FEDERAL FARM CREDIT BANKS
FUNDING CORPORATION

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Press Release

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FARM CREDIT SYSTEM REPORTS 2026 THIRD QUARTER AND NINE-MONTH NET INCOME

For 2:00 p.m. (EST) Release

NEW YORK - The Farm Credit System today reported combined net income of $2.3 billion for the third quarter and $6.6 billion for the nine months ended September 30, 2026, as compared with combined net income of $2.1 billion and $6.0 billion for the same periods of the prior year.

“The System’s third quarter results reflect the benefit of a disciplined approach to serving agriculture and rural America,” remarked Tracey McCabe, President and CEO of the Federal Farm Credit Banks Funding Corporation. “As conditions continue to vary across agricultural sectors, we remain well positioned to meet the evolving needs of our member-borrowers while maintaining a prudent approach to credit and risk.”

Results of Operations

Third Quarter and Nine-Month 2026 Results Compared to Third Quarter and Nine-Month 2025 Results

Net interest income increased $218 million or 6.7% to $3.4 billion for the third quarter of 2026 and $680 million or 7.2% to $10.2 billion for the nine months ended September 30, 2026, as compared with the same periods of the prior year. The increase in net interest income primarily resulted from higher levels of average earning assets, driven largely by increased loan volume and, to a lesser extent, growth in investments held for liquidity. Average earning assets increased $26.4 billion or 4.9% to $566.6 billion for the three months ended September 30, 2026 and $30.9 billion or 5.8% to $565.6 billion for the nine months ended September 30, 2026, as compared with the same periods of the prior year.

The net interest margin was 2.44% and 2.40% for the three and nine months ended September 30, 2026, as compared with 2.39% and 2.36% for the same periods of the prior year. The increase in the net interest margin for the three- and nine-month periods primarily resulted from increases in the net interest spread of seven basis points for both periods to 1.93% and 1.91%, as compared with 1.86% and 1.84% for the same periods of the prior year. The increase in the net interest spread was primarily due to lower debt funding costs. The net interest margin during these periods was negatively impacted by decreases of two and three basis points in income earned on earning assets funded by noninterest-bearing sources (principally capital).

The System recognized provisions for credit losses of $204 million and $660 million for the three and nine months ended September 30, 2026, as compared with provisions for credit losses of

$318 million and $868 million for the three and nine months ended September 30, 2025. The provision for credit losses for the three and nine months ended September 30, 2026 primarily reflected specific reserves associated with a limited number of customers and a modest deterioration in credit quality. The provision for credit losses for the three and nine months ended September 30, 2025 primarily reflected specific reserves, deteriorating credit quality and weakening macroeconomic forecasts impacting modeled credit losses.

Noninterest income increased $4 million or 1.1% to $363 million and $60 million or 6.3% to $1.0 billion for the three and nine months ended September 30, 2026, as compared with the same periods of the prior year. The increase for the nine months ended September 30, 2026 was primarily due to increases in financially-related services income of $25 million, income earned on Insurance Fund assets of $22 million and loan-related fee income of $15 million. Also positively impacting the nine-month period was a net gain on extinguishment of debt of $10 million, as compared to a net loss of $15 million for the same period of the prior year. Partially offsetting the increase was a net loss on derivative, investment and other transactions of $38 million for the nine months ended September 30, 2026, as compared to a net gain of $5 million for the same period of the prior year.

Noninterest expense increased $95 million or 8.1% to $1.3 billion and $284 million or 8.2% to $3.8 billion for the three and nine months ended September 30, 2026, as compared with the same periods of the prior year. The increases for the three- and nine-month periods were primarily due to increases in salaries and employee benefits and other operating expense. Salaries and employee benefits increased $74 million and $201 million for the three and nine months ended September 30, 2026, as compared to the same periods of the prior year, primarily as a result of annual merit increases, higher staffing levels and higher accrued incentive compensation at certain System institutions as well as increased employee medical insurance costs. Other operating expense increased $17 million and $66 million for the three and nine months ended September 30, 2026, as compared to the same periods of the prior year, primarily due to increases in technology and other miscellaneous expenses.

The provisions for income taxes were $64 million and $165 million for the three and nine months ended September 30, 2026, as compared with $31 million and $127 million for the three and nine months ended September 30, 2025. The effective tax rate increased to 2.4% for the first nine months of 2026 from 2.1% for the first nine months of 2025 due to increased earnings attributable to taxable business activities.

Third Quarter 2026 Compared to Second Quarter 2026

Net income was $2.3 billion for the third quarter of 2026, as compared with $2.2 billion for the second quarter of 2026. Positively impacting net income for the third quarter of 2026 were increases of $65 million in net interest income and $23 million in noninterest income and a decrease in the provision for credit losses of $19 million. The increase in net interest income primarily resulted from a higher net interest spread. Negatively impacting net income for the third quarter of 2026 were increases in the provision for income taxes of $14 million and noninterest expense of $10 million.

Loan Portfolio Activity

Gross loans increased $7.3 billion or 1.6% to $464.2 billion at September 30, 2026, as compared with $456.9 billion at December 31, 2025. The increase primarily resulted from an

increase in real estate mortgage and power loans, offset in part by a decrease in loans to cooperatives. The increase in real estate mortgage loans was primarily driven by increased loan demand from new and existing customers. Power loans increased primarily due to financing activity in the rural electric utility and electric distribution sectors. Loans to cooperatives decreased primarily due to lower levels of seasonal financing requirements at farm supply and marketing cooperatives, which typically reach a low in summer or early fall.

Credit Quality

The System's accruing loan volume was $459.3 billion at September 30, 2026, as compared with $452.5 billion at December 31, 2025. Nonaccrual loans increased $545 million to $4.9 billion at September 30, 2026, as compared with December 31, 2025. The increase in nonaccrual loans was primarily due to credit quality deterioration impacting certain borrowers in the food products, horticulture, wood products, cash grains, and cattle sectors. At September 30, 2026, 47.4% of nonaccrual loans were current as to principal and interest, as compared with 52.1% at December 31, 2025.

Nonperforming assets (which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned) were $5.3 billion at September 30, 2026, which represented 1.14% of loans and other property owned, as compared with nonperforming assets of $4.7 billion at December 31, 2025, which represented 1.03% of loans and other property owned.

Despite the increase in nonperforming assets, overall credit quality remained strong with loans classified under the Farm Credit Administration's Uniform Loan Classification System as "acceptable" or "other assets especially mentioned" as a percentage of loans of 96.5% at September 30, 2026, as compared with 97.1% at December 31, 2025. Loan delinquencies (accruing loans 30 days or more past due) as a percentage of accruing loans increased to 0.42% at September 30, 2026, as compared with 0.39% at September 30, 2025.

The allowance for credit losses on loans was $2.5 billion at September 30, 2026, as compared with $2.2 billion at December 31, 2025. Net loan charge-offs of $364 million were recorded during the first nine months of 2026 and when annualized represented 0.11% of average loans, as compared with net loan charge-offs of $407 million and 0.12% for the same period of the prior year. The allowance for credit losses on loans as a percentage of total loans was 0.54% at September 30, 2026, as compared with 0.48% at December 31, 2025. The allowance for credit losses on loans was 48% of the System's total nonperforming assets and 52% of its nonaccrual loans at September 30, 2026, as compared with 47% and 51% at December 31, 2025. The System also had an allowance for credit losses on unfunded commitments of $184 million and $200 million at September 30, 2026 and December 31, 2025. Total capital and the allowance for credit losses on loans, which is a measure of risk-bearing capacity, totaled $92.2 billion at September 30, 2026 and $87.2 billion at December 31, 2025, and represented 19.9% of System loans at September 30, 2026, as compared with 19.1% at December 31, 2025.

Liquidity and Capital Resources

Cash and investments (primarily held for liquidity purposes) were $107.0 billion at September 30, 2026 and $107.5 billion at December 31, 2025. The System's liquidity portfolio provided 172 days coverage of maturing debt at September 30, 2026, as compared with 167 days coverage at December 31, 2025.

Total capital was $89.7 billion at September 30, 2026, as compared with $85.0 billion at December 31, 2025. The System's retained earnings increased $4.8 billion to $70.2 billion during the first nine months of 2026 due to net income earned and retained. During the first nine months of 2026, one Bank issued $500 million of preferred stock, while one Association redeemed preferred stock totaling $200 million. Accumulated other comprehensive loss increased $763 million to $3.1 billion during the first nine months of 2026 primarily as a result of an increase in interest rates, which decreased the fair value of fixed-rate investment securities, which was partially offset by an increase in the fair value of derivatives. Capital as a percentage of total assets increased to 15.2% at September 30, 2026, as compared with 14.6% at December 31, 2025.

About the Farm Credit System

Farm Credit supports rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow, through the four Banks and 55 affiliated Associations. Farm Credit has been fulfilling this mission for over a century by providing farmers with the capital they need to make their businesses successful and by financing vital infrastructure and communication services that rural communities need to create jobs and drive economic growth. For more information about the Farm Credit System, please visit farmcredit.com.

Additional Information

Copies of this press release, as well as other financial information regarding the System, including its annual and quarterly information statements, are available on the Federal Farm Credit Banks Funding Corporation's website at farmcreditfunding.com.

For further information and copies of annual and quarterly information statements, contact:

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Forward-Looking Statements

Any forward-looking statements in this press release are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties, including the completion of the System's year-end closing and review procedures, and third-party audit. More information about these risks and uncertainties is contained in the System's annual and quarterly information statements. The System undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FARM CREDIT SYSTEM
COMBINED FINANCIAL STATEMENT DATA
(in millions)

STATEMENT OF CONDITION DATA

	September 30, 2026 (unaudited)	December 31, 2025 (audited)
Cash and investments	$106,965	$107,541
Loans	464,160	456,860
Less: allowance for credit losses on loans	(2,525)	(2,209)
Net loans	461,635	454,651
Accrued interest receivable	6,390	5,709
Other assets	5,742	5,774
Restricted assets	8,923	8,587
Total assets	$589,655	$582,262
Systemwide Debt Securities:		
Due within one year	$183,847	$187,407
Due after one year	299,377	292,444
Total Systemwide Debt Securities	483,224	479,851
Subordinated debt	496	398
Other bonds	5,163	4,942
Other liabilities	11,078	12,091
Total liabilities	499,961	497,282
Preferred stock	3,976	3,677
Capital stock	2,310	2,274
Additional paid-in-capital	7,385	7,385
Restricted capital	8,923	8,587
Accumulated other comprehensive loss	(3,128)	(2,365)
Retained earnings	70,228	65,422
Total capital	89,694	84,980
Total liabilities and capital	$589,655	$582,262

STATEMENT OF INCOME DATA

	For the Quarter Ended September 30, (unaudited)		For the Nine Months Ended September 30, (unaudited)	
	2026	2025	2026	2025
Interest income	$7,866	$7,793	$23,273	$22,858
Interest expense	(4,417)	(4,562)	(13,110)	(13,375)
Net interest income	3,449	3,231	10,163	9,483
Provision for credit losses	(204)	(318)	(660)	(868)
Noninterest income	363	359	1,019	959
Noninterest expense	(1,267)	(1,172)	(3,765)	(3,481)
Income before income taxes	2,341	2,100	6,757	6,093
Provision for income taxes	(64)	(31)	(165)	(127)
Net income	$2,277	$2,069	$ 6,592	$ 5,966

FARM CREDIT SYSTEM
COMBINED FINANCIAL STATEMENT DATA
(in millions)

Statement of Condition Data – Five Quarter Trend

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)
Cash and investments	$106,965	$107,958	$107,926	$107,541	$105,391
Loans	464,160	459,052	459,197	456,860	437,831
Less: allowance for credit losses on loans	(2,525)	(2,534)	(2,421)	(2,209)	(2,238)
Net loans	461,635	456,518	456,776	454,651	435,593
Accrued interest receivable	6,390	5,392	5,049	5,709	6,146
Other assets	5,742	5,772	5,657	5,774	5,648
Restricted assets	8,923	8,734	8,547	8,587	8,405
Total assets	$589,655	$584,374	$583,955	$582,262	$561,183
Systemwide Debt Securities	$483,224	$480,261	$482,504	$479,851	$460,665
Subordinated debt	496	348	398	398	398
Other bonds	5,163	5,057	4,929	4,942	5,655
Other liabilities	11,078	9,976	9,675	12,091	10,200
Total liabilities	499,961	495,642	497,506	497,282	476,918
Preferred stock	3,976	4,180	3,679	3,677	3,377
Capital stock	2,310	2,286	2,260	2,274	2,245
Additional paid-in-capital	7,385	7,385	7,385	7,385	7,385
Restricted capital	8,923	8,734	8,547	8,587	8,405
Accumulated other comprehensive loss	(3,128)	(2,456)	(2,479)	(2,365)	(2,788)
Retained earnings	70,228	68,603	67,057	65,422	65,641
Total capital	89,694	88,732	86,449	84,980	84,265
Total liabilities and capital	$589,655	$584,374	$583,955	$582,262	$561,183

Statement of Income Data – Five Quarter Trend (unaudited)

For the three months ended:	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Interest income	$7,866	$7,747	$7,660	$7,764	$7,793
Interest expense	(4,417)	(4,363)	(4,330)	(4,464)	(4,562)
Net interest income	3,449	3,384	3,330	3,300	3,231
Provision for credit losses	(204)	(223)	(233)	(358)	(318)
Noninterest income	363	340	316	442	359
Noninterest expense	(1,267)	(1,257)	(1,241)	(1,355)	(1,172)
Income before income taxes	2,341	2,244	2,172	2,029	2,100
Provision for income taxes	(64)	(50)	(51)	(20)	(31)
Net income	$2,277	$2,194	$2,121	$2,009	$2,069