

KEY FINANCIAL DATA



(\$ in thousands)

BALANCE SHEET	as of 12/31/2023	as of 12/31/2022	as of 12/31/2021
Total Loans	\$ 28,273,503	\$ 26,719,853	\$ 24,490,167
Allowance for Credit Losses on Loans	75,630	52,663	63,700
Total Assets	31,900,047	29,673,309	27,008,498
Total Shareholders' Equity	4,865,576	4,691,749	4,399,790

INCOME STATEMENT	12 mos. ending 12/31/2023	12 mos. ending 12/31/2022	12 mos. ending 12/31/2021
Net Interest Income	\$ 708,037	\$ 609,960	\$ 549,849
Provision for Credit Losses	113,053	(11,000)	(15,000)
Noninterest Income	320,386	299,442	311,294
Noninterest Expenses	410,559	382,078	354,606
Income Tax Provision	26,865	23,751	23,187
Net Income	477,946	514,573	498,350

KEY FINANCIAL RATIOS	as of 12/31/2023	as of 12/31/2022	as of 12/31/2021
Loan Growth (year over year)	5.8%	9.1%	8.4%
Return on Average Assets	1.6%	1.9%	2.0%
Net Interest Margin	2.5%	2.3%	2.3%
Return on Average Equity	9.8%	11.3%	11.7%
Total Capital Ratio	14.1%	14.9%	15.8%
Nonaccrual Loans as % of Total Loans	0.7%	0.4%	0.5%
Allowance as % of Nonaccrual Loans	36.4%	55.0%	55.7%
Adversely-Classified Loans as % of Total Loans	2.5%	2.0%	1.9%

CEO Remarks

In concluding my first year as President and CEO of Compeer Financial, I reflect on an organization that has showcased resilience despite uncertainties. Our team aided clients in navigating evolving agriculture and financial sectors and delivered robust results. Compeer maintained a positive stance with assets reaching \$31.9 billion, which is a \$2.2 billion increase from last year, thanks to a diverse portfolio and strategic risk management.

Looking to 2024, our commitment to growth, innovation and strong results remains firm. We aim to balance growth with long-term financial planning and innovation, ensuring accessible capital for agriculture and rural America. Our new vision – a world where agriculture and rural communities are dynamic, collaborative and thriving – will guide us as we serve our clients into the future.

JASE WAGNER
President & CEO
Compeer Financial



FINANCIAL HIGHLIGHTS



- Total loans increased by \$1.6 billion in 2023. Our capital markets unit experienced remarkable growth, followed by our marketplace development and Agri-Access units. This overall increase is net of the sale of \$1.1 billion of loans to AgriBank on September 1, 2023, as part of our participation in pool programs.
- Even in the face of market uncertainty, rising interest rates and inflation, loan growth for the year exceeded 9.8% (adjusted for the \$1.1 billion pool program sale to AgriBank).
- After an upward trend that lasted five years, credit quality regressed in 2023 back to historically normal levels. Nonaccrual loans increased to 0.7% of the total loan portfolio and charge-offs amounted to about \$72.1 million, primarily due to a limited number of loans in the food and agribusiness and swine sectors. Despite these isolated challenges, the overall credit quality remains robust thanks to the financial strength built up by both clients and Compeer over the past few years.
- In response to the increase in nonaccrual loans, Compeer raised its allowance for credit losses on loans in 2023. This was partially offset by decreases resulting from the charge-off of a limited number of nonaccrual loans, as well as our adoption of the current expected credit losses methodology for estimating allowances for credit losses.
- Net income for 2023 totaled \$478 million, a decrease from the \$515 million recorded for 2022. The decline in net income can be attributed to increases in both our provision for credit losses and noninterest expenses. These additional expenses were offset by the growth of net interest income due to loan expansion and rising interest rates, as well as noninterest income.
- Noninterest income grew by approximately \$21 million in 2023, primarily due to increased patronage distributions from AgriBank and an increase in origination fee income driven by loan expansion.
- Noninterest expenses rose by approximately \$28 million in 2023. This was mainly due to increased salary and benefit costs, alongside strategic investments in our buildings, infrastructure and technology.
- As of December 31, 2023, our capital levels exceeded the regulatory minimums established by the FCA.

OTHER ORGANIZATION HIGHLIGHTS

Board Elects Directors, New Leadership

Compeer Financial member-owners have elected Stephanie Wise, of Joliet, Ill., as chair of Compeer's Board of Directors. Dan Erickson, of Alden, Minn., was elected vice chair. Both were elected by fellow directors to lead the 15-member board, overseeing business direction and client needs. Wise succeeds former Board Chair Dave Peters.

Additionally, Rod Bosma of Rushmore, Minn., Allyn Buhrow of Ashton, Ill., and Tracy Travis of Cambridge, Wis., have been elected by member-owners to serve as directors on the board.

First-Time Homebuyer Program Launches

Compeer Financial has launched a First-Time Homebuyer Program, facilitating rural homeownership with a groundbreaking 0% down payment offer and excluding Private Mortgage Insurance costs. Catering to those aspiring to buy their first homes in small towns and rural areas, this initiative enables access of up to \$400,000 in financing. Compeer aims to eliminate financial obstacles that hinder prospective homeowners by providing a unique solution. Find details and eligibility at compeer.com/FTHB.

New Wisconsin Offices Open

Compeer Financial opened two new offices in Q4 2023, located in Eau Claire and Fond du Lac. The decision to open these office locations came after a comprehensive study of our facilities and gathering feedback from clients and team members. The new modern buildings were designed to create an inviting atmosphere for visiting clients while fostering collaboration and productivity among team members. The Eau Claire office unifies team members and services previously located in Arcadia and Mondovi, while the Fond du Lac office brings together the Beaver Dam, Chilton, Plymouth and former Fond du Lac locations.

ABOUT COMPEER FINANCIAL

Compeer Financial is a member-owned Farm Credit cooperative serving and supporting agriculture and rural communities. The \$31.9 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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