

Farm Credit System Major Financial Indicators, Annual Comparison

Dollars in Thousands

At and for the 12 months ended	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
FCS Banks^{1, 8}					
Total assets	320,405,037	306,394,952	289,079,600	281,973,917	267,587,575
Gross loan volume	251,762,229	239,543,125	228,084,765	220,160,768	208,766,996
Nonaccrual loans	338,714	424,665	324,571	292,938	231,520
Cash and marketable investments	66,258,670	64,972,381	59,146,365	60,131,933	57,123,019
Net income	2,193,457	2,264,932	2,191,414	2,016,110	1,945,693
Nonperforming loans/Total loans ²	0.15%	0.19%	0.15%	0.16%	0.13%
Capital/Assets ³	6.53%	6.34%	6.44%	6.35%	6.28%
Unallocated retained earnings/Assets	2.57%	2.63%	2.64%	2.59%	2.60%
Return on assets	0.70%	0.76%	0.77%	0.73%	0.74%
Return on equity	10.36%	11.67%	11.62%	11.13%	11.47%
Net Interest margin ⁴	0.90%	0.92%	0.96%	0.98%	0.98%
Operating expense ratio ⁵	0.33%	0.32%	0.33%	0.34%	0.33%
Efficiency ratio ⁶	25.95%	26.13%	25.55%	25.37%	25.30%
Payout ratio ⁷	66.31%	74.95%	71.36%	64.84%	59.44%
FCS Associations⁸					
Total assets	220,899,140	207,602,312	197,531,420	189,925,697	180,005,335
Gross loan volume	208,776,404	195,379,235	186,319,454	179,317,967	169,995,422
Nonaccrual loans	1,574,066	1,463,541	1,349,999	1,305,535	1,095,206
Net income	4,288,581	4,280,523	3,684,910	3,375,183	3,126,729
Nonperforming loans/Gross loans ²	0.91%	0.90%	0.88%	0.90%	0.80%
Capital/Assets ³	19.32%	19.51%	19.32%	18.84%	18.68%
Unallocated retained earnings/Assets	12.26%	12.31%	11.96%	12.75%	13.24%
Return on assets	2.03%	2.08%	2.05%	1.80%	1.84%
Return on equity	10.12%	10.46%	10.37%	9.33%	9.57%
Net interest margin ⁴	2.67%	2.69%	2.71%	2.66%	2.68%
Operating expense ratio ⁵	1.41%	1.42%	1.42%	1.48%	1.50%
Efficiency ratio ⁶	38.19%	35.63%	32.95%	40.78%	41.38%
Payout ratio ⁷	45.39%	42.52%	33.04%	31.35%	28.31%
Total Farm Credit System⁸					
Total assets	365,359,000	348,992,000	329,518,000	319,915,000	303,503,000
Gross loan volume	286,964,000	273,378,000	258,777,000	248,768,000	235,890,000
Bonds and notes	295,499,000	283,276,000	267,119,000	260,213,000	246,214,000
Nonperforming loans	2,275,000	2,198,000	1,967,000	1,962,000	1,629,000
Nonaccrual loans	1,910,000	1,883,000	1,660,000	1,591,000	1,324,000
Net income, year-to-date	5,446,000	5,332,000	5,189,000	4,848,000	4,688,000
Nonperforming loans/Gross loans ²	0.79%	0.80%	0.76%	0.79%	0.69%
Capital/Assets ³	16.90%	16.75%	16.81%	16.35%	16.09%
Surplus/Assets	13.41%	13.31%	13.24%	13.50%	13.33%
Return on assets	1.53%	1.58%	1.61%	1.55%	1.62%
Return on equity	8.89%	9.27%	9.48%	9.41%	9.75%
Net interest margin ⁴	2.42%	2.46%	2.48%	2.49%	2.55%

Sources: FCA's Consolidated Reporting System as of December 31, 2019, 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.