

The Cooperative Finance Association, Inc.
Fiscal 2003 First Quarter Report
Unaudited (in thousands)

<u>Balance Sheets As Of:</u>	*		
	<u>11/30/2002</u>	<u>8/31/2002</u>	<u>11/30/2001</u>
Loans	\$192,765	\$172,471	\$137,661
Less allowance for loan losses	(4,188)	(4,031)	(3,963)
Net loans	188,577	168,440	133,698
Cash	733	1,260	143
Accrued interest receivable	1,654	1,699	1,326
Investments in cooperatives	9,129	9,129	8,704
Other assets	352	340	351
Total assets	\$200,445	\$180,868	\$144,222
Credit facility	\$160,300	\$140,100	\$102,900
Note payable - Farmland	0	0	550
Commercial paper	650	400	2,660
Accrued interest payable	379	405	406
Other liabilities	1,513	2,025	748
Total liabilities	162,842	142,930	107,264
Members' equity	37,603	37,938	36,958
Total liabilities and members' equity	\$200,445	\$180,868	\$144,222

* after patronage

<u>Operating Statements</u> <u>Fiscal Year to Date Through:</u>	Budget		
	<u>11/30/2002</u>	<u>11/30/2002</u>	<u>11/30/2001</u>
Interest income	\$2,414	\$2,222	\$2,166
Interest expense	(1,190)	(1,155)	(1,351)
Net interest income from portfolio	1,224	1,067	815
Provision for loan losses	(60)	(60)	(90)
Other income	12	20	32
Operating income	1,176	1,027	757
Employee costs	(491)	(572)	(498)
Professional expenses	(106)	(56)	(61)
Administrative expenses	(80)	(84)	(74)
Customer relations costs	(37)	(61)	(83)
Other operating expense	(11)	(19)	(14)
Operating expense	(725)	(792)	(730)
Net operating income	451	235	27
Patronage refunds	0	0	0
Taxes and other adjustments	0	(25)	0
Net income	\$451	\$210	\$27

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<u>Balance Sheets As Of:</u>	<u>2/28/2003</u>	<u>8/31/2002</u>	<u>2/28/2002</u>
		*	
Loans	\$208,346	\$172,471	\$149,615
Less allowance for loan losses	(4,206)	(4,031)	(4,025)
Net loans	204,140	168,440	145,590
Cash	287	1,260	823
Accrued interest receivable	979	1,699	699
Investments in cooperatives	9,129	9,129	8,705
Other assets	535	340	414
Total assets	<u>\$215,070</u>	<u>\$180,868</u>	<u>\$156,231</u>
Credit facility	\$173,300	\$140,100	\$116,700
Notes payable	0	0	0
Commercial paper	425	400	145
Accrued interest payable	322	405	269
Other liabilities	3,105	2,025	1,819
Total liabilities	177,152	142,930	118,933
Members' equity	37,918	37,938	37,298
Total liabilities and members' equity	<u>\$215,070</u>	<u>\$180,868</u>	<u>\$156,231</u>

* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>2/28/2003</u>	<u>2/28/2003</u>	<u>2/28/2002</u>
Interest income	\$4,709	\$4,627	\$4,169
Interest expense	(2,377)	(2,464)	(2,369)
Net interest income from portfolio	2,332	2,163	1,800
Provision for loan losses	(120)	(120)	(180)
Other income	81	68	95
Operating income	<u>2,293</u>	<u>2,111</u>	<u>1,715</u>
Employee costs	(1,032)	(1,156)	(1,000)
Professional expenses	(205)	(126)	(142)
Administrative expenses	(158)	(164)	(148)
Customer relations costs	(109)	(143)	(155)
Other operating expense	(36)	(40)	(34)
Operating expense	<u>(1,540)</u>	<u>(1,629)</u>	<u>(1,479)</u>
Net operating income	753	482	236
Patronage refunds	0	0	118
Taxes and other adjustments	3	(85)	4
Net income	<u>\$756</u>	<u>\$397</u>	<u>\$358</u>

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<u>Balance Sheets As Of:</u>	<u>5/31/2003</u>	<u>8/31/2002</u>	<u>5/31/2002</u>
		*	
Loans	\$214,245	\$172,471	\$180,263
Less allowance for loan losses	(4,299)	(4,031)	(4,058)
Net loans	209,946	168,440	176,205
Cash	336	1,260	310
Accrued interest receivable	1,489	1,699	1,062
Investments in cooperatives	9,536	9,129	9,241
Other assets	615	340	404
Total assets	<u>\$221,922</u>	<u>\$180,868</u>	<u>\$187,222</u>
Credit facility	\$177,400	\$140,100	\$144,000
Notes payable	0	0	0
Commercial paper	681	400	350
Accrued interest payable	399	405	349
Other liabilities	4,135	2,025	4,055
Total liabilities	182,615	142,930	148,754
Members' equity	39,307	37,938	38,468
Total liabilities and members' equity	<u>\$221,922</u>	<u>\$180,868</u>	<u>\$187,222</u>

* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>5/31/2003</u>	<u>5/31/2003</u>	<u>5/31/2002</u>
Interest income	\$7,312	\$7,124	\$6,378
Interest expense	(3,627)	(3,810)	(3,400)
Net interest income from portfolio	3,685	3,314	2,978
Provision for loan losses	(180)	(180)	(240)
Other income	183	135	154
Operating income	<u>3,688</u>	<u>3,269</u>	<u>2,892</u>
Employee costs	(1,625)	(1,710)	(1,576)
Professional expenses	(279)	(196)	(213)
Administrative expenses	(238)	(244)	(219)
Customer relations costs	(153)	(189)	(188)
Other operating expense	(73)	(62)	(51)
Operating expense	<u>(2,368)</u>	<u>(2,401)</u>	<u>(2,247)</u>
Net operating income	1,320	868	645
Patronage refunds	815	620	921
Taxes and other adjustments	7	(85)	(41)
Net income	<u>\$2,142</u>	<u>\$1,403</u>	<u>\$1,525</u>

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<u>Balance Sheets As Of:</u>	# <u>8/31/2003</u>	* <u>8/31/2002</u>	# <u>8/31/2002</u>
Loans	\$182,667	\$172,471	\$172,471
Less allowance for loan losses	(4,307)	(4,031)	(4,031)
Net loans	178,360	168,440	168,440
Cash	147	1,260	1,260
Accrued interest receivable	2,181	1,699	1,699
Investments in cooperatives	9,536	9,129	9,129
Other assets	431	340	340
Total assets	<u>\$190,655</u>	<u>\$180,868</u>	<u>\$180,868</u>
Credit facility	\$148,000	\$140,100	\$140,100
Notes payable	0	0	0
Commercial paper	681	400	400
Accrued interest payable	329	405	405
Other liabilities	1,817	2,025	1,044
Total liabilities	150,827	142,930	141,949
Members' equity	39,828	37,938	38,919
Total liabilities and members' equity	<u>\$190,655</u>	<u>\$180,868</u>	<u>\$180,868</u>
	# before patronage	* after patronage	

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>8/31/2003</u>	<u>8/31/2003</u>	<u>8/31/2002</u>
Interest income	\$9,850	\$9,534	\$8,889
Interest expense	(4,797)	(5,064)	(4,628)
Net interest income from portfolio	5,053	4,470	4,261
Provision for loan losses	(300)	(240)	(240)
Other income	271	160	170
Operating income	<u>5,024</u>	<u>4,390</u>	<u>4,191</u>
Employee costs	(2,220)	(2,273)	(2,082)
Professional expenses	(353)	(266)	(303)
Administrative expenses	(303)	(324)	(288)
Customer relations costs	(204)	(243)	(226)
Other operating expense	(95)	(82)	(57)
Operating expense	<u>(3,175)</u>	<u>(3,188)</u>	<u>(2,956)</u>
Net operating income	1,849	1,202	1,235
Patronage refunds	815	620	921
Taxes and other adjustments	(3)	(95)	(172)
Net income	<u>\$2,661</u>	<u>\$1,727</u>	<u>\$1,984</u>