



2026

QUARTERLY REPORT TO STAKEHOLDERS
as of March 31, 2026




GOLDEN STATE
FARM CREDIT

The credit you deserve

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
(Unaudited)

The following discussion summarizes the financial position and results of operations of Golden State Farm Credit, ACA, (the Association) for the three months ended March 31, 2026, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2025 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

The shareholders' investment in Golden State Farm Credit, ACA is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank). The 2025 CoBank Annual Report to Shareholders, and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by contacting the Association at 3013 Ceres Avenue, Chico, CA 95973 or by phone at (530) 895-8695.

Economic conditions in our territory in early 2026 remained challenging, reflecting commodity price volatility, higher input costs, water scarcity, and ongoing trade pressures. While statewide drought conditions were limited, much of California experienced abnormally dry conditions, and water availability remained uneven. Despite near-normal year-to-date precipitation and above-average reservoir storage supported by winter storms, critically low snowpack reduced runoff reliability later in the season. For California farmers, this has created a complex operating environment. Early-season water deliveries benefited from strong reservoir levels, but uncertainty around surface water allocations—particularly south of the Delta—remains elevated. Accelerated snowmelt, Sustainable Groundwater Management Act (SGMA)-related groundwater limitations, and higher water and energy costs have constrained flexibility, prompting acreage adjustments and increased focus on permanent crops. Overall, continued water volatility and regulatory constraints are weighing on profitability and long-term investment decisions across California agriculture.

California walnuts are entering 2026 with ample supply and challenging pricing dynamics. The 2025 crop significantly exceeded initial expectations, resulting in abundant inventories and prices that, in many cases, are below full production costs for growers. The walnut sector remains financially stressed, with near-term margins under pressure and recovery dependent on inventory reduction, continued export growth, and disciplined production. The California almond market in 2026 is showing measured improvements off recent lows, supported by stronger export demand and a more balanced supply position, though profitability remains highly sensitive to water costs and yield variability. The dairy market experienced weak pricing conditions in early 2026; however, most dairy operators entered this period from a position of strength following a highly profitable 18-month stretch in 2024 and early 2025, supported by low feed costs, strong beef and calf markets, and sustained margins above break-even.

The U.S. economy showed a mix of resilience, slowing momentum, and rising uncertainty for the first quarter of 2026. While growth expectations have improved, a combination of increasing tariffs, the cooling labor market, and geopolitical pressures have contributed to a complicated economic environment. Real GDP is projected to grow at a rate of 2.6% for 2026 largely due to continued upward trends in personal consumption expenditures, business investments, and modest government spending. The unemployment rate remained relatively steady at 4.3% in the first quarter of 2026 and is expected to slightly increase through the current year. The Federal Reserve funds target range remains at 3.50% - 3.75% with Fed officials anticipating one rate cut this year as they try to mitigate the effects of the tariffs, global conflicts, and continued inflation that have weakened the economy. In 2026, net farm income is forecasted to decline slightly in comparison to 2025. Direct government relief payments through the American Relief Act of 2025, are projected to increase to offset a weak commodity price environment that has carried over from late 2025.

The Agricultural Improvement Act of 2018 (Farm Bill), originally set to expire in 2023, has been extended each year, with the latest extension in November 2025 to allow the programs to continue through September 30, 2026. The Farm Bill ensures continuity of core programs such as crop insurance, commodity price support, and conservation initiatives. Earlier in July 2025, the One Big Beautiful Bill Act (OBBBA) authorized approximately \$65.6 billion in new agricultural investments over ten years, enhancing safety-net programs, disaster assistance, and risk management tools for producers. These measures aim to mitigate pressures from high interest rates, declining commodity prices, and rising production costs. Additionally, the Farm Bill reaffirmed the Farm Credit System Insurance Corporation's (FCSIC) authority to act as conservator or receiver for troubled institutions. The Farm bill also provides a range of statutory options to FCSIC including, but not limited to, marshalling and liquidating assets, satisfying claims of creditors, and using interim devices such as bridge banks. Collectively, these legislative actions strengthen the agricultural credit environment and support the stability of Farm Credit System institutions amid ongoing economic.

LOAN PORTFOLIO

Loans outstanding at March 31, 2026, totaled \$2.64 billion, a decrease of \$117.0 million, or 4.2%, from loans of \$2.75 billion at December 31, 2025. The decrease was primarily due to strong seasonal loan pay-downs in the first quarter of 2026, partially offset by purchased participations.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2026, was \$6.8 million, a decrease of \$8.3 million, or 55.2%, from the same period ended one year ago. The decrease is primarily the result of increased provision for credit losses.

For the three months ended March 31, 2026, net interest income was \$19.1 million, an increase of \$206 thousand, or 1.1%, compared with the three months ended March 31, 2025. Net interest income increased as a result of an increase in loan volume partially offset by a decrease in interest rates.

The provision for credit losses for the three months ended March 31, 2026, was \$12.6 million, an increase of \$11.2 million, from the provision for credit losses for the same period ended one year ago. The provision for credit losses increased due to a significant increase in loss rates as a result of a charge off in 2025 and an increase in specific reserves as a result of protective advances and decreased collateral value.

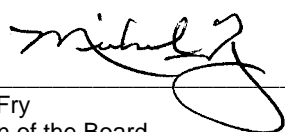
Noninterest income increased \$2.9 million during the first three months of 2026 compared with the first three months of 2025 primarily due to a gain on recovery of assets. Furthermore, we received a refund of \$1.4 million during the first three months of 2026 from FCSIC, compared with a refund of \$484 thousand received in the same period ended one year ago. These refunds represent our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts.

During the first three months of 2026, noninterest expense increased \$319 thousand to \$6.5 million, primarily due to increases in salaries and benefits as a result of increases in headcount, market equity and promotional pay rates, and insurance premiums. Data processing service expenses decreased during the first quarter of 2026 primarily due to changes in our service provider's pricing model. For the three months ended March 31, 2025, \$1.1 million was reclassified from purchased services to data processing services to conform to the current period's presentation. An estimated 20% of the prior year Data processing service charges from AgVantis is classified as purchased services in the current year and going forward.

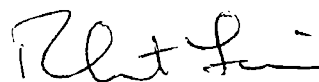
CAPITAL RESOURCES

Our shareholders' equity at March 31, 2026, was \$488.0 million, an increase from \$481.2 million at December 31, 2025. This increase is due to net income and adjustments to prior-period patronage accrual, partially offset by net stock reductions.

The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements, and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.



Michael Fry
Chairman of the Board
May 4, 2026



Robert Faris
President and Chief Executive Officer
May 4, 2026



Manny Mejia
Chief Financial Officer
May 4, 2026

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2026	December 31 2025
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 2,636,614	\$ 2,753,583
Less allowance for loan losses	19,683	8,686
Net loans	2,616,931	2,744,897
Cash	795	9,262
Accrued interest receivable	36,007	48,115
Investment in CoBank, ACB	68,846	68,138
Premises and equipment, net	11,155	11,232
Prepaid benefit expense	13,536	13,553
Other assets	30,757	51,758
Total assets	\$ 2,778,027	\$ 2,946,955
LIABILITIES		
Note payable to CoBank, ACB	\$ 2,171,533	\$ 2,359,519
Advance conditional payments	76,720	51,848
Accrued interest payable	7,497	7,831
Patronage distributions payable	-	29,950
Reserve for unfunded commitments	3,658	2,070
Other liabilities	30,591	14,566
Total liabilities	2,289,999	2,465,784
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock and participation certificates	1,279	1,308
Additional paid-in capital	141,442	141,442
Unallocated retained earnings	345,307	338,421
Total shareholders' equity	488,028	481,171
Total liabilities and shareholders' equity	\$ 2,778,027	\$ 2,946,955

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

UNAUDITED	For the three months ended March 31	
	2026	2025
INTEREST INCOME		
Loans	\$ 39,804	\$ 40,001
Total interest income	39,804	40,001
INTEREST EXPENSE		
Note payable to CoBank, ACB	20,232	20,617
Other	475	493
Total interest expense	20,707	21,110
Net interest income	19,097	18,891
Provision for credit losses	12,584	1,431
Net interest income after provision for credit losses	6,513	17,460
NONINTEREST INCOME		
Loan fees	298	269
Patronage distribution from Farm Credit institutions	3,331	3,079
Farm Credit Insurance Fund distribution	1,396	484
Gain on recovery of assets	1,714	-
Other noninterest income	74	54
Total noninterest income	6,813	3,886
NONINTEREST EXPENSE		
Salaries and employee benefits	3,244	2,929
Occupancy and equipment	436	433
Data Processing Services	906	1,110
Purchased services - other	511	298
Farm Credit Insurance Fund premium	551	544
Other noninterest expense	896	911
Total noninterest expense	6,544	6,225
Income before income taxes	6,782	15,121
Provision for income taxes	2	2
Net income	6,780	15,119
COMPREHENSIVE INCOME		
Amortization of retirement costs/(credits)	-	(6)
Total comprehensive income	\$ 6,780	\$ 15,113

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Capital Stock and Participation Certificates	Additional Paid-In Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Shareholders' Equity
Balance at December 31, 2024	\$ 1,338	\$ 141,442	\$ 307,378	\$ 25	\$ 450,183
Comprehensive income			15,119	(6)	15,113
Stock and participation certificates issued	18				18
Stock and participation certificates retired	(30)				(30)
Patronage Distributions:					
Adjustment to prior-period patronage accrual			51		51
Balance at March 31, 2025	\$ 1,326	\$ 141,442	\$ 322,548	\$ 19	\$ 465,335
Balance at December 31, 2025	\$ 1,308	\$ 141,442	\$ 338,421	\$ -	\$ 481,171
Comprehensive income			6,780	-	6,780
Stock and participation certificates issued	17				17
Stock and participation certificates retired	(46)				(46)
Patronage Distributions:					
Adjustment to prior-period patronage accrual			106		106
Balance at March 31, 2026	\$ 1,279	\$ 141,442	\$ 345,307	\$ -	\$ 488,028

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Golden State Farm Credit, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2025, are contained in the 2025 Annual Report to Shareholders. These unaudited first quarter 2026 financial statements should be read in conjunction with the 2025 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025, as contained in the 2025 Annual Report to Shareholders.

In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair statement of results for the interim periods, have been made. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2026. Descriptions of the significant accounting policies are included in the 2025 Annual Report to Shareholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Certain amounts in the prior period's financial statements have been reclassified from purchased services to data processing services to conform to the current period's financial statement presentation as a result of changes in service provider's pricing model.

Recently Issued or Adopted Accounting Pronouncements

Financial Instruments – Credit Losses (Topic 326): Purchased Loans

In November 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-08 Financial Instruments - Credit Losses (Topic 326) - Purchased Loans. The amendment simplifies accounting for purchased loans by expanding the "gross-up" method to "purchased seasoned loans" (PSLs). This eliminates the Day 1 credit loss expense for most acquired loans, improves comparability, and reduces earnings volatility by creating a more consistent accounting approach similar to that used for previously purchased credit-deteriorated (PCD) loans. The standard is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06 Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendment introduces several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. The Association is currently assessing the potential impact of this amendment on its disclosures.

Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The practical expedient allows all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not

change for the remaining life of the asset. The accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments were effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The adoption of this guidance did not have a material impact on the Association's financial condition, results of operations, or cash flows.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

<i>(dollars in thousands)</i>	March 31, 2026	December 31, 2025
Real Estate Mortgage	\$ 1,687,194	\$ 1,725,417
Production and Intermediate-Term	604,706	703,865
Agribusiness	217,220	203,318
Rural Infrastructure	118,304	111,688
Lease Receivables	9,190	9,295
Total loans	\$ 2,636,614	\$ 2,753,583

The Association purchases and sells participation interests with other parties to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at March 31, 2026:

<i>(dollars in thousands)</i>	Other Farm Credit Institutions	
	Purchased	Sold
Real Estate Mortgage	\$ 119,808	\$ 496,038
Production and Intermediate-Term	176,756	436,380
Agribusiness	203,916	-
Rural Infrastructure	118,304	-
Lease Receivables	9,187	-
Total	\$ 627,971	\$ 932,418

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional loan risk rating model based on internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default over a period of time. Probability of default rating is management's assumption of the probability that a borrower will experience a default within 12 months from the date of the determination of the risk rating. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower is past due more than 90 days. The loss given default is management's assumption of the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The Association reviews, at least on an annual basis or when a credit action is taken, the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality.
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness.
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of:

	March 31, 2026	December 31, 2025
Real Estate Mortgage		
Acceptable	89.89%	89.69%
OAEM	5.12%	5.71%
Substandard	4.99%	4.60%
Total	100.00%	100.00%
Production and Intermediate-Term		
Acceptable	91.06%	91.94%
OAEM	5.30%	5.60%
Substandard	3.64%	2.46%
Total	100.00%	100.00%
Agribusiness		
Acceptable	95.55%	95.35%
OAEM	3.99%	4.31%
Substandard	0.46%	0.34%
Total	100.00%	100.00%
Rural Infrastructure		
Acceptable	100.00%	100.00%
Total	100.00%	100.00%
Lease Receivables		
Acceptable	1.83%	1.93%
OAEM	-	98.07%
Substandard	98.17%	-
Total	100.00%	100.00%
Total Loans		
Acceptable	90.77%	90.80%
OAEM	4.82%	5.66%
Substandard	4.41%	3.54%
Total	100.00%	100.00%

Accrued interest receivable of \$36.0 million on loans at March 31, 2026, and \$48.1 million at December 31, 2025, is excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association wrote off accrued interest of \$1 thousand during the first three months of 2026 and \$13 thousand during the first three months of 2025.

Nonperforming assets consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned. The following table shows these nonperforming assets and related credit quality statistics as follows:

<i>(dollars in thousands)</i>	March 31, 2026	December 31, 2025
Nonaccrual loans		
Real Estate Mortgage	\$ 25,894	\$ 26,466
Production and Intermediate-Term	5,756	6,151
Total nonaccrual loans	\$ 31,650	\$ 32,617
Accruing loans 90 days past due		
Real Estate Mortgage	\$ 3,188	\$ -
Production and Intermediate-Term	499	-
Total accruing loans 90 days past due	\$ 3,687	\$ -
Total nonperforming assets	\$ 35,337	\$ 32,617
Nonaccrual loans to total loans	1.20%	1.18%
Nonperforming assets to total loans and other property owned	1.34%	1.18%
Nonperforming assets to total shareholders' equity	7.24%	6.78%

The Association had no other property owned for the periods presented.

The following tables provide the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans during the periods presented:

March 31, 2026			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ 18,126	\$ 7,768	\$ 25,894
Production and Intermediate-Term	4,610	1,146	5,756
Total	\$ 22,736	\$ 8,914	\$ 31,650

December 31, 2025			
<i>(dollars in thousands)</i>	Amortized Cost with Allowance	Amortized Cost without Allowance	Total
Nonaccrual loans			
Real Estate Mortgage	\$ 18,532	\$ 7,934	\$ 26,466
Production and Intermediate-Term	5,037	1,114	6,151
Total	\$ 23,569	\$ 9,048	\$ 32,617

<i>(dollars in thousands)</i>	Interest Income Recognized	
	For the Three Months Ended March 31	
	2026	2025
Nonaccrual loans		
Real Estate Mortgage	\$ -	\$ 4
Production and Intermediate-Term	1	-
Total	\$ 1	\$ 4

The following tables provide an aging analysis of past due loans at amortized cost.

March 31, 2026

<i>(dollars in thousands)</i>	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ 8,440	\$ 26,981	\$ 35,421	\$ 1,651,773	\$ 1,687,194	\$ 3,188
Production and Intermediate-Term	1,754	6,247	8,001	596,705	604,706	499
Agribusiness	297	-	297	216,923	217,220	-
Rural Infrastructure	-	-	-	118,304	118,304	-
Lease Receivables	-	-	-	9,190	9,190	-
Total	\$ 10,491	\$ 33,228	\$ 43,719	\$ 2,592,895	\$ 2,636,614	\$ 3,687

December 31, 2025

<i>(dollars in thousands)</i>	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	\$ 1,155	\$ 23,333	\$ 24,488	\$ 1,700,929	\$ 1,725,417	\$ -
Production and Intermediate-Term	1,863	5,732	7,595	696,270	703,865	-
Agribusiness	-	-	-	203,318	203,318	-
Rural Infrastructure	-	-	-	111,688	111,688	-
Lease Receivables	-	-	-	9,295	9,295	-
Total	\$ 3,018	\$ 29,065	\$ 32,083	\$ 2,721,500	\$ 2,753,583	\$ -

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following tables show the amortized cost basis at the end of the respective reporting periods for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted. These balances exclude loans that were modified during the period but were paid off or sold prior to period end.

<i>(dollars in thousands)</i>	Payment Deferral	
	For the Three Months Ended	
	March 31, 2026	% of Portfolio Segment
Real Estate Mortgage	\$ 4,394	0.26%
Total	\$ 4,394	

<i>(dollars in thousands)</i>	Term Extension	
	For the Three Months Ended	
	March 31, 2025	% of Portfolio Segment
Production and Intermediate-Term	\$ 333	0.06%
Total	\$ 333	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was \$243 thousand for the three months ended March 31, 2026 and \$23 thousand as of the three months ended March 31, 2025.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during the periods presented:

	Weighted-Average Term Extension (in months)	
	For the Three Months Ended March 31	
	2026	2025
Production and Intermediate-Term	-	10.0

	Weighted-Average Payment Deferral (in months)	
	For the Three Months Ended March 31	
	2026	2025
Real Estate Mortgage	22.0	-

None of the loans to borrowers experiencing financial difficulty that received a payment modification during the three months ended March 31, 2026 or March 31, 2025 which were modified experienced a subsequent default.

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the periods presented:

<i>(dollars in thousands)</i>	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2026		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real Estate Mortgage	\$ 4,394	\$ -	\$ -
Production and Intermediate-Term	157	-	-
Agribusiness	1,000	-	-
Total	\$ 5,551	\$ -	\$ -

<i>(dollars in thousands)</i>	Payment Status of Modified Loans		
	During the Past Twelve Months Ended March 31, 2025		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real Estate Mortgage	\$ 14,874	\$ -	\$ -
Production and Intermediate-Term	333	1,025	-
Total	\$ 15,207	\$ 1,025	\$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during year ended December 31, 2025 were \$893 thousand. There were no additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026.

The Association had no loans held for sale at March 31, 2026 and December 31, 2025.

Allowance for Credit Losses

The allowance for credit losses (ACL) represents the estimated current expected credit losses over the remaining contractual life of the loans measured at amortized cost and certain off-balance sheet credit exposures. The ACL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications. The Association uses a single economic scenario over a reasonable and supportable forecast period of 12 months. After the forecast period, the Association explicitly reverts to long run historical loss experience beyond the 12 months to inform the estimate of losses for the remaining contractual life of the loan portfolio. The economic forecasts are updated on a quarterly basis and incorporate macroeconomic variables such as agricultural commodity prices, unemployment rates, Gross Domestic Product (GDP) annual growth rates, government spending to GDP, real consumer spending, United States exports, inflation, and Fed Funds rates.

The credit risk rating methodology is a key component of the Association's allowance for credit losses evaluation and is generally incorporated into the Association's loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the Association to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the Association's board of directors has generally established more restrictive lending limits. This limit applies to Associations with long-term and short- and intermediate-term lending authorities.

A summary of changes in the allowance for loan losses is as follows:

<i>(dollars in thousands)</i>	Balance at December 31, 2025	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2026
Real Estate Mortgage	\$ 2,002	\$ -	\$ -	\$ 8,277	\$ 10,279
Production and Intermediate-Term	4,369	-	1	2,623	6,993
Agribusiness	1,377	-	-	252	1,629
Rural Infrastructure	738	-	-	(192)	546
Lease Receivables	200	-	-	36	236
Total	\$ 8,686	\$ -	\$ 1	\$ 10,996	\$ 19,683

<i>(dollars in thousands)</i>	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2025
Real Estate Mortgage	\$ 7,399	\$ -	\$ -	\$ (157)	\$ 7,242
Production and Intermediate-Term	15,765	-	-	1,601	17,366
Agribusiness	1,122	-	-	97	1,219
Rural Infrastructure	299	-	-	(26)	273
Lease Receivables	78	-	-	(5)	73
Total	\$ 24,663	\$ -	\$ -	\$ 1,510	\$ 26,173

The Association maintains a separate reserve for unfunded commitments, which is included in Liabilities on the Association's Consolidated Statement of Condition. The related provision for the reserve for unfunded commitments is included as part of the provision for credit losses on the Consolidated Statement of Comprehensive Income, along with the provision for loan losses. A summary of changes in the reserve for unfunded commitments follows:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31, 2026
Balance at beginning of period	\$ 2,070
Provision for reserve for unfunded commitments	1,588
Total	\$ 3,658

<i>(dollars in thousands)</i>	For the Three Months Ended March 31, 2025
Balance at beginning of period	\$ 1,932
Reversal of reserve for unfunded commitments	(79)
Total	\$ 1,853

NOTE 3 – CAPITAL

A summary of select capital ratios based on a three-month average and minimums set by the Farm Credit Administration follows.

	As of March 31, 2026	As of December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	14.23%	14.21%	4.5%	2.5%	7.0%
Tier 1 capital ratio	14.23%	14.21%	6.0%	2.5%	8.5%
Total capital ratio	14.60%	15.05%	8.0%	2.5%	10.5%
Permanent capital ratio	14.27%	14.32%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	15.27%	15.42%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	15.22%	15.37%	1.5%	-	1.5%

If capital ratios fall below the regulatory minimum plus buffer amounts, capital distributions (equity redemptions, cash dividend payments, and cash patronage payments) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

The following tables present the activity in the accumulated other comprehensive income/loss, net of tax by component:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31	
	2026	2025
Pension and other benefit plans:		
Beginning balance	\$ -	\$ 25
Amounts reclassified from accumulated other comprehensive income	-	(6)
Net current period other comprehensive income/loss	-	(6)
Ending balance	\$ -	\$ 19

The following table represents reclassifications out of accumulated other comprehensive income/loss.

<i>(dollars in thousands)</i>	Amount Reclassified from Accumulated Other Comprehensive Loss/Income		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended March 31		
	2026	2025	
Pension and other benefit plans:			
Net actuarial loss/(gain)	\$ -	\$ (6)	Salaries and employee benefits
Total reclassifications	\$ -	\$ (6)	

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 of the 2025 Annual Report to Shareholders for a more complete description.

Assets measured at fair value on a recurring basis are summarized below:

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Assets held in nonqualified benefits trusts				
March 31, 2026	\$ 329	\$ -	\$ -	\$ 329
December 31, 2025	\$ 299	\$ -	\$ -	\$ 299

The Association had no liabilities measured at fair value on a recurring basis at March 31, 2026, or December 31, 2025.

Assets measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized below:

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Loans				
March 31, 2026	\$ -	\$ -	\$ 17,686	\$ 17,686
December 31, 2025	\$ -	\$ -	\$ 22,441	\$ 22,441

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. System institutions utilize appraisals to value these loans and other property owned and considers unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

The Association had no liabilities measured at fair value on a non-recurring basis at March 31, 2026, or December 31, 2025.

Valuation Techniques

As more fully discussed in Note 2 of the 2025 Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an Association to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Assets Held in Non-Qualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Loans Evaluated for Impairment

For impaired loans measured on a non-recurring basis, the fair value is based upon the underlying collateral since the loans are collateral dependent loans. The fair value measurement process uses independent appraisals and other market-based information, but in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral, and other matters. As a result, these fair value measurements fall within Level 3 of the hierarchy. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 4, 2026 which is the date the financial statements were issued, and no material subsequent events were identified.



www.goldenstatefarmcredit.com

3013 Ceres Avenue, Chico, CA 95973
530.895.8698