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American AgCredit Reports Net Income of \$104.5 Million for 2016

Cash dividends to customers total a record \$50.2 million


SANTA ROSA, CA - American AgCredit, the nation's 5th largest agricultural lending cooperative, today announced a net income of \$104.5 million for the year ended December 31, 2016, along with a cash dividend distribution of \$50.2 million to its shareholders. This compares to a net income of \$99.7 million and a cash dividend of \$43.5 million for the prior year. American AgCredit has returned more than \$350 million to its customer-owners since 2005.

“Despite facing a variety of challenges in 2016—low commodity prices, weather patterns and global supply and demand—American AgCredit realized another successful year,” said Byron Enix, Chief Executive Officer. “Our growth in loan volume and resulting cash dividend disbursement this year directly represent our success.”

2016 Results of Operations

The Association produced after-tax net income of \$104.5 million in 2016, compared to \$99.7 million in 2015 and \$98.9 million in 2014. The \$4.8 million increase in net income from 2015 was primarily due to a \$26.8 million increase in net interest income as a result of strong loan growth partially offset by a \$16.3 million increase in non-interest expenses and an \$11.4 million increase in provision for credit losses.

Net interest income was \$212.5 million compared to \$185.6 million for the prior year. The 2016 increase of \$26.8 million represents a 14.4% increase over 2015 and was primarily due to strong accrual loan volume growth experienced during the year partially offset by some minor interest rate spread compression. Average earning assets grew by \$883 million during 2016, representing an annual growth rate of 13.3%. Loan volumes ended the year at \$8.00 billion compared to \$7.29 billion in the prior year, an increase of \$709 million.



“The 2016 year was one of exceptional performance for American AgCredit,” remarked Vern Zander, Chief Financial Officer, “And we anticipate continued success moving forward as the Association is well capitalized and continues to experience strong loan growth.”

“We are pleased to return a record \$50.2 million in cash dividends, representing 48.02% of our 2016 net income,” added Zander. “Our dividend program reflects our financial strength and enables us to return value to our customer-owners. Their success is our success.”

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About American AgCredit

Founded in 1916, American AgCredit is part of the nationwide Farm Credit System, and is the nation’s fifth largest Farm Credit cooperative. American AgCredit specializes in providing financial services to agricultural and rural customers throughout California, Nevada, Kansas, Oklahoma, Colorado, and New Mexico - as well as to capital markets customers throughout the country.

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.