

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 09/30/2023	as of 12/31/2022	as of 09/30/2022
Total Loans	\$ 26,800,636	\$ 26,719,853	\$ 25,327,224
Allowance for Loan Losses	78,384	52,663	58,893
Total Assets	30,372,672	29,673,309	28,121,342
Total Shareholders' Equity	4,928,568	4,691,749	4,651,624

INCOME STATEMENT	9 mos. ending 09/30/2023	12 mos. ending 12/31/2022	9 mos. ending 09/30/2022
Net Interest Income	\$ 525,113	\$ 609,960	\$ 450,485
Provision for Loan Losses	80,820	(11,000)	(4,812)
Noninterest Income	239,411	299,442	217,365
Noninterest Expenses	302,139	382,078	279,967
Income Tax Provision	17,202	23,751	17,602
Net Income	364,363	514,573	375,093

KEY FINANCIAL RATIOS	as of 09/30/2023	as of 12/31/2022	as of 09/30/2022
Loan Growth (year over year)	5.8%*	9.1%	10.5%
Return on Average Assets	1.6%	1.9%	1.8%
Net Interest Margin	2.5%	2.3%	2.3%
Return on Average Equity	10.1%	11.3%	11.0%
Total Capital Ratio	14.4%	14.9%	15.3%
Nonaccrual Loans as % of Total Loans	0.9%	0.4%	0.4%
Allowance as % of Nonaccrual Loans	32.3%	55.0%	52.0%
Adversely-Classified Loans as % of Total Loans	2.4%	2.0%	1.8%

*If adjusted for Compeer's participation in a pool program with AgriBank, loan growth (year over year) as of September 30, 2023, would be 10.0%.

FINANCIAL HIGHLIGHTS



- Total loans increased by \$80.8 million during the nine months concluding on September 30, 2023. This growth was primarily fueled by our capital markets sector, and also encompasses the sale of \$1.1 billion worth of loans to AgriBank on September 1, as part of our participation in pool programs.
- The foremost drivers of year-to-date growth were agribusiness and real estate loans, followed by our energy loan portfolio. However, production loans decreased early in the year due to robust yields and commodity prices, enabling clients to pay down their operating lines.
- As of September 30, 2023, nonaccrual loans increased slightly to 0.9% of the total loan portfolio. This was attributed to a limited number of loans in the food and agribusiness and swine sectors. Nevertheless, despite these isolated

challenges, the overall credit quality remains robust, thanks to the financial strength built up by both clients and Compeer over the past few years.

- In response to the uptick in nonaccrual loans, Compeer increased its allowance for loan losses during 2023, by way of provision for loan losses expense. The overall allowance increase was partially offset by decreases in the allowance due to the charge-off of a limited number of nonaccrual loans, as well as our adoption of CECL.
- Net income for the nine months concluding on September 30, 2023, totaled \$364 million, a decrease from the \$375 million recorded for the same period in 2022. The decline in net income can be attributed to rises in both our provision for loan losses and noninterest expenses. These additional expenses were offset by the increase of net

interest income due to loan growth and rising interest rates, as well as noninterest income.

- Noninterest income witnessed a growth of approximately \$22 million during the nine months ending on September 30, 2023, primarily due to heightened patronage distributions from AgriBank and an increase in origination fee income, which was driven by loan expansion.
- Noninterest expenses climbed by approximately \$22 million during the nine months concluding on September 30, 2023. This was mainly due to increased salary and benefit costs, alongside strategic investments in technology and software.
- As of September 30, 2023, our capital levels exceeded the regulatory minimums established by the FCA.

CEO Remarks

At Compeer Financial, we have reflected on our time as an organization and established a new vision: A world where agriculture and rural communities are dynamic, collaborative and thriving.

I'm grateful for our clients and their dedication to agriculture and rural America. I want to express my deep gratitude for your vital role in sustaining rural communities and providing essential resources.

Despite economic challenges in 2023, Compeer remains financially robust, thanks to our sound risk management and diverse portfolio. This ensures we can continue to offer competitive credit and expertise to those who rely on us. As we celebrate the holidays and another harvest, let's look forward to a promising future where agriculture and rural communities prosper.

JASE WAGNER
President & CEO
Compeer Financial



OTHER ORGANIZATION HIGHLIGHTS

Patronage Reaches \$1 Billion Milestone

In August, Compeer Financial returned \$150 million in patronage payments to member-owners, reaching a significant milestone of \$1 billion in patronage returns since the organization's establishment in 2017. President and CEO Jase Wagner expressed Compeer's commitment to sharing the cooperative's success with member-owners through reinvestment in their farms and businesses.

This marks the second patronage payment of 2023, with approximately 31,000 checks sent to those in Illinois, Minnesota and Wisconsin, totaling \$202 million and representing approximately 40 percent of 2022 earnings. Compeer's patronage program reflects our dedication to agriculture and rural America, delivering reliable credit under all economic conditions.

Fund for Rural America Gives Back to Classrooms and Organizations

Compeer Financial's Fund for Rural America, the cooperative's corporate giving program, distributed approximately \$424,000 in Q3 2023. Thirty-five General Use Grants were awarded to organizations and initiatives, many of which will directly benefit farmers, promote agriculture or aid local efforts to address food insecurity.

Additionally, the Fund awarded 60 grants through the Agriculture Education and Classroom Equipment Grant program. Schools in Illinois, Minnesota and Wisconsin received up to \$4,000 each. These grants serve 12,290 students, promoting agricultural education and fostering interest in the industry.

Karen Schieler, senior corporate giving specialist at Compeer Financial, emphasized the organization's commitment to enriching agriculture and rural America through these grants. These initiatives aim to inspire students and support farmers and communities.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$30.4 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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