

Farm Credit

Financing Rural America for More Than 90 Years | *The Tools You Need*

2009 Annual Meeting



MidAtlantic
Farm Credit

Your Board of Directors

- 25 individuals
 - 23 member/owners, elected by you
 - 2 appointed, outside directors, to give an outside perspective
- Attend monthly board meetings
 - Govern the strategic direction
 - Receive financial updates
 - Monitor portfolio's performance
 - Reports on human resources, technology and marketing

Board Committees

- **Governance:** Fred West, Chairman
- **Human Resources:** Paul Rock, Chairman
- **Audit:** Ralph Robertson, Chairman
- **Executive:** Fred Moore, Chairman
- **CAP:** Represented by one board member from each state

President and CEO

BOB FRAZEE

**The
Economist**

JULY 19TH - 27TH 2008

www.economist.com

Down but not out:
A 10-page special
report on al-Qaeda

The battle for trade

Obama comes to Europe

The best diet for your brain

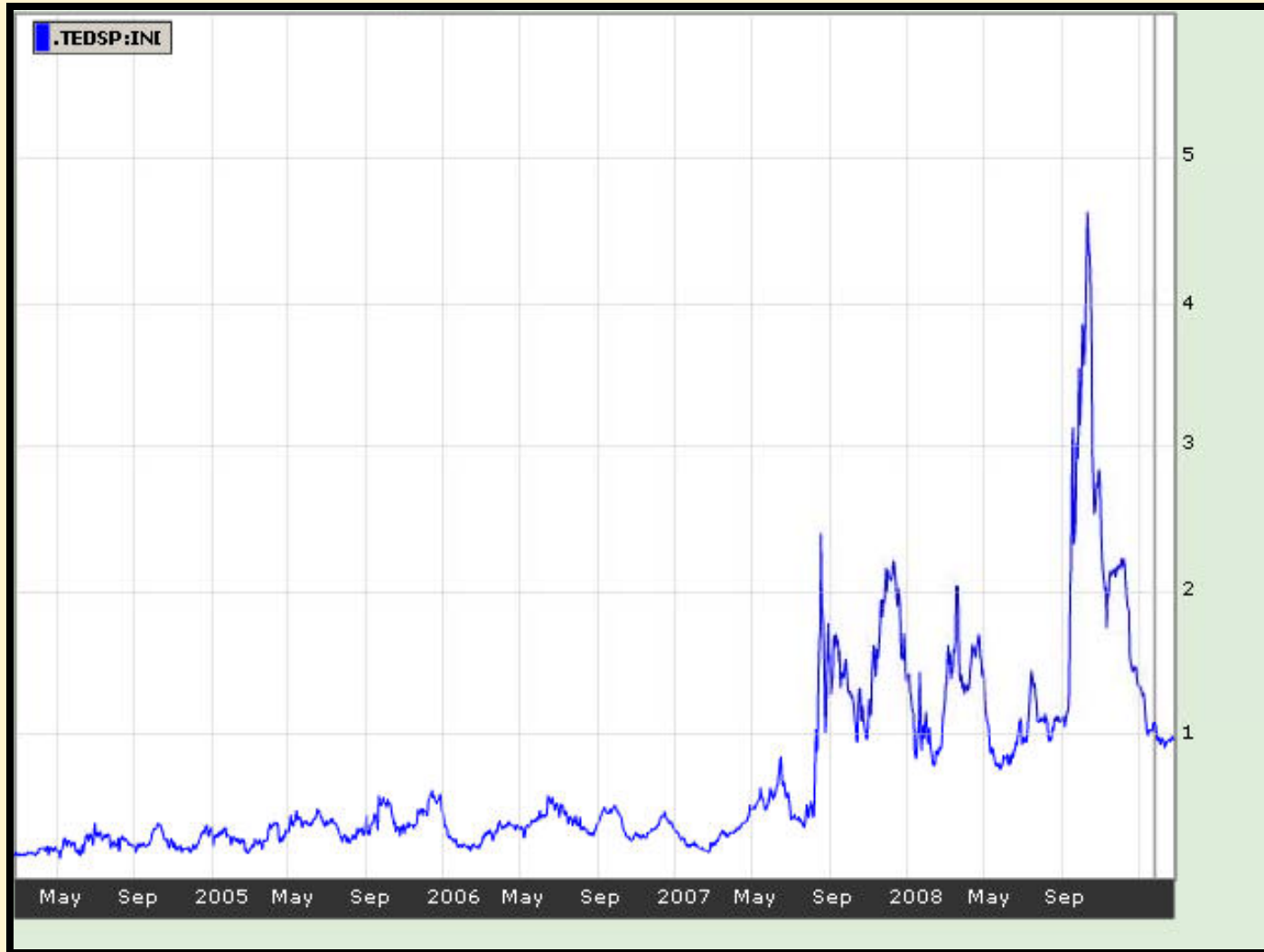


Twin twisters

**Fannie Mae,
Freddie Mac
and the market
chaos**



TED Spread

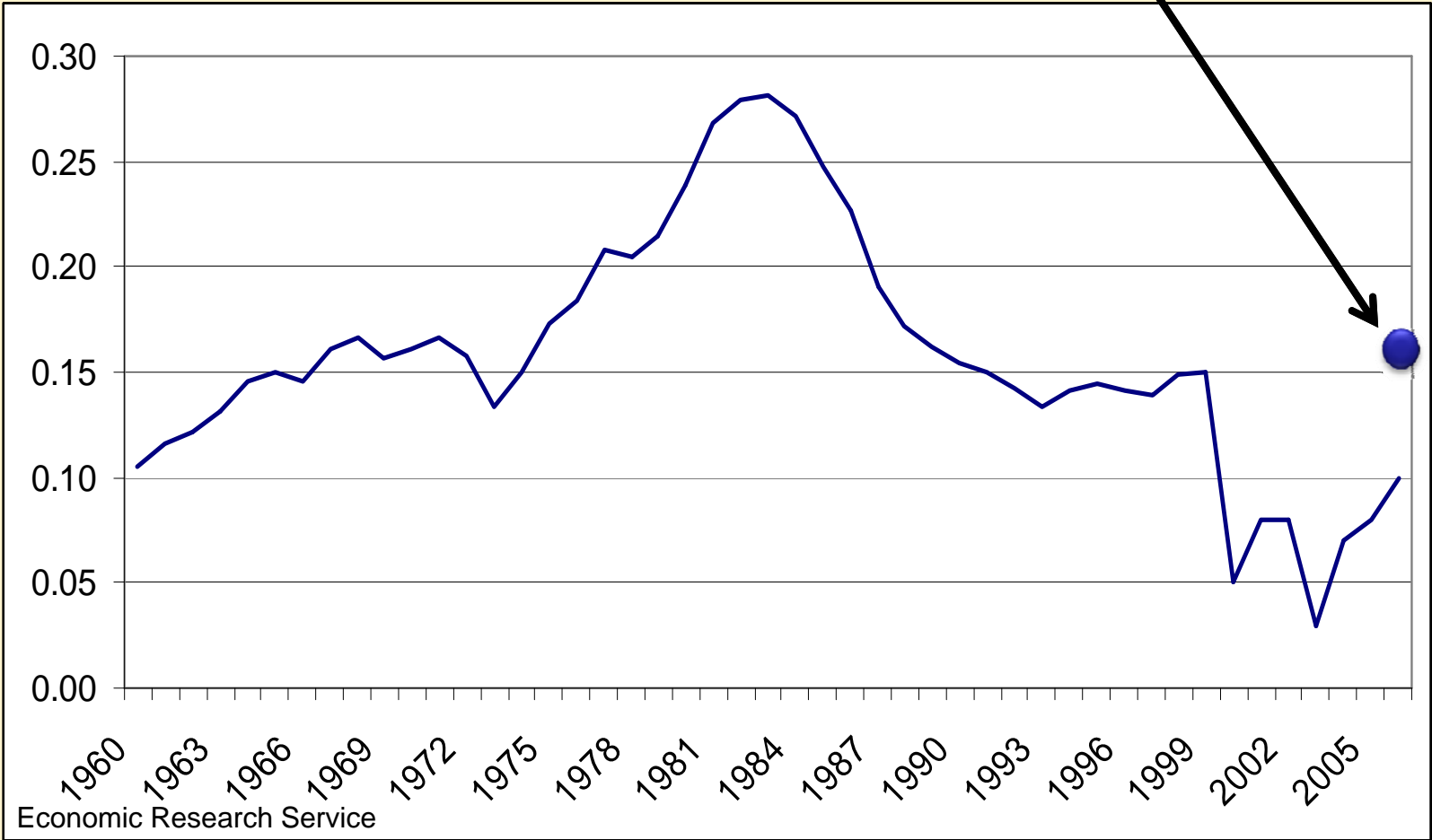


So, what's next?



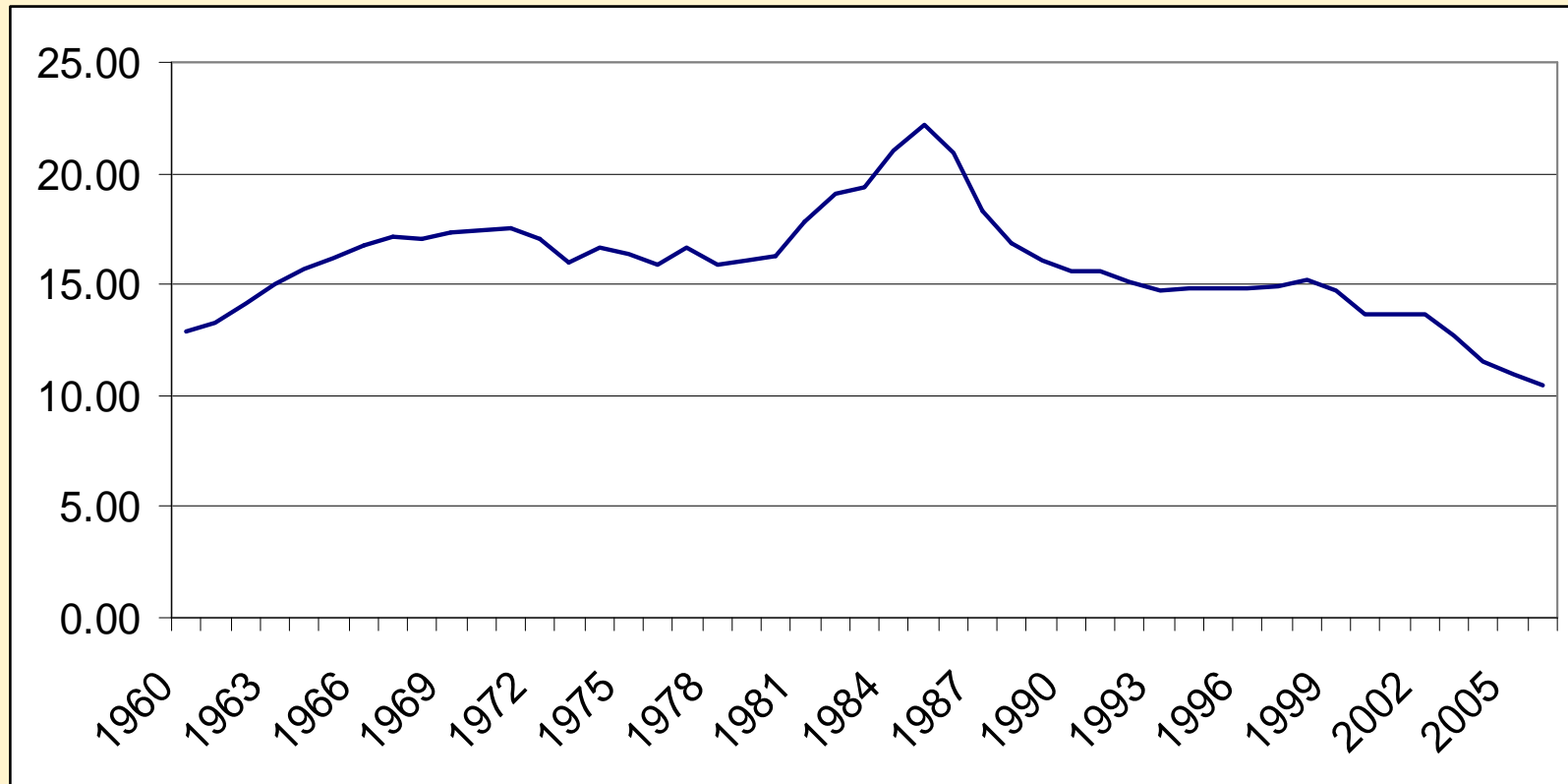
Debt Service to Farm Income

If income drops 33%
no change in debt



Economic Research Service

Farm Debt to Asset Ratio



Farm Credit Remains Strong

- 2008 net income was a record \$2.9 billion
- Credit quality at year end remained favorable with 97.1% of all loans ranked in the highest loan quality classifications
- Allowance for loan losses was boosted to reflect the impact of economic stress on credit quality

Farm Credit Remains Strong

- Capital as a percentage of assets was 12.7% on December 31, 2008
- Farm Credit's self-funded insurance fund protects its institutions and is controlled by the Farm Credit System Insurance Corporation

What are we doing?

- Dependable financial reporting
- Maintaining liquidity
- Farm Credit System Insurance Corporation (FCSIC)
- Managing credit risk

Reputation

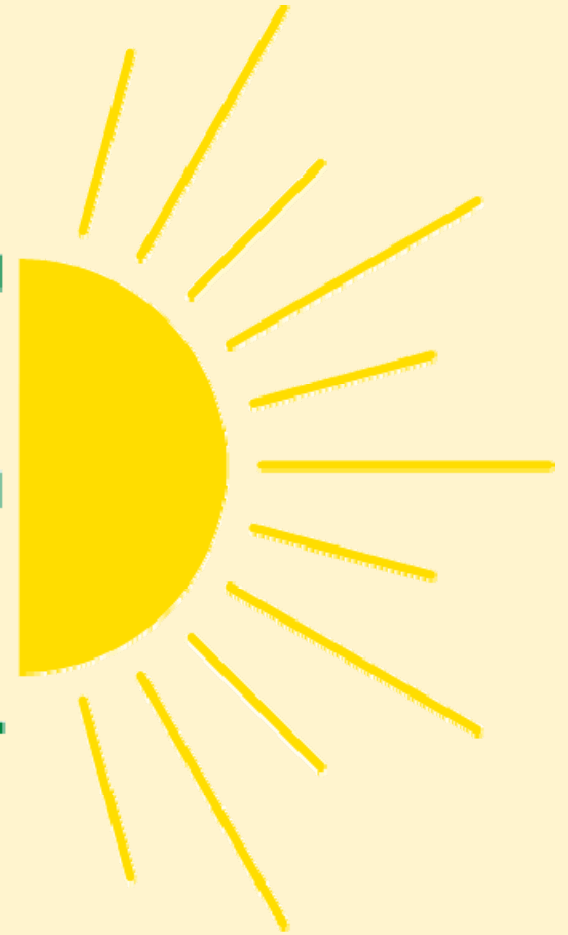
"It takes 20 years to build a reputation and five minutes to ruin it.

If you'll think about that, you'll do things differently."

- Warren Buffett

START RIGHT

MIDATLANTIC FARM CREDIT





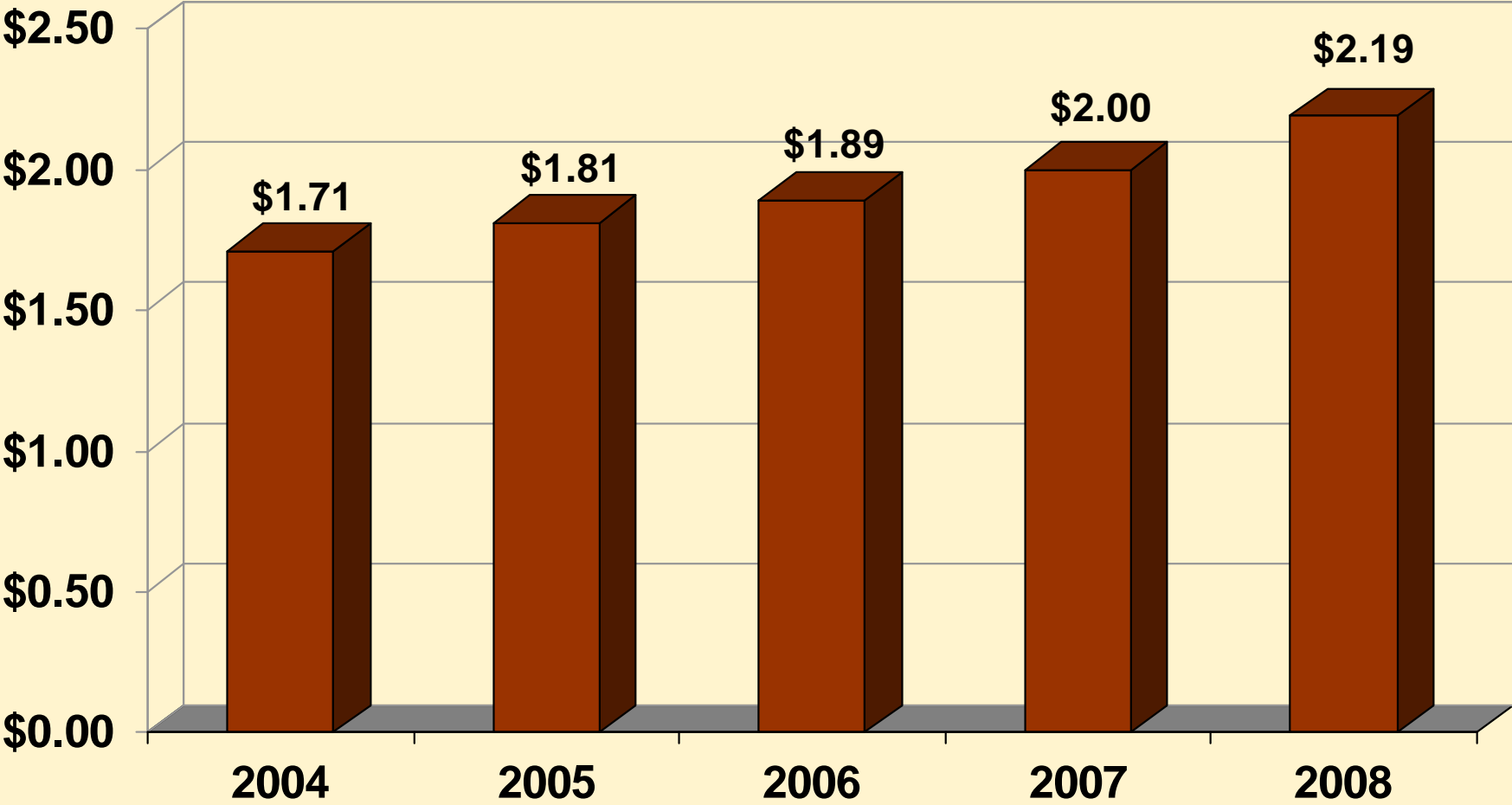
Mission Statement

MidAtlantic Farm Credit is customer-owned and customer-focused. We work every day to:

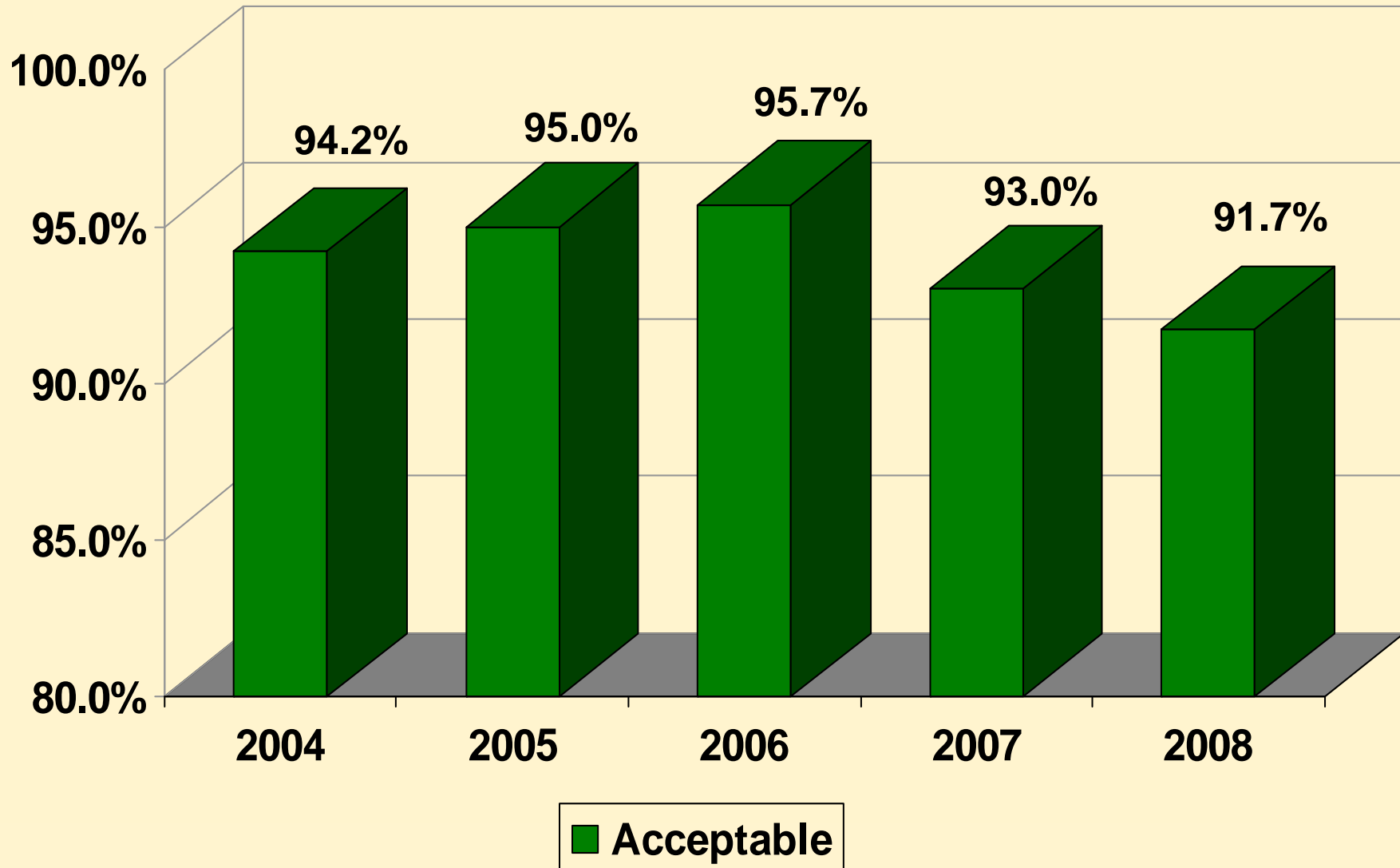
- Give our customers best-in-class solutions for their financial needs,
- Manage their association efficiently, safely, and soundly,
- Be dependable, in good times and bad, for this and future generations.

2009 FINANCIAL OVERVIEW

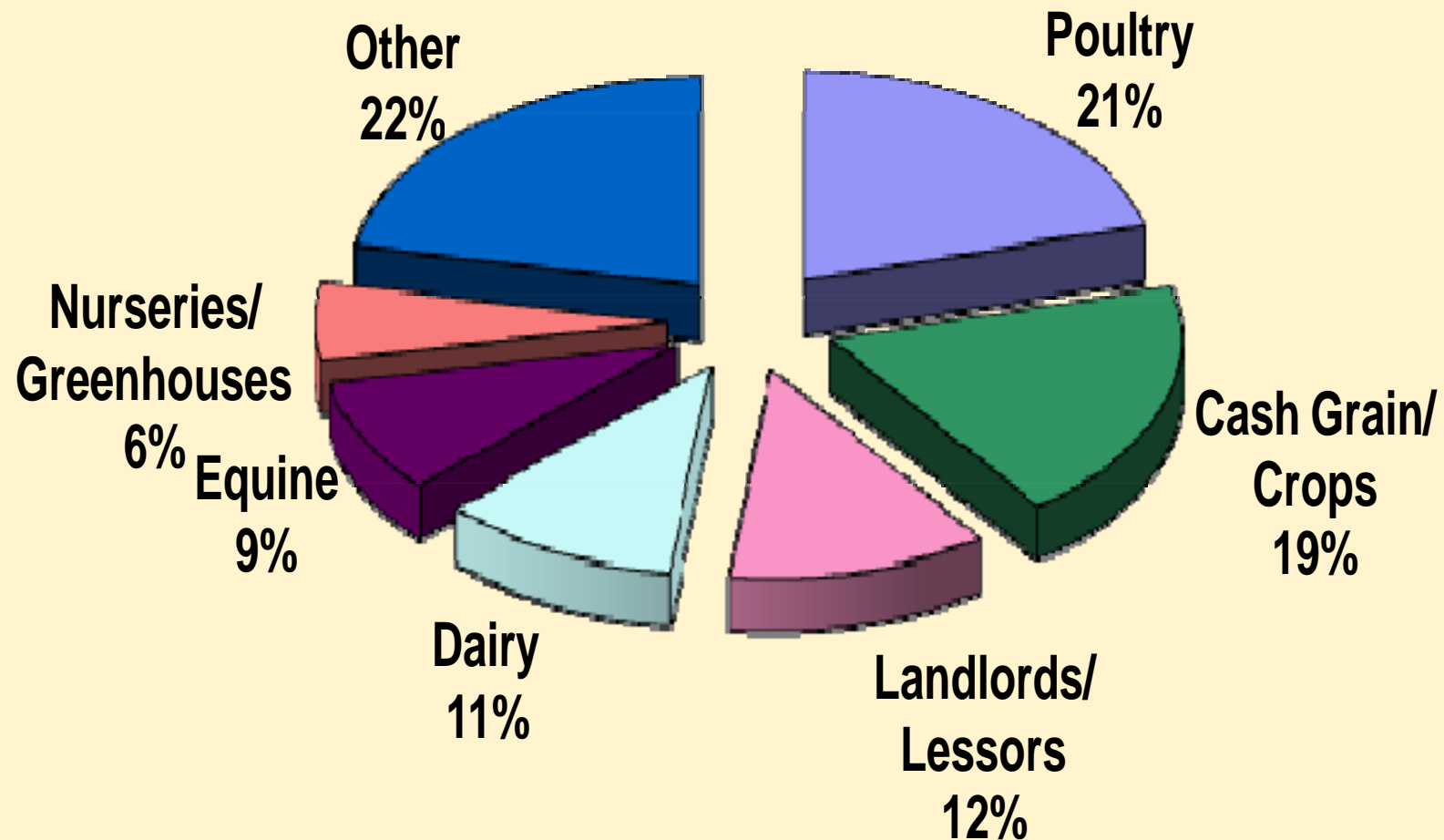
Loan Volume Outstanding (in billions)



Credit Quality (acceptable loan volume %)

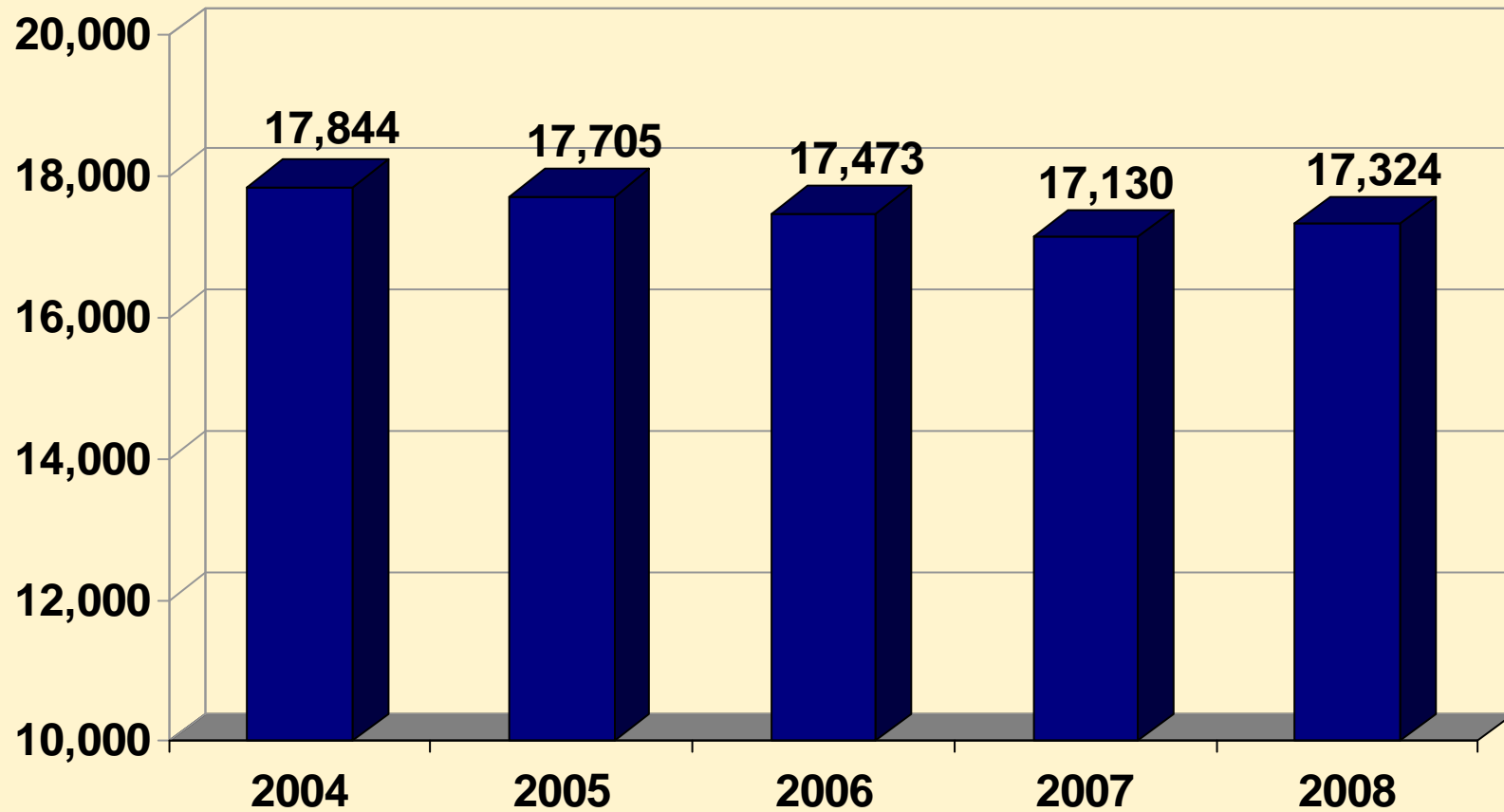


2008 Portfolio Concentrations

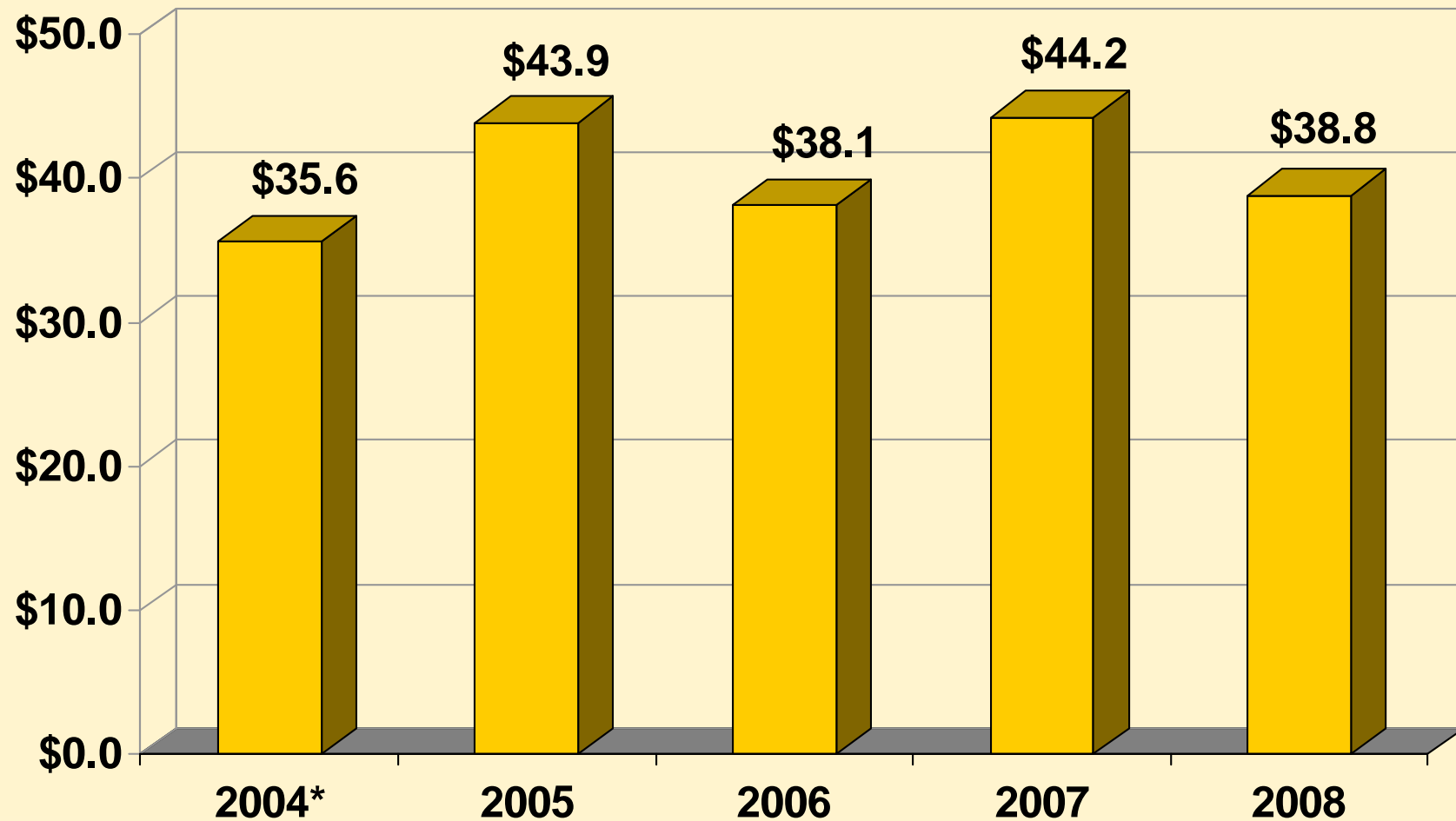


Other – 5% or less

Number of Loans



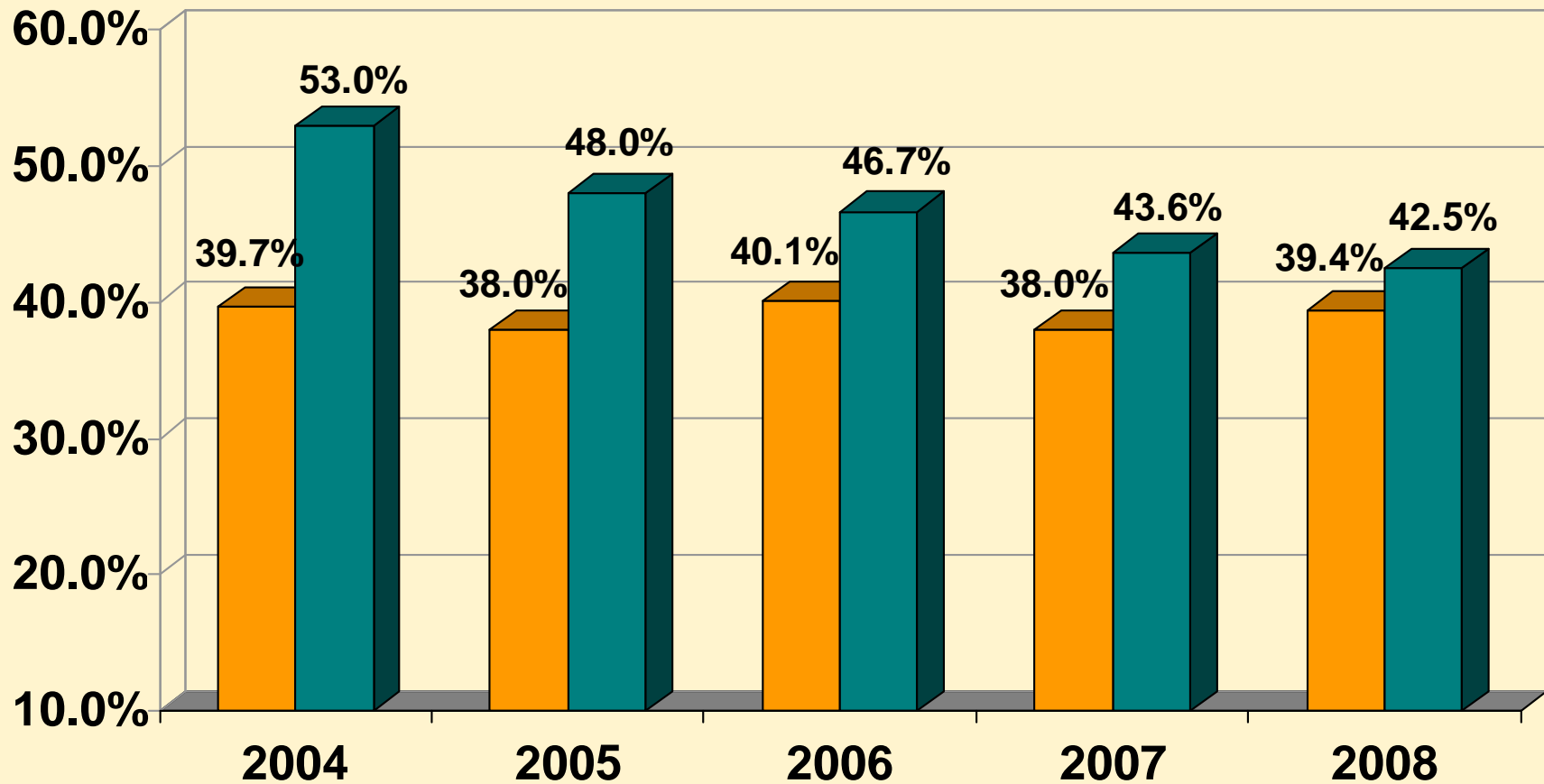
Net Income (in millions)



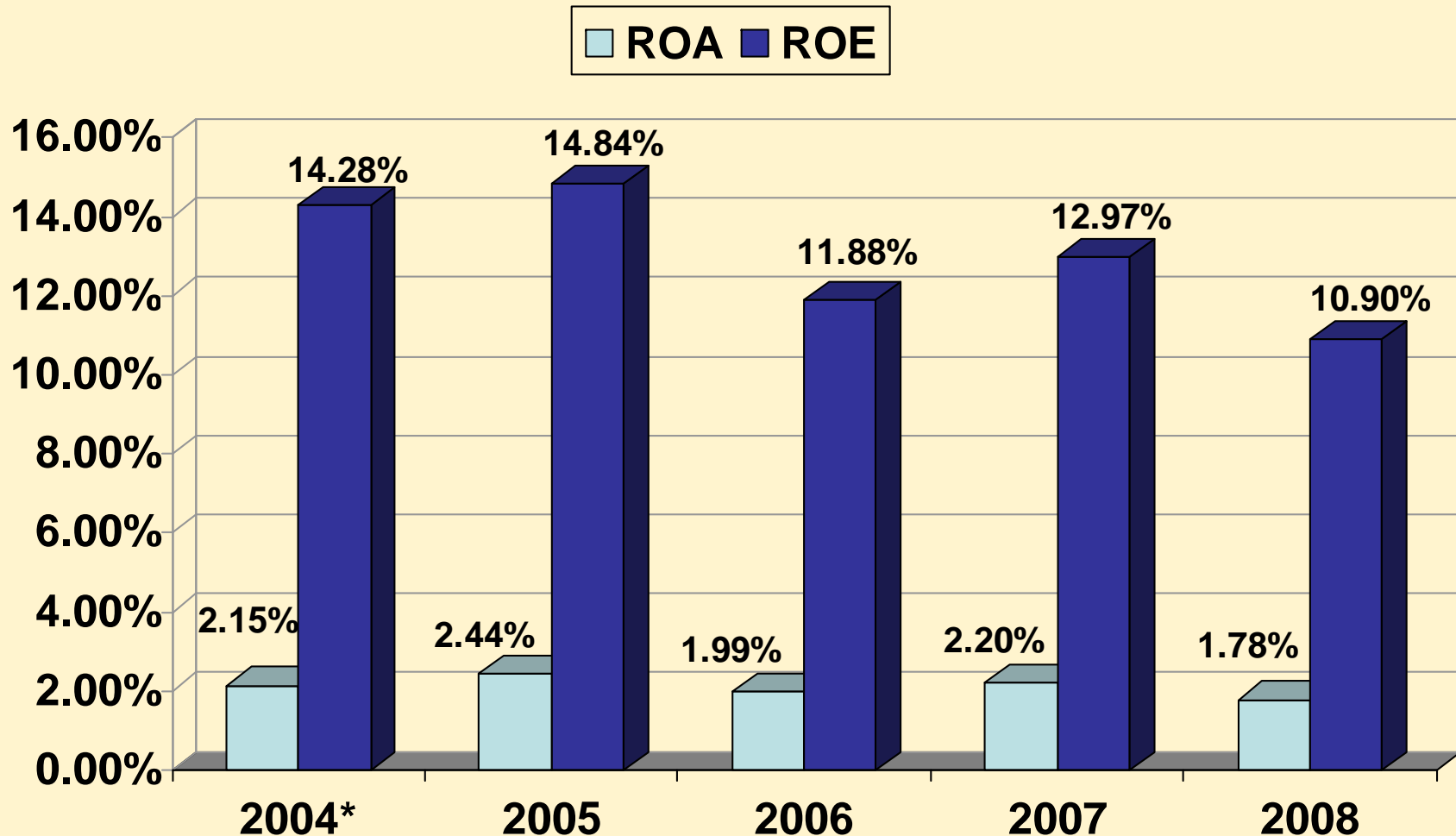
* Adjusted for allowance reversal of \$22 million

Operating Efficiency

MAFC District



Return on Assets & Equity



*Excluding Allowance for Loan Losses Adjustment

2008 Patronage

| | | |
|---------------------------------|----------------------|-----------------|
| Cash | \$ 13,400,000 | 54.75 % |
| Allocated Surplus | \$ - | - % |
| Non-qualified Allocated Surplus | \$ 11,077,000 | 45.25 % |
| <hr/> | | |
| TOTAL | \$ 24,477,000 | 100.00 % |

Total Patronage Paid

\$26.2

million returned in cash

Patronage since 1990

\$300

million declared

\$192

million returned
in cash



MidAtlantic
Farm Credit

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