

Farm Credit System Major Financial Indicators, Annual Comparison

Dollars in Thousands

	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Dec-04
FCS Banks¹					
Gross loan volume	149,491,137	131,191,826	112,260,474	94,865,873	85,411,707
Accruing restructured loans ²	5,125	4,301	5,378	6,131	7,050
Accrual loans 90 days or more past due	21,594	12,917	5,439	1,322	5,420
Nonaccrual loans	582,160	46,069	107,556	152,223	227,003
Nonperforming loans/total loans ³	0.41%	0.05%	0.11%	0.17%	0.28%
Cash and marketable investments	41,358,881	34,408,807	31,680,712	27,788,225	23,089,548
Capital/assets ⁴	4.89%	5.43%	5.65%	6.20%	6.79%
Unallocated retained earnings/assets	2.50%	2.69%	2.95%	3.28%	3.54%
Net income	1,231,430	981,688	845,191	740,785	733,012
Return on assets ⁵	0.65%	0.60%	0.60%	0.61%	0.68%
Return on equity ⁵	12.44%	10.59%	10.24%	9.48%	9.82%
Net interest margin	0.97%	0.83%	0.80%	0.84%	0.92%
Operating expense rate ⁶	0.31%	0.30%	0.33%	0.33%	0.36%
FCS Associations					
Gross loan volume	114,026,858	105,620,488	93,413,704	83,253,781	75,619,681
Accruing restructured loans ²	30,381	47,212	51,384	53,885	68,439
Accrual loans 90 days or more past due	70,622	43,840	19,504	13,156	15,375
Nonaccrual loans	1,699,245	465,414	425,545	371,703	419,312
Nonperforming loans/gross loans ³	1.58%	0.53%	0.53%	0.53%	0.67%
Capital/assets ⁷	15.47%	15.57%	16.27%	17.19%	17.72%
Unallocated retained earnings/assets	13.52%	13.58%	13.89%	14.79%	15.28%
Net income	1,811,667	1,934,968	1,662,255	1,613,346	2,420,251
Return on assets ⁵	1.57%	1.74%	1.75%	1.85%	3.10%
Return on equity ⁵	9.86%	10.82%	10.44%	10.55%	18.22%
Net interest margin	2.49%	2.57%	2.64%	2.71%	2.72%
Operating expense rate ⁶	1.45%	1.49%	1.58%	1.53%	1.58%
Total Farm Credit System⁸					
Gross loan volume	161,423,000	142,906,000	123,436,000	106,272,000	96,367,000
Nonperforming loans	2,416,000	621,000	615,000	600,000	743,000
Nonaccrual loans	2,282,000	512,000	533,000	524,000	646,000
Nonperforming loans/gross loans ³	1.50%	0.43%	0.50%	0.56%	0.77%
Bonds and notes	179,769,000	155,295,000	134,466,000	113,576,000	100,330,000
Capital/assets ⁹	12.65%	14.17%	15.00%	16.28%	17.13%
Surplus/assets	10.80%	11.52%	12.25%	13.30%	13.69%
Net income	2,916,000	2,703,000	2,379,000	2,096,000	2,993,000
Return on assets ⁵	1.41%	1.53%	1.56%	1.58%	2.46%
Return on equity ⁵	10.70%	10.38%	9.99%	9.38%	14.85%
Net interest margin	2.41%	2.43%	2.48%	2.58%	2.56%

Sources: Farm Credit System Call Reports as of December 31 and the Farm Credit System Annual Information Statements provided by the Federal Farm Credit Banks Funding Corporation.

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.