



Quarterly Report to Shareholders

Institution:

Report Date:

SCD:

Preparing and Filing Reports

When examining a Quarterly Report to Shareholders, be aware of the general guidance in FCA Regulation [620.2\(d\)](#) and [\(e\)](#). This guidance addresses options for incorporating information by reference, as well as requirements for preparing certain disclosure items.

Question	Response	Comment
<p>1. Did the institution prepare and send FCA an electronic copy of its quarterly report within 40 calendar days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution? 620.2(a), 620.10(a)(1)</p>		
<p>2. Did the institution publish a copy of its quarterly report on its Web site at the time it sent FCA an electronic copy? 620.10(a)(2)</p> <p><i>Note: If a shareholder requests a copy of the quarterly report, the institution must provide it. The first copy shall be provided to the requestor free of charge per 620.2(h)(3). Institutions must provide the report in a paper format when an individual shareholder did not consent to electronic delivery.</i></p>		
<p>3. Are the reports available for public inspection at the issuing institution? 620.2(b)</p> <p><i>Note 1: Farm Credit bank (bank) reports must also be available for public inspection at each of their related associations' office(s).</i></p> <p><i>Note 2: Institutions must make the reports available in paper format if requested or when an individual shareholder did not consent to electronic delivery.</i></p> <p><i>Note 3: Under the capital regulations, banks must make certain other disclosures (described in Tables 1 through 10 of 628.63) publicly available for the last 3 years (that is, 12 quarters) or such shorter period beginning on January 1, 2017. 628.63(a)</i></p>		
<p>4. Did the institution present its reports in accordance with generally accepted accounting principles and in a manner that provides the most meaningful disclosure to shareholders? 620.2(g); 621.3(b); 620.3(a)</p> <p><i>Note: While the financial statements presented in the quarterly report must be prepared in compliance with GAAP, the quarterly report does not need to include all disclosures required by GAAP and may be unaudited. In all cases, the quarterly report must be prepared based upon statutory and regulatory requirements.</i></p>		

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<p>5. <u>If the institution presented its quarterly financial statements on a combined or consolidated basis</u>, did it also include in the report the statement of condition and statement of income of the institution on a stand-alone basis? 620.2(g)(1)</p> <p><i>Note: The stand-alone statements may be in summary form and must disclose the basis of presentation if different from accounting policies of the combined or consolidated statements.</i></p>		
<p>6. <u>For associations</u>, did the report state:</p>		
<p>a. That the shareholders' investment in the association may be materially affected by the financial condition and results of operations of the related bank? 620.2(h)(2)(i)</p>		
<p>b. That (if not otherwise provided) a copy of the bank's financial reports to shareholders will be made available free of charge on request? 620.2(h)(2)(ii)</p>		
<p>c. The telephone numbers and addresses (including information on any other distribution method the association makes available) where shareholders can request or obtain copies of the related bank's financial reports? 620.2(h)(2)(iii)</p> <p><i>Note: Institutions must provide the reports in a paper format if requested.</i></p>		
<p>d. Were each of the above statements in a prominent location within the report? 620.2(h)(2)</p>		
<p>7. Did the reporting institution disclose all events that have affected one or more related organizations that are likely to have a material effect on the reporting institution? 620.2(i)</p> <p><i>Note 1: Refer to 620.1 for definitions of related organization, significant event, and material.</i></p> <p><i>Note 2: Any significant event affecting the reporting institution that occurred during the preceding fiscal quarters that continues to have a material effect on the reporting institution shall be considered significant events of the current fiscal quarter and shall be disclosed in the reports.</i></p>		

Accuracy of Reports

<p>8. Were all disclosures by the institution made to shareholders or the general public concerning any matter required to be disclosed complete, accurate, and not misleading? 620.3(a)</p>		
<p>9. Is the name and position title of each person signing the report printed beneath his or her signature? 620.3(b)</p> <p><i>Note: If any person required to sign the report did not sign the report, the name and position title of the individual and the reason(s) such individual was unable or refuses to sign must be disclosed in the report.</i></p>		

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10. Was the report dated and signed by the chief executive officer (CEO)? 620.3(b)(1)		
11. Was the report dated and signed by the chief financial officer (CFO), or if the institution has no CFO, the officer responsible for preparing financial reports? 620.3(b)(2)		
12. Was the report dated and signed by a board member formally designated by action of the board to certify reports on behalf of individual board members? 620.3(b)(3) <i>Note: The board should maintain this designation in its records and keep it up-to-date.</i>		
13. Did the signatories of the report: <i>Note 1: If any signatory is unable to, or refuses to, certify the report, the institution must disclose the individual's name and position title and the reason(s) such individual is unable or refuses to certify the report.</i> <i>Note 2: The certifications below generally satisfy the attestation requirements in 628.62(b) for banks.</i>		
a. Certify the report was financially accurate? 620.3(c) <i>Note 3: This requirement would be met if the signatories completed the certification addressed in row d below.</i>		
b. Certify they reviewed the report? 620.3(c)(1)		
c. Certify the report was prepared in accordance with all applicable statutory or regulatory requirements? 620.3(c)(2)		
d. Certify the reported information is true, accurate, and complete to the best of signatories' knowledge and belief? 620.3(c)(3) <i>Note 4: For banks, the certification of a "complete" report must be modified to clarify if disclosures made pursuant to part 628 are restricted in content pursuant to 628.62(c). In those cases, the certification of completeness will need to include the explanation required by 628.62(c).</i>		
14. <u>For institutions with over \$1 billion in total assets (as of the end of the prior fiscal year)</u> , did the report disclose any material change(s) in the internal control over financial reporting occurring during the reporting period? 620.3(d) <i>Note: This requirement relates to any material changes during the current reporting period which affect the assessment completed in conjunction with the last annual report.</i>		

Contents of the Quarterly Report

15. Was the report organized in an easily understandable format, including any required captions, and was it presented in a		
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<p>manner that is not misleading? 620.11(a) and (b)</p> <p><i>Note 1: The information required to be included in the quarterly report may be presented in any format deemed suitable by the institution, except as otherwise required by the regulations.</i></p> <p><i>Note 2: Major captions in the quarterly report will be the same as those provided in the annual report except:</i></p> <ul style="list-style-type: none"> • <i>When any major balance sheet caption is less than 10 percent of total assets, and the amount has not increased or decreased by more than 25 percent since the end of the preceding fiscal year, the caption may be combined with others per 620.11(b)(1).</i> • <i>When any major income statement caption is less than 15 percent of average net income for the 3 most recent fiscal years and the amount in the caption has not increased or decreased by more than 20 percent since the corresponding interim period of the preceding fiscal year, the caption may be combined with others per 620.11(b)(2). In calculating average net income, loss years should be excluded. If losses were incurred in each of the 3 most recent fiscal years, the average loss shall be used for purposes of this test.</i> 		
<p>16. Did the interim financial information include disclosures sufficient to make the interim information presented not misleading and were all events occurring subsequent to the end of the most recent fiscal year that had a material impact on the institution included in the disclosures? 620.11(b)(3)</p> <p><i>Note: Institutions may presume that users of the interim financial information have read or have access to the prior annual report's audited financial statements and the adequacy of additional disclosures may be determined in that context. Accordingly, footnote disclosure that would substantially duplicate the disclosure contained in the most recent audited financial statements (such as a statement of significant accounting policies and practices), and details of accounts that have not changed significantly in amount or composition since the end of the most recent completed fiscal year may be omitted. However, disclosure shall be provided of events occurring subsequent to the end of the most recent fiscal year that have a material impact on the institution. Disclosures should encompass, for example, significant changes since the end of the most recently completed fiscal year in such items as accounting principles and practices; estimates inherent in the preparation of financial statements; status of long-term contracts; capitalization, including significant new indebtedness or modification of existing financing agreements; and the reporting entity resulting from business combinations or dispositions.</i></p>		
<p>17. Did the interim financial statements furnished reflect all adjustments that are necessary to a fair statement of the results for the interim periods presented? 620.11(b)(4)</p>		

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18. Was a statement included in the report noting that all necessary adjustments were reflected in the interim financial statements? 620.11(b)(4)		
19. Did the report include any material information necessary to make the information not misleading, such as including a statement that the results for the interim periods are not necessarily indicative of results to be expected for the year? 620.11(b)(4)		
20. Did the report contain a discussion of material changes, if any, to the information provided to shareholders in the <i>Management's Discussion and Analysis</i> since the prior annual report or the prior quarterly report? 620.11(c)(1) <i>Note: The MD&A discussion must be written in a manner that enables the reader to assess material changes in financial condition and results of operations between the periods specified in paragraphs (c)(2)(i) and (ii) of this section.</i>		
21. Did the report discuss any material changes in financial condition from the end of the preceding fiscal year to the date of the most recent interim balance sheet provided? 620.11(c)(1)(i) <i>Note: If additional periods of data are provided in the balance sheet, any material changes in the information presented must be discussed. The discussions of material changes (between the current quarter and the same quarter the previous year, and between the current quarter and the preceding fiscal year end) may be combined.</i>		
22. Did the report discuss any material changes in the institution's results of operations with respect to the most recent fiscal year-to-date period for which an income statement is provided and the corresponding year-to-date period of the preceding fiscal year? 620.11(c)(1)(ii) <i>Note: Such discussion also shall cover material changes with respect to that fiscal quarter and the corresponding fiscal quarter in the preceding fiscal year. In addition, if the institution has elected to provide an income statement for the 12-month period ended as of the date of the most recent interim balance sheet provided, the discussion also shall cover material changes with respect to that 12-month period and the 12-month period ended as of the corresponding interim balance sheet date of the preceding fiscal year.</i>		
23. Did the report include an interim balance sheet as of the end of the most recent fiscal quarter and as of the end of the preceding fiscal year? 620.11(c)(2)(i) <i>Note: Institutions have the option of including a balance sheet for the comparable quarter of the preceding fiscal year. If included, the information must be complete, accurate, and not misleading. 620.3(a)</i>		

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<p>24. Did the report include interim statements of income for:</p> <ul style="list-style-type: none"> • The most recent fiscal quarter, • The period between the end of the preceding fiscal year and the end of the most recent fiscal quarter, and • The comparable periods for the previous fiscal year? <p>620.11(c)(2)(ii)</p>		
<p>25. Did the report include interim statements of changes in protected borrower capital and at-risk capital for:</p> <ul style="list-style-type: none"> • The period between the end of the preceding fiscal year and the end of the most recent fiscal quarter, and • For the comparable period for the preceding fiscal year? <p>620.11(c)(2)(iii)</p>		
<p>26. <i>For banks</i>, did the report include interim statements of cash flows for:</p> <ul style="list-style-type: none"> • The period between the end of the preceding fiscal year and the end of the most recent fiscal quarter, and • For the comparable period for the preceding fiscal year? <p>620.11(c)(2)(iv)</p> <p><i>Note: For associations, interim statements of cash flows are optional. If included, the information must be complete, accurate, and not misleading. 620.3(a)</i></p>		
<p>27. Did the report state that the financial statements were prepared under the oversight of the audit committee?</p> <p>620.11(c)(3)</p>		
<p>28. <u>If the institution stated that the interim financial information was reviewed by a qualified public accountant or external auditor under the supervision of the audit committee</u>, did the report of the accountant or auditor accompany the interim financial information provided in the quarterly report?</p> <p>620.11(c)(3)</p> <p><i>Note: The interim financial information need not be audited or reviewed by a qualified public accountant or external auditor prior to filing. If, however, a review of the data is made in accordance with the established professional standards and procedures for such a review, the institution may state that a qualified public accountant or external auditor has performed such a review under the supervision of the institution's audit committee.</i></p>		
<p>29. <u>If the institution used the quarterly report to deliver any notice of significant or material events required under 620.15</u>, did the institution put the notice information at the beginning of the report, was it conspicuous and not part of any footnotes, and was the report issued not later than 90 days after the occurrence of the event? 620.11(d), 620.15(b)</p>		

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<p><i>Note: Notices to shareholders and FCA are required under 620.15 when the institution determines that it has a significant or material event (as defined in 620.1(q) and (h)). Refer to 620.15 for additional information and requirements on notices.</i></p>		
<p>30. In addition to the information specified in 620.11 (as covered above), did the report contain all other material information (including significant events) as is necessary to make the required disclosures, in light of the circumstances under which they are made, not misleading? 620.10(b)</p> <p><i>Note 1: When completing this question, determine whether there are any items not already covered in prior rows of this workpaper that warrant disclosure to ensure the report is not misleading.</i></p> <p><i>Note 2: FCA regulations do not prohibit institutions from providing additional information beyond what is required as long as that information is not misleading (as required by 620.3(a)).</i></p>		
<p>31. <u>For banks</u>, did the report include the disclosures described in Tables 1 through 10 of 628.63? 628.62(a), 628.63(a)</p> <p><i>Note 1: Pursuant to 628.62(a), the bank need not make the disclosures in the format set out in the applicable tables or all in the same location in a report, as long as a summary table specifically indicating the location(s) of all such disclosures is provided.</i></p> <p><i>If a significant change occurs, such that the most recent reported amounts are no longer reflective of the bank's capital adequacy and risk profile, then a brief discussion of this change and its likely impact must be disclosed as soon as practicable. This disclosure requirement may be satisfied by providing a notice under 620.15, which requires notice within 90 days of the change.</i></p> <p><i>Qualitative disclosures that typically do not change each quarter (for example, a general summary of the bank's risk management objectives and policies, reporting system, and definitions) may be disclosed annually after the end of the 4th calendar quarter, provided any significant changes are disclosed in the interim.</i></p> <p><i>Note 2: Pursuant to 628.62(c), if a bank concludes that disclosure of specific proprietary or confidential commercial or financial information that it would otherwise be required to disclose under this section would compromise its position, then the bank is not required to disclose that specific information pursuant to this section, but must disclose more general information about the subject matter of the requirement, together with the fact that, and the reason why, the specific items of information have not been disclosed. This applies to Tables 1 through 10 of 628.63.</i></p>		
<p>32. <u>For banks</u>, did the report disclose the following items:</p> <ul style="list-style-type: none"> • CET1 capital, tier 1 capital, and total (regulatory) capital, including all the regulatory capital elements and all the regulatory adjustments and deductions needed to calculate the numerator of such ratios? 628.63(b)(1) 		

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<ul style="list-style-type: none"> • Total risk-weighted assets, including the different regulatory adjustments and deductions needed to calculate total risk-weighted assets? 628.63(b)(2) <p><i>Note 1: 628.63(b)(3) does not apply as there is no transition period on the regulatory capital ratios.</i></p> <p><i>Note 2: On April 5, 2017, FCA communicated to the banks that the reconciliation requirement (628.63(b)(4)) does not apply to quarterly financial statements that are not audited. FCA plans to clarify regulatory requirements in the future as part of the Capital Rule Cleanup Regulation Project.</i></p> <p><i>Note 3: The disclosures required by 628.63(b) are separate from, and in addition to, the disclosures described in Tables 1 through 10 of 628.63.</i></p>		

Other Comments:

This workpaper is not intended to create any rights, substantive or procedural, enforceable at law or in any administrative proceeding. While the workpaper was carefully reviewed for applicability and accuracy, changes may occur in the wording or interpretation of laws and regulations. If a situation arises where the workpaper becomes inconsistent with applicable laws or regulations, the requirement of the laws or regulations will prevail. Examination scope may vary between institutions. On a particular examination activity, the workpaper may not pertain to all factual situations or interpretations, additional concerns or issues may be addressed that are not covered in the workpaper, and some portions of the workpaper may not be used.