

## KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 06/30/2023	as of 12/31/2022	as of 06/30/2022
Total Loans	\$ 27,191,533	\$ 26,719,853	\$ 24,756,530
Allowance for Loan Losses	96,639	52,663	55,124
Total Assets	30,508,507	29,673,309	27,340,288
Total Shareholders' Equity	4,849,254	4,691,749	4,571,726

INCOME STATEMENT	6 mos. ending 06/30/2023	12 mos. ending 12/31/2022	6 mos. ending 06/30/2022
Net Interest Income	\$ 349,308	\$ 609,960	\$ 298,025
Provision for Loan Losses	60,795	(11,000)	(8,329)
Noninterest Income	157,008	299,442	140,117
Noninterest Expenses	197,130	382,078	184,816
Income Tax Provision	10,220	23,751	9,913
Net Income	238,171	514,573	251,742

KEY FINANCIAL RATIOS	as of 06/30/2023	as of 12/31/2022	as of 06/30/2022
Loan Growth (year over year)	9.8%	9.1%	15.0%
Return on Average Assets	1.6%	1.9%	1.8%
Net Interest Margin	2.5%	2.3%	2.3%
Return on Average Equity	9.9%	11.3%	11.2%
Total Capital Ratio	14.3%	14.9%	15.0%
Nonaccrual Loans as % of Total Loans	1.0%	0.4%	0.4%
Allowance as % of Nonaccrual Loans	37.3%	55.0%	52.3%
Adversely-Classified Loans as % of Total Loans	2.5%	2.0%	1.8%

## CEO Remarks

Compeer Financial is dedicated to managing risk and maintaining a strong cooperative to provide reliable capital and benefits to our member-owners. Our commitment is evident through our unique patronage program, with \$202 million returned to members this year. We understand the significance of these returns and remain dedicated to sharing our success in the future.

As a cooperative, we advocate for rural America and agriculture on Capitol Hill. Recently, I testified before the Senate Agriculture Committee, emphasizing the importance of support for young farmers, crop insurance and rural community infrastructure.

As the harvest season approaches, the Compeer team wishes farmers a safe and bountiful harvest. We are honored to serve and stand proudly by the side of farmers everywhere.

**JASE WAGNER**  
President & CEO  
Compeer Financial



## FINANCIAL HIGHLIGHTS



- Total loans increased by \$472 million during the six months ending June 30, 2023. This growth was primarily driven by our capital markets sector, offset by decreases within our ag lending sector.
- Agribusiness loans led the overall year-to-date growth, followed by growth in our energy loan portfolio. Production loans decreased as clients' strong cash positions decreased overall utilization of operating lines. The elevated interest rate environment continues to hinder real estate loan growth.
- Despite nonaccrual loans increasing to 1.0% of total loans as of June 30, 2023, overall credit quality remains solid thanks to the financial strength built up by our clients and Compeer Financial over the past several years.
- Reflecting the increase in nonaccrual loans, Compeer increased our allowance for loan losses by \$60.8 million during the six months ending June 30, 2023, by way of provision for loan losses expense. This increase was partially offset by the reversal of about \$14.8 million in our allowance for loan losses, which resulted from the adoption of CECL on January 1, 2023.
- Net income for the six months ending June 30, 2023, amounted to \$238 million, compared to \$252 million for the same period in 2022. The decrease in net income was attributed to a combination of factors, including the growth of net interest income (due to loan growth and rising interest rates) and noninterest income, along with increases in both our provision for loan losses and noninterest expenses.
- Noninterest income grew about \$17 million during the six months ending June 30, 2023, due to increases in loan fee income, gains from investments in Rural Business Investment Companies, and an increase in patronage distributions from AgriBank.
- Noninterest expenses rose by about \$12 million during the six months ending June 30, 2023, due to increases in salaries and benefits expenses, as well as strategic technology and software investments.
- As of June 30, 2023, our capital levels exceeded the regulatory minimums established by the FCA.

## OTHER ORGANIZATION HIGHLIGHTS

### Compeer Financial Makes Landmark Donations

Through its donor-advised fund, the Agriculture and Rural Initiative, Compeer Financial has committed \$1 million each to The Hormel Institute and University of Wisconsin-Platteville.

Compeer's commitment to The Hormel Institute will establish the Farm to Wellness Research Fund to support research on the connections between agriculture, nutrition and disease prevention, with a focus on agricultural commodities in the Upper Midwest. Compeer invites other organizations to join them in supporting this endeavor. The commitment also establishes the Compeer Financial Research Lab at The Hormel Institute.

The \$1 million pledge to the University of Wisconsin-Platteville will support the construction of the Dairy Pilot Plant and Training Center. The facility will provide opportunities for education, research and outreach in dairy processing, benefiting students, faculty, local farmers and the dairy industry as a whole. Compeer has been a long-time supporter of UW-Platteville, previously contributing to the creation of a student-run ice cream production business on campus.

### Horton and Sachatello Join as CFO and CMO

Compeer Financial is pleased to announce the hiring of Betsy Horton as the organization's chief financial officer and Susan Sachatello as chief marketing officer.

"The strong business acumen, proven leadership and expertise both Betsy and Susan bring to the table in their respective roles will help advance our business strategy and accelerate our performance as we move our cooperative into the future," said Jase Wagner, president and CEO of Compeer Financial.

## ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$30.5 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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