

**The Cooperative Finance Association, Inc.**  
**Fiscal 2006 First Quarter Report**  
**Unaudited (in thousands)**

<u>Balance Sheets As Of:</u>	<u>11/30/2005</u>	<u>8/31/2005</u>	<u>11/30/2004</u>
	*		
Loans	\$223,236	\$221,165	\$219,719
Less allowance for loan losses	(4,817)	(4,725)	(4,679)
Net loans	218,419	216,440	215,040
Cash	951	265	477
Accrued interest receivable	3,856	3,736	2,951
Investments in cooperatives	9,636	9,826	9,840
Other assets	394	492	425
Total assets	<u>\$233,256</u>	<u>\$230,759</u>	<u>\$228,733</u>
Credit facility	\$187,100	\$184,600	\$185,800
Notes payable	0	0	0
Commercial paper	700	1,490	0
Accrued interest payable	767	740	545
Other liabilities	4,231	3,024	3,283
Total liabilities	192,798	189,854	189,628
Members' equity	40,458	40,905	39,105
Total liabilities and members' equity	<u>\$233,256</u>	<u>\$230,759</u>	<u>\$228,733</u>

\* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>11/30/2005</u>	<u>11/30/2005</u>	<u>11/30/2004</u>
Interest income	\$4,297	\$4,126	\$3,074
Interest expense	(2,588)	(2,437)	(1,524)
Net interest income from portfolio	1,709	1,689	1,550
Provision for loan losses	(90)	(90)	(90)
Other income	69	55	67
Operating income	<u>1,688</u>	<u>1,654</u>	<u>1,527</u>
Employee costs	(582)	(619)	(575)
Professional expenses	(53)	(79)	(50)
Administrative expenses	(76)	(81)	(54)
Customer relations costs	(40)	(46)	(47)
Other operating expense	(33)	(31)	(19)
Operating expense	<u>(784)</u>	<u>(856)</u>	<u>(745)</u>
Net operating income	904	798	782
Patronage refunds/adjustments	(19)	0	0
Income taxes	(15)	(15)	(15)
Net income	<u>\$870</u>	<u>\$783</u>	<u>\$767</u>

**The Cooperative Finance Association, Inc.**  
**Fiscal 2006 Second Quarter Report**  
**Unaudited (in thousands)**

<u>Balance Sheets As Of:</u>	<u>2/28/2006</u>	<u>8/31/2005</u>	<u>2/28/2005</u>
	*		
Loans	\$199,952	\$221,165	\$206,210
Less allowance for loan losses	(4,890)	(4,725)	(4,731)
Net loans	195,062	216,440	201,479
Cash	174	265	454
Accrued interest receivable	2,809	3,736	1,513
Investments in cooperatives	9,445	9,826	9,806
Other assets	291	492	776
Total assets	<u>\$207,781</u>	<u>\$230,759</u>	<u>\$214,028</u>
Credit facility	\$162,400	\$184,600	\$168,300
Notes payable	0	0	0
Commercial paper	200	1,490	300
Accrued interest payable	653	740	567
Other liabilities	3,393	3,024	5,068
Total liabilities	166,646	189,854	174,235
Members' equity	41,135	40,905	39,793
Total liabilities and members' equity	<u>\$207,781</u>	<u>\$230,759</u>	<u>\$214,028</u>

\* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>2/28/2006</u>	<u>2/28/2006</u>	<u>2/28/2005</u>
Interest income	\$8,421	\$8,137	\$6,284
Interest expense	(5,176)	(4,929)	(3,290)
Net interest income from portfolio	3,245	3,208	2,994
Provision for loan losses	(180)	(180)	(180)
Other income	146	172	193
Operating income	<u>3,211</u>	<u>3,200</u>	<u>3,007</u>
Employee costs	(1,155)	(1,231)	(1,145)
Professional expenses	(158)	(167)	(116)
Administrative expenses	(148)	(158)	(128)
Customer relations costs	(79)	(95)	(79)
Other operating expense	(75)	(76)	(58)
Operating expense	<u>(1,615)</u>	<u>(1,727)</u>	<u>(1,526)</u>
Net operating income	1,596	1,473	1,481
Patronage refunds/adjustments	(19)	0	0
Income taxes	(30)	(30)	(30)
Net income	<u>\$1,547</u>	<u>\$1,443</u>	<u>\$1,451</u>

**The Cooperative Finance Association, Inc.**  
**Fiscal 2006 Third Quarter Report**  
**Unaudited (in thousands)**

<u>Balance Sheets As Of:</u>	<u>5/31/2006</u>	<u>8/31/2005</u>	<u>5/31/2005</u>
		*	
Loans	\$215,536	\$221,165	\$231,278
Less allowance for loan losses	(5,095)	(4,725)	(4,767)
Net loans	210,441	216,440	226,511
Cash	218	265	138
Accrued interest receivable	3,628	3,736	2,339
Investments in cooperatives	9,675	9,826	10,016
Other assets	528	492	594
Total assets	<u>\$224,490</u>	<u>\$230,759</u>	<u>\$239,598</u>
Credit facility	\$176,900	\$184,600	\$194,500
Notes payable	0	0	0
Commercial paper	250	1,490	0
Accrued interest payable	911	740	850
Other liabilities	3,207	3,024	2,675
Total liabilities	181,268	189,854	198,025
Members' equity	43,222	40,905	41,573
Total liabilities and members' equity	<u>\$224,490</u>	<u>\$230,759</u>	<u>\$239,598</u>
		* after patronage	
<u>Operating Statements</u>		<u>Budget</u>	
<u>Fiscal Year to Date Through:</u>	<u>5/31/2006</u>	<u>5/31/2006</u>	<u>5/31/2005</u>
Interest income	\$12,750	\$12,450	\$9,883
Interest expense	(7,826)	(7,599)	(5,379)
Net interest income from portfolio	4,924	4,851	4,504
Provision for loan losses	(270)	(270)	(270)
Other income	248	292	308
Operating income	<u>4,902</u>	<u>4,873</u>	<u>4,542</u>
Employee costs	(1,723)	(1,850)	(1,689)
Professional expenses	(190)	(257)	(187)
Administrative expenses	(211)	(234)	(165)
Customer relations costs	(103)	(136)	(136)
Other operating expense	(118)	(130)	(98)
Operating expense	<u>(2,345)</u>	<u>(2,607)</u>	<u>(2,275)</u>
Net operating income	2,557	2,266	2,267
Patronage refunds	1,137	1,000	1,002
Income taxes/other nonrecurring items	(60)	(45)	(42)
Net income	<u>\$3,634</u>	<u>\$3,221</u>	<u>\$3,227</u>

**The Cooperative Finance Association, Inc.**  
**Fiscal 2006 Fourth Quarter Report**  
**Unaudited (in thousands)**

<u>Balance Sheets As Of:</u>	# <u>08/31/2006</u>	* <u>08/31/2005</u>	# <u>08/31/2005</u>
Loans	\$207,524	\$221,165	\$221,165
Less allowance for loan losses	(1,661)	(4,725)	(4,725)
Net loans	205,863	216,440	216,440
Cash	228	265	265
Accrued interest receivable	4,433	3,736	3,736
Investments in cooperatives	9,675	9,826	9,826
Other assets	602	492	492
Total assets	<u>\$220,801</u>	<u>\$230,759</u>	<u>\$230,759</u>
Credit facility	\$170,100	\$184,600	\$184,600
Notes payable	0	0	0
Commercial paper	1,000	1,490	1,490
Accrued interest payable	984	740	740
Other liabilities	1,213	3,024	1,437
Total liabilities	173,297	189,854	188,267
Members' equity	47,504	40,905	42,492
Total liabilities and members' equity	<u>\$220,801</u>	<u>\$230,759</u>	<u>\$230,759</u>
	# before patronage	* after patronage	
<u>Operating Statements</u>		<u>Budget</u>	
<u>Fiscal Year to Date Through:</u>	<u>08/31/2006</u>	<u>08/31/2006</u>	<u>08/31/2005</u>
Interest income	\$17,769	\$16,970	\$14,088
Interest expense	(10,840)	(10,336)	(7,813)
Net interest income from portfolio	6,929	6,634	6,275
Provision for loan losses	(360)	(360)	(360)
Other income	277	330	348
Operating income	<u>6,846</u>	<u>6,604</u>	<u>6,263</u>
Employee costs	(2,402)	(2,464)	(2,258)
Professional expenses	(237)	(341)	(272)
Administrative expenses	(272)	(310)	(222)
Customer relations costs	(133)	(177)	(184)
Other operating expense	(148)	(162)	(125)
Operating expense	<u>(3,192)</u>	<u>(3,454)</u>	<u>(3,061)</u>
Net operating income	3,654	3,150	3,202
Patronage refunds	1,137	1,000	1,002
Income taxes/other nonrecurring items	3,125	(60)	(60)
Net income	<u>\$7,916</u>	<u>\$4,090</u>	<u>\$4,144</u>