

Farm Credit System Major Financial Indicators, Annual Comparison

Dollars in Thousands

| | 31-Dec10 | 31-Dec-09 | 31-Dec-08 | 31-Dec-07 | 31-Dec-06 |
|--|-------------|-------------|-------------|-------------|-------------|
| FCS Banks¹ | | | | | |
| Gross loan volume | 161,069,141 | 152,412,187 | 149,491,137 | 131,191,826 | 112,260,474 |
| Accruing restructured loans ² | 48,457 | 4,651 | 5,125 | 4,301 | 5,378 |
| Accrual loans 90 days or more past due | 8,695 | 28,816 | 21,594 | 12,917 | 5,439 |
| Nonaccrual loans | 477,341 | 759,134 | 582,160 | 46,069 | 107,556 |
| Nonperforming loans/total loans ³ | 0.33% | 0.52% | 0.41% | 0.05% | 0.11% |
| Capital/assets ⁴ | 6.00% | 5.59% | 4.89% | 5.43% | 5.65% |
| Unallocated retained earnings/assets | 3.03% | 2.80% | 2.50% | 2.69% | 2.95% |
| Net income | 1,917,143 | 1,442,328 | 1,231,430 | 981,688 | 845,191 |
| Return on assets | 0.95% | 0.74% | 0.65% | 0.60% | 0.60% |
| Return on equity | 15.00% | 13.13% | 12.44% | 10.59% | 10.24% |
| Net interest margin | 1.22% | 1.17% | 0.97% | 0.83% | 0.80% |
| Operating expense rate ⁵ | 0.30% | 0.33% | 0.31% | 0.30% | 0.33% |
| FCS Associations | | | | | |
| Gross loan volume | 124,148,362 | 118,575,715 | 114,026,889 | 105,620,488 | 93,413,704 |
| Accruing restructured loans ² | 65,385 | 58,926 | 30,381 | 47,212 | 51,384 |
| Accrual loans 90 days or more past due | 34,029 | 68,508 | 65,703 | 43,840 | 19,504 |
| Nonaccrual loans | 2,751,042 | 2,634,046 | 1,706,613 | 465,414 | 425,545 |
| Nonperforming loans/gross loans ³ | 2.30% | 2.33% | 1.58% | 0.53% | 0.53% |
| Capital/assets ⁶ | 16.54% | 15.82% | 15.46% | 15.57% | 16.27% |
| Unallocated retained earnings/assets | 15.07% | 14.56% | 13.51% | 13.58% | 13.89% |
| Net income | 2,416,816 | 1,585,984 | 1,805,929 | 1,934,968 | 1,662,255 |
| Return on assets | 1.85% | 1.29% | 1.57% | 1.74% | 1.75% |
| Return on equity | 10.91% | 8.13% | 9.84% | 10.82% | 10.44% |
| Net interest margin | 2.79% | 2.64% | 2.50% | 2.57% | 2.64% |
| Operating expense rate ⁵ | 1.38% | 1.49% | 1.45% | 1.49% | 1.58% |
| Total Farm Credit System⁷ | | | | | |
| Gross loan volume | 175,351,000 | 164,830,000 | 161,423,000 | 142,906,000 | 123,436,000 |
| Nonperforming loans | 3,386,000 | 3,535,000 | 2,416,000 | 621,000 | 615,000 |
| Nonaccrual loans | 3,229,000 | 3,369,000 | 2,282,000 | 512,000 | 533,000 |
| Nonperforming loans/gross loans ³ | 1.93% | 2.14% | 1.50% | 0.43% | 0.50% |
| Bonds and notes | 189,575,000 | 178,358,000 | 179,769,000 | 155,295,000 | 134,466,000 |
| Capital/assets ⁸ | 14.46% | 13.90% | 12.65% | 14.17% | 15.00% |
| Surplus/assets | 11.80% | 11.48% | 10.80% | 11.52% | 12.25% |
| Net income | 3,495,000 | 2,850,000 | 2,916,000 | 2,703,000 | 2,379,000 |
| Return on assets | 1.60% | 1.32% | 1.41% | 1.53% | 1.56% |
| Return on equity | 10.90% | 9.86% | 10.70% | 10.38% | 9.99% |
| Net interest margin | 2.82% | 2.65% | 2.41% | 2.43% | 2.48% |

Sources: Farm Credit System Annual 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. Excludes loans 90 days or more past due.

3. Nonperforming loans are defined as nonaccrual loans, accruing restructured loans, and accrual loans 90 days or more past due.

4. Capital excludes mandatorily redeemable preferred stock.

5. Operating expenses divided by average gross loans.

6. Capital excludes protected borrower capital.

7. Cannot be derived through summation of above categories because of intradistrict and intra-System eliminations used in reports to investors.

8. Capital includes restricted capital (amount in Farm Credit Insurance Fund), excludes mandatorily redeemable preferred stock and protected borrower capital.