September 2026

THE MAINSTREET ECONOMIC REPORT

A monthly survey of community bank CEOs, and chief loan officers

Welcome to Creighton's September Bank CEO Report covering August 2026 survey results. The overall August reading from bank CEOs and bank executives in 10 Rural Mainstreet States climbed above growth neutral for the 2nd time in the past 6 months. Bank executives reported ag equipment sales declining for the 35th straight month. Thank you for your input. Ernie.

Rural Mainstreet Index Rises Above Growth Neutral:

Half of CEOs Expect Decline in Farm Income Ahead

August-at-a-Glance:

- The region's overall reading rose above growth neutral for only the second time in the past six months. Bank CEOs rated approximately 52.5% of farm borrowers in good condition.
- Approximately 47.5% of bankers expect farm income to decline in the next 12 months.
- For the first time since April of this year, the farm and ranchland index fell below growth neutral.
- For the 36th straight month, the farm equipment sales index fell below growth neutral.
- As a result of weak farm equipment sales, bankers reported that borrowing to support farm equipment purchases accounted for only 5.2% of agriculture lending while real estate loans represented 52.6% of ag lending.
- According to trade data from the International Trade Association (regional exports of agriculture goods and livestock for the first half of 2026 were $5.77 billion, compared to the same period in 2025 of $5.38 billion, for a gain of 7.3%.
- Regional exports to Mexico expanded from $3.09 billion to $3.14 billion (+1.6%).
- Regional exports to China climbed from $117.8 million to $352.8 million (199.5%).

(Continued next page)

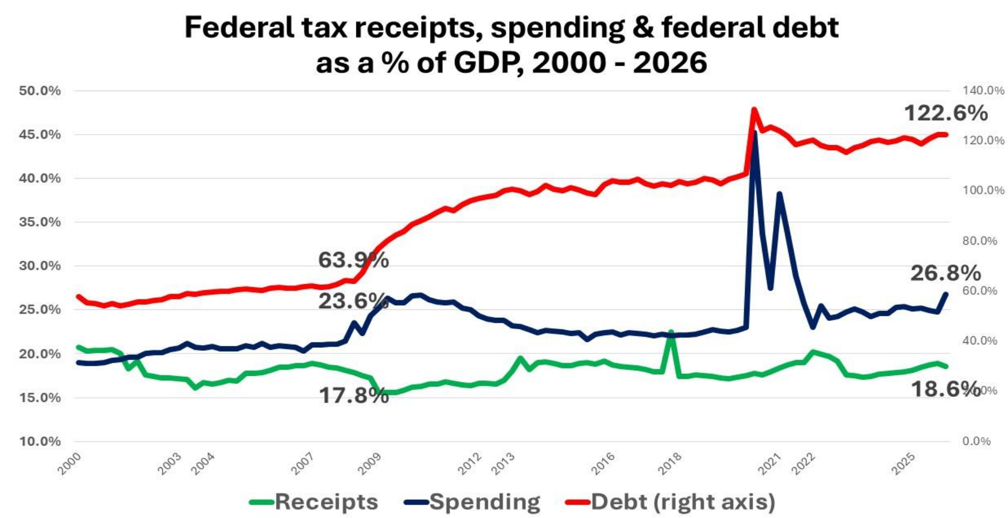
U.S. Debt Explosion: Overspending, Not Tax Cuts, Is the Problem

Just this month, the total U.S. debt moved above $40 trillion, or approximately $117,000 per U.S. resident. Despite this federal gorging at the taxpayer trough, incumbents and challengers running for office this upcoming election continue to ignore the REAL problem.

As demonstrated by the accompanying graph, federal spending, not tax collections, is the real culprit in driving the deficit and debt higher. Since the last year of the Bush Administration in 2008, federal spending as percent of GDP has expanded from 23.6% of GDP to 26.8% in 2026. During this same period of time, tax receipts have climbed from 17.8% to 18.6% of GDP.

Perhaps I have been sheltered from much of the election campaigns, but I have yet to hear one individual running for the U.S. Congress or Senate to call for specific spending cuts. A few have unwisely called for removing recently passed tax cuts. As a percent of today's GDP, a return to the spending's share in 2000 would save taxpayers $1.76 trillion, while a return to taxation's share of GDP in 2000 would require a tax increase of $674.4 billion.

Each U.S. resident from the baby born yesterday in your local hospital to Naomi Whitehead of Greenville, PA, the nation's oldest resident, must be part of the solution by surrendering a portion of your federal largess. Ernie Goss



BULLISH NEWS

- **Total nonfarm payroll employment increased by 162,000 in August, and the unemployment rate was unchanged at 4.1%.**
- **The New York Nowcast forecasts U.S. GDP growth for Q3, 2026 is a solid 2.3% (annualized and seasonally adjusted).**
- **Manufacturing added 6,000 jobs in August.**

BEARISH NEWS

- **U.S. BLS household data indicated that the teenage unemployment rose to 14.1% in August.**
- **Over the year, average hourly earnings have increased by 3.1%. In August, average hourly earnings of private-sector production and nonsupervisory employees rose by 11 cents, or 0.3%, to $32.53.**
- **Average hourly earnings expanded by 3.2% in July from 12 months earlier, or below the rate of inflation.**
- **Information employment declined by 23,000 in August.**
- **With one month to go in the fiscal year the budget deficit has exceeded $2 trillion.**
- **The U.S. trade deficit increased 24.4% to $88.6 billion in July.**
- **The yield on the 10-year U.S. Treasury bond rose to 4.84%. Look for even higher mortgage rates.**

Main$treet on Your $treet

According to the August survey of bank CEOs in rural areas of a 10-state region dependent on agriculture, the overall Rural Mainstreet Index (RMI) climbed slightly above growth neutral for only the second time in the past six months.

Readings range between 0 and 100 with 50.0 representing growth neutral.

Overall: The region's overall reading for August rose to 50.3 from 42.1 in July,

Despite higher input costs and improved, but still relatively weak grain prices, bank CEOs rated approximately 52.5% of farm borrowers in good condition with the remaining 47.2% rated in fair condition.

Approximately 47.5% of bankers expect farm income to decline in the next 12 months. Roughly 36.8% anticipate little or no change in farm income while the remaining 15.7% expect a slight increase in farm income over the period.

Farming and ranchland prices: For the first time since April of this year, the farm and ranchland price index fell below growth neutral. The farm and ranchland index dropped to 47.2 from 52.8 in July. Though farm and ranchland values have been holding up much better than farm and ranching income, weak grain prices, lower farm liquidity, and tougher credit standards have restrained growth in farmland values.

Farm equipment sales: The August farm equipment sales index sank to a very weak 22.2 from July's 27.8. "This is the 36th straight month that the index has fallen below growth neutral. The 2026 conflict in Iran and tariffs on imported steel/aluminum have created even more volatility in the agricultural sector. This volatility, along with low and negative cash flows, have reduced producers willingness to purchase new farm equipment,

Due to weak farm equipment sales, bankers reported that borrowing to support farm equipment purchases accounted for only 5.2% of agriculture lending while real estate loans represented 52.6% of ag lending; Operating loans accounted for 36.5% as reported by bank CEOs in August.

According to Todd Douglas, CEO of First National Bank in Pierre, SD, "We have a good percentage of cattle ranchers which is helping to support our Ag lending operation. However, the increasing drought in Western SD, Wyoming, Montana has made some of our borrowers start to liquidate their herds."

According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first half of 2026 were $5.77 billion, compared to the same period in 2025 of $5.38 billion, for a gain of 7.3%. Regional exports of ag goods and livestock between 2025 and 2026 expanded by $3.09 billion to $3.14 billion (+1.6%) to Mexico, and $117.8 million to $352.8 million (199.5%) to China. For the same comparison period, regional ag and livestock exports to Canada fell from $429.0 million to $427.7 million (-0.3%).

Banking: The August loan volume index increased to 76.3 from 73.7 in July. The checking deposit index dropped to 39.5 in August from July's 50.0. The region's index for certificates of deposits (CDs) rose to 55.6 from 52.6 July.

Hiring: The new hiring index for August was unchanged from July's 50.1. The rural job market for farms, ranches and non-farm rural employers has remained weak for the last several months. "In August, only 5.3% of bankers reported an increase in hiring for the month.

Confidence: Rural bankers remain pessimistic about economic growth for their area over the next six months. The August economic confidence index slumped to 31.5 from July's 34.2. Weak grain prices, higher input costs and volatility stemming from the Iran war and tariff uncertainty continued to weigh on confidence.

Home and retail sales: Weak income from grain, combined with escalating input costs, spilled over into the housing and retail sales markets. August home sales index fell to 42.1 from July's 44.7. The regional retail sales index slumped to 41.1 from 41.6 in July.

Below are the state reports:

Colorado: The Rural Mainstreet Index (RMI) for August improved to 51.7 from July's 41.5. The farm/ranchland price index for August declined to 48.4 from 52.3 July. The state's new

GOSS EGGS

RECENT DUMB Economic Steps, Inactions, and/or Lies

Does Hollywood Need a Taxpayer Paid Facelift?

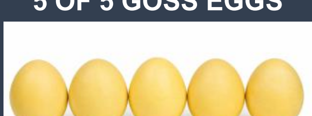
It appears that Hollywood cannot appreciate higher productivity. Since the beginning of the Pandemic, the U.S. motion picture and video production industry has experienced a 7.3% job loss, while California suffered a smaller 6.3% job loss.

Fighting to enlarge their share of these glamorous jobs, some 36 states offer tax incentives. Last year, California alone awarded $750 million in movie production subsidies. Not to be outdone, New York, according to the WSJ, spent $1.2 billion last year on movie production tax credits.

Nothing like the glitter of Hollywood to bring about bi-partisan Washington. President Trump writing on social media said, "Congress should approve , immediately, a Federal Production incentive to create Entertainment Industry jobs in America." And in a move to curry favor with the Hollywood moguls, a spokesperson for California Senator Schiff reported that, "Over the past two years, Senator Adam Schiff has been working to build bipartisan support for his federal film tax incentive legislation."

Perhaps Senator Schiff and President Trump could star in a reprise of *Butch Cassidy and the Sundance Kid* to insure passage of a Hollywood giveaway. Ernie Goss

5 OF 5 GOSS EGGS



hiring index increased to 52.5 from 49.9 in July. According to trade data from the International Trade Association (ITA), Colorado exports of ag goods and livestock for the first half of 2026, compared to the same period in 2025, fell by $26.1 million or a 13.3% decline. The greatest downturn in state ag exports were to Mexico with a 40.0% fall from 2025 to 2026.

Illinois: The August Rural Mainstreet Index (RMI) increased to 48.8 from July's 42.0. The farm/ranchland price index for August sank to 46.7 from July's 53.2. The new hiring index for August slipped to 49.6 from July's 50.7. As stated by Jim Eckert, Executive VP of Anchor State Bank in Anchor, "Recent rain has improved the prospects for the 2026 crop, but late planting due to spring rains and subsequent dry conditions appear to have hurt the crop, especially soybeans. Farmers remain concerned about low grain prices and higher input prices which threaten to produce operating losses." According to trade data from the ITA, Illinois exports of agriculture goods & livestock for the first half of 2026, compared to the same period in 2025, expanded by $66.3 million for a 4.8% gain. The biggest gain in ag exports were to Indonesia with a 34.5% gain from 2025 to 2026.

Iowa: August's RMI for the state increased to 46.2 from 41.4 in July. Iowa's farm and ranchland price index for August slumped to 44.2 from 52.3 in July. Iowa's new hiring index for August fell to 47.0 from July's 49.9. According to trade data from the ITA, Iowa exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, expanded by $61.4 million for a 6.2% gain. The greatest upturn in Iowa ag exports were to Japan with a 24.5% gain from 2025 to 2026.

Kansas: The RMI for August expanded to 51.2 from July's 43.7. The farm/ ranchland price index dropped to 48.9 from 55.5 in July. The new hiring index dipped to 52.0 from 52.9 in July. According to trade data from the ITA, Kansas exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, soared by $392.5 million for a 54.7% gain. The greatest upturn in Kansas ag exports were to China with a 2,750% gain from 2025 to 2026.

Minnesota: The August RMI improved to 53.6 from 42.1 in July. Minnesota's farm/ranchland price index declined to 51.2 from July's 53.2. The new hiring index for August increased to 54.4 from July's 50.7. Bryan Grove, CEO of American State Bank of Grygla, reported that, "There is a lot of crop production variability in our part of the state. Some areas with adequate to excess moisture, other areas that are dry. Early yields vary from sub-par to excellent." According to trade data from the ITA, exports of ag goods & livestock for the first half of 2026, compared to the same period in 2025, climbed by $131.0 million (a 28.7% gain).

Missouri: The August RMI for the state expanded to 50.5 from 41.9 in July. The farm and ranchland price index for August decreased to 51.3 . The state's new hiring gauge for July increased to 506 from 47.7 in June. According to trade data from the ITA, Missouri exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, slumped by $72.3 million for a 17.1% fall. The greatest downturn in state ag exports were to Mexico with a 22.4% drop from 2025 to 2026.

Nebraska: The state's Rural Mainstreet Index for August increased to 47.9 from 42.6 in July. The state's farm and ranchland price index for August declined to 45.8 from 52.2 in July. Nebraska's new hiring index fell to 48.7 from 49.8 in July. According to trade data from the ITA, Nebraska exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, slumped by $75.8 million for an 11.3% fall. The greatest downturn in Nebraska ag exports were to Canada with a 28.0% drop from 2025 to 2026.

North Dakota: The overall August for August increased to 47.7 from July's 40.1. The state's farm and ranchland price index for August slumped to 45.6 from July's 50.5. The state's new hiring index rose to 48.5 from 48.2 in July. According to trade data from the ITA, state exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, slumped by $61.0 million for a 13.3% fall. The greatest downturn in state ag exports were to Mexico with a 21.2% drop from 2025 to 2026.

South Dakota: The August RMI climbed to 50.0 from 43.4 in July. The state's farm and ranchland price index fell to 47.8 from July's 55.0. the state's August new hiring index dipped to 50.8 from 52.5 in July. According to trade data from the ITA, South Dakota exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, slumped by $30.1 million for a 39.8% fall. The greatest downturn in state ag exports were to Mexico with a 50.5% drop from 2025 to 2026.

Wyoming: The overall RMI for August climbed to 51.8 from 39.0 in July. The August ranchland price index increased to 49.5 from 48.9 in July. Wyoming's new hiring index expanded to 52.6 from July's 46.7. According to trade data from the ITA, Wyoming exports of agriculture goods and livestock for the first half of 2026, compared to the same period in 2025, rose by $7.1 million for a 144.1% increse. The greatest gain in Wyoming ag exports were to Canada with a 251.2% gain.

KEEP AN EYE ON

1. The Federal Reserve Open Market Committee (FOMC) meets Sept. 16/17. Listen for Warsh to identify changes to the Fed's bond buying (formerly QE. There will be a 25 basis point (¼%) increase. Reporters focus on interest rates but should be watching the balance sheet.

2. Keep an eye on Case-Shiller home price index to be released on Sept. 29. I expected the year-over-year average price to be falling, but that has not happened. A month-over-month (MOM) gain would be an important and positive signal for the housing market. I remain pessimistic on the U.S. housing market and expect a negative M-O-M value.

3. The 10-year U.S. Treasury yield should be on your radar. As of today, the yield is approaching 5.0%. Crossing this value will be warning signal for mortgage rates.

THE OUTLOOK. (International Monetary Fund, July 2026);

Growth holds up, but remains uneven, as tech momentum offsets war drag

Global growth is projected at 3.0 percent for 2026 and 3.4 percent for 2027, broadly unchanged cumulatively from the April 2026 World Economic Outlook. The outlook is uneven: The war shock is weighing on energy importers and vulnerable economies, while AI-driven demand is lifting countries integrated into the global technology value chain. Global disinflation has stalled. Risks are more balanced than in April, but downside risks from renewed conflict and financial market repricing persist. Policymakers should preserve … d strengthen adaptability.

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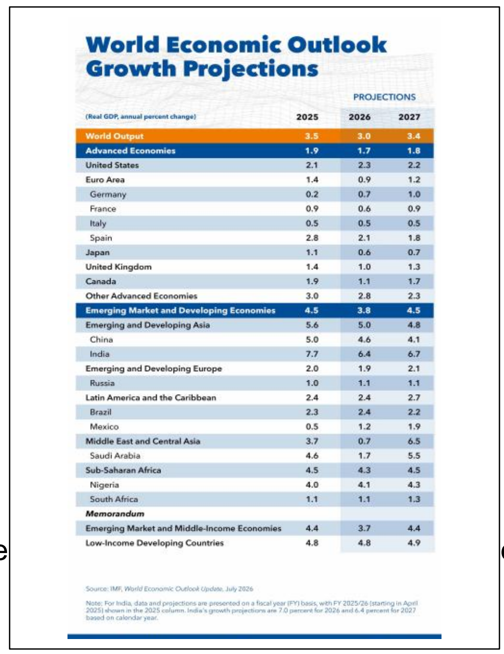

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	2025	2026 (Projections)	2027 (Projections)
World Output	3.5	3.0	3.4
Advanced Economies	1.9	1.7	1.8
United States	2.1	2.3	2.2
Euro Area	1.4	0.9	1.2
Germany	0.2	0.7	1.0
France	0.9	0.6	0.9
Italy	0.5	0.5	0.5
Spain	2.8	2.1	1.8
Japan	1.1	0.6	0.7
United Kingdom	1.4	1.0	1.3
Canada	1.9	1.1	1.7
Other Advanced Economies	3.0	2.8	2.3
Emerging Market and Developing Economies	4.5	3.8	4.5
Emerging and Developing Asia	5.6	5.0	4.8
China	5.0	4.6	4.1
India	7.7	6.4	6.7
Emerging and Developing Europe	2.0	1.9	2.1
Russia	1.0	1.1	1.1
Latin America and the Caribbean	2.4	2.4	2.7
Brazil	2.3	2.4	2.2
Mexico	0.5	1.2	1.9
Middle East and Central Asia	3.7	0.7	6.5
Saudi Arabia	4.6	1.7	5.5
Sub-Saharan Africa	4.5	4.3	4.5
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.1	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.4	3.7	4.4
Low-Income Developing Countries	4.8	4.8	4.9

Source: IMF, *World Economic Outlook Update*, July 2026

Note: For India, data and projections are presented on a fiscal year (FY) basis, with FY 2025/26 (starting in April 2025) shown in the 2025 column. India's growth projections are 7.0 percent for 2026 and 6.4 percent for 2027 based on calendar year.

BANKER READING ROOM

•**"US tariffs and their impact on the banking sector," KPMG**

"Volatility on the capital markets and rising market risks: The announced punitive tariffs have led to noticeable uncertainty on the financial markets. The result: strong price fluctuations and increasing market risks, which are a burden on banks' risk management and could lead to potential valuation losses. Interest rate reaction: Fluctuating interest rates are to be expected due to the economic uncertainties.

Monetary policy reactions by central banks to inflation trends and economic downturns are also conceivable. Declining demand for credit: Economic uncertainty and a declining willingness to invest are noticeably slowing down lending - particularly in the corporate client business.

Increasing credit risk: The risk of loan defaults is growing, particularly for export-oriented companies and in the commercial real estate financing segment. Setback in the securities and stock exchange business: A sustained decline on the stock exchanges could have a severe impact on the trading business - with particularly negative consequences for neobrokers and smaller banks. Technological dependencies: The close integration with US technology providers harbors geopolitical risks - particularly with regard to IT infrastructures and data security."

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- **STATISTIC(S) OF THE MONTH**

34%

Since 2020, 34% of workers' wages did not keep up with inflation. A tenth of workers experienced inflation-adjusted wage losses of more than 3.5%.

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Goss monthly interviews at: Manufacturing Survey: https://youtu.be/yKbfDuwzjk8

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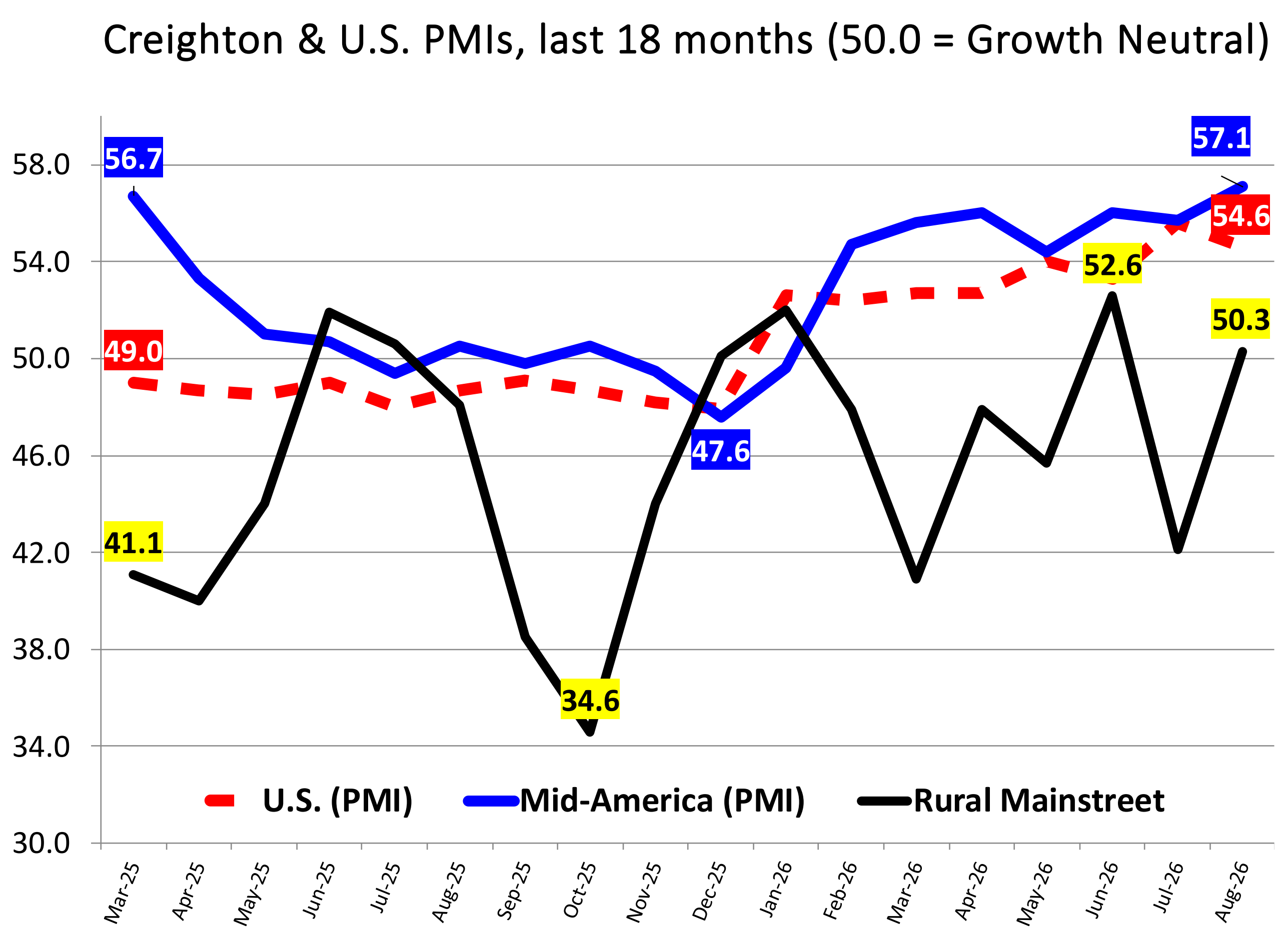
This month's survey results will be released on the third Thursday of the month.

The Rural Mainstreet Economic Report September 2026

Economic Indicators for U.S., Rural Mainstreet, & Mid-America



SURVEY RESULTS

Table 1: Rural Mainstreet Economy Last 2 Months & One Year Ago: (index > 50 indicates expansion)			
	August 2025	July 2026	August 2026
Area Economic Index	48.1	42.1	50.3
Loan Volume	82.7	73.7	76.3
Checking Deposits	63.5	50.0	39.5
Certificates of Deposit and Savings Instruments	59.6	52.6	55.6
Farmland Prices	46.2	52.8	47.2
Farm Equipment Sales	14.6	27.8	22.2
Home Sales	48.1	44.7	42.1
Hiring	56.0	50.1	50.1
Retail Business	46.2	41.6	41.1
Confidence Index (area economy six months out)	27.8	34.2	31.6

Table 2: The Rural Mainstreet Economy, August 2026			
	Percentage of Bankers Reporting		
	Fair	Good	Excellent
How would you rate the overall financial condition of your farm borrower customers?	47.5%	52.5%	0.0%

	Percentage of Bankers Reporting				
	Ag equipment	Livestock	Operating loans	Real estate	Other
Which category currently accounts for the largest share of agricultural lending at your bank?	5.3%	5.6%	31.4%	52.6%	5.1%

	Percentage of Bankers Reporting			
	Decrease substantially	Decrease slightly	Unchanged	Increase slightly
What do you expect farm income in your area to do during the 12 months?	5.4%	42.1%	36.8%	15.7%