

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

At and for the 3 months ended	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
FCS Banks^{1,8}					
Total assets	308,844,369	305,442,977	306,394,952	292,866,350	292,316,090
Gross loan volume	242,064,661	240,018,260	239,543,125	231,867,031	228,883,145
Nonaccrual loans	428,628	408,410	424,665	478,191	505,270
Cash and marketable investments	64,299,062	63,183,337	64,972,381	59,036,279	61,554,212
Net income	543,430	521,757	530,644	561,580	618,529
Nonperforming loans/Total loans ²	0.20%	0.18%	0.19%	0.22%	0.23%
Capital/assets ³	6.68%	6.51%	6.34%	6.53%	6.50%
Unallocated retained earnings/Assets	2.74%	2.71%	2.63%	2.87%	2.82%
Return on assets ⁴	0.70%	0.69%	0.76%	0.80%	0.81%
Return on equity ⁴	10.62%	10.75%	11.67%	12.11%	12.60%
Net interest margin ⁵	0.91%	0.92%	0.92%	0.95%	0.95%
Operating expense rate ⁶	0.32%	0.32%	0.32%	0.31%	0.31%
Efficiency ratio ⁷	25.55%	24.10%	26.13%	23.33%	23.60%
FCS Associations⁸					
Total assets	211,257,906	207,333,754	207,602,312	204,738,528	199,555,735
Gross loan volume	200,174,612	196,873,327	195,379,235	193,050,726	188,758,212
Nonaccrual loans	1,638,217	1,557,338	1,463,541	1,539,161	1,537,276
Net income	1,070,922	1,004,586	1,289,905	1,004,872	931,137
Nonperforming loans/Total loans ²	0.99%	0.98%	0.90%	0.96%	1.00%
Capital/Assets ³	19.99%	19.94%	19.51%	19.81%	19.95%
Unallocated retained earnings/Assets	12.79%	12.65%	12.31%	12.64%	12.57%
Return on assets ⁴	2.00%	1.98%	2.08%	1.98%	2.03%
Return on equity ⁴	10.03%	9.95%	10.46%	9.94%	10.16%
Net interest margin ⁵	2.72%	2.77%	2.69%	2.71%	2.74%
Operating expense rate ⁶	1.40%	1.42%	1.42%	1.38%	1.40%
Efficiency ratio ⁷	38.69%	40.20%	35.63%	38.02%	40.21%
Total Farm Credit System⁸					
Total assets	352,520,000	348,690,000	348,992,000	334,988,000	333,827,000
Gross loan volume	276,229,000	274,151,000	273,378,000	263,619,000	260,713,000
Bonds and notes	285,109,000	282,609,000	283,276,000	270,518,000	270,468,000
Nonperforming loans	2,450,000	2,365,000	2,198,000	2,347,000	2,401,000
Nonaccrual loans	2,063,000	1,962,000	1,883,000	2,011,000	2,036,000
Net income, year-to-date	2,668,000	1,288,000	5,332,000	4,012,000	2,649,000
Nonperforming loans/Gross loans ²	0.89%	0.86%	0.80%	0.89%	0.92%
Capital/Assets ³	17.37%	17.13%	16.75%	17.38%	17.17%
Surplus/Assets	13.74%	13.60%	13.31%	13.93%	13.71%
Return on assets ⁴	1.53%	1.50%	1.58%	1.61%	1.60%
Return on equity ⁴	8.90%	8.75%	9.27%	9.37%	9.41%
Net interest margin ⁵	2.40%	2.40%	2.46%	2.49%	2.43%

Sources: FCA's Consolidated Reporting System as of June 30, 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.