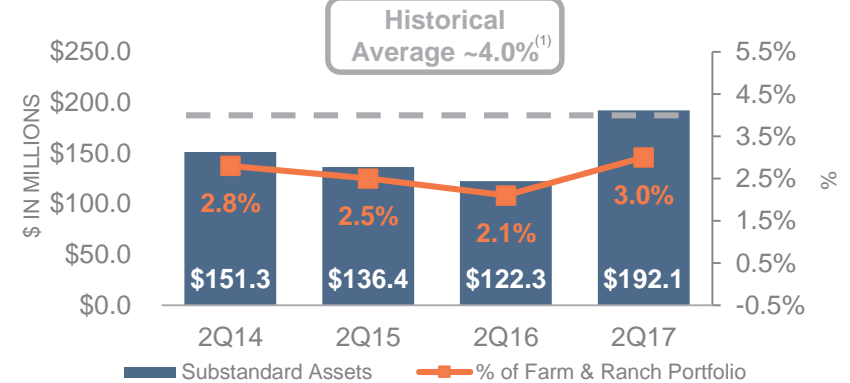
Total Allowance for Losses



90-Day Delinquencies



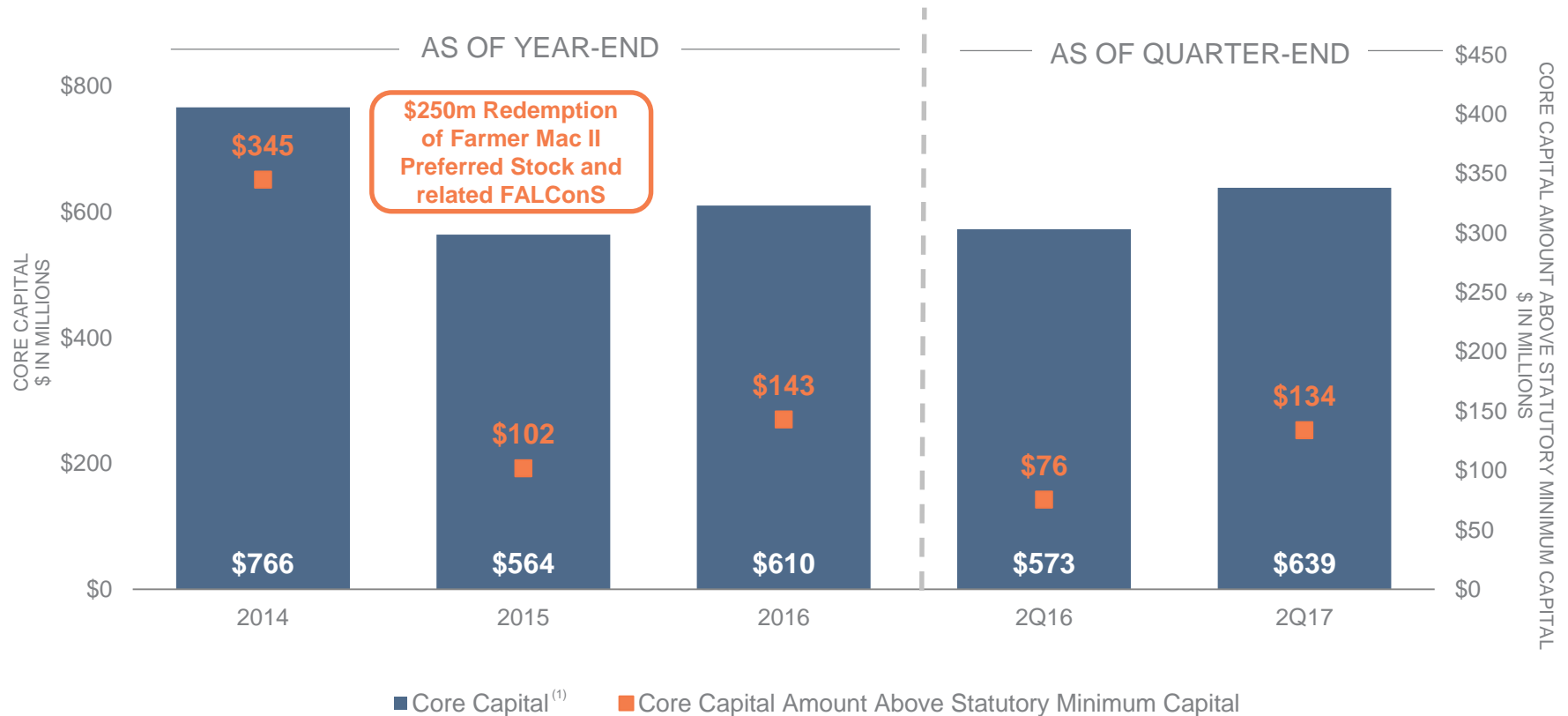
Substandard Assets



⁽¹⁾ Farmer Mac's historical averages are based on approximately 15 years of historical data for the Farm & Ranch line of business.



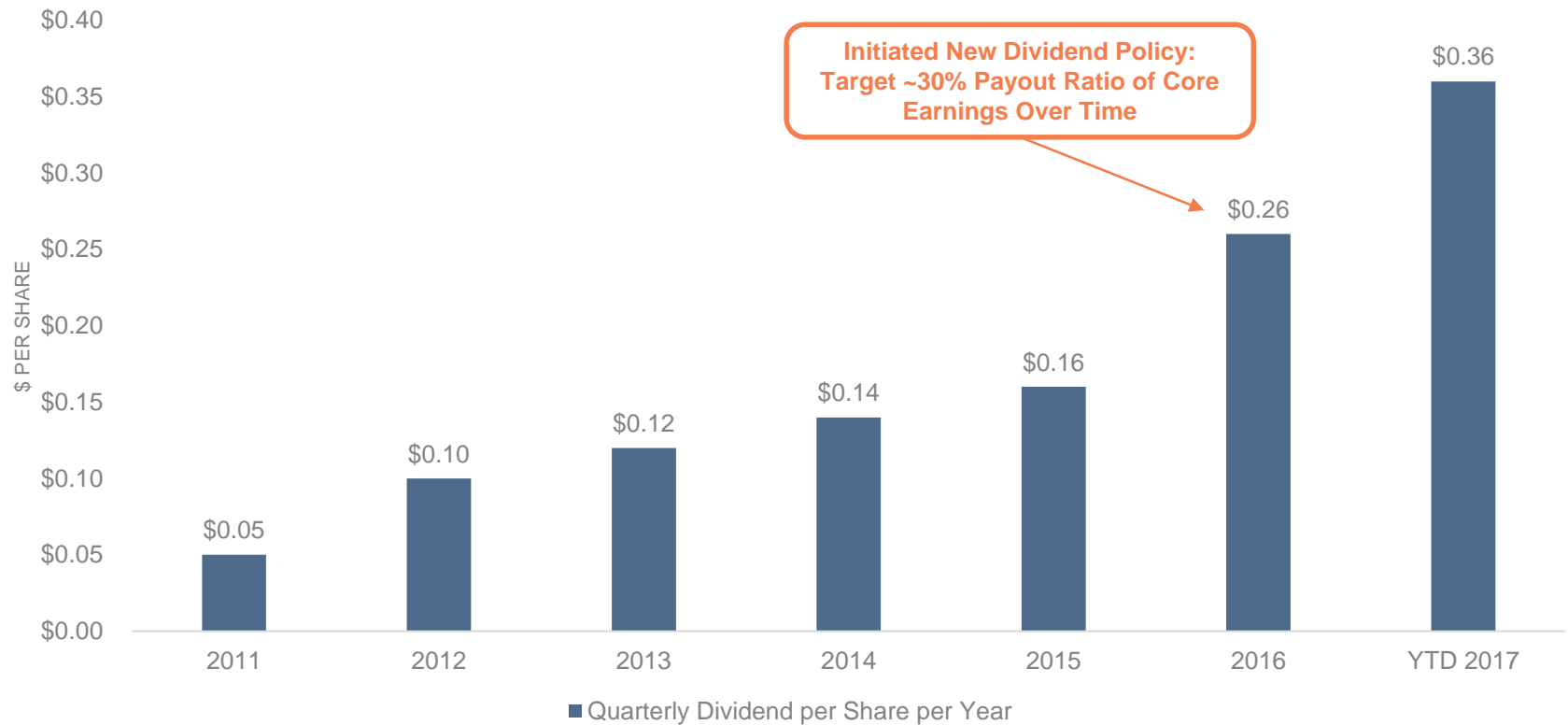
Capital



⁽¹⁾ Core capital defined as total stockholders' equity less accumulated other comprehensive income.



Historical Dividend Growth





Appendix – Farmer Mac

Key Company Metrics

(\$ in thousands, except per share amounts)	2Q17 YTD	2016	2015	2014
Core Earnings ^{(1) (2)}	\$31,559	\$53,791	\$46,975	\$53,047
Core Earnings per Diluted Share ⁽²⁾	\$2.93	\$5.01	\$4.15	\$4.67
Net Effective Spread (\$) ⁽²⁾	\$68,476	\$125,102	\$119,380	\$113,693
Net Effective Spread (%) ⁽²⁾	0.92%	0.86%	0.87%	0.91%
Guarantee & Commitment Fees	\$10,259	\$19,170	\$17,155	\$16,780
Core Capital Above Statutory Minimum	\$134,100	\$143,200	\$102,400	\$345,000
Common Stock Dividends per Share	\$0.72	\$1.04	\$0.64	\$0.56
Outstanding Business Volume	\$18,258,858	\$17,399,475	\$15,898,820	\$14,597,758
90-Day Delinquencies – Farm & Ranch	0.65%	0.34%	0.56%	0.35%
Charge-Offs	\$241	\$130	\$3,772	\$86
Book Value per Share ⁽³⁾	\$40.90	\$38.42	\$33.66	\$29.76
Core Earnings Return on Equity	15%	14%	14%	17%

⁽¹⁾ Core earnings for 2014 include the effects of the cash management and liquidity initiative implemented in second quarter 2014 and the capital structure initiative under which Farmer Mac issued \$150 million of preferred stock in advance of the planned March 30, 2015 redemption of all outstanding Farmer Mac II Preferred Stock and related FALConS. Each of these initiatives have been described in Farmer Mac's prior SEC filings, including its Annual Reports on Form 10-K for the years ended December 31, 2014 and December 31, 2015, filed with the SEC on March 16, 2015 and March 10, 2016, respectively.

⁽²⁾ Core earnings, core earnings per share, and net effective spread are non-GAAP measures. 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 35-38 of the "Appendix – Farmer Mac."

⁽³⁾ Book Value per Share excludes accumulated other comprehensive income.

Reconciliation of Core Earnings to Net Income

(\$ in thousands)	Core Earnings by Quarter Ended								
	Jun-17	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15	Jun-15
Net income attributable to common stockholders	\$ 17,488	\$ 18,615	\$ 25,465	\$ 16,364	\$ 12,006	\$ 10,317	\$ 15,032	\$ 8,359	\$ 22,162
Reconciling items:									
Gains/(losses) on financial derivatives and hedging activities due to fair value changes	2,221	4,805	17,233	1,460	(2,076)	(2,989)	2,743	(6,906)	15,982
Unrealized (losses)/gains on trading assets	(2)	(82)	(474)	1,182	394	358	696	(8)	170
Amortization of premiums/discounts and deferred gains on assets consolidated at fair value	(117)	(127)	(40)	(157)	(371)	(281)	(263)	(117)	(125)
Net effects of settlements on agency forward contracts	261	32	1,024	464	466	(255)	(162)	(390)	197
Income tax effect related to reconciling items	(827)	(1,620)	(6,210)	(1,032)	556	1,109	(1,055)	2,598	(5,679)
Core earnings	\$ 15,952	\$ 15,607	\$ 13,932	\$ 14,447	\$ 13,037	\$ 12,375	\$ 13,073	\$ 13,182	\$ 11,617

Reconciliation of Core Earnings to Net Income

(in thousands)	2Q17 YTD	Core Earnings by Period Ended		
		2016	2015	2014
Net income attributable to common stockholders	\$ 36,103	\$ 64,152	\$ 47,371	\$ 38,251
Less reconciling items:				
Gains/(losses) on financial derivatives and hedging activities due to fair value changes	7,026	13,628	10,924	(9,968)
Unrealized (losses)/gains on trading assets	(84)	1,460	1,220	1,596
Amortization of premiums/discounts and deferred gains on assets consolidated at fair value	(244)	(849)	(1,319)	(14,549)
Net effects of settlements on agency forward contracts	293	1,699	(607)	159
Loss on retirement of Farmer Mac II LLC Preferred Stock ⁽¹⁾	-	-	(8,147)	-
Income tax effect related to reconciling items	(2,447)	(5,577)	(1,675)	7,966
Core earnings	\$ 31,559	\$ 53,791	\$ 46,975	\$ 53,047



⁽¹⁾ The loss from retirement of the Farmer Mac II LLC Preferred Stock in first quarter 2015 has been excluded from core earnings because it is not a frequently occurring transaction and not indicative of future operating results. This is also consistent with Farmer Mac's previous treatment of these types of origination costs associated with securities underwriting that are capitalized and deferred during the life of the security.

Reconciliation of Core Earnings per Share to Earnings per Common Share

	For the Three Months Ended		For the Year Ended		
	Jun-17	Jun-16	Dec-16	Dec-15	Dec-14
GAAP - Diluted EPS	\$ 1.62	\$ 1.13	\$ 5.97	\$ 4.19	\$ 3.37
Less reconciling items:					
Gains/(losses) on financial derivatives and hedging activities due to fair value changes	0.21	(0.20)	1.26	0.97	(0.87)
Unrealized (losses)/gains on trading assets	-	0.04	0.14	0.11	0.14
Amortization of premiums/discounts and deferred gains on assets consolidated at fair value	(0.01)	(0.03)	(0.08)	(0.12)	(1.28)
Net effects of settlements on agency forward contracts	0.02	0.04	0.16	(0.05)	0.01
Loss on retirement of Farmer Mac II LLC Preferred Stock ⁽¹⁾	-	-	-	(0.72)	-
Income tax effect related to reconciling items	(0.08)	0.05	(0.52)	(0.15)	0.70
Sub-total	0.14	(0.10)	0.96	0.04	(1.30)
Core Earnings - Diluted EPS	\$ 1.48	\$ 1.23	\$ 5.01	\$ 4.15	\$ 4.67



⁽¹⁾ The loss from retirement of the Farmer Mac II LLC Preferred Stock in first quarter 2015 has been excluded from core earnings because it is not a frequently occurring transaction and not indicative of future operating results. This is also consistent with Farmer Mac's previous treatment of these types of origination costs associated with securities underwriting that are capitalized and deferred during the life of the security.

Reconciliation of Net Effective Spread to Net Interest Income

(in thousands)	Net Effective Spread by Period Ended											
	2Q17 YTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net interest yield	0.95%	0.90%	0.88%	0.51%	0.89%	1.14%	1.30%	1.30%	1.68%	1.62%	0.85%	0.85%
Net effect of consolidated trusts	0.04%	0.03%	0.01%	0.00%	0.00%	0.02%	0.06%	0.15%	0.00%	0.00%	0.00%	0.00%
Net effect of securities purchased under agreement to resell and securities sold, not yet purchased	0.00%	0.00%	0.00%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expense related to undesignated financial derivatives	-0.07%	-0.08%	-0.04%	-0.07%	-0.10%	-0.23%	-0.41%	-0.54%	-0.70%	-0.49%	0.00%	-0.07%
Amortization of premiums/discounts on assets consolidated at fair value	0.00%	0.01%	0.02%	0.12%	0.17%	0.12%	0.12%	0.19%	0.00%	0.00%	0.00%	0.00%
Yield maintenance payments ⁽¹⁾	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%	-0.01%	-0.04%	-0.01%	-0.07%	-0.07%	-0.09%
Net Effective Spread	0.92%	0.86%	0.87%	0.91%	0.96%	1.04%	1.06%	1.06%	0.97%	1.06%	0.78%	0.69%

⁽¹⁾ Beginning in 2013, Farmer Mac no longer excluded yield maintenance payments.

Farmer Mac's Net Effective Spread History⁽¹⁾

(\$ in thousands)	Net Effective Spread by Business Segment										Net Effective Spread ⁽¹⁾	
	Farm & Ranch		USDA Guarantees		Rural Utilities		Institutional Credit		Corporate			
	Dollars	Yield	Dollars	Yield	Dollars	Yield	Dollars	Yield	Dollars	Yield	Dollars	Yield
For the quarter ended:												
June 30, 2017	\$ 11,331	1.80%	\$ 4,681	0.90%	\$ 2,736	1.09%	\$ 14,395	0.81%	\$ 2,467	0.35%	\$ 35,610	0.92%
March 31, 2017	10,684	1.80%	4,703	0.91%	2,639	1.06%	12,581	0.82%	2,259	0.32%	32,866	0.91%
December 31, 2016	10,349	1.78%	5,334	1.08%	2,623	1.05%	11,627	0.78%	1,995	0.26%	31,928	0.89%
September 30, 2016	10,703	1.90%	5,189	1.07%	2,643	1.05%	11,427	0.75%	2,237	0.24%	32,199	0.86%
June 30, 2016	9,875	1.78%	4,588	0.96%	2,562	1.03%	11,407	0.77%	2,594	0.29%	31,026	0.84%
March 31, 2016	9,461	1.71%	4,308	0.91%	2,538	1.02%	11,090	0.80%	2,552	0.26%	29,949	0.82%
December 31, 2015	9,381	1.72%	4,518	0.96%	2,845	1.14%	10,899	0.80%	2,306	0.26%	29,949	0.85%
September 30, 2015	9,628	1.80%	4,630	0.99%	2,907	1.18%	11,271	0.81%	1,951	0.25%	30,387	0.88%
June 30, 2015	9,681	1.82%	4,466	0.98%	2,838	1.18%	10,860	0.78%	1,942	0.25%	29,787	0.88%



⁽¹⁾ Net effective spread is a non-GAAP measure. For a reconciliation of GAAP net interest income to net effective spread, please refer to page 38 of the "Appendix – Farmer Mac."

Liquidity – Investment Portfolio

AS OF JUNE 30, 2017

Farmer Mac maintains an investment portfolio to provide back-up source of liquidity in excess of regulatory requirements

- Minimum of 90 days of liquidity required by regulation

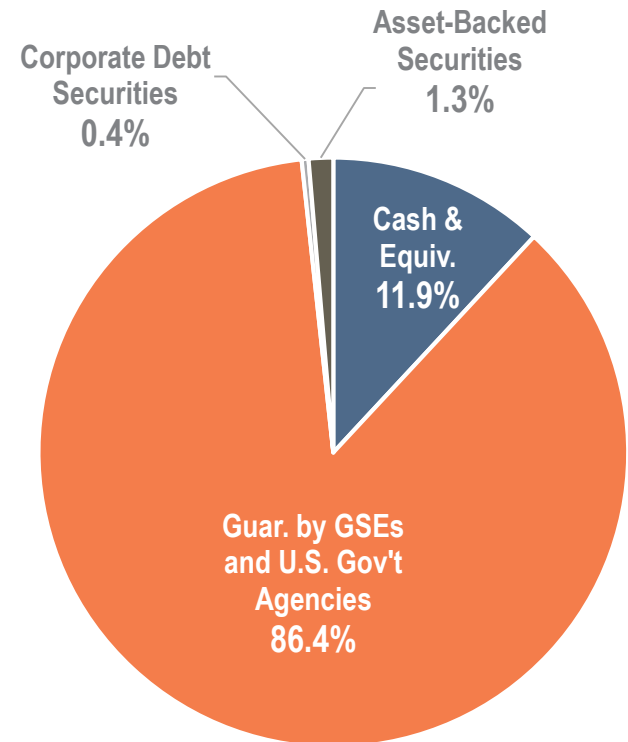
\$2.7 billion investment portfolio at June 30

- Cash and highly-rated investment securities
- Conservative portfolio goals
 - Minimize exposure to market volatility
 - Preservation of capital
 - Ready access to cash
- Provided 208 days of liquidity as of June 30, 2017

Farmer Mac also has \$1.5 billion line of credit with U.S. Treasury

- Supports Farmer Mac's guarantee obligations
- Farmer Mac has never used this line of credit

Liquidity Portfolio



Interest Rate Risk

Match fund asset purchases with liabilities that have similar interest rate characteristics

- Duration and convexity matching
- Coupon type
- Reset frequency

Manage pre-payment risk on mortgages

- Issue a portfolio of callable and bullet debt across spectrum of maturities to obtain the appropriate match
- Can adjust effective asset and debt coupon and duration characteristics through the use of interest rate swaps or other derivatives

Perform regular stress testing and disclose a variety of sensitivity measures

- Duration Gap
- Market Value of Equity (MVE) Sensitivity
- Net Interest Income (NII) Sensitivity
- Measure these sensitivities' impact on various capital metrics



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 federally supervised financial institutions (banks, etc.)

Debt Securities Trade at Narrow Spreads to Comparable Maturity Treasuries

MATURITY (YEARS)	1	3	5	10
SPREAD TO TREASURY (AS OF JUNE 30, 2017)	5 bps	15 bps	17 bps	50 bps



Equity Capital Structure

		<i>NYSE Ticker</i>	<i>Dividend Yield</i>	<i>Shares Outstanding</i>
COMMON STOCK	CLASS A VOTING COMMON STOCK • Ownership restricted to non-Farm Credit System financial institutions	AGM.A	2.26% ⁽¹⁾	1.0 million
	CLASS B VOTING COMMON STOCK • Ownership restricted to Farm Credit System institutions	--	--	0.5 million
	CLASS C NON-VOTING COMMON STOCK • No ownership restrictions	AGM	2.23% ⁽¹⁾	9.1 million
PREFERRED STOCK	SERIES A NON-CUMULATIVE PREFERRED STOCK • Option to redeem at any time on or after January 17, 2018 • Redemption Value: \$25 per share	AGM.PR.A	5.875% ⁽²⁾	2.4 million
	SERIES B NON-CUMULATIVE PREFERRED STOCK • Option to redeem at any time on or after April 17, 2019 • Redemption Value: \$25 per share	AGM.PR.B	6.875% ⁽²⁾	3.0 million
	SERIES C FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK • Option to redeem at any time on or after July 18, 2024 • Redemption Value: \$25 per share	AGM.PR.C	6.000% ⁽²⁾	3.0 million



⁽¹⁾ Common stock dividend annualized divided by quarter-end closing price

⁽²⁾ Par value of annual dividend



Appendix – Agricultural Industry

State of Agriculture – ^{(1) (2) (3)} USDA Forecasts

Grain prices fell again in 2016 due to record plantings/yields; livestock also under pressure

- Ending stocks increased for most major grains due to another year of bumper production
- Grain exports increased by 1.4% despite a stronger dollar, driven by lower commodity prices
- All livestock and animal products sectors experienced lower prices due to large supplies and stiff foreign competition

Farm income fell nearly 16% in 2016

- 2017 would be the fourth consecutive year of declining income
- USDA currently projects a 9% decline in 2017

Average inflation-adjusted U.S. agricultural real estate values decreased 1.6% in 2016

- Corn Belt farmland values fell as much as 8% during 2016 as falling grain prices continued to pressure profitability
- Rest of U.S. land values remain stable to modestly increasing, led by demand in Pacific and Southern states

Land sales transactions continue to slow with lower income and declining land values

- However, demographic trend (average age of U.S. farmer >60 years) provides support of primary transaction volume

California drought largely tempered by wet winter storms

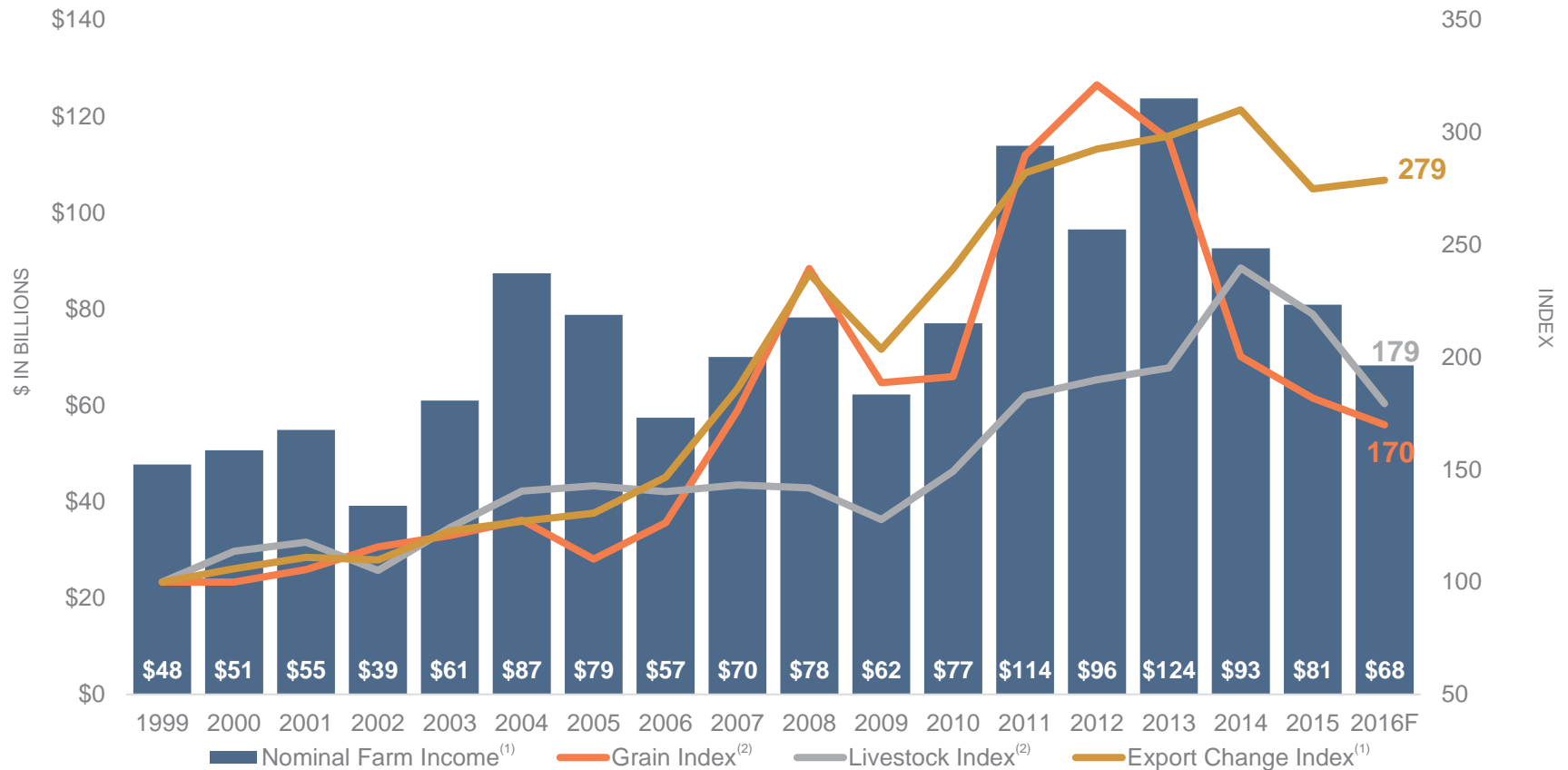
- Reservoirs and snow pack well above normal levels; soil moisture returning to normal
- Farmer Mac portfolio in Western states remained strong throughout drought conditions

⁽¹⁾ Source: USDA, National Agricultural Statistics Service, Nominal (current dollars) (as of February 2017).

⁽²⁾ Source: USDA, Economic Research Service, Nominal (current dollars) (as of February 2017).

⁽³⁾ Source: Federal Reserve Bank of Chicago Seventh District, Ag Credit Conditions Survey AgLetter (as of February 2017).

Farm Income and Related Trends

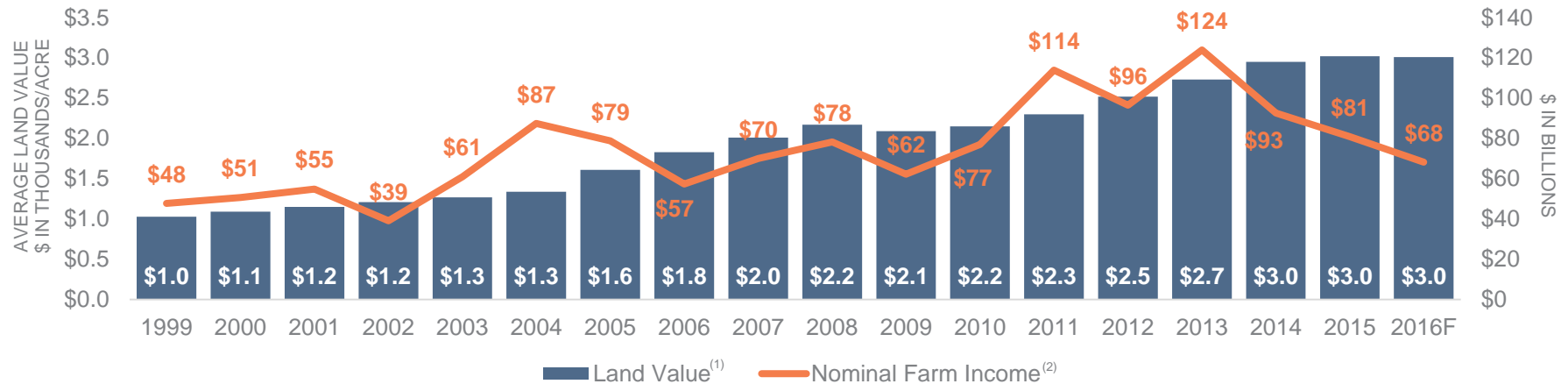


⁽¹⁾ Source: USDA, Economic Research Service, nominal dollars (as of February 2017).

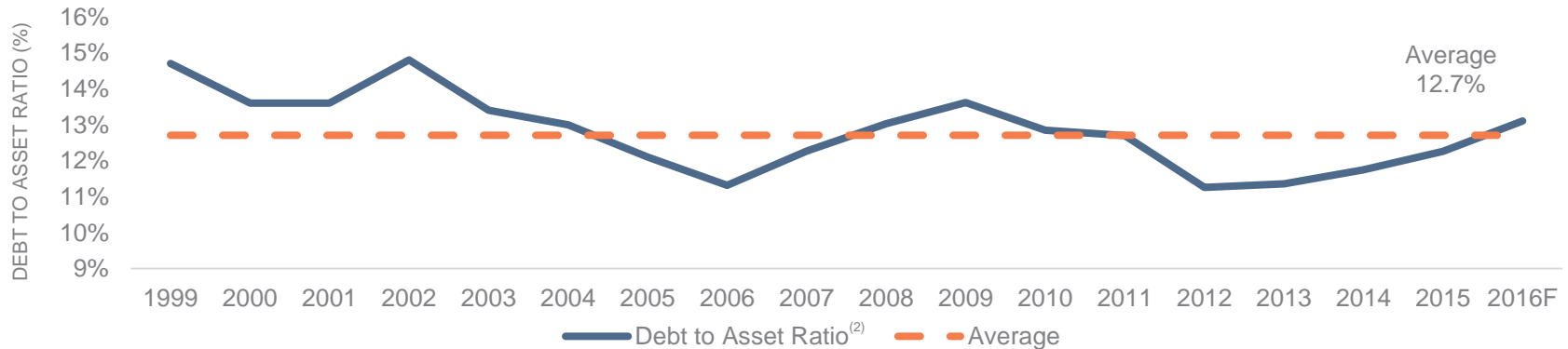
⁽²⁾ Source: USDA, National Agricultural Statistics Service; Indexed to 1999 as 100.

Ag Land Value and Leverage Trends

Ag Land Values



Leverage



⁽¹⁾ Source: USDA, National Agricultural Statistics Service, nominals dollars, (as of August 2017); includes all farm and pasture land, irrigated and non-irrigated.

⁽²⁾ Source: USDA, Economic Research Service, nominal dollars (as of February 2017).

USDA – Key 2017 Forecasts ^{(1) (2) (3) (4)}

Demand for U.S. agricultural products to increase

- Demographic trends and a stabilizing global economy contributing to growth
- Lower commodity prices stimulating quantity demanded
- Total U.S. export values to increase 6% to \$137 billion led by greater interest in livestock, poultry, and dairy exports

U.S. farm income to decline approximately 9% to \$62 billion in 2017

- Grain prices remain range-bound at lower levels, but prices in the last quarter of the year will reflect this year's harvest
- Despite increased production, livestock prices have been higher than the USDA's initial projections so far in 2017
- Input costs are stable to modestly declining
 - Increasing labor, interest, and fuel costs largely offset by declines in feed, animal, seed, and fertilizer costs

Average U.S. ag land values expected to stay flat to slightly higher

- Declining land values in the corn belt have stabilized in 2017 (down -0.5% YTD)
 - USDA data shows year-over-year increases in Iowa and Wisconsin
- Rest of U.S. remains stable to increasing – demand steady in non-grain producing regions
 - Quickest growth seen in Pacific and Southern states

U.S. agricultural mortgage market forecast to grow 7% in 2017

(1) Source: USDA, National Agricultural Statistics Service, nominal dollars (as of July 2017).

(2) Source: USDA, Economic Research Service, nominal dollars (as of February 2017).

(3) Source: USDA, World Agricultural Supply and Demand Estimates Report, nominal dollars (as of July 2017).

(4) Source: USDA, Economic Research Service Trade Outlook (as of May 2017).

