

## Credit

### John Deere Credit - Worldwide

### Deere & Company Worldwide Credit Operations *(millions of dollars)*

	1999	2000	2001	2002	2003	2004	2005	2006	
John Deere Credit Company									
Moline, Illinois									
Johnston, Iowa									
John Deere Capital Corporation <sup>(1)</sup>									
Reno, Nevada									
John Deere Leasing Company*									
Johnston, Iowa									
Banco John Deere S.A.**									
Porto Alegre, Brazil									
John Deere Credit Oy**									
Tampere, Finland									
John Deere Credit, Inc.**									
Burlington, Ontario, Canada									
Edmonton, Alberta, Canada									
John Deere Limited**									
Grimsby, Ontario, Canada									
John Deere Renewables, LLC**									
Johnston, Iowa									
	Revenues	\$1,137	\$1,327	\$1,462	\$1,596	\$1,558	\$1,493	\$1,687	\$2,092
	Operating profit	274	254	277	390	474	466	490	519
	Net income	175	162	177	243	311	306	317	343
	Total assets	8,658	10,675	14,559	13,671	14,714	15,937	19,057	21,316
	Financing receivables and leases	8,276	10,099	11,078	10,604	11,281	12,456	14,199	15,493
	Trade accounts and notes receivable			2,226	2,138	2,279	2,766	2,622	2,486
	Receivables and leases administered	10,992	12,223	14,950	15,363	16,476	18,620	20,298	21,547

\*Entities owned by John Deere Credit Company

\*\*Entities owned by Deere & Company equipment subsidiaries

<sup>(1)</sup> See pages 28-30

**John Deere Capital Corporation and Subsidiaries** (millions of dollars) for the year ended October 31

John Deere Capital Corporation	Arrendadora John Deere S.A. de C.V.
Reno, Nevada	Monterrey, Mexico
Deere Credit, Inc.	Servicios Administrativos John Deere S.A. De C.V.
Johnston, Iowa	Monterrey, Mexico
Deere Credit Services, Inc.	John Deere Credit Limited
Johnston, Iowa	Brisbane, Australia
Deere Capital Inc.	John Deere Credit S.A.S. <sup>(1)</sup>
Reno, Nevada	Ormes, France
Farm Plan Corporation	John Deere Funding Corporation
Madison, Wisconsin	Reno, Nevada
FPC Financial, f.s.b.	John Deere Receivables, Inc.
Madison, Wisconsin	Reno, Nevada
John Deere Bank S.A.	John Deere Risk Protection, Inc.
Luxembourg, Luxembourg	Johnston, Iowa
John Deere Credit Compañía Financiera S.A.	John Deere Acceptances S.r.l.
Rosario, Argentina	Vignate, Italy

<sup>(1)</sup> joint venture

**Retail Notes Receivable by Product Category**<sup>(2)</sup>

	2000	2001	2002	2003	2004	2005	2006
Agricultural equipment – new	\$1,794.3	\$2,439.1	\$2,293.7	\$2,798.9	\$3,548.6	\$3,814.1	\$4,217.6
Agricultural equipment – new (restricted)						588.2	963.5
Agricultural equipment – used	1,809.6	1,725.5	1,409.0	1,562.5	1,343.5	1,864.1	2,018.5
Agricultural equipment – used (restricted)						699.7	1,124.0
Construction and forestry equipment – new	1,016.6	1,288.9	1,176.0	1,131.2	1,364.4	1,808.2	2,112.4
Construction and forestry equipment – new (restricted)						164.5	313.2
Construction and forestry equipment – used	152.1	167.8	142.1	170.9	173.0	140.2	121.5
Construction and forestry equipment – used (restricted)						73.8	103.3
Commercial and consumer equipment – new	511.9	683.9	804.0	962.4	1,023.9	1,060.1	1,066.5
Commercial and consumer equipment – used	35.1	38.4	47.6	65.7	69.9	78.6	78.2
Recreational products	219.6	176.0	123.3	79.8	51.9	35.5	25.3
Total	5,539.2	6,519.6	5,995.7	6,771.1	7,575.2	10,327.0	12,144.0
Unearned finance income							
Equipment	(871.5)	(830.0)	(639.7)	(633.0)	(683.0)	(894.5)	(1,048.0)
Equipment (restricted)						(186.1)	(330.6)
Recreational products	(80.0)	(64.3)	(44.3)	(28.4)	(18.5)	(12.8)	(7.8)
Total	(951.5)	(894.2)	(684.0)	(661.4)	(701.5)	(1,093.4)	(1,386.4)
Retail notes receivable – net	\$4,587.7	\$5,625.3	\$5,311.7	\$6,109.7	\$6,873.7	\$9,233.6	\$10,757.6

<sup>(2)</sup> Beginning in 2005, the Capital Corporation's new securitizations of receivables met the criteria for secured borrowings rather than sales of receivables under FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.

At October 31 2006 and 2005, \$2,173.4 million and \$1,340.1 million, respectively, was recorded as "Restricted securitized retail notes" on the balance sheet. During 2004, 2003, 2002, 2001, and 2000, the Capital Corporation received net proceeds of \$2.219 million, \$1.730 million, \$2.968 million, \$1.531 million and \$978 million, respectively, from the sale of receivables to special purpose entities (SPEs) and to private third parties. The Company acts as agent for the buyers in collection and administration of the notes it has sold.

**Financing and Operating Leases by Product Category**

	2000	2001	2002	2003	2004	2005	2006
<b>Financing Leases Receivable:</b>							
Agricultural equipment	\$138.7	\$155.3	\$169.9	\$184.3	\$203.5	\$219.5	\$227.7
Construction and forestry equipment	122.0	240.7	91.6	83.5	89.8	117.4	116.9
Commercial and consumer equipment	85.8	95.1	101.2	100.2	98.8	95.0	102.5
Other equipment	143.3	22.7	140.1	88.7	47.4	7.4	9.5
Total	489.8	513.8	502.8	456.7	439.5	439.3	456.6
Estimated residual values	54.6	57.5	46.2	37.3	30.9	37.0	33.5
Unearned finance income	(88.0)	(91.8)	(81.5)	(66.7)	(64.4)	(64.6)	(69.3)
Financing leases receivable	\$456.4	\$479.5	\$467.5	\$427.3	\$406.0	\$411.7	\$420.8

**Cost of Equipment on Operating Leases:**

Agricultural equipment	\$1,230.6	\$1,211.9	\$975.2	\$641.5	\$437.4	\$377.6	\$358.0
Construction and forestry equipment	488.6	544.1	466.3	415.0	439.9	528.3	684.9
Commercial and consumer equipment	122.1	147.8	158.3	160.2	157.1	153.4	164.8
Other equipment	61.6	45.3	67.3	49.2	29.2	16.0	6.1
Total	1,902.9	1,949.1	1,667.1	1,265.9	1,063.6	1,075.3	1,213.8
Accumulated depreciation	(385.8)	(464.3)	(487.1)	(386.7)	(306.0)	(281.4)	(313.7)
Equipment on operating leases-net	\$1,517.1	\$1,484.8	\$1,180.0	\$879.2	\$757.6	\$793.9	\$900.1

**Past Due and Losses**

	2000	2001	2002	2003	2004	2005	2006
<b>Retail Notes:</b>							
Installments 60 days or more past due	\$14.4	\$19.9	\$14.3	\$24.2	\$15.8	\$13.9	\$17.8
Percent of unpaid balance of retail notes outstanding	.31%	.35%	.27%	.40%	.23%	.15%	.17%
Retail note losses	\$15.1	\$26.6	\$22.4	\$20.5	\$7.9	\$1.4	\$7.3
Percent of average retail note portfolio financed	.38%	.66%	.48%	.36%	.13%	.02%	.07%
<b>Revolving Charge Accounts and Operating Loans:</b>							
Payments 60 days or more past due	\$10.0	\$9.6	\$17.5	\$13.3	\$13.5	\$12.5	\$21.1
Percent of total revolving charge accounts and operating loans receivable	.90%	.73%	1.20%	.80%	.74%	.65%	1.12%
Revolving charge account losses	\$9.6	\$15.4	\$65.7	\$24.0	\$16.5	\$20.1	\$25.3
Percent of average revolving charge and operating loans amount financed	1.03%	1.66%	5.05%	1.59%	.99%	1.17%	1.47%
<b>Financing Leases:</b>							
Financing leases 60 days or more past due	\$1.4	\$2.0	\$2.6	\$4.2	\$3.2	\$4.5	\$3.5
Percent of investment in financing leases	.31%	.42%	.56%	.98%	.79%	1.09%	.83%
Financing lease losses	\$8.0	\$8.6	\$10.9	\$7.7	\$3.1	\$4	(\$0.6)
Percent of average investment in financing leases	1.84%	1.92%	2.37%	1.76%	.75%	.10%	-.01%
<b>Wholesale Notes:</b>							
Wholesale notes 60 days or more past due	\$3.0	\$9.9	\$10.6	\$5.9	\$7.9	\$1.7	\$9
Percent of wholesale notes receivable	.32%	.33%	.36%	.20%	.23%	.05%	.02%
Wholesale note losses	\$3.5	\$7.4	\$6.9	\$3.9	\$6.8	\$4	\$2.3
Percent of average wholesale notes receivable	.34%	.71%	.21%	.11%	.20%	.01%	-.57%

**John Deere Capital Corporation and Subsidiaries** (millions of dollars) for the year ended October 31

**Statement of Income and Retained Earnings**

Revenues	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Finance income earned on retail notes	\$ 356.3	\$ 314.2	\$ 292.9	\$ 333.5	\$ 372.4	\$ 417.4	\$ 430.8	\$ 395.8	\$ 403.8	\$ 458.6	\$ 404.6	\$ 403.6	\$ 384.4	\$ 521.9	\$ 713.4
Lease revenues	36.8	39.6	43.6	48.0	67.7	118.0	191.9	269.8	388.9	436.3	410.2	329.9	262.6	255.7	285.7
Revolving charge account income	47.3	53.8	66.6	84.3	93.4	97.8	100.0	120.1	110.0	122.5	136.2	151.6	168.6	192.6	210.2
Finance income earned on wholesale notes	9.5	10.3	11.0	23.1	37.7	48.9	61.4	71.6	95.1	78.2	220.7	239.0	244.7	291.4	354.5
Operating loan income					1.7	4.8	12.8	20.1	31.7	35.0	25.8	30.8	22.8	23.8	26.6
Net gain on receivables and leases sold	8.5	15.6	10.3	11.4	14.4	18.8	38.8	40.4	20.6	26.3	82.1	46.6	46.2	5.1	(1.3)
Securitization and servicing-fee income	1.1	22.3	28.6	35.5	46.0	29.7	28.5	31.1	29.8	30.9	46.5	52.5	50.7	39.6	30.0
Crop insurance commissions														7.9	35.3
Other income	11.4	10.2	10.1	15.1	23.4	18.9	22.9	22.7	26.0	27.9	29.4	42.9	39.2	38.9	51.0
<b>Total</b>	<b>470.9</b>	<b>466.0</b>	<b>463.1</b>	<b>550.9</b>	<b>656.7</b>	<b>754.3</b>	<b>887.1</b>	<b>971.6</b>	<b>1,105.9</b>	<b>1,215.7</b>	<b>1,355.5</b>	<b>1,296.9</b>	<b>1,219.2</b>	<b>1,376.9</b>	<b>1,705.4</b>
<b>Expenses</b>															
Interest expense	189.3	167.8	166.6	238.4	273.7	326.9	368.4	361.0	440.2	453.4	363.2	360.1	327.4	473.2	726.9
Operating expenses:															
Administrative and operating expenses	63.2	74.5	79.7	77.6	95.0	106.5	116.7	127.6	156.0	169.8	208.7	202.4	244.7	250.7	273.9
Provision for credit losses	48.5	28.1	27.8	32.3	38.2	33.2	46.1	62.3	42.6	74.5	126.9	72.2	32.3	5.9	30.5
Insurance expense	2.7														
Fees paid to Deere & Company	8.3	7.1	6.4	5.3	6.1	8.3	10.2	9.9	15.5	13.8	30.4	25.5	34.4	53.2	41.6
Depreciation of equipment on operating leases	16.0	19.2	20.8	21.9	37.1	68.2	112.2	162.4	224.8	258.5	255.3	208.8	169.8	169.1	189.8
Total operating expenses	138.7	128.9	134.7	137.1	176.4	216.2	285.2	362.2	448.9	516.5	621.3	508.9	481.2	478.9	535.8
<b>Total</b>	<b>328.0</b>	<b>296.7</b>	<b>301.3</b>	<b>375.5</b>	<b>450.1</b>	<b>543.1</b>	<b>653.6</b>	<b>723.2</b>	<b>889.1</b>	<b>969.9</b>	<b>984.5</b>	<b>869.0</b>	<b>808.6</b>	<b>952.1</b>	<b>1,262.7</b>
Income before provision for income taxes and changes in accounting	142.9	169.3	161.8	175.4	206.6	211.2	233.5	235.7	216.8	245.7	371.0	427.9	410.6	424.8	442.7
Provision for income taxes	47.9	58.3	56.9	61.3	72.5	74.0	82.4	82.1	76.6	84.6	136.6	147.7	140.6	150.7	151.8
Income before changes in accounting	95.0	111.0	104.9	114.1	134.1	137.2	151.1	153.6	140.2	161.1	234.4	280.2	270.0	274.1	290.9
Changes in accounting		(3.8)													
Equity in income of unconsolidated subsidiaries and affiliates						(1.4)	.1	(.3)	.6	(3.3)	(3.8)	.3	.6	.6	.3
Net income for the year	\$ 95.0	\$ 107.2	\$ 104.9	\$ 114.1	\$ 134.1	\$ 135.8	\$ 151.2	\$ 153.3	\$ 140.8	\$ 157.8	\$ 230.6	\$ 280.5	\$ 270.6	\$ 274.7	\$ 291.2
Cash dividends declared	(70.0)	(82.0)	(210.0)	(55.0)	(70.0)	(75.0)	(50.0)	(75.0)	(20.0)	.0	(350.0)	(205.0)	(420.0)	(150.0)	(85.0)
Retained earnings at beginning of year	576.1	601.1	626.3	521.2	580.3	644.4	705.2	806.4	884.7	1,005.5	1,163.3	1,043.9	1,119.4	970.0	1,094.7
Retained earnings at end of year	\$ 601.1	\$ 626.3	\$ 521.2	\$ 580.3	\$ 644.4	\$ 705.2	\$ 806.4	\$ 884.7	\$ 1,005.5	\$ 1,163.3	\$ 1,043.9	\$ 1,119.4	\$ 970.0	\$ 1,094.7	\$ 1,300.9
Ratio of earnings to fixed charges	1.74	1.99 <sup>(1)</sup>	1.96	1.73	1.75	1.64	1.63	1.64	1.48	1.53	1.97	2.17	2.23	1.88	1.6

<sup>(1)</sup> Excludes effect of accounting change

**John Deere Capital Corporation and Subsidiaries** (millions of dollars) for the year ended October 31

<b>Balance Sheet</b>															
Assets	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cash and cash equivalents	\$91.1	\$165.2	\$42.9	\$164.3	\$171.0	\$204.4	\$191.1	\$149.4	\$155.9	\$502.2	\$147.8	\$342.5	\$209.5	\$250.2	\$119.2
Receivables and leases:															
Retail notes	3,509.1	2,791.7	3,289.2	3,824.9	4,075.9	4,349.4	3,839.4	3,716.2	4,587.7	5,625.3	5,311.7	6,109.7	6,873.7	7,893.5	8,584.2
Restricted securitized retail notes														1,340.1	2,173.4
Revolving charge accounts and operating loans	268.0	331.1	437.3	510.2	564.8	618.5	751.1	900.6	1,110.5	1,315.5	1,457.2	1,658.8	1,824.3	1,911.9	1,891.1
Financing leases	85.4	84.9	117.7	149.3	181.5	214.6	241.8	402.2	456.4	479.5	467.5	427.3	406.0	411.7	420.8
Wholesale notes	111.9	109.6	142.2	298.1	524.5	593.4	803.9	957.2	937.0	2,995.5	2,942.2	2,904.6	3,480.5	3,651.2	3,699.0
Equipment on operating leases	85.1	119.3	125.2	139.5	276.8	527.2	891.5	1,254.8	1,517.1	1,484.8	1,180.0	879.2	757.6	793.9	900.1
Total receivables and leases	4,059.5	3,436.6	4,111.6	4,922.0	5,623.5	6,303.1	6,527.7	7,231.0	8,608.7	11,900.6	11,358.6	11,979.6	13,342.1	16,002.3	17,668.6
Allowance for credit losses	(83.0)	(77.5)	(80.1)	(84.2)	(87.4)	(85.9)	(81.3)	(83.6)	(93.3)	(110.4)	(118.3)	(123.8)	(112.6)	(96.4)	(92.8)
Total receivables and leases-net	3,976.5	3,359.1	4,031.5	4,837.8	5,536.1	6,217.2	6,446.4	7,147.4	8,515.4	11,790.2	11,240.3	11,855.8	13,229.5	15,905.9	17,575.8
Other receivables	87.5	182.8	155.1	183.4	189.9	157.9	154.8	83.0	86.2	77.7	96.9	142.9	121.1	118.4	107.9
Notes receivable from John Deere															238.6
Notes receivable - unconsolidated affiliates									140.0	313.9	259.9	274.3			
Other assets	49.6	46.4	60.1	65.3	74.1	79.6	74.1	125.5	140.5	242.5	357.5	340.1	328.6	292.9	335.9
Total	\$4,204.7	\$3,753.5	\$4,289.6	\$5,250.8	\$5,971.1	\$6,659.1	\$6,866.4	\$7,505.3	\$9,038.0	\$12,926.5	\$12,102.4	\$12,955.6	\$13,888.7	\$16,567.4	\$18,377.4
<b>Liabilities</b>															
Short-term borrowings other than to															
Deere & Company	\$1,951.1	\$859.2	\$2,213.5	\$2,330.6	\$2,553.6	\$3,036.8	\$3,357.3	\$3,408.7	\$4,247.3	\$4,911.1	\$3,618.1	\$3,350.4	\$2,748.3	\$5,492.4	\$6,964.6
Payables to Deere & Company	65.7	439.5	102.7	460.1	544.8	349.9	59.9	117.7	495.4	1,612.4	654.0	166.0	1,241.2	275.0	178.2
Total short-term borrowings	2,016.8	1,298.7	2,316.2	2,790.7	3,098.4	3,386.7	3,417.2	3,526.4	4,742.7	6,523.5	4,272.1	3,516.4	3,989.5	5,767.4	7,142.8
Accounts payable and accrued liabilities	134.4	132.6	193.4	167.5	180.7	227.5	275.2	357.3	467.8	503.4	498.6	439.3	448.0	503.3	491.0
Deposits withheld from dealers and merchants	100.7	104.9	111.3	126.6	135.4	144.2	156.4	122.8	132.6	134.2	138.4	159.5	167.6	166.0	177.4
Long-term borrowings	1,238.9	1,478.2	1,034.5	1,472.9	1,799.5	2,082.9	2,099.2	2,501.1	2,586.8	3,858.8	5,381.3	6,907.4	7,476.7	8,190.7	8,412.5
Stockholder's Equity:															
Common stock	112.8	112.8	112.8	112.8	112.8	112.8	112.8	112.8	112.8	812.8	812.8	812.8	812.8	812.8	812.8
Retained earnings	601.1	626.3	521.2	580.3	644.4	705.2	806.4	884.7	1,005.5	1,163.3	1,043.9	1,119.4	970.0	1,094.7	1,300.9
Cumulative translation adjustment						(.1)	(.2)	(.8)	.2	(7.9)	(2.2)	13.5	23.7	18.4	28.1
Other comprehensive income										(61.6)	(42.5)	(12.7)	.4	14.1	11.9
Total stockholder's equity	713.9	739.1	634.0	693.1	757.1	817.8	918.4	997.7	1,108.1	1,906.6	1,812.0	1,933.0	1,806.9	1,940.0	2,153.7
Total	\$4,204.7	\$3,753.5	\$4,289.6	\$5,250.8	\$5,971.1	\$6,659.1	\$6,866.4	\$7,505.3	\$9,038.0	\$12,926.5	\$12,102.4	\$12,955.6	\$13,888.7	\$16,567.4	\$18,377.4

**Receivables and Leases Administered** (millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Receivables and leases outstanding	\$5,623.5	\$6,303.1	\$6,527.7	\$7,231.0	\$8,608.7	\$11,900.6	\$11,358.6	\$11,979.6	\$13,342.1	\$16,002.3	\$17,668.6
Retail notes and leases sold and securitized (with limited recourse)	1,188.1	1,313.9	1,812.1	2,274.9	1,867.4	1,370.8	2,481.6	2,559.4	3,027.6	1,699.2	932.3
Retail notes sold (without recourse)			376.4	117.9	91.4	71.6	51.6	35.4	24.5	20.1	21.4
Receivables serviced (without recourse)				46.1	23.7	9.7	-	-	-	-	-
Total receivables and leases administered	\$6,811.6	\$7,617.0	\$8,716.2	\$9,669.9	\$10,591.2	\$13,352.7	\$13,891.8	\$14,574.4	\$16,394.2	\$17,721.6	\$18,622.3

**Average Interest Cost of All Indebtedness**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Weighted average annual interest rates	5.94%	6.06%	6.12%	5.84%	6.59%	5.94%	3.84%	3.54%	3.14%	3.88%	4.99%