

**Subpart B—Annual Report to Shareholders**

**§ 620.4 Preparing and providing the annual report.**

(a) Each institution of the Farm Credit System must prepare and provide to its shareholders an annual report within 75 calendar days of the end of its fiscal year.

(b)(1) A bank must provide its annual report to the shareholders of all related associations if the bank experiences a significant event that has a material effect on those associations.

(2) Any bank that is required by paragraph (b)(1) of this section to provide its annual report must coordinate its distribution with its related associations.

(c) The report shall contain, at a minimum, the information required by § 620.5 and, in addition, such other information as is necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

[51 FR 8656, Mar. 13, 1986. Redesignated and amended at 56 FR 29421, 29422, June 27, 1991; 62 FR 15093, Mar. 31, 1997; 66 FR 14301, Mar. 12, 2001; 67 FR 16633, Apr. 8, 2002; 71 FR 76119, Dec. 20, 2006]

EFFECTIVE DATE NOTE: At 72 FR 68061, Dec. 4, 2007, § 620.4 was amended by revising (a), effective either 30 days after publication in the FEDERAL REGISTER or later if Congress takes certain adjournments. For the convenience of the user, the added and revised text is set forth as follows:

**§ 620.4 Preparing and providing the annual report.**

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(a) Each institution of the Farm Credit System must:

(1) Prepare and send to the Farm Credit Administration an electronic copy of its annual report within 75 calendar days of the end of its fiscal year;

(2) Publish a copy of its annual report on its Web site when it sends the report electronically to the Farm Credit Administration;

(3) Provide prior written notification to its shareholders that the institution will publish its annual report on the institution's Web site when the report is sent electronically to the Farm Credit Administration; and

(4) Within 90 calendar days of the end of its fiscal year, prepare and provide to its shareholders an annual report substantively identical to the copy of the report sent to the Farm Credit Administration under paragraph (a)(1) of this section.

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**§ 620.5 Contents of the annual report to shareholders.**

The report must contain the following items in substantially the same order:

(a) *Description of business.* The description must include a brief discussion of the following items:

- (1) The territory served;
- (2) The persons eligible to borrow;

(3) The types of lending activities engaged in and related services offered. Each bank shall also briefly describe the lending and related services offered by its related associations, as well as related services offered to the borrowers in the bank's chartered territory by any service organization in which it has an ownership interest. Each association shall briefly describe the lending and related services offered by its related organizations or incorporate by reference relevant portions of the related bank's report, if such report is provided to association shareholders;

(4) Any significant developments within the last 5 years that had or could have a material impact on earnings or interest rates to borrowers, including, but not limited to, changes in the reporting entity and financing assistance provided by or to the institution through loss-sharing or capital preservation agreements or from any other source;

(5) Any acquisition or disposition of material assets during the last fiscal year, other than in the ordinary course of business;

(6) Any material change during the last fiscal year in the manner of conducting the business;

(7) Any seasonal characteristics of the institution's business;

(8) Any concentrations of more than 10 percent of its assets in particular commodities or particular types of agricultural activity or business, and the institution's dependence, if any, upon a single customer, or a few customers,