

# NEWS RELEASE

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Sept. 1, 2010

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## **Farm Credit Bank of Texas Issues \$300 Million of Preferred Stock**

AUSTIN, Texas — Following strong mid-year financial results and two favorable ratings reports, [Farm Credit Bank of Texas](#) (FCBT), a cooperatively owned wholesale funding bank, issued \$300 million of perpetual non-cumulative preferred stock on Aug. 26.

“Farm Credit Bank of Texas is extremely pleased to have completed this transaction in the midst of a challenging market environment,” said Larry Doyle, FCBT chief executive officer. “The strong level of interest shown by investors demonstrates that there is demand for high-quality preferred stock from healthy companies and signals that the capital markets are opening up.”

Barclay’s Capital and Bank of America Merrill Lynch represented the \$14.2 billion bank as placement agents for the transaction.

“Our latest stock issuance will further strengthen Farm Credit Bank of Texas’ already-strong capital position and increase our risk-bearing capacity, while allowing us to pursue business opportunities as they arise,” Doyle said.

The Austin-based bank reported \$82 million of net income for the first six months of 2010, an 84.5 percent increase over the same period of 2009. FCBT loan volume totaled \$10.6 billion at mid-year 2010. In July, both Fitch Ratings and Moody’s Investor Services affirmed the bank’s positive investor-grade ratings.

Farm Credit Bank of Texas is the source of funds for its owners — 18 rural lending cooperatives in Alabama, Louisiana, Mississippi, New Mexico and Texas, and four Other Financing Institutions. It also participates with other lenders in the capital markets, providing loans to agribusiness, energy and rural telecommunications firms.

The bank is part of the \$213 billion Farm Credit System, a network of rural financial cooperatives, owned and operated by the farmers, ranchers and rural customers they serve. The System is the oldest and largest nationwide source of financing for rural America.