



## News Release

For Release: April 30, 2009

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### Northwest Farm Credit Services Reports First Quarter Earnings

SPOKANE, Wash. -- Northwest Farm Credit Services today announced 2009 first quarter earnings. The association had first quarter earnings of \$17.1 million. Total capital increased 5.3 percent over last year to \$1.1 billion. First quarter earnings in 2008 were \$27.8 million.

President and CEO Jay Penick said, "First quarter's earnings were below budget due to the association increasing the allowance for loan losses with a provision expense for loan loss of \$27.3 million. The increase in our allowance for loan losses reflects the increased stress in the ethanol, protein, and nursery industries. The association's strong financial position and continued solid earnings provides the association the opportunity to work with our customer-stockholders as they navigate these economically challenging times and allows us to remain a reliable and dependable source of credit. The association's overall portfolio continues to have a low level of delinquencies and strong credit quality."

Total accrual loan volume owned by the association increased by 14.1 percent to \$7.57 billion when compared to the end of first quarter 2008. Nonaccrual loans increased to 1.37 percent of the portfolio as of March 31, 2009.

Northwest Farm Credit Services 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](http://www.farm-credit.com).

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

dollars in thousands	March 31, 2009		March 31, 2008	
Loans	\$	7,670,302	\$	6,654,164
Less: allowance for loan losses		61,000		32,000
Net loans		7,609,302		6,622,164
Investment in CoBank, ACB		274,631		243,602
Other assets		151,238		162,347
<b>Total Assets</b>	\$	8,035,171	\$	7,028,113
Notes payable to CoBank, ACB	\$	6,736,229	\$	5,788,709
Other liabilities		156,719		154,532
Total Liabilities		6,892,948		5,943,241
Capital		1,142,223		1,084,872
<b>Total Liabilities and Capital</b>	\$	8,035,171	\$	7,028,113

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

dollars in thousands	2009		2008	
For Three Months Ended March 31,				
Net interest income	\$	51,792	\$	41,875
Provision for credit losses		(27,281)		(2,027)
Noninterest income		15,786		12,831
Operating expenses		(26,819)		(22,270)
Other, net		(2)		(3)
Benefit/ (Provision) for income taxes		3,638		(2,583)
Net Income	\$	17,114	\$	27,823
Return on average assets		1.44%		1.72%
Net interest income as a percentage of average earning assets		2.67%		2.56%