

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 12/31/2022	as of 12/31/2021	as of 12/31/2020
Total Loans	\$ 26,719,853	\$ 24,490,167	\$ 22,585,104
Allowance for Loan Losses	52,663	63,700	89,157
Total Assets	29,673,309	27,008,498	24,942,271
Total Shareholders' Equity	4,691,749	4,399,790	4,026,248
INCOME STATEMENT	12 months ending 12/31/2022	12 months ending 12/31/2021	12 months ending 12/31/2020
Net Interest Income	\$ 609,960	\$ 549,849	\$ 524,053
(Reversal of) Provision for Loan Losses	(11,000)	(15,000)	27,894
Noninterest Income	299,442	311,294	272,662
Noninterest Expenses	382,078	354,606	311,069
Income Tax Provision	23,751	23,187	17,860
Net Income	514,573	498,350	439,892
KEY FINANCIAL RATIOS	as of 12/31/2022	as of 12/31/2021	as of 12/31/2020
Loan Growth (year over year)	9.1%	8.4%*	13.5%
Return on Average Assets	1.9%	2.0%	1.9%
Net Interest Margin	2.3%	2.3%	2.4%
Return on Average Equity	11.3%	11.7%	11.1%
Total Capital Ratio	14.9%	15.8%	15.2%
Nonaccrual Loans as a % of Total Loans	0.4%	0.5%	0.6%
Allowance as a % of Nonaccrual Loans	55.0%	55.7%	64.9%
Adversely-Classified Loans as % of Total Loans	2.0%	1.9%	2.8%

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

CEO Remarks

Compeer Financial has seen incredible growth since its formation in 2017. Today, we are a nearly \$30 billion organization serving clients in agriculture and rural America across Illinois, Minnesota and Wisconsin. Our solid foundation and strong position exist because of our member-owners and our talented and caring team.

As the new President and CEO of Compeer Financial, I want to share my commitment to serving the evolving financial services needs of our clients, while giving back through patronage, the Fund for Rural America and other local initiatives. I look forward to capitalizing on the opportunities ahead of us, while incorporating innovative approaches to further increase value for the cooperative's member-owners and meet the growing needs in rural America.

As I begin this new chapter in my career, I am excited to lead our organization forward to continue supporting the vital work of farmers and the ag industry. Thank you for entrusting us with your financial needs.

JASE WAGNER

President & CEO
Compeer Financial



FINANCIAL HIGHLIGHTS



- During the year ended December 31, 2022, total loans increased by \$2.2 billion, driven by wide-spread growth across all of our sectors, led by capital markets.
- Even in the face of market uncertainty, rising interest rates, inflation, and volatility from quarter to quarter, annual 2022 loan growth topped 9.0%. Agribusiness loans led this overall year-over-year growth.
- Our clients persisted and performed solidly throughout 2022, as reflected in the healthy credit quality of our portfolio. Nonaccrual loans decreased to only 0.4% of total loans, down from the previous year's level of 0.5%. Net loan charge-offs remain at historically low levels.
- As a reflection of our stable and strong credit quality, Compeer decreased the allowance for loan losses by \$11 million during the year ended December 31, 2022.
- Net income for 2022 was \$515 million, compared to \$498 million during 2021. While loan growth and rising interest rates have grown our net interest income, that growth was offset slightly by both a decrease in noninterest income and an increase in noninterest expense.
- 2022 fee income was down due to the absence of \$18.6 million in PPP program fees received during 2021. However, this decrease was offset by an increase in crop insurance income and operating lease income, bringing the year-over-
- year decrease in total noninterest income down to \$11.9 million.
- Noninterest expenses grew by about \$27.5 million, due to budgeted increases in salaries and variable compensation expenses, increased travel expenses, and continued technology investments, as well as due to a higher premium rate being charged by the Farm Credit System Insurance Corporation (FCSIC) on accrual loans during 2022.
- Capital levels were in excess of the regulatory minimums established by the FCA, as of December 31, 2022.

OTHER ORGANIZATION HIGHLIGHTS

Ahl and Scheider Elected to Compeer Financial Board of Directors

Compeer Financial member-owners elected Ashley Ahl of Merrillan, Wis., and Daniel Scheider of Freeport, Ill. to serve on the cooperative's Board of Directors. Ahl was an incumbent candidate who is a nursery and Christmas tree farmer on a third-generation farm. Scheider is a newly-elected Director who is the president and general manager of his family's fifth-generation dairy farm. The 2022 Board election took place via mailed ballots in September and October. In total, there are 15 Compeer board members.

Kaye Compart and Greg Nelson announced their retirements from the Board in 2022. Compeer Financial thanks them both for their years of service and contributions to the organization.

Compeer Awards Innovation Grants

The Fund for Rural America, Compeer's corporate giving program, has awarded two MORE for Agriculture grants to the Kankakee County Soil & Water Conservation District (SWCD) and the Sustainable Farming Association (SFA). The MORE for Agriculture grant supports innovative programs that align with Compeer's **Mission**, provides a new **Opportunity**, can be **Replicated** and **Evolves** over time. Kankakee County SWCD will use the funds toward a remote soil sensor project. SFA will use the grant for grazing management research with virtual fencing.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$29.7 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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