

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP /DC/
Form FWP

January 31, 2018

Filed Pursuant to Rule 433 under the Securities Act

Registration Statement no. 333-213558

Issuer Free Writing Prospectus dated January 31, 2018

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION

COLLATERAL TRUST BOND TERM SHEET

| | |
|-------------------------------|--|
| Issuer: | National Rural Utilities Cooperative Finance Corporation |
| Expected Ratings: | A1 (Stable) / A (Stable) / A+ (Stable) (Moody's / S&P / Fitch) |
| Principal Amount: | \$700,000,000 |
| Security Type: | Collateral Trust Bonds |
| Legal Format: | SEC Registered |
| Pricing Date: | January 31, 2018 |
| Settlement Date: | February 7, 2018 (T+5) |
| Maturity Date: | February 7, 2028 |
| Coupon: | 3.40% |
| Price to Public: | 99.706% |
| Benchmark Treasury: | 2.25% due November 15, 2027 |
| Benchmark Treasury Yield: | 2.735% |
| Spread to Benchmark Treasury: | +70 basis points |
| Yield to Maturity: | 3.435% |

Interest Payment Dates: Semi-annually on February 7 and August 7, commencing August 7, 2018

Optional Redemption: The issuer may redeem the bonds at any time, prior to November 7, 2027, in whole or in part, at a “make-whole” redemption price equal to the greater of (1) 100% of the principal amount being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (other than accrued interest) on the bonds being redeemed that would be due if such bonds matured on November 7, 2027, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 15 basis points for the bonds plus in each case of (1)

and (2) above,
accrued interest
to, but
excluding, the
redemption date.

At any time on
or after
November 7,
2027, the issuer
may redeem the
bonds at its
option, in whole
or in part, at a
redemption price
equal to 100% of
the principal
amount of the
bonds then
outstanding to be
redeemed, plus
accrued and
unpaid interest
on the bonds
being redeemed
to, but
excluding, the
redemption date.

Denominations: \$2,000 x \$1,000

CUSIP / ISIN: 637432 NP6 /
US637432NP60

Joint Book-Running Managers: J.P. Morgan
Securities LLC
KeyBanc Capital
Markets Inc.
Mizuho
Securities USA
LLC
PNC Capital
Markets LLC
SunTrust
Robinson
Humphrey, Inc.

Co-Managers: MUFG
Securities
Americas Inc.

RBC Capital
Markets, LLC
Regions
Securities LLC
Scotia Capital
(USA) Inc.
U.S. Bancorp
Investments, Inc.

The following sentence has been added to last sentence of the eighth paragraph under the caption “Underwriting” in the Preliminary Prospectus Supplement dated January 31, 2018:

“The trustee is an affiliate of U.S. Bancorp Investments, Inc., one of the underwriters.”

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for this offering. Before you invest, you should read the prospectus for this offering in that registration statement, and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by searching the SEC online database (EDGAR®) at www.sec.gov. Alternatively, you may obtain a copy of the prospectus from J.P. Morgan Securities LLC by calling collect at 1-212-834-4533, KeyBanc Capital Markets Inc. by calling toll-free at 1-866-277-6479, Mizuho Securities USA LLC by calling toll-free at 1-866-271-7403, PNC Capital Markets LLC by calling toll-free at 1-855-881-0697 or SunTrust Robinson Humphrey, Inc. by calling toll-free at 1-800-685-4786.