

Farm Credit System Major Financial Indicators, Annual Comparison

Dollars in Thousands

At and for the 12 months ended	30-Sep-18	30-Sep-17	30-Sep-16	30-Sep-15	30-Sep-14
FCS Banks¹					
Total assets	292,866,350	281,784,558	276,743,793	256,039,212	238,410,097
Gross loan volume	231,867,031	221,196,832	213,870,566	200,375,304	183,842,705
Nonaccrual loans	478,191	346,898	235,833	229,657	203,977
Cash and marketable investments	59,036,279	58,536,899	60,991,959	53,839,933	52,661,738
Net income	1,734,288	1,526,543	1,497,011	1,461,623	1,539,339
Nonperforming loans/Total loans ²	0.22%	0.17%	0.15%	0.13%	0.14%
Capital/Assets ³	6.53%	6.68%	6.55%	6.62%	6.67%
Unallocated retained earnings/Assets	2.87%	2.75%	2.69%	2.75%	2.80%
Return on assets	0.80%	0.73%	0.72%	0.78%	0.88%
Return on equity	12.11%	10.83%	11.07%	11.64%	13.04%
Net Interest margin ⁴	0.95%	0.98%	0.97%	1.01%	1.07%
Operating expense ratio ⁵	0.31%	0.33%	0.33%	0.33%	0.32%
Efficiency ratio ⁶	23.33%	24.45%	24.82%	23.34%	21.00%
Payout ratio ⁷	N/A	N/A	N/A	N/A	N/A
FCS Associations					
Total assets	204,738,528	193,684,882	186,521,343	174,179,683	161,658,236
Gross loan volume	193,050,726	182,816,950	176,322,614	164,473,779	152,077,714
Nonaccrual loans	1,539,161	1,359,518	1,342,915	1,172,065	1,183,348
Net income	2,991,221	2,421,427	2,390,763	2,338,030	2,406,486
Nonperforming loans/Gross loans ²	0.96%	0.91%	0.95%	0.89%	0.98%
Capital/Assets ³	19.81%	19.63%	19.14%	19.24%	19.33%
Unallocated retained earnings/Assets	12.64%	12.34%	13.69%	13.70%	13.84%
Return on assets	1.98%	1.86%	1.73%	1.82%	2.02%
Return on equity	9.94%	9.52%	9.01%	9.40%	10.42%
Net interest margin ⁴	2.71%	2.72%	2.67%	2.72%	2.81%
Operating expense ratio ⁵	1.38%	1.43%	1.45%	1.48%	1.44%
Efficiency ratio ⁶	38.02%	39.16%	41.92%	40.59%	39.15%
Payout ratio ⁷	N/A	N/A	N/A	N/A	N/A
Total Farm Credit System⁸					
Total assets	334,988,000	321,591,000	314,361,000	291,641,000	271,324,000
Gross loan volume	263,619,000	251,162,000	242,124,000	226,844,000	208,051,000
Bonds and notes	270,518,000	260,199,000	255,261,000	234,744,000	218,523,000
Nonperforming loans	2,347,000	2,036,000	1,975,000	1,724,000	1,764,000
Nonaccrual loans	2,011,000	1,701,000	1,573,000	1,399,000	1,417,000
Net income, year-to-date	4,012,000	3,716,000	3,589,000	3,481,000	3,569,000
Nonperforming loans/Gross loans ²	0.89%	0.81%	0.82%	0.76%	0.85%
Capital/Assets ³	17.38%	17.26%	16.67%	16.76%	16.89%
Surplus/Assets	13.93%	13.55%	13.67%	13.83%	13.84%
Return on assets	1.61%	1.55%	1.54%	1.64%	1.79%
Return on equity	9.37%	9.12%	9.36%	9.73%	10.67%
Net interest margin ⁴	2.49%	2.52%	2.47%	2.57%	2.65%

Sources: FCA's Consolidated Reporting System as of September 30, 2018, and the Farm Credit System Quarterly Information Statement provided by the Federal Farm Credit Banks Funding Corporation.

¹ Includes Farm Credit Banks and the Agricultural Credit Bank.

² Nonperforming loans are defined as nonaccrual loans, accruing restructured loans, and accrual loans 90 or more days past due.

³ Capital includes restricted capital (amount in Farm Credit Insurance Fund) and excludes mandatorily redeemable preferred stock and protected borrower capital.

⁴ Net interest margin ratio measures net income produced by interest-earning assets, including the effect of loanable funds, and is a key indicator of loan pricing effectiveness.

⁵ Operating expenses divided by average gross loans, annualized.

⁶ The efficiency ratio measures total noninterest expenses for the preceding 12 months divided by net interest income plus noninterest income for the preceding 12 months.

⁷ The percentage of earnings paid out in dividends to shareholders. This ratio is only valid at Dec. 31.

⁸ Cannot be derived by adding the categories above because of intradistrict and intra-System eliminations used in Reports to Investors.