

V.

The Cooperative Finance Association, Inc.
Fiscal 2009 Second Quarter Report
Unaudited (in thousands)

<u>Balance Sheets As Of:</u>	<u>2/28/2009</u>	<u>8/31/2008</u>	<u>2/29/2008</u>
		*	
Loans	\$226,474	\$262,521	\$263,755
Less allowance for loan losses	(2,621)	(2,280)	(2,276)
Net loans	223,853	260,241	261,479
Cash	824	289	879
Accrued interest receivable	2,419	4,136	2,955
Investments in cooperatives	10,139	10,139	9,889
Other assets	709	821	986
Total assets	<u>\$237,944</u>	<u>\$275,626</u>	<u>\$276,188</u>
Credit facility	\$186,500	\$222,300	\$225,200
Notes payable	0	0	0
Commercial paper	0	0	0
Accrued interest payable	227	672	753
Other liabilities	2,661	5,244	2,309
Total liabilities	189,388	228,216	228,262
Members' equity	48,556	47,410	47,926
Total liabilities and members' equity	<u>\$237,944</u>	<u>\$275,626</u>	<u>\$276,188</u>

* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>2/28/2009</u>	<u>2/28/2009</u>	<u>2/29/2008</u>
Interest income	\$5,687	\$7,400	\$9,839
Interest expense	(2,709)	(4,070)	(6,018)
Net interest income from portfolio	2,978	3,330	3,821
Provision for loan losses	(240)	(240)	(180)
Other income	156	194	182
Operating income	2,894	3,284	3,823
Employee costs	(1,278)	(1,394)	(1,187)
Professional expenses	(115)	(149)	(155)
Administrative expenses	(165)	(160)	(140)
Customer relations costs	(79)	(88)	(71)
Other operating expense	(125)	(138)	(143)
Operating expense	(1,762)	(1,929)	(1,696)
Net operating income	1,132	1,355	2,127
Patronage refunds/other adjustments	21	0	12
Income taxes	(9)	(12)	(16)
Net income	<u>\$1,144</u>	<u>\$1,343</u>	<u>\$2,123</u>