

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

	30-Sep-12	30-Jun-12	31-Mar-12	31-Dec-11	30-Sep-11
FCS Banks¹					
Total Assets	212,709,699	210,124,283	205,537,009	205,087,928	202,868,279
Gross Loan Volume	167,350,006	164,128,901	161,385,748	158,420,741	154,804,128
Nonaccrual Loans	376,895	311,488	347,468	384,795	543,728
Cash and Marketable Investments	42,890,755	43,533,239	41,653,351	44,047,407	45,443,759
Net Income	484,699	585,838	502,499	439,104	453,805
Nonperforming Loans/Total Loans ²	0.24%	0.20%	0.24%	0.27%	0.38%
Capital/Assets ³	6.72%	6.54%	6.51%	6.49%	6.63%
Unallocated Retained Earnings/Assets	3.36%	3.27%	3.17%	3.25%	3.47%
Return on Assets ⁴	0.99%	1.05%	0.99%	0.92%	0.93%
Return on Equity ⁴	14.98%	16.07%	15.23%	13.68%	14.20%
Net Interest Margin ⁵	1.26%	1.29%	1.30%	1.28%	1.29%
Operating Expense Rate ⁶	0.30%	0.30%	0.29%	0.31%	0.29%
Efficiency Ratio ⁷	18.10%	15.78%	16.62%	20.14%	17.27%
FCS Associations					
Total Assets	143,162,152	139,680,243	134,695,454	136,717,742	133,629,959
Gross Loan Volume	132,874,178	129,728,179	125,074,673	126,187,799	123,621,577
Nonaccrual Loans	2,134,785	2,241,952	2,360,217	2,353,352	2,528,114
Net Income	684,282	845,274	703,909	1,018,601	661,396
Nonperforming Loans/Total Loans ²	1.80%	2.27%	2.11%	2.24%	2.00%
Capital/Assets ³	18.31%	18.42%	18.54%	17.84%	17.89%
Unallocated Retained Earnings/Assets	17.12%	17.22%	17.28%	16.78%	16.69%
Return on Assets ⁴	2.10%	2.27%	2.11%	2.24%	2.00%
Return on Equity ⁴	11.44%	12.28%	11.45%	12.42%	11.22%
Net Interest Margin ⁵	2.86%	2.93%	2.97%	2.94%	2.95%
Operating Expense Rate ⁶	1.40%	1.42%	1.44%	1.43%	1.37%
Efficiency Ratio ⁷	36.93%	34.92%	38.03%	31.27%	36.19%
Total Farm Credit System⁸					
Gross Loan Volume	185,409,000	181,519,000	178,595,000	174,664,000	170,615,000
Bonds and Notes	194,121,000	191,991,000	187,923,000	186,889,000	184,496,000
Nonperforming Loans	2,832,000	2,784,000	2,970,000	2,997,000	3,315,000
Nonaccrual Loans	2,522,000	2,550,000	2,707,000	2,738,000	3,071,000
Net Income	3,158,000	3,065,000	1,052,000	3,940,000	2,994,000
Nonperforming Loans/Gross Loans ²	1.53%	1.53%	1.66%	1.72%	1.94%
Capital/Assets ³	16.07%	15.86%	15.82%	15.60%	15.78%
Surplus/Assets	13.20%	13.08%	12.90%	12.90%	12.93%
Return on Assets ⁴	1.79%	1.76%	1.84%	1.71%	1.74%
Return on Equity ⁴	11.25%	11.17%	11.65%	11.17%	11.42%
Net Interest Margin ⁵	2.90%	2.86%	2.87%	2.86%	2.85%

Sources: Farm Credit System Call Report as of September 30, 2012, and the Farm Credit System Quarterly Information Statements provided by the Federal Farm Credit Banks Funding Corporation.

Note: Changes to previous periods occasionally occur for accounting reasons.

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 categories above because of intradistrict and intra-System eliminations used in Reports to Investors.