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## **COBANK REPORTS 2005 THIRD QUARTER FINANCIAL RESULTS**

For immediate release

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DENVER (November 3, 2005) — CoBank today reported net earnings of \$219.5 million for the first nine months of 2005, compared to \$212.6 million for the same period in 2004.

The increase in earnings is primarily due to a lower provision for credit losses reflecting improved credit quality, lower operating expenses, and higher non-interest income due primarily to a gain on the sale of an acquired property. These factors were largely offset by lower net interest income resulting from reduced loan spreads. Overall, the current interest rate environment and the change in the mix and risk profile of our loan portfolio have contributed to the reduction in net interest income during the first nine months of 2005.

Total loans and leases outstanding increased to \$25.1 billion at September, 30 2005, compared to \$24.0 billion at year-end 2004, and total assets increased to \$32.3 billion as of September 30, 2005, compared to \$30.9 billion at year-end 2004. While agribusiness loan demand increases in early 2005 were significantly less than normal, we have not experienced the seasonal reductions that normally occur during the third quarter.

“I’m pleased to report that CoBank continues to consistently achieve strong financial results,” says Douglas D. Sims, chief executive officer of CoBank. “We are committed to delivering value to our customer-owners through our financial performance, our involvement in key industry groups, and our responsiveness to our customers’ changing needs.”

As Rural America’s Cooperative Bank, CoBank specializes in providing financial solutions and leasing services to cooperatives, agribusinesses, Farm Credit associations, and rural communications, energy and water companies. The bank also finances agricultural exports. CoBank has a national office in Denver, additional offices across the U.S., and two international representative offices. CoBank is part of the \$135-billion U.S. Farm Credit System.

To view a consolidated financial statement, [click here](#).

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