



# Investing in What Matters

**2023** ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT



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## INTRODUCTION

A Message from the President and CEO

A Message from the Chief ESG and Administrative Officer

About This Report

About FHLB Dallas

Our Approach to ESG

# 1

## A Message from the President and CEO

The Federal Home Loan Bank of Dallas (FHLB Dallas) is a values-driven organization. Our values — *Members First, Results Matter, Own It, Pursue Growth and Do Good* — are our guiding principles and underpin our business and the outcomes detailed in this Environmental, Social and Governance (ESG) Report for 2023.

Within this report, we comprehensively address the three pillars of ESG — Environmental, Social and Governance — and demonstrate how our actions drive progress toward our goals. The Social pillar, being paramount, encompasses a multitude of goals, reflecting our commitment to providing tailored solutions to members through advances, letters of credit, affordable housing and community investment programs. In addition to these solutions, our Disaster Rebuilding Assistance (DRA), Housing Assistance for Veterans (HAVEN), Heirs' Property and FHLB Dallas FORTIFIED Fund programs enable member support for disaster recovery, veterans' assistance, heirs' property resolution and physical climate risk mitigation, respectively. Collectively, these programs help ensure that our members can meet the needs of their customers and communities.

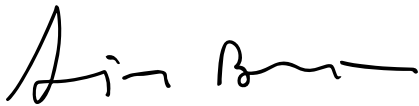
We believe that strong communities create stronger institutions, and for this reason we are deeply involved in our local community. We do this by prioritizing philanthropy as a mechanism for community involvement, which is evidenced not only through charitable contributions, but also through investments of time. Specifically, we proudly support local education through our contributions to the Irving Schools Foundation, adopted Dallas Independent School District elementary schools, Paul Quinn College and the Cristo Rey internship program.

Our employees are the central aspect of our organization. Without them, we would not be the institution we are today. As such, an engaging and empowering work environment will remain a central priority. To comprehensively support our colleagues, we provide a hybrid work environment to enhance work/life balance, invest in learning and growth and offer a robust compensation and benefits program.

Accountability to our member financial institutions and the communities we serve rests with our Board of Directors, the executive management team and our employees. To this end, the Environmental and Governance sections of this report highlight how our structure and actions have supported goals and programs that provide value to our members and the communities they serve.

Finally, as an organization, we steadfastly uphold transparency by sharing our goals and performance metrics. Thank you for taking the time to read our report.

Sincerely,



**Sanjay Bhasin**

President and Chief Executive Officer  
Federal Home Loan Bank of Dallas



# A Message from the Chief ESG and Administrative Officer

Welcome to our 2023 ESG Report.

At FHLB Dallas, our unwavering belief is that a sustainable future rests on a healthy environment, a robust and inclusive community, and ethical business practices. To that end, we are dedicated to understanding the impact of our actions on member institutions, colleagues and communities.

Our commitment to addressing ESG matters is long-standing, starting with the publication of our first Corporate Social Responsibility (CSR) report in 2016. Our 2023 ESG Report expands upon and reemphasizes this commitment and our promise to continue serving our members, communities and colleagues. This report comprehensively details our progress in these endeavors.

In 2023, our primary focus was the creation of our Climate Roadmap. This roadmap was informed by the efforts of our employees, our ESG Committee and the subcommittees dedicated to each facet of our ESG effort: Climate Risk, Sustainability and the Office of Minority and Women Inclusion (OMWI).

Beyond the Climate Roadmap, our 2023 priorities included:

- Execution of a summer internship program which encourages the inclusion of minority and women applicants
- Bank-wide Diversity, Equity and Inclusion training
- Promoting affordable housing through our commitment to build a Habitat for Humanity home every three years
- Completing ESG training for members of the executive team, the ESG Committee and its subcommittees
- Expanding the Small Business Boost (SBB) program, which provides loans to our members for qualified small businesses

Additionally, our 2023 achievements included refining business processes for greater operational efficiency, diversifying our workforce through improved hiring practices, upgrading our facilities for reduced energy and water consumption, and offering opportunities for accessible financing options to our community members in need.

These achievements and priorities, grouped into what we term the Five Cs — corporate governance, customized solutions for members, colleagues, communities and climate — build upon existing efforts, unify our integrated ESG framework and represent the areas in which we believe our organization can make the most impact, in both the short and long term.

In closing, our ESG program enables us to generate lasting value for our members and communities. We appreciate your engagement in our journey.

Sincerely,



**Bre Chapman**

Executive Vice President and Chief ESG and Administrative Officer  
Federal Home Loan Bank of Dallas





## About This Report

**In this report, we cover a number of important topics, including financial inclusion and capacity building; business ethics; employee and board diversity, inclusion and engagement; mortgage purchase activities and non-discriminatory practices; climate; and data security. This report addresses each of ESG's three pillars as we describe our strategy and approach to the five focus areas within our ESG framework that we call the Five Cs: corporate governance, customized solutions for members, colleagues, communities and climate. Activities presented in this report are as of or for the year ended December 31, 2023.**

This report also contains a multiyear look back at the activities that have supported our ESG initiatives. Our reporting is guided by the Sustainability Accounting Standards Board (SASB) framework and covers select topics included in the SASB framework for Commercial Banks, Mortgage Finance and Investment Banking and Brokerage standards. Please see the select SASB and modified SASB metrics for our responses and disclosures in [Section Seven](#). PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement over selected metrics in this report.

Some of the information shared in this report may have been previously disclosed through our 10-Q and [10-K filings](#) with the Securities and Exchange Commission (SEC). In addition, some of the information in this report is also available in our [2023 Affordable Housing Advisory Council Annual Report](#) — which provides an annual review of our community investment programs.

As used in this report, references to "FHLB Dallas," "the Bank," "the company," the "organization," "we," "our," "us" and similar terms refer to the Federal Home Loan Bank of Dallas. References to the "FHLBanks" refer collectively to the 11 Federal Home Loan Banks; FHLB Dallas is one of these 11 banks. We use the terms "colleagues," "team members" and "employees" interchangeably to refer to people who work for the Bank.

This ESG report contains forward-looking statements that reflect current beliefs and expectations of the Bank about its future ESG initiatives and opportunities. These statements are identified by the use of forward-looking terminology, such as "anticipates," "plans," "believes," "could," "estimates," "may," "should," "would," "will," "might," "expects," "intends," or their negatives or other similar terms. The Bank cautions that forward-looking statements involve risks or uncertainties that could affect the extent to which a particular objective, projection, estimate or prediction is realized. As a result, undue reliance should not be placed on such statements.



## Disclaimers

This report is not comprehensive and contains only voluntary disclosures on important ESG topics. The information provided in this report reflects our approach to ESG at the date of this report (April 30, 2024) and is subject to change without notice. We do not undertake any obligation to update the information in this report. Our approach to the disclosures included in this report may be different from those included in mandatory regulatory reporting, including under SEC regulations, and we can provide no representation or assurance that our internal approach is consistent with other investment criteria, taxonomies, standards or guidelines.

Some statistics and metrics in these disclosures are based on assumptions and the figures in this report are unaudited. PwC provided limited assurance for the metrics identified by the “\*” symbol for the performance metrics section. While this report describes events, including potential future events and topics that may be significant from an ESG perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws. No reports, documents, websites or third-party publications that are cited or referred to in this document shall be deemed to form part of this report. FHLB Dallas is not responsible for the information contained on third-party websites, nor do we guarantee their accuracy

and completeness. The information and data provided by a link to a website or publication, which is being referenced as of the date of this report, may be superseded by a later website or publication and is subject to change without notice.

**No offer or solicitation regarding securities.** This document is for general information purposes only and does not constitute, or form part of, an offer to sell or a solicitation of an offer to buy any security.

**No warranties; opinions subject to change.** This document is based upon information and assumptions (including financial, statistical or historical data and computations based upon such data) that we consider reliable and reasonable, but we do not represent that such information and assumptions are accurate or complete, or appropriate or useful in any particular context, including the context of any investment decision, and they should not be relied upon as such. No liability whatsoever is or will be accepted by FHLB Dallas for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

Opinions and estimates expressed herein constitute FHLB Dallas' judgment as of the date indicated and are subject to change without notice. They should not be construed as either projections or predictions of value, performance or results.



## About FHLB Dallas

**FHLB Dallas is a Government-Sponsored Enterprise (GSE) and one of 11 district Federal Home Loan Banks (FHLBanks) created by Congress in 1932 to provide local lenders with financing for mortgage lending. Today, we provide affordable and flexible funding to financial institutions across our five-state District.**



Although our collective mission reflects a public purpose, each FHLBank is an independent member-owned and operated financial cooperative. Banks, credit unions, community development financial institutions, savings institutions and insurance companies are eligible to join their regional FHLBank. Housing associates and housing finance agencies may be approved to borrow from the FHLBanks as nonmembers.

At FHLB Dallas, we strive to meet the needs of our employees, members and the communities we collectively serve. Our commitment is reflected in our tagline — Member-Driven. Community-Focused. It is also reflected in the value we deliver to our communities.

Each year, as required by federal statute, we provide Affordable Housing Program (AHP) grants that support the acquisition and rehabilitation of owner-occupied, rental and transitional housing and housing for unhoused individuals. This statutory AHP funding also includes three homeownership programs that assist first-time homebuyers, special-needs households and households impacted by disasters. Beyond these statutory funds, we provide grant and loan programs to assist our members with funding for disaster recovery, veterans' assistance, small business financing support for small commercial businesses, FORTIFIED Fund roofing to reduce storm damage and heirs' property resolution.

FHLB Dallas is regulated for safety and soundness by the Federal Housing Finance Agency (FHFA) and files annual and quarterly financial reports with the SEC.



# FHLB DALLAS AT A GLANCE: 2023

## COMPANY INFORMATION (AS OF DECEMBER 31, 2023)



**\$128.3B**  
in Assets

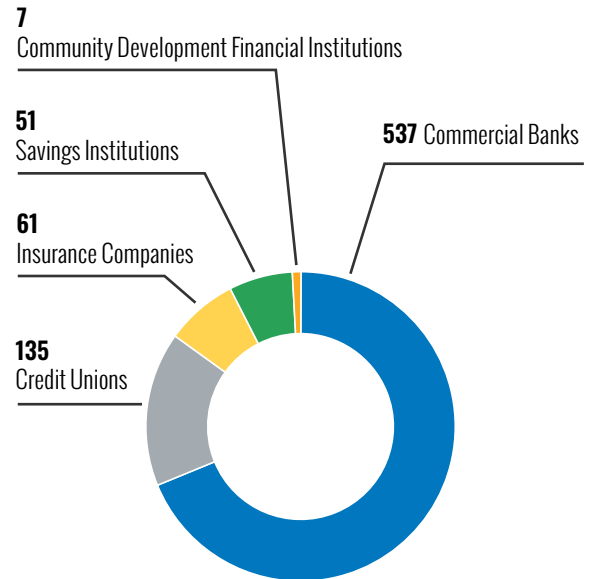


**791**  
Member Institutions

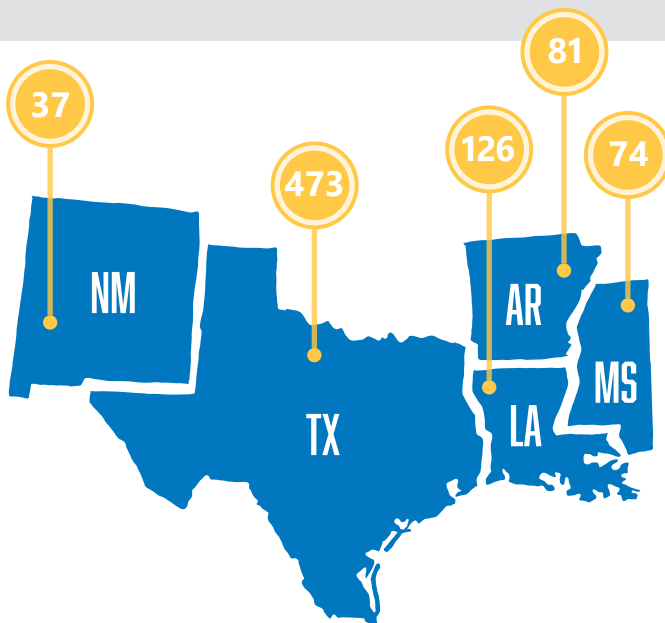


**\$80.3B**  
in Advances Outstanding

## MEMBERSHIP COMPOSITION (AS OF DECEMBER 31, 2023)



## MEMBERSHIP DISTRIBUTION



 Number of Member Institutions as of December 31, 2023

**Total Member Institutions: 791**

## PROGRAMS AND PRODUCTS

**\$47.5M**  
in Total Grants Awarded in 2023

Statutory Affordable Housing Program Grants and Voluntary Funding

**\$1B**  
in Mortgage Partnership Finance® Program Loans  
Purchased by the Bank in 2023

22.8% of funding was provided to low-income borrowers

**\$11.9M**  
in Small Business Boost Loans Outstanding  
as of December 31, 2023

## Mission, Vision and Values

Our mission, vision and values guide us in all we do. In 2023, our corporate values statements guided us in executing on our commitments to our members, our communities and our employees — and in making us the Bank we are today. Please view our [Vision and Values section](#) at [fhlb.com](http://fhlb.com) for more information.



# VISION

Our trusted employees enrich our member-owned cooperative through strategic thinking, smart implementation and embracing our shared communities.



### MEMBERS FIRST

- We serve members with integrity and professionalism.
- As a trusted advisor, we meet their unique needs through customized solutions.
- We create a culture of trust with our members and each other, modeling empathy, respect and appreciation.
- When they succeed, we succeed.



### RESULTS MATTER

- We are goal and action oriented.
- We focus on opportunities that have the most impact.
- We think ahead and find solutions.
- We are tenacious and celebrate wins.



### OWN IT

- We take pride in our work.
- We listen well.
- We take responsibility and hold ourselves accountable.
- We handle ambiguity well and even when conditions are not ideal, we persevere.



### PURSUE GROWTH

- We stay curious and open-minded.
- We have a growth mindset by which we continuously challenge ourselves.
- By unlocking the potential in each of us, we grow as an organization.
- We innovate, embrace and drive change.



### DO GOOD

- We are true to our authentic selves.
- We treat people with respect and encourage a spirit of gratitude.
- We embody service as a way of life.
- We are kind to ourselves, our colleagues and our environment.
- We embrace and champion Diversity, Equity and Inclusion (DE&I) at all levels of the organization.



## Our Approach to ESG

Our commitment to addressing and reporting on ESG matters is not new. In 2016, we published our first annual Corporate Social Responsibility (CSR) Report describing how we serve our members and our communities through our products and services, our community development programs and our corporate philanthropy.

After our transition to ESG reporting in 2022, we formed our ESG Committee, established our priorities and initial goals and began tracking our progress annually.

### OUR PATH TO ESG

2016	2021	2022	2023
<p><b>January 2016</b> Published first CSR report</p>	<p><b>March 2021</b> Established ESG working group</p> <p><b>May 2021</b> Conducted internal stakeholder discussions on ESG</p> <p><b>July 2021</b> Reviewed ESG strategy, important topics and framework selection</p> <p><b>November 2021</b> Integrated ESG into the Bank's Board of Directors (Board)-approved 2022-24 Strategic Business Plan  Published a podcast geared toward members on establishing an ESG strategy</p>	<p><b>March 2022</b> Conducted ESG stakeholder dialogue and surveys</p> <p><b>May 2022</b> Formed ESG Committee, Sustainability Subcommittee and Climate Risk Subcommittee  Established initial ESG goals</p> <p><b>July 2022</b> Amended the Board's Executive and Governance Committee Charter to include ESG oversight</p> <p><b>August 2022</b> Published final CSR report</p> <p><b>September 2022</b> Reviewed key ESG risks with internal stakeholders</p>	<p><b>March 2023</b> Conducted stakeholder meetings with affordable housing leaders, members and employees</p> <p><b>April 2023</b> Published inaugural ESG Report</p> <p><b>June 2023</b> Executed on our Diverse Summer Internship Program</p> <p><b>October 2023</b> Launched Dallas Independent School District (DISD) partnership  Held inaugural Women in Financial Services Conference</p> <p><b>December 2023</b> Approved our roadmap for climate and sustainability initiatives  Achieved our ESG training objectives for members of the executive team, ESG Committee and subcommittees</p>

## Our Strategic Priorities for ESG

Our ESG approach is rooted in our mission, our vision and our values and informed by the knowledge and experience acquired throughout our 90-year history. It focuses on our five strategic priorities, our Five Cs: corporate governance, customized solutions, colleagues, communities and climate.



## THE 5 Cs



### CORPORATE GOVERNANCE

Our **corporate governance** structure enables us to continually strive to improve our business practices, while ensuring the safety and soundness of our operations.



### COLLEAGUES

Our social initiatives are rooted in our commitment to the well-being, growth and development of our **colleagues**, at work and at home, with innovative and engaging benefits to help our employees develop professionally and personally.



### CUSTOMIZED SOLUTIONS

We provide **customized solutions** in the form of products and services to meet the needs of our members and their communities, and we deliver those products and services reliably and with a mindset of continuous improvement. Our programs give our members access to funding for affordable housing, small business lending and community and economic development. They have helped us to forge strong bonds with our members and the communities we both serve.



### COMMUNITIES

We are invested in positively impacting our **communities** and the lives of those around us, including through our annual yearlong corporate philanthropic activities that allow time for employee participation and monthly charity drives led by our employees. We hold ourselves accountable by making participation in charitable efforts a measured goal in our annual employee incentive pay program.



### CLIMATE

We are committed to sustainable building and **climate** initiatives, policies and principles that protect our planet.

# OUR 2023 ESG GOALS

WE SET THESE  
GOALS IN SUPPORT OF  
OUR ESG EFFORTS

**DEVELOP** a roadmap for climate and sustainability initiatives for 2023-2024

**EXTEND** 60 percent of offers for our summer internship program to minority and women applicants

**CONDUCT** Bank-wide Diversity, Equity and Inclusion training

**BUILD** one Habitat for Humanity of Greater Dallas home every three years

**COMPILE** and publish our inaugural ESG Report

**PROVIDE** ESG training for members of the executive team, ESG Committee and subcommittees

**INCREASE** commitments made by member institutions using the Small Business Boost program by 33 percent

[SEE OUR RESULTS ON PAGE 57.](#)

## 2023 ESG AT A GLANCE



## CORPORATE GOVERNANCE



## Committee Meetings Held:

6 ESG Committee

4 Sustainability Subcommittee

1 Climate Risk Subcommittee

4 OMWI Subcommittee



## CUSTOMIZED SOLUTIONS

\$36.7M

in Economic Development Program and Community Investment Program advances funded that created or retained 231 jobs

\$143B

in new or renewed Letters of Credit for our members



## COLLEAGUES



Established a Knowledge and Skills Training Library

16

Provided three employees and the children of 13 employees with tuition assistance

57.8%

of employees are racial/ethnic minorities

100%

of employees received cultural sensitivity training



## COMMUNITIES

\$130K

Started multiyear partnership with Habitat for Humanity of Greater Dallas building one home every three years

\$300K

in endowments for student scholarships or students attending universities with commercial banking programs

\$3.4M

in Small Business Boost Loans to 46 small businesses including 68% to minority-, women- or veteran-owned businesses

\$286.5K

in donations to Irving Schools Foundation and Dallas Independent School District (DISD) elementary schools



## CLIMATE



Eight-point improvement in Energy Star score; totaling 59



Upgraded Heating, Ventilation, and Air Conditioning (HVAC) hardware and software to improve energy efficiency



60+ low flow equipment upgrades to realize reduction in water consumption



Pursuing a Green Globes® certification

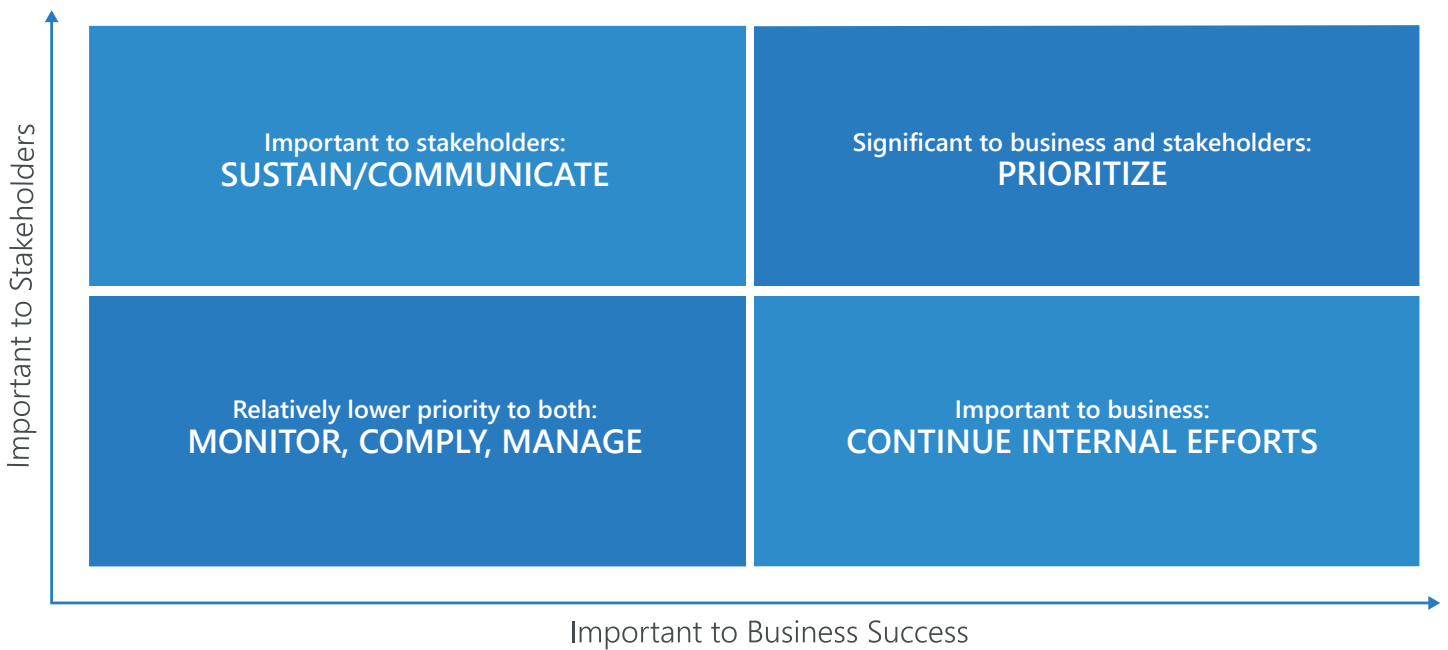
## Engagement with Our Stakeholders

In developing our ESG priorities for 2024, we leveraged our corporate values statements, the Five Cs and the results of our 2023 activities to inform our goals along with the input from our prior year stakeholder assessments. This included continuously monitoring the impact of our efforts and the value it brought to our members, our communities, our colleagues and the Bank.

Our 2022 stakeholder assessment focused on select topics of relevance from the Commercial Bank, Mortgage Finance and

Investment Banking and Brokerage standards of the SASB framework. (Note: stakeholder assessments are performed periodically based on market and member needs.) SASB metrics from these sections include financial inclusion and capacity building as modified, lending practices as modified, discriminatory lending as modified, systemic risk management, data security, business ethics and employee diversity and inclusion. These metrics are detailed in [Section Seven](#) of this report.

### ESG Stakeholder Engagement



### Important Topics to Stakeholders



## Engaging with Our Members

Due to the consultative nature of our business, we are continuously engaging with our members and gathering their input on a range of topics. This close communication drives growth and opportunity for our members, that, in addition to being our owners/shareholders, are our customers. We regularly engage with two member advisory councils and one focus group:

- Our Member Advisory Council (MAC), formed in 2017, provides input and feedback on new products, member education and outreach to underserved areas, among other topics.
- Our Insurance Member Advisory Council (IMAC), formed in 2021, provides input and feedback on topics specific to our insurance company members.
- Our Mortgage Partnership Finance® (MPF®) Program Focus Group, formed in 2023, provides input and feedback on topics specific to the MPF® Program.

The councils meet several times a year and bring with them opportunities to hear the voice of our members and leaders in the housing finance space. Additionally, we have a year-round feedback mechanism available through our member transaction portal, where members are encouraged to provide input. We also conduct member surveys, as needed.



## LOOKING FORWARD TO 2024

**In 2024, we plan to continue engaging with advisory councils, focus groups and our members to explore ways we can assist with their business needs, the needs of their customers and the communities they serve.**

## Engaging with Affordable Housing and Economic Development Providers in Our Communities

Our Affordable Housing Advisory Council (AHAC) provides advice and recommendations to our Board of Directors on housing finance and community lending needs across our District. Its members, who serve three-year terms and no more than three full terms, represent leaders from community-based organizations, for-profit and nonprofit organizations, local governments and housing authorities throughout our District. They are well versed in community needs for affordable housing and in the financing of affordable housing projects.

In addition to our AHAC, we regularly engage with housing and other community groups through public forums, AHP workshops, trade events and surveys.

## Engaging Our Regulator and Public Policymakers

We regularly engage with our regulator and public policymakers on a range of issues related to our mission — to understand their priorities, answer their questions and share our perspectives on current regulatory and public policy topics and issues related to banking, insurance and housing finance.



In 2023, our Government and Industry Relations staff met with 57 congressional staff members and five members of Congress. We also hosted three roundtable events where members of Congress and representatives from our member institutions engaged in discussions on policies, regulations and other issues of importance to FHLB Dallas members. Our roundtables, which may be held virtually or in person, have also included affordable housing professionals. In 2024, we will continue our ongoing and proactive efforts to effectively engage with elected officials and our regulator.

On March 6, 2024, the SEC adopted a final rule that mandates and standardizes climate-related disclosures in annual reports that are filed with the SEC. Among other things, the final rule requires registrants to disclose climate-related risks that have had or are reasonably likely to have a material impact on its business strategy, results of operations or financial condition. In addition, the final rule requires certain disclosures in a registrant's audited financial statements related to severe weather events and other natural conditions, such as hurricanes, tornadoes, flooding, drought, wildfires, extreme temperatures and sea level rise, subject to specified thresholds. The Bank is currently evaluating the disclosures that are applicable to non-accelerated filers, which, in a departure from the proposed rule, are less in scope than the disclosures that apply to large accelerated filers and accelerated filers. On April 4, 2024, the SEC issued an order to stay the climate rule in part to avoid potential regulatory uncertainty for registrants that might become subject to the rule while it awaits judicial review. The SEC believes the stay will facilitate the orderly judicial resolution of the challenges that have been made to the rule and allow the court of appeals to focus on deciding the merits.



## Engaging with Colleagues

In addition to informing our ESG priorities, our colleagues' feedback is critical to ensuring alignment across our organization and continuous improvement of our operations and outreach. Monthly Town Hall meetings provide team members with an opportunity to hear from our executive leadership team and ask questions on a range of topics including the Bank's membership, priorities, progress toward goals and financial results. These interactions also provide our executive team with input.

Additionally, we regularly conduct employee surveys and the Gallup Employee Engagement Survey. We use the information collected to inform our policies, member and community outreach and employee benefits. Quarterly performance reviews are another forum for colleagues to provide feedback through their managers on any number of topics.

## METHODS OF ENGAGEMENT

### MEMBERS



#### HOW WE ENGAGE

- Member focus groups
- Advisory councils
- 1:1 consultative sales calls
- Member-exclusive webinars
- Website, blogs, podcasts and social media
- Webinars and workshops on our community and advance programs
- Surveys
- Emails, bulletins, reports and publications
- Press releases and media events
- Trade association meetings and events

### COLLEAGUES



#### HOW WE ENGAGE

- Town Hall meetings
- Employee engagement surveys
- Company intranet, email and Microsoft Teams channels
- Social media and website
- Quarterly performance check-ins
- Affinity groups
- Online training

### COMMUNITIES



#### HOW WE ENGAGE

- Surveys
- Webinars and workshops on access to community programs
- Public forums and trade events
- Affordable Housing Advisory Council Annual Report
- Website, podcasts, blogs and social media

### GOVERNMENT AND REGULATOR



#### HOW WE ENGAGE

- Meetings and calls with our regulator and policymakers
- Congressional roundtables
- Reports and publications



## CORPORATE GOVERNANCE

Leadership

ESG Governance Structure

Business Policies

# 2



## Operational Integrity

**At FHLB Dallas, we believe that good corporate governance is more than a requirement — it is the right way to do business. We are committed to fulfilling our mission in accordance with the highest ethical and legal standards and to serving our members and communities with integrity, impartiality and professionalism. Our actions are rooted in our values and supported by our corporate bylaws, governance policies and management structure. All are essential to fulfilling our mission, managing our risks and ensuring the integrity of our operations.**

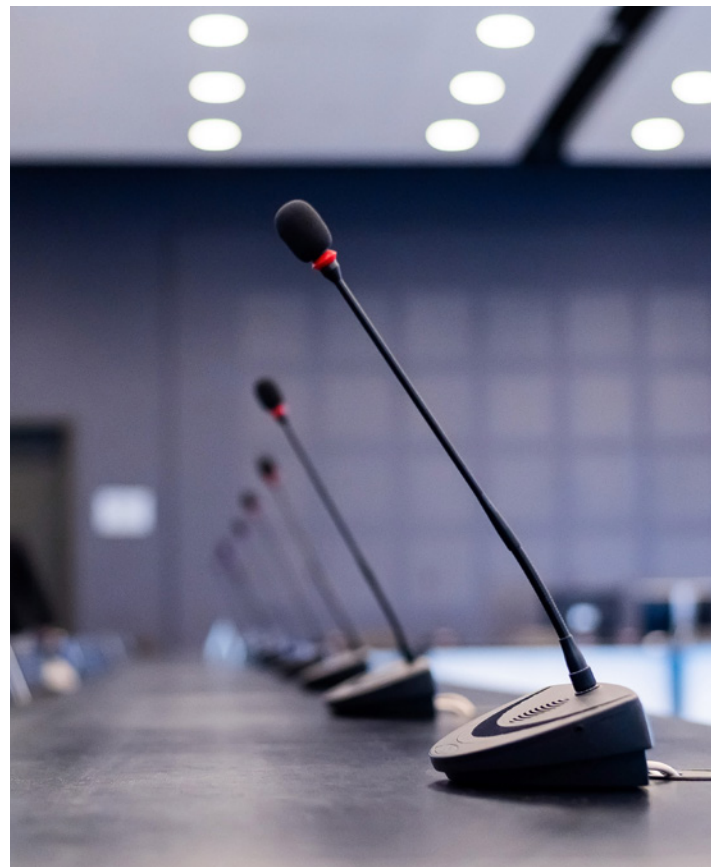
## Leadership

### Board of Directors

Our 16-member Board of Directors (Board) is responsible for oversight of FHLB Dallas operations, including the Bank's overall risk profile. The Board consists of nine directors representing member institutions in the Bank's five-state District and seven independent directors from the District. This mix of member and independent directors encourages a diversity of viewpoints and expertise that serves to strengthen our accountability to our stakeholders.

As prescribed by federal statute, independent directors must comprise at least 40 percent of the Board. At least two must be public interest directors with more than four years' experience representing consumer or community interests in banking services, credit needs, housing or consumer financial protections. All of our directors are elected by the Bank's member institutions in our five-state District. Member directors are nominated by Bank members and independent directors are nominated by our Board, based on applications submitted to the Bank and after consultation with our AHAC. Member directors are elected by members in the state that they represent, while independent directors are elected by members from all states in our District.

Directors generally serve staggered four-year terms beginning January 1, except when filling an unexpired term.



# BOARD OF DIRECTORS AT A GLANCE

# 9

## MEMBER DIRECTORS

each representing an individual state in the five-state District: Arkansas, Louisiana, Mississippi, New Mexico and Texas

# 7

## INDEPENDENT DIRECTORS

representing all states in the five-state District. (At least two independent directors are public interest directors)

### 2024 BOARD DIVERSITY

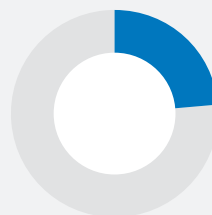


**25%**  
are women

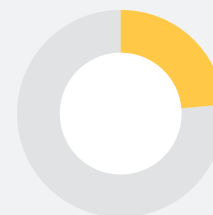


**25%**  
are racially/  
ethnically diverse

### 2023 BOARD DIVERSITY

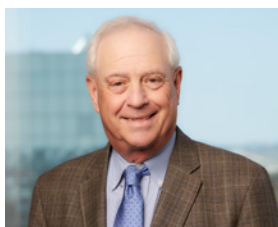


**23.5%**  
were women



**23.5%**  
were racially/  
ethnically diverse

## 2024 Board of Directors



**Arthur (Fred) Miller Jr. (Chair)**  
*Director*  
 Bank of Anguilla  
 Anguilla, Mississippi



**Sally I. Nelson (Vice Chair)**  
*Chairperson and  
 Chief Executive Officer*  
 Nextwave Ventures  
 Huntsville, Texas



**Karuna Annavajjala**  
*Vice President and  
 Chief Information Officer*  
 Silicon Labs  
 Austin, Texas



**Dorsey L. Baskin Jr.**  
*Retired Partner*  
 Grant Thornton, LLP  
 Dallas, Texas



**Dianne W. Bolen**  
*Retired Executive Director*  
 Mississippi Home Corporation  
 Jackson, Mississippi



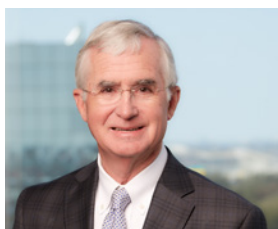
**Tim H. Carter**  
*Director*  
 Southside Bank  
 Fort Worth, Texas



**Albert C. Christman**  
*Chairman and  
 Chief Executive Officer*  
 Guaranty Bank &  
 Trust Company of Delhi  
 Delhi, Louisiana



**Rufus Cormier Jr.**  
*Retired Partner*  
 Baker Botts, LLP  
 Houston, Texas



**James D. Goudge**  
*Executive Vice President*  
 Broadway National Bank  
 San Antonio, Texas



**William (Wes) Hoskins**  
*Chairman, President and  
 Chief Executive Officer*  
 First Community Bank  
 Corpus Christi, Texas



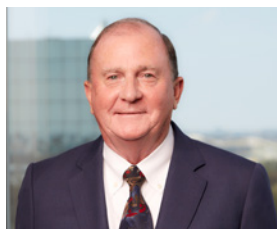
**Michael C. Hutsell**  
*Director*  
 First Security Bank  
 Searcy, Arkansas



**Lorraine Palacios**  
*Managing Director, Co-Head  
 National Housing Group, Head  
 of Midwest and Texas Group  
 Senior Member*  
 Samuel A. Ramirez & Co., Inc.  
 Austin, Texas



**Christopher G. Palmer**  
*Director, President and  
 Chief Executive Officer*  
 Pioneer Bank  
 Roswell, New Mexico



**Stephen Panepinto**  
*Chairman and  
 Chief Executive Officer*  
 Plaquemine Bank &  
 Trust Company  
 Plaquemine, Louisiana



**Felipe A. Rael**  
*Executive Director*  
 Sol Housing  
 Albuquerque, New Mexico



**Brett F. Seybold**  
*Senior Vice President and  
 Treasurer*  
 United Services Automobile  
 Association  
 San Antonio, Texas

*Robert M. Rigby, John P. Salazar and Margo S. Scholin served on our Board through December 31, 2023. Mr. Rigby served as a member director representing the state of Texas while Mr. Salazar and Ms. Scholin served as independent directors. We thank them for their service. The terms of Karuna Annavajjala and Brett F. Seybold began on January 1, 2024.*

## Executive Leadership

The Bank's executive officers are elected annually by and serve at the discretion of the Board. They are charged with setting and carrying out the Bank's strategic priorities. Along with our Board, they demonstrate, communicate and reinforce FHLB Dallas' commitment to business ethics, including our core commitment to doing good and upholding our corporate governance practices.



**Sanjay Bhasin**  
*President and Chief Executive Officer*



**Eric Blackman**  
*Executive Vice President and Chief Audit Executive*



**Bre Chapman**  
*Executive Vice President, Chief ESG and Administrative Officer, ESG Committee Chair and OMWI Subcommittee Chair*



**Sandra Damholt**  
*Executive Vice President and General Counsel*



**Kelly Davis**  
*Executive Vice President and Chief Risk Officer*



**Tom Lewis**  
*Executive Vice President and Chief Financial Officer*



**Kalyan Madhavan**  
*Executive Vice President and Chief Business Officer, Sustainability Subcommittee Chair*



**Gustavo Molina**  
*Executive Vice President and Chief Banking Operations Officer*



**Jibo Pan**  
*Executive Vice President and Head of Capital Markets*



**Jeff Yeager**  
*Executive Vice President and Chief Information Officer*



**Michael Zheng**  
*Executive Vice President and Chief Credit Officer, Climate Risk Subcommittee Chair*

## Board Committees

The Board's role includes oversight of our ESG practices and approval of our ESG report. It maintains seven standing committees:

- Affordable Housing and Economic Development Committee
- Audit Committee
- Compensation and Human Resources Committee
- Executive and Governance Committee
- Government and External Affairs Committee
- Risk Management Committee
- Strategic Planning, Operations and Technology Committee

## Advisory Councils

### 2024 Affordable Housing Advisory Council

Our 13-member AHAC provides our Board with advice and recommendations on the District's housing finance, affordable housing and community lending needs. The members represent community-based organizations, for-profit and nonprofit organizations, local governments and housing authorities throughout the FHLB Dallas District.



#### Chris Monforton (Chair)

*Chief Executive Officer*

Habitat for Humanity Mississippi  
Gulf Coast  
Gulfport, Mississippi

#### Jeff Curry (Vice Chair)

*Director of Development*

JL Gray Company, Inc.  
Las Cruces, New Mexico

#### Nicole Barnes

*Executive Director*

Jericho Road Episcopal  
Housing Initiative  
New Orleans, Louisiana

#### Charla Blake

*Executive Director*

Project Build A Future  
Lake Charles, Louisiana

#### Angela Curry

*Consultant*

Greenwood-Leflore-Carroll  
Economic Development Foundation  
Greenwood, Mississippi

#### Kelly Davilla

*Director of Regional Services and  
Economic Development*

South Plains Association of Governments  
Lubbock, Texas

#### Isidoro (Izzy) Hernandez

*Executive Director and Chief  
Executive Officer*

New Mexico Mortgage Finance Authority  
Albuquerque, New Mexico

#### Dr. Calvin King Sr.

*President and Chief Executive Officer*

Arkansas Land and Farm Development Corporation  
Brinkley, Arkansas

#### David Long

*President*

Texas State Affordable Housing Corporation  
Austin, Texas

#### Carla Mancha

*Chief Executive Officer*

Housing Authority of the City of Brownsville  
Brownsville, Texas

#### Nicole Martinez

*Executive Director*

Mesilla Valley Community of Hope  
Las Cruces, New Mexico

#### Jim Petty

*President and Chief Executive Officer*

Strategic Realty Developers, Inc.  
Van Buren, Arkansas

#### Deborah Welchel

*Senior Development Director for Texas*

Volunteers of America National Services  
Austin, Texas

## 2024 Member Advisory Council

### Andy Tomalin (Chair)

*Executive Vice President  
and Chief Financial Officer*

Advancial Federal Credit Union  
Dallas, Texas

### Angel Reyes (Vice Chair)

*President and Chief Executive Officer*

Centinel Bank of Taos  
Taos, New Mexico

### Mike Donnell

*President, Chief Financial Officer of Chambers  
Bancshares, Inc.*

Chambers Bank  
Danville, Arkansas

### Sean Gaven

*Senior Vice President*

American Airlines Federal Credit Union  
Fort Worth, Texas

### Ken Hale

*President and Chief Executive Officer*

BOM Bank  
Natchitoches, Louisiana

### David Kapavik

*President and Chief Executive Officer*

SouthStar Bank  
Moulton, Texas

### Mark Marionneaux

*President and Chief Executive Officer*

Bank of Zachary  
Zachary, Louisiana

### Mark Riebe

*Chairman of the Board and  
Chief Executive Officer*

Texas Bank  
Fort Worth, Texas

### Max Yates

*Senior Executive Vice President  
and Chief Risk Officer*

BankPlus  
Ridgeland, Mississippi

## 2024 Insurance Member Advisory Council

### Randy Johnson (Chair)

*Senior Vice President of  
Investments Division*

Texas Mutual Insurance  
Austin, Texas

### Joe Heaslip (Vice Chair)

*Head of Investment Strategy  
of NLG Capital*

National Life Group  
Montpelier, Vermont

### Michele Bartkowski

*Senior Vice President, Finance*

American National Insurance Company  
Galveston, Texas

### H. Lusby Brown

*Senior Vice President and  
Chief Investment Officer*

Southern Farm Bureau Life Insurance Company  
Jackson, Mississippi

### Rob Hensley

*Executive Vice President and  
Chief Investment Officer*

Globe Life Inc.  
McKinney, Texas

### Melissa Jackson

*Vice President, Assistant Treasurer*

United Services Automobile Association  
San Antonio, Texas







## ESG Governance Structure

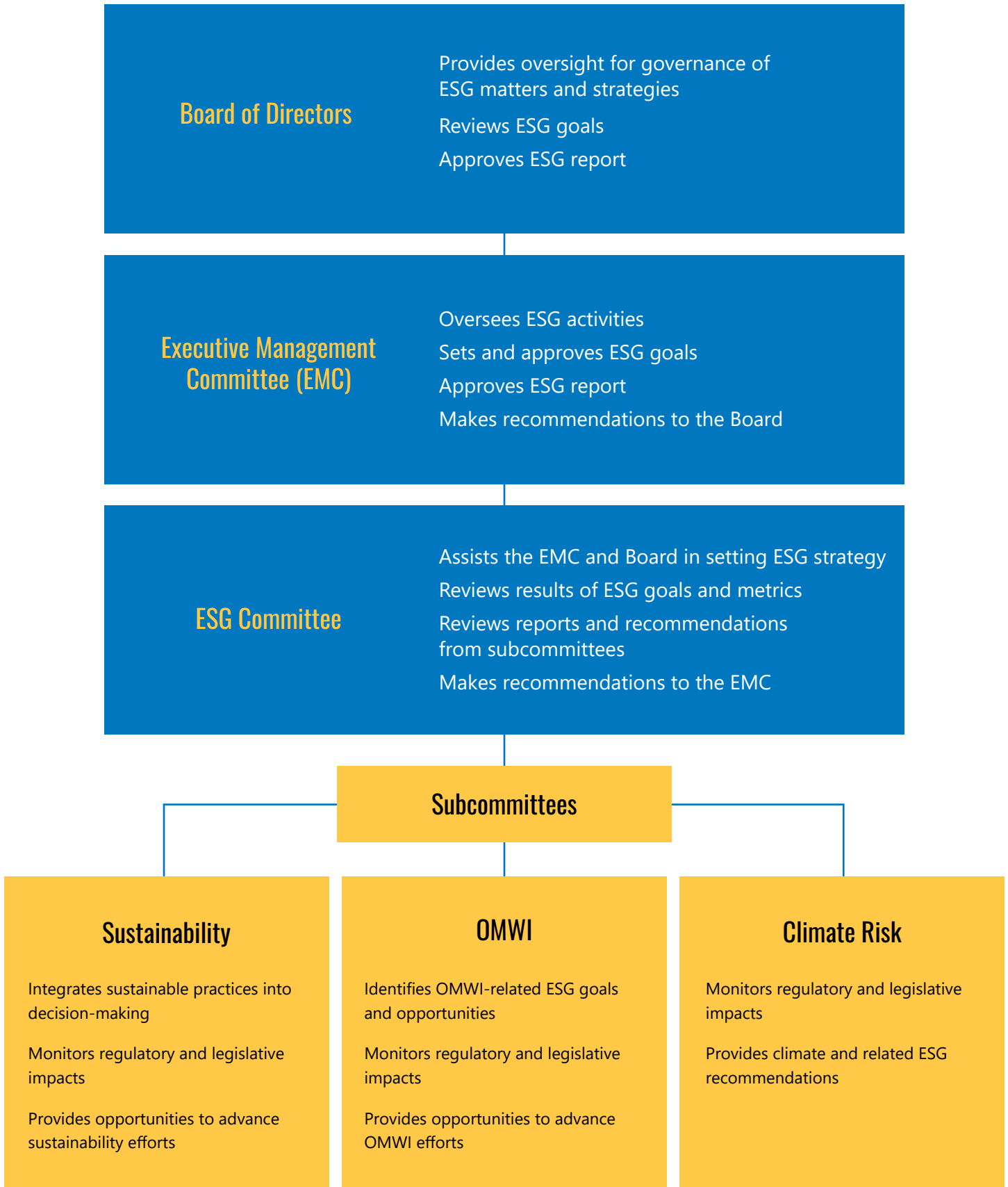
**The ESG Committee provides oversight of the Bank’s ESG activities. It assists executive management and the Board with setting ESG strategy and reviewing reports and recommendations from subcommittees. The committee also considers current and emerging ESG matters impacting FHLB Dallas’ strategy, monitors regulatory and legislative impacts and determines framework alignment.**

The ESG Committee monitors progress on ESG goals and metrics, oversees ESG reporting standards and reviews and submits the ESG Report to the Audit Committee of the Board and the full Board for review and approval.

The ESG Committee reports to the Executive Management Committee, which, in turn, reports to the Board. The Chief ESG and Administrative Officer oversees areas critical to our ESG program. These areas include Facilities, Human Resources, Corporate Communications, DE&I, Government and Industry Relations, Corporate Social Responsibility and Compliance.



# ESG GOVERNANCE STRUCTURE



## Business Policies



### Business Ethics

Our codes of conduct provide standards for our ethical and operational best practices and compliance with laws and regulations applicable to our organization and employees. They include the following:

- [Code of Conduct and Ethics and Conflict of Interest Policy for Directors](#)
- [Code of Conduct and Ethics for Employees](#)
- [Code of Ethics for Financial Professionals](#)



### Risk Management Policies

Our enterprise risk management framework and policies support our commitment to managing our risks and ensuring the safety and soundness of our operations.



### Data Security and Fraud Prevention

We maintain numerous policies governing the security of our data and prevention of fraud. Among these include our Anti-Fraud and Anti-Money Laundering Policy, Whistleblower Policy, Privacy Policy Statement and various IT security policies.

Our **Anti-Fraud and Anti-Money Laundering Policy** supports our commitment to protecting our revenue, property, reputation and other assets and establishes guidelines for handling allegations of fraud or suspicious transactions should they occur. All employees, as well as contractors with fraud prevention responsibilities, undergo annual training on fraud prevention, detection and reporting techniques.

Our **Whistleblower Policy** assures Bank employees and contractors that they may make a good faith report of any instance of suspected fraud or questionable accounting or auditing matters involving the Bank, without fear of dismissal or retaliation of any kind.

Our **IT Security Program and Policies** establish safeguards to protect data and information used by our employees, contractors and vendors. The Bank has a cybersecurity incident response plan, including communications protocols, which supports our ability to quickly respond to any data or security breach.

IT security policies are reviewed annually and are approved by our Chief Information Officer, applicable management committees and, for critical policies, the Board of Directors. To help ensure the effectiveness of our IT security policies and to improve our employees' IT security awareness, employees are required to participate in annual IT security training. All employees are required to review and acknowledge our IT security policies.

Our **Privacy Policy Statement** pertains to how information is disclosed through our public website. It details our commitment to protecting the information supplied through the website and the manner in which we use that information.





### Office of Minority and Women Inclusion (OMWI)

Committed to promoting diversity and inclusion in employment, management, procurement and contracting, FHLB Dallas has adopted an Equal Opportunity in Employment and Contracting Policy Statement that reflects our devotion to this principle. This policy is operationalized through the OMWI program, which is dedicated to the inclusion of minorities, women, individuals with disabilities and minority-, women- and disabled-owned businesses.

The Bank established the OMWI Management Committee (OMC) in 2017, which became a subcommittee of the ESG Committee in 2022. The OMWI Subcommittee coordinates with executive leadership to ensure the three pillars — workforce, procurement and capital markets — remain the focus of our program. It also provides input on the Bank’s diversity practices and policies and reviews data related to the OMWI pillars. Our Chief ESG and Administrative Officer is responsible for the Bank’s OMWI program, DE&I program and practices and monitoring the Bank’s progress in achieving goals for equal opportunity, diversity and inclusion for employment and contracting.



### Business Continuity

Our Business Continuity program assesses our business processes and maintains a plan to recover business processes in a timely manner following a disruption. We regularly test our plan to ensure its relevance and viability. Program members work closely with the business units and the Information Technology team to help ensure that critical resources are available in the event of an interruption for any reason. To be prepared, we update our Business Continuity Plan semiannually; evaluate and analyze threat scenarios; and conduct periodic fail-over exercises to demonstrate our ability to run production systems from an alternate location and to seamlessly return to using production systems at our primary operations centers.



**31.9% of the Bank’s spending on the procurement of goods and services in 2023 was with women-, minority- and disabled-owned businesses**





# 3

## CUSTOMIZED SOLUTIONS

Advances

Letters of Credit

Mortgage Partnership Finance® Program

Safekeeping, Wire Transfer and Collateral Services

Mission-Related Collateral

Affordable Housing and Community Investment Programs

Member Education



## Access to Finance

**We provide our members with efficient access to capital in the form of advances and other credit products that may be used to fund affordable housing, small business development and expansion, agricultural loans, economic development and other liquidity needs.**

In addition to the wide variety of credit programs we provide, our members also have access to community investment programs and products that support affordable housing, community-based nonprofits, disaster recovery efforts and local economic development. The Bank provides members with experts dedicated to helping them maximize the benefits of our products and services.

### Advances

FHLB Dallas empowers our member institutions with easy access to capital through favorably priced loans, which we refer to as advances. Members use advances for:

- Liquidity management
- Asset liability management
- Residential mortgage funding
- Small business and agricultural lending
- Funding balance sheet activities

### Letters of Credit

As a highly rated financial institution, our letters of credit (LOC) enable our members to collateralize public unit deposits from school districts, hospital districts and other public unit depositors to free up securities for other purposes. LOCs can also be used to enhance the credit ratings associated with transactions, such as bond issuances.

LOCs are used to support:

- Residential housing finance
- Community lending
- Asset and liability management



**“As a Community Development Financial Institution formed in the wake of Hurricane Katrina, we’ve been able to provide low-cost financing to diverse businesses in Mississippi, thanks in part to our membership in FHLB Dallas, which offers low-cost liquidity via programs such as the Small Business Boost loan.”**

**Chuck Wall**  
CFO  
Renaissance Community Loan Fund  
Gulfport, Mississippi

## Mortgage Partnership Finance® Program

Members sell their qualifying residential mortgage loans to FHLB Dallas through the Mortgage Partnership Finance® (MPF®) Program, which provides a direct link to the secondary market. Negative pricing adjustments and guarantee fees, along with minimum loan volume requirements, can be roadblocks for smaller institutions attempting to access the secondary market through other sources. The MPF® Program is a competitive outlet for mortgage funding for these community-based institutions.



### LOOKING FORWARD TO 2024

**In 2024, we will continue to monitor our progress in achieving FHFA housing goals: 20 percent of mortgage loans**

**sold into the MPF® Program should be loans to low-income or very low-income households and at least 50 percent of sellers should be community-based institutions with assets of less than \$1.461 billion.**

## Safekeeping, Wire Transfer and Collateral Services

Our safekeeping services provide our members with a secure and convenient method for clearing and safekeeping securities and pledging securities to third parties, such as public unit depositors.

We offer competitive, third-party custodial and collateral services. FHLB Dallas' services also include wire transfers for payments and collections and demand deposit account services that simplify cash management.



**“Twenty-five to 30 percent of the customers we serve are low- to moderate income. Without the FHLB, we wouldn't be able to facilitate the kind of loan growth that meets their needs and serves those communities effectively. Our name is a constant reminder to put our communities first and FHLB Dallas helps us to do that.”**

#### **Boris Dover**

President  
First Community Bank  
Batesville, Arkansas



**“Our local portfolio is probably made up of 90 percent of farming here in Madison County (Arkansas). The Federal Home Loan Bank of Dallas' Economic Development Program provides Arvest with an exceptional rate, which then allows us to pass that savings onto borrowers.”**

#### **Matt Smith**

Community Bank President  
Arvest Bank  
Huntsville, Arkansas

## Mission-Related Collateral

FHLB Dallas accepts housing revenue bonds as eligible collateral from members. To meet the Bank's eligibility criteria, a housing revenue bond must be issued to finance mortgage loans on single-family homes, either by purchasing newly originated or existing mortgages. These mortgage loans are generally targeted to first-time homeowners meeting specific income and purchase price requirements.

In addition, the bonds can finance construction or rehabilitation of multifamily housing projects where a specified proportion of the units will be rented to low- and moderate-income families, in some cases specifically elderly residents. FHLB Dallas also requires the bond to be issued by a Housing Finance Agency, Housing Authority, Housing Development Corporation or other similar housing related entity.

As of December 31, 2023, 14 members of the Bank were pledging 528 Housing Revenue Bonds totaling \$1.1 billion in face value.

## Affordable Housing and Community Investment Programs

FHLB Dallas' members have access to grant and loan programs and favorably priced advances to support affordable housing, community investment, economic development and disaster recovery.

Affordable Housing Program (AHP) grants assist in financing the purchase, construction and rehabilitation of owner-occupied, rental or transitional housing, permanent supportive housing and housing for unhoused individuals. The program also assists low- to moderate-income first-time homebuyers with down payments and closing costs. Further, the program assists income-qualified elderly and other special-needs homeowners with home repairs and modifications and aids homeowners in recovery after natural disasters such as hurricanes and tornadoes.

We also provide financing and grants to our members related to small business development and assistance to military veterans, their families and community nonprofits. Our 2023 goals and accomplishments and our 2024 objectives are outlined in the Communities section of this report. You may also view our [2023 Affordable Housing Advisory Council Annual Report](#) for more information on the AHP and other community investment programs.

The Bank, through our FHLB Dallas FORTIFIED Fund, provides grants to income-qualified homeowners; please see [Section Six](#) for more details.



## Member Education

Providing member education is a key aspect of the value proposition for members. In 2023, we hosted 19 webinars for members, which included several informational sessions that shared best uses and practices when applying for community investment programs. Additionally, we offered several in-person education sessions, including AHP workshops District-wide and one virtual offering, to educate members and community organizations on accessing our community revitalization programs.

The Bank has also sought out ways to be more proactive in engaging with Community Development Financial Institutions (CDFIs). Our 2023 outreach efforts included hosting an in-person roundtable to explore ways to better meet the needs of the communities they serve.

In 2023, we hosted an inaugural Women in Financial Services Conference geared toward women in leadership and aspiring leaders. This event provided thought leadership, industry topics and networking opportunities for women.

We also hosted training sessions in underserved areas for our Small Business Boost program, a secondary loan program that helps small businesses.



### LOOKING FORWARD TO 2024

**The Bank will continue to invest in its members in 2024 — both in terms of products and services to meet member needs and education. Following the success of our in-person conference in 2023, we hosted an Annual Conference in April of 2024. We will host several lunch and learns and training workshops geared toward CDFIs, Native American housing organizations and other underserved populations. We will also offer training opportunities on our FHLB Dallas FORTIFIED Fund. Additionally, we held a forum in April for housing associates and housing finance agencies involved with community investment activities.**

**We will also host another Women in Financial Services Conference in 2024 to provide education, networking and growth opportunities for women who are leaders or aspiring leaders at our member financial institutions.**

**We will also continue to offer more program-specific training in 2024 to promote affordable housing and economic development through programs like Small Business Boost (SBB); the FHLB Dallas FORTIFIED Fund, which provides grants for storm-resistant roofs; and the Heirs' Property Program, a grant program that assists organizations such as nonprofits, governmental and tribal entities with initiatives that help prevent or address heirs' property issues.**





# 4

## COLLEAGUES

A Culture Rooted in Diversity, Equity and Inclusion

Employee Benefits

Engaging Our Colleagues

Preparing for Our Future Workforce



## Supporting Our Colleagues

**Our colleagues are our greatest assets. They are dedicated employees who serve our members, communities and each other with professionalism and expertise. We work to support them through our commitment to Diversity, Equity and Inclusion and by providing opportunities for their continuous learning and growth.**

FHLB Dallas believes in the value of its team members. We are dedicated to their career progression and empowerment and our *Pursue Growth* value compels us to nurture a culture of trust founded on mutual respect, foster continuous learning and development, challenge norms and address the needs of every team member.

We are committed to attracting, retaining and engaging our employees through competitive compensation, a hybrid work schedule, generous benefits and ample opportunities for professional and personal growth. Additionally, we actively encourage our employees to participate in collaborative endeavors with the Bank and our community.

Our recruitment strategies are designed to drive innovation and organizational growth, while the extensive experience and expertise of our tenured employees ensures a continuity of knowledge and service excellence for our members and community stakeholders.

## A Culture Rooted in Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DE&I) is a strategic business priority for FHLB Dallas. We recognize that our customers, colleagues and the community at large are best served when the Bank draws upon the range of ideas and perspectives from people of different races, ethnicities, national origins, genders, ages and cultures who represent a variety of life experiences. We embrace diversity and inclusion

within our employee hiring practices and through our vendor sourcing and contracting processes. We are committed to creating a culture that highly values the input and well-being of our colleagues and recognizes that organizational success is possible only when it is the shared responsibility of every colleague.

A commitment to DE&I enables the Bank to:

- Foster the sharing of ideas from people with differing backgrounds and perspectives
- Attract and retain the best candidates to serve as team members and Board members
- Align our programs with our commitment to assist the needs of diverse populations
- Engage everyone to perform at their best
- Provide additional opportunities for diverse business partners





“ Every facet of our organization benefits from making diversity, equity and inclusion a priority. Cultivating an inclusive work environment has made our staff feel valued and empowered. This sense of shared power and opportunity has translated to quality deliverables to our members.”

**Mahak Ereyi**

Information Data Architect/DE&I Program Manager  
FHLB Dallas

DE&I is an integral part of our Strategic Business Plan, which includes quantifiable metrics to measure our progress in achieving our goals. We continuously report our progress to the executive management team and our Board of Directors and report metrics, goals and key performance indicators (KPIs) in our annual Office of Minority and Women Inclusion (OMWI) Report to our safety and soundness regulator. Our ESG officer is a member of the executive management team, reports to our President and CEO and serves as a liaison to the Board. Additionally, we provide DE&I training for our Board, executive leadership and colleagues.

Our commitment to DE&I goes back many years. In 2009, the Bank established the role of the OMWI director and we published our first OMWI report in 2011. In 2014, we formed our Office of Minority and Women Inclusion with a primary focus of ensuring the fair inclusion of minorities and women in management, employment and business activities. The OMWI director tracks goals in the target areas of workforce, procurement and capital markets. OMWI goals are focused on diverse recruitment and retention activities, contracting and spending with diverse vendors and increasing business with diverse broker-dealers.

Our diversity framework, initially developed in 2014, has continued to evolve with the Bank's other strategic priorities. Now our efforts include oversight, program implementation, data measurement and promotion of a culture that embodies and supports DE&I.

## DIVERSITY AT FHLB DALLAS

As of December 31, 2023

### ETHNIC/RACIAL MINORITIES AT THE BANK



**45.5%**

Executive Leadership



**57.8%**

All Staff

### WOMEN AT THE BANK



**27.3%**

Executive Leadership



**38.7%**

All Staff

## OUR DE&I PROGRESSION TIMELINE

### 2023

- Diverse Summer Internship Program: 85% of offers were to minority or female applicants
- Completed Bank-wide DE&I development/training (100% participation)
- Bank-wide Project: Habitat for Humanity of Greater Dallas home build

### 2022

- Named ESG Officer
- Developed two programs that facilitate women reintegrating into the workforce after an extended absence

### 2021

- Surveyed employees about Diversity, Equity and Inclusion

### 2020

- Provided nearly \$65,000 in donations with a 2:1 Bank match to 23 organizations that support social justice initiatives

### 2019

- Integrated FHLB Dallas values into Bank internal initiatives
- Developed internship program with Paul Quinn College, a historically Black college

### 2018

- Provided annual diversity training to our colleagues
- Implemented a process to promote consideration of diverse vendors
- Established execution-based goals related to activity with diverse dealers

### 2017

- Formed OMWI Management Committee (OMC), now known as the OMWI Subcommittee

### 2016

- Launched Affinity Groups
- Launched first Diversity Week celebration of D&I with workshops and activities

### 2015

- Developed a Bank-wide internship program
- Provided director-level colleagues D&I certification training from Cornell University
- Implemented annual D&I training for all employees

### 2014

- Formed Office of Minority, Women and Inclusion (OMWI)
- Created Diversity and Inclusion (D&I) framework
- Formed D&I Council

### 2011

- Began tracking Diversity and Inclusion data and metrics
- Published first OMWI report

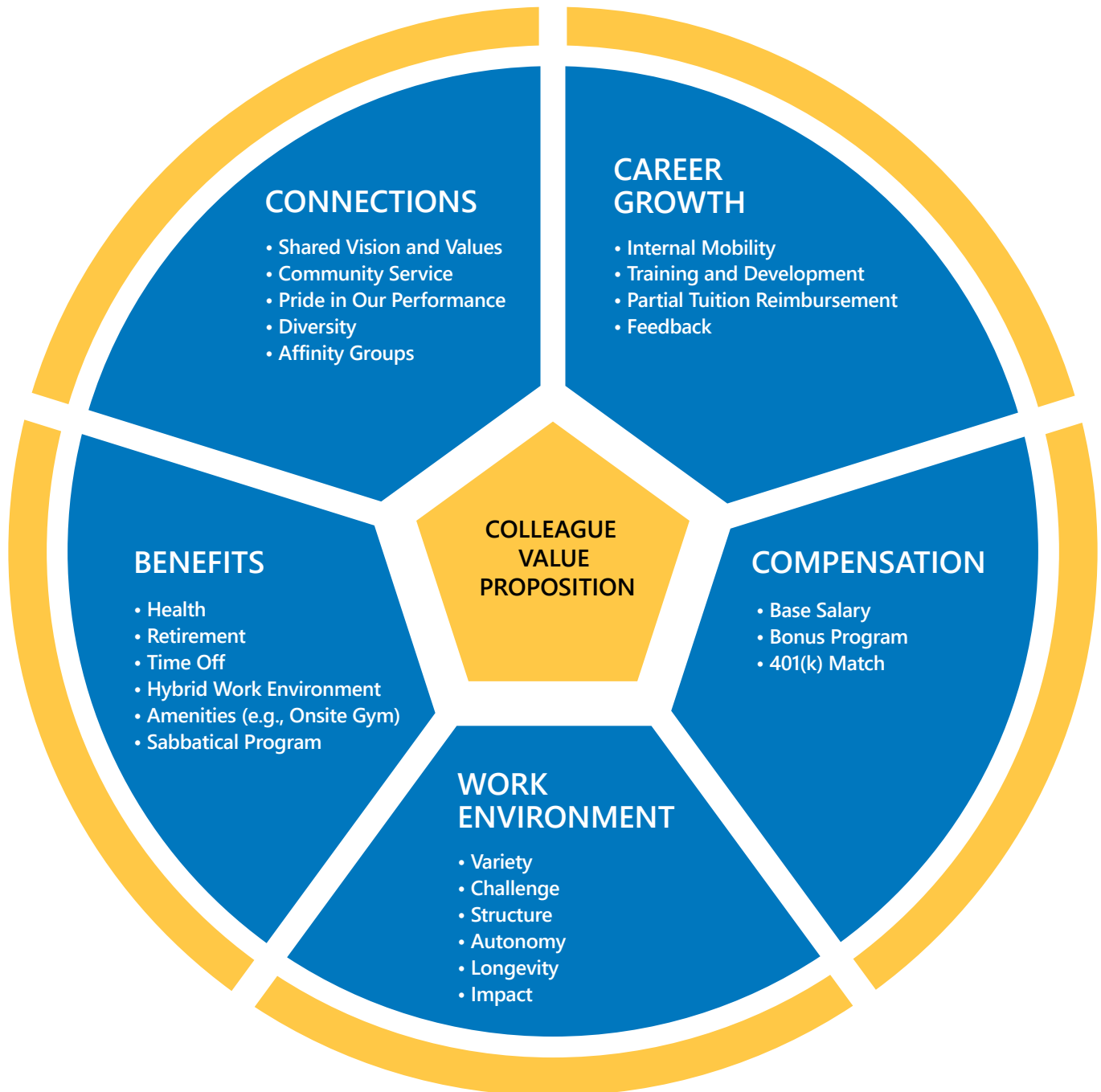
### 2009

- Created OMWI director role

[SEE OUR RESULTS ON PAGE 57.](#)

## Employee Benefits





We assess our benefits program on an annual basis and expand it when opportunities arise. In 2023, we enhanced our benefits package to increase support for our colleagues' mental and emotional well-being, physical health and professional growth. We have also embraced a hybrid work schedule in which employees can work two days from home and three days at the office each week. Days that are designated as "office days" are the same for all employees. This practice will continue in 2024. While at work, we have collaborative meeting rooms that include the tools and technology for productive interaction to support employees working in the office and at home. Finally, because our employees have embraced working from home, we also allow our colleagues the option of working one month during the summer from anywhere in the world.



# 2023 BENEFITS

 <p>401(k) with Company Match</p>	<p><b>COMPETITIVE SALARY</b></p>
	 <p>Continuing Education</p>

**\$5,000 STIPEND FOR CHILDREN OF EMPLOYEES ENTERING THEIR FRESHMAN YEAR OF COLLEGE**

 <p>Paid Vacation Time</p>	 <p>Paid Sick Time</p>	<p>Fertility Support</p>
 <p>Annual Flex Day for Volunteering</p>	<p>Performance-Based Bonus Program</p>	 <p>Onsite Fitness Center</p>

**HEALTH SAVINGS ACCOUNTS AND FLEXIBLE SPENDING ACCOUNTS**

 <p>Long-Term Disability Benefits</p>	 <p>Health, Dental and Vision Benefits</p>	<p>Life Insurance</p>
		<p>Tuition Assistance</p>


**FREQUENT WELLNESS SEMINARS ON RELAXATION, STRESS MANAGEMENT, NUTRITION AND OTHER TOPICS**

<p>Short-Term Disability of Six Weeks Available Every 12 Months</p> 	<p>Same-Sex Partnership Benefits</p>	 <p>Teledoc</p>
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**EMPLOYEE ASSISTANCE PROGRAM**

 **Long-Term Illness Coverage**

Supplemental accident and critical illness insurance

 **Mental and Emotional Health Support**

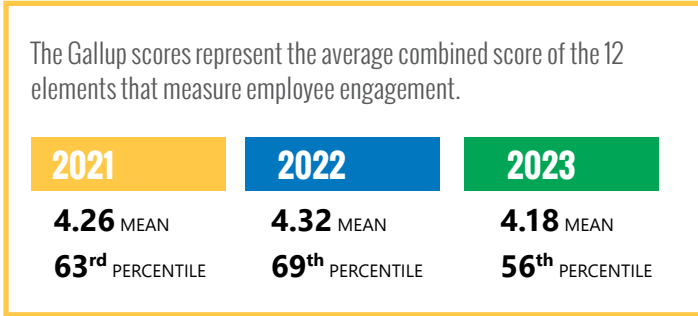
- Personal Happiness Day with stipend
- Choice of an annual museum membership, Audible subscription or MasterClass subscription
- Up to 12 weeks of sabbatical leave (with partial pay) for employees with five years or more of service
- Community Spirit Award with a charitable donation to celebrate colleagues who exhibit our *Do Good* value through community service

 **Family Support**

- Maternity or paternity leave: 12 weeks, up from six weeks
- Fertility support increased from \$10,000 to \$25,000
- Paid time off donation bank for colleagues with a personal or family medical issue
- Work remotely for one month during the summer

## Engaging Our Colleagues

Our colleagues' engagement in our business and culture is critical to their success at the Bank and to our collective success in fulfilling our mission. We place a strong emphasis on team member engagement beginning with the recruiting process and continuing throughout the employee's tenure with the Bank. Once on board, employees have access to a myriad of programs designed to foster their engagement and achieve this goal.



We measure the effectiveness of our employee engagement efforts in several ways.

- Annual Gallup Employee Engagement Survey
- Employee and culture surveys
- Exit interviews
- Town Halls
- Stay interviews

Clear communication around our corporate goals and priorities is key. Our team members establish quarterly objectives that align with our broader corporate goals. Results are monitored on an individual, team and corporate basis.

Our Town Hall meetings provide a forum for sharing information across the Bank. In addition to reporting on our corporate strategies and goals, we use this forum to update colleagues on financial results and to introduce new colleagues. Executives are available for a question-and-answer period at the end of each meeting.

We also communicate and engage our colleagues through our intranet, Microsoft Teams, wall monitors, online suggestion boxes and social media channels.

In line with one of our core values, *Pursue Growth*, we work to continuously develop our staff — whether interns, new hires or veteran employees — by providing opportunities that support personal and professional interests with a focus on a continuous learning and growth mindset.



“I am so grateful to have had the opportunity to start my career at the Bank as an intern. Having that real hands-on experience allowed me to build the skills and confidence to be successful in entering the workforce post-college. Since then, I've had the opportunity to mentor and manage subsequent interns. Being able to bring that opportunity full circle has been an extremely rewarding experience for me.”

**Jill Droge**  
Operations & AHP Owner Manager  
FHLB Dallas

## Preparing for Our Future Workforce

### Building a Talent Pipeline

FHLB Dallas provides undergraduate and graduate students the opportunity to gain valuable work experience through its long-running internship program. Since 2015, more than 82 interns have come through our program and we have subsequently hired 14 as full-time employees. As positions become available within our business units, we have established a talent pipeline of interns that hiring managers can consider for full-time roles.

As part of its Speaker's Bureau program, Bank staff have lectured at a number of colleges with banking programs. Bank executives are actively engaged with Texas A&M University's Commercial Banking Program "Seminar In Commercial Banking," Texas Tech University's School of Banking and Prairie View A&M's Summer Banking Academy. Additionally, the Bank has donated \$100,000 to establish scholarships for students attending universities with commercial banking programs and provided an additional \$100,000 each to Texas A&M and Texas Tech to help enhance their respective banking programs.

In 2019, we initiated a partnership with Paul Quinn College, a private, faith-based, historically Black college in Dallas, Texas, offering internship opportunities to students to offset the cost of their college tuition and

housing. In recent years, we increased our focus to recruit interns from Historically Black Colleges and Universities (HBCUs) by including associated goals in our incentive compensation programs. In 2022, we recruited from Texas Southern University and University of Arkansas, Pine Bluff. In 2023, we recruited at Prairie View A&M University and Jackson State University. In 2023, we extended 85 percent of our summer internship program offers to minority and women students, exceeding our ESG goal by 25 percent.

For 2024, we are maintaining our ESG goal of extending 60 percent of our summer internship program offers to minority and women students.

In addition to our college internship program, we initiated a high school internship program with Cristo Rey College Prep in Dallas and Fort Worth in 2021. In 2022, we doubled the number of interns from four in the previous year to eight and, in 2023, we hosted another eight interns. Cristo Rey interns are freshman and sophomore students who commit to a one-year internship at the Bank. Working one to two days a week, they gain professional skills and earn 60 percent of their high school tuition.

### 2023 Intern Demographics

66.7% minorities

44.4% women

44.4% minorities from non-HBCUs

### Supporting Women in the Workplace

In 2022, FHLB Dallas launched two programs, ReStart and Returnship, designed to reintegrate women into the workforce after an extended hiatus.

**ReStart** provides women who are hired by FHLB Dallas the opportunity to receive mentoring and training in new technologies and the latest developments in their chosen fields.

**Returnship** offers up to a yearlong paid fellowship to women who have been out of the workforce for at least two years and want to return.

Launching ReStart and Returnship were among FHLB Dallas’ ESG goals in 2022 and a key program in 2023. The Bank succeeded in filling two Returnship positions in 2022 and both were extended to the end of 2023. The Bank succeeded in hiring one ReStart position in 2023 in the legal department. We will continue to market these programs during 2024. In addition to posting these job openings on our traditional recruiting sites, we post our ReStart and Returnship positions with a company that works with businesses that have made a pledge to hire women returning to the workforce.

### Investing in Our Workforce

Our learning and development programs are an investment in our future workforce. Whether in person or online, our programs cover a range of interest areas and are led by colleagues and outside experts. We include learning initiatives in our annual employee incentive pay program and offer tuition assistance to colleagues pursuing advanced degrees and team members’ children who are college freshmen.

As part of our workforce investment, in 2023 we achieved our goal of building an employee Knowledge and Skills Training Library. The Knowledge and Skills Training Library includes material



that supports upskilling and enhances employee engagement and cross-departmental learning. The library includes two classification levels: Level Zero for foundational training and Level One for more advanced material.



### LOOKING FORWARD TO 2024

**In 2024, we will expand the Knowledge and Skills Training Library to enhance employee development. Our goal is to create two additional levels; Level Two, to capture role specific execution requirements and Level Three, to address analytical requirements of the roles.**

**The Bank also intends to continue artificial intelligence (AI) upskilling efforts by offering additional foundational training and advanced training for colleagues who are in roles that will utilize AI more frequently.**

### 2023 Learning Highlights

## SKILLS LIBRARY



Knowledge and Skills Training Library established



Knowledge and Skills Training Level Zero content completed and integrated



Knowledge and Skills Training Level One completed and integrated



“After a decade focused on my career as a corporate attorney, it was an exciting privilege to shift into the role of “stay-at-home mom” when my son was born. My kids are now 9 and 11 and, while the role of mom still keeps me on my toes, I am thrilled to put my legal training back to work, apply the perspective and skills I’ve gained while out of the workforce and learn new business tools and technologies. The Bank’s culture and commitment to professional growth are inspiring; I am grateful for the opportunity to return to my career through the Bank’s ReStart program.”

**Lauren Dickson**  
Senior Attorney  
FHLB Dallas



We offer structured learning paths in technical areas that are related to employee growth. In 2023, the Bank provided training for the following areas:

- Microsoft Tools (e.g., Azure, Power Apps, Power BI Fundamentals)
- Generative Artificial Intelligence
- Cloud Security and General Training
- Programming Languages (e.g., Python, SQL, etc.)
- Data Visualization and Storytelling
- Software Product Management
- Presentation Design

### Fostering Connections Through Affinity Programs

In 2023, we continued to provide six affinity groups based on personal and professional interests to provide our team members an opportunity to build relationships with their colleagues across the Bank.

As an example, the Bank formed an affinity group to support development of emerging professionals with 10 or fewer years of experience. The BUILD (Building Up Innovation and Leadership Development) group offers networking and engagement opportunities with Bank executives for emerging professionals. The goal of this group is to improve the Bank’s culture by supporting the career growth of individuals who are early in their careers.



## LOOKING FORWARD TO 2024

### Nurturing Emerging Professionals in 2024

In 2024, we will continue to enhance projects and programs focused on building skills and supporting employee engagement and retention at all levels of the organization. Below are highlights from the Bank’s employee growth initiatives:

- **The Bank Explorer Rotation:** Program in which employees shadow colleagues in other departments to learn more about all aspects of business operations and possible career paths. The Bank Explorer Rotation was launched in 2023 and will continue in 2024.

- **The Knowledge and Skill Training**

**Library:** A learning library of employee-created training courses.



“ I think FHLB Dallas’ tuition reimbursement program exemplifies the Bank’s commitment to employee growth and fostering a culture of continuous learning and professional development. I always wanted to pursue a master’s in business administration but the costs posed a challenge. I’m so thankful to the Bank for investing in my growth and removing that financial barrier that will open new doors for my career advancement.”

**Stephen Hildalgo**  
HR Generalist  
FHLB Dallas



## A HISTORY OF FHLB DALLAS' LEARNING CULTURE

### 2023

- Launched Skills Library with Level Zero and Level One classifications
- Promoted a learning content platform for further professional development
- Launched Crucial Conversations training for employees

### 2021

- Transitioned all employee learning to virtual or online offerings during the pandemic

### 2019

- Launched employee-led Subject Matter Expert (SME) training series
- Launched Microsoft Skilling Initiative for employees
- Launched the FHLB 101 Series: introductory training sessions about the roles of each Bank department

### 2017

- Launched employee-led Coffee Talks, Book Reviews and Article review series
- Launched core-competency training for employees
- Launched Lean In group to foster professional development for women
- Launched FHLB Dallas Toastmasters club to help colleagues fine-tune communication, public speaking and leadership skills

### 2015

- Launched FHLB U, a learning-centered organizational philosophy
- Opened Learning Center training facility
- Developed Bank-wide internship program
- Launched Learning Management System (LMS) and purchased on-demand learning content
- Offered employees learning hours one day a week

### 2022

- Launched technology certification training
- Launched formal team dynamics training for managers
- Integrated online learning content into the Bank's learning management system

### 2020

- Held several CEO-led discussions focused on TED Talks on social justice issues
- Launched personality awareness training for employees
- Employees took part in book review of *Between the World and Me* by Ta-Nehisi Coates to raise awareness of nation's history of racial injustice

### 2018

- Launched The Leadership Challenge development program
- Launched D&I training sessions for employees
- Launched new business-specific learning content, including Books 24x7 and 300 new online modules

### 2016

- Provided employees the opportunity to have a "learning" lunch, once per quarter, with their choice of an internal or external resource
- Launched Bring Your Child to Work Day
- Launched the Five Disciplines Training Program for managers



## COMMUNITIES

Affordable Housing Program

Voluntary Programs

Charitable Giving

# 5



## Positively Impacting the Lives of Those Around Us

We live our *Do Good* value every day in many ways. By statute, we contribute 10 percent of our annual net income to fund affordable housing for both renters and homeowners. We also provide our members with favorably priced funding for community investments through our low-cost advances. Additionally, we fund several voluntary programs intended to meet the specific needs of our District, including housing programs for disaster recovery and veterans. Beyond these mission-based programs, the Bank's philanthropy includes both corporate and colleague-led initiatives.

### Affordable Housing Program (AHP)

AHP provides funding for the purchase, construction and rehabilitation of owner-occupied, rental and transitional housing and housing for unhoused individuals. AHP funds are distributed through our member institutions and must be used to benefit households with incomes at or below 80 percent of the area's median income.

AHP provides annual competitive funding to support affordable rental housing and three homeownership programs: Homebuyer Equity Leverage Partnership (HELP), Special Needs Assistance Program (SNAP) and Disaster Rebuilding Assistance (DRA).

In 2023, FHLB Dallas awarded \$28.4 million in AHP funding through 24 members for 43 rental housing projects. This funding provided 2,677 affordable homes in 2023 for very low-, low- and moderate-income households, including those with disabilities or special needs. Another \$10.3 million in AHP funding in 2023 provided grants to qualifying first-time homebuyers, households with special-needs occupants and those in need of disaster recovery assistance. These grants funded down payments and home repairs and modifications, including roof replacements, wheelchair ramps and door widening. From 1990 through 2023, more than \$400.5 million in AHP funds have been awarded through our members to assist nearly 65,000 individuals and families with their housing needs.



*The 120-unit New Hope Housing supportive housing project in Houston, Texas, was funded in part with a \$750,000 AHP grant.*

#### [VIDEO](#)

FHLB Dallas and Comerica celebrate opening of New Hope Housing Savoy.

### Homebuyer Equity Leverage Partnership

The Homebuyer Equity Leverage Partnership (HELP) program provides grants up to \$15,000 for down payment and closing cost assistance for eligible first-time homebuyers. Through our members, we disbursed \$6.4 million in HELP grants in 2023. For 2024, we have allocated \$15.5 million in HELP grants to meet growing demand from members and have increased the maximum grant amount to \$20,000 for eligible first-time homebuyers.

### Special Needs Assistance Program

In 2023, Special Needs Assistance Program (SNAP) provided up to \$10,000 for the rehabilitation and modification of owner-occupied households with a special-needs occupant. Seniors, persons with disabilities and people living with HIV/AIDS are among those who may qualify. We awarded \$1.9 million in SNAP grants through our members in 2023. For 2024, we have allocated \$2 million of our AHP funds for SNAP grants and increased the maximum amount SNAP provides to \$12,000 per household.

### Disaster Rebuilding Assistance

Disaster Rebuilding Assistance (DRA) provides homeowners with up to \$12,000 for repair, rehabilitation or construction following a disaster. Additionally, in response to tornadoes that occurred in Mississippi and Arkansas in 2023, the Bank allocated \$2.5 million in Small Business Recovery Grants for small businesses that were impacted. Small Business Recovery Grants are offered by FHLB Dallas through member financial institutions for small businesses affected by natural disasters. Moreover, over \$1 million was provided as a charitable contribution to five organizations for relief and recovery efforts.



## LOOKING FORWARD TO 2024

For 2024, we have allocated:

- **\$15.5 million in HELP grants, up from \$6.5 million in 2023 to meet growing demand from members**
- **\$2 million of our AHP funds for SNAP grants**
- **\$2.5 million to fund DRA grants, a \$500,000 increase over our 2023 allocation**

*A Mississippi homeowner received nearly \$5,000 in SNAP funding from FHLB Dallas through its member, BankPlus, to replace her roof.*

### VIDEO

Small Business Recovery Grant propels tornado recovery.



*Eight Mississippi-based businesses were awarded a \$20,000 Small Business Recovery Grant from Renaissance Community Loan Fund, an FHLB Dallas member, after suffering tornado damage in 2023.*



*Rebuilding Together New Orleans received more than \$253,000 in Disaster Rebuilding Assistance from FHLB Dallas through its member, Hancock Whitney Bank.*



### Community Advance Programs

The Community Investment Program (CIP) provides favorably priced advances to assist members in funding affordable housing initiatives. In 2023, FHLB Dallas funded 19 CIP advances totaling \$9.4 million. The Economic Development Program (EDP) provides favorably priced advances to assist members in funding qualified economic development and community revitalization projects in targeted communities. In 2023, FHLB Dallas funded 16 EDP advances totaling \$27.3 million. Our total funding for CIP and EDP in 2023 — \$36.7 million — is supporting the creation of 231 jobs and 484 housing units.

### Voluntary Programs

Through our members, we fund several programs to address housing, community investment and economic development priorities outside the scope of the AHP. Because we fund these programs separately from and in addition to the AHP, they provide flexibility in responding to urgent and often unpredictable community needs.

As an example, in 2023, we provided eight Mississippi businesses that suffered tornado damage \$160,000 in Small Business Recovery Grants through our member Renaissance Community Loan Fund.

#### Housing Assistance for Veterans

The Housing Assistance for Veterans (HAVEN) program provides grants, down payment and closing cost assistance to eligible homebuyers, through our members, for necessary home modifications or repairs for eligible disabled veterans and service members or Gold Star Families. In 2023, through our HAVEN programs, we provided 21 grants totaling more than \$250,000 through 11 members. We have made available \$300,000 for HAVEN grants in 2024.

#### The Partnership Grant Program

The Partnership Grant Program (PGP) complements the AHP by providing grants for small community-based organizations (CBOs) — funding they can use to increase their outreach and operational capacity. The grants, which match member contributions on a three-to-one basis up to \$12,000 per member, are designed to promote and strengthen relationships between organizations and FHLB Dallas members. In 2023, the Bank allocated \$400,000 to assist 38 nonprofits involved in affordable housing, small business development or technical assistance activities, complementing our members’ contributions to these organizations. We have made available \$1 million for PGP grants in 2024.

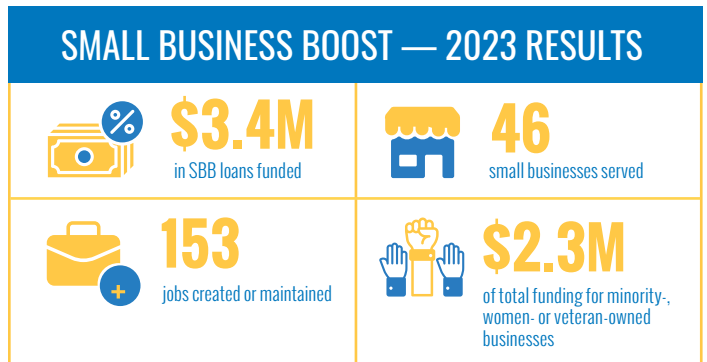
#### Small Business Boost

Small Business Boost (SBB) is an economic development program providing loans through members in support of qualified small businesses. SBB funds members’ secondary, unsecured loans offered in conjunction with loans made by the participating member institution. It fills the gap between member financing and the amount of the loan request. In 2023, we made available \$4 million for SBB loans. We have made available \$3 million for SBB loans in 2024.



#### VIDEO

See how Arvest Bank used FHLB Dallas’ Economic Development Program to help a poultry farmer re-tool and expand their operations.



**A family in Arkansas will transition from renters to homeowners with help from Home Again Pine Bluff, an affordable housing agency in Arkansas that received a PGP award from FHLB Dallas.**

## VIDEO

See how Bank of Anguilla used FHLB Dallas' Special Business Recovery Grant to rebuild after a tornado destroyed Rolling Fork, Mississippi.

## Charitable Giving

Our corporate philanthropic programs complement the contributions we make through our AHP, CIP and other voluntary programs and offer our employees the opportunity to directly participate in our corporate giving efforts.

The Bank's corporate giving priorities support:

- Entities involved in assisting underserved student populations
- Initiatives and organizations that foster the development and rehabilitation of affordable housing including housing and services for disabled persons and veterans
- Employee volunteerism, including limited match funding of employee contributions to charities and philanthropic activities they support
- Organizations or groups that have a mission focused on eliminating or addressing food insecurity in our local community and in the District

Our activities include our annual corporate giving initiatives, as well as employee-led monthly fundraising campaigns. We also allow paid time off for employees participating in charitable organizations and hold ourselves accountable by tracking and measuring employee volunteerism as a component of our annual employee incentive pay program.

### Corporate Charitable Initiatives

Through our annual corporate charity initiative launched in 2015, we partner with one or more selected charities on a Bank-wide basis. In 2023, we continued our support of the Irving Schools Foundation (ISF), which we have supported since 2020, to assist underserved student populations. We also adopted two schools within the Dallas Independent School District (DISD) — Annie Webb Blanton Elementary and Umphrey Lee Elementary.



## LOOKING FORWARD TO 2024

**\$300,000 allocated for HAVEN grants**

**\$1 million allocated for the Partnership Grant Program**

**\$3 million allocated for Small Business Boost**

**\$2 million allocated to support nonprofits and Tribal entities addressing heirs' property-related issues**

**\$4 million allocated for the FHLB Dallas FORTIFIED Fund**

**\$1 million allocated for the Native American/Tribal housing grant program**

**\$35 million allocated for a loan program dedicated to non-depository Community Development Financial Institution members**

**\$3 million allocated for Capacity Building and Growth grants**

### Irving Schools Foundation

Our 2023 support focused in part on addressing food insecurity across the Irving Independent School District. FHLB Dallas provided \$15,000 for school supplies. Another \$24,000 contribution provided students with healthy weekend snacks and \$5,000 funded a holiday event. In addition, we provided \$22,500 in science, technology, engineering and math (STEM) scholarships to support 15 high school girls pursuing studies in science, engineering and technology.

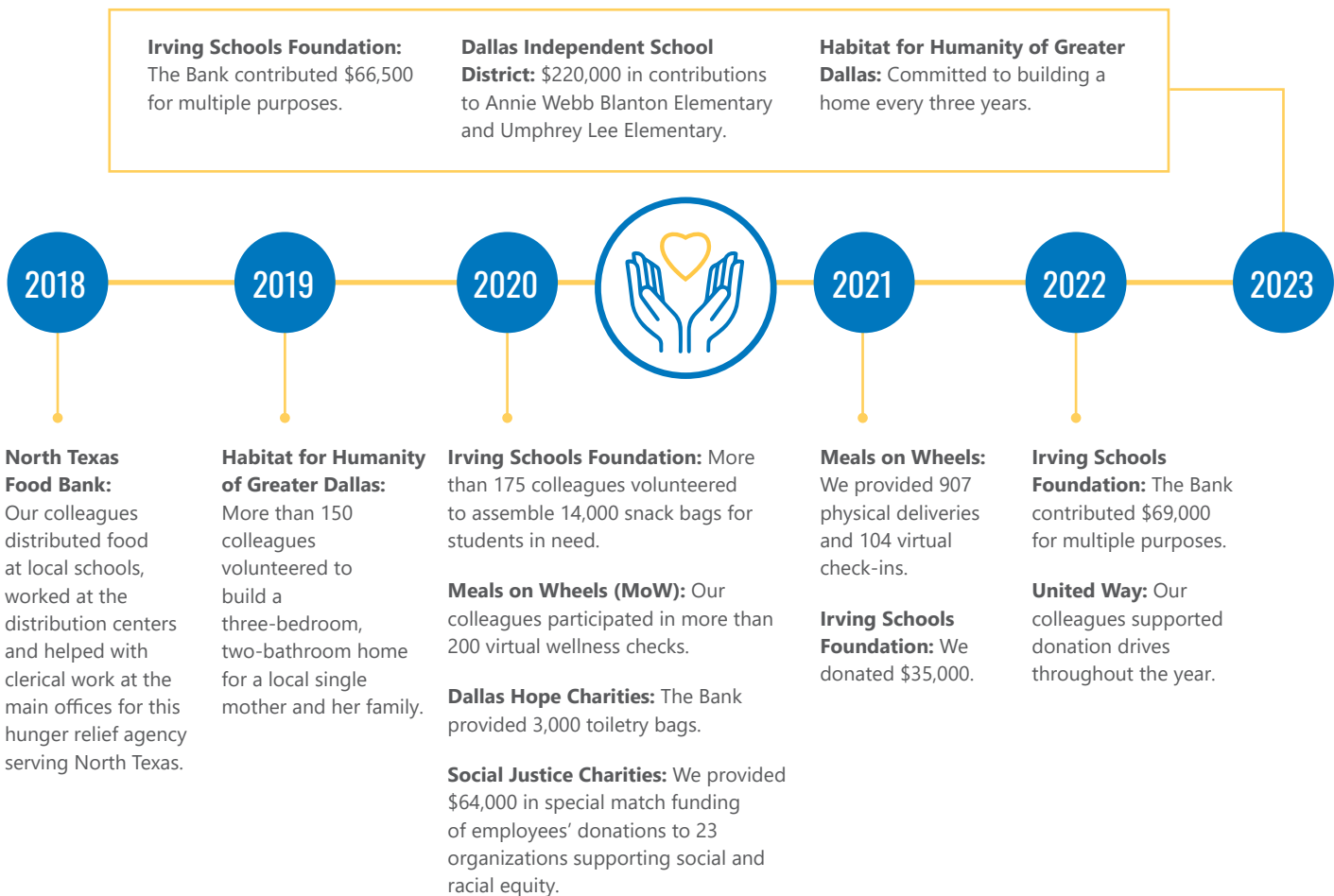
### Adopted Dallas ISD Adopted Elementary Schools

In 2023, our support focused on serving underserved student populations in the Dallas Independent School District. As part of this effort, we donated \$220,000 (\$110,000 each) to two Dallas Independent School District elementary schools. Among other things, these donations were used to support teacher training and appreciation programs, as well as technology purchases (e.g., laptops, tablets, headphones and chargers), furniture and classroom supplies. These contributions were supplemented by in-kind donations.

***FHLB Dallas team members built a Habitat for Humanity of Greater Dallas home in 2023.***



## Our History of Giving



## Employee-Led Giving Initiatives

Our giving program supports employee philanthropy by encouraging volunteerism and providing a company match of up to \$500 for each employee's annual charitable donations. Additionally, we offer our colleagues an opportunity to host monthly fundraisers for qualifying charities. In 2023, FHLB Dallas and its employees supported the following charities through monthly fundraisers with a combined contribution of \$14,582. Charities included:

- Sankofa Education House
- Denton Community Food Center
- Irving Schools Foundation
- Communities Foundation of Texas Inc.
- Parkland Health Foundation
- Kimeca Wiley Foundation
- Juvenile Diabetes Research Foundation International
- Cristo Rey Fort Worth Corporation
- National Breast Cancer Foundation, Inc.

The Bank's collective efforts, including both corporate match funding and employee donations, provided \$66,500 for the Irving Schools Foundation, \$220,000 for two DISD schools and \$14,582 in additional charitable contributions.



**FHLB Dallas awarded \$220,000 — \$110,000 each — to Annie Webb Blanton Elementary School (shown above) and Umphrey Lee Elementary School.**





## LOOKING FORWARD TO 2024

Financial and volunteer support for Irving Schools Foundation (ISF) in 2024 will include:

**\$24K** for ISF's snack bag program

**\$22.5K** to fund scholarships of **\$1,500 each** for 15 high school girls pursuing STEM careers

**\$15K** for school supplies

**\$5K** for an annual children's holiday event



*A Jackson, Mississippi, homebuyer received \$15,000 in HELP down payment assistance for her first home through Trustmark National Bank, an FHLB Dallas member.*

### Habitat for Humanity of Greater Dallas Partnership

We have set an ESG goal of partnering with Habitat for Humanity of Greater Dallas to build a home in a lower socioeconomic area of Dallas/Fort Worth, where the need for affordable housing is greatest. In 2023, we started a multiyear partnership in which we committed to building a home every three years. As part of this, 102 employees participated in a build and provided \$5,523 in employee donations. The Bank donated an additional \$125,000.

#### VIDEO

FHLB Dallas provided a \$750,000 grant through its member Texas Capital Bank to support Cowan Place Senior Living facility in Fort Worth, Texas. Mayor Mattie Parker, second from left, joined us for the ribbon cutting.



*Beneficiaries of FHLB Dallas' Habitat for Humanity of Greater Dallas build in 2023.*





# 6

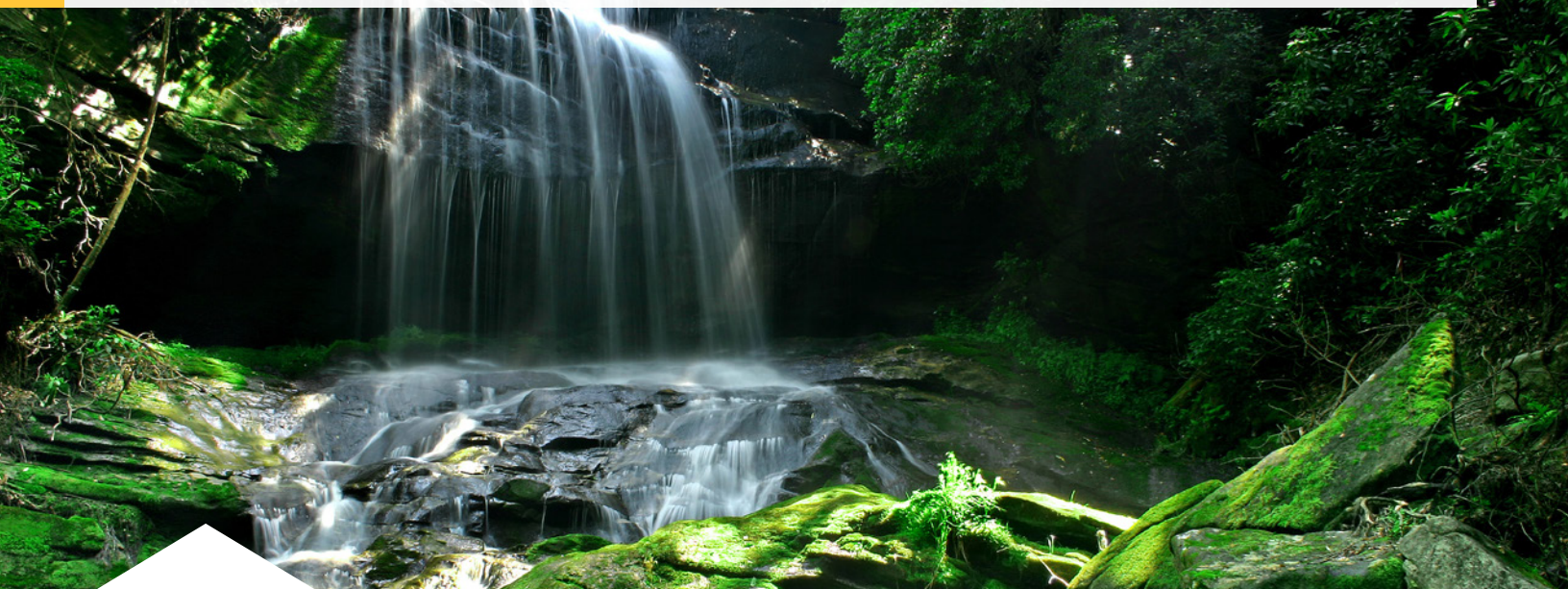
## CLIMATE

2023 Outcomes

Digitization: Preparing for the Workplace of the Future

Waste Management and Recycling

2024 Objectives



## Sustainable Business Practices that Move Our Business Forward

In 2023, we continued to build upon the sustainability initiatives for our business and owned-office building to positively impact our environment and operations.

### 2023 Outcomes

Throughout 2023, we focused on completing the development of our Climate Roadmap. This included improving upon those activities completed in 2022. These activities included energy conservation, water conservation and waste reduction activities.

As part of our 2023 roadmap, we began working through 25 initiatives to improve operating efficiency, conserve energy and water, enhance the environmental quality of our facility, reduce waste and move toward a green building certification.

Our key strategic focus over the next three years will include continuous environmental improvements through a variety of sustainability projects and processes.

#### Our 2023 climate-related ESG goals included:



Continue to address multiple planned and ongoing **energy and water conservation** efforts



Support **waste reduction** through KPIs and formalize our Waste Management Plan



Facility **environmental quality enhancement**



Enhance **occupant wellness** through programs that will improve quality of life for our colleagues



Continue to move toward the **Green Globes® certification**

## 2023 Building Sustainability Highlights



Reduced power consumption leveraging HVAC system occupancy schedules



Obtained a certificate of recycling for metals, electronics and broken wooden pallets that totaled 3,022 pounds



Improved water conservation capabilities by enhancing owned-property water infrastructure



Recycled more than 250 pounds of K-Cups

Many of these accomplishments supported our multiyear initiatives for waste management and recycling.

### Related efforts during 2023 included the following initiatives:

- Updated plumbing fixtures to enable more efficient water usage
- Began formalizing six property sustainability programs, which include our Integrated Pest Management Program, Indoor Air Quality Program and Green Cleaning Plan. Our six programs help establish formal guidelines related to energy efficiency, water conservation, waste reduction and air quality
- Began the Green Globes® questionnaire; starting point for the [Green Globes Assessment](#)
- Formalized the restroom cleaning schedule, added schedule tracking and installed handwashing signage at restroom sinks
- Completed an Americans with Disabilities Act (ADA) assessment to support future accessibility upgrades



“Climate risk and home affordability are intimately intertwined, posing a serious threat to the housing finance system in the United States.”

#### Michael Zheng

Executive Vice President and Chief Credit Officer,  
Climate Risk Subcommittee Chair  
FHLB Dallas



## Preparing for the Workplace of the Future

In 2023, we continued to accelerate our adoption of automation and digital processes as this helped us not only reduce facilities cost overall, but also enable a future-ready workforce. Accommodating remote work continues to help us perform our jobs and serve our members more effectively and efficiently while helping to ensure the health and safety of our staff. Our digital self-service options continue to more efficiently enable our members to access employee information and services through a preferred channel.



### LOOKING FORWARD TO 2024

**Switching to 50 percent renewable energy supply**

**Replacing energy intensive uninterrupted power supply (UPS) for energy-efficient models**

**Completing an LED lighting replacement project for owned-property**

**Removing HVAC units that are no longer necessary**

## Waste Management and Recycling

Like many organizations, FHLB Dallas places a significant focus on reducing waste by expanding recycling programs and implementing energy reduction measures.

We recycle batteries, paper, cardboard, toner cartridges, light bulbs, glass, K-Cups and Nespresso pods.

We also provide each of our colleagues with a reusable mug and water bottle. In 2023, our water-bottle filling stations prevented an estimated 8,263 disposable water bottles from entering the landfill.

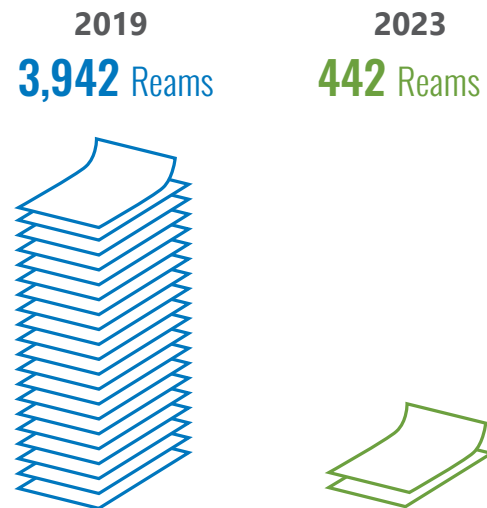
Additionally, we continue to replace the fluorescent lighting in our building with energy-saving LED lights. In 2023, we continued upgrading all building interior and garage lighting to LED to improve lighting, reduce heat load and conserve energy. This process is ongoing in 2024. Water conservation updates in 2023 included the upgrade of restroom and sink faucets and the Fitness Center locker room shower heads with a low-flow option for water conservation.

In 2023, we began tracking our Energy Star Portfolio Manager (ESPM) Score. Our building's score as of December 2023 was 59 of a maximum score of 100, double the 2019 baseline score of 29. A score of 75 is required for the Green Globes® building certification. We also formalized goals and targets for the Environmental Management Team as it relates to the Green Globes® building certification.

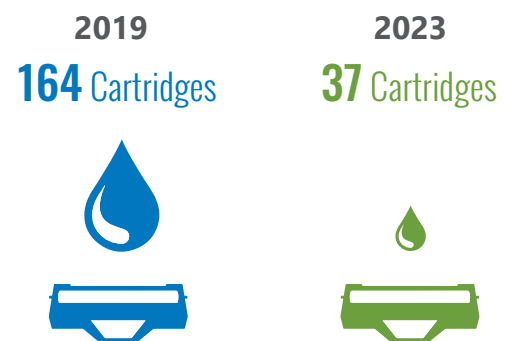


### FHLB Dallas Recycling Impact

**Since 2019, FHLB Dallas' annual paper order has declined 89%.**



**Since 2019, FHLB Dallas' annual order of printer toner cartridges has declined 77%.**





## 2024 Objectives

**Our strategic focus through 2025 is to continuously improve and expand our sustainability practices. Additionally, we**

**have identified several sustainability initiatives related to members and communities, including FORTIFIED Fund housing, AHP resiliency scoring and green products, which we will enhance in the coming years.**



### FORTIFIED Fund Housing

Since the 2018 inception of our Disaster Rebuilding Assistance program, we have provided more than \$4.5 million in recovery and rebuilding assistance in areas of our District, such as the Gulf Coast,

impacted by natural disasters. In prior years, our disaster response had been largely reactive — providing food and water along with affordable housing grants for emergency repairs, renovations, rebuilding and long-term recovery.

Going forward, we will continue to seek to be a part of a solution that reduces the need for and the cost of recovery from climate-related disasters.

The FHLB Dallas FORTIFIED Fund provides grant dollars for income-qualified homeowners to replace an existing roof or upgrade the roof on a new construction home to a FORTIFIED Roof. As part of this, in 2023, the Bank disbursed \$400,000 and committed more than \$1.1 million in FHLB Dallas FORTIFIED Funds through 13 members to assist 116 homeowners throughout the District.

This program specifically funds roofs built to the FORTIFIED standard of the Insurance Institute for Business and Home Safety. As climate change raises the risks of more frequent and severe natural disasters, we believe this new fund will offer a proactive and resilient approach to defending against natural disasters.



### AHP Scoring for Resiliency

AHP helps FHLB Dallas' members finance the acquisition, construction and rehabilitation of owner-occupied, rental and transitional housing along with housing for unhoused individuals in their communities. Every year, we award the funds through a competitive application process. The application scoring process relies on metrics to determine which AHP applications will receive funding.

In 2023, AHP scoring expanded to include an emphasis on climate resiliency, sustainability and energy conservation. Climate resilient housing certifications will increase an application's score by up to seven points. Nine different climate-resilient building standard certifications are eligible to receive points.

See Attachment D of the [2024 AHP Implementation Plan](#).



### Green Advance Product

The Bank planned to launch a Green Advance program for members in 2023 in support of the Bank's ESG initiatives, but due to shifting priorities, the Green Advance was delayed. We

look forward to introducing a pilot offering as soon as feasible. The objective of the offering is to reward our member institutions that have invested in a specific class of financial assets such as Fannie Mae Green Mortgage-Backed Securities (MBS).





## Building Sustainability: A Roadmap for the Future

FHLB Dallas has developed a Climate Roadmap defining our climate-related goals for the coming years. As part of this, after concluding energy and water audits in January 2023, we immediately embarked on some of the recommendations to lower our energy and water consumption.

**Additionally, we evaluated several energy reduction activities that we began implementing in 2023. We completed the following and are in the process of executing on the remaining in 2024:**

### COMPLETED



Completed updates to the programming of the energy management system for greater efficiency and to extend the life of the equipment while also providing energy savings.



Upgraded to lower-flow plumbing fixtures in restrooms and breakrooms to reduce water usage and conserve natural resources.



Conducted knowledge-sharing sessions to educate our staff about ESG initiatives and sustainable business practices.



Sponsored two company-wide trash cleanups.

### ONGOING



Replacing fluorescent lighting with LEDs to achieve additional energy efficiencies in the building.



Formalizing a Site Management Plan for our property in support of a Green Globes® building certification.

**As we move forward with our planning and activities, we remain committed to sharing our growing knowledge of sustainability operations and strategies with our colleagues and engaging them in our efforts, including the following:**



### PLANNED



Remove backup power sources for two floors of our building and replace them with smaller, more efficient units to achieve energy savings.



Remove four small HVAC units from Bank telecommunications closets in support of energy conservation and maintenance cost-saving efforts.



Convert 50% of the property's energy supply to renewable energy credits from certified wind sources to conserve natural resources.



Replace six air handler units in the building with more energy-efficient units.



Implement energy submetering to encourage energy conservation and establish a building-load profile and demand structure.



Formalize an Energy Maintenance Plan in support of a Green Globes® certification.



# 7

## PERFORMANCE METRICS

2023 ESG Performance Objectives and Results








SASB Index and Responses

Management Assertion

Report of Independent Accountants



## 2023 ESG Performance Objectives and Results

2023 ESG Goals	Results
 <p><b>Develop a Climate Roadmap for 2023-2024</b></p>	<p>We developed a Climate Roadmap and began executing on it. Program activities were extended beyond 2023 if the program remained in progress or proved valuable beyond its original scope.</p>
 <p><b>Offer a diverse summer internship with a focus on minority and women applicants. Extend 60 percent of summer internship program offers to minority or women applicants</b></p>	<p>We extended 85 percent of our summer internship program offers to minority and women students, exceeding our ESG goal by 25 percent.</p>
 <p><b>Conduct Bank-wide DE&amp;I development/training</b></p>	<p>We conducted Board, executive leadership and employee DE&amp;I training for all employees.</p>
 <p><b>In partnership with Habitat for Humanity of Greater Dallas, commit to building one home every three years</b></p>	<p>Partnering with Habitat for Humanity of Greater Dallas, 102 FHLB Dallas employees built a home in Dallas. We also provided over \$130,000 in corporate and employee donations and committed to building one home every three years.</p>
 <p><b>Compile and publish our ESG Report</b></p>	<p>We developed and published our first ESG report, which provided performance data for 2022.</p>
 <p><b>Provide ESG training for members of the executive team, the ESG Committee and subcommittees</b></p>	<p>We provided ESG training to our executive leadership, the ESG Committee and our ESG Subcommittees.</p>
 <p><b>Increase commitments made by member institutions using the Small Business Boost program to \$4 million, an increase of 33 percent</b></p>	<p>The Bank funded \$3.4 million of SBB loans (a 25 percent increase from 2022), which created and/or maintained 153 jobs, served 46 small businesses and provided \$2.3 million in funding for minority-, women- or veteran-owned businesses.</p>

## SASB Index and Responses

Throughout this report, we reference topics and metrics contained in the 2018 Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards for the Financial Sector. The tables below provide the SASB topic, SASB Code, a description of the accounting metric and a disclosure of our performance relative to the metric. In some instances, we provide additional descriptions and reference our website or SEC filings to provide more information on the topic. While there are other SASB financial services standards that contain information that may be relevant to a portion of our operations, we have determined the standards for Commercial Banks are most applicable for our core business. Additionally, we referenced certain metrics in the standards for Mortgage Finance and Investment Banking and Brokerage that are applicable to FHLB Dallas.

**A limited assurance engagement was performed by PricewaterhouseCoopers LLP (PwC) on the metrics identified by the “\*” symbol. See PwC’s [Report of Independent Accountants](#) on page 66.**

## Management Assertion

Federal Home Loan Bank of Dallas’ management (the “Bank,” “FHLB Dallas,” “we,” “us” and “our”) is responsible for the completeness, accuracy and validity of the metrics, as identified by the “\*” symbol, included in this 2023 Environmental, Social and Governance Report, as of or for the year ended December 31, 2023. All hyperlinks included herein were effective prior to the issuance of this report. Management asserts that the specified metrics are presented in accordance with the assessment criteria set forth on pages 58 to 65. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the specified metrics.

### SASB Metrics and Responses

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Data Security*</b>	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See description under <b>Data Security</b> below.

### Data Security

**[FN-CB-230a.2](#)** Description of approach to identifying and addressing data security risks.

FHLB Dallas’ cybersecurity program is managed by the Bank’s Chief Information Security Officer with oversight from the executive management team and Board of Directors. Our approach to cybersecurity relies on having the right people, processes and technology in place to identify, protect, detect, respond and recover from cyber threats/incidents.

Our cybersecurity program aligns with industry standards, specifically the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the NIST 800-53 control framework. The effectiveness of our cybersecurity program is measured through internal and external audits, regulatory oversight from the FHFA and other third-party control and compromise assessments such as yearly penetration tests.

The maturity of our program is measured through third-party and self-assessments against frameworks such as the Federal Financial Institutions Examination Council’s (FFIEC) IT Handbook.

Our cybersecurity program includes processes and technologies that enhance our protection, detection and response to cyber threats by utilizing automation, threat intelligence feeds, robust incident response procedures and frequent vulnerability scans and remediation.

Our Vulnerability Management Group (VMG), which is comprised of members from IT Security, IT Infrastructure and Operational Risk Management, meets regularly to discuss details of our vulnerability management program including, but not limited to, current threats and vulnerabilities, patching status, upcoming technology changes and current issues or concerns, if any.

Our Incident Response policies and procedures are invoked in the event of a security breach or incident and which provide, among other things, guidance for the purpose of managing and executing the appropriate level of communication to the executive management team, the Board of Directors and/or our regulator. In addition, throughout the year, our Chief Information Security Officer updates the Board of Directors and relevant Board and management committees regarding our cybersecurity program, current risks and metrics, external-threat landscape evolutions and security awareness training.

The Bank's vendors are subject to a formal vendor management process, which includes an assessment of vendor risks (including cybersecurity risks) and ongoing monitoring. When warranted, the Bank seeks independent third-party reports, such as SOC 1 and/or SOC 2 reports, for further evaluation. Our risk assessments adhere to our Enterprise Risk Management Framework, a framework approved by the Board of Directors, and are utilized as part of the Bank's annual risk assessment process.

FHLB Dallas also maintains a culture of multichannel security awareness that is promoted on a continuous basis by distributing Bank-wide awareness campaigns, event-driven awareness promotions and awareness communications to specific groups. Our training covers policies, procedures, best practices and awareness regarding threats in the current threat landscape.

Consistent with SEC guidance, we disclose any material cybersecurity incidents and risks in our public filings. We do not have any material data breaches to report for the year ended December 31, 2023.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Financial Inclusion &amp; Capacity Building*</b>	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<p>This metric has been modified. Because FHLB Dallas is not regulated by an FFIEC regulator, the CRA definition of "loans qualified to programs designed to promote small business and community development" does not apply to FHLB Dallas. FHLB Dallas makes loans only to members and housing associates. However, funds provided under the FHLB Dallas loan programs discussed below are used by members/housing associates to promote small business and community development.</p> <p>Modified Metric: (1) Number and (2) amount of loans outstanding to members and housing associates through FHLB Dallas programs that promote small business and community development.</p> <p>There were 449 Community Investment Program (CIP) and Community Investment Cash Advances totaling \$277.9 million outstanding as of December 31, 2023. As of that same date, there were 185 outstanding Small Business Boost (SBB) loans totaling \$11.9 million. SBB loans are offered separately from the Bank's advance products.</p>
<b>Financial Inclusion &amp; Capacity Building*</b>	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<p>This metric has been modified for the same reason that the metric in FN-CB-240a.1 was modified.</p> <p>Modified Metric: (1) Number and (2) amount of past due and nonaccrual loans to members and housing associates through FHLB Dallas programs that promote small business and community development.</p> <p>FHLB Dallas had no past due or nonaccrual CIP or Community Investment Cash Advances as of December 31, 2023. As of that same date, FHLB Dallas had no past due or nonaccrual SBB loans.</p>
<b>Financial Inclusion &amp; Capacity Building</b>	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not provide retail checking accounts. We provide accounts only to our member financial institutions.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Financial Inclusion &amp; Capacity Building</b>	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	This metric is not applicable to us. We do not provide retail services. We provide services only to our member financial institutions.
<b>Incorporation of Environmental, Social and Governance Factors in Credit Analysis</b>	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Unlike a commercial bank, which lends to consumers and businesses, FHLB Dallas lends to bank, saving institution, credit union, insurance company and Community Development Financial Institution members as well as housing associates, including state and local housing authorities and serves as a liquidity provider in the U.S. financial system. Its credit exposure is in financial services, not to any specific measurable industries.
<b>Incorporation of Environmental, Social and Governance Factors in Credit Analysis</b>	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FHLB Dallas closely monitors members' credit profiles and performs credit analysis using public and private information, including members' regulatory reports. ESG factors have not been reflected in the reports or in a manner that can be evaluated by credit analysis.
<b>Business Ethics*</b>	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	The Bank incurred no monetary losses during the year ended December 31, 2023, as a result of legal proceedings associated with the issues listed in FN-CB-510a.1.
<b>Business Ethics*</b>	FN-CB-510a.2	Description of whistleblower policies and procedures	See description under <b>Business Ethics</b> below.

## Business Ethics

**FN-CB-510a.2** Description of whistleblower policies and procedures.

The Bank's Whistleblower Policy is approved annually by the Audit Committee of the Bank's Board of Directors. The Whistleblower Policy outlines the Bank's philosophy with respect to ethical issues and whistleblower protections as follows:

FHLB Dallas is committed to the highest possible standards of ethical, moral and legal business conduct. The maintenance of these high standards is essential to assure the proper performance of the Bank's business and the maintenance of confidence in the Bank by its members and the public.

In maintaining these high standards and the Bank's commitment to open communication, employees are encouraged to report concerns regarding questionable accounting, internal accounting controls, audit matters and/or other matters as outlined in this policy. Any person may submit a good faith complaint, report or concern regarding such matters without fear of dismissal or retaliation of any kind.

No employee of the Bank or person acting on behalf of the Bank in attempting to comply with the Whistleblower Policy shall be: (i) dismissed or threatened to be dismissed, (ii) disciplined or suspended or threatened to be disciplined or suspended, (iii) penalized or any other retribution imposed, or (iv) intimidated or coerced, based to any extent on the fact that the employee has reported an incident or participated in any investigation in accordance with the Whistleblower Policy.

The Bank also maintains other related policies including the Anti-Fraud and Anti-Money Laundering Policy (Anti-Fraud Policy), which is approved annually by the Bank's Board of Directors. The Anti-Fraud Policy identifies the Bank's Director of Compliance and Regulation as the Bank's Anti-Money Laundering Compliance Officer under FinCEN regulations and as the Bank's Fraud Officer under FHFA regulations. The Anti-Fraud Policy also outlines the Bank's policies related to fraud and Bank Secrecy Act/Anti-Money Laundering reporting, periodic fraud and AML risk assessments and related internal controls.

We use a confidential reporting system, EthicsPoint, where employees can confidentially report online or via a hotline 24 hours a day, seven days a week.

Our employees are required to review the Whistleblower Policy annually and attest that they have done so with an online signature. They are also required to annually review and acknowledge the Anti-Fraud Policy. Employees are notified when the Board approves updates to these policies and are provided a summary of changes through notices on the Bank's intranet site. Required annual training modules for all employees include the Anti-Fraud and Anti-Money Laundering training and Annual FHFA Notification training.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Systemic Risk Management</b>	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	This metric is not applicable to us. According to the Basel Committee on Banking Supervision's assessment methodology, FHLB Dallas is not considered to be a G-SIB. Accordingly, we do not have a G-SIB score.
<b>Systemic Risk Management*</b>	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FHLB Dallas is no longer required to perform mandatory stress testing under the U.S. Dodd-Frank Act. We are required to maintain capital levels consistent with the requirements described in the Bank's 2023 10-K ( <a href="#">See page 70 of the 2023 10-K</a> ). We perform capital planning primarily through our strategic planning process and updates to our strategic business plan each year.
<b>Checking and Savings Accounts</b>	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not provide personal or small business checking or savings accounts. We provide accounts only to our member financial institutions.
<b>Loans by Segment</b>	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not make personal, small business or corporate loans. We make loans only to our member financial institutions.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Investment Banking & Brokerage Standard Disclosures			
<b>Employee Diversity &amp; Inclusion*</b>	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	See <b>Chart A</b> and <b>Chart B</b> .

Workforce categories from our workforce management system are aligned with categories as defined by the 2006 EEO-1 Component 1 Job Classification Guide.

- Those included in the Executive Management Team category include those aligned with the EEO-1 category Executive/Senior Level Officials and Managers.
- Those included in the Non-Executive Management Team category include those aligned with the EEO-1 category First/Mid-Level Officials and Managers.
- Those in the Professionals category include those aligned with the EEO-1 category professionals. This category includes professionals and sales workers.
- Those in the All Other Employees category include those aligned with the EEO-1 categories that include administrative and support workers and craft workers.

### Chart A

Count of gender and racial/ethnic group representation for (1) Executive Management Team, (2) Non-Executive Management Team, (3) Professionals and (4) All Other Employees.

Gender	Race/Ethnicity	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees	Count
Female	Asian	0	5	11	0	16
Female	Black or African American	0	4	14	2	20
Female	Two or More Races	0	1	0	0	1
Female	White	3	15	13	3	34
Female	Hispanic or Latino	0	2	3	3	8
Male	Asian	4	11	25	1	41
Male	Black or African American	0	6	6	1	13
Male	Two or More Races	0	0	2	2	4
Male	White	3	17	22	7	49
Male	Did not specify	0	0	3	0	3
Male	Hispanic or Latino	1	3	9	2	15
<b>TOTAL</b>		<b>11</b>	<b>64</b>	<b>108</b>	<b>21</b>	<b>204</b>

Gender and race ethnicity are self-reported by employees and recorded in our workforce management system at the time of onboarding. The category of two or more races reflects employees who self-reported representation of more than one race listed in Chart A. American Indian or Alaska Native; or Native Hawaiian or Other Pacific Islander are not listed in the chart because no employees self-reported in those categories.

**Chart B**

Percentage of gender and racial/ethnic group representation for (1) Executive Management Team, (2) Non-Executive Management Team, (3) Professionals and (4) All Other Employees.

Gender	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees
Female	1.47%	13.24%	20.10%	3.92%
Male	3.92%	18.14%	32.84%	6.37%

Race/Ethnicity	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees
Asian	1.96%	7.84%	17.65%	0.49%
Black or African American	0.00%	4.90%	9.80%	1.47%
Two or More Races	0.00%	0.49%	0.98%	0.98%
White	2.94%	15.69%	17.16%	4.90%
Hispanic or Latino	0.49%	2.45%	5.88%	2.45%
Did not specify	0.00%	0.00%	1.47%	0.00%

Percentages may not total 100 percent due to rounding.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Mortgage Finance Standard Disclosures			
<b>Lending Practices*</b>	FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	<p>This metric has been modified because we do not make mortgage loans to retail customers.</p> <p>Modified Metric: Percentage of residential mortgage loans purchased by FHLB Dallas that were made by members to low- and very low-income borrowers and families in low-income areas.</p> <p>During the year ended December 31, 2023:</p> <ul style="list-style-type: none"> <li>• 3 percent of Mortgage Partnership Finance® (MPF®) loans purchased were to very low-income borrowers.</li> <li>• 14 percent were to low-income borrowers.</li> <li>• 6 percent were to families in low-income areas, which exclude very low- and low income borrowers so as not to double count loans.</li> </ul>

For MPF® loans, low-income and very low-income borrowers and low-income areas are defined by FHFA regulation and are described below:

- Low-income borrowers have income less than or equal to 80% and greater than 50% of the Area Median Income (AMI).
- Very low-income borrowers have income less than or equal to 50% of AMI.
- Census tracts in Metropolitan Statistical Areas (MSAs) and non-metropolitan areas of the 50 states, District of Columbia and Puerto Rico that have a median income less than or equal to the AMI are considered low-income census tracts. There are three paths an MPF® loan can take in order to be considered a loan in a low-income area. The first path does not have an income requirement, but the loan must be in a low-income census tract. The second path is for loans made to moderate-income borrowers ( $\leq 100\%$  of AMI) in a minority census tract (greater than or equal to 30% minority) where the tract median income is less than 100% of AMI. The third path is for loans made to moderate income borrowers in a designated disaster area.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Mortgage Finance Standard Disclosures			
<b>Discriminatory Lending*</b>	FN-MF-270b.1	(1) Number, (2) value and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	<p>This metric has been modified because we do not make mortgage loans to retail customers.</p> <p>Modified metric: (1) Number, (2) value and (3) weighted average LTV ratio of mortgages purchased and held by FHLB Dallas that were issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660.</p> <p>We rely on the seller to provide accurate information at time of purchase.</p> <p>See tables below for metrics as of and for the year ended December 31, 2023.</p>

#### Summary of Mortgage Loan Purchases for the Year Ended December 31, 2023

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance at Acquisition (In millions)	Weighted Average LTV
<b>FICO &gt; 660</b>	Minority	886	\$298	83.3%
	Non-Minority	1,768	\$554	79.7%
	Information Not Reported	411	\$137	81.4%
	<b>Total</b>	<b>3,065</b>	<b>\$989</b>	<b>81.0%</b>
<b>FICO ≤ 660</b>	Minority	57	\$14	77.1%
	Non-Minority	85	\$21	72.1%
	Information Not Reported	26	\$7	72.0%
	<b>Total</b>	<b>168</b>	<b>\$42</b>	<b>73.8%</b>
<b>FICO not available</b>	Minority	2	\$1	79.3%
	Non-Minority	3	\$1	74.5%
	<b>Total</b>	<b>5</b>	<b>\$2</b>	<b>76.0%</b>
<b>Total</b>		<b>3,238</b>	<b>\$1,033</b>	<b>80.7%</b>



## Summary of Mortgage Loans Held in Portfolio as of December 31, 2023

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance as of December 31, 2023 (In millions)	Weighted Average LTV
<b>FICO &gt; 660</b>	Minority	4,672	\$1,259	80.7%
	Non-Minority	10,520	\$2,843	77.9%
	Information Not Reported	2,376	\$626	78.6%
	<b>Total</b>	<b>17,568</b>	<b>\$4,728</b>	<b>78.7%</b>
<b>FICO ≤ 660</b>	Minority	553	\$111	77.8%
	Non-Minority	653	\$153	75.3%
	Information Not Reported	226	\$39	75.4%
	<b>Total</b>	<b>1,432</b>	<b>\$303</b>	<b>76.2%</b>
<b>FICO not available</b>	Minority	36	\$4	83.8%
	Non-Minority	15	\$3	74.9%
	Information Not Reported	197	\$3	88.6%
	<b>Total</b>	<b>248</b>	<b>\$10</b>	<b>82.7%</b>
<b>Total</b>		<b>19,248</b>	<b>\$5,041</b>	<b>78.6%</b>

**Minority:** Race is American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, or Hispanic or Latino as reported by the Participating Financial Institution (PFI) at the time of purchase by FHLB Dallas.

**Non-Minority:** Race is White (Not Hispanic or Latino) as reported by the PFI at the time of purchase by FHLB Dallas.

**LTV:** LTVs are as of the loan origination date as reported by the PFI to FHLB Dallas at the time of purchase. For loans purchased during the year ended December 31, 2023, the LTVs were weighted by the unpaid principal balance (UPB) at the date of acquisition. For loans held in portfolio as of December 31, 2023, the LTVs were weighted by the UPB as of that date.

Borrowers are asked to disclose race and ethnicity on the loan application. We rely on the PFI to provide the information presented at the time we purchase the loan. If an applicant listed multiple races or ethnicities and one of those races or ethnicities met the minority criteria, then the loan is classified as minority. We rely on the PFI to provide race, ethnicity, LTV and the borrower's FICO score at the time we purchase the loan.

# Report of Independent Accountants



## Report of Independent Accountants

To the Board of Directors of the Federal Home Loan Bank of Dallas

We have reviewed the management assertion of the Federal Home Loan Bank of Dallas (the “Bank”) that the 9 metrics, identified by the “\*” symbol in the accompanying 2023 Environmental, Social and Governance Report, as of or for the year ended December 31, 2023 are presented in accordance with the assessment criteria set forth in the 2023 Environmental, Social and Governance Report. The Bank’s management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the specified metrics. Our responsibility is to express a conclusion on management’s assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management’s assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, read relevant policies to understand terms related to relevant information about the specified metrics, and reviewed supporting documentation in regard to the completeness and accuracy of the data in the specified metrics on a sample basis.

Based on our review, we are not aware of any material modifications that should be made to the Bank’s management assertion in order for it to be fairly stated.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

April 26, 2024



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