



News Release

For Release:

February 19, 2010

Contact: KayDee Gilkey
(509) 340-5303 or e-mail: kaydee.gilkey@farm-credit.com

Northwest Farm Credit Services Reports Solid 2009 Earnings

SPOKANE, Wash. -- Northwest Farm Credit Services announced earnings of \$106.1 million and growth of owned loan volume of 3.0 percent for 2009. Total capital in the association increased 7.6 percent during 2009.

President and Chief Executive Officer Jay Penick said, "In spite of the difficult economy and a few commodities experiencing severe downturns, Northwest FCS experienced another year of solid earnings. Our level of capital remains strong. In 2009, \$79 million was set aside for potential loan losses; making the total credit loss reserves \$103 million. We returned \$26.0 million to our customers through our patronage program."

He continued, "The overall economy is beginning to strengthen, but we expect a longer recovery than in past recessions. With our strong level of capital, Northwest FCS remains well-positioned to continue providing consistent and reliable financing to our customers and prospective customers. Although there have been recent increases for milk prices — bringing them closer to breakeven — prices will need to continue to increase throughout 2010 to provide relief to the dairy industry."

Total accrual loan volume owned by the association increased slightly to \$7.9 billion at December 31, 2009. Delinquencies were 1.5 percent at December 31, 2009, up 0.7 percent from the previous year-end. Nonaccrual loans were 3.3 percent of the portfolio at December 31, 2009, up from 1.0 percent one year earlier.

Northwest FCS provides financing and related services to farmers, ranchers, agribusinesses, commercial fishermen, timber producers, rural homeowners and crop insurance customers in Montana, Idaho, Oregon, Washington, and Alaska. For more information, go to www.farm-credit.com.

-more-

NORTHWEST FARM CREDIT SERVICES, ACA
Consolidated Balance Sheet
(unaudited)

dollars in thousands	December 31, 2009		December 31, 2008	
Loans	\$	8,122,932	\$	7,884,852
Less: allowance for loan losses		96,000		48,000
Net loans		8,026,932		7,836,852
Investment in CoBank, ACB		304,254		274,631
Other assets		248,258		214,717
Total Assets	\$	8,579,444	\$	8,326,200
Notes payable to CoBank, ACB	\$	7,200,573	\$	6,990,794
Other liabilities		159,801		201,947
Total Liabilities		7,360,374		7,192,741
Capital		1,219,070		1,133,459
Total Liabilities and Capital	\$	8,579,444	\$	8,326,200

NORTHWEST FARM CREDIT SERVICES, ACA
Consolidated Statement of Income
(unaudited)

dollars in thousands	2009		2008	
For Twelve Months Ended December 31,				
Net interest income	\$	230,835	\$	192,001
Provision for credit losses		(79,381)		(19,239)
Noninterest income		68,796		59,175
Operating expenses		(116,498)		(101,506)
Other, net		(19)		(59)
Benefit/ (Provision) for income taxes		2,352		(5,998)
Net Income	\$	106,085	\$	124,374
Return on average assets		1.27%		1.63%
Net interest income as a percentage of average earning assets		2.93%		2.66%