

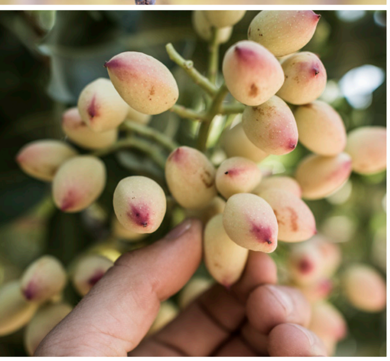


Fresno Madera Farm Credit

Agriculture is Our Only Business

2017
THIRD QUARTER FINANCIAL STATEMENTS

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FRESNO MADERA FARM CREDIT, ACA

2017 THIRD QUARTER FINANCIAL STATEMENTS

MESSAGE TO SHAREHOLDERS

November 9, 2017

Dear Member:

These consolidated financial statements reflect the status of the Fresno Madera Farm Credit, ACA and its subsidiaries at the end of the Third Quarter of 2017. 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 W. Spruce, P.O. Box 13069, Fresno, California 93794-3069 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.

Sincerely,

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

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

Joe Soto
Senior Vice President and Chief Financial Officer
Fresno Madera Farm Credit, ACA
Fresno Madera PCA, FLCA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in thousands, except as noted)

RESULTS OF OPERATIONS

Net income for the nine months ended September 30, 2017 was $16.1 million compared to $16.3 million from the comparative period in 2016 representing a decrease of $269 or 1.6%. Our earnings primarily reflect higher net interest income and patronage distribution income, offset by an increase in our provision for loan losses and noninterest expense.

Net interest income increased $790 to $21.7 million for the nine months ended September 30, 2017 from the comparative period in 2016 due to earnings associated with our invested capital impacted by increased interest rates.

Noninterest income for the nine months ended September 30, 2017 was $5.1 million which is an increase of $240 or 5% from the comparative period in 2016. Noninterest income is primarily comprised of patronage distributions which reflect patronage income on direct borrowings from CoBank as well as participations purchased activity with CoBank and other Farm Credit Associations. Patronage income increased due to an increase in average volume outstanding compared to 2016.

The provision for loan losses for the nine months ended September 30, 2017 was $362 compared to a loan loss reversal of $515 in the comparative period in 2016. The provision is primarily due to an increase in our allowance for loan losses as a result of a slight increase in loan downgrades including some revisions to stress factors in our management allowance related to underlying risk noted in select commodities. The loan loss reversal in prior year was primarily the result of loan loss recoveries and decrease in impaired loans from principal paydowns in 2016.

Noninterest expenses for the nine months ended September 30, 2017 increased $422, or 4%, to $10.4 million compared to the same period in the prior year primarily due to technology related expenses. In August 2017, the Association executed an agreement with Farm Credit Financial Partners, Inc. (FPI) to transition its technology services from its current technology provider AgVantis to FPI and is currently targeting to go-live by October 8, 2018. Of the $201 increase in information technology (IT) expenses from prior period, $95 is due to IT conversion related expenses while $98 stems from our transition from an internally staffed IT department to the use of an outside firm to support our IT systems. Included in other noninterest expense is an increase of $186 for project management services related to the technology conversion.

LOAN PORTFOLIO

Loan volume outstanding at September 30, 2017 was $1,052 million, a decrease of $5 million from total loan volume at December 31, 2016 of $1,057 million. Overall the decrease in loan volume resulted primarily from decreases in real estate mortgage loans as a result of borrowers' seasonal repayment activity of revolving equity lines of credit particularly within our Vegetable & Melons, Tree fruit, and Almond segments. This was partially offset by increased utilization in the wine & table grape and raisin segments of our production and intermediate-term loan portfolio.

As of September 30, 2017, the allowance for loan losses was $6.1 million, an increase of $330 from December 31, 2016, with the allowance as a percentage of loans at 0.58%. The increase in allowance for loan losses is primarily due to revised stress factors in our portfolio.

CAPITAL RESOURCES

The Association continues to have a sound capital position with a total regulatory capital ratio of 18.78% compared to the minimum of 15.50% established by the board of directors. Members' equity at September 30, 2017 was $263.8 million representing an increase of $16.1 million or 6% from December 31, 2016. 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 2016 Annual Report.

REGULATORY MATTERS

On March 10, 2016, the FCA approved new rules ("New Capital Regulations") relating to regulatory capital requirements for System Banks, including CoBank and Associations. The New Capital Regulations became effective January 1, 2017. The stated objectives of the New Capital Regulations are as follows:

- To modernize capital requirements while ensuring that System institutions continue to hold sufficient regulatory capital to fulfill the System's mission as a government sponsored enterprise;
- To ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal banking regulatory agencies have adopted, but also to ensure that the rules recognize the cooperative structure and the organization of the System;
- To make System regulatory capital requirements more transparent; and
- To meet certain requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").

The New Capital Regulations, among other things, replace existing core surplus and total surplus requirements with common equity tier 1 ("CET1"), tier 1 and total capital (tier 1 plus tier 2) risk-based capital ratio requirements. The New Capital Regulations also add a tier 1 leverage ratio for all System institutions, which replaces the existing net collateral ratio for System Banks. In addition, the New Capital Regulations establish a capital conservation buffer and a leverage buffer; enhance the sensitivity of risk weightings; and, for System Banks only, require additional public disclosures. The revisions to the risk weightings include alternatives to the use of credit ratings, as required by the Dodd-Frank Act.

The New Capital Regulations set the following minimum risk-based requirements:

- A CET1 capital ratio of 4.5 percent;
- A tier 1 capital ratio (CET1 capital plus additional tier 1 capital) of 6 percent; and
- A total capital ratio (tier 1 plus tier 2) of 8 percent.

The New Capital Regulations also set a minimum tier 1 leverage ratio (tier 1 divided by total assets) of 4 percent, of which at least 1.5 percent must consist of unallocated retained earnings ("URE") and URE equivalents, which are nonqualified allocated equities with certain characteristics of URE.

The New Capital Regulations establish a capital cushion (capital conservation buffer) of 2.5 percent above the risk-based CET1, tier 1 and total capital requirements. In addition, the New Capital Regulations establish a leverage capital cushion (leverage buffer) of 1 percent above the tier 1 leverage ratio requirements. 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 New Capital Regulations establish a three-year phase-in of the capital conservation buffer, which began on January 1, 2017. There will be no phase-in of the leverage buffer.

Refer to Note 3 of the accompanying Consolidated Financial Statements for additional detail regarding the capital ratios as of September 30, 2017.

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

	September 30 2017	December 31 2016
	UNAUDITED	AUDITED
ASSETS		
Loans	**$ 1,051,928**	$ 1,056,746
Less allowance for loan losses	**6,110**	5,780
Net loans	**1,045,818**	1,050,966
Cash	**2,329**	15,793
Accrued interest receivable	**17,711**	11,183
Investment in CoBank, ACB	**31,896**	31,539
Premises and equipment, net	**4,282**	4,239
Other assets	**6,982**	8,432
Total assets	**$ 1,109,018**	$ 1,122,152
LIABILITIES		
Note payable to CoBank, ACB	**$ 777,355**	$ 788,651
Funds held	**62,968**	70,738
Accrued interest payable	**1,117**	962
Patronage distributions payable	**53**	9,251
Other liabilities	**3,738**	4,819
Total liabilities	**845,231**	874,421
MEMBERS' EQUITY		
Capital stock and participation certificates	**747**	757
Unallocated retained earnings	**263,040**	246,974
Total members' equity	**263,787**	247,731
Total liabilities and members' equity	**$ 1,109,018**	$ 1,122,152

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

CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands)

	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	**2017**	2016
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
INTEREST INCOME				
Loans	**$ 11,036**	$ 9,513	**$ 30,758**	$ 27,463
INTEREST EXPENSE				
Note payable to CoBank, ACB	**3,389**	2,058	**8,623**	6,115
Funds held	**176**	162	**434**	437
Total interest expense	**3,565**	2,220	**9,057**	6,552
Net interest income	**7,471**	7,293	**21,701**	20,911
Provision for Loan Losses (Loan loss reversal)	**123**	(110)	**362**	(515)
Net interest income after provision for loan losses	**7,348**	7,403	**21,339**	21,426
NONINTEREST INCOME				
Patronage distribution from Farm Credit Institutions	**1,328**	1,251	**4,628**	3,927
Financially related services income	**89**	96	**229**	256
Loan fees	**82**	79	**226**	279
Other noninterest income	**4**	12	**62**	443
Total noninterest income	**1,503**	1,438	**5,145**	4,905
NONINTEREST EXPENSE				
Salaries and employee benefits	**1,944**	2,007	**5,848**	5,904
Occupancy and equipment	**115**	150	**341**	385
Farm Credit Insurance Fund premium	**281**	345	**814**	915
Information technology	**463**	356	**1,266**	1,065
Supervisory and examination costs	**88**	91	**304**	274
Other noninterest expense	**688**	473	**1,843**	1,451
Total noninterest expense	**3,579**	3,422	**10,416**	9,994
Income before income taxes	**5,272**	5,419	**16,068**	16,337
(Benefit from) Provision for income taxes	**-**	(9)	**2**	2
Net income	**$ 5,272**	$ 5,428	**$ 16,066**	$ 16,335

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(Dollars in thousands)

UNAUDITED	Capital Stock and Participation Certificates	Unallocated Retained Earnings	Total Members' Equity
Balance at December 31, 2015	$ 763	$ 235,848	$ 236,611
Net income		16,335	16,335
Capital stock and participation certificates issued	50		50
Capital stock and participation certificates retired	(53)		(53)
Balance at September 30, 2016	**$ 760**	**$ 252,183**	**$ 252,943**
Balance at December 31, 2016	$ 757	$ 246,974	$ 247,731
Net income		16,066	16,066
Capital stock and participation certificates issued	43		43
Capital stock and participation certificates retired	(53)		(53)
Balance at September 30, 2017	**$ 747**	**$ 263,040**	**$ 263,787**

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, 2016 are contained in the 2016 Annual Report to Shareholders. These unaudited third quarter 2017 financial statements should be read in conjunction with the 2016 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2016 as contained in the 2016 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, 2017. Descriptions of the significant accounting policies are included in the 2016 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.

In August 2016, the Financial Accounting Standards Board (FASB) issued guidance entitled "Classification of Certain Cash Receipts and Cash Payments." The guidance addresses specific cash flow issues with the objective of reducing the diversity in the classification of these cash flows. Included in the cash flow issues are debt prepayment or debt extinguishment costs and settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing. This guidance becomes effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance is not expected to impact the Association's financial condition or its results of operations but could change the classification of certain items in the statement of cash flows.

In June 2016, the FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance becomes effective for interim and annual periods beginning after December 15, 2020, with early application permitted. The Association is evaluating the impact of adoption on its financial condition and results of operations.

In February 2016, the FASB issued guidance entitled "Leases." The guidance requires the recognition by lessees of lease assets and lease liabilities on the balance sheet for the rights and obligations created by those leases. This guidance becomes effective for interim and annual periods beginning after December 15, 2018, with early application permitted. The Association is evaluating the impact of adoption on its financial condition and results of operations.

(Dollars in thousands, except as noted)

In May 2014, the FASB issued guidance entitled, "Revenue from Contracts with Customers." The guidance governs revenue recognition from contracts with customers and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Financial instruments and other contractual rights within the scope of other guidance issued by the FASB are excluded from the scope of this new revenue recognition guidance. In this regard, a majority of the Association's contracts would be excluded from the scope of this new guidance. In August 2015, the FASB issued an update that defers this guidance by one year which results in the new revenue standard becoming effective for interim and annual reporting periods beginning after December 15, 2017. The Association is in the process of reviewing contracts to determine the effect, if any, on the Association's financial condition or its results of operations.

Certain amounts in the prior period financial statements have been reclassified to conform to current financial statement presentation.

2. Loans and Allowance for Loan Losses

A summary of loans follows:

	September 30, 2017	December 31, 2016
Real estate mortgage	**$ 671,786**	$ 684,815
Production and intermediate-term	**202,757**	193,562
Agribusiness:		
Cooperatives	**66,732**	67,084
Processing and marketing	**83,245**	81,272
Farm-related business	**764**	1,295
Energy	**-**	1,385
Lease receivables	**26,644**	27,333
Total loans	**$ 1,051,928**	$ 1,056,746

Unamortized deferred loan fees and costs totaled $4.5 million and $4.7 million as of September 30, 2017 and December 31, 2016, respectively.

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 September 30, 2017:

	Other Farm Credit Institutions		**Non-Farm Credit Institutions**		**Total**	
	Purchased	**Sold**	**Purchased**	**Sold**	**Purchased**	**Sold**
Real estate mortgage	$ 61,239	$ 177,462	$ 1,995	$ -	$ 63,234	$ 177,462
Production and intermediate-term	15,805	91,309	-	-	15,805	91,309
Agribusiness	120,240	54,443	-	-	120,240	54,443
Lease receivables	26,644	-	-	-	26,644	-
Total loans	**$ 223,928**	**$ 323,214**	**$ 1,995**	**$ -**	**$ 225,923**	**$ 323,214**

(Dollars in thousands, except as noted)

The following table shows loan and related accrued interest classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	September 30, 2017	December 31, 2016
Real estate mortgage		
Acceptable	**98.33%**	99.65%
OAEM	**1.48%**	0.30%
Substandard	**0.19%**	0.05%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**91.91%**	98.24%
OAEM	**7.74%**	1.76%
Substandard	**0.35%**	0.00%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**98.11%**	99.99%
OAEM	**1.89%**	0.00%
Substandard	**0.00%**	0.01%
Total	**100.00%**	100.00%
Energy		
Acceptable	**-**	100.00%
Total	**-**	100.00%
Lease receivables		
Acceptable	**99.86%**	99.99%
OAEM	**0.14%**	0.01%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**97.11%**	99.45%
OAEM	**2.70%**	0.51%
Substandard	**0.19%**	0.04%
Total	**100.00%**	100.00%

High risk assets consist of impaired loans and other property owned. These nonperforming assets (including related accrued interest) and related credit quality are as follows:

	September 30, 2017	December 31, 2016
Nonaccrual loans:		
Real estate mortgage	**$ 7**	$ 13
Production and intermediate-term	**119**	-
Agribusiness	**-**	18
Total non-accrual loans	**126**	31
Accruing restructured loans	**-**	-
Accruing loans 90 days past due	**-**	-
Other property owned	**-**	-
Total high risk assets	**$ 126**	$ 31

(Dollars in thousands, except as noted)

Additional impaired loan information is as follows:

	September 30, 2017			December 31, 2016		
	Carrying Value	Unpaid Principal Balance	Related Allowance	Carrying Value	Unpaid Principal Balance	Related Allowance
Impaired loans with a related allowance for credit losses:						
Agribusiness						
Process and marketing	$ -	$ -	$ -	$ 18	$ 824	$ 18
Total	$ -	$ -	$ -	$ 18	$ 824	$ 18
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	$ 7	$ 35	$ -	$ 13	$ 38	$ -
Production and intermediate-term	119	119	-	-	-	-
Total	$ 126	$ 154	$ -	$ 13	$ 38	$ -
Total impaired loans	$ 126	$ 154	$ -	$ 31	$ 862	$ 18

The increase in impaired loans during the nine months ended September 30, 2017 is primarily due to the transfer of one commercial loan to nonaccrual status in the third quarter.

	For the Three Months Ended			
	September 30, 2017		September 30, 2016	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Agribusiness				
Process and marketing	$ -	$ -	$ 439	$ -
Total with related allowance	-	-	439	-
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	8	-	16	-
Production and intermediate-term	5	-	-	-
Total with no related allowance	13	-	16	-
Total impaired loans	$ 13	$ -	$ 455	$ -

	For the Nine Months Ended			
	September 30, 2017		September 30, 2016	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Agribusiness				
Process and marketing	$ -	$ -	$ 2,043	$ -
Total with related allowance	-	-	2,043	-
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	10	-	18	-
Production and intermediate-term	2	-	-	-
Agribusiness				
Process and marketing	9	-	-	-
Total with no related allowance	21	-	18	-
Total impaired loans	$ 21	$ -	$ 2,061	$ -

(Dollars in thousands, except as noted)

The following tables provide an age analysis of loan portfolio (including accrued interest).

September 30, 2017	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	$ 686,753	$ 7	$ -	$ 686,760	$ -
Production and intermediate-term	204,722	-	119	204,841	-
Agribusiness	151,258	-	-	151,258	-
Lease receivables	26,780	-	-	26,780	-
Total	$ 1,069,513	$ 7	$ 119	$ 1,069,639	$ -
December 31, 2016					
Real estate mortgage	$ 694,172	$ -	$ -	$ 694,172	$ -
Production and intermediate-term	194,783	-	-	$ 194,783	-
Agribusiness	150,099	-	18	150,117	-
Energy	1,387	-	-	1,387	-
Lease receivables	27,470	-	-	27,470	-
Total	$ 1,067,911	$ -	$ 18	$ 1,067,929	$ -

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

For the Three Months Ended September 30, 2017	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Balance at June 30, 2017	$ 494	$ 2,825	$ 1,544	$ -	$ 1,124	$ 5,987
Charge-offs	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-
Provision for Loan Losses/(Loan loss reversal)	(80)	612	(269)	-	(140)	123
Balance at September 30, 2017	$ 414	$ 3,437	$ 1,275	$ -	$ 984	$ 6,110

For the Three Months Ended September 30, 2016	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Balance at June 30, 2016	$ 506	$ 1,680	$ 2,781	$ -	$ 1,010	$ 5,977
Charge-offs	-	-	(43)	-	-	(43)
Recoveries	-	-	-	-	-	-
Provision for Loan Losses/(Loan loss reversal)	(14)	573	(799)	3	127	(110)
Balance at September 30, 2016	$ 492	$ 2,253	$ 1,939	$ 3	$ 1,137	$ 5,824

For the Nine Months Ended September 30, 2017	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Balance at December 31, 2016	$ 470	$ 2,016	$ 2,046	$ 3	$ 1,245	$ 5,780
Charge-offs	-	-	(93)	-	-	(93)
Recoveries	-	-	61	-	-	61
Provision for Loan Losses/(Loan loss reversal)	(56)	1,421	(739)	(3)	(261)	362
Balance at September 30, 2017	$ 414	$ 3,437	$ 1,275	$ -	$ 984	$ 6,110

For the Nine Months Ended September 30, 2016	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Balance at December 31, 2015	$ 306	$ 1,306	$ 3,720	$ -	$ 895	$ 6,227
Charge-offs	-	-	(914)	-	-	(914)
Recoveries	-	-	1,026	-	-	1,026
Provision for Loan Losses/(Loan loss reversal)	186	947	(1,893)	3	242	(515)
Balance at September 30, 2016	$ 492	$ 2,253	$ 1,939	$ 3	$ 1,137	$ 5,824

(Dollars in thousands, except as noted)

A summary of the allowance for loan losses and period end recorded investment in loans (including accrued interest) is as follows:

	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Ending balance: Allowance individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -	$ -
Ending balance: Allowance collectively evaluated for impairment	414	3,437	1,275	-	984	6,110
Balance at September 30, 2017	$ 414	$ 3,437	$ 1,275	$ -	$ 984	$ 6,110
Recorded Investments in Loans Outstanding:						
Ending balance: Loans individually evaluated for impairment	$ 7	$ 119	$ -	$ -	$ -	$ 126
Ending balance: Loans collectively evaluated for impairment	686,753	204,722	151,258	-	26,780	1,069,513
Balance at September 30, 2017	$ 686,760	$ 204,841	$ 151,258	$ -	$ 26,780	$ 1,069,639

	Real estate mortgage	Production and intermediate- term	Agribusiness	Energy	Lease receivables	Total
Allowance for Credit Losses:						
Ending balance: Allowance individually evaluated for impairment	$ -	$ -	$ 18	$ -	$ -	$ 18
Ending balance: Allowance collectively evaluated for impairment	470	2,016	2,028	3	1,245	5,762
Balance at December 31, 2016	$ 470	$ 2,016	$ 2,046	$ 3	$ 1,245	$ 5,780
Recorded Investments in Loans Outstanding:						
Ending balance: Loans individually evaluated for impairment	$ 13	$ -	$ 18	$ -	$ -	$ 31
Ending balance: Loans collectively evaluated for impairment	694,159	194,783	150,099	1,387	27,470	1,067,898
Balance at December 31, 2016	$ 694,172	$ 194,783	$ 150,117	$ 1,387	$ 27,470	$ 1,067,929

The Association recorded no troubled debt restructurings during the nine months ended September 30, 2017.

3. CAPITAL

A summary of select capital ratios as of September 30, 2017, based on a three-month average and minimums follows:

	September 30, 2017	Regulatory Minumums	Capital Conservation Buffer	Total
Risk Adjusted:				
Common equity tier 1 ratio	**18.28%**	4.50%	2.5%*	7.00%
Tier 1 capital ratio	**18.28%**	6.00%	2.5%*	8.50%
Total capital ratio	**18.78%**	8.00%	2.5%*	10.50%
Non-risk-adjusted:				
Tier 1 leverage ratio	**20.93%**	4.00%	1.00%	5.00%
Unallocated retained earnings and equivalents leverage ratio	**21.66%**	1.50%	–	1.50%

* The 2.5% capital conservation buffer over risk-adjusted ratio minimums will be phased in over three years under the FCA capital requirements.

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 2016 Annual Report to Shareholders for a more complete description.

The Association had no assets or liabilities measured at fair value on a recurring or non-recurring basis at September 30, 2017 or December 31, 2016.

5. SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 9, 2017 which is the date the financial statements were issued, and no material subsequent events were identified.

Fresno Madera Farm Credit, ACA
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