

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

At and for the 3 months ended	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17
FCS Banks¹					
Total assets	292,866,350	292,316,090	292,050,031	289,079,600	281,784,558
Gross loan volume	231,867,031	228,883,145	229,770,408	228,084,765	221,196,832
Nonaccrual loans	478,191	505,270	434,739	324,571	346,898
Cash and marketable investments	59,036,279	61,554,212	60,517,256	59,146,365	58,536,899
Net income	561,580	618,529	554,179	664,871	480,188
Nonperforming loans/Total loans ²	0.22%	0.23%	0.20%	0.15%	0.17%
Capital/assets ³	6.53%	6.50%	6.38%	6.44%	6.68%
Unallocated retained earnings/Assets	2.87%	2.82%	2.71%	2.64%	2.75%
Return on assets ⁴	0.80%	0.81%	0.77%	0.77%	0.73%
Return on equity ⁴	12.11%	12.60%	12.08%	11.62%	10.83%
Net interest margin ⁵	0.95%	0.95%	0.96%	0.96%	0.98%
Operating expense rate ⁶	0.31%	0.31%	0.31%	0.33%	0.33%
Efficiency ratio ⁷	23.33%	23.60%	21.86%	25.55%	24.45%
FCS Associations					
Total assets	204,738,528	199,556,338	195,057,847	197,531,420	193,684,882
Gross loan volume	193,050,726	188,758,212	184,789,592	186,319,454	182,816,950
Nonaccrual loans	1,539,161	1,537,276	1,435,387	1,349,999	1,359,518
Net income	1,004,872	931,740	1,054,609	1,278,264	956,287
Nonperforming loans/Total loans ²	0.96%	1.00%	0.96%	0.88%	0.91%
Capital/Assets ³	19.81%	19.95%	20.01%	19.32%	19.63%
Unallocated retained earnings/Assets	12.64%	12.57%	12.46%	11.96%	12.34%
Return on assets ⁴	1.98%	2.03%	2.20%	2.05%	1.86%
Return on equity ⁴	9.94%	10.16%	11.09%	10.37%	9.52%
Net interest margin ⁵	2.71%	2.74%	2.78%	2.71%	2.72%
Operating expense rate ⁶	1.38%	1.40%	1.42%	1.42%	1.43%
Efficiency ratio ⁷	38.02%	40.21%	38.82%	32.95%	39.16%
Total Farm Credit System⁸					
Total assets	334,988,000	333,827,000	333,029,000	329,518,000	321,591,000
Gross loan volume	263,619,000	260,713,000	261,378,000	258,777,000	251,162,000
Bonds and notes	270,518,000	270,468,000	270,958,000	267,119,000	260,199,000
Nonperforming loans	2,347,000	2,401,000	2,209,000	1,967,000	2,036,000
Nonaccrual loans	2,011,000	2,036,000	1,863,000	1,660,000	1,701,000
Net income, year-to-date	4,012,000	2,649,000	1,266,000	5,189,000	3,716,000
Nonperforming loans/Gross loans ²	0.89%	0.92%	0.85%	0.76%	0.81%
Capital/Assets ³	17.38%	17.17%	16.87%	16.81%	17.26%
Surplus/Assets	13.93%	13.71%	13.43%	13.24%	13.55%
Return on assets ⁴	1.61%	1.60%	1.54%	1.61%	1.55%
Return on equity ⁴	9.37%	9.41%	9.14%	9.48%	9.12%
Net interest margin ⁵	2.49%	2.43%	2.44%	2.48%	2.52%

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), excludes mandatorily redeemable preferred stock and protected borrower capital.

⁴ Rates of return are annualized.

⁵ 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.

⁶ Operating expenses divided by average gross loans, annualized.

⁷ 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.

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