

## KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 06/30/2022	as of 12/31/2021	as of 06/30/2021
Total Loans	\$ 24,756,530	\$ 24,490,167	\$ 21,524,434
Allowance for Loan Losses	55,124	63,700	78,736
Total Assets	27,340,288	27,008,498	25,527,966
Total Shareholders' Equity	4,571,726	4,399,790	4,315,045

INCOME STATEMENT	6 mos. ending 06/30/2022	12 mos. ending 12/31/2021	6 mos. ending 06/30/2021
Net Interest Income	\$ 298,025	\$ 549,849	\$ 275,296
(Reversal of) Provision for Loan Losses	(8,329)	(15,000)	(10,439)
Noninterest Income	140,117	311,294	155,028
Noninterest Expenses	184,816	354,606	169,547
Income Tax Provision	9,913	23,187	9,901
Net Income	251,742	498,350	261,315

KEY FINANCIAL RATIOS	as of 06/30/2022	as of 12/31/2021	as of 06/30/2021
Loan Growth (year over year)*	15.0%	8.4%	2.7%
Return on Average Assets	1.8%	2.0%	2.1%
Net Interest Margin	2.3%	2.3%	2.3%
Return on Average Equity	11.2%	11.7%	12.6%
Total Capital Ratio	15.0%	15.8%	15.1%
Nonaccrual Loans as % of Total Loans	0.4%	0.5%	0.6%
Allowance as a % of Nonaccrual Loans	52.3%	55.7%	52.8%
Adversely-Classified Loans as % of Total Loans	1.8%	1.9%	2.4%

\* If adjusted for Compeer's participation in a pool program with AgriBank, loan growth (year over year) would be 12.4%, 15.2% and 10.5% respectively, for each of the periods noted above.

## FINANCIAL HIGHLIGHTS

- During the six months ended June 30, 2022, total loans increased by \$266 million, driven primarily by growth in our capital markets and food and agribusiness sectors. These increases were offset by decreases in our core markets and swine sectors during the period.
- Overall 2022 loan growth slowed during the second quarter, as operating loans decreased due to normal seasonality and paydowns of operating lines. Real estate mortgage loan growth also slowed during the quarter as a result of the rising interest rate environment.
- Credit quality continues to remain solid. Adversely classified loans were 1.8% of total loans at June 30, 2022, down from 2.4% at June 30, 2021. Net loan charge-offs remain at historically low levels.
- As a reflection of continued strong credit quality, Compeer has again decreased our allowance for loan losses during the six months ended June 30, 2022. The reversal of provision expense in 2021 has continued into the first half of 2022.
- Net income for the six months ending June 30, 2022, was \$252 million, compared to \$261 million for the same period during 2021. While rising interest rates have grown net interest income, the decrease in noninterest income, coupled with the increase in noninterest expenses contributed to the overall net income decrease in 2022.
- The decrease in noninterest income during the current six-month period was driven by a decrease in fee income, compared to the same period of 2021. While we generated about \$18 million through June 30, 2021 from the Small Business Administration for originated Paycheck Protection Program loans, this program ended during 2021. Other fee income was also down slightly for the six months ending June 30, 2022, following the decreased loan origination activity.
- Noninterest expenses grew by about \$15 million during the six months ending June 30, 2022, due to budgeted increases in variable compensation and pension plan expenses, and a higher premium rate charged by the Farm Credit System Insurance Corporation on accrual loans during 2022.

## CEO Remarks

July 1 was a milestone day for Compeer Financial member-owners and team members, marking five years since Compeer Financial was formed. Three successful Farm Credit associations came together in 2017 to create a dynamic and progressive cooperative on a mission to enrich agriculture and rural America.

A substantially diverse portfolio was among the expected – and realized – benefits of combining three associations. That diversification created financial strength and stability, allowing for record patronage payouts to member-owners and increased financial support for clients' communities through Compeer's corporate giving program, the Fund for Rural America.

Even throughout changing circumstances – interest rates, inflation and uncertainty in the global marketplace – the strength of Compeer's portfolio carries our member-owners to success in their operations. We thank our clients for the opportunity to partner on financial solutions for your business. Your work is invaluable and we're proud to be a small part of it.

**ROD HEBRINK**  
President & CEO  
Compeer Financial



## OTHER ORGANIZATION HIGHLIGHTS

### **Fund for Rural America Introduces Emergency Response Collaboration Grant**

Compeer Financial's corporate giving program, the Fund for Rural America, introduced a way for local emergency response departments to work together and gain much-needed equipment in the process. The Emergency Response Equipment Regional Collaboration Grant Program is open to groups of two or more collaborating rural volunteer fire, rescue or ambulance departments service adjacent jurisdictions for up to \$10,000.

### **Compeer Honors GroundBreaker of the Year**

In April, Compeer Financial announced Lindsay Baneck of Helenville, Wis. as the 2022 GroundBreaker of the Year. The award recognizes young, beginning and small operation farmers who are overcoming obstacles and making a difference in agriculture and their community. Baneck, who runs Jelli's Market and Maple Mound Farms with her family, was honored with the award and \$5,000 cash to help further her goals at the 2022 GroundBreakers Conference in Lake Geneva, Wis.

## ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$27.3 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.](#)



## MEDIA CONTACT

**Nora Nolden**

**Communications Consultant**

[Nora.Nolden@compeer.com](mailto:Nora.Nolden@compeer.com)

(651) 245-6804

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