

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 09/30/2022	as of 12/31/2021	as of 09/30/2021
Total Loans	\$ 25,327,224	\$ 24,490,167	\$ 22,928,136
Allowance for Loan Losses	58,893	63,700	66,444
Total Assets	28,121,342	27,008,498	25,382,533
Total Shareholders' Equity	4,651,624	4,399,790	4,395,506
INCOME STATEMENT	9 months ending 09/30/2022	12 months ending 12/31/2021	9 months ending 09/30/2021
Net Interest Income	\$ 450,485	\$ 549,849	\$ 410,132
(Reversal of) Provision for Loan Losses	(4,812)	(15,000)	(21,963)
Noninterest Income	217,365	311,294	224,261
Noninterest Expenses	279,967	354,606	258,623
Income Tax Provision	17,602	23,187	16,661
Net Income	375,093	498,350	381,072
KEY FINANCIAL RATIOS	as of 09/30/2022	as of 12/31/2021	as of 09/30/2021
Loan Growth (year over year)	10.5%	8.4%*	7.3%*
Return on Average Assets	1.8%	2.0%	2.0%
Net Interest Margin	2.3%	2.3%	2.3%
Return on Average Equity	11.0%	11.7%	12.1%
Total Capital Ratio	15.3%	15.8%	16.2%
Nonaccrual Loans as a % of Total Loans	0.4%	0.5%	0.6%
Allowance as a % of Nonaccrual Loans	52.0%	55.7%	49.6%
Adversely-Classified Loans as a % of Total Loans	1.8%	1.9%	2.3%

* If adjusted for Compeer's participation in a pool program with AgriBank, loan growth (year over year) would be 15.2% and 14.6%, as of December 31, 2021, and September 30, 2021, respectively

FINANCIAL HIGHLIGHTS

- During the nine months ended September 30, 2022, total loans increased by \$837 million, driven primarily by growth in our capital markets sector, offset by decreases in our swine sector.
- Even in the face of market uncertainty, volatility, rising interest rates and inflation, loan growth returned during the third quarter after seeing a decline during the second quarter. Agribusiness loans led overall year-to-date growth.
- Credit quality continues to remain solid. Adversely classified loans were 1.8% of total loans on September 30, 2022; down from 2.3% on September 30, 2021. Net charge-offs remain at historically low levels.
- As a reflection of the stable and continued strong credit quality, Compeer has again decreased our allowance for loan losses during the nine months ended September 30, 2022.
- Net income for the nine months ended September 30, 2022 was \$375 million, compared to \$381 million for the same period during 2021. While loan growth and rising interest rates have grown our net interest income, the increase in both noninterest expenses and our provision for loan losses contributed to the overall net income decrease in 2022.
- Noninterest expenses grew by about \$21 million during the nine months ended September 30, 2022, due to budgeted increases in salaries, variable compensation and pension plan expenses, as well as due to a higher premium rate being charged by the Farm Credit System Insurance Corporation on loans during 2022.
- Other noninterest expenses, including training and travel costs, increased during the year due to in-person employee events returning to normal levels after the pandemic. Airline and gas costs increased due to the impacts of inflation.
- Capital levels were in excess of the regulatory minimums established by the FCA as of September 30, 2022.

CEO Remarks

After 43 years in the Farm Credit System, I plan to retire January 1, 2023. Our current chief financial officer, Jase Wagner, will then lead the organization as President & CEO.

I am proud we delivered on the commitment we made to our stockholders when we formed Compeer in 2017. This solid foundation is only possible because of the 73,600 clients who trust us for their financial service needs.

We've shared strong financial results with our member-owners; created a dynamic and innovative culture for our team and clients; returned more than \$890 million in patronage; and supported rural America by awarding \$12.8 million to date in grants, scholarships and one-time gifts through Compeer's giving program, the Fund for Rural America.

Farm Credit and cooperative service are embedded in my life, and after four decades devoted to the great people in agriculture and rural America, I will miss being an active part of both.

ROD HEBRINK
President & CEO
Compeer Financial



OTHER ORGANIZATION HIGHLIGHTS

Jase Wagner Named as President and CEO

Compeer Financial has announced Jase Wagner as the organization's next president and chief executive officer. Wagner will officially assume the role on January 1, 2023. The change in leadership comes as current President and CEO Rod Hebrink is set to retire. Wagner will move into the role from his position as chief financial officer at Compeer. He has more than 20 years of experience in the financial services industry, including 13 years within the Farm Credit System.

Member-owners Receive \$150 Million in Patronage

In August, Compeer Financial returned a record \$150 million in patronage payments to eligible member-owners. This is a \$5 million increase over the organization's 2021 payout, and represents over 40 percent of Compeer's 2021 earnings. The Compeer Financial Board of Directors voted to increase patronage returns after seeing strong financial results in 2021. Compeer continues to meet business objectives and benefit from a diverse portfolio, which has resulted in solid earnings and financial performance.

Donor-advised Fund Grants \$600K to Community and Technical Colleges

The Agriculture and Rural Initiative, Compeer Financial's donor-advised fund, has granted \$600,000 to community and technical colleges across the cooperative's 144-county territory. In 2021, Compeer committed \$1.9 million in grants and scholarships to selected colleges over the next five years, with the goal of further developing agriculture's workforce. This announcement represents the second of three rounds of grants being presented.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$28.1 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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