OKLAHOMA AGCREDIT

COMMITTED TO RURAL OKLAHOMA IN GOOD TIMES AND BAD

2022 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 2021 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, 2022, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2021 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

ECONOMIC OVERVIEW

The first quarter of 2022 saw extreme economic volatility amidst the highest inflation readings in forty years and a major military conflict in Ukraine. Supply chains were challenged prior to Russia's invasion of Ukraine and only worsened with sanctions, transportation disruptions, and resource allocation issues further complicating a difficult situation. Despite the volatility, the national and state economies are expected to expand throughout the first half of the year.

Dry weather continues to persist for much of our trade territory, except for the far eastern portion of the state where adequate precipitation has been received. Pasture and forage conditions are below average with a late start due to cool spring temperatures and a general lack of moisture. Winter wheat has emerged from dormancy but is off to its second worst crop rating start since 1986 as 69% of production is within an area experiencing drought. Seed bed preparation for fall crops is also running behind schedule for much of the same reasons.

Most commodities have experienced rapid price escalation during the quarter except for cattle, our primary product. Although cattle prices have been volatile, they are only marginally higher since the first of the year. Most grain prices are up 25% this quarter with winter wheat leading the way. West Texas Intermediate crude has increased 34% while natural gas prices are up nearly 50% over the same time period. Depending on the type of nutrient, most fertilizer prices have doubled or tripled from one year ago. Such price movements significantly increase the risk to our borrowers as they navigate these perilous times.

Despite the aforementioned challenges, Oklahoma's economy appears to be on firm footing. The state's unemployment rate of 2.6% is well-below the national average and even below pre-pandemic levels. Gross tax receipts are up by almost 23% compared to the same month last year. Strong economic activity should bode well for our customer base's repayment ability and asset prices. However, we are seeing moderating loan demand and increased competitive pressures as higher interest rates gently apply the brakes to real estate values.

The broader economy and marketplace continues to transition into another phase of the COVID-19 pandemic environment, accompanied by concerns related to the war in Ukraine. As the COVID-19 pandemic issues subside and issues related to the war increase, the U.S. economy remains healthy and continues to be driven by strong consumer spending. While higher consumer demand is beneficial to businesses, severe supply chain disruptions, labor shortages and the high cost of fuel are adding significant costs to business operations and these costs are likely to be passed on to the consumer. Business operating costs are still rising faster than consumer prices, so elevated inflation is a concern in 2022. From a monetary policy perspective, the Fed has announced plans to increase rates multiple times in 2022, with the first interest rate increase of 25 basis points in March 2022. Anticipation of tighter monetary policy is contributing to a stronger dollar and changes in the shape of the yield curve.

LOAN PORTFOLIO

Loans outstanding at March 31, 2022 totaled $1.80 billion, an increase of $31.7 million, or 1.8%, from loans of $1.77 billion at December 31, 2021. The increase was primarily comprised of $72.8 million in new real estate loans, 11 of which were between $1.0 million and $4.6 million, $26.8 million in new participation volume, and $15.9 million in net disbursements on lines of credit in our capital markets portfolio, which included a $12 million disbursement on one international loan. This increase was partially offset by $37.1 million in payoffs of existing loans and $38.1 million in recurring payments on the core portfolio. The rise in disbursements on participation loans is mainly attributable to borrowers exercising accordion features and temporarily increasing or disbursing on revolving credit facilities to support operations and shore up liquidity due to rising commodity prices and inflation. Refinancing activity has not significantly declined since late 2021, due to impending rate hikes throughout 2022.

Overall credit quality of our loan portfolio remained sound during the first three months of 2022, with credit quality ratios remaining stable and nonaccrual balances decreasing since December 31, 2021.

OTHER PROPERTY OWNED

Other property owned is real or personal property that has been acquired through foreclosure, deed in lieu of foreclosure or other means. We had other property owned of $47 thousand at March 31, 2022 and at December 31, 2021.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2022, was $7.4 million, an increase of $1.7 million, or 30.7%, from the same period ended one year ago. The increase was 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 three months ended March 31, 2022, was $12.1 million, an increase of $1.4 million, or 12.9%, compared with the three months ended March 31, 2021. Interest rate spread increased by 9 basis points. Interest income increased as a result of an increase in borrower rates and an increase in average loan volume growth of 9.2%. Interest expense increased due to the average volume increase in debt to CoBank of 9.4%. Net interest margin also increased 9 basis points, as the rate of return on our own capital was unchanged from the prior year.

For the three months ended March 31, 2022, the Association recognized a $612 thousand provision for credit losses, a decrease of $235 thousand, or 27.7%, from the same period ended one year ago. The majority of the decrease was attributable to a $721 thousand decrease in net charge-offs for cattle loans, which were unusually high in the first quarter of 2021. The provision for the general allowance decreased $61 thousand from the same period one year ago as a result of improvement in the portfolio's weighted average probability of default. See Note 2 of the 2021 Annual Report to Shareholders for additional information on our loan rating model. These decreases were offset by a $534 thousand increase in the management adjustment, primarily for capital markets, in response to increases in commodity prices, inflation, ongoing supply issues, and global economic volatility.

Noninterest income increased $702 thousand during the first three months of 2022 compared with the first three months in 2021, primarily due to a $574 thousand increase in patronage income from CoBank and a $132 thousand increase in mineral income. CoBank's target for patronage related to our direct note increased from 36 to 45 basis points in the second quarter of 2021.

Mineral income of $244 thousand was recognized during the first three months of 2022. Of this amount, $237 thousand was received from CoBank. The increase for the three months ended March 31, 2022 compared with the first three months of 2021 reflects the higher oil and gas commodity prices paid on production during the period.

During the first three months of 2022, noninterest expense increased $574 thousand to $6.6 million, primarily due to additional employees and merit increases, fees paid to AgVantis and other professional service providers, and lower deferred costs related to fewer credit actions than in the prior year. The increase in FCSIC premiums, which are currently at the same rate as last year, correspond to the increase in our loan volume. These increases were partially offset by decreases in relocation expenses, qualified pension expense and prepayment expense, which represents prepayment fees charged by CoBank related to loan conversions during the low rate environment of first quarter of 2021.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2022, was $332.0 million, an increase of $7.5 million since December 31, 2021. This increase is due to net income, the amortization of pension costs included in the net periodic benefit cost, offset by net stock reductions.

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.

At March 31, 2022, our Association did not hold any legacy LIBOR indexed loans in our core portfolio and these developments did not have a material impact on the Association and our borrowers. All exposure to LIBOR is related to our participations purchased portfolio. We have adopted a transition plan to reduce LIBOR exposures and stop the inflow of new LIBOR volume. Management has documented and worked through the LIBOR transition plan with our funding bank and service provider to address the phase out of LIBOR rates, including any updates to processes and loan servicing technology.

OKLAHOMA AGCREDIT

CHANGES IN MANAGEMENT

Our Chief Risk Officer will be retiring December 31, 2022. The Association is preparing for this transition according to its succession plan.

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.

//signature on file//

Lisa Cochell
Chairwoman of the Audit Committee
May 5, 2022

//signature on file//

Patrick Zeka
President/CEO
May 5, 2022

//signature on file//

Malinda Thimmesch
CFO
May 5, 2022

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2022 UNAUDITED	December 31 2021 AUDITED
ASSETS		
Loans	**$ 1,803,779**	$ 1,772,110
Less allowance for loan losses	**4,179**	3,606
Net loans	**1,799,600**	1,768,504
Cash	**773**	4,741
Accrued interest receivable	**17,292**	16,574
Investment in CoBank, ACB	**46,329**	50,706
Investment in AgDirect	**3,761**	4,158
Premises and equipment, net	**15,716**	14,988
Other property owned	**47**	47
Prepaid benefit expense	**8,685**	8,078
Other assets	**4,871**	10,386
Total assets	**$ 1,897,074**	$ 1,878,182
LIABILITIES		
Note payable to CoBank, ACB	**$ 1,538,518**	$ 1,525,552
Advance conditional payments	**8,821**	6,326
Accrued interest payable	**1,901**	1,761
Patronage distributions payable	**10,876**	11,500
Accrued benefits liability	**311**	479
Deferred tax liability	**16**	16
Reserve for unfunded commitments	**635**	539
Other liabilities	**3,992**	7,465
Total liabilities	**1,565,070**	1,553,638
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**3,764**	3,767
Additional paid-in capital	**55,558**	55,558
Unallocated retained earnings	**272,805**	265,382
Accumulated other comprehensive income/(loss)	**(123)**	(163)
Total shareholders' equity	**332,004**	324,544
Total liabilities and shareholders' equity	**$ 1,897,074**	$ 1,878,182

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

UNAUDITED	For the three months Ended March 31 2022		2021	
INTEREST INCOME				
Loans	**$**	**17,409**	$	15,544
Total interest income		**17,409**		15,544
INTEREST EXPENSE				
Note payable to CoBank, ACB		**5,340**		4,859
Other		**10**		7
Total interest expense		**5,350**		4,866
Net interest income		**12,059**		10,678
Provision for credit losses		**612**		847
Net interest income after provision for credit losses		**11,447**		9,831
NONINTEREST INCOME				
Financially related services income		**2**		3
Loan fees		**224**		238
Patronage distribution from Farm Credit institutions		**1,943**		1,369
Mineral income		**244**		112
Other noninterest income		**135**		124
Total noninterest income		**2,548**		1,846
NONINTEREST EXPENSE				
Salaries and employee benefits		**3,367**		3,154
Occupancy and equipment		**387**		365
Purchased services from AgVantis, Inc.		**977**		851
Farm Credit Insurance Fund premium		**584**		541
Supervisory and examination costs		**135**		125
Prepayment expense		**-**		23
Other noninterest expense		**1,119**		936
Total noninterest expense		**6,569**		5,995
Income before income taxes		**7,426**		5,682
Provision for income taxes		**3**		1
Net income		**7,423**		5,681
COMPREHENSIVE INCOME				
Amortization of retirement costs		**40**		21
Total comprehensive income	**$**	**7,463**	$	5,702

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, 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
Balance at December 31, 2021	$ 3,767	$ 55,558	$ 265,382	$ (163)	$ 324,544
Comprehensive income			7,423	40	7,463
Stock issued	96				96
Stock retired	(99)				(99)
Balance at March 31, 2022	**$ 3,764**	**$ 55,558**	**$ 272,805**	**$ (123)**	**$ 332,004**

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, 2021, are contained in the 2021 Annual Report to Shareholders. These unaudited first quarter 2022 financial statements should be read in conjunction with the 2021 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, 2021, as contained in the 2021 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, 2022. Descriptions of the significant accounting policies are included in the 2021 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 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 approved deferral of the effective date for certain entities for this guidance by two years, which will result in the new credit loss standard becoming 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, 2022	December 31, 2021
Real estate mortgage	**$ 1,249,379**	$ 1,241,658
Production and intermediate-term	**236,985**	246,177
Agribusiness	**205,274**	186,710
Rural infrastructure	**93,776**	91,104
International	**18,222**	6,221
Rural residential real estate	**143**	240
Total Loans	**$ 1,803,779**	$ 1,772,110

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, 2022:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 34,315	$ 35,452	$ 50	$ -	$ 34,365	$ 35,452
Production and intermediate-term	44,480	6,339	-	-	44,480	6,339
Agribusiness	202,302	-	-	-	202,302	-
Rural infrastructure	93,776	-	-	-	93,776	-
International	18,222	-	-	-	18,222	-
Total	$ 393,095	$ 41,791	$ 50	$ -	$ 393,145	$ 41,791

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, 2022	December 31, 2021
Real estate mortgage		
Acceptable	**98.80%**	98.70%
OAEM	**0.57%**	0.66%
Substandard	**0.63%**	0.64%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**96.24%**	96.20%
OAEM	**1.02%**	0.89%
Substandard	**2.74%**	2.91%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**96.60%**	97.96%
OAEM	**2.97%**	1.61%
Substandard	**0.43%**	0.43%
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**99.60%**	99.59%
OAEM	**0.40%**	0.41%
Total	**100.00%**	100.00%
Rural residential real estate		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%

(continued)	**March 31, 2022**	December 31, 2021
International		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**98.26%**	98.32%
OAEM	**0.89%**	0.78%
Substandard	**0.85%**	0.90%
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, 2022	December 31, 2021
Nonaccrual loans		
Real estate mortgage	**$ 5,890**	$ 6,553
Production and intermediate-term	**1,148**	1,890
Agribusiness	**68**	75
Total nonaccrual loans	**$ 7,106**	$ 8,518
Accruing restructured loans		
Real estate mortgage	**$ 288**	$ 291
Production and intermediate-term	**12**	210
Total accruing restructured loans	**$ 300**	$ 501
Accruing loans 90 days past due		
Real estate mortgage	**$ 413**	$ -
Production and intermediate-term	**-**	17
Total accruing loans 90 days past due	**$ 413**	$ 17
Total impaired loans	**$ 7,819**	$ 9,036
Other property owned	**47**	47
Total high risk assets	**$ 7,866**	$ 9,083

Additional impaired loan information is as follows:

	March 31, 2022			December 31, 2021		
	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	**$ 166**	**$ 169**	**$ 53**	$ 166	$ 169	$ 53
Total	**$ 166**	**$ 169**	**$ 53**	$ 166	$ 169	$ 53
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	**$ 6,591**	**$ 7,338**		$ 6,844	$ 7,718	
Production and intermediate-term	**994**	**1,191**		1,951	2,323	
Agribusiness	**68**	**177**		75	184	
Total	**$ 7,653**	**$ 8,706**		$ 8,870	$ 10,225	
Total impaired loans:						
Real estate mortgage	**$ 6,591**	**$ 7,338**	**$ -**	$ 6,844	$ 7,718	$ -
Production and intermediate-term	**1,160**	**1,360**	**53**	2,117	2,492	53
Agribusiness	**68**	**177**	**-**	75	184	-
Total	**$ 7,819**	**$ 8,875**	**$ 53**	$ 9,036	$ 10,394	$ 53

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 March 31, 2022		For the Three Months Ended March 31, 2021	
	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	**$ 166**	**$ -**	$ -	$ -
Total	**$ 166**	**$ -**	$ -	$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	**$ 6,635**	**$ 301**	$ 6,160	$ 46
Production and intermediate-term	**1,618**	**129**	2,735	10
Agribusiness	**72**	**-**	-	-
Total	**$ 8,325**	**$ 430**	$ 8,895	$ 56
Total impaired loans:				
Real estate mortgage	**$ 6,635**	**$ 301**	$ 6,160	$ 46
Production and intermediate-term	**1,784**	**129**	2,735	10
Agribusiness	**72**	**-**	-	-
Total	**$ 8,491**	**$ 430**	$ 8,895	$ 56

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

March 31, 2022	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	$ 2,073	$ 698	$ 2,771	$ 1,259,934	$ 1,262,705	$ 413
Production and intermediate-term	5,115	520	5,635	234,821	240,456	-
Agribusiness	-	68	68	205,599	205,667	-
Rural infrastructure	-	-	-	93,866	93,866	-
Rural residential real estate	-	-	-	143	143	-
International	-	-	-	18,234	18,234	-
Total	$ 7,188	$ 1,286	$ 8,474	$ 1,812,597	$ 1,821,071	$ 413

December 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	$ 2,997	$ 510	$ 3,507	$ 1,250,963	$ 1,254,470	$ -
Production and intermediate-term	3,897	1,252	5,149	244,301	249,450	17
Agribusiness	-	75	75	187,033	187,108	-
Rural infrastructure	-	-	-	91,185	91,185	-
Rural residential real estate	-	-	-	241	241	-
International	-	-	-	6,230	6,230	-
Total	$ 6,894	$ 1,837	$ 8,731	$ 1,779,953	$ 1,788,684	$ 17

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

	Balance at December 31, 2021	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2022
Real estate mortgage	$ 888	$ -	$ -	$ 29	$ 917
Production and intermediate-term	631	49	106	(38)	650
Agribusiness	1,924	-	-	523	2,447
Rural infrastructure	159	-	-	2	161
Rural residential real estate	1	-	-	-	1
International	3	-	-	-	3
Total	$ 3,606	$ 49	$ 106	$ 516	$ 4,179

	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

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,	
	2022	2021
Balance at beginning of period	**$ 539**	$ 562
Provision for reserves for unfunded commitments	**96**	24
Total	**$ 635**	$ 586

Additional information on the allowance for loan losses follows:

	Allowance for Credit Losses Ending Balance at March 31, 2022		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2022	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 917	$ 6,591	$ 1,256,114
Production and intermediate-term	53	597	1,160	239,296
Agribusiness	-	2,447	68	205,599
Rural infrastructure	-	161	-	93,866
Rural residential real estate	-	1	-	143
International	-	3	-	18,234
Total	$ 53	$ 4,126	$ 7,819	$ 1,813,252

	Allowance for Credit Losses Ending Balance at December 31, 2021		Recorded Investments in Loans Outstanding Ending Balance at December 31, 2021	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 888	$ 6,844	$ 1,247,626
Production and intermediate-term	53	578	2,117	247,333
Agribusiness	-	1,924	75	187,033
Rural infrastructure	-	159	-	91,185
Rural residential real estate	-	1	-	241
International	-	3	-	6,230
Total	$ 53	$ 3,553	$ 9,036	$ 1,779,648

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 periods ended March 31, 2022 or March 31, 2021.

Of loans modified as troubled debt restructurings within the last twelve months, none defaulted during the three-month periods ended March 31, 2022 or March 31, 2021.

There were no additional commitments to lend to borrowers whose loans were modified in a troubled debt restructuring at March 31, 2022 or at December 31, 2021.

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, 2022	December 31, 2021	**March 31, 2022**	December 31, 2021
Real estate mortgage	**$ 2,173**	$ 2,181	**$ 1,885**	$ 1,889
Production and intermediate-term	**12**	209	**-**	-
Total	**$ 2,185**	$ 2,390	**$ 1,885**	$ 1,889

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

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, 2022	As of December 31, 2021	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	14.46%	14.83%	4.5%	2.5%	7.0%
Tier 1 capital ratio	14.46%	14.83%	6.0%	2.5%	8.5%
Total capital ratio	14.68%	15.06%	8.0%	2.5%	10.5%
Permanent capital ratio	14.48%	14.86%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	15.09%	15.61%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	14.89%	17.04%	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	
	2022	2021
Pension and other benefit plans:		
Beginning balance	**$ (163)**	$ (248)
Amounts reclassified from accumulated other comprehensive loss	**40**	21
Net current period other comprehensive income	**40**	21
Ending balance	**$ (123)**	$ (227)

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 March 31		
	2022	2021	
Pension and other benefit plans:			
Net actuarial loss	**$ 40**	$ 21	Salaries and employee benefits
Total reclassifications	**$ 40**	$ 21	

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 2021 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, 2022	**$ 610**	**$ -**	**$ -**	**$ 610**
December 31, 2021	$ 559	$ -	$ -	$ 559

The Association had no liabilities measured at fair value on a recurring basis at March 31, 2022 or December 31, 2021.

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, 2022				
Loans	**$ -**	**$ -**	**$ 216**	**$ 216**
Other property owned	**-**	**-**	**56**	**56**
December 31, 2021				
Loans	$ -	$ -	$ 740	$ 740
Other property owned	-	-	56	56

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, 2022 or December 31, 2021.

Valuation Techniques

As more fully discussed in Note 2 of the 2021 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.

Other Property Owned

Other property owned measured on a non-recurring basis 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 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.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 5, 2022, which is the date the financial statements were issued, and no material subsequent events were identified.