

# Credit Rating Report

## Compeer Financial, ACA

### Morningstar DBRS

November 13, 2025

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### Credit Ratings

| Issuer                 | Obligation               | Credit Rating | Credit Rating Action      | Trend  |
|------------------------|--------------------------|---------------|---------------------------|--------|
| Compeer Financial, ACA | Long-Term Issuer Rating  | A (low)       | New Rating, November 2025 | Stable |
| Compeer Financial, ACA | Short-Term Issuer Rating | R-1 (low)     | New Rating, November 2025 | Stable |
| Compeer Financial, ACA | Preferred Stock          | BBB (low)     | New Rating, November 2025 | Stable |
| Issuer                 | Intrinsic Assessment     |               |                           |        |
| Compeer Financial, ACA | A (low)                  |               |                           |        |

### Credit Rating Drivers

#### Factors With Positive Credit Rating Implications

- We would upgrade the credit ratings if Compeer Financial, ACA (Compeer or the Association) increases the scale and diversity of its franchise and improves its credit metrics, while maintaining solid profitability and capital levels.

#### Factors With Negative Credit Rating Implications

- Conversely, we would downgrade the credit ratings if asset quality deteriorates, resulting in weaker earnings, or if capital levels decline substantially.

### Credit Rating Considerations

#### Franchise Strength (Good/Moderate)

- Compeer, a member-owned cooperative, is the third-largest association in the Farm Credit System (the System). The Association is chartered to serve 144 counties in Illinois, Minnesota, and Wisconsin, and participates in loans across the country through syndication and correspondent lending programs.

#### Earnings Power (Good)

- Core earnings generation is resilient, although profitability levels have declined modestly in recent years because of increased provisioning and lower patronage income from AgriBank, FCB (AgriBank or the Bank).

#### Risk Profile (Good/Moderate)

- The Association's loan portfolio is concentrated in the agricultural sector and in certain geographies, and its credit quality metrics have deteriorated in recent years but remain manageable.

#### Funding and Liquidity (Moderate)

- Funding and liquidity are predominantly provided by AgriBank, whose primary purpose is to fund the associations chartered within its district through the issuance of debt securities (at government-sponsored enterprise (GSE)-supported rates) via the System's agent.

#### Capitalization (Good)

- Capital is of high quality, and capital levels remain well above regulatory minimums.

| Financial Data Through 2025 H1 | Scorecard Building Block Assessment     | Grids Building Block Assessment | Combined Building Block Assessment |
|--------------------------------|---|---------------------------------|------------------------------------|
| <b>Franchise</b>               | <b>G/M</b>                              | <b>M</b>                        | <b>G/M</b>                         |
| <b>Earnings</b>                | <b>S/G</b>                              | <b>G/M</b>                      | <b>G</b>                           |
| <b>Risk</b>                    | <b>S/G</b>                              | <b>M/W</b>                      | <b>G/M</b>                         |
| <b>Funding &amp; Liquidity</b> | <b>NA</b>                               | <b>M</b>                        | <b>M</b>                           |
| <b>Capitalisation</b>          | <b>S</b>                                | <b>M</b>                        | <b>G</b>                           |
| <b>Overall Assessment</b>      | <b>Intrinsic Assessment Range (IAR)</b> |                                 | <b>Assigned IA</b>                 |
| <b>G/M</b>                     | <b>['A', 'A (low)', 'BBB (high)']</b>   |                                 | <b>A (low)</b>                     |

### Financial Information

| (In USD Millions Unless Otherwise Stated) | For the Nine Months Ended |         | For the Year Ended December 31 |        |        |        |        |
|---|---------------------------|---------|--------------------------------|--------|--------|--------|--------|
|   | Q3 2025                   | Q3 2024 | 2024                           | 2023   | 2022   | 2021   | 2020   |
| Total Assets                              | 34,336                    | 33,098  | 34,717                         | 31,900 | 29,673 | 27,008 | 24,942 |
| Gross Loans                               | 29,832                    | 29,051  | 30,589                         | 28,290 | 26,725 | 24,515 | 22,637 |
| Income Before Provisions & Taxes (IBPT)   | 437                       | 463     | 597                            | 616    | 526    | 506    | 485    |
| Net Income                                | 312                       | 379     | 478                            | 478    | 515    | 498    | 440    |
| Net Interest Margin (%)                   | 2.4                       | 2.5     | 2.4                            | 2.5    | 2.3    | 2.3    | 2.4    |
| Efficiency Ratio (%)                      | 43.8                      | 39.7    | 41.4                           | 40.0   | 42.1   | 41.2   | 39.1   |
| Nonperforming Loans/Gross Loans (%)       | 1.51                      | 1.32    | 1.12                           | 0.73   | 0.40   | 0.52   | 0.66   |
| Common Equity Tier 1 (CET1) Ratio (%)     | 12.2                      | 12.30   | 12.3                           | 12.6   | 13.2   | 13.9   | 14.3   |

Source: Morningstar, Inc. and company documents. Morningstar, Inc. data and Morningstar DBRS calculations are based on company disclosure. Note: Figures may not tie with reported data given Morningstar DBRS' standardized approach across global banks.

### Issuer Description

Based in the United States' Upper Midwest, Compeer is a member-owned Farm Credit cooperative (officially an Agricultural Credit Association (ACA)) that provides loans, leases, risk management, and other financial services to agriculture and rural communities.

### Credit Rating Rationale

Compeer's credit ratings with Stable trends reflect the Association's growing franchise and resilient core earnings generation, supported by its status as a member-owned cooperative within the System and its relationship with AgriBank, which provides stable matched funding to Compeer and the other 10 association-owners in its district. The System is a GSE consisting of a federally chartered network of lending organizations established to meet the credit needs of American agriculture and rural America. The credit ratings also consider the Association's loan concentration in the agricultural sector and in certain geographies, and its credit quality metrics which have deteriorated in recent years but remain manageable. Finally, the credit ratings are supported by sound capital levels, which remain well above regulatory minimums.

Compeer's Intrinsic Assessment of A (low) is at the midpoint of the IA Range, as we view the Association's credit fundamentals and performance as commensurate with those of similarly rated peers.

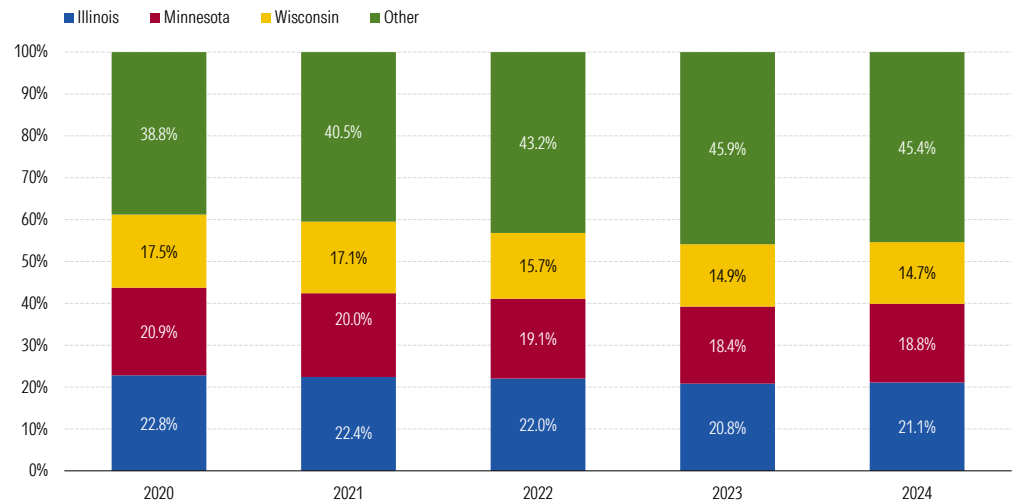
**Franchise Strength**

| Scorecard Building Block Assessment | Grids Building Block Assessment | Combined Building Block Assessment |
|-------------------------------------|---------------------------------|------------------------------------|
| Good/Moderate                       | Moderate                        | Good/Moderate                      |

The Franchise Grids and Scorecard assessments are similar, with the Grids coming in slightly lower, which reflects the concentrated nature of Compeer's business.

Compeer was formed in 2017 through the merger of three associations: AgStar Financial Services, ACA (the surviving entity that was subsequently renamed), Badgerland Financial, ACA, and 1st Farm Credit Services, ACA, and it is now the third-largest association in the System, with \$34.3 billion in assets as at September 30, 2025. Compeer serves more than 76,000 member-owners, with approximately 1,500 employees and 36 offices, and the Association is chartered to serve 144 counties in Illinois, Minnesota, and Wisconsin, which collectively represent about 55% of the loan portfolio. The remainder of the portfolio has been increasingly diversified outside of this home territory (see Exhibit 1) through syndication (the Capital Markets business unit) and correspondent lending programs under the trade name Agri-Access.

**Exhibit 1** Loan Portfolio by Geography

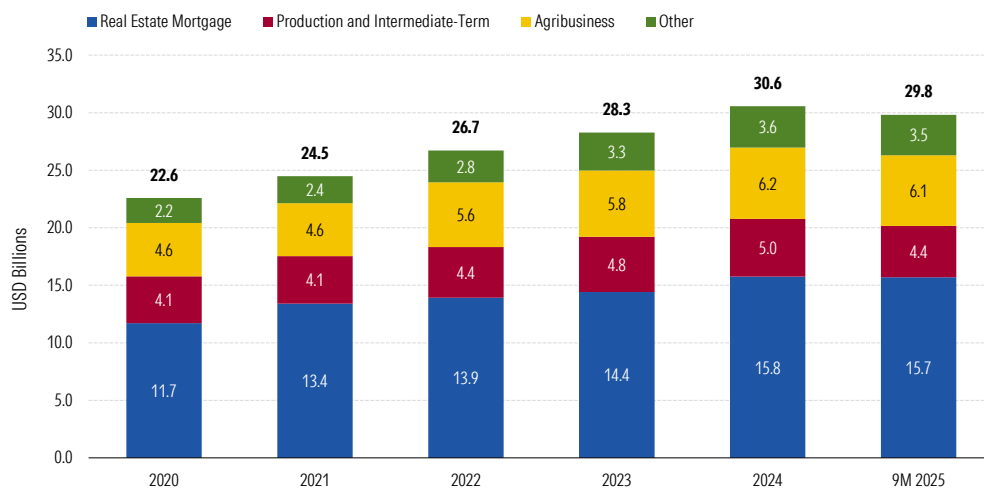


Note: Illinois, Minnesota, and Wisconsin represent loans held in Compeer's territory.  
Sources: Morningstar, Inc. and company documents.

The Association offers loans across four primary categories: real estate mortgages, production and intermediate-term, agribusiness, and other. The other category is primarily composed of rural infrastructure, rural residential real estate, and agricultural export finance-related loans as well as finance leases and certain assets characterized as mission-related investments. Loans are made

through Compeer's fully owned subsidiaries: Compeer Financial, Federal Land Credit Association (the FLCA) and Compeer Financial, Production Credit Association (the PCA). The FLCA is authorized to provide long-term loans, while the PCA makes short-term and intermediate-term loans. We note that the FLCA is exempt from federal and certain other taxes, while the ACA and PCA are exempt from Minnesota state income tax. Compeer has seen good loan growth across all business lines, averaging 9% over the past five years (see Exhibit 2). We note that on balance sheet loans declined through the nine months ended September 30, 2025 (9M 2025) as the Association increased participation in AgriBank asset pool programs. On September 1, 2025, Compeer sold \$1.7 billion in loans from across most of its loan portfolio; excluding this sale, loan growth would have been about \$950 million.

**Exhibit 2** Loan Portfolio by Category



Note: Amortized cost of loans held to maturity.

Sources: Morningstar, Inc. and company documents.

### The Farm Credit System

The System is a federally chartered network of borrower-owned lending institutions comprising cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture and rural America. The Farm Credit Administration (FCA) is authorized by Congress to regulate the System. As of January 1, 2025, the System consisted of four Farm Credit System Banks, each with its own district, and 55 borrower-owned cooperative lending institutions (the associations, including Compeer). The System serves all 50 American states; Washington, D.C.; and Puerto Rico. Compeer is chartered within the AgriBank Farm Credit District, which covers 15 states and 11 associations, including the three largest associations in the System. The Bank's primary purpose is to fund the associations in its district, which it does through the issuance of debt securities via the System's agent, the Federal Farm Credit Banks Funding Corporation. The Farm Credit Insurance Fund ensures the timely payment of principal and interest on Systemwide debt obligations.

In our view, Compeer's franchise benefits from being part of the System, not only because of its funding model, which allows the Association to offer competitively priced, long-term loans, but also because of

its social mandate to serve the agricultural community and its member-owners rather than maximizing profit. The Association is an active contributor in the communities where it operates, and it allocates 1% of its annual net earnings (\$4.8 million in 2024) to the Fund for Rural America, its corporate giving program, and also contributes to the Agriculture and Rural Initiative (\$1 million in 2024), a donor-advised fund. Member-owners also benefit from Compeer's patronage program, which typically returns about 40% of adjusted earnings back to them.

### Management and Governance

In our view, the Association's franchise is supported by a strong management team, which has significant experience in the agriculture sector. Compeer is led by Jase Wagner, President and CEO, who joined the Association in 2009 and served as CFO before becoming CEO in 2022. Compeer also exhibits strong corporate governance, with a fully independent 15-member Board of Directors, including 12 elected and three appointed positions.

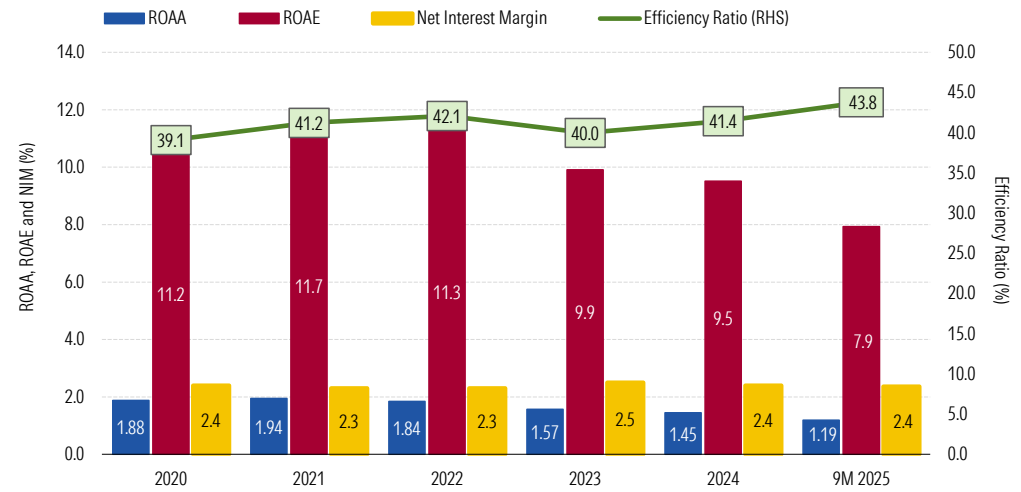
### Earnings Power

| Scorecard Building Block Assessment | Grids Building Block Assessment | Combined Building Block Assessment |
|-------------------------------------|---------------------------------|------------------------------------|
| Strong/Good                         | Good/Moderate                   | Good                               |

The Earnings Power Grids assessment is lower than the Scorecard assessment. The Grids capture the potential variability in non-interest income because of the discretionary nature of the AgriBank patronage income, as well as a forward-looking view of elevated provisioning.

Compeer's resilient core earnings generation is underpinned by a stable net interest margin (NIM), supported by match-funding through AgriBank, and an efficient business model. Profitability levels have declined modestly in recent years because of elevated provisions for credit losses (PCLs) and lower patronage income from AgriBank, and they are somewhat lower than peer System associations but largely on par with peer commercial banks.

In 2024, the Association reported net income of \$478 million, equating to a return on average assets (ROAA) and return on average equity (ROAE) of 1.45% and 9.5%, respectively (see Exhibit 3). This is flat from 2023, when Compeer reported net income of \$478 million and a ROAA and ROAE of 1.57% and 9.9% (per our calculations), respectively, as growth in net interest income and fee income was offset by lower patronage income and higher noninterest expenses. For 9M 2025, the Association reported net income of \$312 million, equating to an ROAA and ROAE of 1.19% and 7.9%, respectively, down from \$379 million (ROAA of 1.55% and ROAE of 10.1%) because of notably higher PCLs and noninterest expenses, and lower patronage income. These same factors drove Compeer's efficiency ratio out of its typical range of 39% to 42%, but this ratio remained strong at 44% for 9M 2025, reflecting the absence of the costs associated with operating a traditional retail branch network and the patronage income the Association receives.

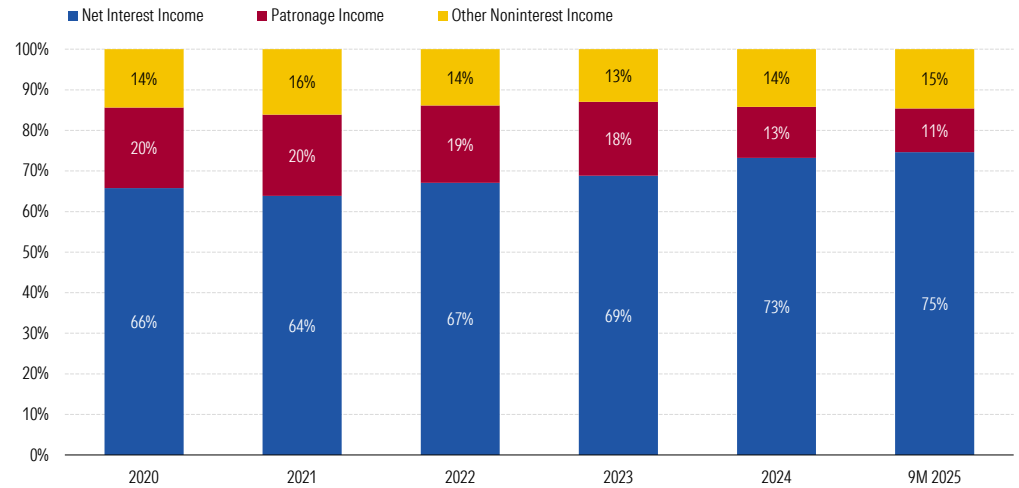
**Exhibit 3** Profitability Metrics

Sources: Morningstar, Inc. and company documents.

Total revenue in 2024 of \$1.0 billion was composed of 73% net interest income (NII) and 27% noninterest income. NII has exhibited good growth, increasing 9% on average over the past five years, largely in line with loan growth, although this growth has slowed as NIMs have decreased modestly, from 2.48% in 2023 to 2.43% in 2024 and 2.36% in 9M 2025. Slower growth in NII is partially attributable to the aforementioned participation in AgriBank asset pool programs, which lowers on balance sheet loan balances, and income on these assets is earned through asset pool program patronage (this is in addition to the wholesale patronage income discussed below).

Noninterest income makes up a comparable proportion of total revenue relative to peer banks; however, a significant portion of this income comes from AgriBank in the form of wholesale patronage, which is paid as a percentage of the average daily balance of the note payable that the Association holds with the Bank. These discretionary distributions have decreased as the Bank preserves more capital amid high loan growth in its district (see Exhibit 4), which directly affects Compeer's bottom line. In 2024, total patronage income was \$128 million, down from \$187 million in the prior year, and has declined further into 2025 (\$84 million for 9M 2025 compared with \$93 million for 9M 2024). Wholesale patronage was distributed at a rate of 13.0 basis points (bps) of note payable balance outstanding for 9M 2025, compared with 21.7 bps for the same period in 2024. Other nonpatronage noninterest income, which is earned across net operating lease income, financially related services income, and fee and other noninterest income, has grown steadily in the past few years. Compeer offers a wide variety of risk management and other financial services to its clients, including various types of insurance, farm records services, fee appraisals, cash management, farm business consulting, producer education, title search, fleet management services, income tax planning and preparation services, and retirement and succession planning.

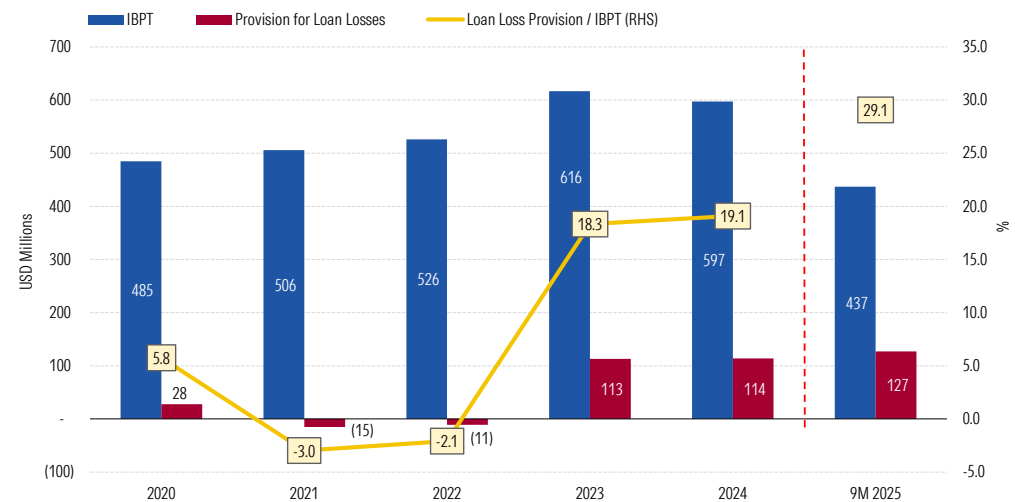
**Exhibit 4 Revenue Breakdown**



Sources: Morningstar, Inc. and company documents.

PCLs were \$127 million for 9M 2025, a notable increase from full-year provisions of \$114 million in 2024 and \$113 million in 2023, which in turn were up significantly from small recoveries in the prior two years (see Exhibit 5). However, some of the increase represents loan growth as well as losses associated with a lending program that has been discontinued. We expect provisions will likely remain elevated through the end of 2025 and into 2026.

**Exhibit 5 Provisioning Trend**



Sources: Morningstar, Inc. and company documents.

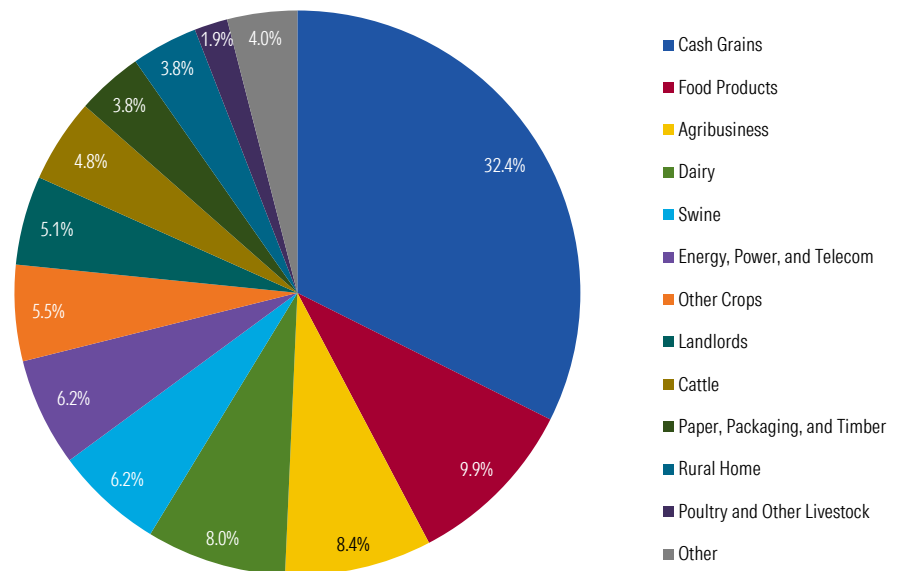
**Risk Profile**

| <b>Scorecard Building Block Assessment</b> | <b>Grids Building Block Assessment</b> | <b>Combined Building Block Assessment</b> |
|--|--|---|
| Strong/Good                                | Moderate/Weak                          | Good/Moderate                             |

The Risk Profile Grids assessment is lower than the Scorecard assessment, reflecting loan concentrations and credit quality deterioration toward the high end of the peer group. This has also resulted in the Core Grid Grade being adjusted downward.

Overall, we view Compeer's risk profile as well managed, with a solid track record of risk management and good underwriting, while recognizing the Association's loan portfolio is fully concentrated within the agricultural sector per its mandate. There is also some concentration in cash grains (32% of loans), reflecting Compeer's presence in its home territory, particularly Illinois and Minnesota, which are among the largest producers of corn and soybeans. However, we note that the Association has been diversifying its loan portfolio by geography, with 45% of loans now outside of its territory (compared with 37% in 2018), and that, apart from cash grains, no industry makes up more than 10% of the portfolio (see Exhibit 6). Industry diversification can be particularly beneficial when those industries are countercyclical. For example, cash grain producers are currently facing margin pressure, in part driven by lower crop prices, but reduced grain prices are good for livestock production, which benefits from lower input costs. Additionally, individual borrower concentration is minimal, with the 10 largest borrowers representing only 3.0% of total loans and commitments.

**Exhibit 6** Agricultural Industry Concentrations (December 31, 2024)



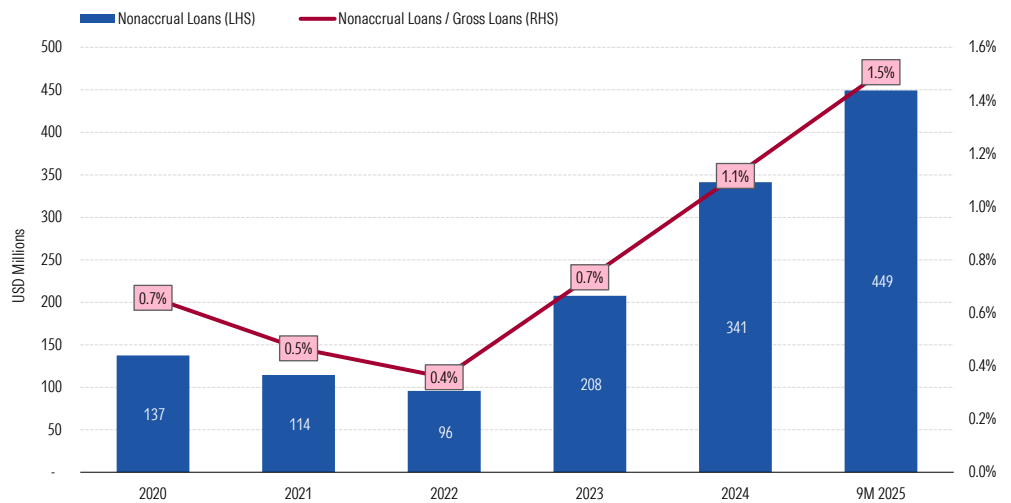
Note: Industry categories are based on the borrower's primary intended industry at the time of loan origination and may change with borrower business decisions as a result of changes in weather, prices, input costs, and other circumstances. Sources: Morningstar, Inc. and company documents.

Volatile U.S. trade policy has created a difficult macroeconomic environment for the agricultural sector. This has been especially true for soybean farmers, as China, historically the largest buyer of U.S.

soybeans, made no purchases in 2025 until a trade agreement was reached in October. Although uncertainty on counter tariffs from trading partners persists, we expect government support to partially mitigate any impact to farmers. We also note that, despite some industry headwinds, farm balance sheets have remained generally solid from strong profits in past years. Furthermore, approximately half of Compeer’s loan portfolio is secured by real estate, with solid loan-to-value ratios, and farmland prices remain strong. The remainder of the portfolio is secured by other forms of collateral, which may include equipment, inventory, or livestock.

Compeer's credit quality metrics have deteriorated over the past two years, following nearly a decade of strong performance, with nonaccrual loans reaching 1.5% of total loans as at September 30, 2025, up from a low of 0.4% in 2022 (see Exhibit 7). While this level of nonaccruals is near the high end of peers, we view this, and a 2024 net charge-off (NCO) rate of 27 basis points (bps), as manageable. The annualized NCO ratio of 8 bps for 9M 2025 was down slightly from 11 bps for 9M 2024, but we expect a higher volume of write-offs in the fourth quarter, as seen in 2024. Adversely classified loans (i.e., loans that have been identified as showing some credit weakness according to the Association's credit standards) increased to 3.6% as at September 30, 2025, from 3.2% at YE2024. Deterioration has largely been driven by a limited number of loans within various portfolios, including Animal Agriculture, Agri-Access, Capital Markets, and also a new digital lending program launched in 2021 which has recently been discontinued.

**Exhibit 7** Evolution of Credit Quality



Sources: Morningstar, Inc. and company documents.

Additional types of risk, such as market and interest rate risk, are minimal, given Compeer's government-guaranteed investment portfolio and that the vast majority of loans are match funded through AgriBank.

## Funding and Liquidity

| Scorecard Building Block Assessment | Grids Building Block Assessment | Combined Building Block Assessment |
|-------------------------------------|---------------------------------|------------------------------------|
| NA                                  | Moderate                        | Moderate                           |

Compeer does not take deposits and as such there is no Funding and Liquidity Scorecard assessment. The Core Grid Grade has been adjusted downward to reflect the Association's balance sheet encumbrance.

Compeer is funded predominantly by AgriBank, which issues debt securities to the market at GSE-supported rates and in turn provides this favorable-rate funding to the associations in its district. As noted above, the vast majority of the Association's loans are match funded through the Bank, and we view positively this strong alignment of the loan portfolio and funding profile. The Association borrows from the Bank under a three-year note payable in the form of a line of credit. The note payable was renewed ahead of maturity (scheduled for September 30, 2025) for \$45 billion, up from \$35 billion previously, with a new maturity date of October 31, 2027. The line of credit, as governed by a General Financing Agreement, is subject to borrowing base capacity requirements and is secured by substantially all of Compeer's assets. The cost of funds is determined by a marginal cost of debt component, a spread component, and a risk premium component (which the Association is not currently subject to), and, in 2024, Compeer paid an average interest rate of 4.0%. Additional funding sources include subordinated debt and preferred stock issued in 2021, of which \$200 million and \$100 million, respectively, are currently outstanding (\$100 million of preferred stock was redeemed in 2023).

The line of credit, which had an outstanding balance of \$28.2 billion at September 30, 2025, is also the main source of liquidity, used to fund operations and meet current obligations, with excess cash generally applied to the line of credit. This outstanding balance represents approximately 93% of available borrowing capacity, and we view the unused 7% of capacity as acceptable liquidity.

The Association's investment portfolio, which is limited to 10% of total assets, totaled \$2.2 billion at September 30, 2025, and is nearly 100% guaranteed by U.S. government entities. Compeer is additionally required by AgriBank to maintain an investment equal to 3.1% of the average quarterly balance of its note payable. Although funding and liquidity are concentrated with a sole provider, Compeer has a long-standing relationship with the Bank, further reinforced by this investment, and we view this relationship as likely to continue.

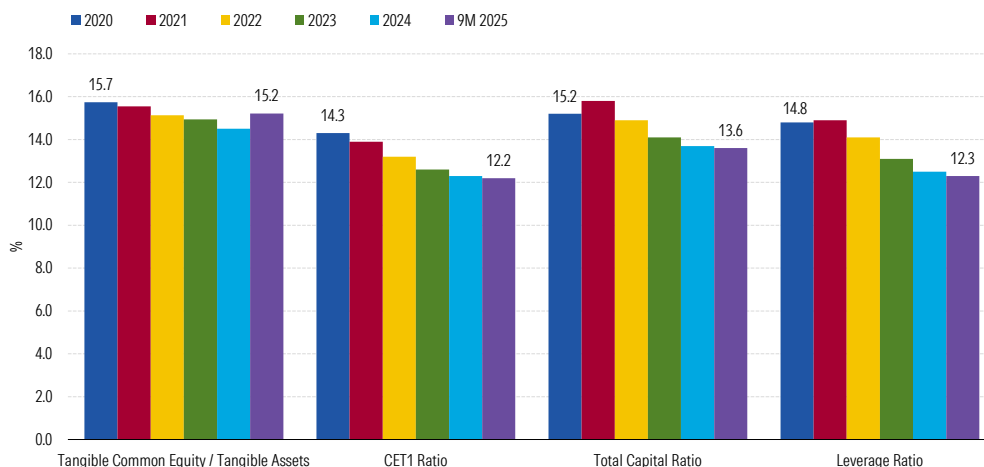
## Capitalization

| Scorecard Building Block Assessment | Grids Building Block Assessment | Combined Building Block Assessment |
|-------------------------------------|---------------------------------|------------------------------------|
| Strong                              | Moderate                        | Good                               |

The Capitalization Grids assessment is lower than the Scorecard assessment. This reflects our view that Compeer has relatively limited flexibility to raise external capital given its cooperative nature, resulting in a downward adjustment to the Core Grid Grade.

Capitalization is sound, and is of generally high quality (i.e., primarily retained earnings and additional paid-in capital), as demonstrated by a solid CET1 ratio of 12.2% at September 30, 2025 (see Exhibit 8), which is at the high end of peer banks. At the same time, the total capital ratio of 13.6% is at the low end of peers, with limited amounts of additional Tier 1 and Tier 2 capital in the form of preferred stock and subordinated debt.

**Exhibit 8** Capitalization Trends



Sources: Morningstar, Inc. and company documents.

Compeer is regulated by the FCA, whose capital regime mimics Basel III, and minimum regulatory capital ratios are equivalent to commercial banks at 7.0% and 10.5% for CET1 and total capital, respectively. Capital levels have decreased steadily since 2019, when the CET1 ratio peaked at 15.0%, despite consistent internal capital generation, primarily because of loan growth.

The Association returns capital to its member-owners through a patronage program, generally representing about 40% of adjusted earnings (note that patronage distributions are accrued throughout the year). In 2024, Compeer returned \$185 million to its member-owners, or 42% of prior year adjusted earnings. The Board approved a payment of \$187 million to be paid in 2025, or 43% of prior year adjusted earnings. This 2025 patronage amount comprises \$52 million in allocated equities for business conducted prior to the formation of Compeer and \$135 million in cash patronage for business done with Compeer in 2024. The \$52 million has been paid each year since the 2017 merger, and this payout will conclude in 2027. The patronage program is fully at the discretion of the Board, which, in our view, provides additional flexibility to retain capital, if needed.

### Environmental, Social, and Governance (ESG) Checklist

#### Compeer Financial, ACA ESG Checklist

| ESG Factor  | ESG Credit Consideration Applicable to the Credit Analysis: Y/N  | Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)* |          |          |
|---|--|---|----------|----------|
| <b>Environmental</b>                                      |  | <b>Overall:</b>   | <b>Y</b> | <b>R</b> |
| <b>Emissions, Effluents, and Waste</b>                    | Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?  | N   |          | N        |
| <b>Carbon and GHG Costs</b>                               | Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile? | N   |          | N        |
| <b>Land Impact and Biodiversity</b>                       | Is there a financial risk to the issuer due to the loss of biodiversity and/or the mitigation of such loss, including land conversion and rehabilitation?  | N   |          | N        |
| <b>Climate and Weather Risks</b>                          | In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?   | N   |          | N        |
|   | In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by physical and/or transition risks under key IPCC climate scenarios?                                    | Y   |          | R        |
|   |  | <b>Climate and Weather Risks</b>  | <b>Y</b> | <b>R</b> |
| <b>Passed-through Environmental credit considerations</b> | Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?   | N   |          | N        |
| <b>Social</b>   |  | <b>Overall:</b>   | <b>Y</b> | <b>R</b> |
| <b>Social Impact of Products and Services</b>             | Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?   | Y   |          | R        |
|   | Do changes in consumer behaviour or secular social trends pose a financial or regulatory risk to the issuer?   | N   |          | N        |
|   |  | <b>Social Impact of Products and Services</b>   | <b>Y</b> | <b>R</b> |
| <b>Human Capital and Human Rights</b>                     | Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?                     | N   |          | N        |
|   | Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?  | N   |          | N        |
|   |  | <b>Human Capital and Human Rights</b>   | <b>N</b> | <b>N</b> |
| <b>Product Governance</b>                                 | Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?   | N   |          | N        |
| <b>Data Privacy and Security</b>                          | Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?   | N   |          | N        |
| <b>Community Relations</b>                                | Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?  | N   |          | N        |
| <b>Access to Basic Services</b>                           | Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?   | N   |          | N        |
| <b>Passed-through Social credit considerations</b>        | Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?  | N   |          | N        |
| <b>Governance</b>   |  | <b>Overall:</b>   | <b>N</b> | <b>N</b> |
| <b>Bribery, Corruption, and Political Risks</b>           | Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?   | N   |          | N        |
|   | Are there any political risks that could affect the issuer's financial position or its reputation?   | N   |          | N        |
|   |  | <b>Bribery, Corruption, and Political Risks</b>   | <b>N</b> | <b>N</b> |
| <b>Business Ethics</b>                                    | Do general professional ethics pose a financial or reputational risk to the issuer?  | N   |          | N        |
| <b>Corporate / Transaction Governance</b>                 | Does the issuer's corporate structure allow for appropriate board and audit independence?  | N   |          | N        |
|   | Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?   | N   |          | N        |
|   | Does the board and/or management lack a formal framework to assess climate related financial risks to the issuer?  | N   |          | N        |
|   |  | <b>Corporate / Transaction Governance</b>   | <b>N</b> | <b>N</b> |
| <b>Passed-through Governance credit considerations</b>    | Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?  | N   |          | N        |
| <b>Consolidated ESG Criteria Output:</b>                  |  | <b>Y</b>  |          | <b>R</b> |

\* A Relevant Effect means that the impact of the applicable ESG Factors has not changed the rating or rating trend on the issuer.  
A Significant Effect means that the impact of the applicable ESG Factors has changed the rating or trend on the issuer.

## **ESG Considerations**

### **Environmental**

The following Environmental factor had a relevant effect on the credit analysis: We view Climate and Weather Risks as relevant for the credit ratings, and this factor is incorporated into Compeer's Risk Profile grid grades, but it does not affect the assigned credit ratings or the trends. In the long term, Compeer's agricultural loan portfolio may be exposed to physical climate change risks, including more frequent or more extreme weather events, or slow onset events. However, we view the Association's geographic diversification, and the availability of government insurance programs for agricultural producers, as important mitigants to this risk.

### **Social**

The following Social factor had a relevant effect on the credit analysis: We view the Social Impact of Products and Services ESG subfactor as credit positive for the credit ratings, but it does not affect the assigned credit ratings or trends. As a member-owned cooperative dedicated to supporting agriculture and rural communities, the social aspect of Compeer's activities strengthens its franchise. As a result, this factor is incorporated into the Association's Franchise Strength grid grades. Furthermore, data privacy and security are important social factors, given that a shortfall in these areas can negatively affect Compeer's franchise. While the Association has not reported any issues with respect to data breaches, a serious data breach or security failure could also result in financial penalties.

### **Governance**

The Governance factor does not affect the credit ratings or trends assigned to Compeer. The Board of Directors comprises 12 elected and three appointed positions, and all directors are independent of executive management. The Board is organized into the Audit and Finance Committee, the Compensation and Governance Committee, and the Enterprise Risk Committee. The Association has not reported any notable governance-related issues, and Compeer has Board oversight of climate-related issues.

## Compeer Financial, ACA

|                                |  | 1                        | 2                              | 3                                   | 4                               | 5                                  |
|--------------------------------|--|--------------------------|--------------------------------|-------------------------------------|---------------------------------|------------------------------------|
| Financial Data Through 2025 H1 | Scorecard Indicator                        | Scorecard Indicator Data | Scorecard Indicator Assessment | Scorecard Building Block Assessment | Grids Building Block Assessment | Combined Building Block Assessment |
| <b>Franchise</b>               | Adjusted Assets                            | 33                       | M                              | G/M                                 | M                               | G/M                                |
|                                | Sovereign Rating Category                  | 20                       | VS                             |                                     |                                 |                                    |
| <b>Earnings</b>                | Return on Equity                           | 9.73%                    | S/G                            |                                     |                                 | G                                  |
|                                | Return on Assets                           | 1.48%                    | VS                             | S/G                                 | G/M                             |                                    |
|                                | IBPT/Avg.Assets                            | 1.80%                    | S/G                            |                                     |                                 |                                    |
| <b>Risk</b>                    | Net NPLs/Net Loans                         | 0.75%                    | S/G                            | S/G                                 | M/W                             | G/M                                |
|                                | Provisions/IBPT                            | 15.64%                   | S/G                            |                                     |                                 |                                    |
| <b>Funding &amp; Liquidity</b> | Sovereign-Adjusted Funding Ratio           | NA                       | NA                             | NA                                  | M                               | M                                  |
| <b>Capitalisation</b>          | Sovereign-Adjusted Capital Ratio           | 12.37%                   | S/G                            |                                     |                                 | G                                  |
|                                | NPL/[Equity + Loan Loss Reserves]          | 6.44%                    | S                              | S                                   | M                               |                                    |
|                                | 5-Year Accumulated Net Income/Total Assets | 7.72%                    | VS                             |                                     |                                 |                                    |
|                                |  |                          | 6                              | 7                                   |                                 | 8                                  |
|                                |  |                          | Overall Assessment             | Intrinsic Assessment Range (IAR)    |                                 | Assigned IA                        |
|                                |  |                          | G/M                            | A                                   | A (low) BBB (high)              | A (low)                            |

Note: Based on financial data as of H1 2025. For more information, see Global Methodology for Rating Banks and Banking Organisations, published on May 23, 2025.

**Compeer Financial, ACA – Annual Financial Information**

|   | For the Year Ended December 31 |        |        |        |        |
|---|--------------------------------|--------|--------|--------|--------|
|   | 2024                           | 2023   | 2022   | 2021   | 2020   |
| <b>Balance Sheet (USD Millions)</b>             |                                |        |        |        |        |
| Cash & Cash Equivalents                         | 2                              | 2      | 2      | 2      | 2      |
| Total Securities                                | 1,893                          | 1,593  | 1,305  | 1,126  | 1,149  |
| Total Gross Loans                               | 30,589                         | 28,290 | 26,725 | 24,515 | 22,637 |
| Loan Loss Reserve                               | 113                            | 76     | 53     | 64     | 89     |
| Total Net Loans                                 | 30,476                         | 28,214 | 26,672 | 24,451 | 22,547 |
| Total Assets                                    | 34,717                         | 31,900 | 29,673 | 27,008 | 24,942 |
| Total Deposits                                  | n/a                            | n/a    | n/a    | n/a    | n/a    |
| Total Debt                                      | 200                            | 200    | 200    | 200    | 0      |
| Total Liabilities                               | 29,582                         | 27,034 | 24,982 | 22,609 | 20,916 |
| Total Equity                                    | 5,135                          | 4,866  | 4,692  | 4,400  | 4,026  |
| <b>Income Statement (USD Millions)</b>          |                                |        |        |        |        |
| Net Interest Income                             | 748                            | 708    | 610    | 550    | 524    |
| Noninterest Income                              | 272                            | 319    | 298    | 310    | 272    |
| Total Revenue                                   | 1,020                          | 1,027  | 908    | 860    | 796    |
| Noninterest Expenses                            | 422                            | 411    | 382    | 355    | 311    |
| IBPT  | 597                            | 616    | 526    | 506    | 485    |
| PCL   | 114                            | 113    | (11)   | (15)   | 28     |
| Irregular Income/Expenses                       | 1                              | 1      | 1      | 1      | 1      |
| Net Income                                      | 478                            | 478    | 515    | 498    | 440    |
| <b>Growth (%)</b>                               |                                |        |        |        |        |
| Net Interest Income                             | 5.59                           | 16.08  | 10.93  | 4.92   | 8.77   |
| Total Revenue                                   | (0.73)                         | 13.11  | 5.55   | 8.09   | 10.97  |
| Operating Expenses                              | 2.89                           | 7.45   | 7.75   | 14.02  | 9.98   |
| IBPT  | (3.14)                         | 17.21  | 4.00   | 4.28   | 11.62  |
| Net Income                                      | (0.02)                         | (7.12) | 3.26   | 13.29  | 10.91  |
| Total Gross Loans                               | 8.13                           | 5.85   | 9.01   | 8.30   | 13.57  |
| Total Deposits                                  | n/a                            | n/a    | n/a    | n/a    | n/a    |
| <b>Earnings (%)</b>                             |                                |        |        |        |        |
| Net Interest Margin                             | 2.4                            | 2.5    | 2.3    | 2.3    | 2.4    |
| Noninterest Income/Total Revenue                | 26.67                          | 31.06  | 32.82  | 36.09  | 34.16  |
| Efficiency Ratio                                | 41.44                          | 39.98  | 42.08  | 41.22  | 39.07  |
| PCL/IBPT  | 19.09                          | 18.34  | (2.09) | (2.97) | 5.75   |
| Return on Average Assets                        | 1.45                           | 1.57   | 1.84   | 1.94   | 1.88   |
| Return on Average Equity                        | 9.5                            | 9.9    | 11.3   | 11.7   | 11.2   |
| Internal Capital Generation                     | 5.5                            | 5.3    | 6.4    | 6.7    | 6.3    |
| <b>Risk Profile (%)</b>                         |                                |        |        |        |        |
| PCL/Average Net Loans                           | 0.39                           | 0.42   | (0.04) | (0.06) | 0.13   |
| Net Charge-Offs Ratio                           | 0.27                           | 0.26   | 0.00   | 0.04   | 0.08   |
| Nonperforming Loans/Gross Loans                 | 1.12                           | 0.73   | 0.36   | 0.47   | 0.66   |
| Loan Loss Reserve/Nonperforming Loans           | 33.11                          | 36.41  | 55.04  | 55.67  | 59.98  |
| Loan Loss Reserve/Gross Loans                   | 0.37                           | 0.27   | 0.20   | 0.26   | 0.39   |
| Nonperforming Loans/Equity + Loan Loss Reserves | 6.50                           | 4.20   | 2.02   | 2.56   | 3.61   |
| <b>Funding &amp; Liquidity (%)</b>              |                                |        |        |        |        |
| Net Loans/Deposits                              | n/a                            | n/a    | n/a    | n/a    | n/a    |

|                           | 2024 | 2023 | 2022 | 2021 | 2020 |
|---------------------------|------|------|------|------|------|
| <b>Capitalization (%)</b> |      |      |      |      |      |
| CET1 Ratio                | 12.3 | 12.6 | 13.2 | 13.9 | 14.3 |
| Tier 1 Capital Ratio      | 12.7 | 13.1 | 14.0 | 14.6 | 14.7 |
| Total Capital Ratio       | 13.7 | 14.1 | 14.9 | 15.8 | 15.2 |
| Leverage Ratio            | 12.5 | 13.1 | 14.1 | 14.9 | 14.8 |
| Total Payout Ratio        | 42.2 | 46.5 | 42.9 | 42.7 | 43.2 |

Source: Morningstar, Inc. and company documents. Morningstar, Inc. data and Morningstar DBRS calculations are based on company disclosure. Note: Figures may not tie with reported data given Morningstar DBRS' standardized approach across global banks.

### Compeer Financial, ACA – Quarterly Financial Information

|  | For the Quarter |         |         |         |         |
|--|-----------------|---------|---------|---------|---------|
|  | Q3 2025         | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
| <b>Balance Sheet (USD Millions)</b>    |                 |         |         |         |         |
| Cash & Cash Equivalents                | 2               | 2       | 2       | 2       | 2       |
| Total Securities                       | 2,201           | 2,183   | 2,015   | 1,893   | 1,858   |
| Total Gross Loans                      | 29,832          | 31,145  | 30,652  | 30,589  | 29,051  |
| Loan Loss Reserve                      | 221             | 147     | 133     | 113     | 131     |
| Total Net Loans                        | 29,611          | 30,999  | 30,519  | 30,476  | 28,920  |
| Total Assets                           | 34,336          | 35,499  | 34,849  | 34,717  | 33,098  |
| Total Deposits                         | n/a             | n/a     | n/a     | n/a     | n/a     |
| Total Debt                             | 200             | 200     | 200     | 200     | 200     |
| Total Liabilities                      | 29,012          | 30,203  | 29,616  | 29,582  | 27,985  |
| Total Equity                           | 5,324           | 5,295   | 5,233   | 5,135   | 5,113   |
| <b>Income Statement (USD Millions)</b> |                 |         |         |         |         |
| Net Interest Income                    | 194             | 195     | 192     | 181     | 187     |
| Noninterest Income                     | 70              | 59      | 69      | 71      | 67      |
| Total Revenue                          | 264             | 253     | 260     | 252     | 254     |
| Noninterest Expenses                   | 123             | 112     | 106     | 118     | 106     |
| IBPT                                   | 141             | 141     | 155     | 135     | 148     |
| PCL                                    | 77              | 30      | 20      | 37      | 18      |
| Irregular Income/Expenses              | n/a             | n/a     | n/a     | 1       | n/a     |
| Net Income                             | 70              | 103     | 139     | 98      | 126     |
| <b>Growth (%)</b>                      |                 |         |         |         |         |
| Net Interest Income                    | (0.31)          | 1.53    | 5.95    | (3.24)  | (1.96)  |
| Total Revenue                          | 4.31            | (2.71)  | 3.20    | (0.68)  | (1.37)  |
| Operating Expenses                     | 9.68            | 6.06    | (10.25) | 11.18   | 5.07    |
| IBPT                                   | 0.05            | (8.71)  | 14.97   | (9.16)  | (5.51)  |
| Net Income                             | (32.00)         | (25.49) | 40.82   | (21.73) | 20.46   |
| Total Gross Loans                      | (4.22)          | 1.61    | 0.21    | 5.29    | (0.71)  |
| Total Deposits                         | n/a             | n/a     | n/a     | n/a     | n/a     |
| <b>Earnings (%)</b>                    |                 |         |         |         |         |
| Net Interest Margin                    | 2.4             | 2.4     | 2.4     | 2.3     | 2.4     |
| Noninterest Income/Total Revenue       | 26.55           | 23.15   | 26.36   | 28.27   | 26.37   |
| Efficiency Ratio                       | 46.52           | 44.25   | 40.58   | 46.67   | 41.69   |
| PCL/IBPT                               | 54.62           | 21.17   | 12.92   | 27.39   | 12.35   |
| Return on Average Assets               | 0.80            | 1.17    | 1.59    | 1.16    | 1.52    |
| Return on Average Equity               | 5.3             | 7.8     | 10.7    | 7.7     | 9.9     |

|   | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|---|---------|---------|---------|---------|---------|
| <b>Risk Profile (%)</b>                         |         |         |         |         |         |
| PCL/Average Net Loans                           | 1.02    | 0.39    | 0.26    | 0.50    | 0.25    |
| Net Charge-Offs Ratio                           | 0.08    | 0.19    | 0.00    | 0.74    | 0.21    |
| Nonperforming Loans/Gross Loans                 | 1.51    | 1.50    | 1.18    | 1.12    | 1.32    |
| Loan Loss Reserve/Nonperforming Loans           | 49.07   | 31.49   | 36.89   | 33.11   | 34.21   |
| Loan Loss Reserve/Gross Loans                   | 0.74    | 0.47    | 0.43    | 0.37    | 0.45    |
| Nonperforming Loans/Equity + Loan Loss Reserves | 8.11    | 8.56    | 6.73    | 6.50    | 7.32    |
| <b>Funding &amp; Liquidity (%)</b>              |         |         |         |         |         |
| Net Loans/Deposits                              | n/a     | n/a     | n/a     | n/a     | n/a     |
| <b>Capitalization (%)</b>                       |         |         |         |         |         |
| CET1 Ratio                                      | 12.2    | 12.0    | 11.8    | 12.3    | 12.3    |
| Tier 1 Capital Ratio                            | 12.5    | 12.3    | 12.1    | 12.7    | 12.7    |
| Total Capital Ratio                             | 13.6    | 13.4    | 13.1    | 13.7    | 13.7    |
| Leverage Ratio                                  | 12.3    | 12.1    | 11.9    | 12.5    | 12.6    |

Source: Morningstar, Inc. and company documents. Morningstar, Inc. data and Morningstar DBRS calculations are based on company disclosure.

Note: Figures may not tie with reported data given Morningstar DBRS' standardized approach across global banks.

### Credit Rating Methodologies

The applicable methodologies are the [Global Methodology for Rating Banks and Banking Organisations](#) (May 23, 2025) and [Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings](#) (May 16, 2025), which can be found on <https://dbrs.morningstar.com> under Methodologies & Criteria.

### Credit Ratings

| Issuer                  | Obligation               | Credit Rating | Credit Rating Action | Trend  |
|-------------------------|--------------------------|---------------|----------------------|--------|
| Compeer Financial, ACA  | Long-Term Issuer Rating  | A (low)       | New Rating           | Stable |
| Compeer Financial, ACA  | Short-Term Issuer Rating | R-1 (low)     | New Rating           | Stable |
| Compeer Financial, ACA  | Preferred Stock          | BBB (low)     | New Rating           | Stable |
| Compeer Financial, FLCA | Long-Term Issuer Rating  | A (low)       | New Rating           | Stable |
| Compeer Financial, FLCA | Subordinated Debt        | BBB (high)    | New Rating           | Stable |
| Compeer Financial, PCA  | Long-Term Issuer Rating  | A (low)       | New Rating           | Stable |
| Compeer Financial, PCA  | Subordinated Debt        | BBB (high)    | New Rating           | Stable |

Source: Morningstar DBRS.

### Credit Rating History

Not applicable.

### Previous Actions

Not applicable.

### Related Research

- [U.S. Banks Q3 2025: Stellar Results But Will They Continue?](#), October 29, 2025.
- [U.S. Bank Capital: A New Phase of Regulatory Reform \(Part 2 of 3\)](#), October 21, 2025.
- [Community Banking Research Conference: Sentiment at All-Time High; Academic Paper Sheds Light on Bank Failure Predictability](#), October 21, 2025.
- [Zions and Western Alliance Announcements Set Off U.S. Regional Bank Jitters](#), October 17, 2025.

- [\*Asset Quality at Midsize U.S. Regional Banks Remains Favorable Overall Despite Gradual Weakening\*](#), September 10, 2025.
- [\*Stablecoins and U.S. Banks: A New Chapter in Financial Disruption\*](#), August 19, 2025.
- [\*U.S. Banks Keep Chugging Along in Q2 2025 Despite Ongoing Uncertainty\*](#), July 31, 2025.
- [\*U.S. Capital Markets Q2 2025 Results Reflect Broad-Based Momentum Despite Ongoing Uncertainty\*](#), July 22, 2025.
- [\*The Great Regulatory Unveiling: What's at Stake for U.S. Banks?\*](#), June 9, 2025.
- [\*U.S. Banks Start 2025 on Solid Footing Despite Increasing Uncertainty\*](#), May 22, 2025.
- [\*Further Clarity on Potential Deregulation for U.S. Community Banks\*](#), April 14, 2025.
- [\*Trump Bump to Trump Slump: Tariffs Quickly Weaken the Operating Environment for U.S. Banks\*](#), April 7, 2025.
- [\*U.S. Banks: How Will Regulatory Consolidations Impact the Sector?\*](#), March 4, 2025.
- [\*U.S. Banks: What Would 30-Year Shocks Do To Bank Capital?\*](#), February 18, 2025.
- [\*U.S. Banks End 2024 on Solid Footing; More of the Same Expected in 2025\*](#), February 3, 2025.
- [\*U.S. Capital Markets Q4 2024 Results Remain Favorable; Optimism for 2025 Takes Center Stage\*](#), January 24, 2025.
- [\*U.S. Office Winter: Hints of Spring in a Frozen Market\*](#), January 13, 2025.
- [\*U.S. Credit Card Issuers: Stable Outlook for 2025 but Being Mindful of the Consumer\*](#), January 8, 2025.
- [\*U.S. Banking Outlook 2025: A New Goldilocks Period for Banks?\*](#), December 13, 2025.

### **Previous Reports**

Not applicable.

Note:

All figures are in U.S. dollars unless otherwise noted.

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