

Fundamental Strengths of the Farm Credit System

COOPERATIVE STRUCTURE

The Farm Credit System is a network of borrower-owned lending institutions and affiliated service organizations. Our cooperative structure and governance are designed to ensure that our lending and financially related services help to fulfill the needs of agriculture and rural America. As a cooperative, our member-borrowers have a vested interest in the System's continued strength and financial success, ensuring mission focus. Our specialization has cultivated an unparalleled expertise in American agriculture and an understanding of the diverse needs of our customers.

INDEPENDENT FEDERAL REGULATION

The System is regulated by the Farm Credit Administration (FCA), an independent Federal agency responsible for overseeing the safety and soundness of the Farm Credit System. The FCA regularly examines all Farm Credit institutions.

CONSERVATIVELY MANAGED AND FINANCIALLY STRONG

The System has enjoyed consistent profitability while preserving a conservative balance sheet, low leverage, and strong capital ratios. While the Farm Credit System's financial strength is built upon our prudent financial management and business practices, our favorable financial results are also a reflection of the fundamentals of the agricultural economy we serve.

SOLID CREDIT QUALITY

Farm Credit System institutions adopt strict underwriting policies for prudent lending that follow commercial bank industry standards, with consideration given to borrowers' cash flow, repayment capacity, collateral, capital, and intended use of funds. This rigorous credit review contributes to a solid credit profile and helps to minimize loan losses.

BROAD LOAN DIVERSIFICATION

The diversity of American agriculture is reflected in Farm Credit's loan portfolio, which covers all 50 states, U.S. territories, and Puerto Rico. This diversification across geographic, agricultural commodity and industry categories minimizes the potential impact of significant stress in any one agricultural sector or region on the strength of the System.

SELF-FUNDED INSURANCE FUND

The Farm Credit System is the only GSE with a self-funded insurance fund, an additional level of protection for our investors. Administered by an independent federal government-controlled corporation, the Insurance Fund exists primarily to insure the timely payment of principal and interest on Farm Credit Systemwide Debt Securities, to the extent funds are available.

FEDERAL FARM CREDIT BANKS FUNDING CORPORATION

10 Exchange Place | Suite 1401 | Jersey City, New Jersey 07302 | (201)200-8000

www.farmcreditfunding.com

This overview is provided for general information purposes only. It is not an offer to sell or a solicitation of an offer to buy any Farm Credit Systemwide Debt Securities (Debt Securities). Debt Securities are offered only in jurisdictions where permissible by offering documents available through our Selling Group. Debt Securities may not be eligible for sale in certain jurisdictions or to certain persons and may not be suitable for all types of investors. All statements made in this overview are qualified in their entirety by the information in the most recent Federal Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes Offering Circular and related supplements, including the financial and other Systemwide information incorporated therein, and other offering documents. Copies of offering documents can be obtained, if permitted by applicable law, by calling the Federal Farm Credit Banks Funding Corporation at 201-200-8000, through Selling Group Members, and through the Funding Corporation's website at www.farmcreditfunding.com.

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INVESTING IN AMERICAN AGRICULTURE



America's farmers and ranchers play a vital role in the health and economic prosperity of the nation. The United States is a world leader in the production and export of agricultural goods, contributing to a safe, abundant, and affordable food supply. But world demand for food is growing and changing, and U.S. agriculture is faced with the challenge of meeting these global needs. American farmers must continue to innovate, and a reliable source of credit to finance their operations is essential. Financially strong, experienced, and committed to American agriculture and rural America, Farm Credit is well positioned to meet their financial needs.

For almost a century, the Farm Credit System has been a valued partner for agriculture and rural America, helping to build a strong, prosperous U.S. agricultural economy. By providing a consistent source of funding for farmers and ranchers, we help ensure American agriculture's place as one of the most successful agricultural systems in the world.

Investors in Farm Credit Systemwide Debt Securities play an essential role in the success of U.S. agriculture and rural America by providing the funds we lend to fulfill our mission. Investors benefit from the strength of the Farm Credit System, its sound business practices, and the additional level of security provided by the Farm Credit Insurance Fund.

The Farm Credit System

As the nation's first government sponsored enterprise, the Farm Credit System was created by Congress in 1916 as a source of sound, dependable credit for American agriculture and rural America. For almost a century, Farm Credit has been a stable and reliable partner for American agriculture, playing an important role in the economic viability of agriculture and rural communities nationwide. Today, Farm Credit funds approximately 41 percent of all U.S. farm debt (February 2014, USDA ERS).



Funding the Farm Credit System

The Farm Credit System relies on the capital markets to finance our agricultural loan portfolio and day-to-day operations. The Funding Corporation, part of the Farm Credit System, manages funding programs designed to satisfy our System Banks' financing and risk-management needs while responding to market changes and investor demand. A dedicated group of securities dealers underwrite and distribute the Systemwide Debt Securities, ensuring market access through well-developed channels. Discount notes, callable bonds, floating rate bonds, Designated Bonds, and retail bonds each have unique investment characteristics to meet the diverse needs of our investors.

All Farm Credit Consolidated Systemwide Debt Securities are:

- Issued in a variety of maturities and structures each business day
- Highly rated by Standard & Poor's, Moody's and Fitch (AA+/A-1+, Aaa/P-1, AAA/F1+)
- Joint and several obligations of the four Farm Credit System Banks
- Insured by the Farm Credit System Insurance Corporation
- Actively traded in the capital markets
- Purchased by investors worldwide
- Generally exempt from state, local and municipal tax on bond and note interest
- Risk weighted at 20% by the Bank for International Settlements
- Generally issued, maintained and transferred on the Federal Reserve book-entry system (Retail Bonds clear through the Depository Trust Company)

	Discount Notes	Designated Bonds	Floating-Rate Bonds	Fixed-Rate Bonds (Non-Callable)	Fixed-Rate Bonds (Callable)	Retail Bonds
Offered	Daily/reverse inquiry	Quarterly (as needed)	As needed/reverse inquiry/ System interest is conveyed daily	As needed/reverse inquiry/ System interest is conveyed daily	As needed/reverse inquiry/ System interest is conveyed daily	Weekly (May include Survivor's Option)
Program Maturity	1-365 days	1-30 years	1-30 years	1-30 years	1-30 years	1-30 years
Typical Maturity Range	Overnight, 5 days-2 months	2 through 10 year Non- Callable, Callable and Floating- Rate Bonds	1-5 years	1-5 years	1-5 years	2-20 years
Call Feature	N/A	If callable, European	If callable, American, Bermudan, European; 3 month and longer lockouts	N/A	American, Bermudan, European; 3 month and longer lockouts	If callable, American, Bermudan, European; 3 month and longer lockouts
Denomination	\$1,000 minimum \$1,000 increments	\$1,000 minimum \$1,000 increments	\$1,000 minimum \$1,000 increments	\$1,000 minimum \$1,000 increments	\$1,000 minimum \$1,000 increments	\$1,000 minimum \$1,000 increments
Settlement	Cash/Regular	3-5 business days	5-7 business days	5-7 business days	5-7 business days	3-5 business days
Typical Index	N/A	N/A	LIBOR, Prime, T-Bills, Fed Funds	N/A	N/A	If floating rate LIBOR, Prime, T-Bills, Fed Funds
Day Count	Actual/360	30/360	Actual/360, Actual/Actual (depends on index)	30/360	30/360	30/360 (fixed rate), index dependent (floating rate)
Payment Frequency	At maturity	Semi-annually	Monthly, Quarterly, Semi-annually	Semi-annually	Semi-annually	Monthly, Quarterly, Semi-annually - on the 15th of the month
Method of Issuance	Customer orders filled on first come/ first served basis	Syndicate	Auctioned/Negotiated	Auctioned/Negotiated	Auctioned/Negotiated	Offerings posted weekly
Information Services	Bloomberg FFCB <go>, Reuters FFCB04, www.farmcreditfunding.com	Bloomberg FFCB <go>, Reuters FFCB03, www.farmcreditfunding.com	Bloomberg FFCB <go>, Reuters FFCB07, FFCB08, www.farmcreditfunding.com	Bloomberg FFCB <go>, Reuters FFCB07, FFCB08, www.farmcreditfunding.com	Bloomberg FFCB<go>, Reuters FFCB07, FFCB08, www.farmcreditfunding.com	www.incapital.com, www.farmcreditfunding.com

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