

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 06/30/2021	as of 12/31/2020	as of 06/30/2020
Total Loans*	\$ 23,165,843	\$ 22,585,104	\$ 20,962,152
Allowance for Loan Losses	78,736	89,157	100,818
Total Assets	25,527,966	24,942,271	23,357,586
Total Shareholders' Equity	4,315,045	4,026,248	3,940,746

INCOME STATEMENT	6 mos. ending 06/30/2021	12 mos. ending 12/31/2020	6 mos. ending 06/30/2020
Net Interest Income	\$ 275,296	\$ 524,053	\$ 246,802
Provision for (Reversal of) Loan Losses	(10,439)	27,894	30,000
Noninterest Income	155,028	272,662	136,360
Noninterest Expenses	169,547	311,069	146,723
Income Tax Provision	9,901	17,860	5,489
Net Income	261,315	439,892	200,950

KEY FINANCIAL RATIOS	as of 06/30/2021	as of 12/31/2020	as of 06/30/2020
Loan Growth (year over year)*	10.5%	13.5%	10.0%
Return on average assets	2.1%	1.9%	1.8%
Net interest margin	2.3%	2.4%	2.3%
Return on average equity	12.6%	11.1%	10.4%
Total capital ratio	15.1%	15.2%	15.1%
Nonaccrual Loans as a % of Total Loans*	0.6%	0.6%	0.6%
Allowance as a % of Nonaccrual Loans	52.8%	64.9%	75.2%
Adversely-Classified Loans as % of Total Loans*	2.4%	2.8%	3.4%

*In order to show the best comparison, June 30, 2021 amounts and ratios exclude the impact of the July 1, 2021 pool program transactions.

FINANCIAL HIGHLIGHTS



- During the six months ending June 30, 2021, total loans increased by \$581 million, driven primarily by growth in the Agri-Access sector, with smaller increases in food and agribusiness. These increases were offset by decreases in the swine sector during this period.
- Overall, both real estate mortgage loans and agribusiness loans increased due to market conditions within grain markets and continued low interest rates.
- Net income for the six months ending June 30, 2021 was \$261 million, compared to \$201 million for the same period during 2020.
- Fees from the SBA for originated PPP loans during the six months ending June 30, 2021 drove noninterest income growth by \$18.4 million, compared to \$6.2 million in PPP fee income during the same period in 2020.
- Throughout the first six months of 2021, it has become clear that the economic impact of the pandemic on Compeer Financial's loan portfolio has not been as severe as initially predicted. Credit quality remains solid and has continued to increase overall during 2021. Adversely classified loans have decreased to 2.4% of total loans, down from 3.4% at June 30, 2020. Net loan charge-offs remain at historically low levels.
- As a reflection of the improved overall economic outlook, Compeer decreased allowance for loan losses during the six months ending June 30, 2021.
- During the quarter, Compeer closed private offerings of \$200 million in subordinated debt and \$100 million in perpetual preferred stock to support the continued growth of our clients and loan portfolio, providing more capacity to support capital needs.
- Capital levels were in excess of the regulatory minimums established by the FCA, as of June 30, 2021.

CEO Remarks

As 2021 marches on, we continue to see an improving economic environment, in balance with weather conditions that have brought some challenge to our clients. Our credit quality remains solid and has continued to increase overall during 2021. We owe this to the strength of our portfolio.

The Compeer Financial team is fortunate to witness the entrepreneurship and innovation of our clients and partners. The push to do better is constant. And it motivates us as a financial services partner to also strive to keep innovation at the forefront.

Our team continues to focus on innovating to increase convenience for clients and bring deeper value to our business relationships. This includes expanding our online services and pursuing additional partnerships to help clients prepare for the future. Our partnerships with Grand Farm Educational Initiative, Farmland Finder and Land Core bring a forward-looking approach to the work we do with our clients and online services free up time to focus on our clients' hopes and dreams.

ROD HEBRINK
President & CEO
Compeer Financial



OTHER ORGANIZATION HIGHLIGHTS

Fund for Rural America Awards Grants

Compeer Financial's corporate giving program, the Fund for Rural America, awarded multiple grants and scholarships in the second quarter of 2021 in the spirit of Compeer's mission to enrich agriculture and rural America. This included scholarships to 123 high school students, 59 grants to county fair organizations to improve facilities, and 55 grants to high school agricultural education programs. Compeer also issued \$825,000 in grants to community and technical colleges through our donor-advised fund, the Agriculture and Rural Initiative.

Compeer Partners with Land Core

Compeer Financial has partnered with Land Core to become the first major agricultural financial services provider to approach risk assessment through the lens of sustainability and soil health. Land Core is a non-profit organization focused on soil health and is working with Compeer to build a predictive model of the risk-mitigating benefits of soil health practices. Compeer will develop and pilot various incentive options based on the Land Core Risk Model in Illinois, Minnesota and Wisconsin later this year.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$25.5 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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