

AGRICULTURAL BANKING EXPERIENCE, 1984

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After experiencing a major boom during the last decade, the farm sector is in the sixth year of a period of lower and relatively stagnant income, with poor prospects for near-term improvement. Reduced income flows and the consequent decline in land prices, plus sharply higher interest rates, have in this period produced severe financial stress for those farmers who borrowed heavily to expand their enterprises during the concluding years of the boom. The progressive erosion of the equity of these farmers, who owe most of the total farm debt, has been increasing the incidence of problem farm loans at banks and other farm lenders.

Charge-offs of farm loans at banks

Net charge-offs of farm production loans, an item added to bank reports last year, in 1984 were equal to 2.2 percent of such farm loans outstanding at year-end. Relative farm loan charge-offs were highest by far in California; charge-offs in the other 49 states averaged 1.8 percent of loans. As shown in Table 1, other states with relatively high farm loan charge-offs were in the western Corn Belt, Great Plains, and Southeast. (See additional detail in Appendix Section A.)

As data presented later will indicate, the relative rate of farm loan charge-offs at all banks was nearly double that for all loans at agricultural banks, and that rate in turn was about double the rate of charge-offs of all loans at other small banks.

Net charge-offs of farm production loans totaled about \$900 million in 1984, of which about \$240 million was reported by banks in California.

Note: All data for 1984 are preliminary estimates based on reports available on March 8, 1985, when over 99 percent of banks had reported but regular editing was not complete. Special editing of some items was performed in compiling this report.

Table 1

Net charge-offs of farm loans in 1984 as a percentage
of farm loans outstanding at year-end

United States.....	2.2
California.....	6.1
Other states.....	1.8

Other states above 1.8 percent:

Missouri.....	3.0
Iowa.....	2.9
Alabama.....	2.7
Nebraska.....	2.5
Georgia.....	2.3
Minnesota.....	2.3
Kansas.....	2.1
Illinois.....	1.9
Oklahoma.....	1.9
South Dakota.....	1.9

Delinquent farm loans at banks

Banks have been reporting amounts of delinquent farm loans since December 1982; however, the data are incomplete because only relatively large banks (assets of \$100 million or more) report nonaccrual and renegotiated farm loans. These large banks account for only 31 percent of farm production loans at banks nationally, and for much smaller percentages in highly rural states.

Table 2 presents data on farm loans that are past due but still accruing interest, which must be reported by most banks engaged in farm lending. At year-end, these past due loans represented 3.8 percent of farm loans outstanding, a level that has not changed much since 1982. During this period, however, the proportion of farm loans past due fell in some states, such as California, but rose somewhat in most midwestern states (See additional detail in Appendix Section B.)

At large banks required to report all categories of delinquent farm loans, the total (past due, nonaccrual, and renegotiated "troubled" debt) has remained near 10 percent of outstanding loans over the past two years. (See Appendix Section C.) Farm lending at these banks, however, is disproportionately concentrated in California, where large banks make most farm loans. At year-end, the total delinquent farm production loans at large California banks averaged 13 percent of loans outstanding, compared with 9 percent at large banks in other states. The nonaccrual component averaged 8 percent of loans outstanding in California, compared with just under 5 percent in other states. But these relatively high farm loan delinquencies did not pose a serious threat to the large California banks because farm loans represented only about 4 percent of total loans at these banks (the same proportion as at all banks nationally).

Table 2

Past due farm loans as percentage of farm loans outstanding
December 31

Area	1982	1983	1984	Percentage of area's bank farm loans at reporting banks
<u>Farm loans past due 30 to 89 days and still accruing interest</u>				
U.S.....	2.6	2.5	2.6	90
California.....	6.0	6.7	3.3	98
Iowa.....	1.5	1.7	2.3	96
Missouri.....	1.9	2.2	3.4	91
Nebraska.....	1.4	1.5	1.5	96
<u>Farm loans past due 90 days or more and still accruing interest</u>				
U.S.....	1.2	1.1	1.2	90
California.....	2.9	2.3	1.5	98
Iowa.....	.7	.9	1.2	96
Missouri.....	1.3	1.0	1.5	91
Nebraska.....	.5	.8	.9	96

Though small banks have not been required to report nonaccrual farm loans, they do report their total nonaccrual loans. From these data, shown later in Table 4, it appears that about 3 percent of the farm production loans at small banks may be in the nonaccrual category. When this figure is averaged with the 5.8 percent of loans in nonaccrual status at the larger banks that account for 31 percent of farm loans outstanding, about 3.8 percent of all farm production loans are estimated to be in the nonaccrual category.

Thus, as shown in Table 3, about 5 percent, or \$2 billion, of all farm production loans were nonperforming at year-end. Another 2.6 percent, or about \$1 billion, was reported as past due 30 to 89 days. Thus about \$3 billion of farm production loans at banks were delinquent.

Table 3

Estimated delinquent farm production loans at commercial banks
December 31, 1984

Class of delinquent loans	Estimated delinquent loans--	
	Billions of dollars	As percentage of outstanding farm production loans
Past due 30 to 89 days and still accruing.....	1.0	2.6
Nonperforming:		
Past due 90 days or more and still accruing.....	.4	1.1
Nonaccrual.....	1.5	3.8
Renegotiated.....	.1	.2
Total nonperforming.....	2.0	5.1
Total delinquent.....	3.0	7.6

Experience of agricultural banks

Although farm loans constitute only 4 percent of all loans outstanding at banks, many small banks have a much higher farm loan ratio. The "unweighted" average of the farm loan ratios at all banks is now about 17 percent, and about 5,000 "agricultural" banks now have a ratio that exceeds that average. The financial experience of these banks has recently been dominated by the rise in farm loan delinquencies.

In Table 4 and several other tables that follow, the top panel contrasts the experience of agricultural banks as a group with that of small nonagricultural banks (banks with assets under \$500 million and a below-average farm loan ratio). Then, in the lower panel, additional insight into the effect of farm loans on bank experience is provided by data for all small banks divided into 18 classes according to the relative importance of farm lending at the bank.

Two years ago, loan delinquencies were still lower at agricultural banks than at other small banks. At the latter banks, relative delinquencies were peaking as the business recession was ending, while delinquencies at agricultural banks were rising from a lower level. By the end of 1983, delinquent loans at agricultural banks reached the same relative level as the recession peak at other small banks. A year later, at the end of 1984, delinquent loans at agricultural banks had risen further, to 6.2 percent of total loans, well above the average of 4.7 percent at other small banks.

Of the four categories of delinquent loans, nonaccrual loans rose most rapidly during the past two years, especially at the banks most heavily concentrated in farm lending. (See Appendix Section D.) At banks with a farm loan ratio over 50 percent, for example, nonaccrual loans rose from an average of around 0.5 percent of total loans in December 1982 to about 2.5 percent of total loans two years later.

Table 4

Delinquent loans as a percentage of total loans
December 31

Banks by size and by farm loan ratio	Total delinquent loans			Nonaccrual loans		
	1982	1983	1984	1982	1983	1984
Agricultural banks.....	4.9	5.2	6.2	.8	1.2	2.0
Other small banks.....	5.2	4.6	4.7	1.1	1.1	1.2
Banks with total assets under \$500 million--						
Farm loans as percentage of total loans at bank:						
Under 1.....	5.4	4.5	4.4	1.2	1.1	1.1
1 to 4.....	4.9	4.6	4.7	1.0	1.1	1.2
5 to 9.....	5.1	5.0	5.0	.8	1.1	1.2
10 to 14.....	5.4	5.1	5.6	.9	1.1	1.5
15 to 19.....	5.4	5.5	6.0	.9	1.2	1.7
20 to 24.....	5.5	5.5	5.9	.8	1.2	1.6
25 to 29.....	5.0	5.4	6.5	.7	1.1	1.9
30 to 34.....	5.2	5.4	6.0	.8	1.1	1.8
35 to 39.....	5.1	5.5	6.2	.8	1.2	1.8
40 to 44.....	5.0	5.8	6.4	.8	1.5	2.1
45 to 49.....	4.8	5.0	6.5	.8	1.2	2.2
50 to 54.....	4.7	5.7	6.4	.8	1.8	2.0
55 to 59.....	4.0	4.6	6.1	.5	1.1	2.3
60 to 64.....	3.8	4.9	6.5	.6	1.4	2.7
65 to 69.....	4.2	4.6	6.0	.7	1.1	2.5
70 to 74.....	3.4	4.3	6.3	.5	1.1	2.4
75 to 79.....	3.3	4.6	5.2	.4	1.4	2.0
80 and over.....	2.4	3.6	5.4	.2	.8	2.8

Total loan charge-offs, for which there are data over a longer period, have risen substantially at agricultural banks since 1980. At 1.2 percent of year-end loans, as shown in Table 5, net charge-offs at agricultural banks were double the relative level at other small banks--the opposite of the situation that prevailed for many years before 1983. At the more heavily agricultural banks, average net charge-offs were still higher--between 1.5 and 2.0 percent of loans outstanding.

Net income at agricultural banks was sharply reduced by their loan losses, as shown in Table 6. However, these banks had been relatively profitable, and in 1984 their return to equity still averaged 9 percent. But in each year since 1980, an increased proportion of agricultural banks experienced loan losses larger than could be covered by annual net earnings. In 1984, 16 percent of agricultural banks made loan loss provisions that exceeded 2.5 percent of year-end loans outstanding. Mostly because of such adverse loan experience, 12 percent of agricultural banks reported negative net income for 1984, compared with an average of only 1 percent during the 1970s. On the other hand, 32 percent of agricultural banks needed loan loss provisions equal to less than 0.4 percent of outstanding loans in 1984, and 59 percent needed provisions of less than 1.0 percent. Such relatively low losses enabled nearly a fifth of all agricultural banks to report earning more than 15 percent on equity in 1984, and over half earned more than 10 percent. (See Appendix Section E.)

Because most agricultural banks maintained positive earnings while their growth was slowed by the weak farm economy, the ratio of capital to assets at these banks rose slightly further in 1984, to an average of 9.5 percent. As shown in Table 7, the capital ratio at agricultural banks now averages a full percentage point above that at other small banks.

Table 5

Net charge-offs on loans and leases as a percentage of total loans and leases outstanding at year-end

Banks by size and by farm loan ratio	1979	1980	1981	1982	1983	1984
Agricultural banks.....	.21	.32	.43	.69	.93	1.21
Other small banks.....	.30	.39	.40	.61	.66	.59
Banks with total assets under \$500 million--						
Farm loans as percentage of total loans at bank:						
Under 1.....	.33	.40	.40	.60	.56	.54
1 to 4.....	.28	.37	.38	.63	.80	.59
5 to 9.....	.24	.41	.41	.61	.72	.73
10 to 14.....	.28	.38	.42	.71	.79	.87
15 to 19.....	.24	.33	.44	.65	.86	.93
20 to 24.....	.26	.32	.44	.70	.94	.86
25 to 29.....	.24	.33	.41	.62	.88	1.10
30 to 34.....	.21	.38	.47	.63	.98	1.13
35 to 39.....	.21	.31	.41	.78	.97	1.21
40 to 44.....	.20	.31	.44	.66	.88	1.35
45 to 49.....	.14	.32	.34	.78	.89	1.35
50 to 54.....	.19	.36	.37	.77	1.07	1.42
55 to 59.....	.14	.33	.52	.62	1.10	1.71
60 to 64.....	.15	.33	.36	.73	.73	1.66
65 to 69.....	.13	.22	.42	.70	1.00	1.61
70 to 74.....	.12	.33	.42	.53	.96	1.97
75 to 79.....	.14	.22	.32	.86	.90	1.62
80 and over.....	.06	.25	.43	.69	.89	1.92

Table 6

Rate of return to equity
(percent)

Banks by size and by farm loan ratio	1979	1980	1981	1982	1983	1984
Agricultural banks.....	15	16	15	14	11	9
Other small banks.....	14	14	13	12	12	12
Banks with total assets under \$500 million--						
Farm loans as percentage of total loans at bank:						
Under 1.....	14	13	13	12	12	12
1 to 4.....	14	14	12	12	11	12
5 to 9.....	15	14	13	12	11	12
10 to 14.....	14	14	12	11	11	10
15 to 19.....	15	14	14	12	12	10
20 to 24.....	15	15	14	13	11	10
25 to 29.....	15	15	14	13	11	9
30 to 34.....	15	15	14	14	11	9
35 to 39.....	16	16	15	13	11	8
40 to 44.....	15	16	15	14	11	8
45 to 49.....	16	16	16	14	12	8
50 to 54.....	16	16	16	14	11	9
55 to 59.....	16	17	16	15	12	7
60 to 64.....	16	17	17	15	13	7
65 to 69.....	16	18	17	15	12	9
70 to 74.....	16	17	18	17	12	7
75 to 79.....	15	18	18	15	13	9
80 and over.....	17	18	17	16	13	7

Table 7

Capital ratio
(percent)

Banks by size and by farm loan ratio	1979	1980	1981	1982	1983	1984
Agricultural banks.....	9.0	9.2	9.2	9.3	9.4	9.5
Other small banks.....	8.5	8.6	8.6	8.5	8.4	8.5
Banks with total assets under \$500 million—						
Farm loans as percentage of total loans at bank:						
Under 1.....	8.4	8.5	8.6	8.4	8.2	8.4
1 to 4.....	8.5	8.6	8.5	8.4	8.3	8.4
5 to 9.....	8.5	8.7	8.7	8.8	8.7	8.7
10 to 14.....	8.8	8.9	8.9	8.9	8.8	9.0
15 to 19.....	8.8	9.0	8.9	8.9	8.9	8.9
20 to 24.....	8.9	9.1	9.0	9.0	9.1	9.2
25 to 29.....	8.9	9.0	8.9	8.9	9.0	9.2
30 to 34.....	8.8	9.2	9.1	9.2	9.1	9.2
35 to 39.....	9.0	8.9	9.3	9.2	9.4	9.3
40 to 44.....	9.0	9.2	9.1	9.2	9.3	9.5
45 to 49.....	9.1	9.3	9.3	9.5	9.5	9.6
50 to 54.....	9.2	9.3	9.6	9.7	9.9	9.9
55 to 59.....	9.4	9.6	9.6	9.7	10.0	10.2
60 to 64.....	9.3	9.6	9.7	9.7	9.9	10.1
65 to 69.....	9.5	9.7	9.8	9.8	10.3	10.5
70 to 74.....	9.4	10.1	10.0	10.3	10.5	10.8
75 to 79.....	10.1	10.2	10.4	10.7	11.0	11.2
80 and over.....	10.4	10.6	11.0	11.1	11.8	11.9

Furthermore, average capital ratios are highest at the most heavily agricultural banks, at which they also rose in spite of increased farm loan losses.

The favorable capital position of most agricultural banks provides a valuable, but limited, cushion for coping with adverse loan experience. If relatively large loan losses occur in a short period of time and thus cannot be covered from current earnings, capital can be depleted rapidly. At agricultural banks, loans average about 50 percent of assets and capital about 10 percent of assets; therefore, loan losses equal to about 20 percent of outstanding loans would, on average, deplete all capital.

During the past two years, banks that have failed have come predominately from the group that had earlier reported levels of delinquent loans that exceeded total capital. Table 8 indicates that the number of such banks rose by about one-third during 1984, to over 600 banks at year-end, or 4 percent of all banks. There were significant increases in the number of such banks in several highly agricultural states; yet, in most of these states--Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and Wisconsin--the proportion of banks in this condition at the end of 1984 was still only roughly equal to the national average of 4 percent. Furthermore, as shown in the last column of the table, farm loans at such banks nationally averaged only 7 percent of total loans at the banks. In several states with a relatively high number of these potentially vulnerable banks--California, Colorado, Florida, Louisiana, Oklahoma, Tennessee, and Texas--their low average farm loan ratio indicates that farm loan difficulties play, on average, a minor role in loan problems at these banks.

The relative proportions of agricultural and other small banks troubled by problem loans over the past two years are contrasted in Tables 9 and 10. In each panel of these tables, banks are symmetrically

Table 8

Banks at which past due and nonperforming loans exceeded total capital
December 31

State	Number of banks			As percentage of all banks in state, 1984	Farm loans at these banks, 1984	
	1982	1983	1984		Millions of dollars	As percentage of total loans at these banks
United States...	459	453	614	4	2,198	7
Arkansas.....	3	6	8	3	21	15
California.....	56	46	45	10	66	1
Colorado.....	15	16	36	8	117	11
Florida.....	6	9	17	4	4	*
Illinois.....	35	25	22	2	45	11
Indiana.....	6	14	12	3	29	12
Iowa.....	6	6	33	5	292	44
Kansas.....	6	13	28	4	160	43
Kentucky.....	7	7	10	3	18	11
Louisiana.....	19	24	40	13	63	3
Michigan.....	20	13	4	1	10	7
Minnesota.....	21	30	33	4	174	27
Missouri.....	14	15	32	5	160	24
Montana.....	12	8	20	12	126	24
Nebraska.....	8	14	22	5	117	58
New Jersey.....	11	6	6	5	5	1
North Dakota....	4	5	9	5	94	38
Ohio.....	7	4	9	3	22	17
Oklahoma.....	16	23	37	7	96	6
Oregon.....	23	19	13	18	45	17
Tennessee.....	31	33	23	8	32	7
Texas.....	27	29	54	3	56	3
Utah.....	14	9	9	15	13	7
Washington.....	6	5	9	9	201	3
West Virginia...	6	8	11	5	3	1
Wisconsin.....	13	17	19	3	73	19
Wyoming.....	8	8	15	13	60	16

* Less than 0.5 percent.

Data are shown for states that accounted for at least 1 percent of the national total of such banks in 1984 or at least 2 percent of the total in 1982 or 1983.

Table 9

Percentage distribution of small nonagricultural banks, by ratios of capital to assets and total delinquent loans to assets

Total delinquent loans as a percentage of total assets	Capital as a percentage of total assets						
	Under 3.0	3.0 to 5.9	6.0 to 8.9	9.0 to 11.9	12.0 to 14.9	15.0 to 17.9	18.0 and over

December 31, 1982

Under 3.0.....	*	1.5	35.1	19.4	4.7	1.6	3.5
3.0 to 5.9.....	*	.7	14.1	8.0	1.3	.3	.4
6.0 to 8.9.....	*	.3	3.3	2.2	.3	.1	.1
9.0 to 11.9.....	*	.2	1.0	.5	.1	*	.1
12.0 to 14.9.....		.1	.3	.1	.1		*
15.0 to 17.9.....		.1	.1	.1	*	*	
18.0 and over.....	*	.1	.1	.1	*	*	

December 31, 1983

Under 3.0.....	*	2.0	38.7	19.3	4.6	2.0	3.3
3.0 to 5.9.....	.1	.8	13.3	6.5	1.4	.4	.4
6.0 to 8.9.....	.1	.3	2.6	1.4	.3	.1	.1
9.0 to 11.9.....	.1	.2	.6	.4	.1	*	*
12.0 to 14.9.....	*	.1	.3	.1	.1	*	*
15.0 to 17.9.....	*	*	.1	.1			*
18.0 and over.....	*	*	.1	*	.1	*	

December 31, 1984

Under 3.0.....	.1	1.7	36.9	18.0	4.5	2.0	3.5
3.0 to 5.9.....	*	.8	14.8	6.7	1.3	.5	.3
6.0 to 8.9.....	*	.3	3.3	1.7	.3	.1	.1
9.0 to 11.9.....	*	.2	1.0	.4	.1	*	.1
12.0 to 14.9.....		.1	.4	.2	.1	*	*
15.0 to 17.9.....	*	.1	.1	*		*	*
18.0 and over.....	*	*	.1	*	*	*	*

* Less than 0.5 percent (1 to 4 banks).

Table 10

Percentage distribution of agricultural banks, by ratios of capital to assets and total delinquent loans to assets

Total delinquent loans as a percentage of total assets	Capital as a percentage of total assets						
	Under 3.0	3.0 to 5.9	6.0 to 8.9	9.0 to 11.9	12.0 to 14.9	15.0 to 17.9	18.0 and over

December 31, 1982

Under 3.0.....	*	.2	29.5	31.3	7.7	2.0	1.2
3.0 to 5.9.....		.2	10.5	8.8	1.8	.4	.1
6.0 to 8.9.....		.1	2.3	2.0	.4	.1	*
9.0 to 11.9.....		*	.5	.4	.1	*	
12.0 to 14.9.....		.1	.1	.1	*		
15.0 to 17.9.....			.1	.1			
18.0 and over.....		*	*	*	*		

December 31, 1983

Under 3.0.....		.2	25.9	30.0	8.9	2.1	1.3
3.0 to 5.9.....		.2	11.3	9.4	2.1	.5	.1
6.0 to 8.9.....		.2	2.3	2.1	.6	.2	
9.0 to 11.9.....	*	.1	.6	.6	.2		
12.0 to 14.9.....		.1	.2	.2	.1		*
15.0 to 17.9.....		*	.1	*	*		
18.0 and over.....			*		*		

December 31, 1984

Under 3.0.....		.2	20.9	26.7	8.6	2.4	1.6
3.0 to 5.9.....		.2	12.8	11.0	2.9	.5	.3
6.0 to 8.9.....	*	.2	3.5	3.3	.5	.1	.1
9.0 to 11.9.....	*	*	1.2	.9	.1		*
12.0 to 14.9.....	.1	.1	.6	.4	.2		
15.0 to 17.9.....	*	*	.1	.1	*		
18.0 and over.....	*	.1	.1	.2	*		

* Less than 0.5 percent (1 or 2 banks).

cross-classified by relative capital and relative total delinquent loans on the date specified. Thus, in each panel, banks below the diagonal line have delinquent loans equal to (approximately) or greater than capital. In December 1982, more of the small nonagricultural banks (Table 9) than of the agricultural banks (Table 10) had relatively high proportions of delinquent loans. Over the next two years, shown in the second and third panels of the tables, the situation among nonagricultural banks changed little while that at the agricultural banks deteriorated until, by December 1984, it appeared somewhat worse than at the other banks.

A more vulnerable subgroup of the banks discussed above consists of the banks at which nonperforming loans alone exceed total capital. Tables 11, 12, and 13 repeat the preceding analysis using this more stringent criterion. The last column of Table 11 indicates that farm loans figure more prominently at these banks, averaging 15 percent of total loans. And, whereas Table 12 shows that the number of small nonagricultural banks in this predicament changed little over the last two years, in Table 13 the number of agricultural banks below the diagonal more than tripled over two years—but is still smaller than the number of nonagricultural banks in the same position in Table 12.

In 1983, only 7 of the 44 insured commercial banks that failed, or 16 percent, were agricultural banks. Last year, 32 of the 78 failures listed in Table 14, or 41 percent, were agricultural banks. Still, farm loans constituted only 10 percent of total loans at the banks that failed in 1984, and totaled only \$199 million at these banks at the beginning of that year. Growth last year in the number of agricultural banks with a relatively high level of nonperforming loans (the number of banks below the diagonal in Table 13 rose to 175 at year-end, compared with 87 a year earlier) may portend a further increase in failures of agricultural banks.

Table 11

Banks at which nonperforming loans exceeded total capital
December 31

State	Number of banks			As percentage of all banks in state, 1984	Farm loans at these banks, 1984	
	1982	1983	1984		Millions of dollars	As percentage of total loans at these banks
United States...	148	162	210	1	908	15
Arkansas.....	1	4	3	1	15	31
California.....	21	13	11	3	16	3
Colorado.....	5	4	12	3	36	20
Florida.....	3	4	4	1	2	1
Illinois.....	18	13	6	*	8	8
Indiana.....	4	5	6	2	16	13
Iowa.....	0	5	20	3	170	42
Kansas.....	2	5	17	3	116	48
Kentucky.....	0	4	3	1	7	13
Louisiana.....	3	6	7	2	12	4
Michigan.....	3	3	1	*	4	27
Minnesota.....	7	7	13	2	60	40
Missouri.....	7	4	7	1	58	22
Montana.....	4	3	7	4	45	27
Nebraska.....	5	5	11	2	77	68
New Jersey.....	6	1	2	2	5	1
North Dakota....	1	1	3	2	40	48
Oklahoma.....	3	11	14	3	46	6
Oregon.....	14	9	9	12	45	21
Tennessee.....	11	21	9	3	9	4
Texas.....	2	8	16	1	16	3
Utah.....	4	4	6	10	6	4
West Virginia...	0	4	2	1	*	1
Wisconsin.....	3	4	5	1	33	42
Wyoming.....	1	3	4	3	8	13

* Less than 0.5 percent.

Data are shown for states that accounted for at least 1 percent of the national total of such banks in 1984 or at least 2 percent of the total in 1982 or 1983.

Table 12

Small nonagricultural banks, by ratios of capital to assets and nonperforming loans to assets

Nonperforming loans as a percentage of total assets	Capital as a percentage of total assets						
	Under 3.0	3.0 to 5.9	6.0 to 8.9	9.0 to 11.9	12.0 to 14.9	15.0 to 17.9	18.0 and over

December 31, 1982

Under 3.0.....	3	188	4270	2398	518	171	348
3.0 to 5.9.....	2	29	408	231	44	11	13
6.0 to 8.9.....	3	23	72	44	6	3	4
9.0 to 11.9.....		7	16	6	4	1	2
12.0 to 14.9.....	1	3	4	6	3		
15.0 to 17.9.....			5	2			
18.0 and over.....	2	2	2		1		

December 31, 1983

Under 3.0.....	9	236	4459	2214	527	211	326
3.0 to 5.9.....	5	41	379	202	35	8	6
6.0 to 8.9.....	8	11	54	33	8	3	2
9.0 to 11.9.....	1	7	22	2	4	1	
12.0 to 14.9.....	3	2	6	4		1	
15.0 to 17.9.....	1		4	3	2		
18.0 and over.....			5	1	3		

December 31, 1984

Under 3.0.....	5	205	4543	2191	512	227	345
3.0 to 5.9.....	4	43	412	181	43	12	14
6.0 to 8.9.....	2	12	83	35	6	4	2
9.0 to 11.9.....		9	24	11	3	1	3
12.0 to 14.9.....	1	4	7	1			1
15.0 to 17.9.....			1				1
18.0 and over.....		1	2	1	1		

Table 13

Agricultural banks, by ratios of capital to assets and nonperforming loans to assets

Nonperforming loans as a percentage of total assets	Capital as a percentage of total assets						
	Under 3.0	3.0 to 5.9	6.0 to 8.9	9.0 to 11.9	12.0 to 14.9	15.0 to 17.9	18.0 and over

December 31, 1982

Under 3.0.....	1	18	1979	2006	483	122	68
3.0 to 5.9.....		7	206	162	31	5	3
6.0 to 8.9.....		5	20	18	3		
9.0 to 11.9.....			5	8	1		
12.0 to 14.9.....			2	1			
15.0 to 17.9.....					1		
18.0 and over.....		1					

December 31, 1983

Under 3.0.....		24	1778	1936	536	129	68
3.0 to 5.9.....		11	242	188	61	12	4
6.0 to 8.9.....	1	4	40	36	8	1	
9.0 to 11.9.....		3	10	4	5		
12.0 to 14.9.....		1	6	3	1		
15.0 to 17.9.....			2		1		
18.0 and over.....							

December 31, 1984

Under 3.0.....		17	1550	1738	531	137	90
3.0 to 5.9.....	2	9	292	290	64	13	5
6.0 to 8.9.....	2	5	83	60	12		2
9.0 to 11.9.....	4	5	21	18	5		
12.0 to 14.9.....	1	2	5	3	4		
15.0 to 17.9.....		1	3	5			
18.0 and over.....		1		1			

Table 14

Farm loans at insured commercial banks that failed
in 1984

Sequence number	Month	State	Farm loans, Dec. 31, 1983	
			Millions of dollars	Percentage of total loans at bank
1	1	TN	2 *	6 *
2	1	TN	1	5
3	1	KS	0	1
4	2	WV	0	1
5	2	OR	0	0
6	2	IL	2 *	35 *
7	2	CA	0	0
8	2	TX	6	28
9	3	OR	0	0
10	3	FL	0	0
11	3	MI	1	2
12	3	TX	8	26
13	3	CA	1	1
14	4	TN	0	1
15	4	TN	0	1
16	4	TX	1	3
17	4	IN	5	11
18	4	KY	8	55
19	4	IL	0	0
20	4	TN	2	15
21	4	CA	0	0
22	5	WY	0	2
23	5	WY	0	0
24	5	MN	10	57
25	5	TX	0	0
26	5	CA	0	1
27	5	MS	2	1
28	5	OK	0	0
29	5	TN	1	13
30	5	LA	3	6
31	5	IL	0	0
32	5	CA	0	0
33	5	MN	0	0
34	6	CA	0	0
35	6	AL	5	20
36	6	OR	0	4
37	6	TN	1	4
38	6	SD	0	17
39	6	AR	16	61
40	6	MO	0	1
41	6	IA	9	66
42	6	TN	7	27
43	6	TX	2	2
44	7	IL	1	14
45	7	MN	2	8
46	7	TN	1	8
47	8	AR	3	21
48	8	IN	2	20
49	8	IA	9	73
50	8	TX	6	60
51	8	PR	1	0
52	8	KS	2	24
53	8	CO	1	68
54	8	OR	0	0
55	9	NE	8	61
56	9	IA	10	59
57	9	OK	0	0
58	9	NE	7	68
59	9	FL	0	0
60	9	OK	14	36
61	10	OK	0	2
62	10	KS	1	58
63	10	MO	6	51
64	10	TN	0	2
65	10	OK	3	22
66	10	NE	3	63
67	10	NE	5	62
68	10	MN	2	43
69	10	KS	3	51
70	11	OR	1	4
71	11	KS	1	36
72	11	TN	2	6
73	11	UT	1	19
74	12	CO	2	60
75	12	KS	0	2
76	12	NE	2	48
77	12	KS	6	65
78	12	IL	1	5
All banks that failed..... 199				10

* Data as of September 30, 1983.

Appendix

AGRICULTURAL BANKING EXPERIENCE, 1984

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Introduction to data on farm loan losses and delinquencies
(Sections A, B, and C)

Starting in 1984, most banks involved in farm lending report charge-offs and recoveries of farm loans. Also, starting in December 1982, these banks report the amount of farm loans past due 30 days or more and still accruing interest. However, only the large banks significantly involved in farm lending report the amount of nonaccrual farm loans--those more seriously delinquent loans for which repayment in full is not expected.

Although data on farm loan experience are thus incomplete in a rather crucial way, for many analytical purposes it is equally or more important to examine the overall loan experience at those banks heavily involved in farm lending. For this approach, the data on loan losses and delinquencies are complete, as all banks report total charge-offs as well as total past due and nonaccrual loans. These data for total loans are examined and used in sections D and E. Sections A, B, and C present the partial data for farm loans.

Two farm loan items are reported by all banks and defined in the same manner for each bank: the amounts of farm real estate loans and of farm non-real-estate loans outstanding at the end of each quarter. Other data--average "agricultural loans" outstanding during the quarter, delinquent farm loans, and charge-offs of farm loans--are neither reported by all banks nor defined in the same way for each bank. The differences are summarized on the next page.

For large banks, all data are for farm non-real-estate loans. For smaller banks, however, the data on charge-offs and delinquent loans are for "agricultural loans" as defined by each bank for its own internal accounting. Nevertheless, these data for large and small banks have been aggregated in sections A and B because, at most banks, the amount of "agricultural loans" reported is fairly close to that of farm non-real-estate loans.

The proportion of bank farm lending covered by the banks reporting farm loan charge-offs and delinquencies varies among areas, and the relative coverage should be noted by users of the regional data. In sections A to C, the "percentage of area total" is the reporting banks' share of the total outstanding farm non-real-estate loans at all banks in that area.

To provide a convenient indication of the relative importance of each region, the amount of "farm loans" is also shown in each table. This is the amount used in calculating the ratios shown for December 31, 1984; as already noted, it is a mixture of farm non-real-estate loans and "agricultural loans." Therefore, this figure does not represent the amount of farm loans at banks in the region. And, as indicated in the preceding paragraph, this mixed amount was not used in computing the "percentage of area total" shown in the next column.

Categories of banks reporting farm loan items:

- Group A Banks with foreign offices and other banks with total assets of \$300 million or more.
- Group B Subset of group A that reported average farm non-real-estate loans (required if such loans at end of quarter exceeded 5 percent of total loans in domestic offices).
- Group C Banks with total assets of \$25 million or more but less than \$300 million that reported average "agricultural loans" (required if farm non-real estate loans at end of quarter exceeded 5 percent of total loans).
- Group D Subset of Group C with total assets of \$100 million or more but less than \$300 million.
- Group E Banks with total assets under \$25 million at which farm non-real-estate loans at end of quarter exceeded 5 percent of total loans.
- Group F All other banks.

<u>Item</u>	<u>Banks reporting</u>
<u>Outstanding loans</u>	
End of quarter:	
Farm real estate loans.....	A B C D E F
Farm non-real-estate loans.....	A B C D E F
Average during quarter:	
Farm non-real-estate loans.....	B
"Agricultural loans".....	C D
<u>Charge-offs and recoveries</u>	
Farm non-real-estate loans.....	A B
"Agricultural loans".....	C E
<u>Delinquent loans</u>	
Farm non-real-estate loans:	
Past due but still accruing interest...	B
Nonaccrual and renegotiated.....	B
"Agricultural loans:"	
Past due but still accruing interest...	C D E
Nonaccrual and renegotiated.....	D

Data for December 31, 1984, are based on reports available to analysts as of March 8, 1985, when over 99 percent of banks had reported but regular editing was not complete. Special editing procedures were used in compiling these data and generally only ratios, rather than aggregates, are shown.

Table A.1.1

Net charge-offs of farm loans in 1984 as a percentage of farm loans outstanding at year-end

Area	Net charge-offs of farm loans as percentage of farm loans outstanding	Addendum: Farm loans reported	
		Billions of dollars	Percentage of area total
United States.....	2.2	38.6	92
Alabama.....	2.7	.2	68
Arizona.....	.5	.6	99
Arkansas.....	1.1	.5	86
California.....	6.1	3.9	99
Colorado.....	1.7	.8	93
Delaware.....	.0	.1	96
Florida.....	.4	.2	79
Georgia.....	2.3	.2	72
Idaho.....	.8	.6	100
Illinois.....	1.9	2.7	93
Indiana.....	1.2	1.3	92
Iowa.....	2.9	3.9	96
Kansas.....	2.1	2.3	91
Kentucky.....	1.1	.8	91
Louisiana.....	1.4	.3	86
Maryland.....	1.0	.1	75
Michigan.....	.9	.5	85
Minnesota.....	2.3	2.3	92
Mississippi.....	1.5	.4	90
Missouri.....	3.0	1.5	91
Montana.....	1.1	.7	93
Nebraska.....	2.5	3.0	96
New Mexico.....	1.0	.2	87
New York.....	1.6	.7	94
North Carolina...	.8	.3	95
North Dakota.....	1.6	.9	93
Ohio.....	1.8	.6	82
Oklahoma.....	1.9	1.2	90
Oregon.....	1.1	.3	95
Pennsylvania.....	1.4	.3	81
South Carolina...	1.1	.1	83
South Dakota.....	1.9	1.4	97
Tennessee.....	1.5	.3	75
Texas.....	1.3	2.8	89
Utah.....	.1	.1	87
Virginia.....	.3	.2	81
Washington.....	.6	.7	96
West Virginia....	1.1	.0	32
Wisconsin.....	.9	1.3	88
Wyoming.....	1.5	.3	95
Addendum:			
California.....	6.1	3.9	99
Other states.....	1.8	34.7	92

Table A.1.2

Net charge-offs of farm loans in 1984 as a percentage of farm loans outstanding at year-end

Federal Reserve District	Net charge-offs of farm loans as percentage of farm loans outstanding	Addendum: Farm loans reported	
		Billions of dollars	Percentage of area total
United States.....	2.2	38.6	92
1 Boston.....	1.6	.1	77
2 New York.....	1.6	.7	93
3 Philadelphia....	1.2	.4	83
4 Cleveland.....	1.5	1.0	85
5 Richmond.....	.7	.6	84
6 Atlanta.....	1.5	1.1	75
7 Chicago.....	2.1	8.4	93
8 St. Louis.....	1.7	3.0	89
9 Minneapolis.....	1.9	5.6	94
10 Kansas City.....	2.3	8.4	93
11 Dallas.....	1.3	3.1	88
12 San Francisco...	4.0	6.2	98

Table B.1.1

Farm loans past due and still accruing interest
as a percentage of farm loans outstanding

December 31, 1984

Area	Total	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Addendum: Farm loans reported	
				Billions of dollars	Percentage of area total
United States.....	3.8	2.6	1.2	37.6	90
Alabama.....	3.5	2.4	1.1	.2	61
Arizona.....	2.2	1.7	.5	.5	97
Arkansas.....	4.4	3.3	1.1	.5	86
California.....	4.9	3.3	1.5	3.9	98
Colorado.....	5.1	3.5	1.6	.8	93
Delaware.....	.3	.3	.0	.0	25
Florida.....	3.5	2.4	1.0	.2	62
Georgia.....	5.0	3.5	1.4	.2	70
Idaho.....	4.0	3.2	.8	.6	100
Illinois.....	2.6	1.6	1.1	2.7	92
Indiana.....	3.1	1.7	1.3	1.2	88
Iowa.....	3.5	2.3	1.2	3.9	96
Kansas.....	2.9	1.9	1.0	2.3	91
Kentucky.....	2.7	1.6	1.1	.8	91
Louisiana.....	6.7	5.9	.8	.3	83
Maryland.....	2.0	1.8	.2	.1	72
Michigan.....	3.8	2.2	1.5	.5	78
Minnesota.....	4.3	2.8	1.5	2.3	92
Mississippi.....	4.8	3.0	1.8	.4	90
Missouri.....	5.0	3.4	1.5	1.5	91
Montana.....	7.5	5.7	1.8	.7	93
Nebraska.....	2.4	1.5	.9	3.0	96
New Mexico.....	3.1	2.5	.6	.2	79
New York.....	1.7	1.0	.7	.4	58
North Carolina...	3.9	3.2	.7	.2	65
North Dakota.....	5.4	4.1	1.3	.9	93
Ohio.....	3.6	1.9	1.7	.6	81
Oklahoma.....	3.5	2.3	1.1	1.1	88
Oregon.....	6.5	4.1	2.4	.3	94
Pennsylvania.....	3.4	2.7	.8	.3	71
South Carolina...	3.0	2.3	.7	.1	65
South Dakota.....	4.7	3.5	1.2	1.4	97
Tennessee.....	4.3	3.3	1.1	.3	74
Texas.....	2.3	1.4	.8	2.7	86
Utah.....	8.1	6.6	1.5	.1	74
Virginia.....	4.4	3.6	.8	.2	80
Washington.....	6.2	5.4	.8	.7	95
West Virginia....	4.7	3.0	1.7	.0	32
Wisconsin.....	4.6	2.3	2.3	1.3	88
Wyoming.....	5.9	4.6	1.3	.3	95

Table B.2

Farm production loans past due 30 days or more
as a percentage of total farm production loans

December 31

Area	1982	1983	1984
United States.....	3.8	3.7	3.8
Alabama.....	7.2	4.3	3.5
Arizona.....	4.6	2.4	2.2
Arkansas.....	5.0	4.2	4.4
California.....	8.8	9.0	4.9
Colorado.....	3.2	3.9	5.1
Delaware.....	1.9	.3	.3
Florida.....	3.7	8.2	3.5
Georgia.....	6.1	6.1	5.0
Idaho.....	3.8	2.4	4.0
Illinois.....	2.1	1.9	2.6
Indiana.....	2.7	3.1	3.1
Iowa.....	2.2	2.6	3.5
Kansas.....	1.9	2.5	2.9
Kentucky.....	3.1	2.9	2.7
Louisiana.....	8.6	6.5	6.7
Maryland.....	2.9	2.3	2.0
Michigan.....	2.6	3.1	3.8
Minnesota.....	3.4	3.5	4.3
Mississippi.....	5.2	3.8	4.8
Missouri.....	3.3	3.2	5.0
Montana.....	5.4	5.5	7.5
Nebraska.....	1.9	2.3	2.4
New Mexico.....	3.8	2.9	3.1
New York.....	1.0	1.6	1.7
North Carolina...	3.4	4.0	3.9
North Dakota.....	4.9	5.5	5.4
Ohio.....	3.2	2.6	3.6
Oklahoma.....	1.9	2.2	3.5
Oregon.....	11.9	6.1	6.5
Pennsylvania.....	5.5	4.1	3.4
South Carolina...	4.5	4.0	3.0
South Dakota.....	3.2	2.6	4.7
Tennessee.....	4.8	5.1	4.3
Texas.....	3.0	1.9	2.3
Utah.....	6.0	5.9	8.1
Virginia.....	2.0	2.1	4.4
Washington.....	5.7	3.2	6.2
West Virginia....	1.9	3.3	4.7
Wisconsin.....	3.7	3.9	4.6
Wyoming.....	5.1	2.3	5.9

Table C.1
Delinquent farm loans as a percentage of farm loans outstanding
Large commercial banks

December 31, 1984

Area	Total	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	Addendum: Farm loans reported	
					Millions of dollars	Percentage of area total
United States.....	10.1	3.1	1.1	5.8	12669	31
Alabama.....	8.3	2.2	.7	5.4	28	12
Arizona.....	12.0	1.7	.5	9.8	536	96
Arkansas.....	6.4	3.2	.5	2.3	84	17
California.....	13.1	3.3	1.4	8.4	3781	96
Colorado.....	18.2	4.3	1.5	10.4	256	29
Delaware.....	.3	.3	.0	.0	18	25
Florida.....	5.6	2.7	1.0	1.9	94	36
Idaho.....	5.7	2.8	.5	2.4	485	79
Illinois.....	5.8	1.4	.8	3.0	453	15
Indiana.....	5.1	1.9	.7	2.4	340	25
Iowa.....	9.6	3.1	1.0	5.3	482	12
Kentucky.....	4.2	1.0	.4	2.7	285	39
Louisiana.....	9.3	8.5	.2	.6	82	21
Michigan.....	9.7	1.5	1.1	7.0	168	29
Minnesota.....	21.7	4.8	1.9	14.5	270	10
Mississippi.....	6.0	2.4	1.2	2.3	148	33
Missouri.....	19.3	6.9	2.0	9.7	167	11
Montana.....	15.3	6.0	1.1	7.4	164	23
Nebraska.....	6.8	1.2	.9	4.5	520	17
New Mexico.....	8.3	3.8	.1	4.5	87	39
New York.....	2.9	.7	.5	1.7	347	49
North Carolina...	5.8	3.2	.8	1.7	166	56
North Dakota.....	7.0	2.5	1.7	2.7	126	12
Ohio.....	12.0	1.9	1.5	8.1	232	36
Oklahoma.....	7.2	4.1	1.0	2.1	263	21
Oregon.....	10.4	4.2	2.4	3.7	288	81
Pennsylvania.....	7.2	2.7	.6	3.6	211	57
South Carolina...	4.4	.4	.2	3.8	36	37
South Dakota.....	14.0	5.4	1.4	7.0	560	39
Tennessee.....	3.7	1.5	.6	1.5	110	30
Texas.....	4.9	1.5	1.1	2.3	825	27
Utah.....	11.4	6.2	1.5	3.7	59	57
Virginia.....	6.0	5.0	.1	.8	120	53
Washington.....	10.6	5.5	.8	3.8	575	79
Addendum:						
California.....	13.1	3.3	1.4	8.4	3781	96
Other states.....	8.9	3.0	1.0	4.7	8888	25

Data are from banks with total assets of \$100 million or more.
Total includes renegotiated "troubled" debt.

Table C.2

Delinquent farm loans as a percentage
of farm loans outstanding

Large commercial banks
December 31

Area	1982	1983	1984
United States.....	10.4	11.0	10.1
Alabama.....	22.0	13.5	8.3
Arizona.....	11.9	13.2	12.0
Arkansas.....	6.6	9.4	6.4
California.....	15.0	19.1	13.1
Colorado.....	5.3	12.5	18.2
Delaware.....	.0	.0	.3
Florida.....	6.3	16.4	5.6
Idaho.....	4.9	4.2	5.7
Illinois.....	4.2	5.0	5.8
Indiana.....	5.3	6.2	5.1
Iowa.....	5.4	7.1	9.6
Kentucky.....	5.5	4.4	4.2
Louisiana.....	11.6	14.0	9.3
Michigan.....	4.0	5.3	9.7
Minnesota.....	14.2	11.1	21.7
Mississippi.....	17.0	5.2	6.0
Missouri.....	6.8	5.3	19.3
Montana.....	8.2	9.6	15.3
Nebraska.....	4.7	6.3	6.8
New Mexico.....	8.5	8.3	8.3
New York.....	.7	2.8	2.9
North Carolina...	4.0	4.1	5.8
North Dakota.....	7.8	10.1	7.0
Ohio.....	13.8	10.1	12.0
Oklahoma.....	2.4	3.1	7.2
Oregon.....	15.9	9.2	10.4
Pennsylvania.....	10.6	11.8	7.2
South Carolina...	6.6	8.1	4.4
South Dakota.....	9.0	9.1	14.0
Tennessee.....	7.0	7.9	3.7
Texas.....	8.6	4.2	4.9
Utah.....	19.8	9.1	11.4
Virginia.....	1.2	2.6	6.0
Washington.....	9.8	5.8	10.6
Addendum:			
California.....	15.0	19.1	13.1
Other states.....	7.9	7.1	8.9

Data are from banks with total assets of
\$100 million or more.

Table D.1

Past due, nonaccrual, and renegotiated loans as a percentage of total loans

Insured commercial banks
December 31, 1984

Banks by size and by farm loan ratio	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	Renegotiated "troubled" debt	Total
Agricultural banks.....	2.6	1.4	2.0	.2	6.2
Other small banks.....	2.4	.9	1.2	.2	4.7
Banks with total assets under \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	2.3	.9	1.1	.1	4.4
1 to 4.....	2.4	1.0	1.2	.2	4.7
5 to 9.....	2.6	1.1	1.2	.1	5.0
10 to 14.....	2.7	1.2	1.5	.2	5.6
15 to 19.....	2.8	1.4	1.7	.2	6.0
20 to 24.....	2.8	1.3	1.6	.2	5.9
25 to 29.....	2.8	1.6	1.9	.2	6.5
30 to 34.....	2.5	1.5	1.8	.2	6.0
35 to 39.....	2.7	1.6	1.8	.2	6.2
40 to 44.....	2.5	1.4	2.1	.2	6.4
45 to 49.....	2.7	1.7	2.2	.2	6.5
50 to 54.....	2.5	1.5	2.0	.2	6.4
55 to 59.....	2.2	1.3	2.3	.1	6.1
60 to 64.....	2.3	1.3	2.7	.2	6.5
65 to 69.....	2.1	1.2	2.5	.2	6.0
70 to 74.....	2.4	1.6	2.4	.1	6.3
75 to 79.....	1.9	1.2	2.0	.1	5.2
80 and over.....	1.7	.9	2.8	.1	5.4

Table D.2

Total past due, nonaccrual, and renegotiated loans
as a percentage of total loans

Insured commercial banks
December 31

Banks by size and by farm loan ratio	1982	1983	1984
Agricultural banks.....	4.9	5.2	6.2
Other small banks.....	5.2	4.6	4.7
Banks with total assets under \$500 million—			
Farm loans as percentage of total loans at bank:			
Under 1.....	5.4	4.5	4.4
1 to 4.....	4.9	4.6	4.7
5 to 9.....	5.1	5.0	5.0
10 to 14.....	5.4	5.1	5.6
15 to 19.....	5.4	5.5	6.0
20 to 24.....	5.5	5.5	5.9
25 to 29.....	5.0	5.4	6.5
30 to 34.....	5.2	5.4	6.0
35 to 39.....	5.1	5.5	6.2
40 to 44.....	5.0	5.8	6.4
45 to 49.....	4.8	5.0	6.5
50 to 54.....	4.7	5.7	6.4
55 to 59.....	4.0	4.6	6.1
60 to 64.....	3.8	4.9	6.5
65 to 69.....	4.2	4.6	6.0
70 to 74.....	3.4	4.3	6.3
75 to 79.....	3.3	4.6	5.2
80 and over.....	2.4	3.6	5.4

Table E.4

Percentage distribution of agricultural banks
by annual provision for loan and lease losses

Provision for loan losses as percentage of loans at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
All banks.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 0.10.....	49.0	50.3	54.0	51.4	47.7	49.4	43.9	48.5	40.8	35.7	31.0	29.6	23.4	20.3	14.4
0.10 to 0.39...	27.5	27.7	27.2	27.4	29.4	29.9	33.9	30.2	35.8	39.1	34.9	30.1	24.5	21.6	16.9
0.40 to 0.69...	13.5	13.3	12.1	13.7	14.0	13.1	13.8	12.6	13.2	14.5	17.5	19.1	18.5	16.6	15.3
0.70 to 0.99...	4.6	3.7	3.0	3.9	3.8	3.6	3.6	3.8	4.4	5.3	6.8	7.4	10.5	11.6	11.7
1.00 to 1.29...	1.9	2.0	1.2	1.6	2.0	1.6	1.9	1.9	2.2	2.0	3.7	4.7	6.8	7.8	8.6
1.30 to 1.59...	1.1	.9	.9	.8	.9	.7	1.1	1.2	1.3	1.3	1.7	2.4	4.2	4.9	5.8
1.60 to 1.89...	.8	.6	.6	.4	.8	.5	.4	.5	.7	.6	1.1	1.7	2.9	3.6	4.5
1.90 to 2.19...	.5	.5	.3	.3	.5	.3	.4	.4	.3	.5	.9	1.4	2.1	2.7	3.7
2.20 to 2.49...	.1	.1	.2	.1	.1	.1	.1	.2	.3	.3	.5	.8	1.5	2.1	2.4
2.50 to 4.99...	.8	.6	.2	.3	.6	.6	.6	.5	.8	.5	1.5	2.2	4.2	5.9	10.5
5.00 to 7.49...	.1	.0	.1	.1	.2	.1	.1	.1	.1	.2	.2	.4	.8	1.5	3.3
7.50 and over..	.1	.2	.1	.0	.1	.1	.1	.1	.1	.1	.2	.2	.5	1.4	2.8

Agricultural banks are banks with an above-average farm loan ratio; that is, banks at which the ratio of farm loans to total loans is above the average of such ratios at all banks on the date specified (16.99 percent on December 31, 1984). Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers.

Banks are classified according to the ratio of the annual provision for loan and lease losses to the total loans and lease financing receivables outstanding on December 31.

Table E.5

Percentage distribution of agricultural banks
by rate of return to equity

Net income as percentage of average equity at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
All banks.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Negative.....	1	1	1	0	1	2	1	1	1	1	1	2	4	7	12
0 to 4.....	5	5	6	2	2	5	4	4	3	2	2	3	5	7	9
5 to 9.....	24	26	28	12	12	16	14	16	14	8	9	12	15	18	23
10 to 14.....	43	41	43	39	35	38	41	45	46	36	33	33	33	36	36
15 to 19.....	21	20	18	33	34	29	30	28	28	38	35	32	28	24	15
20 to 24.....	5	4	4	10	12	9	8	5	6	12	14	13	11	7	3
25 and over...	2	2	1	4	4	2	2	1	1	3	5	6	4	2	1

Agricultural banks are banks with an above-average farm loan ratio; that is, banks at which the ratio of farm loans to total loans is above the average of such ratios at all banks on the date specified (16.99 percent on December 31, 1984). Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers.

Banks are classified according to the ratio of net income after taxes to the average of total equity capital (including notes and debentures subordinated to deposits) at the beginning and end of the year.