



NEWS RELEASE

CoBank Enhances Capital Position Through Issuance of \$200 Million In Preferred Stock

DENVER (April 19, 2013) — CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and Farm Credit System associations throughout the United States, announced today that it has enhanced its capital position with the issuance of \$200 million in preferred stock. The Series G non-cumulative perpetual preferred stock has a fixed dividend rate for life of 6.125 percent, callable after five years.

“This transaction delivers cost-effective, long-term capital that will benefit the bank and its customer-owners,” said David P. Burlage, CoBank’s chief financial officer. “Third-party capital supplements our member stock and unallocated retained earnings, and it provides the bank with enhanced capacity to serve the borrowing needs of our customers. We’re pleased to have been able to take advantage of favorable conditions in the capital markets for high-quality corporate issuers.”

In addition to the new Series G preferred stock, CoBank has outstanding four other series of non-cumulative perpetual preferred stock totaling \$962 million. CoBank also has \$905 million in subordinated debt outstanding.

“Our capital strategy is designed to maximize the financial strength and flexibility of the bank and meet the present and future needs of our customers, while minimizing the overall cost,” said Ann E. Trakimas, CoBank’s chief operating officer. “As always, we continue to monitor the markets closely for additional opportunities to enhance our overall capital position.”

Bank of America Merrill Lynch and Morgan Stanley served as Joint Bookrunners on the Series G preferred stock transaction.

About CoBank

CoBank is a \$92 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving approximately 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation’s rural economy. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's web site at www.cobank.com.

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