

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

At and for the 3 months ended	30-Sep-16	30-Jun-16	31-Mar-16	31-Dec-15	30-Sep-15
FCS Banks¹					
Total Assets	276,743,793	278,532,464	268,495,874	267,587,575	256,039,212
Gross Loan Volume	213,870,566	215,961,952	210,522,418	208,766,996	200,375,304
Nonaccrual Loans	235,833	190,151	295,274	231,520	229,657
Cash and Marketable Investments	60,991,959	60,675,477	56,245,306	57,123,019	53,839,933
Net Income	518,027	497,487	481,497	484,070	488,230
Nonperforming Loans/Total Loans ²	0.15%	0.13%	0.16%	0.13%	0.13%
Capital/Assets ³	6.55%	6.44%	6.43%	6.28%	6.62%
Unallocated Retained Earnings/Assets	3.59%	3.48%	3.52%	3.45%	3.64%
Return on Assets ⁴	0.72%	0.72%	0.73%	0.74%	0.78%
Return on Equity ⁴	11.07%	11.09%	11.31%	11.47%	11.64%
Net Interest Margin ⁵	0.97%	0.98%	1.00%	0.98%	1.01%
Operating Expense Rate ⁶	0.33%	0.33%	0.33%	0.33%	0.33%
Efficiency Ratio ⁷	24.82%	24.36%	23.89%	25.30%	23.34%
FCS Associations					
Total Assets	186,521,343	184,196,273	179,530,406	180,005,335	174,179,683
Gross Loan Volume	176,322,614	174,613,000	170,296,338	169,995,422	164,473,779
Nonaccrual Loans	1,342,915	1,239,173	1,184,108	1,095,206	1,172,065
Net Income	841,134	775,858	773,771	927,615	823,413
Nonperforming Loans/Total Loans ²	0.94%	0.89%	0.88%	0.80%	0.89%
Capital/Assets ³	19.14%	18.97%	19.12%	18.68%	19.24%
Unallocated Retained Earnings/Assets	17.71%	17.57%	17.65%	17.33%	17.82%
Return on Assets ⁴	1.73%	1.71%	1.75%	1.84%	1.82%
Return on Equity ⁴	9.01%	8.98%	9.14%	9.57%	9.40%
Net Interest Margin ⁵	2.67%	2.70%	2.74%	2.68%	2.72%
Operating Expense Rate ⁶	1.45%	1.45%	1.47%	1.50%	1.48%
Efficiency Ratio ⁷	41.92%	42.13%	42.55%	41.38%	40.59%
Total Farm Credit System⁸					
Total Assets	314,361,000	315,292,000	304,986,000	303,503,000	291,641,000
Gross Loan Volume	242,124,000	243,886,000	238,439,000	235,890,000	226,844,000
Bonds and Notes	255,261,000	256,454,000	247,139,000	246,214,000	234,744,000
Nonperforming Loans	1,975,000	1,825,000	1,832,000	1,629,000	1,724,000
Nonaccrual Loans	1,573,000	1,424,000	1,475,000	1,324,000	1,399,000
Net Income	3,589,000	2,337,000	1,157,000	4,688,000	3,481,000
Nonperforming Loans/Gross Loans ²	0.82%	0.75%	0.77%	0.69%	0.76%
Capital/Assets ³	16.67%	16.30%	16.41%	16.09%	16.76%
Surplus/Assets	13.67%	13.35%	13.53%	13.33%	13.83%
Return on Assets ⁴	1.54%	1.52%	1.54%	1.62%	1.64%
Return on Equity ⁴	9.36%	9.29%	9.38%	9.75%	9.73%
Net Interest Margin ⁵	2.47%	2.46%	2.48%	2.55%	2.57%

Sources: FCA's Consolidated Reporting System as of September 30, 2016, 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.