2021

1st 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
3033 Progressive Drive
Edmond, Oklahoma 73034
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OKLAHOMA AGCREDIT

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 three months ended March 31, 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

An aggressive federal response to the pandemic is resulting in increased optimism about the speed and strength of the economic recovery. The most recent $1.9 trillion aid package will most likely inject more stimulus into the local and state economies. In addition, a second round of the Coronavirus Food Assistance Program restarted on April 5th with an expanded breadth of producers eligible to receive payments. We expect many of our borrowers to be positively impacted by the program. Cattle prices are up modestly since the beginning of the quarter while grain and oilseed prices remain unchanged during the same time period. Despite the record-breaking cold snap of February, hard red winter wheat crop condition ratings are above average for this time of the year. A lack of early spring moisture has resulted in expanding drought conditions in the southern portion of our loan service area.

Oklahoma's economy continues its recovery from the pandemic as evidenced by an unemployment rate of 4.4%, the lowest since the global crisis began. This improvement has been aided by the sharp rebound in crude oil prices which translates into higher levels of economic activity in our state. Loan demand remains brisk as historically low interest rates and an improving agricultural outlook provide support for an active real estate market.

The COVID-19 pandemic remains a global public health crisis, although vaccines have been deployed and are in various stages based on specific areas of the United States. The United States economy continues to have numerous impediments to a full recovery across certain sectors of the economy. Unemployment levels remain high and economic output remains challenged. We have been focused on responding to this crisis and protecting the health and safety of our employees while continuing to serve our customers. We cannot predict the severity and the duration of the impact of the COVID-19 pandemic. The COVID-19 operating environment continues to cause uncertainty on the Association's business, results of operations and financial condition.

The U.S. government has continued to institute various programs in support of the COVID-19 recovery. 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 obtained approval to participate as a lender in the PPP and has continued to provide funds to eligible borrowers during the first quarter of 2021. The impact the U.S. government support programs and stimulus on the broader agriculture economy and our customers in particular is uncertain at this time.

The COVID-19 pandemic has heightened many risks, including credit risk, liquidity risk, market risk, and operational risk. The effectiveness of our mitigation efforts and the extent to which COVID-19 affects our business, results of operations and financial condition may depend on factors beyond our control.

LOAN PORTFOLIO

Loans outstanding at March 31, 2021 totaled $1.63 billion, an increase of $25.0 million, or 1.6%, from loans of $1.61 billion at December 31, 2020. The increase was primarily due to $105 million in new real estate loans, partially offset by normal repayments and $17 million in paydowns on existing lines of credit in the capital markets portfolio.

Overall credit quality of our loan portfolio remained sound during the first three months of 2021. However, stress to our portfolio has increased slightly. Credit issues have been proactively addressed. Expedited handling has brought about minimal losses with positive results. At this time, we believe the credit quality impacts within our loan portfolio resulting from the COVID-19 business disruptions will be mixed with certain industries negatively impacted.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2021, was $5.7 million, a decrease of $281 thousand, or 4.7%, from the same period ended one year ago. The decrease is primarily due to an increase in the net charge-off for loans and higher noninterest expense, offset by higher net interest income.

Net interest income for the three months ended March 31, 2021, was $10.7 million, an increase of $1.0 million, or 10.7%, compared with the three months ended March 31, 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 14.8%. Interest expense decreased due to a decrease in rates, slightly offset by the average volume increase in debt to CoBank of 17.0%. Falling interest rates caused the net interest margin decrease of 10 basis points due to a lower return on our own capital of $553 thousand.

The provision for credit losses for the three months ended March 31, 2021, was $847 thousand, an increase of $679 thousand, or 404.2%, from the same period ended one year ago. The majority of this increase consists of a net charge-off of $721 thousand for cattle loans. Over the past three months, cattle prices have remained steady, but the market reaction to COVID-19 has been volatile, both domestically and globally, making profitability a challenge. Overall, commodity prices have trended higher providing opportunity for profits in the farming sector for the first time in many years, but could cause livestock producers to incur higher feed input costs. The additional level of reserves also reflects inherent losses in our loan portfolio resulting from deterioration in the macro environment and business disruptions related to COVID-19.

Noninterest income decreased $96 thousand during the first three months of 2021 compared with the first three months in 2020, primarily due to the lack of a 2021 insurance refund from the Farm Credit System Insurance Corporation (FCSIC), which in 2020 amounted to $313 thousand. Additional major components of the change in noninterest income over the prior year consisted of a $67 thousand decrease in mineral income, offset by a $288 thousand increase in patronage income from CoBank due to growth and a 3 basis point increase in cash patronage on our direct note.

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 of 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 percent 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 $112 thousand was recognized during the first three months of 2021. Of this amount, $109 thousand was received from CoBank. The decrease for the three months ended March 31, 2021, compared with first three months of 2020 is primarily the result of a steady decline in prices throughout 2020.

During the first three months of 2021, noninterest expense increased $541 thousand to $6.0 million, primarily due to the increases in AgVantis fees, loan servicing fees and FCSIC premiums, which in 2021 were charged at a rate double that of the same period ended in 2020. The increase is partially offset by the decrease in pension expense.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2021, was $312.5 million, an increase of $5.7 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

In 2017, the United Kingdom's Financial Conduct Authority, announced its intention to stop persuading or compelling the group of major banks that sustains LIBOR to submit rate quotations after 2021. As a result, it is uncertain whether LIBOR will continue to be quoted after 2021.

We continue to analyze potential risks associated with the LIBOR transition, including financial, operational, legal, tax, reputational and compliance risks. At this time we are unable to predict whether or 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.

OKLAHOMA AGCREDIT

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
May 5, 2021

//signature on file//

Patrick Zeka
President/CEO
May 5, 2021

//signature on file//

Malinda Thimmesch
CFO
May 5, 2021

OKLAHOMA AGCREDIT

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2021 UNAUDITED	December 31 2020 AUDITED
ASSETS		
Loans	**$ 1,631,104**	$ 1,606,107
Less allowance for loan losses	**3,634**	3,533
Net loans	**1,627,470**	1,602,574
Cash	**1,161**	1,963
Accrued interest receivable	**16,635**	15,315
Investment in CoBank, ACB	**50,706**	50,706
Investment in AgDirect	**2,841**	3,001
Premises and equipment, net	**14,454**	14,588
Prepaid benefit expense	**5,945**	6,284
Other assets	**6,708**	8,154
Total assets	**$ 1,725,920**	$ 1,702,585
LIABILITIES		
Note payable to CoBank, ACB	**$ 1,391,560**	$ 1,374,758
Advance conditional payments	**6,661**	4,722
Accrued interest payable	**1,669**	1,726
Patronage distributions payable	**7,518**	8,000
Accrued benefits liability	**493**	661
Reserve for unfunded commitments	**586**	562
Other liabilities	**4,953**	5,419
Total liabilities	**1,413,440**	1,395,848
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**3,677**	3,636
Additional paid-in capital	**55,558**	55,558
Unallocated retained earnings	**253,472**	247,791
Accumulated other comprehensive income/(loss)	**(227)**	(248)
Total shareholders' equity	**312,480**	306,737
Total liabilities and shareholders' equity	**$ 1,725,920**	$ 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)

	For the three months Ended March 31	
UNAUDITED	**2021**	2020
INTEREST INCOME		
Loans	**$ 15,544**	$ 17,063
Total interest income	**15,544**	17,063
INTEREST EXPENSE		
Note payable to CoBank, ACB	**4,859**	7,411
Other	**7**	8
Total interest expense	**4,866**	7,419
Net interest income	**10,678**	9,644
Provision for credit losses	**847**	168
Net interest income after provision for credit losses	**9,831**	9,476
NONINTEREST INCOME		
Financially related services income	**3**	3
Loan fees	**238**	239
Patronage distribution from Farm Credit institutions	**1,369**	1,081
Farm Credit Insurance Fund distribution	**-**	313
Mineral income	**112**	179
Other noninterest income	**124**	127
Total noninterest income	**1,846**	1,942
NONINTEREST EXPENSE		
Salaries and employee benefits	**3,154**	3,250
Occupancy and equipment	**365**	271
Purchased services from AgVantis, Inc.	**851**	738
Farm Credit Insurance Fund premium	**541**	229
Supervisory and examination costs	**125**	230
Conversion fee	**23**	-
Other noninterest expense	**936**	736
Total noninterest expense	**5,995**	5,454
Income before income taxes	**5,682**	5,964
Provision for income taxes	**1**	2
Net income	**5,681**	5,962
COMPREHENSIVE INCOME		
Amortization of retirement costs	**21**	17
Total comprehensive income	**$ 5,702**	$ 5,979

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			5,962	17	5,979
Stock issued	102				102
Stock retired	(87)				(87)
Balance at March 31, 2020	$ 3,474	$ 55,558	$ 237,174	$ (303)	$ 295,903
Balance at December 31, 2020	$ 3,636	$ 55,558	$ 247,791	$ (248)	$ 306,737
Comprehensive income			5,681	21	5,702
Stock issued	139				139
Stock retired	(98)				(98)
Balance at March 31, 2021	**$ 3,677**	**$ 55,558**	**$ 253,472**	**$ (227)**	**$ 312,480**

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 first 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.

	March 31, 2021	December 31, 2020
Real estate mortgage	**$ 1,131,901**	$ 1,092,660
Production and intermediate-term	**227,894**	239,559
Agribusiness	**176,793**	182,016
Rural infrastructure	**86,683**	82,951
International	**7,561**	8,028
Rural residential real estate	**272**	893
Total Loans	**$ 1,631,104**	$ 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 March 31, 2021:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 46,088	$ 6,145	$ 357	$ -	$ 46,445	$ 6,145
Production and intermediate-term	43,456	3,757	-	-	43,456	3,757
Agribusiness	173,562	-	-	-	173,562	-
Rural infrastructure	86,683	-	-	-	86,683	-
International	7,561	-	-	-	7,561	-
Total	$ 357,350	$ 9,902	$ 357	$ -	$ 357,707	$ 9,902

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:

	March 31, 2021	December 31, 2020
Real estate mortgage		
Acceptable	**98.67%**	98.75%
OAEM	**0.56%**	0.56%
Substandard	**0.77%**	0.69%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**95.68%**	96.00%
OAEM	**2.60%**	2.85%
Substandard	**1.72%**	1.15%
Total	**100.00%**	100.00%

(continued)	**March 31, 2021**	December 31, 2020
Agribusiness		
Acceptable	**96.55%**	96.33%
OAEM	**3.06%**	3.25%
Substandard	**0.39%**	0.42%
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**99.40%**	99.36%
OAEM	**0.60%**	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	**98.07%**	98.10%
OAEM	**1.11%**	1.21%
Substandard	**0.82%**	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:

	March 31, 2021	December 31, 2020
Nonaccrual loans		
Real estate mortgage	**$ 7,129**	$ 5,672
Production and intermediate-term	**3,387**	2,091
Total nonaccrual loans	**$ 10,516**	$ 7,763
Accruing restructured loans		
Real estate mortgage	**$ 302**	$ 559
Production and intermediate-term	**517**	607
Total accruing restructured loans	**$ 819**	$ 1,166
Accruing loans 90 days past due		
Real estate mortgage	**$ 200**	$ -
Agribusiness	**1**	-
Total accruing loans 90 days past due	**$ 201**	$ -
Total high risk assets	**$ 11,536**	$ 8,929

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

Additional impaired loan information is as follows:

	March 31, 2021			December 31, 2020		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	**$ 7,631**	**$ 8,375**		$ 6,231	$ 6,931	
Production and intermediate-term	**3,904**	**5,421**		2,698	3,786	
Agribusiness	**1**	**119**		-	119	
Total	**$ 11,536**	**$ 13,915**		$ 8,929	$ 10,836	
Total impaired loans:						
Real estate mortgage	**$ 7,631**	**$ 8,375**	**$ -**	$ 6,231	$ 6,931	$ -
Production and intermediate-term	**3,904**	**5,421**	**-**	2,698	3,786	-
Agribusiness	**1**	**119**	**-**	-	119	-
Total	**$ 11,536**	**$ 13,915**	**$ -**	$ 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.

The Association had no impaired loans with a related allowance for credit losses for the periods presented.

	For the Three Months Ended March 31, 2021		For the Three Months Ended March 31, 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	**$ -**	**$ -**	$ 872	$ -
Total	**$ -**	**$ -**	$ 872	$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	**$ 6,160**	**$ 46**	$ 4,725	$ 21
Production and intermediate-term	**2,735**	**10**	3,921	13
Total	**$ 8,895**	**$ 56**	$ 8,646	$ 34
Total impaired loans:				
Real estate mortgage	**$ 6,160**	**$ 46**	$ 4,725	$ 21
Production and intermediate-term	**2,735**	**10**	4,793	13
Total	**$ 8,895**	**$ 56**	$ 9,518	$ 34

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

March 31, 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	$ 2,205	$ 2,035	$ 4,240	$ 1,140,303	$ 1,144,543	$ 200
Production and intermediate-term	2,983	1,630	4,613	226,807	231,420	-
Agribusiness	-	1	1	177,165	177,166	1
Rural infrastructure	-	-	-	86,766	86,766	-
Rural residential real estate	-	-	-	273	273	-
International	-	-	-	7,571	7,571	-
Total	$ 5,188	$ 3,666	$ 8,854	$ 1,638,885	$ 1,647,739	$ 201

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	$ -

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

	Balance at December 31, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2021
Real estate mortgage	$ 901	$ -	$ -	$ 146	$ 1,047
Production and intermediate-term	894	993	271	704	876
Agribusiness	1,527	-	-	42	1,569
Rural infrastructure	208	-	-	(70)	138
Rural residential real estate	-	-	-	1	1
International	3	-	-	-	3
Total	$ 3,533	$ 993	$ 271	$ 823	$ 3,634

	Balance at December 31, 2019	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2020
Real estate mortgage	$ 742	$ -	$ 1	$ 99	$ 842
Production and intermediate-term	1,292	-	-	(159)	1,133
Agribusiness	1,041	-	22	232	1,295
Rural infrastructure	176	-	-	6	182
Rural residential real estate	1	-	-	-	1
International	3	-	-	-	3
Total	$ 3,255	$ -	$ 23	$ 178	$ 3,456

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 March 31,	
	2021	2020
Balance at beginning of period	**$ 562**	$ 578
Provision for/(reversal of) unfunded commitments	**24**	(10)
Total	**$ 586**	$ 568

Additional information on the allowance for loan losses follows:

	Allowance for Credit Losses Ending Balance at March 31, 2021		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2021	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 1,047	$ 7,631	$ 1,136,912
Production and intermediate-term	-	876	3,904	227,516
Agribusiness	-	1,569	1	177,165
Rural infrastructure	-	138	-	86,766
Rural residential real estate	-	1	-	273
International	-	3	-	7,571
Total	$ -	$ 3,634	$ 11,536	$ 1,636,203

	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.

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

	For the Three Months Ended			
	March 31, 2021		March 31, 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.

The following table presents information regarding troubled debt restructurings that occurred within the previous 12 months and for which there was a subsequent payment default during the period.

	For the Three Months Ended			
	March 31, 2021		March 31, 2020	
	Number of Contracts	Recorded Investment	Number of Contracts	Recorded Investment
Troubled debt restructurings that subsequently defaulted				
Real estate mortgage	-	$ -	1	$ 71
Production and intermediate-term	-	-	1	2,238
Total	-	$ -	2	$ 2,309

Additional commitments to lend to borrowers whose loans were modified in a troubled debt restructuring were $391 and $294 at March 31, 2021 and December 31, 2020, respectively.

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*	
	March 31, 2021	December 31, 2020	**March 31, 2021**	December 31, 2020
Real estate mortgage	**$ 652**	$ 656	**$ 348**	$ 96
Production and intermediate-term	**830**	1,074	**315**	468
Total	**$ 1,482**	$ 1,730	**$ 663**	$ 564

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

OKLAHOMA AGCREDIT

NOTE 3 - CAPITAL

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

	As of March 31, 2021	As of December 31, 2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	14.99%	15.88%	4.5%	2.5%	7.0%
Tier 1 capital ratio	14.99%	15.88%	6.0%	2.5%	8.5%
Total capital ratio	15.24%	16.12%	8.0%	2.5%	10.5%
Permanent capital ratio	15.02%	15.91%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	15.36%	16.34%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	16.87%	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 March 31	
	2021	2020
Pension and other benefit plans:		
Beginning balance	**$ (248)**	$ (320)
Amounts reclassified from accumulated other comprehensive loss	**21**	17
Net current period other comprehensive income	**21**	17
Ending balance	**$ (227)**	$ (303)

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

	Amount Reclassified from Accumulated Other Comprehensive Income/(Loss)		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended March 31		
	2021	2020	
Pension and other benefit plans:			
Net actuarial loss	**$ 21**	$ 17	Salaries and employee benefits
Total reclassifications	**$ 21**	$ 17	

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				
March 31, 2021	**$ 507**	**$ -**	**$ -**	**$ 507**
December 31, 2020	$ 425	$ -	$ -	$ 425

The Association had no liabilities measured at fair value on a recurring basis at March 31, 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	
March 31, 2021				
Loans	**$ -**	**$ -**	**$ 2,042**	**$ 2,042**
Loans Held for Sale (Included in other Assets)	**$ -**	**$ -**	**$ 1,965**	**$ 1,965**
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 March 31, 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 May 5, 2021, which is the date the financial statements were issued, and no material subsequent events were identified.