



**COMPEER**  
FINANCIAL™

**COMPEER FINANCIAL**  
**FARMER COOPERATIVE CONFERENCE**  
**MARK CADE**

November 1-3



# FARM CREDIT SYSTEM

- **Part of the cooperative Farm Credit System**
  - Approximately 75 associations nationwide
- **Farm Credit is the largest lender to U.S. agriculture**
  - Provides more than 1/3 of the credit needed
  - Assets in excess of \$217 billion
  - Nearly 500,000 member-borrowers
  - More than 13,000 employees

# A RESULT OF SUCCESSFUL MERGERS

- In the late 1990s PCAs & FLBAs began to combine
- 1995: East Central Wisconsin Farm Credit, based in Fond du Lac, combined with Madison Farm Credit Association to form the original Badgerland Farm Credit Services.
- 1998: Heartland Farm Credit, based in Baraboo, joined Badgerland Farm Credit Services to create the cooperative's territory across 33 southern Wisconsin counties.
- 2008: Badgerland Farm Credit Services rebranded to Badgerland Financial
- 2017: Badgerland Financial merged with AgStar Financial Services and 1<sup>st</sup> Farm Credit Services to become Compeer Financial



# MERGER OF THREE ORGANIZATIONS

- On July 1, 1<sup>st</sup> Farm Credit Services, AgStar Financial Services and Badgerland Financial joined together as Compeer Financial, strengthening our commitment to the agricultural community.

# ABOUT COMPEER FINANCIAL

- Compeer Financial is a member-owned Farm Credit cooperative supporting agriculture and rural communities. The \$19+ billion organization provides loans, leases, risk management and other financial services throughout 144 counties in Illinois, Minnesota and Wisconsin.
- ***Based in the Upper Midwest, Compeer Financial exists to champion the hopes and dreams of rural America, while providing personalized service and expertise to clients and the agriculture industry.***



# COMPEER FINANCIAL MISSION



Enriching agriculture and rural America



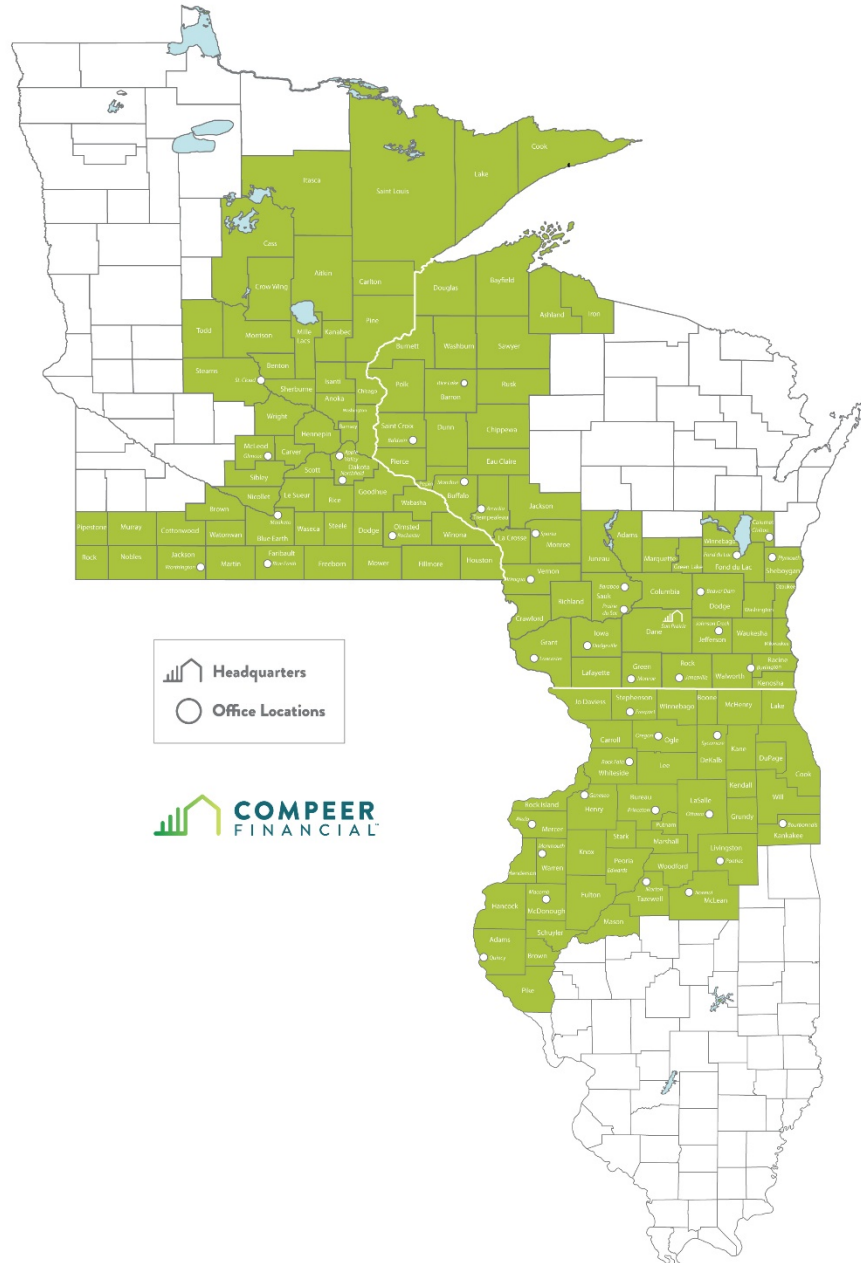
# COMPEER FINANCIAL VISION



**Trusted financial services partner advancing  
agriculture and rural America**

# TERRITORY

- Includes 144 counties in Illinois, Minnesota and Wisconsin
- 38 Congressional Offices
- 85% of state legislative offices in the 3 states





# PROUD MEMBER OF FARM CREDIT

- Compeer Financial is the third largest cooperative of the Farm Credit System, a nationwide network of lending institutions supporting agriculture and rural communities with reliable, consistent credit and financial services.





# ABOUT COMPEER FINANCIAL

- **Member-Owners: 43,213**
- **Team Members: Approximately 1,200**
- **Compeer Financial's Board of Directors is composed of 17 members. Fourteen directors are clients elected by the cooperative's voting member-owners representing the three-state territory. Three directors are appointed.**
- **Directors candidates are selected by a nominating committee**



# DIRECTOR ELIGIBILITY

- **Voting Stockholder**
- **A bona fide farmer, rancher or producer or harvester of aquatic products and either reside or farm in Compeers territory.**
- **Nominated by the region you conduct the majority of your farming operations**
- **An entity stockholder may appoint an individual to run for the board as long as the individual holds stock in the corporation, is a partner of the legal entity, is a senior officer of the entity or has material interest in the entity and meets all other requirements for serving as an association director.**



# ABOUT COMPEER FINANCIAL



- **Scope of Business**

- Agricultural and Rural Financing
- Appraisals
- Crop Insurance
- Home Loans
- Leasing
- Tax and Accounting
- Agribusiness and More



## WHY MERGE?

- Provides opportunities to enhance client services
- Share similar commitments to agriculture and rural America
- History of strong, collaborative relationships with one another
- Together offer additional benefits that wouldn't be possible alone
- Potential benefits for Clients and Team Members



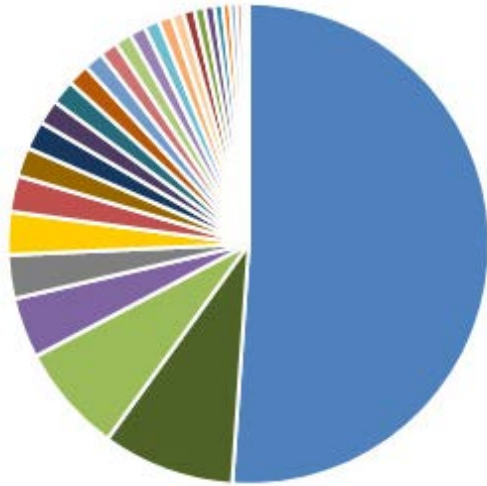
# ADVANTAGES

- **Human Capital**
- **Operating Efficiencies**
- **Increased Capital Base**
- **Enhanced Scale to Serve:**
  - Specialized Clients/Develop Products
  - Support Rural Communities
- **Expanded Marketplace Reputation**
- **Profitability**
- **Geographic and Portfolio Diversity**

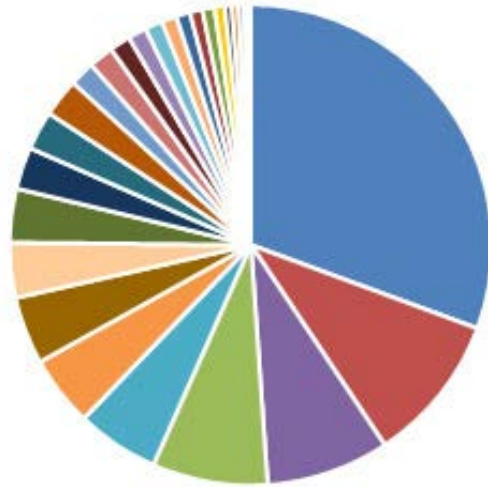
# PORTFOLIO DIVERSITY

- CORN/SOYBEAN
- DAIRY/MILK
- SWINE
- MISC CAPITAL MARKETS
- RURAL HOMES
- CATTLE
- TIMBER PRODUCTS
- POWER/UTILITY
- LANDLORD
- OTHER CROPS
- FRUIT/VEG
- TELECOM
- GRAIN ELEVATORS
- MISC AG

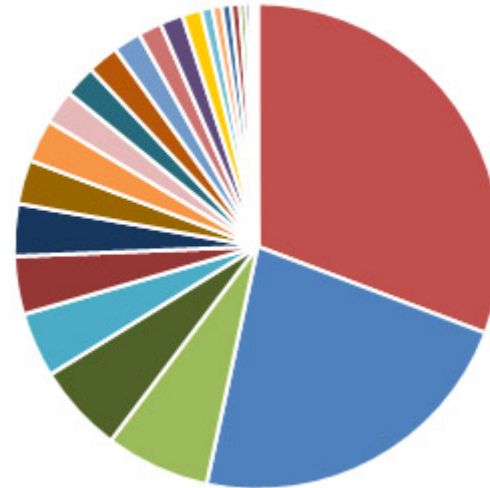
1st Farm Credit



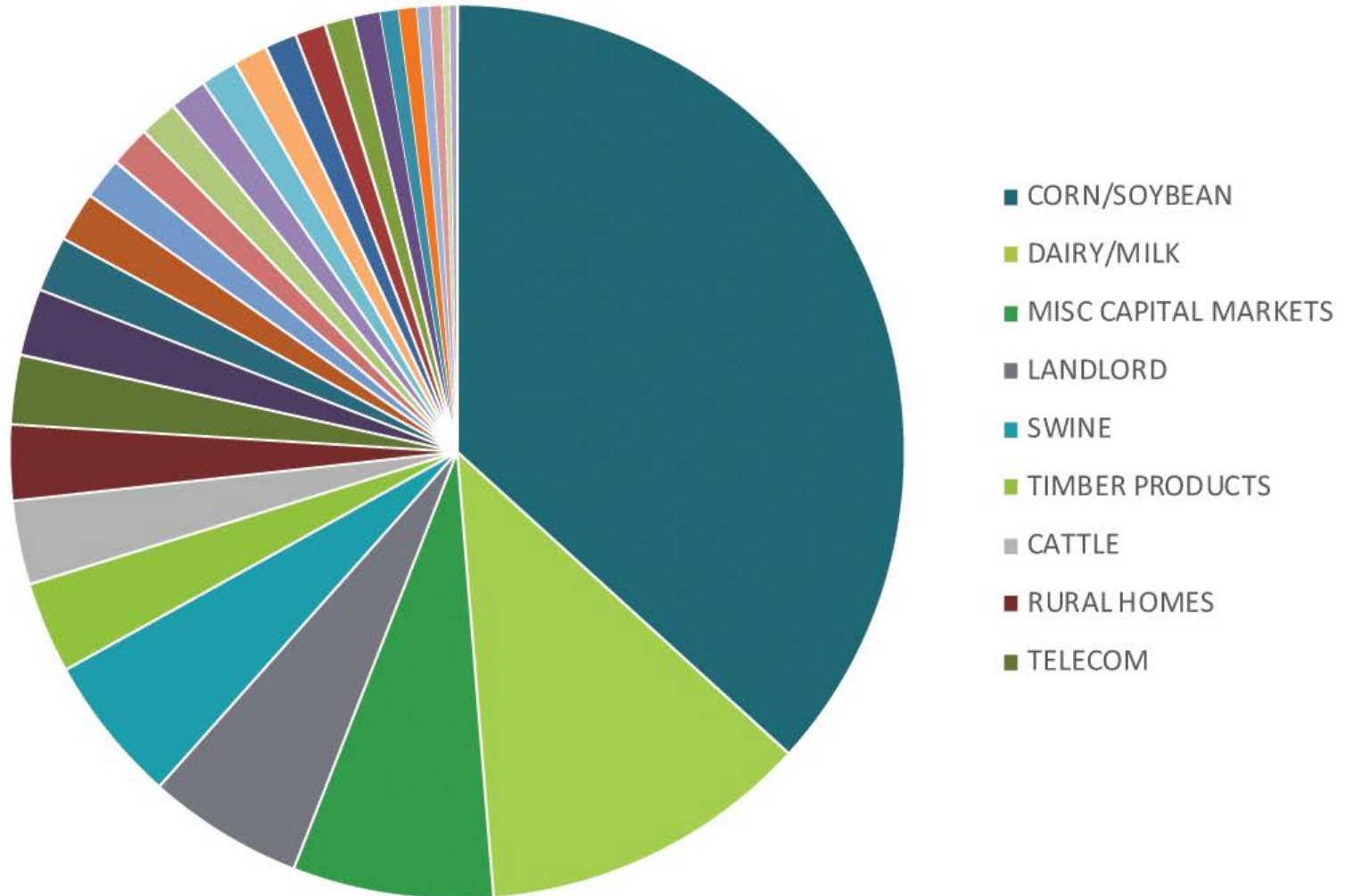
AgStar



Badgerland



# COMBINED LOAN PORTFOLIO DIVERSITY







# FUTURE IMPACTS

- **Corporate Giving**
  - Board of Directors has pledged one percent of net earnings per year
  - Approximately \$3 million annually
- **Continue the strong tradition of supporting agriculture and rural America**
  - Local and state FFA and 4-H programs
  - Scholarships
  - Local and regional food bank donations
  - County, regional and state fairs
  - Local, regional and state agricultural organizations
  - Disaster relief
  - Community support



# FUTURE IMPACTS

- **Patronage**

- Cash Patronage Program
  - + IL - \$103M since 2006
  - + MN – \$643M since 1998
  - + WI - \$133M since 2004
- Anticipating about 20% return to member-owners
- Allocated Equities



# CHALLENGES

- **Equalizing the capital within the three associations**
- **Remaining focused on the end goal of serving our clients into the future**
- **Responding to the conditions put on the merger**
- **Integration of the three cultures and processes**



# ABOUT COMPEER FINANCIAL

- For more information about Compeer Financial, visit **COMPEER.COM**
- For more information about Farm Credit, visit **FarmCredit.com**

A stylized graphic of a house outline in a light teal color. Inside the house, there is a bar chart with four vertical bars of increasing height from left to right. The text 'THANK YOU' is centered within the house's interior. A small horizontal yellow line is positioned below the text.

**THANK YOU**