



# 2021 CORPORATE SOCIAL RESPONSIBILITY REPORT

# Table of Contents

Letter from the CEO	03
Year at a Glance	04
Introduction	05
Our Business	06
Environmental Impact	07
ESG Initiatives	08
Social Impact	10
Employee Engagement	15
Serving Communities	20
Governance	22

## Letter from the CEO

Over the past year, the Federal Home Loan Bank of Dallas (FHLB Dallas) has embarked on a journey to integrate environmental, social and governance (ESG) criteria into our business strategy, which will culminate with an ESG report in 2023.

We at FHLB Dallas like the concept of ESG for a much more basic reason. It brings a sharper focus to the values we already hold dear — doing what is right for people, the environment and living those values in the way we run our cooperative.

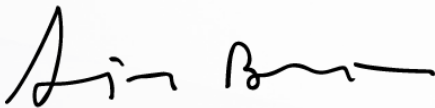
Our 2021 Corporate Social Responsibility (CSR) report sets the stage for reporting on our ESG accomplishments in 2023.

While FHLB Dallas has long been committed to supporting corporate social responsibility initiatives, our ESG path will take us a step further in reporting on environmental, social and governance goals and achievements.

The 2021 CSR report and future ESG reports will share more of our story publicly with our members and other key stakeholders.

While we know we have much work to do, we are encouraged and eager to see what the future holds.

I hope you enjoy this CSR report.



**Sanjay Bhasin**

President and Chief Executive Officer  
Federal Home Loan Bank of Dallas



**Members First**



**Results Matter**



**Own It**



**Pursue Growth**



**Do Good**

## Year at a Glance

### Learning and Development



**4,381**

hours of training  
completed by employees



**662**

new skills acquired  
by employees

### Investing in the Community



**\$15,000**

in STEM scholarships  
to high school girls



**\$3 million**

total in Small Business Boost  
loans to support small businesses



**\$1.4 million**

in Small Business Boost loans  
benefiting minority-, woman- and  
veteran-owned businesses

### Diversity and Inclusion



**54 percent**

of employees self-identified  
as racial, ethnic minorities



**100 percent**

of employees completed  
cultural sensitivity training



**\$8.2 million**

awarded to  
diverse contractors

### Climate

**13,342**

pounds of metal,  
electronics and wet cell  
batteries recycled

**110**

gallons of crushed  
light bulbs

## Introduction

**F**HLB Dallas has maintained a CSR program for several years. We have supported social and racial equity, community development and causes that impact our members, our employees and our collective communities. In late 2021, FHLB Dallas began implementing our ESG initiatives, and we will publish a full ESG report in 2023 outlining these initiatives. In 2022, we intend to continue our commitment to diversity, equity and inclusion; examine the feasibility of an ESG advance product with discounted pricing and establish an ESG Management Committee with subcommittees focused on sustainability and climate risk. We also will continue to provide access to financing through our small business development and community initiatives and invest in our communities through corporate philanthropy and employee volunteerism. Our ESG Management Committee and subcommittees launched in 2022. They will assist executive management in strategy on ESG-related matters.

### About FHLB Dallas

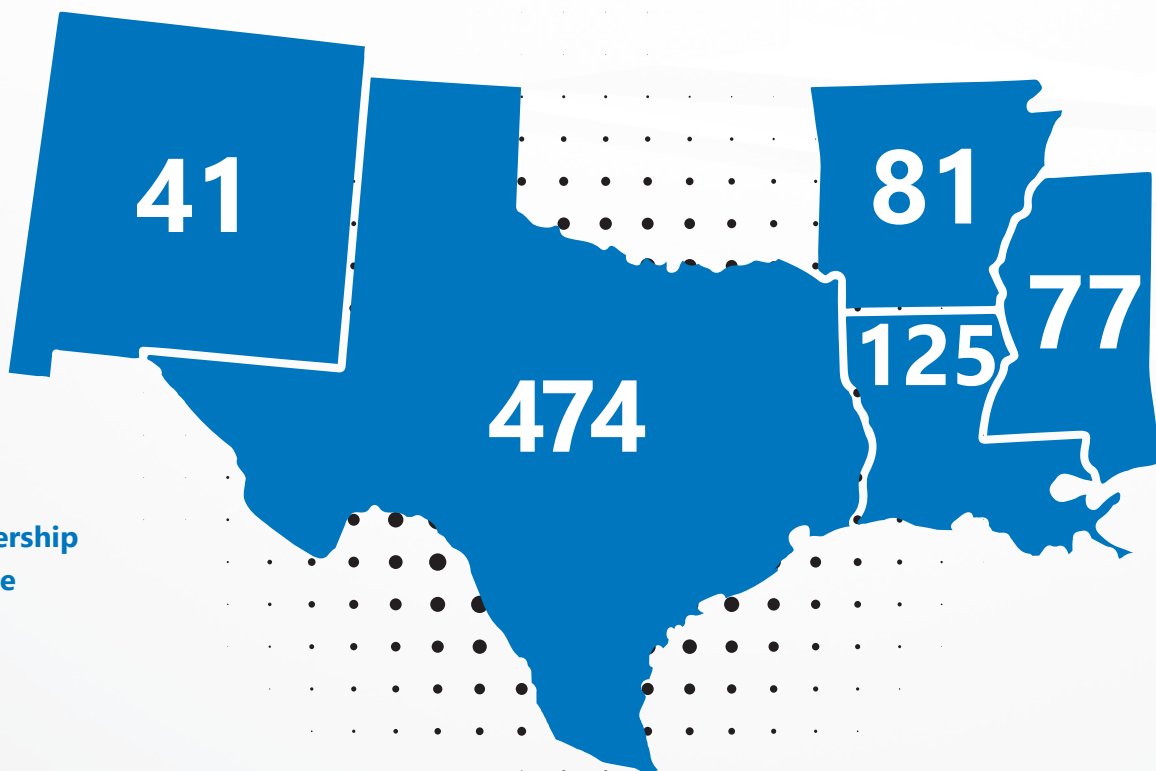
FHLB Dallas is a government-sponsored enterprise and a part of the Federal Home Loan Bank System (FHLBank System) created by an Act of Congress in 1932 to provide capital for mortgage funding during the Great Depression. We are one of 11 FHLBanks that provide an affordable, flexible source of funding for about 6,800 financial institutions. Each FHLBank is organized as a cooperative owned by its member institutions and operates independently with no taxpayer assistance.

Several types of financial institutions are eligible for membership in the FHLBank System:

- Banks
- Credit unions
- Community development financial institutions
- Savings institutions
- Insurance companies

FHLB Dallas had total assets of \$63.5 billion as of December 31, 2021. We serve approximately 800 members and associated institutions across our five-state District of Arkansas, Louisiana, Mississippi, New Mexico and Texas. We provide financial products and services including advances (loans to members), letters of credit, funding for affordable housing and economic development. We also purchase residential mortgage loans from our members.

**Membership  
by State**



## Our Business:

### Key Member Products

#### Advances

Through our favorably priced advances, FHLB Dallas empowers our member institutions with economically and operationally efficient access to capital through fixed- and floating-rate advances. Members use advances to:

- Optimize liquidity management
- Enhance investment spread
- Expand asset liability management options
- Diversify counterparty risk
- Create hedge flexibility
- Provide residential mortgages
- Provide financing for commercial real estate and agricultural purposes
- Fund balance sheet activities

#### Letters of Credit

Our members can access highly rated letters of credit (LOCs) to collateralize public unit deposits from school districts, hospital districts and other public unit depositors to free up securities for other purposes.

#### Mortgage Partnership Finance® Program

FHLB Dallas purchases qualifying residential mortgage loans from our members through the Mortgage Partnership Finance® (MPF) Program, which provides a direct link to the secondary market that might otherwise be too complicated

or cumbersome to access for community lenders. Negative pricing adjustments and guarantee fees, along with minimum loan volume requirements, can be roadblocks for smaller institutions attempting to access the secondary market. The MPF Program is a competitive outlet for mortgage funding for these community-based institutions.

#### Safekeeping, Wires and Collateral Services

FHLB Dallas services include the following:

- Efficient wire transfers for payments and collections
- Seamless securities safekeeping
- Collateral management for credit and third-party pledges
- Demand Deposit Account services that simplify cash management

"In two years, we've grown more than 400 percent, added nearly \$1.3 billion in assets, 14 markets and 200 employees. Our bank has evolved into a totally different institution than it was three years ago. Being able to leverage our blanket lien availability through FHLB Dallas' letters of credit plays a key role in that growth."

#### Jeff Stevenson

Executive Vice President and  
Chief Financial Officer  
Encore Bank



**\$63.5**  
billion  
Assets



**\$24.6**  
billion  
Advances



**\$21.7**  
billion  
LOCs



**\$3.5**  
billion  
MPF



We are committed, as are many other companies, to reducing our carbon footprint. Since 2000, FHLB Dallas has initiated environmental and sustainable practices to encourage employees to recycle and conserve energy.

To help us further our environmental-related ESG initiatives, a new Sustainability Management Subcommittee has been formed to find opportunities to implement new sustainable practices across the organization while providing oversight to our sustainability matters. Additionally, a Climate Risk Management Subcommittee has been formed among internal staff to evaluate the risk/impact of climate change on our business and to help enhance our responsiveness to the effects of climate change and natural disasters.

### **Waste Management and Recycling**

Recycling bins are placed throughout the office, and there are dedicated bins for plastic bottles and aluminum cans in each breakroom.

### **Data Center Recycling**

FHLB Dallas reduced the size of its data center in 2021 after moving several of our services to the cloud. Materials from the facility were removed and/or recycled, enabling us to recycle 13,342 pounds of metal, electronics and wet cell battery materials from the data center.

## Environmental Impact



## ESG Initiatives: Moving Forward in 2022

Building on the work we have done thus far integrating ESG into FHLB Dallas' business strategy, we have set three goals around climate in 2022.

### A Look Ahead: ESG Advance

One of FHLB Dallas' goals in 2022 is to consider an ESG advance product, which would provide favorable pricing to support ESG financing for our members. The product is in development and is anticipated to be announced in late 2022 and rolled out to our members in 2023.

### Establishing Committees to Drive Initiatives

In 2022, FHLB Dallas established three committees to drive ESG efforts throughout our business. An ESG Management Committee will assist executive management in setting ESG strategy, a Sustainability Management Subcommittee will support opportunities to advance sustainability efforts and a Climate Risk Management Subcommittee will work

with appropriate internal risk committees to identify and assess the impact of climate change and recommend specific actions to further our ESG efforts. In addition, our long-standing Office of Minority and Women Inclusion Management Committee has become a subcommittee under the ESG Management Committee.

The ESG Management Committee and subcommittees will enable us to better combat climate change, save energy, and provide employees opportunities to be more involved in leading initiatives that promote new sustainable practices across our business.

### Reducing Paper Processes

FHLB Dallas also continues to implement automation that reduces paper processes. In early 2022, we started offering an audit confirmation request process through Adobe Sign to reduce the reliance on a paper process. Prior to using Adobe Sign, members would mail, fax or email audit confirmation request forms to our Member Services department. Additionally, we are training our employees in Adobe Sign and Microsoft Power platforms to assist in this effort.

## Environmental Sustainability Goals in 2022

- Explore an advance product that supports members' ESG efforts through discounted pricing
- Establish a Climate Risk Management Subcommittee
- Establish a Sustainability Management Subcommittee





# Committee Responsibilities

## ESG Management Committee

Assist executive management team and Board of Directors (Board) in setting ESG initiatives

Review reports and recommendations of subcommittees

Annually review and approve committee and subcommittee charters

Review results of ESG-related annual goals and metrics

Provide executive management team and Board updates on significant ESG-related concerns

Oversee ESG reporting standards

Annually review and approve the ESG report

Consider current and emerging ESG matters impacting strategy

Monitor regulatory or legislative impacts

Determine frameworks alignment

## Climate Risk Management Subcommittee

Support ESG initiatives as a subcommittee to the ESG Management Committee

Identify and assess effects of climate change and natural disasters on FHLB Dallas

Provide recommendations on FHLB Dallas' ESG initiatives to the ESG Management Committee

Monitor regulatory and legislative impacts affecting our ability to respond to climate change and natural disasters

## Sustainability Management Subcommittee

Support ESG initiatives as a subcommittee to the ESG Management Committee

Provide opportunities to advance sustainability efforts

Collaborate cross-departmentally on sustainability initiatives

Integrate sustainable practices into FHLB Dallas' decision-making

Monitor regulatory and legislative impacts

## Social Impact:

### Serving Our Members, Employees and Communities

Our CSR initiatives are rooted in serving our members, our employees and our shared communities.



We serve our members with integrity and professionalism, providing a robust community investment program with matching funds to financially support affordable housing, economic and small business development and community development initiatives in the cities our members serve.



We serve our employees through our commitment to diversity, equity and inclusion in hiring, retention and promotion, and by offering a culture rooted in continuous learning that fosters a sense of belonging.



Our corporate philanthropy supports the FHLB Dallas value of *Do Good*, which includes employee service in areas such as affordable housing, education and the well-being of children and adults.

## Financial Inclusion and Capacity Building through our Members

We return 10 percent of our profits each year to community and affordable housing programs in our five-state District. Read more about how specific members have used these community investment programs in our [Affordable Housing Advisory Council 2021 Annual Report](#).

### Small Business Boost

Small Business Boost (SBB) provides financing for qualified small businesses by filling the gap between what a member can finance and the loan request made by an eligible small business. Funds are used for the startup or expansion of a small business, including building purchase, land acquisition, construction, equipment and working capital. In 2021, we funded 47 SBB loans totaling \$3 million that supported 363 jobs. Forty-six percent of funding was provided to 21 woman-, minority and/or veteran-owned businesses to help create or retain 180 jobs. Notably, there was a 55 percent increase in funding to minority-owned businesses.



### Community Advances

Our community advance programs support local investment by providing favorably priced solutions for affordable housing and economic development efforts by our member institutions.

**Community Investment Program (CIP):** Assists members in funding affordable housing, qualified economic development projects and community revitalization in targeted communities.

**Economic Development Program (EDP):** Assists members in funding qualified economic development projects and community revitalization in targeted communities.

## Small Business Boost



### Community Investment Cash Advance

**\$9,705,828**  
80 jobs

### Community Investment Program

**\$9,108,634**  
43 units 157 jobs

CIP Housing	CIP Economic
<b>\$1,812,650</b>	<b>\$7,295,984</b>
43 units	157 jobs

**Total**  
**\$18,814,462**  
43 units and 237 jobs





"If I had not received the grant, I probably would have had to push back the repairs I needed. There is no way I could have gotten it all done at once. The HAVEN program took my worries away, and it was a tremendous blessing."

**Jeffery Darrough**  
HAVEN recipient  
Bearden, Arkansas

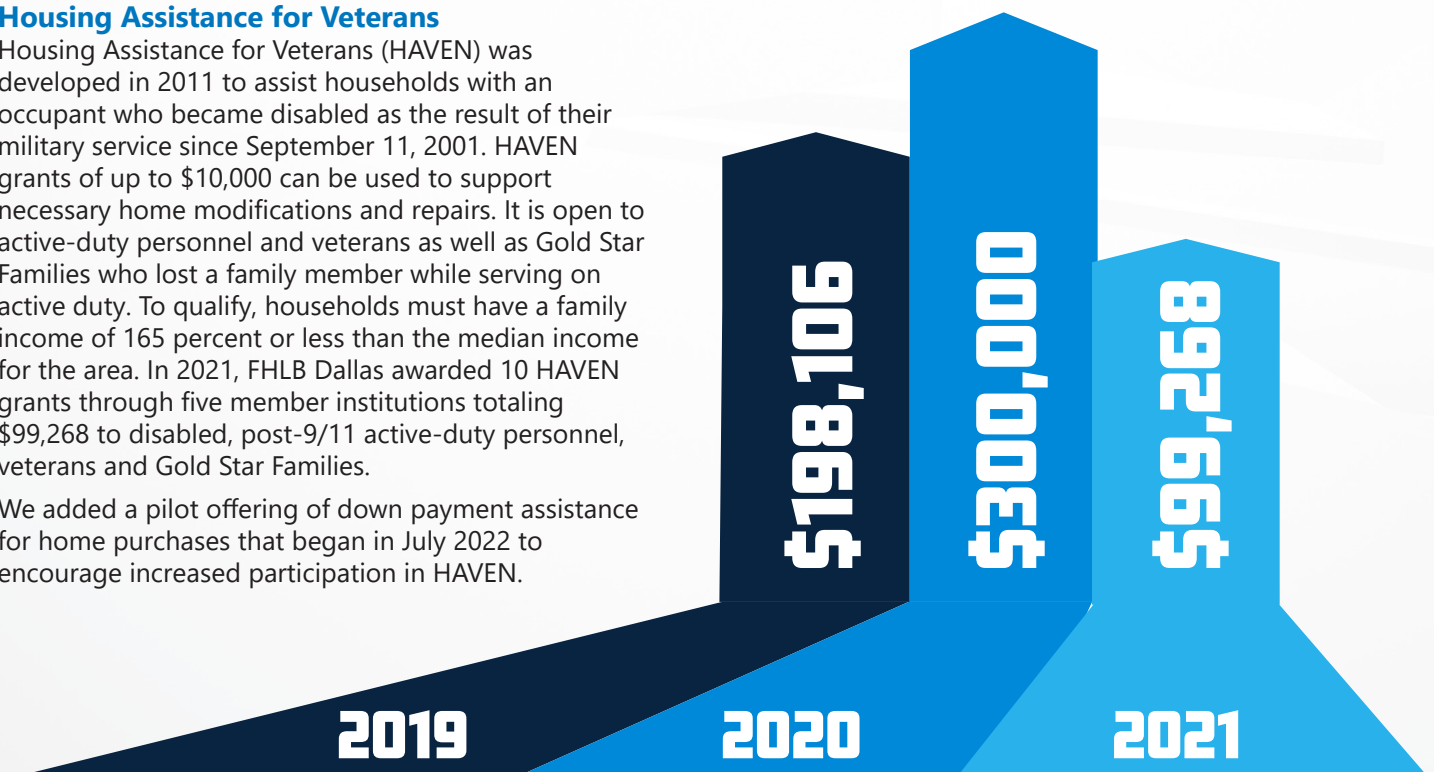
*U.S. Army Reserve veteran Jeffery Darrough, pictured here with his wife, Joyce, received a \$10,000 HAVEN grant from FBT Bank & Mortgage and FHLB Dallas for home repairs.*

## Disbursement of HAVEN Grants

### Housing Assistance for Veterans

Housing Assistance for Veterans (HAVEN) was developed in 2011 to assist households with an occupant who became disabled as the result of their military service since September 11, 2001. HAVEN grants of up to \$10,000 can be used to support necessary home modifications and repairs. It is open to active-duty personnel and veterans as well as Gold Star Families who lost a family member while serving on active duty. To qualify, households must have a family income of 165 percent or less than the median income for the area. In 2021, FHLB Dallas awarded 10 HAVEN grants through five member institutions totaling \$99,268 to disabled, post-9/11 active-duty personnel, veterans and Gold Star Families.

We added a pilot offering of down payment assistance for home purchases that began in July 2022 to encourage increased participation in HAVEN.



## Disaster Recovery Response

We reached out to our members who were impacted by hurricanes in 2021 and offered assistance in several ways:

Our Hurricane Recovery Grant (HRG) provides assistance to members' employees impacted by hurricanes, and our Disaster Rebuilding Assistance (DRA) provides subsidies to affected community residents. Both played instrumental roles in 2021, assisting members' employees and communities in southern Louisiana who were impacted by Hurricane Ida or assisting other residents impacted by hurricanes from previous years.

In 2021, we:

- Increased HRG's eligibility limit from 125 percent to 150 percent of the area median income
- Expanded the member maximum allotment from \$150,000 to \$200,000 per member institution
- Provided \$1,149,788 to assist 469 member employees in the wake of Hurricane Ida
- Awarded \$974,894 to homeowners in 2021 through the DRA, which provides subsidies of up to \$10,000 to homeowners for the repair and rehabilitation of owner-occupied housing affected by a disaster in federally declared disaster areas within FHLB Dallas' five-state District
- Donated \$1 million to national and Louisiana food banks and relief organizations helping with Hurricane Ida relief and recovery

## Disaster Rebuilding Assistance

Provides funds for the repair and rehabilitation of owner-occupied housing affected by a disaster event in federally declared disaster areas within FHLB Dallas' District.

# \$974,894

*provided for repairs to*  
**127 housing units**

## Hurricane Recovery Grant

Provides recovery assistance to help members' employees whose households suffered a financial loss due to a hurricane.

# \$1,149,788

*provided to assist*  
**469 member employees**





## Affordable Housing Program

Through the Affordable Housing Program (AHP) General Fund, \$18.5 million was awarded through 14 members to 26 affordable housing projects. These awards were instrumental in helping to fund the development of 2,113 new or rehabilitated housing units, including affordable rental units for very low-, low- or moderate-income people, and people with disabilities or other special needs. See the [Affordable Housing Advisory Council 2021 Annual Report](#) for more details.

## Homebuyer Equity Leverage Partnership

The Homebuyer Equity Leverage Partnership (HELP) subsidy, provided through FHLB Dallas members, assists income-qualified, first-time homebuyers with down payment and closing cost assistance. Through members, FHLB Dallas disbursed \$4.4 million in HELP funds in 2021.



Anita L. West, pictured above, received \$5,500 in HELP funds from New Mexico Bank & Trust.

## Special Needs Assistance Program

Special Needs Assistance Program (SNAP) subsidies, provided through FHLB Dallas members, assist in repairing and rehabilitating owner-occupied housing for eligible, special-needs individuals. In 2021, we awarded nearly \$2.4 million in SNAP funds through our members.

## Partnership Grant Program

Our Partnership Grant Program (PGP) provides 3:1 matches of member contributions to provide total grants up to \$12,000 that help promote and strengthen relationships between community-based organizations and FHLB Dallas members. In 2021, FHLB Dallas allocated \$400,000 to assist 37 community-based organizations (CBOs) involved in affordable housing activities, stimulating small business development or providing small businesses with technical assistance.

"The community investment programs at FHLB Dallas can help members build valuable relationships and reinvest in their communities. These programs help small businesses, the elderly, disabled, veterans, first-time homebuyers and community-based organizations, among others."

**Greg Hettrick**  
First Vice President  
Director of Community  
Investment  
FHLB Dallas



Pictured above, Jamay Schardien, executive director of Career Gear, received \$16,000 in PGP funds.

## Employee Engagement:

Hiring, Retention, Diversity,  
Culture, Community

FHLB Dallas is committed to attracting and retaining an engaged workforce. In 2021, we focused on name and brand recognition to recruit diverse talent amid a labor shortage, rising salaries and other challenges such as remote and hybrid work. We have a robust set of benefits and engagement initiatives to ensure FHLB Dallas is a great place to work.

### Employee Benefits



Continuing  
Education  
Opportunities



Competitive  
Salary



Annual Flex  
Day for  
Volunteering



401(k) with  
Company Match



Paid  
Vacation Time



Short-Term  
Disability of Six  
Weeks Available  
Every 12 Months



Health, Dental  
and Vision  
Benefits



Health Savings  
Accounts and Flexible  
Spending Accounts



Tuition Assistance  
for Employees and  
their Children



Employee  
Assistance  
Program



Wellness  
Program



Retirement and  
Financial Planning  
Program through  
Fidelity



Variable Pay  
Program  
(Short-term Bonus  
Compensation)



FHLB Dallas is committed to promoting diversity and inclusion in hiring, retention and promotions. We have an [Equal Opportunity in Employment and Contracting Policy Statement](#) that reflects our commitment to these principles, since we established our Office of Minority and Women Inclusion (OMWI) in 2009.

**54%**

**employees  
self-identified  
as racial/ethnic  
minorities**

**40.5%**

**employees  
are female**

**45.5%**

**executives  
are racial/ethnic  
minorities**

**27.3%**

**executives  
are female**

### Affinity Groups

FHLB Dallas has eight affinity groups, which are similar to employee-led resource groups, that enable employees to come together and build relationships with others who have similar interests and connect with people outside of their departments.

### Employee Engagement Activities

We provide several employee engagement opportunities throughout the year to help foster an employee-focused culture that makes coming to work fun. Our engagement activities in 2021 included weekly town hall meetings, monthly employee appreciation, virtual trivia sessions and other activities.

### Talent Acquisition Goals

- Ensure a diverse range of candidates within the applicant pool
- Increase female representation in the applicant pool by using women-specific career websites
- Integrate our values in talent acquisition
- Seek diverse representation for posted job openings for identified job groups
- Encourage the promotion and hiring of internal applicants







### ReStart and Returnship Programs

In 2022, one of our goals is to help female candidates who left the workforce for an extended period through transitional programs that encourage them to rejoin the workforce.

The ReStart program provides women who are offered a job at FHLB Dallas the opportunity to receive mentoring and training in new technologies and the latest developments in their chosen field so they can smoothly re-integrate into the workforce while experiencing both personal and professional growth.

Our Returnship program offers up to a 12-month paid internship to women who have been out of the workforce for at least two years and have a desire to return. It offers paid training without a guarantee of employment.



### Internship Program

FHLB Dallas offers an internship program that provides undergraduate and graduate students the opportunity to gain valuable work experience. By attending virtual job fairs as educational institutions transitioned to a remote environment during the pandemic, we were able to expand networking opportunities with Historically Black Colleges and Universities (HBCUs). In 2021, we also extended several internships into the fall semester to continue their learning and growth opportunities.

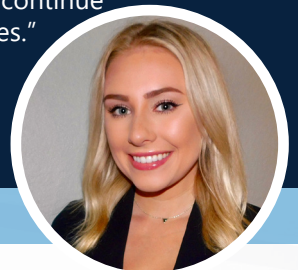
For the third consecutive year, we partnered with Paul Quinn College, a private, faith-based HBCU in Dallas. The partnership provides Paul Quinn students the opportunity to obtain internships to offset the cost of housing and tuition. In 2021, four Paul Quinn students interned with us.

In addition, we partnered with Howard University to offer three students internship opportunities and worked with several HBCUs to recruit students into our internship program.

"As an intern for FHLB I was able to directly contribute value through projects and team collaboration. I am excited to be joining FHLB as a full-time employee and to continue to gain valuable experiences."

**Madison Gray**

Banking Operations Analyst  
Texas A&M University



**50%**

*racially or ethnically  
diverse interns*

**THREE**

*minority interns  
recruited from HBCUs*  
\*excludes four Paul Quinn College interns

**SEVEN**

*HBCUs where FHLB Dallas  
recruited interns*

**43.75%**

*female interns*

**FIVE**

*minority interns recruited  
from non-HBCUs*

**SEVEN**

*female interns*

## Preparing a Workforce of the Future

Through our digital initiatives, FHLB Dallas offers structured learning paths in any technical area that is related to an employee's growth. In 2019, we began providing employees opportunities to develop in emerging technologies. In 2021, 191 employees attended a basic robotic process automation course that was employee-led, and 10 employees became certified in cloud computing fundamentals.

## Learning and Development

To serve members at the highest level, we need a workforce equipped with the skills and talent to innovate and drive change. We have developed a strong learning- and development-centered culture, which has recently focused on digital advances and automation efficiencies. We offer an inclusive approach that welcomes all employees to participate in learning opportunities regardless of their job level or responsibilities.

Over the last few years, mentoring, management and leadership training courses have been offered, along with other professional development courses, to prepare employees for future career opportunities.

In keeping with FHLB Dallas' core value of *Pursue Growth*, we offer workshops, subject matter expert (SME)-led sessions, Coffee Talks and TED Talks throughout the year. These can be employee led or externally facilitated, and all are designed to help employees learn one or more new skills.

## Tuition Assistance

FHLB Dallas offers tuition assistance to our employees who have a freshman in college, and we provide tuition assistance to employees who are pursuing higher education that will benefit their roles at FHLB Dallas. In 2021, we had 10 employees who received tuition assistance for their children, and three employees who received tuition assistance for their own continuing education.

"The tuition assistance program helped me focus on continuing my education without the burden of a student loan. I'm extremely grateful that FHLB Dallas offers this valuable benefit for its employees."

### Erica Poe

Senior Compliance Analyst  
and Assistant  
Corporate Secretary  
FHLB Dallas



## 2021 Learning Highlights:

**100%**

*of employees attended at least one SME-led session*

**100%**

*of employees participated in our cross-training initiative*

**72**

*training hours offered by FHLB Dallas (TED Talks, workshops, SME sessions, etc.)*

**100%**

*learned a new skill*

**98%**

*learned two new skills*

**96%**

*learned three new skills*

**662**

*new skills learned*



"I see diversity, equity and inclusion as a fundamental company strength that brings many voices and ideas to the table, enhancing our commitment to learning and growth in pursuit of excellence."

**Sanjay Bhasin**

President and  
Chief Executive Officer  
FHLB Dallas



## Diversity, Equity and Inclusion (DE&I)

We are committed to the inclusion of minorities, women and individuals with disabilities in our workforce and to engaging minority-, women-, and disabled-owned businesses in support of our business activities. We have an [Equal Opportunity in Employment and Contracting Policy Statement](#) that reflects our commitment to these principles. As part of our commitment to diversity, we established the Office of Minority and Women Inclusion (OMWI) more than a decade ago, and we share our [Office of Diversity, Equity and Inclusion Policy](#) on our website.

## DE&I Culture Survey

In 2021, we launched our first cultural survey in an effort to gauge not only employees' views on the progress we've made on DE&I within the company, but also to find areas of opportunity. Employees' responses will help advance our DE&I culture.

We had several successes in 2021 related to our DE&I initiatives:



A process was created to increase the dollar amount spent with and the visibility of diverse vendors



The number of minorities promoted at FHLB Dallas doubled from six in 2020 to 12 in 2021; and female promotions increased from none in 2020 to three in 2021



\$8.2 million was spent with diverse businesses in 2021

## Serving Communities

### Community Involvement

Our mission is rooted in providing affordable housing and financial accessibility to support community investment initiatives around our District. We've aligned our corporate giving philosophy with charitable initiatives that include the following tenets:

- Support organizations or groups that have a mission focused on eliminating or addressing food insecurity in the FHLB Dallas District
- Support entities involved in assisting underserved student populations
- Support initiatives and organizations that foster the development and rehabilitation of affordable housing including housing and services for disabled individuals and veterans
- Support employee volunteerism and provide matching gifts for employees to charities and philanthropic activities in which they have a passion

### Corporate Charity Initiatives

FHLB Dallas has a multiyear tradition of supporting a yearly corporate charity initiative in which it selects one or two charities to support throughout the year.

In 2021, our corporate initiatives supported the Irving Schools Foundation (ISF) and Meals on Wheels, which included a virtual volunteering option.



## Meals on Wheels

**104**

*virtual  
check-ins*

**907**

*physical  
deliveries*

## Irving Police and Fire Blue Christmas

**340**

*toys donated*

## Canned Food Drive

**681**

*canned goods donated  
to local food banks*

## Monthly Charities

**\$15,000**

*raised for six monthly  
charities*

- Cristo Rey Fort Worth College Prep
- Community Partners of Denton County
- Destiny Rescue
- RAD Advocates
- Community Partners of Dallas (Back-to-School Drive)
- HandsOn New Orleans

## Irving Schools Foundation (ISF)

**\$5,000**

*donated to Caring and Sharing*

an event where families receive gifts at a drive-thru experience featuring live music, food and holiday-themed activities

**\$15,000**

*donated to ISF to purchase school  
supplies for students*

## STEM Education

**\$15,000**

*Ten high school girls received \$1,500 each for  
college scholarships to pursue STEM studies*

## 2021 End of Year Statistics

Internally, FHLB Dallas offers its employees the opportunity to take one paid day annually to volunteer at a charity or school function. The pandemic impacted the use of this benefit in 2020 and 2021, but we expect use to increase in 2022.



## Governance: Data, Privacy, Ethics and Leadership

At FHLB Dallas, we believe that good corporate governance is more than a requirement — it is the right way to do business.

Our [corporate bylaws](#) and [corporate governance](#) practices are essential to fulfilling our mission of supporting homeownership, affordable housing and community lending by providing a readily available, low-cost source of funds to member institutions. We are also governed by a [Charter for the Audit Committee of the Board of Directors](#).

### Data Protection and Privacy

We take member (customer) privacy very seriously. Our Security Operations team is dedicated to keeping member data safe. Employees, contractors and vendors are held to an IT Security policy that establishes safeguards and ensures all data and information is protected. View our online privacy policy [here](#).

To examine our policy effectiveness, each department conducts annual access reviews, and employees must take required IT security training on an annual basis. Security Operations also has specific security controls and robust policies in line with management objectives, regulations and general security best practices. Additionally, we have a cybersecurity incident response plan in place that enables us to quickly respond to any kind of data or security breach. Policies, documents and security practices are reviewed annually and approved by our chief information officer.

### Business Ethics

We believe the highest standards of honesty, integrity, impartiality and conduct for our employees is essential to ensure that FHLB Dallas operates with high principles and maintains public confidence. Our employees and directors conduct themselves in accordance with our codes. We have a [Code of Conduct and Ethics and Conflict of Interest Policy for Directors](#), a [Code of Conduct and Ethics for Employees](#) and a [Code of Ethics for Financial Professionals](#).

Additionally, we are committed to creating an environment where open and honest communication is expected. We want our employees to feel comfortable in approaching management when they believe violations of policies and standards have occurred. If employees prefer to submit a report anonymously, they can use third-party hotline provider, [EthicsPoint](#).

We have also adopted an Anti-Fraud and Anti-Money Laundering Policy as well as a Whistleblower Policy. Our employees participate in annual training for these policies, and we expect that all our employees, contractors, vendors and suppliers will report any instances of suspected fraud involving the organization or any complaints related to business conduct, financial accounting, business practices and other concerns.

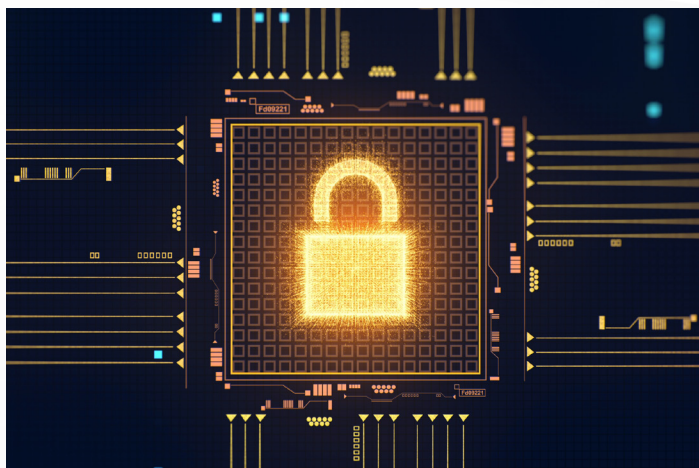
### Governance and Subcommittee Structure

To address the risk associated with climate change, we formed a Climate Risk Management Subcommittee to help identify and assess the impact of climate change and natural disasters. The subcommittee will work closely with appropriate internal risk committees to identify and assess the impact of climate change and natural disasters and identify associated climate risks that impact credit risk.

Our two ESG-related subcommittees report directly to our ESG Management Committee, which was established in 2022. Our ESG Management Committee reports to our Executive Management Committee, which reports to our Board of Directors (Board) and oversees and approves our ESG activities and initiatives.

### OMWI Management Committee

Our Office of Minority and Women Inclusion Management Committee became a subcommittee under the ESG Management Committee in 2022. It provides oversight of our mission to promote diversity and to ensure the inclusion of minorities, women and individuals with disabilities in our activities. The committee provides input on FHLB Dallas' practices and policies and reviews data/goals on workforce, supplier/contract spend and our activity with diverse broker dealers.



## ESG Governance Structure

### Board of Directors and Committees

- Provide oversight for governance of ESG matters and strategy
- Review ESG goals
- Approve ESG report

### Executive Management Committee

- Oversee ESG activities
- Approve/set goals
- Approve ESG report
- Make recommendations to the Board

### ESG Management Committee

- Assist EMC and BOD in setting ESG strategy
- Review results of ESG goals and metrics
- Review reports and recommendations from sub-committees

### Sustainability Management Subcommittee

- Provide opportunities to advance sustainability efforts
- Integrate sustainable practices into decision making
- Monitor regulatory and legislative impacts

### OMWI Subcommittee

- Provide opportunities to advance OMWI efforts
- Identify OMWI related ESG goals and opportunities
- Monitor regulatory and legislative impacts

### Climate Risk Management Subcommittee

- Identify and assess risks related to climate change and natural disasters
- Provide climate-related ESG recommendations
- Monitor regulatory and legislative impacts

### 2022 Board of Directors

We are governed by a 17-member Board that serves staggered four-year terms beginning January 1, except when filling an unexpired term. Directors are divided into two categories:

- The majority of our directors are elected from our member institutions in each state of our five-state District. Candidates, who are elected to their positions, are nominated by our members.

- Independent directors are nominated by our Board after consultation with our Affordable Housing Advisory Council and are elected by the members at-large. They 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.



## 2022 Board of Directors



**Robert M. Rigby  
(Chairman)**  
South Regional President  
Executive Vice President  
Legend Bank  
Fort Worth, TX



**Margo S. Scholin  
(Vice Chair)**  
Retired Partner  
Baker Botts LLP  
Houston, TX



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



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



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



**Mary E. Ceverha**  
Civic Volunteer  
Dallas, TX



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



**Rufus Cormier**  
Retired Partner  
Baker Botts LLP  
Houston, TX



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



**W. Wesley Hoskins**  
Chairman, President and  
Chief Executive Officer  
First Community Bank  
Corpus Christi, TX



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



**A. Fred Miller Jr.**  
Director  
Bank of Anguilla  
Anguilla, MS



**Sally I. Nelson**  
Chairperson and Chief  
Executive Officer  
Nextwave Ventures  
Huntsville, TX



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



**Felipe A. Rael**  
Executive Director  
Greater Albuquerque  
Housing Partnership  
Albuquerque, NM



**John P. Salazar**  
Attorney and Director  
Rodey, Dickason, Sloan,  
Akin & Robb P.A.  
Albuquerque, NM



**Ron G. Wiser**  
Director and Chief  
Executive Officer  
Bank of the Southwest  
Roswell, NM

## 2022 Member Advisory Council

### **Andy Tomalin**

Chair  
Executive Vice President and Chief Financial Officer  
Advancial Federal Credit Union

### **Angel Reyes**

Vice Chair  
President and Chief Executive Officer  
Centinel Bank of Taos

### **Mike Donnell**

President  
Chambers Bank

### **Sean Gaven**

Senior Vice President of Lending, Analytics,  
Payment and Digital Strategy  
American Airlines Federal Credit Union

### **Ken Hale**

President and Chief Executive Officer  
BOM Bank

### **David Kapavik**

President and Chief Executive Officer  
SouthStar Bank

### **Mark Marionneaux**

President and Chief Executive Officer  
Bank of Zachary

### **Mark Riebe**

Chairman, President and Chief Executive Officer  
TexasBank

### **Max Yates**

Senior Executive Vice President and Chief Risk Officer  
BankPlus

## 2022 Insurance Member Advisory Council

### **Brett Seybold**

Chair  
American Airlines Federal Credit Union Chair  
Senior Vice President, Corporate Treasurer  
USAA

### **Ross Boudiab**

Vice Chair  
Assistant Treasurer, Life and Retirement  
AIG

### **Lus Brown**

Senior Vice President, Chief Investment Officer  
Southern Farm Bureau Life Insurance Company

### **Joe Heaslip**

Head of Investment Strategy, Sentinel Investments  
Life Insurance Company of the Southwest

### **Rob Hensley**

Executive Vice President, Chief Investment Officer  
Globe Life

### **Randy Johnson**

Senior Vice President, Investments Division  
Texas Mutual Insurance

### **Tim Walsh**

Executive Vice President , Treasurer and Chief Financial Officer  
American National Insurance Company

2022 Member Advisory  
and Insurance Member  
Advisory Councils

## 2022 Affordable Housing Advisory Council

***Jacque Haas Woodring***

Chair  
Chief of Staff  
Prospera Housing Community Services

***Chris Monforton***

Vice Chair  
Chief Executive Officer  
Habitat for Humanity Mississippi Gulf Coast

***Nicole Barnes***

Executive Director  
Jericho Road Episcopal Housing Initiative

***Charla Blake***

Executive Director  
Project Build a Future

***Angela Curry***

Executive Director  
Greenwood-Leflore-Carroll Economic  
Development Foundation

***Jeff Curry***

Director of Development  
JL Gray Company, Inc.

***Isidoro (Izzy) Hernandez***

Executive Director and Chief Executive Officer  
New Mexico Mortgage Finance Authority

***Matt Hull***

Executive Director  
Texas Association of Community  
Development Corporations

***Calvin King Sr.***

President and Chief Executive Officer  
Arkansas Land and Farm Development

***Nicole Martinez***

Executive Director  
Mesilla Valley Community of Hope

***Jim Petty***

President and Chief Executive Officer  
Strategic Realty Developers, Inc.

***Tim Pierce***

Executive Director  
South Plains Association of Governments

***Deborah Welchel***

Senior Development Director for Texas  
Volunteers of America National Services

## 2022 Executive Team



**Sanjay Bhasin**  
President  
Chief Executive Officer



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



**Bre Chapman**  
Executive Vice President  
Chief ESG and  
Administrative Officer



**Sandra Damholt**  
Executive Vice President  
General Counsel



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



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



**Kalyan Madhavan**  
Executive Vice President  
Chief Business Officer



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



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



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



**Michael Zheng**  
Executive Vice President  
Chief Credit Officer

