QUARTERLY REPORT TO STOCKHOLDERS

AMERICAN AGCREDIT

MONEY FOR AGRICULTURE

As of March 31, 2018

American AgCredit, ACA

The shareholders' investment in American AgCredit, ACA is materially affected by the financial condition and results of operations of CoBank. The CoBank quarterly and annual reports are on CoBank's website, www.CoBank.com, or may be obtained at no charge by calling American AgCredit at (800) 800-4865 or visiting the office at 400 Aviation Blvd., Suite 100, Santa Rosa, CA 95403.

Message to Stockholders

Dear Stockholder:

Your Association is off to a great start, delivering strong earnings in the first quarter of the year. Our continued growth reflects our commitment to earn and be worthy of the trust of our customers. We continue to focus on operational efficiency in order to preserve value to you, the owners of the business, with a strong patronage program. As we reinvest part of the profits from the business we are executing a plan that will enhance your customer experience as well. We believe our customers/owners deserve the best experience and we aim to deliver this as well as we have delivered organizational performance to date.

Financial Condition and Results of Operations:

Net Income for the three months ended March 31, 2018 was $50.0 million compared to $39.7 million for the same period one year ago, an increase of $10.3 million. The increase was due to a $2.7 million increase in net interest income and a $5.2 million increase in other income. The increase in other income was primarily due to a nonrecurring $5.5 million Farm Credit System Insurance Corporation premium refund. Additionally, the Association recorded a credit loss reversal of $2.0 million during the first three months of 2018 compared to a $0.3 million provision for credit losses for the same period one year ago. The year-to-date return on average assets through the first quarter of 2018 was 1.81% compared to 1.73% for the first quarter of last year and 1.70% for the full twelve months of 2017.

Total loan volume was $9.137 billion at March 31, 2018 a decrease of $170 million from $9.307 billion at December 31, 2017. The decrease was due to anticipated seasonal loan payments partially offset by new loan volume. On a year-over-year basis, loan volume increased $512 million when compared to March 31, 2017, resulting in a year-over-year growth rate of 5.9%. The increase in loan growth was due to strong organic growth. Credit quality continues to hold up very well despite the challenges currently facing agriculture. Nonaccrual loan volume increased slightly but still represented just 0.48% of total loan volume at the end of the first quarter compared to 0.30% at March 31, 2017 and 0.32% at December 31, 2017.

The Association's capital position continues to be very strong. Total members' equity was $2.123 billion at the end of the first quarter, an increase of $92 million from $2.031 billion at December 31, 2017. The increase was primarily due to strong year-to-date earnings along with an increase in preferred stock. The Association was in compliance with all capital ratio requirements at March 31, 2018. The Association's strong earnings and capital position enable us to effectively serve our mission, our customers and support our ability to maintain our cash patronage program.

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

Charles Talbott Chairman	Byron Enix Chief Executive Officer	Vern Zander Chief Financial Officer

May 10, 2018

FINANCIAL STATEMENTS ($000's)

CONSOLIDATED STATEMENTS OF CONDITION	March 31		December 31	
	2018	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
ASSETS				
Loans	**$9,136,906**	$8,625,188	$9,306,922	$8,008,875
Less: allowance for loan losses	**(17,525)**	(17,920)	(19,588)	(19,241)
Net loans	**9,119,381**	8,607,268	9,287,334	7,989,634
Investment in CoBank	**314,931**	289,520	312,302	261,711
Accrued interest receivable	**69,625**	61,263	79,902	61,531
Premises and equipment, net	**128,171**	133,808	129,123	127,819
Other assets	**70,622**	58,749	156,093	108,286
Total assets	**$9,702,730**	$9,150,608	$9,964,754	$8,548,981
LIABILITIES				
Note payable to CoBank	**$7,393,840**	$6,950,641	$7,658,255	$6,561,500
Funds held accounts	**71,599**	79,969	86,599	67,562
Accrued interest payable	**15,374**	6,459	20,183	6,527
Dividends payable	**11,523**	6,076	59,808	50,194
Other liabilities	**87,292**	84,071	108,906	89,553
Total liabilities	**$7,579,628**	$7,127,216	$7,933,751	$6,775,336
MEMBERS' EQUITY				
Preferred stock	**$168,826**	$171,396	$126,910	$128,620
Common capital stock and participation certificates	**8,658**	8,774	8,714	7,805
Additional paid in capital	**656,723**	656,723	656,723	490,564
Unallocated retained surplus	**1,288,895**	1,186,499	1,238,656	1,146,656
Total members' equity	**2,123,102**	2,023,392	2,031,003	1,773,645
Total liabilities and members' equity	**$9,702,730**	$9,150,608	$9,964,754	$8,548,981

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	For the Three Months Ended March 31	
Unaudited	**2018**	2017
Interest income	**$106,452**	$91,406
Interest expense	**(41,130)**	(28,751)
Net interest income	**65,322**	62,655
CoBank patronage dividend	**8,353**	7,876
Other income	**12,113**	6,914
(Reversal of Provision) Provision for credit losses	**2,047**	(280)
Operating and other expenses	**(37,823)**	(37,419)
Income before income taxes	**50,012**	39,746
(Provision) Benefit for income taxes	**(14)**	1
Net income	**49,998**	39,747
Comprehensive Income:		
Change in retirement obligation	**787**	339
Total comprehensive income	**$50,785**	$40,086

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY ($000's)

For the Three Months Ended March 31, 2017 and 2018

	Capital Stock	Preferred Stock	Additional Paid in Capital	Unallocated Retained Earnings	Other Comprehensive Income (Loss)	Total Members' Equity
Balance at December 31, 2016	$7,805	$128,620	$490,564	$1,154,462	($7,806)	$1,773,645
Comprehensive income				39,747	339	40,086
Stock issued	233	83,489				83,722
Stock retired	(226)	(40,951)				(41,177)
Merger adjustments	962		166,159			167,121
Preferred stock dividends paid		238				238
Preferred stock dividends accrued				(243)		(243)
Balance at March 31, 2017	**$8,774**	**$171,396**	**$656,723**	**$1,193,966**	**($7,467)**	**$2,023,392**
Balance at December 31, 2017	$8,714	$126,910	$656,723	$1,254,530	($15,874)	$2,031,003
Comprehensive income				49,998	787	50,785
Stock issued	190	100,483				100,673
Stock retired	(246)	(59,109)				(59,355)
Preferred stock dividends paid		542				542
Preferred stock dividends accrued				(546)		(546)
Balance at March 31, 2018	**$8,658**	**$168,826**	**$656,723**	**$1,303,982**	**($15,087)**	**$2,123,102**

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

(Unaudited)

NOTE 1 - Organization and Significant Accounting Policies

A description of the organization and operations of the American AgCredit, ACA (Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2017 are contained in the 2017 Annual Report to Stockholders (2017 Annual Report) for American AgCredit, ACA. The financial statements were prepared under the oversight of the audit committee of the board of directors.

The accompanying unaudited first quarter 2018 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, 2017 as contained in the 2017 Annual Report.

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, 2018. Descriptions of the significant accounting policies are included in the 2017 Annual Report. 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 February 2018, the Financial Accounting Standards Board (FASB) issued guidance entitled "Income Statement — Reporting Comprehensive Income — Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." This guidance allows for the reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the recently issued tax legislation, Tax Cuts and Jobs Act (TCJA) that lowered the federal corporate tax rate from 35% to 21%. The amount of the reclassification shall include the effect of the change in the tax rate on gross deferred tax amounts and related valuation allowances at the date of enactment of the TCJA related to items remaining in accumulated other comprehensive income. The guidance becomes effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Association adopted this guidance effective January 1, 2018 and the Association's financial condition, or its results of operations were not materially impacted.

In August 2017, FASB issued guidance entitled "Targeted Improvements to Accounting for Hedging Activities." The guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments in this guidance require an entity to present the earnings effect of the hedging instrument in the same income statement line item in which the earnings effect of the hedged item is reported. This guidance also addresses the timing of effectiveness testing, qualitative and quantitative effectiveness testing and components that can be excluded from effectiveness testing. This guidance becomes effective for interim and annual periods beginning after December 15, 2018. The Association is evaluating the impact of adoption on the Association's financial condition and its results of operations.

In March 2017, the FASB issued guidance entitled "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Cost." The guidance requires that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. This guidance becomes effective for interim and annual periods beginning after December 15, 2017. The Association adopted this guidance effective January 1, 2018 and the Association's financial condition, or its results of operations were not materially impacted.

In August 2016, the 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 became effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance did not 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 form credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. 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. Leases with lease terms of more than 12 months are impacted by this guidance. This guidance becomes effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Association is evaluating the impact of adoption on its financial condition and results of operations.

In January 2016, the FASB issued guidance entitled "Recognition and Measurement of Financial Assets and Liabilities." The guidance affects, among other things, the presentation and disclosure requirements for financial instruments. For public entities, the guidance eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value of financial instruments carried at amortized cost. This guidance became effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance did not impact the Association's financial condition or its results of operations but did impact the Association's fair value disclosures.

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. The guidance sets forth the requirement for new and enhanced disclosures. The Association adopted the new standard effective January 1, 2018, using the modified retrospective approach. As the majority of the Association's revenues are not subject to the new guidance, the adoption of the guidance did not have a material impact on the financial position, results of operations, equity or cash flows.

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

NOTE 2 – Loans and Allowance for Loan Losses

Components of loans in the Consolidated Statements of Condition are as follows:

	March 31, 2018	December 31, 2017
Real estate mortgage	**$5,326,445**	$5,280,957
Production and intermediate-term	**1,712,072**	2,001,070
Agribusiness	**1,784,504**	1,718,331
Rural infrastructure	**287,013**	279,440
Rural residential real estate	**3,801**	4,054
Agricultural export finance	**23,071**	23,070
Total loans	**$9,136,906**	$9,306,922

The Association, in the normal course of business, purchases and sells participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. All loans sold to other parties are sold without recourse.

The following table presents information regarding participations purchased and sold at March 31, 2018:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$173,015	$1,222,068	$284	$0	$173,299	$1,222,068
Production and intermediate-term	351,224	585,420	-	-	351,224	585,420
Agribusiness	979,598	1,454,580	2,583	-	982,181	1,454,580
Rural infrastructure	296,140	9,322	-	-	296,140	9,322
Agricultural export finance	23,071	-	-	-	23,071	-
Total	$1,823,048	$3,271,390	$2,867	$0	$1,825,915	$3,271,390

March 31,	**2018**	2017	2016
Loans purchased from others	**$1,825,915**	$1,643,686	$1,399,799
Loans sold to others	**$3,271,390**	$3,122,456	$2,651,939
Retained interest in sold loans	**$1,254,858**	$1,143,071	$872,760
Off balance sheet loans serviced	**$1,217,575**	$1,299,158	$1,488,627

Impaired assets (including related accrued interest) are as follows:

	March 31, 2018	December 31, 2017
Nonaccrual loans:		
Real estate mortgage	**$19,299**	$19,544
Production and intermediate-term	**8,371**	10,263
Agribusiness	**15,755**	14
Rural residential real estate	**25**	28
Total nonaccrual loans	**43,450**	29,849
Accruing restructured loans:		
Real estate mortgage	**11,253**	11,421
Total accruing restructured loans	**11,253**	11,421
Accruing > 90 days past due:		
Real estate mortgage	**-**	-
Total accruing > 90 days past due	**-**	-
Total impaired loans	**54,703**	41,270
Other property owned	-	-
Total impaired assets	**$54,703**	$41,270

The following tables provide an age analysis of past due loans (including accrued interest):

March 31, 2018	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	Recorded Investment >90 Days and Accruing
Real estate mortgage	**$6,602**	**$6,981**	**$13,583**	**$5,360,723**	**$5,374,306**	**$0**
Production and intermediate-term	**11,874**	**947**	**12,821**	**1,713,674**	**1,726,495**	**-**
Agribusiness	**169**	**-**	**169**	**1,791,345**	**1,791,514**	**-**
Rural infrastructure	**-**	**-**	**-**	**287,489**	**287,489**	**-**
Rural residential real estate	**25**	**-**	**25**	**3,789**	**3,814**	**-**
Agricultural export finance	**-**	**-**	**-**	**23,113**	**23,113**	**-**
Total loan principal and interest	**$18,670**	**$7,928**	**$26,598**	**$9,180,133**	**$9,206,731**	**$0**
Less accrued loan interest					**(69,825)**	
Net loan principal					**$9,136,906**	

Note: The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may reflect a previous direct write-down of the investment.

December 31, 2017	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	Recorded Investment >90 Days and Accruing
Real estate mortgage	$12,452	$10,237	$22,689	$5,315,211	$5,337,900	$0
Production and intermediate-term	7,282	2,096	9,378	2,006,363	2,015,741	-
Agribusiness	2,775	-	2,775	1,723,569	1,726,344	-
Rural infrastructure	-	-	-	279,916	279,916	-
Rural residential real estate	130	-	130	3,939	4,069	-
Agricultural export finance	-	-	-	23,107	23,107	-
Total loan principal and interest	$22,639	$12,333	$34,972	$9,352,105	$9,387,077	$0
Less accrued loan interest					(80,155)	
Net loan principal					$9,306,922	

One credit quality indicator utilized by the Association is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The 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.

The determination of the allowance for loan losses is based on estimates that are susceptible to changes in the economic environment and market conditions, and is based on the Association's past loss experience, known and inherent risks in the portfolio, the estimated value of the underlying collateral, and current economic conditions. Management believes that as of March 31, 2018, the allowance for loan losses is adequate based on information currently available.

The following table shows loans and related accrued interest as a percentage of total loans and related accrued interest receivable by loan type as of:

	March 31, 2018	December 31, 2017
Real estate mortgage		
Acceptable	**96.77%**	96.98%
OAEM	**2.00**	1.53
Substandard/Doubtful	**1.23**	1.49
	100.00%	100.00%
Production and intermediate-term		
Acceptable	**93.95%**	93.73%
OAEM	**4.18**	4.30
Substandard/Doubtful	**1.87**	1.97
	100.00%	100.00%
Agribusiness		
Acceptable	**97.28%**	96.98%
OAEM	**-**	-
Substandard/Doubtful	**2.72**	3.02
	100.00%	100.00%
Rural infrastructure		
Acceptable	**98.52%**	100.00%
OAEM	**1.48**	-
Substandard/Doubtful	**-**	-
	100.00%	100.00%
Rural residential real estate		
Acceptable	**86.38%**	92.48%
OAEM	**10.52**	4.51
Substandard/Doubtful	**3.10**	3.01
	100.00%	100.00%
Agricultural export finance		
Acceptable	**100.00%**	100.00%
OAEM	**-**	-
Substandard/Doubtful	**-**	-
	100.00%	100.00%
Total loans		
Acceptable	**96.40%**	96.38%
OAEM	**2.00**	1.80
Substandard/Doubtful	**1.60**	1.82
	100.00%	100.00%

Additional impaired loan information is as follows:

	At March 31, 2018			At December 31, 2017		
	Recorded Investment	**Unpaid Principal Balance**	**Related Allowance**	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans with a related allowance for credit losses:						
Production and intermediate-term	**$979**	**$1,329**	**$441**	$2,354	$3,216	$600
Agribusiness	**5,146**	**5,159**	**2,021**	-	-	-
Total	**$6,125**	**$6,488**	**$2,462**	$2,354	$3,216	$600
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	**$30,552**	**$39,508**	**$0**	$30,965	$39,874	$0
Production and intermediate-term	**7,392**	**16,808**	**-**	7,909	16,014	-
Agribusiness	**10,609**	**18,477**	**-**	14	1,991	-
Rural residential real estate	**25**	**36**	**-**	28	38	-
Total	**$48,578**	**$74,829**	**$0**	$38,916	$57,917	$0
Total impaired loans:						
Real estate mortgage	**$30,552**	**$39,508**	**$0**	$30,965	$39,874	$0
Production and intermediate-term	**8,371**	**18,137**	**441**	10,263	19,230	600
Agribusiness	**15,755**	**23,636**	**2,021**	14	1,991	-
	25	**36**	**-**	28	38	-
Total	**$54,703**	**$81,317**	**$2,462**	$41,270	$61,133	$600

	For the Quarter Ended March 31, 2018		For the Year Ended December 31, 2017	
	Average Impaired Loans	**Interest Income Recognized**	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Real estate mortgage	**$0**	**$0**	$146	$0
Production and intermediate-term	**1,124**	**1**	2,147	-
Agribusiness	**1,107**	**-**	-	-
Total	**$2,231**	**$1**	$2,293	$0
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	**$31,069**	**$543**	$32,305	$1,053
Production and intermediate-term	**4,344**	**49**	3,458	310
Agribusiness	**2,288**	**-**	12	10
Rural residential real estate	**17**	**1**	22	-
Total	**$37,718**	**$593**	$35,797	$1,373
Total impaired loans:				
Real estate mortgage	**$31,069**	**$543**	$32,451	$1,053
Production and intermediate-term	**5,468**	**50**	5,605	310
Agribusiness	**3,395**	**-**	12	10
Rural residential real estate	**17**	**1**	22	-
Total	**$39,949**	**$594**	$38,090	$1,373

A summary of changes in period end allowance for loan loss and recorded investment in loans is as follows:

	Allowance for Loan Losses				Recorded Investments in Loans Outstanding			
	Balance at March 31, 2018	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	**Balance at March 31, 2018**	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality
Real estate mortgage	$3,621	$0	$3,621	$0	$5,374,306	$30,551	$5,343,755	$3,062
Production and intermediate-term	6,734	441	6,293	-	1,726,495	8,372	1,718,123	2,413
Agribusiness	6,575	2,021	4,554	-	1,791,514	15,755	1,775,759	-
Rural infrastructure	548	-	548	-	287,489	-	287,489	-
Rural residential real estate	4	-	4	-	3,814	25	3,789	-
Agricultural export finance	43	-	43	-	23,113	-	23,113	-
Total	$17,525	$2,462	$15,063	$0	$9,206,731	$54,703	$9,152,028	$5,475

	Allowance for Loan Losses Reconciliation				
	Balance at December 31, 2017	Charge-Offs	Recoveries	Provision for Loan Losses/(Loan Loss Reversals)	**Balance at March 31, 2018**
Real estate mortgage	$4,006	$0	$6	($391)	$3,621
Production and intermediate-term	8,968	(406)	27	(1,855)	6,734
Agribusiness	5,929	-	-	646	6,575
Rural infrastructure	643	-	-	(95)	548
Rural residential real estate	4	-	-	-	4
Agricultural export finance	38	-	-	5	43
Total	$19,588	($406)	$33	($1,690)	$17,525

	Allowance for Loan Losses				Recorded Investments in Loans Outstanding			
	Balance at March 31, 2017	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	Balance at March 31, 2017	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality
Real estate mortgage	$3,433	$82	$3,351	$0	$4,924,865	$26,500	$4,898,365	$2,244
Production and intermediate-term	5,999	960	5,039	-	1,571,331	7,507	1,563,824	3,428
Agribusiness	7,701	-	7,701	-	1,904,767	20	1,904,747	-
Rural infrastructure	760	-	760	-	258,063	-	258,063	-
Rural residential real estate	4	-	4	-	4,490	35	4,455	-
Agricultural export finance	23	-	23	-	23,099	-	23,099	-
Total	$17,920	$1,042	$16,878	$0	$8,686,615	$34,062	$8,652,553	$5,672

	Allowance for Loan Losses Reconciliation				
	Balance at December 31, 2016	Charge-Offs	Recoveries	Provision for Loan Losses/(Loan Loss Reversals)	Balance at March 31, 2017
Real estate mortgage	$3,854	$0	$52	($473)	$3,433
Production and intermediate-term	6,349	(2,079)	-	1,729	5,999
Agribusiness	8,285	-	-	(584)	7,701
Rural infrastructure	730	-	-	30	760
Rural residential real estate	4	-	-	-	4
Agricultural export finance	19	-	-	4	23
Total	$19,241	($2,079)	$52	$706	$17,920

A restructuring of debt constitutes a troubled debt restructuring (TDR) if the creditor for economic reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider.

In the allowance for loan loss analysis, TDR loans are individually evaluated and a specific allowance is established based on the likelihood the current events will result in an anticipated loss on the individual loans.

The following table presents additional information regarding TDRs, whether accrual or non-accrual, that occurred during the first three months of 2018. The Association had no loans that were classified as TDRs during the first three months of 2017. Additional commitments to lend to borrowers whose loans have been modified in TDRs were $140 thousand at period end.

For the Three Months Ended March 31, 2018	Pre-modification* Outstanding Recorded Investment	Post-modification* Outstanding Recorded Investment
Troubled debt restructurings:		
Production and intermediate-term	$49	$49
Total	$49	$49

*pre-modification represents the recorded investment prior to restructuring and post-modification represents the recorded investment immediately following the restructuring. The recorded investment is the face amount of the receivable increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment.

The following table provides information on outstanding principal balance of loans restructured in troubled debt restructurings at period end. These loans are included as impaired loans in the impaired loan table at March 31, 2018:

	TDRs in Accrual Status		TDRs in Nonaccrual Status	
	March 31, 2018	December 31, 2017	**March 31, 2018**	December 31, 2017
Real estate mortgage	**$11,247**	$11,400	**$2,407**	$2,564
Production and intermediate-term	**-**	-	**755**	825
Total	**$11,247**	$11,400	**$3,162**	$3,389

NOTE 3 – Members' Equity

On March 10, 2016, the Farm Credit Administration (FCA) adopted final rules relating to regulatory capital requirements for the system banks, including CoBank and Associations. The new Capital Regulations took effect January 1, 2017. The table below shows the Association's tier 1, total regulatory capital and permanent capital as of March 31, 2018. The Association exceeded all regulatory minimum capital requirements as of March 31, 2018.

	Regulatory Minimums	Capital Conservation Buffer	Total	**As of March 31, 2018**
Common Equity Tier 1 Ratio	4.5%	2.5%*	7.0%	**15.08%**
Tier 1 Capital Ratio	6.0%	2.5%*	8.5%	**15.08%**
Total Capital Ratio	8.0%	2.5%*	10.5%	**15.29%**
Permanent Capital Ratio	7.0%	0.0%	7.0%	**16.67%**
Tier 1 Leverage Ratio	4.0%	1.0%	5.0%	**17.22%**
UREE Leverage Ratio	1.5%	0.0%	1.5%	**17.64%**

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

Association shareholders have approved a class of preferred stock known as H Stock. At March 31, 2018, 500 million shares of the stock are authorized at $1.00 par value. H Stock ownership is limited to existing common stockholders of the Association and is considered "at-risk." The stock bears a dividend rate that is set by the Board of Directors. Retirement of the stock is at the discretion of the Board. At March 31, 2018, there were 168,826,209 shares of H Stock issued and outstanding. The dividend rate at March 31, 2018 was 1.35%.

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

Balance at December 31, 2017	Pension and Other Benefit Plans	Accumulated Other Comprehensive Loss
Other comprehensive loss before reclassifications	**($15,874)**	**($15,874)**
Amounts reclassified from accumulated other comprehensive loss	**787**	**787**
Net current period other comprehensive income	**787**	**787**
Balance at March 31, 2018	**($15,087)**	**($15,087)**

Balance at December 31, 2016	Pension and Other Benefit Plans	Accumulated Other Comprehensive Loss
Other comprehensive loss before reclassifications	($7,806)	($7,806)
Amounts reclassified from accumulated other comprehensive loss	339	339
Net current period other comprehensive income	339	339
Balance at March 31, 2017	($7,467)	($7,467)

The following table represents reclassifications out of accumulated other comprehensive income (loss):

	For the Three Months Ended		Location of Gain/(Loss) Recognized in Statement of Income
	Mar. 31, 2018	Mar. 31, 2017	
Pension and other benefit plans:			
Net actuarial gain/(loss)	**$787**	$339	Salaries & Benefits
Total amounts reclassified	**$787**	$339	

NOTE 4 – Fair Value Measurements

SFAS No. 157 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 to the 2017 Annual Report.

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

Assets Held in Nonqualified Benefits Trusts	Hierarchy Level 1	Total Fair Value
March 31, 2018	**$18,198**	**$18,198**
December 31, 2017	$17,373	$17,373

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2018 for each of the fair value hierarchy values are summarized below:

Assets:	**Fair Value Measurement Using Hierarchy Level 3**	**Total Fair Value**
Loans	$3,662	$3,662
Loans acquired in Mountain Plains merger	$62,003	$62,003
Loans acquired in SW Kansas merger	$271,850	$271,850
Liabilities:		
Debt acquired in Mountain Plains merger	$62,445	$62,445
Debt acquired in SW Kansas merger	$274,453	$274,453

During the reporting periods presented, the Association recorded no transfers in or out of Levels 1, 2, or 3. The Association has no liabilities measured at fair value on a recurring basis for the periods presented.

Valuation Techniques

Accounting 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 for the Associations' assets and liabilities.

Loans Evaluated for Impairment
For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying real estate collateral since the loans were collateral-dependent. 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. The fair value of these loans would fall under Level 2 of the hierarchy if the process uses independent appraisals and other market-based information.

Loans and Debt Acquired in Merger

At the merger of American AgCredit and Farm Credit Services of the Mountain Plains on January 1, 2012, and the merger with Farm Credit of Southwest Kansas on January 1, 2017 the Association acquired loans receivable and related notes payable. These assets and liabilities were recorded at their fair market value, as determined by discounting the expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit risk, on the date of merger. The fair market value has been amortized consistent with generally accepted accounting principles. The values shown in the table above represent the unamortized fair values of the assets and liabilities as of March 31, 2018.

Other Property Owned

Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of other property owned involves the use of independent appraisals or other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

Assets Held in Nonqualified 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.

NOTE 5 - Subsequent Events

The Association has evaluated subsequent events through May 10, 2018, which is the date the financial statements were issued, and no material subsequent events were identified.