

Farm Credit System Major Financial Indicators, Annual Comparison

Dollars in Thousands

At and for the 12 months ended	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
FCS Banks¹					
Total assets	292,316,090	281,374,293	278,532,464	248,617,837	234,154,694
Gross loan volume	228,883,145	220,771,847	215,961,952	194,401,410	181,456,445
Nonaccrual loans	505,270	305,674	190,151	210,389	229,421
Cash and marketable investments	61,554,212	59,134,552	60,675,477	52,366,262	50,970,640
Net income	1,172,708	1,046,355	978,984	973,393	1,005,525
Nonperforming loans/Total loans ²	0.23%	0.15%	0.13%	0.13%	0.15%
Capital/Assets ³	6.50%	6.60%	6.44%	6.67%	6.66%
Unallocated retained earnings/Assets	2.82%	2.77%	2.66%	2.84%	2.83%
Return on assets	0.81%	0.75%	0.72%	0.80%	0.87%
Return on equity	12.60%	11.41%	11.09%	11.88%	13.12%
Net Interest margin ⁴	0.95%	0.98%	0.98%	1.04%	1.09%
Operating expense ratio ⁵	0.31%	0.33%	0.33%	0.33%	0.32%
Efficiency ratio ⁶	23.60%	24.12%	24.36%	23.51%	21.78%
Payout ratio ⁷	N/A	N/A	N/A	N/A	N/A
FCS Associations					
Total assets	199,556,338	191,412,981	184,196,271	169,064,197	157,461,207
Gross loan volume	188,758,212	181,267,200	174,613,000	159,899,043	148,214,921
Nonaccrual loans	1,537,276	1,371,860	1,239,173	1,217,058	1,354,667
Net income	1,986,349	1,671,965	1,549,629	1,514,617	1,563,901
Nonperforming loans/Gross loans ²	1.00%	0.95%	0.90%	0.95%	1.09%
Capital/Assets ³	19.95%	19.47%	18.97%	19.40%	19.33%
Unallocated retained earnings/Assets	12.57%	13.16%	13.51%	13.75%	13.73%
Return on assets	2.03%	1.78%	1.71%	1.83%	2.02%
Return on equity	10.16%	9.12%	8.98%	9.39%	10.47%
Net interest margin ⁴	2.74%	2.72%	2.70%	2.78%	2.85%
Operating expense ratio ⁵	1.40%	1.44%	1.45%	1.50%	1.45%
Efficiency ratio ⁶	40.21%	41.43%	42.13%	42.22%	39.64%
Payout ratio ⁷	N/A	N/A	N/A	N/A	N/A
Total Farm Credit System⁸					
Total assets	333,827,000	320,381,000	315,292,000	283,193,000	266,213,000
Gross loan volume	260,713,000	250,464,000	243,886,000	220,535,000	205,054,000
Bonds and notes	270,468,000	260,259,000	256,454,000	227,963,000	214,649,000
Nonperforming loans	2,401,000	2,045,000	1,825,000	1,766,000	2,047,000
Nonaccrual loans	2,036,000	1,671,000	1,424,000	1,424,000	1,574,000
Net income, year-to-date	2,649,000	2,466,000	2,337,000	2,273,000	2,341,000
Nonperforming loans/Gross loans ²	0.92%	0.82%	0.75%	0.80%	1.00%
Capital/Assets ³	17.17%	17.02%	16.30%	16.87%	16.80%
Surplus/Assets	13.71%	13.99%	13.35%	13.94%	13.75%
Return on assets	1.60%	1.55%	1.52%	1.63%	1.78%
Return on equity	9.41%	9.21%	9.29%	9.69%	10.68%
Net interest margin ⁴	2.43%	2.46%	2.46%	2.55%	2.65%

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