



## ***For Immediate Release***

(April 15, 2013)

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# Record Cash Dividends for American AgCredit Represents Significant Growth in Loan Volume for 2012

*Net Earnings for 2012 are \$107 million  
with cash dividends to member-borrowers hitting a record \$45 million*

SANTA ROSA, CA (April 2013) – On the heels of a successful year, Farm Credit lender American AgCredit distributed \$45 million in dividends to its customers for 2012. The Association experienced significant loan growth in 2012, with loan volume increasing 6.7% overall for the year.

“This is the second year in a row that we’ve handed back 1% in dividend earnings to our members, and for 2012 this is the largest cash dividend in our history,” said President and Chief Executive Officer Ron Carli. “Agriculture has continued to be a strong sector in a challenging economy. This year’s growth in loan volume and resulting cash dividend payout directly represent our success and the success of agriculture as we move forward.”

## **2012 Financial Results**

Earnings for the year totaled \$107.3 million, up nearly 16% from 2011 (excluding adjustments for non-recurring 2011 transactions). Total loan volume at year-end was \$5.8 billion, up from \$4.4 billion, with the majority of the increase attributed to the January 2012 merger with Farm Credit Services of the Mountain Plains. Net interest income was \$160 million, with a permanent capital ratio at year-end standing at 21.12%.

Net interest income increased substantially compared to 2011, with growth of nearly 25%. Improvement in economic conditions has opened up opportunities for capital investments in all sectors of agriculture, with wine grapes, nuts, grains, and cattle remaining strong.

“2012 represents the first year as an integrated Association with Farm Credit Services of the Mountain Plains,” Carli stated. “We remained strong through expanding our territory and increasing the diversity of our portfolio and lending base.”

Credit quality in the loan portfolio remained stable at 95.8% acceptable as of December 31, 2012.

*(more)*

CEO Ron Carli emphasized the Association's commitment to sound underwriting standards and its geographic, commodity and customer diversity. "Our strength lies in the strong financial condition of our borrowers and their own sound business practices."

### **2012 Dividend Payout**

Based on the strength of its 2012 earnings, American AgCredit has paid out \$45 million in dividend distributions to its customers, the highest customer dividend paid out in the history of the Association – representing 29% more than the previous year's dividend of \$34.8 million.

Over the past six years, American AgCredit has returned more than \$166 million in dividends to member-borrowers in California, Colorado, New Mexico, Nevada, Kansas and Oklahoma.

"As a cooperative, American AgCredit returns dividends to customers based on their patronage, or loan volume, effectively reducing interest rates paid by returning 1% of our borrower's average daily loan balances," said Chief Financial Officer Vern Zander. "A strong capital base and a customer dividend are important components of American AgCredit's business values."

"Our emphasis on a strong capitalized organization has ensured growth that allows for a substantial cash dividend," added Carli. "Our mission is to ensure that reliable financing remains available to agricultural producers in our territory. In order to do this, American AgCredit must remain a safe and sound organization that can meet the needs of a constantly changing marketplace."

### **About American AgCredit**

Founded in 1916, American AgCredit is part of the nationwide Farm Credit System, and is the nation's 6th largest Farm Credit cooperative. American AgCredit specializes in providing financial services to agricultural and rural customers throughout California, Nevada, Central Kansas, Northern Oklahoma, Western Colorado, and Northern New Mexico – as well as to capital markets customers in 30 states across the nation.

Financial services provided by American AgCredit include production and mortgage financing, equipment and vehicle leasing, crop and life insurance, lines of credit, and the Young, Beginning and Small farmer program. In addition, the Association provides interest-free loans for qualifying 4-H and FFA AgYouth programs, as well as college scholarships to young people interested in agriculture.

For more information about American AgCredit's financial services, call 800-800-4865 or visit the website at [www.agloan.com](http://www.agloan.com) for a listing of offices by region.