2021 3rd Quarter Financial Report

NOTICE

The shareholders' investment in Oklahoma AgCredit, ACA is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank). The 2020 CoBank Annual Report to Shareholders and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by contacting us at:

Oklahoma AgCredit, ACA
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Edmond, Oklahoma 73034
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Unaudited)

The following discussion summarizes the financial position and results of operations of Oklahoma AgCredit, ACA (the Association) for the nine months ended September 30, 2021, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2020 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

ECONOMIC OVERVIEW

Oklahoma's expanding economy produced record gross receipts for the past twelve months, surpassing all pre-pandemic levels. Rising crude oil and natural gas prices contributed to the improvement but other segments of the economy are also rising. The strength of the Oklahoma economy is also displayed in the unemployment rate of 3.2%, well below the national average of 5.2%. As many of our borrowers rely on non-farm income, the robust economic conditions are a positive harbinger for the health of our credit portfolio. Real estate values have continued their trajectory higher as low interest rates, a strong economy, out-of-state buyers, and a lack of investment options support the market.

Cattle prices remain relatively unchanged since the prior quarter but have demonstrated increased volatility. Most of our trade territory experienced below average rainfall during the quarter. The lack of precipitation reduced fall harvest yields and forage production.

The United States continues the economic recovery from the COVID-19 pandemic, with a surge in economic activity due to the combination of federal stimulus spending, increasing vaccination rates in households across the country, improving employment levels, and the warm weather seasons. The economic recovery fueled by the Federal stimulus could translate into a significant increase in consumer spending and demand for goods and services that have been constrained during the pandemic. This economic recovery has been hampered by demand for goods and services running ahead of supply as labor-force participation is behind and supply chains continue to experience disruptions related to the transportation and production of critical components. As growing demand has encountered supply constraints, inflation measures have risen sharply over the third quarter.

The U.S. government has continued to institute various programs in support of the COVID-19 recovery. In March 2021, Congress passed the $1.9 trillion American Rescue Plan Act designed to provide near-term help to those hurt by the pandemic. In December 2020, Congress passed the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act, which, among other provisions, allocated additional funding for Paycheck Protection Program (PPP) loans and allows certain existing PPP borrowers to apply for additional loans or draws on existing loans. The Association is an approved lender in the PPP and continued to provide funds to eligible borrowers during the first quarter of 2021. In March 2021, the current presidential administration also proposed the $2.3 trillion American Jobs Plan intended to create jobs and rebuild the country's infrastructure.

LOAN PORTFOLIO

Loans outstanding at September 30, 2021 totaled $1.68 billion, an increase of $72.1 million, or 4.5%, from loans of $1.61 billion at December 31, 2020. The increase was primarily due to $287.0 million in new real estate loans, 48 of which were between $1.0 million and $10.6 million. This increase was partially offset by $108.7 million in payoffs of existing loans and $117.6 million in recurring payments on the core portfolio. The increase in payment activity in the real estate segment of the core portfolio is generally attributable to the maturation in 2021 of payments deferred from 2020 as part of the COVID-19 debt relief programs and Economic Impact Payments, which increased borrowers' repayment capacity.

Overall credit quality of our loan portfolio remained sound during the first nine months of 2021. However, stress to our portfolio has increased slightly. Credit issues have been proactively addressed, and expedited handling has mitigated losses.

RESULTS OF OPERATIONS

Net income for the nine months ended September 30, 2021, was $21.0 million, an increase of $3.0 million, or 16.8%, from the same period ended one year ago. The increase is primarily due to higher net interest income and an increase in patronage income from CoBank, offset by higher noninterest expense.

Net interest income for the nine months ended September 30, 2021, was $32.4 million, an increase of $3.3 million, or 11.2%, compared with the nine months ended September 30, 2020. Interest rate spread increased by 9 basis points. Interest income decreased as a result of a decrease in borrower rates, partially offset by average loan volume growth of 12.0%. Interest expense decreased due to a decrease in rates, slightly offset by the average volume increase in debt to CoBank of 13.6%. Net interest margin decreased by 2 basis points due to a decrease of $909 thousand in the return on our own capital.

For the nine months ended September 30, 2021, the Association recognized a $250 thousand reversal of credit losses, compared to a $458 thousand provision for loan losses for the same period ended one year ago. The majority of the reversal in 2021 consisted of a net recovery of $258 thousand for cattle loans in the current year, compared to a net charge off of $264 thousand in the prior year. The net recovery in 2021 includes the charge off and subsequent recovery of $990 thousand for one cattle loan. Subjective reserves decreased $190 thousand due to the improvement in commodity prices, partially offset by increasing input costs and supply issues. Market reaction to COVID-19 has been volatile, both domestically and globally, making profitability a challenge.

Noninterest income increased $1.1 million during the first nine months of 2021 compared with the first nine months in 2020, primarily due to a $1.4 million increase in patronage income from CoBank. CoBank's target for patronage related to our direct note increased to 45 basis points in 2021 from 36 basis points in 2020. The overall increase in noninterest income was offset by the lack of a 2021 insurance refund from the Farm Credit System Insurance Corporation (FCSIC), which in 2020 amounted to $313 thousand.

FCSIC refunds are issued based on our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts. In January 2021, the FCSIC announced that, due to extraordinary System growth in 2020, the insurance fund had ended the 2020 year $186 million short of the 2.0% secure base amount; for this reason, no refund was issued in 2021 and premium rates were raised, as discussed in the context of noninterest expense below. Refer to the 2020 Annual Report to Shareholders for additional information.

Mineral income of $521 thousand was recognized during the first nine months of 2021. Of this amount, $514 thousand was received from CoBank. The increase for the nine months ended September 30, 2021, compared with first nine months of 2020 is primarily the result of post-pandemic demand recovery and an increase in crude oil and natural gas prices.

During the first nine months of 2021, noninterest expense increased $2.1 million to $18.0 million, primarily due additional employees and merit increases, relocation expenses, AgVantis subscription fees and loan servicing fees. FCSIC premiums, which in 2021 were charged at a rate double that of the same period ended in 2020, also contributed to this increase. These increases were partially offset by the decrease in qualified pension expense and conversion fee expense due to prepayment fees charged by CoBank related to loan conversions associated with the decrease in rates primarily during 2020.

CAPITAL RESOURCES

Our shareholders' equity at September 30, 2021, was $327.9 million, an increase of $21.2 million since December 31, 2020. This increase is due to net income, the amortization of pension costs included in the net periodic benefit cost, and net stock issuances.

OTHER MATTERS

On March 5, 2021, the United Kingdom's Financial Conduct Authority (UKFCA), formally announced that all LIBOR tenors will either be discontinued or no longer be representative immediately after December 31, 2021. As a result, the UKFCA has closely worked with market participants and regulatory authorities around the world to ensure that alternatives to LIBOR are available and that existing contracts can be transitioned onto these alternatives to safeguard financial stability and market integrity.

We continue to analyze potential risks associated with the LIBOR transition, including financial, operational, legal, tax, reputational and compliance risks. At this time, despite the announcements from UKFCA, we are unable to predict when LIBOR will cease to be available or if Secured Overnight Financing Rate (SOFR) or any other alternative reference rate will become the benchmark to replace LIBOR. Because we engage in transactions involving financial instruments that reference LIBOR, these developments could have a material impact on the Association and our borrowers. Management has documented and are working through a LIBOR transition plan with our funding bank and service provider to address the phase out of LIBOR rates in the future, including any updates to processes and loan servicing technology.

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.

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Lisa Cochell
Chairwoman of the Audit Committee
November 4, 2021

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Patrick Zeka
President/CEO
November 4, 2021

//signature on file//

Malinda Thimmesch
CFO
November 4, 2021

OKLAHOMA AGCREDIT

Consolidated Statement of Condition

(Dollars in Thousands)

	September 30 2021	December 31 2020
	UNAUDITED	AUDITED
ASSETS		
Loans	**$ 1,678,218**	$ 1,606,107
Less allowance for loan losses	**3,504**	3,533
Net loans	**1,674,714**	1,602,574
Cash	**2,286**	1,963
Accrued interest receivable	**18,471**	15,315
Investment in CoBank, ACB	**50,706**	50,706
Investment in AgDirect	**3,407**	3,001
Premises and equipment, net	**14,470**	14,588
Prepaid benefit expense	**7,367**	6,284
Other assets	**7,343**	8,154
Total assets	**$ 1,778,764**	$ 1,702,585
LIABILITIES		
Note payable to CoBank, ACB	**$ 1,432,547**	$ 1,374,758
Advance conditional payments	**10,009**	4,722
Accrued interest payable	**1,661**	1,726
Patronage distributions payable	**-**	8,000
Accrued benefits liability	**485**	661
Reserve for unfunded commitments	**599**	562
Other liabilities	**5,534**	5,419
Total liabilities	**1,450,835**	1,395,848
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**3,751**	3,636
Additional paid-in capital	**55,558**	55,558
Unallocated retained earnings	**268,806**	247,791
Accumulated other comprehensive income/(loss)	**(186)**	(248)
Total shareholders' equity	**327,929**	306,737
Total liabilities and shareholders' equity	**$ 1,778,764**	$ 1,702,585

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

Oklahoma AgCredit

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

UNAUDITED	For the three months Ended September 30 2021	2020	For the nine months Ended September 30 2021	2020
INTEREST INCOME				
Loans	**$ 15,972**	$ 15,062	**$ 47,216**	$ 47,982
Total interest income	**15,972**	15,062	**47,216**	47,982
INTEREST EXPENSE				
Note payable to CoBank, ACB	**5,000**	5,377	**14,767**	18,812
Other	**10**	5	**27**	18
Total interest expense	**5,010**	5,382	**14,794**	18,830
Net interest income	**10,962**	9,680	**32,422**	29,152
(Credit loss reversal)/Provision for credit losses	**(971)**	52	**(250)**	458
Net interest income after credit loss reversal/provision for credit losses	**11,933**	9,628	**32,672**	28,694
NONINTEREST INCOME				
Financially related services income	**3**	4	**10**	15
Loan fees	**240**	212	**691**	712
Patronage distribution from Farm Credit institutions	**1,594**	1,147	**4,761**	3,360
Farm Credit Insurance Fund distribution	**-**	-	**-**	313
Mineral income	**234**	86	**521**	408
Other noninterest income	**109**	179	**373**	446
Total noninterest income	**2,180**	1,628	**6,356**	5,254
NONINTEREST EXPENSE				
Salaries and employee benefits	**3,333**	3,027	**9,506**	9,303
Occupancy and equipment	**409**	294	**1,146**	809
Purchased services from AgVantis, Inc.	**851**	738	**2,553**	2,214
Farm Credit Insurance Fund premium	**537**	332	**1,616**	801
Supervisory and examination costs	**103**	126	**354**	452
Conversion fee	**-**	316	**23**	316
Other noninterest expense	**926**	685	**2,815**	2,053
Total noninterest expense	**6,159**	5,518	**18,013**	15,948
Income before income taxes	**7,954**	5,738	**21,015**	18,000
Provision for income taxes	**1**	2	**5**	6
Net income	**7,953**	5,736	**21,010**	17,994
COMPREHENSIVE INCOME				
Amortization of retirement costs	**20**	17	**62**	51
Total comprehensive income	**$ 7,973**	$ 5,753	**$ 21,072**	$ 18,045

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

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Capital Stock	Additional Paid-In Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Shareholders' Equity
Balance at December 31, 2019	$ 3,459	$ 55,558	$ 231,212	$ (320)	$ 289,909
Comprehensive income			17,994	51	18,045
Stock issued	401				401
Stock retired	(278)				(278)
Balance at September 30, 2020	$ 3,582	$ 55,558	$ 249,206	$ (269)	$ 308,077
Balance at December 31, 2020	$ 3,636	$ 55,558	$ 247,791	$ (248)	$ 306,737
Comprehensive income			21,010	62	21,072
Stock issued	415				415
Stock retired	(300)				(300)
Patronage Distributions					
Other			5		5
Balance at September 30, 2021	**$ 3,751**	**$ 55,558**	**$ 268,806**	**$ (186)**	**$ 327,929**

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

NOTES TO FINANCIAL STATEMENTS
Dollars in Thousands, Except as Noted
(Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Oklahoma AgCredit, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2020, are contained in the 2020 Annual Report to Shareholders. These unaudited third quarter 2021 financial statements should be read in conjunction with the 2020 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, 2020, as contained in the 2020 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, 2021. Descriptions of the significant accounting policies are included in the 2020 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 March 2020, the Financial Accounting Standards Board (FASB) issued guidance entitled “Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The guidance provides optional expedients and exceptions for applying GAAP to contracts and other transactions affected by reference rate reform. The guidance simplifies the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contracts related to the replacement of the reference rate. The optional amendments are effective as of March 12, 2020, through December 31, 2022. The Association applied the optional expedient related to loans in the first quarter of 2021. The impact of the adoption was not material to the Association’s financial condition or its results of operations.

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. 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 was to become effective for interim and annual periods beginning after December 15, 2020, with early application permitted. In November 2019, the FASB issued an update that amends the mandatory effective date for this guidance for certain institutions. The change resulted from a change in the effective date philosophy that extends and simplifies the adoption by staggering the dates between large public entities and other entities. As a result of the change, the new credit loss standard, for those institutions qualifying for the delay, becomes effective for interim and annual reporting periods beginning after December 15, 2022, with early adoption permitted. The Association qualifies for the delay in the adoption date. The Association continues to evaluate the impact of adoption on the Association’s financial condition and its results of operations.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loans follows.

	September 30, 2021	December 31, 2020
Real estate mortgage	**$ 1,196,742**	$ 1,092,660
Production and intermediate-term	**210,036**	239,559
Agribusiness	**176,231**	182,016
Rural infrastructure	**88,732**	82,951
International	**6,233**	8,028
Rural residential real estate	**244**	893
Total Loans	**$ 1,678,218**	$ 1,606,107

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 the balances of participations purchased and sold at September 30, 2021:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 41,088	$ 5,916	$ 59	$ -	$ 41,147	$ 5,916
Production and intermediate-term	36,010	3,580	-	-	36,010	3,580
Agribusiness	173,059	-	-	-	173,059	-
Rural infrastructure	88,732	-	-	-	88,732	-
International	6,233	-	-	-	6,233	-
Total	$ 345,122	$ 9,496	$ 59	$ -	$ 345,181	$ 9,496

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.
- Loss – assets are considered uncollectible.

The following table shows loans 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, 2021	December 31, 2020
Real estate mortgage		
Acceptable	**98.80%**	98.75%
OAEM	**0.50%**	0.56%
Substandard	**0.70%**	0.69%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**95.16%**	96.00%
OAEM	**1.76%**	2.85%
Substandard	**3.08%**	1.15%
Total	**100.00%**	100.00%

(continued)	**September 30, 2021**	December 31, 2020
Agribusiness		
Acceptable	**97.80%**	96.33%
OAEM	**1.70%**	3.25%
Substandard	**0.50%**	0.42%
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**98.78%**	99.36%
OAEM	**1.22%**	0.64%
Total	**100.00%**	100.00%
Rural residential real estate		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
International		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**98.24%**	98.10%
OAEM	**0.82%**	1.21%
Substandard	**0.94%**	0.69%
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, 2021	December 31, 2020
Nonaccrual loans		
Real estate mortgage	**$ 7,821**	$ 5,672
Production and intermediate-term	**2,891**	2,091
Agribusiness	**226**	-
Total nonaccrual loans	**$ 10,938**	$ 7,763
Accruing restructured loans		
Real estate mortgage	**$ 296**	$ 559
Production and intermediate-term	**220**	607
Total accruing restructured loans	**$ 516**	$ 1,166
Total high risk assets	**$ 11,454**	$ 8,929

The Association had no accruing loans 90 days past due or other property owned for the periods presented.

Additional impaired loan information is as follows:

	September 30, 2021			December 31, 2020		
	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	**89**	**90**	**37**	-	-	-
Total	**$ 89**	**$ 90**	**$ 37**	$ -	$ -	$ -
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	**$ 8,117**	**$ 8,908**		$ 6,231	$ 6,931	
Production and intermediate-term	**3,022**	**3,551**		2,698	3,786	
Agribusiness	**226**	**344**		-	119	
Total	**$ 11,365**	**$ 12,803**		$ 8,929	$ 10,836	
Total impaired loans:						
Real estate mortgage	**$ 8,117**	**$ 8,908**	**$ -**	$ 6,231	$ 6,931	$ -
Production and intermediate-term	**3,111**	**3,641**	**37**	2,698	3,786	-
Agribusiness	**226**	**344**	**-**	-	119	-
Total	**$ 11,454**	**$ 12,893**	**$ 37**	$ 8,929	$ 10,836	$ -

Note: The recorded investment in the loan receivable is the face amount 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 loan receivable.

	For the Three Months Ended September 30, 2021		For the Three Months Ended September 30, 2020	
	Average Impaired Loans	**Interest Income Recognized**	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Production and intermediate-term	**$ 48**	**$ -**	$ 1,443	$ -
Total	**$ 48**	**$ -**	$ 1,443	$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	**$ 7,849**	**$ 7**	$ 11,760	$ 133
Production and intermediate-term	**2,612**	**29**	2,282	30
Agribusiness	**78**	**-**	-	-
Total	**$ 10,539**	**$ 36**	$ 14,042	$ 163
Total impaired loans:				
Real estate mortgage	**$ 7,849**	**$ 7**	$ 11,760	$ 133
Production and intermediate-term	**2,660**	**29**	3,725	30
Agribusiness	**78**	**-**	-	-
Total	**$ 10,587**	**$ 36**	$ 15,485	$ 163

	For the Nine Months Ended September 30, 2021		For the Nine Months Ended September 30, 2020	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Production and intermediate-term	**$ 16**	**$ -**	$ 1,401	$ -
Total	**$ 16**	**$ -**	$ 1,401	$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	**$ 7,041**	**$ 56**	$ 9,264	$ 202
Production and intermediate-term	**2,899**	**43**	3,096	52
Agribusiness	**27**	**-**	-	-
Total	**$ 9,967**	**$ 99**	$ 12,360	$ 254
Total impaired loans:				
Real estate mortgage	**$ 7,041**	**$ 56**	$ 9,264	$ 202
Production and intermediate-term	**2,915**	**43**	4,497	52
Agribusiness	**27**	**-**	-	-
Total	**$ 9,983**	**$ 99**	$ 13,761	$ 254

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

September 30, 2021	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Recorded Investment in Loans	Recorded Investment Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 1,075	$ 1,164	$ 2,239	$ 1,209,216	$ 1,211,455	$ -
Production and intermediate-term	994	2,127	3,121	210,224	213,345	-
Agribusiness	-	147	147	176,452	176,599	-
Rural infrastructure	-	-	-	88,804	88,804	-
Rural residential real estate	-	-	-	245	245	-
International	-	-	-	6,241	6,241	-
Total	$ 2,069	$ 3,438	$ 5,507	$ 1,691,182	$ 1,696,689	$ -

December 31, 2020	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Recorded Investment in Loans	Recorded Investment Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 7,576	$ 567	$ 8,143	$ 1,096,134	$ 1,104,277	$ -
Production and intermediate-term	1,397	1,193	2,590	240,240	242,830	-
Agribusiness	-	-	-	182,402	182,402	-
Rural infrastructure	-	-	-	82,980	82,980	-
Rural residential real estate	-	-	-	896	896	-
International	-	-	-	8,037	8,037	-
Total	$ 8,973	$ 1,760	$ 10,733	$ 1,610,689	$ 1,621,422	$ -

OKLAHOMA AGCREDIT

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

	Balance at June 30, 2021	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2021
Real estate mortgage	$ 992	$ -	$ -	$ (53)	$ 939
Production and intermediate-term	743	-	655	(775)	623
Agribusiness	1,859	-	-	(65)	1,794
Rural infrastructure	131	-	-	13	144
Rural residential real estate	1	-	-	-	1
International	3	-	-	-	3
Total	$ 3,729	$ -	$ 655	$ (880)	$ 3,504

	Balance at December 31, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2021
Real estate mortgage	$ 901	$ -	$ -	$ 38	$ 939
Production and intermediate-term	894	1,003	1,261	(529)	623
Agribusiness	1,527	-	-	267	1,794
Rural infrastructure	208	-	-	(64)	144
Rural residential real estate	-	-	-	1	1
International	3	-	-	-	3
Total	$ 3,533	$ 1,003	$ 1,261	$ (287)	$ 3,504

	Balance at June 30, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2020
Real estate mortgage	$ 962	$ -	$ -	$ (41)	$ 921
Production and intermediate-term	1,294	288	-	123	1,129
Agribusiness	1,160	-	-	(27)	1,133
Rural infrastructure	220	-	-	36	256
Rural residential real estate	1	-	-	(1)	-
International	3	-	-	-	3
Total	$ 3,640	$ 288	$ -	$ 90	$ 3,442

	Balance at December 31, 2019	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2020
Real estate mortgage	$ 742	$ -	$ 1	$ 178	$ 921
Production and intermediate-term	1,292	288	-	125	1,129
Agribusiness	1,041	-	23	69	1,133
Rural infrastructure	176	-	-	80	256
Rural residential real estate	1	-	-	(1)	-
International	3	-	-	-	3
Total	$ 3,255	$ 288	$ 24	$ 451	$ 3,442

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Balance at beginning of period	**$ 690**	$ 623	**$ 562**	$ 578
(Reversal of)/Provision for reserves for unfunded commitments	**(91)**	(38)	**37**	7
Total	**$ 599**	$ 585	**$ 599**	$ 585

Additional information on the allowance for loan losses follows:

	Allowance for Credit Losses Ending Balance at September 30, 2021		Recorded Investments in Loans Outstanding Ending Balance at September 30, 2021	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 939	$ 8,117	$ 1,203,338
Production and intermediate-term	37	586	3,111	210,234
Agribusiness	-	1,794	226	176,373
Rural infrastructure	-	144	-	88,804
Rural residential real estate	-	1	-	245
International	-	3	-	6,241
Total	$ 37	$ 3,467	$ 11,454	$ 1,685,235

	Allowance for Credit Losses Ending Balance at December 31, 2020		Recorded Investments in Loans Outstanding Ending Balance at December 31, 2020	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 901	$ 6,231	$ 1,098,046
Production and intermediate-term	-	894	2,698	240,132
Agribusiness	-	1,527	-	182,402
Rural infrastructure	-	208	-	82,980
Rural residential real estate	-	-	-	896
International	-	3	-	8,037
Total	$ -	$ 3,533	$ 8,929	$ 1,612,493

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

There were no loans modified as part of a troubled debt restructurings during the three-month period ended September 30, 2021 or September 30, 2020.

The following table presents additional information regarding troubled debt restructurings that occurred during the periods.

	For the Nine Months Ended			
	September 30, 2021		September 30, 2020	
	Pre-modification Outstanding Recorded Investment*	**Post-modification Outstanding Recorded Investment***	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*
Troubled debt restructurings:				
Real estate mortgage	**$ -**	**$ -**	$ 40	$ 41
Total	**$ -**	**$ -**	$ 40	$ 41

* Pre-modification represents the recorded investment in the loan receivable just prior to restructuring and post-modification represents the recorded investment in the loan receivable immediately following the restructuring. The recorded investment is the face amount of the loan 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.

Of loans modified as troubled debt restructurings within the last twelve months, none defaulted during either the three-month or the nine-month periods ended September 30, 2021 or September 30, 2020.

Additional commitments to lend to borrowers whose loans were modified in a troubled debt restructuring were $169 at September 30, 2021 and $294 at December 31, 2020.

The following table provides information on outstanding loans restructured in troubled debt restructurings at period end. These loans are included as impaired loans in the impaired loan table.

	Loans modified as TDRs		TDRs in Nonaccrual Status*	
	September 30, 2021	December 31, 2020	**September 30, 2021**	December 31, 2020
Real estate mortgage	**$ 416**	$ 656	**$ 120**	$ 96
Production and intermediate-term	**541**	1,074	**321**	468
Total	**$ 957**	$ 1,730	**$ 441**	$ 564

* Represents the portion of loans modified as TDRs (first column) that are in nonaccrual status.

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NOTE 3 - CAPITAL

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

	As of September 30, 2021	As of December 31, 2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	15.05%	15.88%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.05%	15.88%	6.0%	2.5%	8.5%
Total capital ratio	15.33%	16.12%	8.0%	2.5%	10.5%
Permanent capital ratio	15.08%	15.91%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	15.79%	16.34%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	17.28%	17.55%	1.5%	-	1.5%

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	**2021**	2020
Pension and other benefit plans:				
Beginning balance	**$ (206)**	$ (286)	**$ (248)**	$ (320)
Amounts reclassified from accumulated other comprehensive loss	**20**	17	**62**	51
Net current period other comprehensive income	**20**	17	**62**	51
Ending balance	**$ (186)**	$ (269)	**$ (186)**	$ (269)

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

	Amount Reclassified from Accumulated Other Comprehensive Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended September 30		
	2021	2020	
Pension and other benefit plans:			
Net actuarial loss	**$ 20**	$ 17	Salaries and employee benefits
Total reclassifications	**$ 20**	$ 17	

	Amount Reclassified from Accumulated Other Comprehensive Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Nine Months Ended September 30		
	2021	2020	
Pension and other benefit plans:			
Net actuarial loss	**$ 62**	$ 51	Salaries and employee benefits
Total reclassifications	**$ 62**	$ 51	

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 of the 2020 Annual Report to Shareholders for a more complete description.

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

	Fair Value Measurement Using			Total Fair Value
	Level 1	**Level 2**	**Level 3**	
Assets held in nonqualified benefits trusts				
September 30, 2021	**$ 549**	**$ -**	**$ -**	**$ 549**
December 31, 2020	$ 425	$ -	$ -	$ 425

The Association had no liabilities measured at fair value on a recurring basis at September 30, 2021 or December 31, 2020.

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

	Fair Value Measurement Using			Total Fair Value
	Level 1	**Level 2**	**Level 3**	
September 30, 2021				
Loans	**$ -**	**$ -**	**$ 621**	**$ 621**
December 31, 2020				
Loans	$ -	$ -	$ 806	$ 806

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals or other market-based information to value these loans and other property owned and takes into account unobservable inputs such as income and expense, comparable sales, replacement cost and comparability adjustments.

The Association had no liabilities measured at fair value on a non-recurring basis at September 30, 2021 or December 31, 2020.

Valuation Techniques

As more fully discussed in Note 2 of the 2020 Annual Report to Shareholders, 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 presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Assets Held in Non-Qualified Benefits Trusts

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

Loans Evaluated for Impairment

For impaired loans measured on a non-recurring basis, the fair value is based upon the underlying collateral since the loans are collateral dependent loans 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, 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.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 4, 2021, which is the date the financial statements were issued, and no material subsequent events were identified.