

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

At and for the 3 months ended	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
FCS Banks^{1,8}					
Total assets	320,405,037	309,573,734	308,844,369	305,442,977	306,394,952
Gross loan volume	251,762,229	241,809,304	242,064,661	240,018,260	239,543,125
Nonaccrual loans	338,714	416,434	428,628	408,410	424,665
Net income	605,986	522,284	543,430	521,757	530,644
Nonperforming loans/Total loans ²	0.15%	0.19%	0.20%	0.18%	0.19%
Capital/assets ³	6.53%	6.79%	6.68%	6.51%	6.34%
Unallocated retained earnings/Assets	2.57%	2.73%	2.74%	2.71%	2.63%
Return on assets ⁴	0.70%	0.69%	0.70%	0.69%	0.76%
Return on equity ⁴	10.36%	10.15%	10.62%	10.75%	11.67%
Net interest margin ⁵	0.90%	0.90%	0.91%	0.92%	0.92%
Operating expense rate ⁶	0.33%	0.32%	0.32%	0.32%	0.32%
Efficiency ratio ⁷	25.95%	25.63%	25.55%	24.10%	26.13%
FCS Associations⁸					
Total assets	220,899,140	215,008,787	211,257,906	207,333,754	207,602,312
Gross loan volume	208,776,404	203,089,762	200,174,612	196,873,327	195,379,235
Nonaccrual loans	1,574,066	1,635,250	1,638,217	1,557,338	1,463,541
Net income	1,210,380	1,093,097	1,070,922	1,004,586	1,289,905
Nonperforming loans/Total loans ²	0.91%	0.99%	0.99%	0.98%	0.90%
Capital/Assets ³	19.32%	20.03%	19.99%	19.94%	19.51%
Unallocated retained earnings/Assets	12.26%	12.90%	12.79%	12.65%	12.31%
Return on assets ⁴	2.03%	2.00%	2.00%	1.98%	2.08%
Return on equity ⁴	10.12%	9.96%	10.03%	9.95%	10.46%
Net interest margin ⁵	2.67%	2.70%	2.72%	2.77%	2.69%
Operating expense rate ⁶	1.41%	1.38%	1.40%	1.42%	1.42%
Efficiency ratio ⁷	38.19%	37.88%	38.69%	40.20%	35.63%
Total Farm Credit System⁸					
Total assets	365,359,000	353,976,000	352,520,000	348,690,000	348,992,000
Gross loan volume	286,964,000	276,112,000	276,229,000	274,151,000	273,378,000
Bonds and notes	295,499,000	284,946,000	285,109,000	282,609,000	283,276,000
Nonperforming loans	2,275,000	2,468,000	2,450,000	2,365,000	2,198,000
Nonaccrual loans	1,910,000	2,048,000	2,063,000	1,962,000	1,883,000
Net income, year-to-date	5,446,000	4,055,000	2,668,000	1,288,000	5,332,000
Nonperforming loans/Gross loans ²	0.79%	0.89%	0.89%	0.86%	0.80%
Capital/Assets ³	16.90%	17.62%	17.37%	17.13%	16.75%
Surplus/Assets	13.41%	13.94%	13.74%	13.60%	13.31%
Return on assets ⁴	1.53%	1.54%	1.53%	1.50%	1.58%
Return on equity ⁴	8.89%	8.87%	8.90%	8.75%	9.27%
Net interest margin ⁵	2.42%	2.44%	2.40%	2.40%	2.46%

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), 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.