



## NEWS RELEASE

### CoBank Enhances Capital Position Through Issuance of \$300 Million In Preferred Stock

**DENVER (November 26, 2014)** — 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 \$300 million in preferred stock.

The new Series H non-cumulative perpetual preferred stock has a fixed dividend rate of 6.20 percent until January 1, 2025, after which dividends will accrue at a floating rate. Bank of America Merrill Lynch, J.P. Morgan and Morgan Stanley served as joint bookrunners on the transaction.

“This transaction delivers cost-effective, long-term capital that will benefit both CoBank and our customer-owners,” said David P. Burlage, CoBank’s chief financial officer. “We’re pleased to have once again been able to take advantage of favorable conditions in the capital markets for high-quality corporate issuers.”

On October 1, 2014, CoBank redeemed all \$136.8 million outstanding of its Series D non-cumulative perpetual preferred stock. The Series D preferred stock was issued in August 2009 and carried a dividend rate of 11 percent.

Burlage noted that third-party capital provides the bank with increased capacity to meet the borrowing needs of customers and supplements capital provided by member stock and unallocated retained earnings.

“CoBank’s financial strength and membership in the Farm Credit System have enabled us to undertake multiple third-party capital issuances in recent years,” Burlage said. “We assess our capital position on an ongoing basis and continue to look for opportunities to optimize our overall cost and quality of capital on behalf of our customer owners.”

#### **About CoBank**

CoBank is a \$102 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](http://www.cobank.com).

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