

VI.

The Cooperative Finance Association, Inc.
Fiscal 2012 First Quarter Report
Unaudited (in thousands)

| <u>Balance Sheets As Of:</u> | 11/30/2011 | 8/31/2011 | 11/30/2010 |
|---------------------------------------|-------------------|------------------|------------------|
| | * | | |
| Loans | \$245,027 | \$277,028 | \$279,108 |
| Less allowance for loan losses | (2,933) | (2,723) | (2,910) |
| Net loans | 242,094 | 274,305 | 276,198 |
| Cash | 2,626 | 251 | 1,773 |
| Accrued interest receivable | 4,677 | 4,353 | 3,634 |
| Investments in cooperatives | 7,527 | 7,527 | 7,707 |
| Other assets | 501 | 550 | 545 |
| Total assets | <u>\$257,425</u> | <u>\$286,986</u> | <u>\$289,857</u> |
| Credit facility | \$199,200 | \$230,400 | \$234,200 |
| Notes payable | 0 | 0 | 0 |
| Commercial paper | 0 | 0 | 0 |
| Accrued interest payable | 223 | 242 | 258 |
| Other liabilities | 5,561 | 5,594 | 5,008 |
| Total liabilities | 204,984 | 236,236 | 239,466 |
| Members' equity | 52,441 | 50,750 | 50,391 |
| Total liabilities and members' equity | <u>\$257,425</u> | <u>\$286,986</u> | <u>\$289,857</u> |
| | * after patronage | | |
| <u>Operating Statements</u> | <u>Budget</u> | | |
| <u>Fiscal Year to Date Through:</u> | 11/30/2011 | 11/30/2011 | 11/30/2010 |
| Interest income | \$3,412 | \$3,262 | \$3,120 |
| Interest expense | (729) | (894) | (815) |
| Net interest income from portfolio | 2,683 | 2,368 | 2,305 |
| Provision for loan losses | (150) | (150) | (105) |
| Other income | 232 | 238 | 139 |
| Operating income | <u>2,765</u> | <u>2,456</u> | <u>2,339</u> |
| Employee costs | (840) | (863) | (725) |
| Professional expenses | (15) | (99) | (79) |
| Administrative expenses | (83) | (91) | (82) |
| Customer relations costs | (46) | (55) | (42) |
| Other operating expense | (62) | (71) | (59) |
| Operating expense | <u>(1,046)</u> | <u>(1,179)</u> | <u>(987)</u> |
| Net operating income | 1,719 | 1,277 | 1,352 |
| Patronage refunds/other adjustments | 0 | 0 | 0 |
| Income taxes | (30) | (30) | (24) |
| Net income | <u>\$1,689</u> | <u>\$1,247</u> | <u>\$1,328</u> |