



COMPEER
FINANCIAL™

Q3 FINANCIAL INFORMATION

SUPPLEMENTAL INFORMATION FOR STOCKHOLDERS

November 2017



FORWARD LOOKING STATEMENTS

- Any forward-looking statements in this press release are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in Compeer Financial's annual and quarterly information statements.
- Compeer Financial undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- The September year to date income statement figures include the year to date activity for all three merged associations whereas the GAAP financial statements include the activity from January 1, 2017 to June 30, 2017 for AgStar and activity from July 1 to September 30 for Compeer Financial (all three merged associations).

FINANCIAL PERFORMANCE & FORECAST

(NON-GAAP UNAUDITED COMPARISON OF THREE ASSOCIATIONS YEAR OVER YEAR)

Description	September Year to Date			
	Actual ¹	Prior Year ¹	PY Variance	% Var
Net Interest Income	\$ 359.7	\$ 338.0	\$ 21.7	6.4%
Non-Interest Income	55.8	55.3	0.6	1.0%
Total Operating Expense	(175.8)	(173.2)	(2.6)	1.5%
Gain on Operations	239.8	220.1	19.7	8.9%
Provision Exp	(11.5)	(10.3)	(1.2)	11.5%
Total Patronage	52.5	30.4	22.2	73.1%
Other Expense	(23.2)	(20.4)	(2.8)	13.9%
Income Tax Expense	(8.9)	(1.5)	(7.4)	485.1%
NET EARNINGS	\$ 248.7	\$ 218.2	\$ 30.4	14.0%
Return On Average Equity	10.00%	9.20%	0.80%	
Return on Average Assets	1.76%	1.58%	0.18%	
Operating Efficiency Ratio	0.88%	0.90%	-0.02%	

BALANCE SHEET & MERGER ADJUSTMENTS

<i>STATEMENT OF CONDITION</i>	1st FCS & Badgerland Combined 6/30		Fair Value (FV) Adjustments	FV Combined	AgStar 6/30	Compeer 7/1/17	Compeer 9/30
ASSETS							
Net Loans ¹	\$	9,134.7	\$ (22.1)	\$ 9,112.6	\$ 8,284.6	\$ 17,397.2	\$ 16,934.0
AgriBank Investment	\$	275.1	\$ -	\$ 275.1	\$ 185.4	\$ 460.5	\$ 514.7
Investment Securities ²	\$	342.7	\$ (3.5)	\$ 339.2	\$ 482.7	\$ 821.9	\$ 893.9
Other Assets ³	\$	179.2	\$ 3.4	\$ 182.6	\$ 201.1	\$ 383.8	\$ 427.6
Total Assets	\$	9,931.7	\$ (22.2)	\$ 9,909.4	\$ 9,153.9	\$ 19,063.3	\$ 18,770.2
LIABILITIES							
Note Payable - AgriBank ¹	\$	7,824.6	\$ (12.0)	\$ 7,812.6	\$ 7,671.7	\$ 15,484.3	\$ 15,118.3
Other Liabilities ³	\$	102.5	\$ (1.3)	\$ 101.2	\$ 111.8	\$ 213.1	\$ 244.4
Total Liabilities	\$	7,927.1	\$ (13.3)	\$ 7,913.8	\$ 7,783.5	\$ 15,697.4	\$ 15,362.7
SHAREHOLDERS' EQUITY							
Borrower Stock	\$	18.6	\$ -	\$ 18.6	\$ 15.8	\$ 34.4	\$ 34.3
Preferred Stock	\$	-	\$ -	\$ -	\$ 100.0	\$ 100.0	\$ 100.0
Additional Paid In Capital ⁴	\$	-	\$ 1,780.6	\$ 1,780.6	\$ -	\$ 1,780.6	\$ 1,780.6
Allocated & Unallocated Surplus ⁴	\$	1,986.0	\$ (1,789.6)	\$ 196.4	\$ 1,254.5	\$ 1,451.0	\$ 1,492.6
Total Equity	\$	2,004.5	\$ (9.0)	\$ 1,995.6	\$ 1,370.4	\$ 3,366.0	\$ 3,407.5
Total Liabilities & Equity	\$	9,931.7	\$ (22.2)	\$ 9,909.4	\$ 9,153.9	\$ 19,063.3	\$ 18,770.2

1. Adjusted for credit(loans) and interest rates(Loans & Note)

3. Primarily relates to adjustments for deferred taxes

2. Primarily relates to interest rate adjustments impacting fair value

4. GAAP adjustments to capital accounts

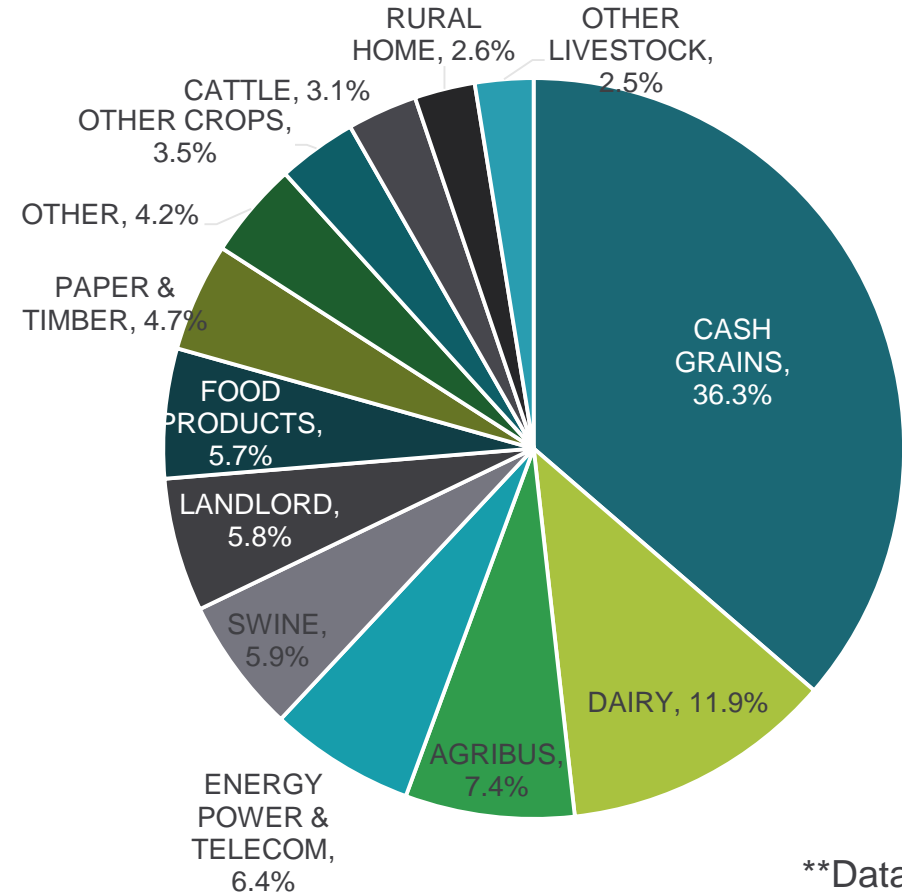
CREDIT QUALITY RELATIVE TO PEERS



Source: Compeer, Federal Reserve All Commercial Banks as of Q2 '17

PORTFOLIO MAKE-UP

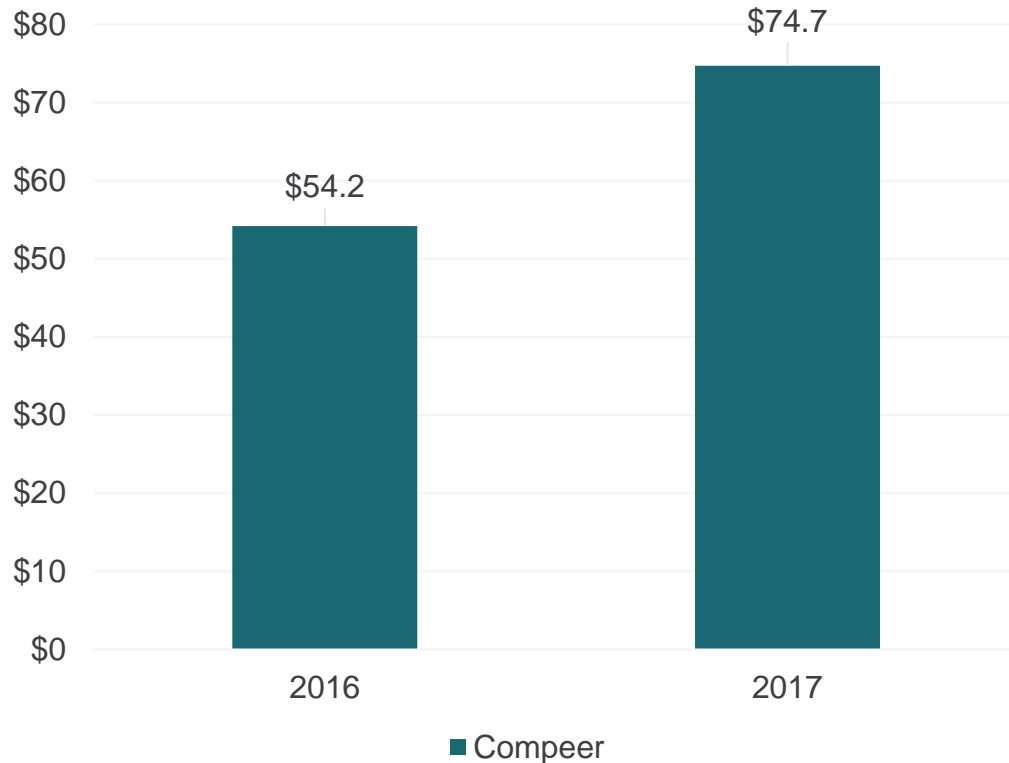
- Compeer portfolio is more diversified than historical Associations
- Lower overall industry concentrations
- Lower individual loan concentrations
- Loan size diversity supporting both small and large clients



**Data as of 9/30

PATRONAGE & CAPITAL

Compeer Patronage Paid
(January - November 15 2017)



Compeer Capitalized Level Relative to Regulator Benchmarks

