FRESNO MADERA FARM CREDIT

AGRICULTURE IS OUR ONLY BUSINESS

2026 QUARTERLY REPORT

MARCH 31, 2026

MESSAGE TO SHAREHOLDERS

These consolidated financial statements reflect the status of the Fresno Madera Farm Credit, ACA and its subsidiaries at the end of the First Quarter of 2026. Results for interim periods are not necessarily indicative of results to be expected for the year. These financial statements were prepared and reviewed under the oversight of the Association's Audit Committee.

The shareholders' investment in the Association is materially affected by the financial condition and the results of the operation of CoBank. The CoBank, ACB and CoBank District quarterly and annual reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by contacting us at 4635 West Spruce, Fresno, California 93722 or by calling (559) 277-7000.

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.

May 8, 2026

Denise Waite
Denise Waite
Audit Committee Chair
Fresno Madera Farm Credit, ACA

Keith Hesterberg
Keith Hesterberg
President and Chief Executive Officer
Fresno Madera Farm Credit, ACA

Juan Garcia
Juan Garcia
Chief Financial and Assurance Officer
Fresno Madera Farm Credit, ACA

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2026 was $9.1 million, compared to $8.9 million for the same period in 2025. The 2.07% increase from the prior-year period was primarily driven by higher net interest income and noninterest income, partially offset by increases in the provision for credit losses and noninterest expense.

Net Interest Income

Net interest income increased $203 thousand to $12.3 million for the three months ended March 31, 2026 compared with the same period in 2025. The increase was driven by higher average loan volume, lower funds held expense resulting from the declining rate environment, and higher late fee income. Average loan volume during the first three months of 2026 was $1.78 billion, an increase of $129.0 million or 7.82% from $1.65 billion for the comparative period in 2025.

Noninterest Income

Noninterest income for the three months ended March 31, 2026 was $5.8 million, an increase of $926 thousand or 19.15% from the comparative period in 2025. The largest driver was a higher rebate from the Farm Credit System Insurance Corporation ("FCSIC"), totaling $885 thousand compared to $294 thousand in the prior year. The increase also reflects higher CoBank patronage driven by growth in average volume, as well as increased loan fee income, largely attributable to higher unused commitment fees associated with expansion of the capital markets portfolio.

Provision for Credit Losses

The Association monitors its loan portfolio on a regular basis to determine whether adjustments to the allowance for credit losses are warranted based on estimated credit losses over the remaining expected life of loans. The Association recorded a provision for credit loss for the three months ended March 31, 2026 of $729 thousand compared to a credit loss reversal of $49 thousand during the comparative period in 2025. The increase in the provision is the result of charge-offs tied to two loan complexes moving to nonaccrual, as well as higher specific reserves on individually evaluated loans.

Noninterest Expense

Noninterest expenses for the three months ended March 31, 2026 increased $165 thousand or 2.04%, to $8.2 million compared to the same period in the prior year. The increase was primarily driven by higher technology expenses, FCSIC premiums, and purchased services. Information technology expenses increased due to planned service charge increases from the Association's technology provider, coupled with higher software licensing fees. FCSIC premiums increased largely due to higher insurance costs associated with growth in average loan volume. The increase in purchased services was primarily attributable to the timing of audit-related fees.

LOAN PORTFOLIO

Loan volume outstanding at March 31, 2026 was $1.79 billion, a decrease of $13.6 million from total loan volume of $1.80 billion at December 31, 2025. The slight decrease reflects seasonal patterns, as borrowers applied operating proceeds to reduce outstanding balances ahead of the new crop cycle. This decline was partially offset by growth in the Association's cooperative loans portfolio, driven by increased utilization of revolving lines of credit within the farm supply and dairy segments.

Allowance for Credit Losses

As of March 31, 2026, the Association's allowance for credit losses was $5.5 million, an increase of $187 thousand from December 31, 2025. Allowance as a percentage of loans was 0.31% and 0.29% as of March 31, 2026 and December 31, 2025, respectively. Our allowance for credit losses increased slightly, mainly due to higher specific reserves on individually evaluated loans.

CAPITAL RESOURCES

The Association continues to have a sound capital position and exceed all regulatory and board minimums. Members' equity at March 31, 2026 was $352.9 million representing an increase of $9.2 million or 2.67% from December 31, 2025. The increase in Members' equity is attributed to the Association's net operating results.

For additional information, please refer to the "Notes to Consolidated Financial Statements" and the Association's 2025 Annual Report to Shareholders.

CONSOLIDATED STATEMENTS OF CONDITION

Dollars in thousands

	March 31, 2026 Unaudited	December 31, 2025 Audited
ASSETS		
Loans	$ 1,786,557	$ 1,800,159
Less: allowance for credit losses	5,466	5,279
Net loans	1,781,091	1,794,880
Cash	19	4,876
Accrued interest receivable	22,660	37,393
Investment in CoBank, ACB	47,851	47,317
Premises and equipment, net	8,830	8,986
Other assets	14,720	21,318
Total assets	$ 1,875,171	$ 1,914,770
LIABILITIES		
Note payable to CoBank, ACB	$ 1,445,586	$ 1,485,084
Funds held	64,911	60,150
Accrued interest payable	4,526	4,947
Patronage distributions payable	2,258	15,101
Reserve for unfunded commitments	355	266
Other liabilities	4,591	5,467
Total liabilities	1,522,227	1,571,015
MEMBERS' EQUITY		
Capital stock and participation certificates	702	708
Unallocated retained earnings	352,703	343,642
Accumulated other comprehensive loss	(461)	(595)
Total members' equity	352,944	343,755
Total liabilities and members' equity	$ 1,875,171	$ 1,914,770

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

CONSOLIDATED STATEMENTS OF INCOME

Dollars in thousands

	For the three months ended March 31	
	2026	2025
	Unaudited	Unaudited
INTEREST INCOME		
Loans	$ 27,266	$ 27,857
INTEREST EXPENSE		
Note payable to CoBank, ACB	14,449	14,891
Funds held	540	892
Total interest expense	14,989	15,783
Net interest income	12,277	12,074
Provision for credit losses (credit loss reversal)	729	(49)
Net interest income after provision for credit losses (credit loss reversal)	11,548	12,123
NONINTEREST INCOME		
Patronage distribution from Farm Credit institutions	4,408	4,227
Farm Credit Insurance Fund rebate	885	294
Loan fees	339	218
Financially related services income	61	48
Other noninterest income	69	49
Total noninterest income	5,762	4,836
NONINTEREST EXPENSE		
Salaries and employee benefits	4,821	4,841
Information technology	1,663	1,592
Farm Credit Insurance Fund premium	349	316
Occupancy and equipment	272	245
Supervisory and examination costs	163	152
Other noninterest expense	979	936
Total noninterest expense	8,247	8,082
Income before income taxes	9,063	8,877
Provision for income taxes	2	-
Net income	9,061	8,877
OTHER COMPREHENSIVE INCOME		
Amortization of retirement costs	134	-
Total comprehensive income	$ 9,195	$ 8,877

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Dollars in thousands

	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Members' Equity
Balance at December 31, 2024	$ 703	$ 330,584	$ -	$ 331,287
Net income		8,877		8,877
Capital stock and participation certificates issued	11			11
Capital stock and participation certificates retired	(14)			(14)
Balance at March 31, 2025	$ 700	$ 339,461	$ -	$ 340,161
Balance at December 31, 2025	$ 708	$ 343,642	$ (595)	$ 343,755
Comprehensive income:				
Net income		9,061		9,061
Change in retirement obligation			134	134
Capital stock and participation certificates issued	14			14
Capital stock and participation certificates retired	(20)			(20)
Balance at March 31, 2026	$ 702	$ 352,703	$ (461)	$ 352,944

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollars in thousands, except as noted (Unaudited)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Fresno Madera Farm Credit, ACA (ACA) and subsidiaries, Fresno Madera Federal Land Bank Association, FLCA (FLCA) and Fresno Madera Production Credit Association, (PCA) (collectively, 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 consolidated financial statements should be read in conjunction with the 2025 Annual Report to Shareholders.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (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, the unaudited financial information is complete and reflects, all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. 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.

Recently Adopted or Issued Accounting Pronouncements

In December 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements. The update provides narrow-scope improvements to interim reporting guidance (ASC 270) to enhance clarity, navigability, and completeness of interim financial statements and disclosures, without fundamentally changing reporting requirements. Key changes include clarifying who is subject to ASC 270, adding comprehensive lists of required disclosures from other Codification topics, and establishing a principle to disclose events that have a material impact on the entity since the end of the last annual reporting period. The standard is effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027, and for other entities after December 15, 2028, with early adoption permitted. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

In November 2025, the FASB issued 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 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.

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 (a) capitalization occurs when management has authorized and committed to funding, and (b) 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 evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

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 all entities with a practical expedient, would allow 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 amendments also provide entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. The adoption had no impact on the Association's financial condition, results of operations, or cash flows.

In November 2024, the FASB issued ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
- Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association is currently evaluating the potential impact of adoption on the Association's financial condition, results of operations, and cash flows.

Dollars in thousands, except as noted (unaudited)

2. LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

	March 31, 2026	December 31, 2025
Real estate mortgage	$ 1,026,573	$ 1,042,216
Agribusiness	380,491	367,828
Production and intermediate-term	278,594	289,247
Energy	46,508	44,932
Communications	40,730	41,516
Lease receivables	13,661	14,420
Total	$ 1,786,557	$ 1,800,159

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

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 229,988	$ 228,002	$ -	$ -	$ 229,988	$ 228,002
Agribusiness	344,360	94,940	11,036	-	355,396	94,940
Production and intermediate-term	10,351	246,367	-	-	10,351	246,367
Energy	46,508	-	-	-	46,508	-
Communications	40,732	-	-	-	40,732	-
Lease receivables	13,661	-	-	-	13,661	-
Total	$ 685,600	$ 569,309	$ 11,036	$ -	$ 696,636	$ 569,309

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 the 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 association 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, and
- Loss – assets are considered uncollectible.

Dollars in thousands, except as noted (unaudited)

The following table presents credit quality indicators by loan type and the related principal balance as of March 31, 2026:

	Term Loans Amortized Cost by Origination Year							
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 26,908	$ 81,206	$ 76,243	$ 52,255	$ 88,433	$ 415,137	$ 185,929	$ 926,111
OAEM	-	7,041	-	7,905	10,878	13,434	1,380	40,638
Substandard	9	35	3,265	2,144	9,181	41,860	3,330	59,824
Total	26,917	88,282	79,508	62,304	108,492	470,431	190,639	1,026,573
Gross charge-offs	-	-	-	-	120	446	-	566
Agribusiness								
Acceptable	3,263	67,173	28,372	33,222	32,936	66,343	114,628	345,937
OAEM	-	-	3,932	-	2,538	6,064	12,154	24,688
Substandard	1,309	245	1,853	920	-	-	5,539	9,866
Total	4,572	67,418	34,157	34,142	35,474	72,407	132,321	380,491
Production and intermediate-term								
Acceptable	2,412	22,693	2,830	8,209	3,346	5,459	158,855	203,804
OAEM	9,972	2,516	176	-	-	218	10,921	23,803
Substandard	2,685	31,960	4,197	-	-	-	12,145	50,987
Total	15,069	57,169	7,203	8,209	3,346	5,677	181,921	278,594
Gross charge-offs	-	44	-	-	-	-	-	44
Energy								
Acceptable	-	13,281	-	6,759	10,842	-	9,296	40,178
OAEM	-	-	-	6,330	-	-	-	6,330
Total	-	13,281	-	13,089	10,842	-	9,296	46,508
Communications								
Acceptable	-	15,732	14,311	4,989	-	-	685	35,717
Substandard	-	-	-	5,013	-	-	-	5,013
Total	-	15,732	14,311	10,002	-	-	685	40,730
Lease receivables								
Acceptable	-	2,157	273	791	4,465	3,358	-	11,044
OAEM	-	-	2,596	-	-	21	-	2,617
Total	-	2,157	2,869	791	4,465	3,379	-	13,661
Total loans	$ 46,558	$ 244,039	$ 138,048	$ 128,537	$ 162,619	$ 551,894	$ 514,862	$ 1,786,557
Total gross charge-offs	$ -	$ 44	$ -	$ -	$ 120	$ 446	$ -	$ 610

Dollars in thousands, except as noted (unaudited)

The following table presents credit quality indicators by loan type and the related principal balance as of December 31, 2025:

	Term Loans Amortized Cost by Origination Year							
	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real estate mortgage								
Acceptable	$ 62,996	$ 76,958	$ 53,775	$ 93,500	$ 136,648	$ 294,942	$ 222,212	$ 941,031
OAEM	7,883	-	7,930	11,155	3,286	13,294	1,406	44,954
Substandard	36	3,353	2,144	10,093	2,809	35,315	2,481	56,231
Total	70,915	80,311	63,849	114,748	142,743	343,551	226,099	1,042,216
Gross charge-offs	-	-	-	62	-	106	-	168
Agribusiness								
Acceptable	74,713	28,179	33,318	31,804	21,395	52,224	96,999	338,632
OAEM	-	5,819	-	2,631	657	5,535	7,307	21,949
Substandard	245	-	919	-	2,532	-	3,551	7,247
Total	74,958	33,998	34,237	34,435	24,584	57,759	107,857	367,828
Production and intermediate-term								
Acceptable	22,144	7,499	2,572	3,408	2,275	4,934	177,714	220,546
OAEM	14,519	263	-	621	218	1,080	16,395	33,096
Substandard	24,265	5,608	188	-	-	50	5,494	35,605
Total	60,928	13,370	2,760	4,029	2,493	6,064	199,603	289,247
Gross charge-offs	-	167	-	-	-	-	-	167
Energy								
Acceptable	11,859	-	13,181	10,886	-	-	9,006	44,932
Total	11,859	-	13,181	10,886	-	-	9,006	44,932
Communications								
Acceptable	14,844	17,747	3,922	-	-	-	6	36,519
Substandard	-	-	4,997	-	-	-	-	4,997
Total	14,844	17,747	8,919	-	-	-	6	41,516
Lease receivables								
Acceptable	2,228	280	804	4,644	374	3,369	-	11,699
OAEM	-	2,697	-	-	-	24	-	2,721
Total	2,228	2,977	804	4,644	374	3,393	-	14,420
Total loans	$ 235,732	$ 148,403	$ 123,750	$ 168,742	$ 170,194	$ 410,767	$ 542,571	$ 1,800,159
Total gross charge-offs	$ -	$ 167	$ -	$ 62	$ -	$ 106	$ -	$ 335

Dollars in thousands, except as noted (unaudited)

The following table shows loans under the Farm Credit Administration Uniform Classification System as a percentage of total loans by loan type as of March 31, 2026, and December 31, 2025:

March 31, 2026	Acceptable	OAEM	Substandard	Total
Real estate mortgage	90.21%	3.96%	5.83%	100.00%
Agribusiness	90.92%	6.49%	2.59%	100.00%
Production and intermediate-term	73.16%	8.54%	18.30%	100.00%
Energy	86.39%	13.61%	0.00%	100.00%
Communications	87.69%	0.00%	12.31%	100.00%
Lease receivables	80.84%	19.16%	0.00%	100.00%
Total loans	87.47%	5.49%	7.04%	100.00%

December 31, 2025	Acceptable	OAEM	Substandard	Total
Real estate mortgage	90.29%	4.31%	5.40%	100.00%
Agribusiness	92.06%	5.97%	1.97%	100.00%
Production and intermediate-term	76.25%	11.44%	12.31%	100.00%
Energy	100.00%	0.00%	0.00%	100.00%
Communications	87.96%	0.00%	12.04%	100.00%
Lease receivables	81.13%	18.87%	0.00%	100.00%
Total loans	88.51%	5.71%	5.78%	100.00%

Accrued interest receivable on loans of $22.7 million and $37.4 million at March 31, 2026 and December 31, 2025, respectively, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The entity wrote off accrued interest receivable of $131 and $18 for the three months ended March 31, 2026, and 2025, respectively.

The following table reflects nonperforming assets, which consist of nonaccrual loans, accruing loans 90 days or more past due and other property owned and related credit quality statistics:

	March 31, 2026	December 31, 2025
Nonaccrual loans:		
Real estate mortgage	$ 20,063	$ 15,906
Agribusiness	1,523	1,523
Production and intermediate-term	1,855	411
Communications	5,016	5,000
Total nonaccrual loans	28,457	22,840
Accruing loans 90 days or more past due	2,952	-
Total nonperforming loans	31,409	22,840
Other property owned	-	-
Total nonperforming assets	$ 31,409	$ 22,840
Nonaccrual loans as a percentage of total loans	1.59%	1.27%
Nonperforming assets as a percentage of total loans	1.76%	1.27%
Nonperforming assets as a percentage of total members' equity	8.90%	6.64%

Dollars in thousands, except as noted (unaudited)

The following table provides the amortized cost for nonaccrual loans with and without a related allowance for credit losses, as well as interest income recognized on nonaccrual during the period:

	March 31, 2026			Interest Income Recognized
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended March 31, 2026
Nonaccrual loans:				
Real estate mortgage	$ 2,106	$ 17,957	$ 20,063	$ 19
Agribusiness	-	1,523	1,523	-
Production and intermediate-term	-	1,855	1,855	78
Communications	5,016	-	5,016	-
Total nonaccrual loans	$ 7,122	$ 21,335	$ 28,457	$ 97

	December 31, 2025			Interest Income Recognized
	Amortized Cost with Related Allowance	Amortized Cost without Related Allowance	Total	For the Three Months Ended March 31, 2025
Nonaccrual loans:				
Real estate mortgage	$ 2,106	$ 13,800	$ 15,906	$ 120
Agribusiness	-	1,523	1,523	8
Production and intermediate-term	-	411	411	4
Communications	5,000	-	5,000	-
Lease receivables	-	-	-	31
Total nonaccrual loans	$ 7,106	$ 15,734	$ 22,840	$ 163

The following tables provide an aging analysis of past due loans at amortized cost by portfolio segment as of:

March 31, 2026	Current Loans	30-89 Days Past Due	90 Days or More Past Due	Total Loans Outstanding	Accrual Loans 90 Days or More Past Due
Real estate mortgage	$ 1,003,733	$ 6,624	$ 16,216	$ 1,026,573	$ 1,194
Agribusiness	377,761	1,810	920	380,491	-
Production and intermediate-term	270,771	5,913	1,910	278,594	1,758
Energy	46,508	-	-	46,508	-
Communications	38,212	2,518	-	40,730	-
Lease receivables	13,185	476	-	13,661	-
Total	$ 1,750,170	$ 17,341	$ 19,046	$ 1,786,557	$ 2,952

December 31, 2025	Current Loans	30-89 Days Past Due	90 Days or More Past Due	Total Loans Outstanding	Accrual Loans 90 Days or More Past Due
Real estate mortgage	$ 1,017,851	$ 8,640	$ 15,725	$ 1,042,216	$ -
Agribusiness	365,438	2,391	-	367,829	-
Production and intermediate-term	276,168	12,668	411	289,247	-
Energy	44,932	-	-	44,932	-
Communications	39,006	-	2,510	41,516	-
Lease receivables	14,419	-	-	14,419	-
Total	$ 1,757,814	$ 23,699	$ 18,646	$ 1,800,159	$ -

Dollars in thousands, except as noted (unaudited)

Loan Modifications to Borrowers Experiencing Financial Difficulties

The following table shows the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted.

	For the Three Months Ended March 31, 2026				For the Three Months Ended March 31, 2025		
	Payment Extension	Term Extension	Total	Modification as a Percentage of Loan Type	Payment Extension	Total	Modification as a Percentage of Loan Type
Real estate mortgage	$ 2,138	$ -	$ 2,138	0.21%	$ 645	$ 645	0.07%
Production and intermediate-term	-	8,510	8,510	3.05%	-	-	0.00%
Total	$ 2,138	$ 8,510	$ 10,648	0.60%	$ 645	$ 645	0.04%

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty as of the three months ended March 31, 2026, and 2025 were $398 and $75, respectively.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2026, and 2025:

	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)	Weighted Average Term Extension (days)	Weighted Average Payment Extension (days)
Real estate mortgage	-	318	-	365
Production and intermediate-term	278	-	-	-

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2026, and received a modification in the twelve months before default. There were no such defaults during the three months ended March 31, 2025:

	Modified Loans that Subsequently Defaulted During the Three Months Ended March 31, 2026	
	Payment Extension	Term Extension
Real estate mortgage	$ 2,802	$ -
Production and intermediate-term	-	588
Total	$ 2,802	$ 588

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2026:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$ 2,137	$ 2,802	$ -
Production and intermediate-term	22,109	588	-
Total	$ 24,246	$ 3,390	$ -

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the twelve months prior to March 31, 2025:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$ 14,728	$ -	$ -
Agribusiness	2,079	-	-
Total	$ 16,807	$ -	$ -

Dollars in thousands, except as noted (unaudited)

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2026 were $0 and during the year ended December 31, 2025 were $348.

Allowance for Credit Losses

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. By regulation, loan commitments to one borrower cannot be more than 15% of our regulatory capital. To further mitigate loan concentration risks, we have established internal lending limits that are below the regulatory requirements that are based on the risk associated with individual borrowers.

A summary of changes in the allowance for credit losses by portfolio segment are as follows:

	Real Estate Mortgage	Agribusiness	Production & Intermediate-Term	Energy	Communications	Lease Receivables	Total
Allowance for credit losses:							
Balance at December 31, 2025	$ 822	$ 1,970	$ 377	$ 124	$ 1,850	$ 136	$ 5,279
Charge-offs	(566)	-	(44)	-	-	-	(610)
Recoveries	-	-	68	-	-	-	68
Provision for credit losses (credit loss reversal)	890	(272)	128	(14)	(1)	(2)	729
Balance a March 31, 2026	$ 1,146	$ 1,698	$ 529	$ 110	$ 1,849	$ 134	$ 5,466
Reserve for unfunded commitments:							
Balance at December 31, 2025	$ 14	$ 185	$ 35	$ 12	$ 17	$ 3	$ 266
Provision for credit losses (credit loss reversal)	4	(39)	121	(6)	9	-	89
Balance at March 31, 2026	$ 18	$ 146	$ 156	$ 6	$ 26	$ 3	$ 355
Total allowance for credit losses	$ 1,164	$ 1,844	$ 685	$ 116	$ 1,875	$ 137	$ 5,821
Allowance for credit losses:							
Balance at December 31, 2024	$ 682	$ 1,582	$ 588	$ 46	$ 49	$ 454	$ 3,401
Charge-offs	(62)	-	-	-	-	-	(62)
Recoveries	-	-	-	-	-	6	6
(Credit loss reversal) provision for credit losses	93	(200)	166	92	6	(206)	(49)
Balance a March 31, 2025	$ 713	$ 1,382	$ 754	$ 138	$ 55	$ 254	$ 3,296
Reserve for unfunded commitments:							
Balance at December 31, 2024	$ 23	$ 84	$ 41	$ -	$ 11	$ -	$ 159
Provision for credit losses (credit loss reversal)	(10)	43	54	8	(1)	-	94
Balance at March 31, 2025	$ 13	$ 127	$ 95	$ 8	$ 10	$ -	$ 253
Total allowance for credit losses	$ 726	$ 1,509	$ 849	$ 146	$ 65	$ 254	$ 3,549

3. CAPITAL

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

	March 31, 2026	December 31, 2025	Regulatory Minimums	Capital Conservation Buffer	Total
Risk adjusted:					
Common equity tier 1 (CET1) capital ratio	14.51%	14.64%	4.50%	2.50%	7.00%
Tier 1 capital ratio	14.51%	14.64%	6.00%	2.50%	8.50%
Total capital ratio	14.77%	14.88%	8.00%	2.50%	10.50%
Permanent capital ratio	14.54%	14.67%	7.00%	-	7.00%
Non-risk-adjusted:					
Tier 1 leverage ratio	16.61%	16.70%	4.00%	1.00%	5.00%
Unallocated retained earnings (URE) and URE equivalents (UREE) leverage ratio	16.58%	16.66%	1.50%	-	1.50%

Dollars in thousands, except as noted (unaudited)

The Association reports accumulated other comprehensive loss as a component of total members' equity. The following table presents the activity in the accumulated other comprehensive loss by component as of March 31, 2026:

	Accumulated Other Comprehensive (Loss) Income
Pension and other benefit plans:	
Balance at December 31, 2025	$ (595)
Amounts reclassified from accumulated other comprehensive income	134
Balance at March 31, 2026	$ (461)

The Association had no activity to report in accumulated other comprehensive loss as of March 31, 2025.

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. Refer to Note 2 in the 2025 Annual Report to Shareholders for a more complete description. The Association had no assets or liabilities measured at fair value on a recurring basis at March 31, 2026 or December 31, 2025.

Assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Total Fair Value - Level 3	
	March 31, 2026	December 31, 2025
Assets:		
Impaired loans	$ 4,789	$ -

With regard to nonrecurring measurements for impaired loans, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals to value these loans and take into account unobservable inputs such as, income and expense, comparable sales, replacement cost and comparability adjustments.

Valuation Techniques

As more fully discussed in Note 2 of the 2025 Annual Report to Shareholders, the FASB guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a brief summary of the valuation techniques used by the Association for assets and liabilities measured at fair value. For a more complete description, see Notes to the 2025 Annual Report to Shareholders.

Loans Evaluated for Impairment: For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying collateral since the loans are collateral-dependent loans for which real estate is the collateral. 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, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 8, 2026, which is the date the consolidated financial statements were issued, and no material subsequent events were identified.

FRESNO MADERA
FARM CREDIT