THIRD QUARTER 2004

Table of Contents

Management's Discussion and Analysis of
Financial Condition and Results of Operations 2

Combined Financial Statements:
Combined Balance Sheets 6
Combined Statements of Income 7
Combined Statements of Changes in Shareholders' Equity 8
Combined Statements of Cash Flows 9

Notes to the Combined Financial Statements 10

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Chief Executive Officer

E. McDonald Berryman
Chairman of the Board

October 29, 2004

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands, except as noted)

The following discussion reviews the combined financial condition and results of operations of AgFirst Farm Credit Bank (AgFirst) and the District Agricultural Credit Associations (ACAs or District Associations), collectively referred to as the District, for the three and nine months ended September 30, 2004. These comments should be read in conjunction with the accompanying financial statements and the 2003 Annual Report of AgFirst Farm Credit Bank and District Associations.

As of January 1, 2004, the District consisted of AgFirst, its subsidiary (the Farm Credit Finance Corporation of Puerto Rico) and twenty-three Agricultural Credit Associations.

Key ratios and data reported below, and in the accompanying financial statements, address the financial performance of the District in more detail. The nine months' results of operations may not be indicative of an entire year due to the seasonal nature of a portion of the District's assets.

FINANCIAL CONDITION

Loan Portfolio

Gross loan volume at September 30, 2004 was $14,677,874, an increase of $308,184, or 2.14 percent as compared to December 31, 2003, and an increase of $519,393 or 3.67 percent compared to September 30, 2003. The increase in loans is attributable to the continued health of the agricultural sector.

During the third quarter, a series of five hurricanes caused damage across the AgFirst District. Florida, Puerto Rico, and parts of Georgia, Alabama and North Carolina were the areas most impacted. In certain areas, crop and commodity damage was severe, but no long-term negative impact is anticipated. The impact on repayment of loans will not be known in most cases for two to four months. However, risk of loss appears to be mitigated by insurance proceeds, disaster relief and the overall financial health of the borrowers' balance sheets.

Nonaccrual loan assets for the combined District at September 30, 2004 were .71 percent of total loans outstanding as compared to 0.84 percent at December 31, 2003 and 0.85 percent at September 30, 2003. Loan classifications as of September 30, 2004, remained relatively stable compared to December 31, 2003 and September 30, 2003. The following chart provides the credit quality at September 30, 2004 compared to the prior periods:

Asset Quality as of:			
Classification	**September 30, 2004**	**December 31, 2003**	**September 30, 2003**
Acceptable	93.40%	92.81%	91.32%
OAEM	4.08%	4.76%	5.97%
Substandard	2.42%	2.35%	2.62%
Doubtful	0.10%	0.08%	0.09%

The allowance for loan losses at September 30, 2004 of $312,345, or 2.13 percent of gross loan volume, is considered by management to be adequate to absorb potential losses on existing loans. By comparison, the allowance for losses at December 31, 2003 was $316,735, or 2.20 percent of gross loan volume.

In June 2003, the American Institute of Certified Public Accountants' (AICPA) Accounting Standards Executive Committee (AcSEC) issued a proposed Statement of Position — Allowance for Credit Losses, which was intended to clarify the methodology for estimating the allowance for credit losses and to enhance financial statement disclosures related to the allowance for credit losses. In January 2004, AcSEC abandoned its proposed Statement of Position and announced that it would focus instead on improving financial statement disclosures regarding the allowance for loan losses.

In April 2004, the Farm Credit Administration, the System's regulator, issued an "Informational Memorandum" to System institutions regarding the allowance for loan losses. The memorandum addresses the status of the AICPA's project and the Securities and Exchange Commission and the Federal Financial Institutions Examination Council guidance on the subject. The objective of the Farm Credit Administration's memorandum was to clarify its expectations regarding the analysis and related documentation for the allowance for loan losses. The Farm Credit Administration endorsed the direction provided by these other regulatory agencies and will include the conceptual framework addressed in this guidance in their examination process.

System institutions have initiated studies to further refine methodologies for calculating their respective allowances for loan losses, taking into account generally accepted accounting principles and applicable Farm Credit Administration requirements, as well as the Securities and Exchange Commission and Federal Financial Institutions Examination Council guidelines. These studies will be completed by the fourth quarter of 2004 with any appropriate reductions to the allowance for loan losses implemented at that time. The resulting reductions in the allowance for loan losses may be significant.

Refer to Note 2, *Allowance for Loan Losses*, in the notes to the combined financial statements of this report for further information.

Employee Retirement Plans

During the third quarter of 2004, the District funded $92.2 million to the employees' pension plans in addition to the $14.4 million funded during the second quarter of 2004. The funding brings the pension plans' assets to an amount exceeding the employer's Accumulated Benefit Obligation. The impact of the funding is expected to be minimal on 2004 net income and capital levels. Benefits in subsequent periods should include improved net income and the elimination of the pension-related charge to accumulated other comprehensive income in the shareholders' equity. See Note 4, *Employee Benefit Plans*, in the notes to the combined financial statements of this report for further information.

Liquidity and Funding Sources

As of September 30, 2004, AgFirst and all District Associations exceeded all applicable liquidity requirements. Cash, cash equivalents and investment securities totaled $3,759,855 or 20.29 percent of total assets at September 30, 2004, compared to $3,327,055 or 18.80 percent as of December 31, 2003. At September 30, 2004, AgFirst had 203 days of coverage as defined by the System's common liquidity policy.

Interest-bearing liabilities, consisting of bonds and notes, increased by $802,065, or 5.53 percent, compared to bonds and notes outstanding at December 31, 2003. Interest-bearing liabilities increased primarily due to the increase in loan and investment volume previously mentioned.

Capital Resources

Total District shareholders' equity increased $171,652 from December 31, 2003 to September 30, 2004. The increase was primarily the result of $254,852 in net income, offset by a net reduction in stock and participation certificates of $4,405, retirements of surplus of $71,479, dividends paid of $5,748, and patronage distribution of $12,474.

As of September 30, 2004, AgFirst and the District Associations exceeded the minimum permanent capital, core surplus, total surplus and net collateral ratio requirements under the Farm Credit Administration Regulations.

RESULTS OF OPERATIONS

Net Interest Income

Net interest income for the three months ended September 30, 2004 was $144,117, an increase of $2,043 or 1.44 percent compared to the three months ended September 30, 2003. Net interest income for the nine months ended September 30, 2004 was $425,458, a decrease of $9,057 or 2.08 percent compared to the same period ended September 30, 2003. The year-to-date decrease is primarily attributed to the reclassification of preferred stock dividends as interest expense and a lessening of the positive impact derived from debt called during prior periods (discussed below).

The decreases in net interest income for the nine months ended September 30, 2004 can be attributed, in part, to the inclusion of the term preferred stock dividend in interest expense. Effective July 1, 2003, AgFirst adopted SFAS No. 150, *Accounting for Certain Financial Instruments with Similar Characteristics of Both Liabilities and Equity*, which requires that the Series 1 Preferred Stock be classified as a liability rather than as a component of equity, and that the related dividends incurred subsequent to June 30, 2003 be classified as a component of interest expense. Accrued dividends for the nine-month period ended September 30, 2004 totaled $14,163 compared to $4,721 in 2003. The reclassification of the term preferred stock dividend had no impact on the comparative third quarters, as the reclassification became effective in the third quarter of 2003.

Additionally, AgFirst executed call options (trend began in 2001) on a significant volume of fixed-rate debt through July 2003, replacing the called debt with lower-cost, fixed-rate debt. Loan prepayment activity somewhat offset a portion of the benefit achieved by calling debt, but the efficiency of calling large blocks of debt resulted in significant improvement in net interest margin. The decline in net interest income in 2004 reflects the anticipated return toward normal profitability levels following the extraordinary improvement achieved by exercising call options.

Provision for Loan Losses

The provision for loan losses for the nine months ended September 30, 2004, was $2,037, as compared to $8,803 for the same period of the prior year. See Note 2, *Allowance for Loan Losses* in the notes to the combined financial statements for further information. This variance was due to AgFirst and the ACAs recording provisions of $2,500 and $6,303, respectively, for the nine months ended September 30, 2003, compared to the ACAs only recording a provision of $2,037 for the comparable period in 2004.

Noninterest Income

Noninterest income for the three and nine months ended September 30, 2004, was $12,080 and $40,571, respectively, an increase of $5,550 for the quarter, and an increase of $2,981 for year-to-date, as compared to the same periods in 2003. The three-month increase was primarily attributed to reduction of losses on AgFirst's sale of rural home loans and an increase in fees for financially related services, offset by decreases in fee income. The nine-month increase was primarily attributed to the $3,757 gain on AgFirst's sale of Farm Credit Leasing Corporation stock and an increase in gains on the sale of assets of $2,725, offset by an increase in losses of $2,447 attributed to AgFirst's sale of rural home loans.

Noninterest Expense

Noninterest expense for the three and nine months ended September 30, 2004 was $67,223 and $210,331, respectively, a decrease of $2,796 and $8,809 respectively, as compared to the corresponding periods in 2003. The three-month decrease was primarily attributed to the decrease in Insurance Fund premium of $5,663, offset by increases in salaries and employee benefits of $1,826 and other operating expenses of $1,387. The nine-month decrease was primarily attributed to the decreases in FAC expenses of $6,313, called debt expense of $8,629, and Insurance Fund premium of $6,817, offset by increases in salaries and employee benefits of $5,403, restructuring charges of $3,645, and other operating expenses of $1,815. The decrease in FAC expense was due to the retirement of Financial Assistance Corporation bonds. The decrease in called debt expense is the result of increasing interest rates. The decrease in the Insurance Fund premium was due to a reduction on the premium rate on accrual loans.

Provision for Income Taxes

The provision/(benefit) for income taxes for the three and nine months ended September 30, 2004 was $(1,607) and $(1,191), respectively, compared to a provision/(benefit) for income taxes of $17 and $(41), respectively, for the same periods in 2003. This represents an increase in income tax benefits of $1,624 for the quarter and an increase in income tax benefits of $1,150 for year-to-date compared to the same periods in 2003.

Key results of operations comparisons:

	Annualized for the nine months ended 9/30/04	**For the year ended 12/31/03**
Return on Average Assets	1.89%	1.88%
Return on Average Shareholders' Equity	12.83%	13.03%
Net Interest Income as a Percentage of Average Earning Assets	3.17%	3.40%
Chargeoffs, Net of (Recoveries), to Average Loans	.06%	0.02%

Combined Balance Sheets

(dollars in thousands)	**September 30, 2004**	**December 31, 2003**
	(unaudited)	*(audited)*
Assets		
Cash and cash equivalents	$ 487,063	$ 494,339
Investment securities	3,272,792	2,832,716
Loans	14,677,874	14,369,690
Less: allowance for loan losses	312,345	316,735
Net loans	14,365,529	14,052,955
Accrued interest receivable	166,402	122,007
Investments in other Farm Credit System institutions	10,199	19,157
Premises and equipment, net	93,572	86,914
Other property owned	3,529	2,253
Deferred tax assets, net	13,511	13,303
Other assets	120,200	72,273
Total assets	$ 18,532,797	$ 17,695,917
Liabilities		
Bonds and notes	$ 15,309,170	$ 14,507,105
Mandatorily redeemable preferred stock	225,000	225,000
Accrued interest and dividend payable	60,367	52,025
Dividends and patronage refunds payable	13,845	68,885
Postretirement benefits other than pensions	88,485	79,249
Minimum pension liability	—	52,519
Other liabilities	102,547	149,403
Total liabilities	15,799,414	15,134,186
Commitments and contingencies	—	—
Shareholders' Equity		
Perpetual preferred stock	150,000	150,000
Protected borrower equity	10,358	12,453
Capital stock and participation certificates	125,789	128,099
Retained earnings		
Allocated	723,457	792,168
Unallocated	1,821,796	1,587,934
Accumulated other comprehensive income (loss)	(98,017)	(108,923)
Total shareholders' equity	2,733,383	2,561,731
Total liabilities and equity	$ 18,532,797	$ 17,695,917

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Income

(unaudited)

(dollars in thousands)	For the three months ended September 30, 2004	2003	For the nine months ended September 30, 2004	2003
Interest Income				
Investment securities	$ 19,812	$ 12,615	$ 51,360	$ 44,064
Loans	211,203	200,350	605,619	601,718
Total interest income	231,015	212,965	656,979	645,782
Interest Expense	86,898	70,891	231,521	211,267
Net interest income	144,117	142,074	425,458	434,515
Provision for loan losses	1,775	(281)	2,037	8,803
Net interest income after provision for loan losses	142,342	142,355	423,421	425,712
Noninterest Income				
Loan fees	7,220	9,226	26,406	27,829
Fees for financially related services	2,535	1,484	4,484	3,632
Realized gains (losses) on investments, net	44	29	136	229
Gain on sale of rural home loans	305	(5,065)	(1,194)	1,253
Interest related to IRS refunds	—	—	—	67
Other noninterest income	1,976	856	10,739	4,580
Total noninterest income	12,080	6,530	40,571	37,590
Noninterest Expenses				
Salaries and employee benefits	43,954	42,128	130,988	125,585
Occupancy and equipment	6,246	5,845	18,661	17,217
Insurance Fund premium	(1,586)	4,077	5,303	12,120
Other operating expenses	15,789	14,402	42,308	40,493
Intra-System financial assistance expenses	1,709	2,036	5,029	11,342
Called debt expense	437	1,154	2,689	11,318
Restructuring charge	53	—	3,645	—
Other noninterest expense	621	377	1,708	1,065
Total noninterest expenses	67,223	70,019	210,331	219,140
Income before income taxes	87,199	78,866	253,661	244,162
Provision (benefit) for income taxes	(1,607)	17	(1,191)	(41)
Net income	$ 88,806	$ 78,849	$ 254,852	$ 244,203

The accompanying notes are an integral part of these combined financial statements

Combined Statements of Changes in Shareholders' Equity

(unaudited)

(dollars in thousands)	Perpetual Preferred Stock	Protected Borrower Equity	Capital Stock and Participation Certificates	Retained Earnings Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2002	$ —	$ 15,486	$124,541	$ 756,525	$ 1,494,659	$(110,655)	$ 2,280,556
Comprehensive income							
Net income					244,203		244,203
Unrealized gains (losses) on investments available for sale, net of reclassification adjustments						1,940	1,940
Change in fair value of derivative instruments						(693)	(693)
Pension liability						28	28
Total comprehensive income							245,478
Protected borrower equity retired		(2,762)					(2,762)
Capital stock/participation certificates issued/retired, net			1,450				1,450
Dividends declared/paid			42		(289)		(247)
Mandatorily redeemable preferred stock dividends accrued					(9,443)		(9,443)
Patronage distribution							
Cash					(8,599)		(8,599)
Allocated retained earnings				2,466	(2,466)		—
Retained earnings retired				(75,164)			(75,164)
Patronage distribution adjustment				4,658	(6,364)		(1,706)
Balance at September 30, 2003	$ —	$ 12,724	$126,033	$ 688,485	$ 1,711,701	$(109,380)	$ 2,429,563
Balance at December 31, 2003	$150,000	$ 12,453	$128,099	$ 792,168	$ 1,587,934	$(108,923)	$ 2,561,731
Comprehensive income							
Net income					254,852		254,852
Unrealized gains (losses) on investments available for sale, net of reclassification adjustments						2,489	2,489
Change in fair value of derivative instruments						8,430	8,430
Minimum pension liability adjustment						(13)	(13)
Total comprehensive income							265,758
Protected borrower equity retired		(2,095)					(2,095)
Capital stock/participation certificates issued/retired, net			(2,370)				(2,370)
Dividends declared/paid			60		(273)		(213)
Perpetual preferred stock dividends paid					(5,475)		(5,475)
Patronage distribution							
Cash					(11,306)		(11,306)
Allocated retained earnings				3,147	(3,147)		—
Retained earnings retired				(71,479)			(71,479)
Patronage distribution adjustment				(379)	(789)		(1,168)
Balance at September 30, 2004	$150,000	$ 10,358	$125,789	$ 723,457	$ 1,821,796	$ (98,017)	$ 2,733,383

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Cash Flows

(unaudited)

(dollars in thousands)	For the nine months ended September 30, 2004	2003
Cash flows from operating activities:		
Net income	$ 254,852	$ 244,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation on premises and equipment	10,473	9,487
Provision for loan losses	2,037	8,803
(Gains) on sale of Farm Credit Leasing Corporation stock	(3,757)	—
(Gains) losses on other property owned, net	(81)	291
Realized (gains) losses on investments, net	(136)	(229)
Realized (gains) losses on mortgage loans held for sale	1,194	(1,253)
Proceeds from sale of mortgage loans held for sale	254,035	756,231
Purchases of mortgage loans held for sale (net of principal repayment)	(293,447)	(863,098)
Contributions to defined benefit retirement plan	(106,592)	(17,537)
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	(44,395)	(26,988)
(Increase) decrease in investments in other Farm Credit System institutions	(119)	69
(Increase) decrease in deferred tax assets, net	(208)	2,608
(Increase) decrease in other assets	(47,927)	(6,829)
Increase (decrease) in accrued interest payable	8,342	8,235
Increase (decrease) in postretirement benefits other than pensions	9,236	9,233
Increase (decrease) in other liabilities	5,450	70,970
Total adjustments	(205,895)	(50,007)
Net cash provided by (used in) operating activities	48,957	194,196
Cash flows from investing activities:		
Investment securities purchased	(3,390,204)	(3,735,308)
Investment securities sold or matured	2,952,753	2,780,113
Proceeds from sale of Farm Credit Leasing Corporation stock	12,834	—
Net (increase) decrease in loans	(279,200)	(234,662)
Purchase of premises and equipment, net	(17,131)	(15,994)
Proceeds from sale of other property owned	1,632	5,801
Net cash provided by (used in) investing activities	(719,316)	(1,200,050)
Cash flows from financing activities:		
Bonds and notes issued	32,591,242	42,432,489
Bonds and notes retired	(31,780,747)	(41,170,380)
Protected borrower equity retired	(2,095)	(2,762)
Capital stock and participation certificates issued/retired, net	(2,370)	1,450
Patronage refunds and dividends paid	(65,993)	(64,193)
Dividends paid on perpetual preferred stock	(5,475)	—
Dividends paid on mandatorily redeemable preferred stock	—	(9,443)
Retained earnings retired	(71,479)	(75,164)
Net cash provided by (used in) financing activities	663,083	1,111,997
Net increase (decrease) in cash and cash equivalents	(7,276)	106,143
Cash and cash equivalents, beginning of period	494,339	444,457
Cash and cash equivalents, end of period	$ 487,063	$ 550,600
Supplemental schedule of non-cash investing and financing activities:		
Financed sales of other property owned	$ 498	$ 612
Loans transferred to other property owned	3,305	4,513
Patronage refund and dividends payable	11,519	8,846
Change in unrealized gains (losses) on investments, net	2,489	1,940
Change in fair value of derivative instruments	8,430	(693)
Non-cash changes related to hedging activities:		
Decrease (increase) in loans	$ (326)	$ 1,781
Increase (decrease) in bonds and notes	(2,106)	2,459
Decrease (increase) in other assets	(540)	3,108
Increase (decrease) in other liabilities	924	(553)
Supplemental information:		
Interest paid	$ 223,179	$ 202,193
Taxes paid, net	506	2,787

The accompanying notes are an integral part of these combined financial statements.

Notes to the Combined Financial Statements

(dollars in thousands, except as noted)
(unaudited)

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying combined financial statements include the accounts of AgFirst Farm Credit Bank (AgFirst) and the accounts of the District Agricultural Credit Associations (ACAs or District Associations), collectively referred to as the District, and reflect the investments in and allocated earnings of the service organizations in which AgFirst has a partial ownership interest. All significant transactions and balances between AgFirst and the District Associations have been eliminated in combination.

The significant accounting policies followed, and the financial condition and results of operations of the District as of and for the year ended December 31, 2003, are contained in the 2003 Annual Report to Stockholders. These unaudited third quarter 2004 financial statements should be read in conjunction with the 2003 Annual Report to Stockholders.

In May 2003, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity* (SFAS No. 150 or the Statement). The Statement requires that certain instruments having characteristics of both liabilities and equity be classified as liabilities effective July 1, 2003. The Statement is to be implemented by reporting the cumulative effect of a change in accounting principle for financial instruments created before the issue date of the Statement and still existing at the beginning of the interim period of adoption. Restatement is not permitted.

The accompanying financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform with accounting principles generally accepted in the United States of America (GAAP). The results for the nine months ended September 30, 2004 are not necessarily indicative of the results to be expected for the year ending December 31, 2004.

The District maintains allowances for loan losses in accordance with GAAP. The loan portfolios are reviewed quarterly to determine the adequacy of the allowances for losses. As of September 30, 2004, the allowances for losses are adequate in management's opinion to provide for possible losses on existing loans.

NOTE 2 — ALLOWANCE FOR LOAN LOSSES

An analysis of the allowance for loan losses follows:

Balance at December 31, 2002	$ 311,180
Provision for loan losses	8,803
Loans (charged off), net of recoveries	(3,489)
Balance at September 30, 2003	$ 316,494
Balance at December 31, 2003	$ 316,735
Provision for loan losses	2,037
Loans (charged off), net of recoveries	(6,427)
Balance at September 30, 2004	$ 312,345

NOTE 3 — COMMITMENTS AND CONTINGENT LIABILITIES

Under the Farm Credit Act of 1971, each System bank is primarily liable for its portion of Systemwide bond and discount note obligations. Additionally, the banks are jointly and severally liable for the bonds and notes of the other System banks. The total bonds and notes of the System were $97.0 billion at September 30, 2004.

Actions are pending against AgFirst and/or certain District Associations in which claims for money damages are asserted. On the basis of information presently available, management and legal counsel are of the opinion that the ultimate liability, if any, resulting therefrom, would not be material in relation to the combined financial position of AgFirst and District Associations.

NOTE 4 — EMPLOYEE BENEFIT PLANS

The following table summarizes the components of net periodic benefit costs for the nine months ended September 30:

	Pension Benefits	
	2004	**2003**
Service cost	$ 10,418	$ 8,369
Interest cost	17,103	15,951
Expected return on plan assets	(17,307)	(14,142)
Amortization of prior service costs	486	486
Recognized net (gain) loss	8,618	6,656
Net periodic benefit cost	$ 19,318	$ 17,320

	Other Benefits	
	2004	**2003**
Service cost	$ 2,777	$ 2,724
Interest cost	6,935	6,817
Expected return on plan assets	—	(4)
Amortization of prior service costs	(138)	(70)
Recognized net (gain) loss	4,216	3,447
Net periodic benefit cost	$ 13,790	$ 12,914

The District previously disclosed in its financial statements for the year ended December 31, 2003, that it expected to contribute $19,000 to its pension plans in 2004. As of September 30, 2004, the District had contributed $106,592 to the defined benefit retirement plans, which were sufficient to meet the Accumulated Benefit Obligation. The contributions eliminated the minimum pension liability with any excess contributions being classified as prepaid retirement expense in Other Assets on the Consolidated Balance Sheets. The District does not anticipate contributing any additional funds during the remainder of 2004.

NOTE 5 — BANK ONLY FINANCIAL DATA

Condensed financial information of AgFirst Farm Credit Bank follows:

Balance Sheet Data

	9/30/04	12/31/03
	(unaudited)	*(audited)*
Cash and investment securities	$ 3,746,517	$ 3,302,661
Loans	12,778,836	12,375,230
Less: allowance for loan losses	30,298	34,168
Net loans	12,748,538	12,341,062
Other assets	221,488	235,825
Total assets	$ 16,716,543	$ 15,879,548
Bonds and notes	$ 15,309,170	$ 14,507,105
Mandatorily redeemable preferred stock	225,000	225,000
Other liabilities	91,822	192,911
Total liabilities	15,625,992	14,925,016
Perpetual preferred stock	150,000	150,000
Capital stock and participation certificates	229,296	229,083
Retained earnings	726,586	601,699
Accumulated other comprehensive income (loss)	(15,331)	(26,250)
Total shareholders' equity	1,090,551	954,532
Total liabilities and equity	$ 16,716,543	$ 15,879,548

Statement of Income Data

(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2004	2003	2004	2003
Interest income	$ 140,211	$ 127,043	$ 394,372	$ 399,253
Interest expense	86,871	70,875	231,450	211,202
Net interest income	53,340	56,168	162,922	188,051
Provision for loan losses	—	—	—	2,500
Net interest income after provision for loan losses	53,340	56,168	162,922	185,551
Noninterest income (expense), net	(12,987)	(17,658)	(32,560)	(50,302)
Net income	$ 40,353	$ 38,510	$ 130,362	$ 135,249