

Farm Credit System Major Financial Indicators, Quarterly Comparison

Dollars in Thousands

	30-Sep-08	30-Jun-08	31-Mar-08	31-Dec-07	30-Sep-07
FCS Banks¹					
Gross loan volume	146,491,168	150,518,020	140,870,778	131,191,826	123,733,289
Accruing restructured loans ²	5,195	5,194	3,937	4,301	4,467
Accrual loans 90 days or more past due	3,535	6,523	6,757	12,917	6,903
Nonaccrual loans	173,470	141,732	122,415	46,069	44,438
Nonperforming loans/total loans ³	0.12%	0.10%	0.09%	0.05%	0.05%
Cash and marketable investments	39,387,216	36,721,197	34,679,240	34,408,807	35,397,344
Capital/assets ⁴	5.12%	5.01%	5.10%	5.43%	5.68%
Unallocated retained earnings/assets	2.68%	2.56%	2.63%	2.69%	2.88%
Net income	344,389	342,648	316,949	255,085	256,521
Return on assets ⁵	0.72%	0.73%	0.73%	0.60%	0.62%
Return on equity ⁵	13.80%	14.39%	13.69%	10.59%	10.70%
Net interest margin	0.97%	0.97%	0.97%	0.83%	0.85%
Operating expense rate ⁶	0.29%	0.28%	0.29%	0.30%	0.30%
FCS Associations					
Gross loan volume	113,694,990	110,176,657	108,568,071	105,620,488	101,861,098
Accruing restructured loans	34,677	38,549	42,982	47,212	46,484
Accrual loans 90 days or more past due	49,795	63,846	85,440	43,840	51,596
Nonaccrual loans	772,796	627,690	544,457	465,414	429,135
Nonperforming loans/gross loans ²	0.75%	0.66%	0.62%	0.53%	0.52%
Capital/assets ⁷	15.54%	15.66%	15.62%	15.57%	16.02%
Unallocated retained earnings/assets	13.69%	13.74%	13.62%	13.58%	14.11%
Net income	541,025	507,674	487,092	529,828	507,269
Return on assets ⁵	1.70%	1.69%	1.71%	1.74%	1.74%
Return on equity ⁵	10.85%	10.82%	10.86%	10.82%	10.76%
Net interest margin	2.50%	2.53%	2.63%	2.57%	2.64%
Operating expense rate ⁶	1.40%	1.41%	1.41%	1.49%	1.46%
Total Farm Credit System⁸					
Gross loan volume	158,063,000	162,062,000	152,932,000	142,906,000	135,070,000
Nonperforming loans	1,029,000	884,000	813,000	621,000	577,000
Nonaccrual loans	935,000	769,000	667,000	512,000	469,000
Nonperforming loans/gross loans ³	0.65%	0.55%	0.53%	0.43%	0.43%
Bonds and notes	174,576,000	176,228,000	165,914,000	155,295,000	146,805,000
Capital/assets ⁹	13.44%	13.08%	13.58%	14.17%	14.81%
Surplus/assets	11.14%	10.82%	11.14%	11.52%	11.90%
Net income	817,000	793,000	760,000	682,000	727,000
Return on assets ⁵	1.55%	1.54%	1.56%	1.53%	1.56%
Return on equity ⁵	11.60%	11.59%	11.49%	10.38%	10.42%
Net interest margin	2.42%	2.43%	2.44%	2.43%	2.45%

Sources: Farm Credit System Call Report as of September 30, 2008, 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. 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. Income ratios are annualized.
6. Operating expenses divided by average gross loans, annualized.
7. Capital excludes protected borrower capital.
8. Cannot be derived through summation of above categories because of intradistrict and intra-System eliminations used in reports to investors.
9. Capital includes restricted capital (amount in Farm Credit Insurance Fund), excludes mandatorily redeemable preferred stock and protected borrower capital.