

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 03/31/2021	as of 12/31/2020	as of 03/31/2020
Total Loans	\$ 23,007,137	\$ 22,585,104	\$ 20,494,093
Allowance for Loan Losses	84,240	89,157	80,965
Total Assets	25,353,733	24,942,271	22,833,596
Total Shareholders' Equity	4,126,809	4,026,248	3,878,099

INCOME STATEMENT	3 mos. ending 03/31/2021	12 mos. ending 12/31/2020	3 mos. ending 03/31/2020
Net Interest Income	\$ 136,150	\$ 524,053	\$ 122,286
Provision for Loan Losses	(4,907)	27,894	3,177
Noninterest Income	78,131	272,662	63,036
Noninterest Expenses	78,601	311,069	72,570
Income Tax Provision	4,900	17,860	2,452
Net Income	135,687	439,892	107,123

KEY FINANCIAL RATIOS	as of 03/31/2021	as of 12/31/2020	as of 03/31/2020
Loan Growth (period over period)	1.9%	13.5%	3.0%
Return on Average Assets	2.2%	1.9%	1.9%
Net Interest Margin	2.3%	2.4%	2.3%
Return on Average Equity	13.3%	11.1%	11.2%
Total Capital Ratio	14.4%	15.2%	15.3%
Nonaccrual Loans as % of Total Loans	0.6%	0.6%	0.7%
Allowance as % of Nonaccrual Loans	56.7%	64.9%	55.5%
Adversely-Classified Loans as % of Total Loans	2.6%	2.8%	3.7%

CEO Remarks

After a year of uncertainty and many challenges in the industry, our clients have shown resilience and strength. Compeer Financial is proud to do business with people living and working in agriculture and rural America.

As a cooperative, one of the most important benefits we offer is our strong patronage program. Member-owners can use patronage funds to reinvest in their farms and businesses, directly impacting local and state economies. Compeer's board of directors is committed to bringing this value to our member-owners, especially as they've faced many challenges this last year.

The strength of our portfolio allows us to offer the benefits of patronage, as well as expand our digital offerings and provide important resources to our clients, like the Paycheck Protection Program. It is also a priority for us to give back to our communities through COVID-19 relief and investment in the future of the agricultural workforce.

Throughout continued changes, Compeer Financial exists to serve agriculture and rural America.

ROD HEBRINK
President & CEO
Compeer Financial



FINANCIAL HIGHLIGHTS



- During the quarter ended March 31, 2021, total loans increased by \$422 million, driven primarily by growth in our food and agribusiness sector.
- Overall, both real estate mortgage loans and agribusiness loans increased due to market conditions within the grain markets, and continued low interest rates.
- Net income for the three months ending March 31, 2021, was \$136 million, compared to \$107 million for the same period during 2020. Net interest income growth, decreased provision for loan losses, and increased noninterest income all contributed to this increase in overall net income.
- Noninterest income growth was driven by a \$10 million increase in fee income, due to fees collected from the SBA for originated PPP loans during the first three months of 2021.
- Our provision for loan losses expense for the three months ending March 31, 2021, decreased by \$8 million from the same period for 2020. These provision expense decreases were due to overall increases in credit quality.
- Despite the effects COVID-19 has had on the agricultural industry, overall credit quality remains solid as clients continue to work with Compeer's team of experts on strategies for managing their particular situation.
- Nonaccrual loans as a percent of total loans remained stable from March 31, 2020; while adversely-classified loans as a percent of total loans decreased from March 31, 2020, which is an indicator of overall credit quality going up.
- Capital levels were in excess of the regulatory minimums established by the FCA, as of March 31, 2021.

OTHER ORGANIZATION HIGHLIGHTS

Patronage Increases by \$20 million

Compeer Financial and its board of directors announced the organization would return approximately \$197 million in patronage payments to member-owners through two payments in 2021. The amount being paid out represents approximately 45 percent of Compeer's 2020 adjusted earnings, and is an increase of \$20 million compared to the prior year.

Clients Embrace Digital Tools

Compeer Financial clients are adopting the use of digital tools as the organization focuses on the convenience these platforms offer. Tools including the MyCompeer portal, Online Balance Sheets and Online and Mobile Banking allow clients flexibility to manage their accounts while maintaining their relationship with their financial officer for more complex decisions. In the first quarter of 2021, the organization saw a 120% increase in the number of clients signing up to use these digital tools.

Agriculture and Rural Initiative Vocational Ag Commitment

Compeer Financial's donor-advised fund, the Agriculture and Rural Initiative, has committed \$1.9 million in grants and scholarships over the next five years to 30 post-secondary colleges. The goal is to bolster vocational agriculture education programs and make them more accessible to young adults.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$25.4 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 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.

[Learn more about Compeer Financial.](#)



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