

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 03/31/2024	as of 12/31/2023	as of 03/31/2023
Total Loans	\$ 28,618,222	\$ 28,273,503	\$ 26,872,672
Allowance for Credit Losses on Loans	80,661	75,630	64,796
Total Assets	32,255,997	31,900,047	30,044,639
Total Shareholders' Equity	4,970,144	4,865,576	4,775,764

INCOME STATEMENT	3 mos. ending 03/31/2024	12 mos. ending 12/31/2023	3 mos. ending 03/31/2023
Net Interest Income	\$ 189,040	\$ 708,037	\$ 172,051
Provision for Credit Losses	3,295	113,053	27,651
Noninterest Income	66,927	320,386	80,926
Noninterest Expenses	98,148	410,559	97,686
Income Tax Provision	5,068	26,865	6,503
Net Income	149,456	477,946	121,137

KEY FINANCIAL RATIOS	as of 03/31/2024	as of 12/31/2023	as of 03/31/2023
Loan Growth (year over year)	6.5%	5.8%	6.5%
Return on Average Assets	1.9%	1.6%	1.6%
Net Interest Margin	2.5%	2.5%	2.5%
Return on Average Equity	12.1%	9.8%	10.2%
Total Capital Ratio	13.5%	14.1%	14.1%
Nonaccrual Loans as % of Total Loans	0.8%	0.7%	0.7%
Allowance as % of Nonaccrual Loans	35.2%	36.4%	32.3%
Adversely-Classified Loans as % of Total Loans	2.6%	2.5%	2.1%

CEO Remarks

In the midst of the spring planting season, agriculture and rural communities brim with anticipation. Fields burst into vibrant greens, yet uncertainty looms with fluctuating commodity prices and rising costs. Compeer Financial fortifies its financial base to support clients through volatility, prioritizing prudent risk management and strategic planning.

We advocate proactive measures for clients, urging scenario planning, stress testing and understanding of farm finances. Our team stands ready to tailor financial solutions to individual needs, fostering stability and growth. While the future remains unclear, Compeer is steadfast in empowering clients with the tools to thrive amid change. We're committed to standing alongside our clients, today and in the seasons ahead. Our diverse portfolio provides a strong foundation for this support.

JASE WAGNER
President & CEO
Compeer Financial



FINANCIAL HIGHLIGHTS



- Total loans rose by \$344.7 million during the three months ending March 31, 2024. This growth spread widely across most of our business units, with capital markets leading, while the swine unit experienced declines.
- Agribusiness and real estate loans drove the year-to-date growth. Production loans decreased, typical for the first quarter, as producers repay loans advanced on during the previous year's tax planning.
- Challenges and stress experienced within isolated industries during 2023 continued into 2024, as delinquencies and nonaccrual loans increased during the three months ending March 31, 2024. While this trend is expected to continue throughout 2024, overall credit quality remains solid thanks to the financial strength built up by both clients and Compeer over the past few years.
- Compeer Financial raised our allowance for expected credit losses on loans by \$5 million thus far in 2024. We anticipate additional increases to our allowance during the remainder of the year as our levels of adversely classified loans follow our delinquency trends, which may result in additional provision for credit losses expense.
- Net income for the three months ending March 31, 2024, reached \$149 million, up from \$121 million for the same period in 2023. This growth in net income stemmed from increased net interest income due to loan growth and rising interest rates, along with a decrease in the provision for credit losses expense.
- Noninterest income as of March 31, 2024, dropped by \$14 million compared to 2023, mainly due to reduced patronage funds received from AgriBank.
- Despite the organization's overall growth, noninterest expenses remained steady when comparing the three months ending March 31, 2024, to the same period in 2023.
- As of March 31, 2024, capital levels exceeded the regulatory minimums set by the Farm Credit Administration.

OTHER ORGANIZATION HIGHLIGHTS

\$185 Million Returned in 2024

Compeer Financial's board of directors announced a \$185 million patronage distribution for 2024, emphasizing Compeer's commitment to agriculture and rural America. \$52 million has already been distributed to member-owners in February, reflecting business conducted with Compeer before 2017. A second payment of \$133 million is scheduled for August. Approximately 33,000 payments will be shared back with the cooperative's member-owners across Illinois, Minnesota and Wisconsin. This represents over 40% of 2023 adjusted earnings. Payments are based on the amount of products and services purchased by member-owners.

"Our patronage program underscores Compeer's commitment to the cooperative business model, highlighting our stable position and ability to provide reliable credit in all economic conditions," said Jase Wagner, President and CEO of Compeer Financial.

Learn more at compeer.com/patronage.

Bruce Feist Joins as Chief Information Officer

Compeer Financial has appointed Bruce Feist as Chief Information Officer, succeeding retiring Jerry Wiese. With over 20 years at Cargill, Feist brings extensive technology leadership. His global experience, particularly in agriculture, aligns with Compeer's focus as he will lead digital transformation, emphasizing tech-driven initiatives for client value. With a robust background in guiding diverse and complex business technology strategies and teams, Feist's expertise promises innovation in service to agriculture and rural America.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$32.3 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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