



2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

People. Passion. Possibilities.

Table of Contents

1. Introduction 3

A Message from the President and CEO	4
A Message from the Chief ESG and Administrative Officer	5
About This Report	6
Disclaimers	7
About FHLB Dallas	8
FHLB Dallas at a Glance: 2022	9
Mission, Vision and Values	10
Our Approach to ESG	11
Our Strategic Priorities for ESG	12
Our 2022 ESG Goals	13
2022 ESG at a Glance	14
Engagement with Our Stakeholders	15

GOVERNANCE

2. Corporate Governance 18

Leadership	19
Board of Directors	19
Advisory Councils	22
Executive Leadership	24
ESG Governance Structure	25
Business Policies	27

SOCIAL

3. Customized Solutions 29

Advances	30
Letters of Credit	31
Mortgage Partnership Finance® Program	31
Safekeeping, Wire Transfer and Collateral Services	31
Affordable Housing and Community Investment Programs	32
Member Education	32

SOCIAL

4. Colleagues 33

A Culture Rooted in Diversity, Equity and Inclusion	34
Employee Benefits	37
Engaging Our Colleagues	39
Preparing for Our Future Workforce	39
Building a Talent Pipeline	39
Supporting Women in the Workplace	40
Investing in Our Workforce	40
Fostering Connections Through Affinity Programs	41

SOCIAL

5. Communities 43

Affordable Housing Program	44
Voluntary Programs	46
Charitable Giving	47

ENVIRONMENTAL

6. Climate 50

2022 Outcomes	51
Digitization: Preparing for the Workplace of the Future	53
Waste Management and Recycling	53
2023 Objectives	54

7. Performance Metrics 56

2022 ESG Performance Objectives and Results	57
SASB Index and Responses	58
Management Assertion	58
Report of Independent Accountants	66



1

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

A Message from the President and CEO

Our Environmental, Social and Governance (ESG) Report reflects the values that are essential to the success of the Federal Home Loan Bank of Dallas (FHLB Dallas): *Members First, Results Matter, Own It, Pursue Growth* and *Do Good*. The Bank's values came to fruition in 2016, and I firmly believe they continue to articulate the heart of our organization.

The three pillars of ESG — Environmental, Social and Governance — are all addressed in this report. All of our actions at the Bank are rooted in intentionality. At the core of the banking industry is a long-standing tradition of serving communities. As such, our Social pillar has the largest number of goals, and that is by design. Providing customized solutions to our members through offerings such as advances, letters of credit, affordable housing and community investment programs is critical to ensuring that our members can meet the needs of their customers and communities.

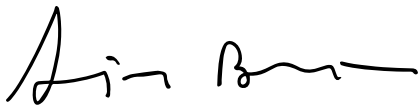
Like our member financial institutions, we hold ourselves to a high standard of giving back to our local community, as demonstrated through our charitable contributions — both in terms of the time we invest and the funding we provide.

Additionally, our trusted employees are aligned within this pillar. We know that without them, none of our work would be possible. That is why we strive to continuously support our colleagues in multiple facets of their lives — whether it be through offering strong compensation and benefits programs, investing in their learning and growth or providing them with a hybrid work environment to further support their work/life balance. Creating an engaging and empowering work environment is one of our top priorities.

I feel strongly that our Board of Directors, the executive management team and our employees are accountable to our member financial institutions and the communities we serve. Accountability requires a sincere understanding of the responsibilities that we hold as we move forward with our present and future direction. Within the Environmental and Governance sections of the report, we share several instances where dialogue, structure and action have led the Bank to create meaningful goals and programs.

As an organization, we remain committed to transparency through publishing our goals and performance metrics. Thank you for taking the time to read our report.

Sincerely,



Sanjay Bhasin

President and Chief Executive Officer



A Message from the Chief ESG and Administrative Officer

It is my pleasure to present the ESG Report for FHLB Dallas.

At FHLB Dallas, we believe that a healthy environment, a strong and diverse community and ethical business practices are the cornerstones of a sustainable future. We recognize that our actions affect our member institutions, our colleagues and our communities, and we are committed to making a positive impact.

Our commitment to addressing ESG topics is not new. In 2016, we published our first Corporate Social Responsibility (CSR) report describing our efforts to serve our members, communities and employees. In our final CSR report, published in 2022, we announced our transition to ESG reporting and discussed our goals and path for that transition.

This report contains detailed information about our progress in that regard.

Our first priority in 2022 was the formation of our ESG Committee, which I am honored to chair. The ESG Committee has three subcommittees, each focused on a unique aspect of our ESG efforts: climate risk, sustainability and diversity, equity and inclusion.

In addition to establishing a governance structure for our ESG efforts, our 2022 priorities focused on:

- Strategic investments in underserved communities
- Increased operational efficiencies through automation and technology
- More sustainable programs and products for our members
- Recruitment and empowerment of women in financial services
- Expansion of our diversity, equity and inclusion efforts
- Evaluation of our owned building to maximize sustainability and energy efficiency

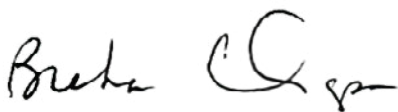
These priorities build on existing efforts and initiatives that we are now addressing through the integrated framework of ESG. They represent the areas in which we believe our organization can have the greatest impact in the short and long term. In this report, they are organized into what we call the Five Cs: corporate governance, customized solutions for members, colleagues, communities and climate.

ESG matters are not separate from our business operations, objectives or decision-making. In fact, they are deeply intertwined. In 2022, the Chief Administrative Officer role was expanded to include ESG as it was a natural fit with the responsibilities I oversee: Facilities, Human Resources, Corporate Communications, DEI, Government and Industry Relations, Corporate Social Responsibility and Compliance.

While focusing on the larger ESG landscape, we believe that no effort is too small to have an impact. Our 2022 accomplishments have ranged from improving our business processes for greater operational efficiency and extending our hiring practices to enhance the diversity of our workforce to upgrading the lighting and plumbing fixtures in our facilities to reduce energy and water consumption.

By prioritizing ESG, we can create long-term value for our members and communities. Thank you for sharing in our journey through the lens of this report.

Sincerely,



Bre Chapman

Executive Vice President and Chief ESG and Administrative Officer





About This Report

In our 2022 Environmental, Social and Governance (ESG) Report: People. Passion. Possibilities., we cover a number of important topics, including financial inclusion and capacity building, business ethics, employee diversity, inclusion and engagement, mortgage purchase activities and non-discriminatory practices, systemic risk management, climate considerations and data security. This report addresses each of ESG’s three pillars as we describe our strategy and approach to 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, 2022.

In certain instances, this report also contains a multiyear look-back at some of the activities that have supported our corporate social responsibility and ESG initiatives. Our reporting is guided by the Sustainability Accounting Standards Board (SASB) framework, and it covers selected topics included in the SASB framework’s commercial banks, mortgage finance and investment banking & brokerage standards. Please see the selected SASB and modified SASB metrics for our specific responses and disclosures. 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 [2022 Affordable Housing Advisory Council Annual Report](#) — which provides an annual report of our community investment programs — and our [2022 Annual Report](#).

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. 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 (April 28, 2023) reflects our approach to ESG at the date of this report 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. 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 FHLBanks created by Congress in 1932 to provide local lenders with financing for mortgage lending. Today, FHLB Dallas provides affordable and flexible funding to financial institutions across our five-state District.



While 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. In addition, housing associates may be approved to borrow from FHLB Dallas as nonmembers.

At FHLB Dallas, we strive to meet the needs of our employees, our 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 or transitional housing, as well as housing for homeless people. This statutory AHP funding also includes three homeownership programs that assist first-time homebuyers, special-needs households and households impacted by disasters. Additionally, beyond these statutory funds, we provide grant and loan programs to assist our members with funding for disaster recovery, veterans' assistance, small business financing and support for community organizations.

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: 2022

COMPANY INFORMATION



\$114.3B
in Assets

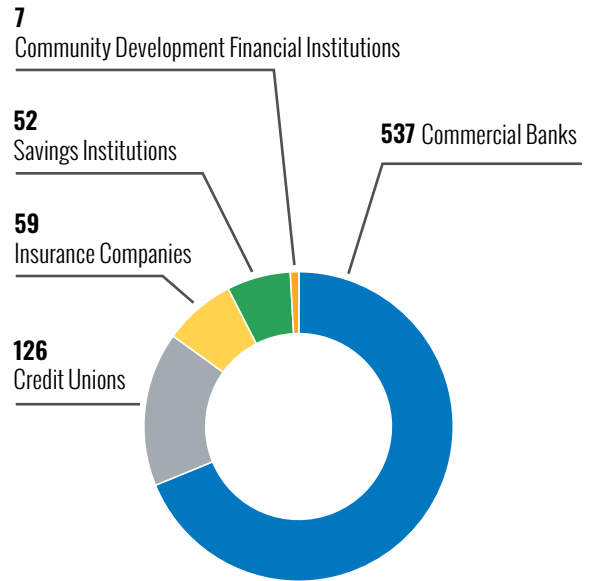


781
Member Institutions

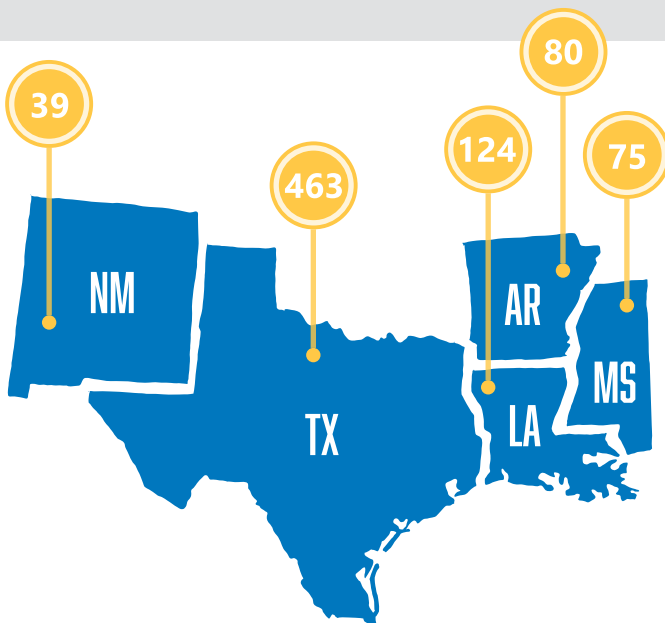


\$69.4B
in Advances Outstanding

MEMBERSHIP COMPOSITION



MEMBERSHIP DISTRIBUTION



Number of Member Institutions as of December 31, 2022*

Total Members: 781*

*Excludes Housing Associates

PROGRAMS AND PRODUCTS

\$23.9M
in Total Grants Awarded in 2022

Statutory Affordable Housing Program Grants and Voluntary Funding

\$1.4B
in Mortgage Partnership Finance[®] Program Loans
Purchased by the Bank in 2022

21.6% of funding was provided to low-income borrowers

\$9.6M
in Small Business Boost Loans Outstanding
as of December 31, 2022

Mission, Vision and Values

Our mission, vision and values guide us in all we do. In 2022, having transitioned through the pandemic and the resulting changes in our working environment, we revisited our corporate value statements to ensure they continued to reflect our commitment to our members, our communities, our employees and the Bank we are today. View our [Vision and Values section](#) at 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 at all levels of the organization.



Our Approach to ESG

Our commitment to addressing and reporting on ESG topics is not new. In 2016, we began publishing an annual Corporate Social Responsibility (CSR) report describing how we serve our members, our colleagues and our communities through our products and services, our community development programs and our corporate philanthropic activities.

In our final CSR report, covering the year ended December 31, 2021, we announced our transition to ESG reporting and discussed our goals and path for that transition. In 2022, we formed our ESG Committee, established our priorities and initial goals and began tracking our progress.

OUR PATH TO ESG

2016	2021	2022	2023
<p>January 2016 Published first CSR report</p>	<p>March 2021 Established ESG working group</p> <p>May 2021 Conducted internal stakeholder discussions on ESG</p> <p>July 2021 Reviewed ESG strategy, important topics and framework selection</p> <p>November 2021 Integrated ESG into the Bank's Board of Directors (Board)-approved 2022-24 Strategic Business Plan</p> <p>Published a podcast geared toward members on establishing an ESG strategy</p>	<p>March 2022 Conducted ESG stakeholder dialogue and surveys</p> <p>May 2022 Formed ESG Committee, Sustainability Subcommittee and Climate Risk Subcommittee</p> <p>Established initial ESG goals</p> <p>July 2022 Amended the Board's Executive and Governance Committee Charter to include ESG oversight</p> <p>August 2022 Published final CSR report</p> <p>September 2022 Reviewed key ESG risks with internal stakeholders</p>	<p>March 2023 Conducted stakeholder meetings with affordable housing leaders, members and employees</p> <p>April 2023 PwC performed a limited assurance engagement over selected SASB metrics</p> <p>Published inaugural ESG Report</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 five strategic priorities, the Five Cs: corporate governance, customized solutions for members, 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 2022 ESG GOALS

WE SET THE FOLLOWING
GOALS IN SUPPORT OF
OUR ESG EFFORTS

CREATE Returnship and ReStart, two programs designed to reintroduce women to the workforce after an extended career break

PROVIDE a digital upskilling plan for employees

SUPPORT Irving Schools Foundation

SUPPORT United Way
of Metropolitan Dallas

CONDUCT outreach to and recruitment
of interns from historically Black colleges
and universities (HBCUs)
















DEVELOP an ESG Advance product

REDUCE paper processes through automation
and e-signature (e-sign) capabilities

FORM ESG Committee, Climate Risk Subcommittee
and Sustainability Subcommittee

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

2022 ESG AT A GLANCE

 <p>CORPORATE GOVERNANCE</p>	 <p>Named ESG Officer</p>  <p>Established ESG Committee, Climate Risk Subcommittee and Sustainability Subcommittee</p>  <p>Reorganized the Office of Minority and Women Inclusion Committee (OMWD) as an ESG subcommittee</p>
 <p>CUSTOMIZED SOLUTIONS</p>	<p>\$29.1 M in Economic Development Program and Community Investment Program advances funded that created or retained 489 jobs</p> <p>\$86.4 B in new or renewed Letters of Credit for our members</p>
 <p>COLLEAGUES</p>	 <p>Implemented a digital upskilling plan for our employees that resulted in the completion of 33 automation projects or processes</p> <p>56% of employees are racial/ethnic minorities</p> <p>100% of employees received cultural sensitivity training</p>  <p>Established ReStart and Returnship programs for women returning to the workforce*</p>
 <p>COMMUNITIES</p>	<p>96% participation by our colleagues in United Way of Metropolitan Dallas in-kind donation drives</p> <p>\$2.7M in Small Business Boost loans to 42 small businesses including 42% to minority-, women- or veteran-owned businesses</p> <p>\$69K to Irving Schools Foundation to support a snack program, Science, Technology, Engineering and Math (STEM) scholarships, supplies, holiday gifts and repairs to the food pantry</p>
 <p>CLIMATE</p>	 <p>Commissioned energy and water audits</p>  <p>Commissioned a green/healthy building audit</p>  <p>Began developing an ESG Advance product that provides a discounted price on advances for members that hold green bonds at the time the advance is made</p>  <p>Implemented several automations that directly reduced paper usage</p>  <p>Provided e-sign platform training to all employees as a paperless office solution</p>

*ReStart: Offers full-time positions to women who have taken a significant break from the workforce
Returnship: Offers one-year paid fellowships to women who have taken a significant break from the workforce

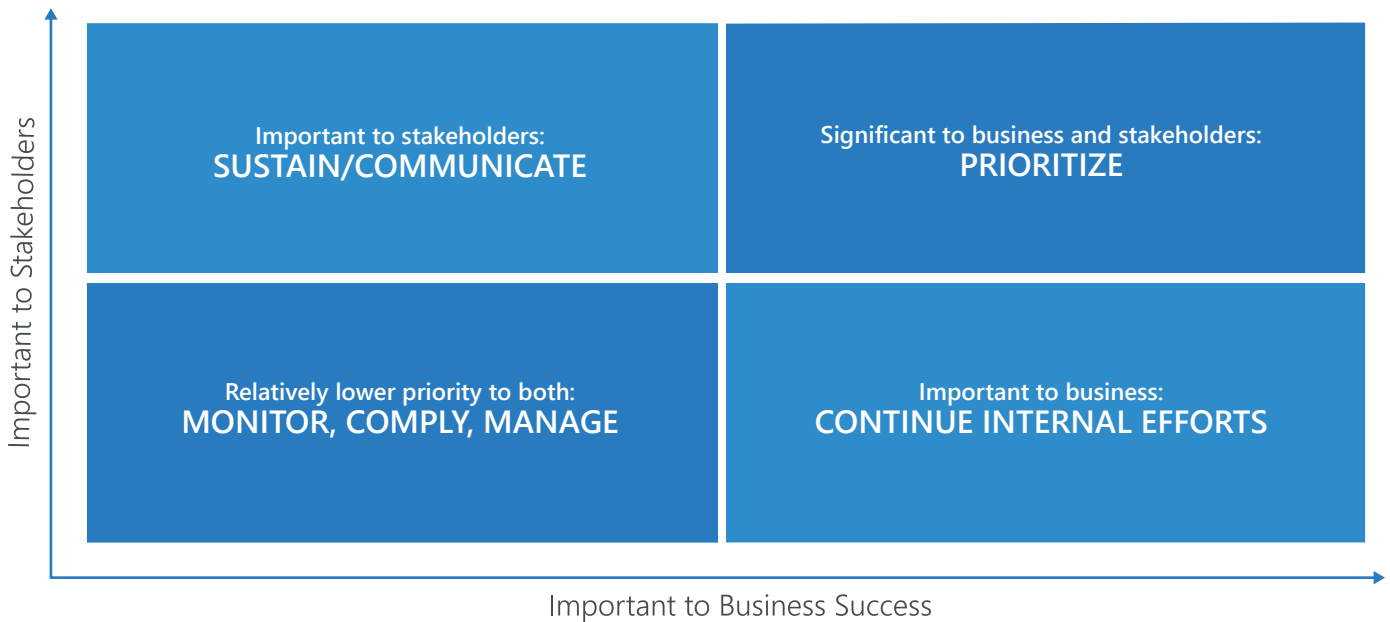
Engagement with Our Stakeholders

In developing our ESG priorities in 2021 and 2022, we reviewed and evaluated our ESG strategy and stakeholder assessments. We gathered information from key stakeholders (our members, colleagues, community-based organizations, policymakers and safety and soundness regulator) in the form of surveys, discussion and other touchpoints.

As a government-sponsored enterprise (GSE), our business does not fully align with other types of banking operations. For this reason, our

stakeholder assessment focused on selected topics of relevance from the commercial bank industry standards and selected mortgage finance and investment banking & brokerage standards of the SASB framework. SASB topics included 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.

ESG Stakeholder Engagement



Important Topics to Stakeholders





Engaging with Our Members

Due to the consultative nature of our business, we are continuously engaged in conversations 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:

- Our Member Advisory Council (MAC), formed in 2017, provides input and feedback on new products, member education and outreach and reaching 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.

These councils meet several times a year and bring with them opportunities to hear the voices of our members and leaders in the housing finance space. Additionally, we have a year-round feedback mechanism on our member transaction portal, through which members are encouraged to share feedback. We also conduct various member surveys, as needed.



LOOKING FORWARD

In 2023, we plan to create a third advisory council to advise us on the Mortgage Partnership Finance® (MPF®) Program (administered by FHLBank Chicago), which allows our members to sell their mortgages to FHLB Dallas and free up liquidity for additional home lending.

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, Affordable Housing Program (AHP) workshops, trade events, surveys and ribbon-cutting events.

Engaging with Regulators and Public Policymakers

We 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 2022, our Government and Industry Relations staff met with 83 congressional staff members and four members of Congress. We also hosted four 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 can be virtual or in-person, have also included affordable housing professionals.

In 2022, several of our members, directors and members of our advisory councils participated in the FHFAs Listening Sessions, where FHLBank stakeholders from across the country provided perspectives and comments regarding the future direction of the FHLBanks and their role in housing finance. The FHFAs information-gathering sessions concluded in March 2023.

Engaging with Colleagues

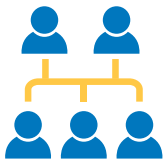
In addition to informing our ESG priorities, our colleagues’ feedback is critical to ensuring alignment across our organization and continual improvement of our operations and outreach. Monthly Town Hall meetings provide team members with an opportunity to hear from our executive leadership team and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

Additionally, we regularly conduct employee surveys, including a DEI survey and the Gallup Employee Engagement Survey. We use the information we collect to inform our policies, member and community outreach and employee benefits. Quarterly performance reviews offer another opportunity for staff to provide feedback through their managers on any number of topics.

METHODS OF ENGAGEMENT

Stakeholder Group

How We Engage



MEMBERS

- 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

- Town Hall meetings
- Employee engagement and DEI culture surveys
- Company intranet, email and Teams channels
- Social media and website
- Quarterly performance check-ins
- Affinity groups
- Online training
- Meet the CEO luncheons



COMMUNITIES

- 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 REGULATORS

- Meetings and calls with regulators and policymakers
- Congressional roundtables
- Reports and publications



2

GOVERNANCE

CORPORATE GOVERNANCE

Leadership

ESG Governance Structure

Business Policies



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 grounded 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 17-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 eight 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 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 will 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

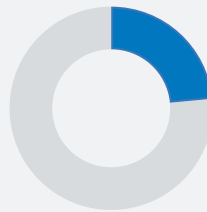
each representing an individual state in the five-state District: Arkansas, Louisiana, Mississippi, New Mexico and Texas

8

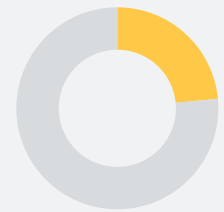
INDEPENDENT DIRECTORS

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

2023 BOARD DIVERSITY

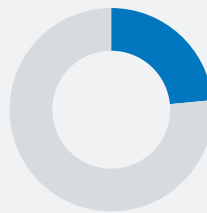


23.5%
are women

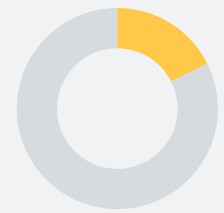


23.5%
are racially/
ethnically diverse

2022 BOARD DIVERSITY



23.5%
were women



17.6%
were racially/
ethnically diverse

2023 Board of Directors



Robert M. Rigby (Chair)
*Director, Regional President
 and Executive Vice President*
 Legend Bank
 Fort Worth, Texas



Margo S. Scholin (Vice Chair)
Retired Partner
 Baker Botts L.L.P.
 Houston, Texas



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



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



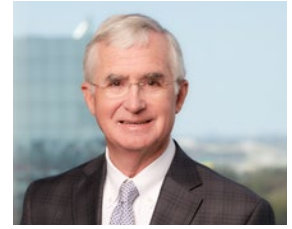
Tim H. Carter
Director
 Southside Bank
 Fort Worth, Texas



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



Rufus Cormier Jr.
Retired Partner
 Baker Botts, L.L.P.
 Houston, Texas



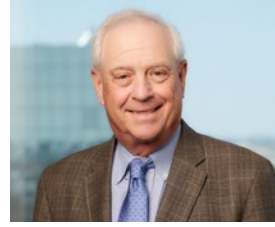
James D. Goudge
Executive Vice President
 Broadway National Bank
 San Antonio, Texas



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



Michael C. Hutsell
Director
 First Security Bank
 Searcy, Arkansas



A. Fred Miller Jr.
Director
 Bank of Anguilla
 Anguilla, Mississippi



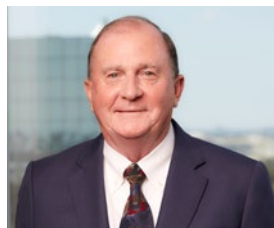
Sally I. Nelson
*Chairperson and
 Chief Executive Officer*
 Nextwave Ventures
 Huntsville, Texas



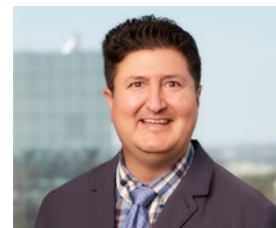
Lorraine Palacios
*Managing Director, Co-Head
 National Housing Group,
 Head of Midwest, and Texas
 Group Senior Member*
 Samuel A. Ramirez & Co., Inc.
 Austin, Texas



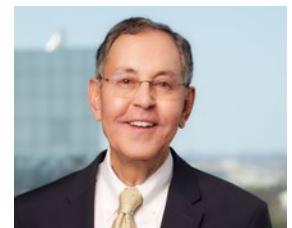
Christopher G. Palmer
*Director, President and
 Chief Executive Officer*
 Pioneer Bank
 Roswell, New Mexico



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



Felipe A. Rael
Executive Director
 Greater Albuquerque Housing
 Partnership
 Albuquerque, New Mexico



John P. Salazar
Attorney
 Rodey, Dickason, Sloan,
 Akin & Robb, P.A.
 Albuquerque, New Mexico

Ron Wiser, a member director representing New Mexico, and Mary Ceverha, an independent director, served on our Board through December 31, 2022. We'd like to thank them for their service. The terms of Mr. Palmer and Ms. Palacios began on January 1, 2023.

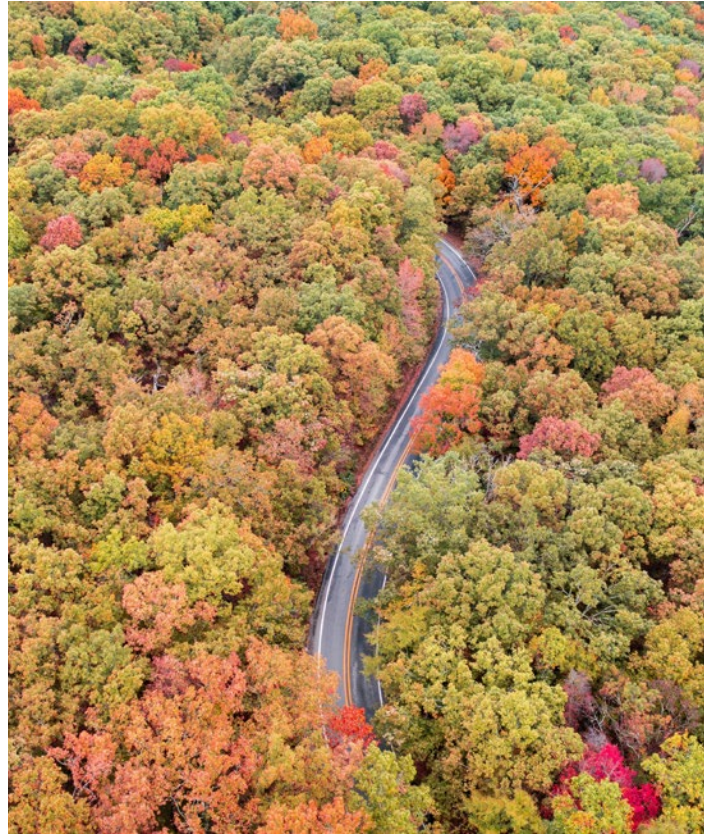
Board Committees

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

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.



2023 Affordable Housing Advisory Council

Chris Monforton (Chair)

Chief Executive Officer
 Habitat for Humanity Mississippi
 Gulf Coast
 Gulfport, Mississippi

Jeff Curry (Vice Chair)

Director of Development
 JL Gray Company
 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

Executive Director
 Greenwood - Leflore - Carroll
 Economic Development Foundation
 Greenwood, Mississippi

Isidoro Hernandez

*Executive Director and Chief
 Executive Officer*
 New Mexico Mortgage Finance Authority
 Albuquerque, New Mexico

Matt Hull

Executive Director
 Texas Association of Community
 Development Corporations
 Austin, Texas

Calvin King Sr.

Executive Director
 Arkansas Land and
 Farm Development Corporation
 Brinkley, Arkansas

David Long

President
 Texas State Affordable Housing Corporation
 Austin, 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

Tim Pierce

Executive Director
 South Plains Association of Government
 Lubbock, Texas

Deborah Welchel

Senior Development Director
 Volunteers of America National Services
 Lago Vista, Texas

2023 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

Chief Operating Officer
Chambers Bancshares, Inc.
President
Chambers Bank
Danville, Arkansas

Ken Hale

President and Chief Executive Officer
BOM Bank
Natchitoches, Louisiana

Sean Gaven

Senior Vice President
American Airlines Federal Credit Union
Fort Worth, Texas

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
TexasBank
Fort Worth, Texas

Max Yates

*Senior Executive Vice President
and Chief Risk Officer*
BankPlus
Ridgeland, Mississippi

2023 Insurance Member Advisory Council

Brett Seybold (Chair)

*Senior Vice President, Treasurer
and Chief Financial Officer*
USAA
San Antonio, Texas

Ross Boudiab (Vice Chair)

Assistant Treasurer
Corebridge Financial, Inc.
Houston, Texas

H. Lusby Brown, CFA

*Senior Vice President and
Chief Investment Officer*
Southern Farm Bureau Life Insurance Company
Jackson, Mississippi

Joe Heaslip

*Head of Investment Strategy
of NLG Capital*
National Life Group
Montpelier, Vermont

Rob Hensley

*Executive Vice President
and Chief Investment Officer*
Globe Life Inc.
McKinney, Texas

Randy Johnson

*Senior Vice President
of Investments Division*
Texas Mutual Insurance
Austin, Texas

Tim Walsh

President and Chief Executive Officer
American National Insurance Company
Galveston, Texas



2023 Executive Leadership Team

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 and 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*



ESG Governance Structure

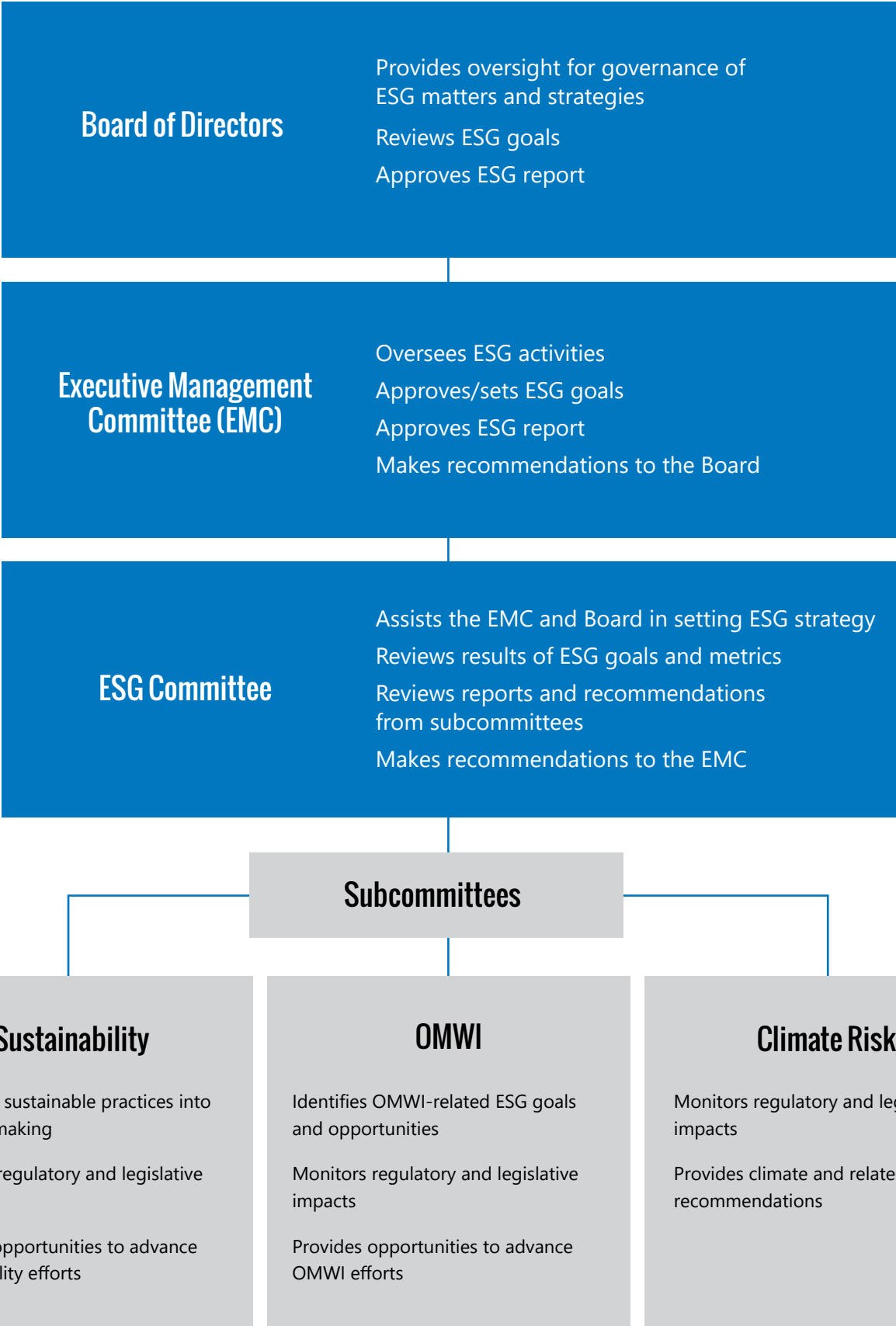
The ESG Committee, which was formed in 2022, provides oversight of the Bank’s ESG activities. It assists the executive management team and the Board with setting ESG strategy and reviewing reports and recommendations from subcommittees. The committee also considers current and emerging ESG matters impacting FHLB Dallas strategy, monitors regulatory and legislative impacts and determines framework alignments.

In addition, the ESG Committee monitors progress on ESG-related 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 other areas critical to our ESG efforts: Facilities, Human Resources, Corporate Communications, DEI, 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.



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 also maintain numerous policies governing the security of our data and prevention of fraud. Among them are our Anti-Fraud and Anti-Money Laundering Policy, Whistleblower Policy, our 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 any allegations of fraud or suspicious transactions should they occur. All employees, as well as contractors dealing with sensitive information, 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, that support 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 the Board of Directors. To help ensure the effectiveness of our IT security policies, employees are required to participate in annual IT security training. All employees are required to review and acknowledge our applicable IT security policies via an online digital process.

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 use of the website and the manner in which we use that information.





Office of Minority and Women Inclusion

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 commitment to these principles. The Bank is committed to fostering diversity, equity and inclusion through the OMWI program. OMWI is committed to the inclusion of minorities, women, individuals with disabilities as well as minority-, women- and disabled-owned businesses.

The Bank established an OMWI Management Committee (OMC) in 2017, which, in 2022, became a subcommittee of the ESG Committee. 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, DEI program and practices, and monitoring the Bank’s progress in achieving equal opportunity goals and 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 from a natural, cyber or man-made disaster, terrorist act or pandemic.

Business interruptions are often difficult to predict or prevent but to be prepared, we update our Business Continuity Plan semi-annually; evaluate and analyze threat scenarios; and conduct periodic tests to demonstrate our ability to run production systems from an alternate location and to seamlessly return to using production systems at our main operations centers.



30.3% of the Bank’s spending on the procurement of goods and services in 2022 was with women-, minority- and disabled-owned businesses





3

SOCIAL

CUSTOMIZED SOLUTIONS

Advances

Letters of Credit

Mortgage Partnership Finance® Program

Safekeeping, Wire Transfer and Collateral Services

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. Members are served by financial, risk management, technology and service experts dedicated to helping them maximize the benefits of FHLB Dallas products and services.

VIDEO

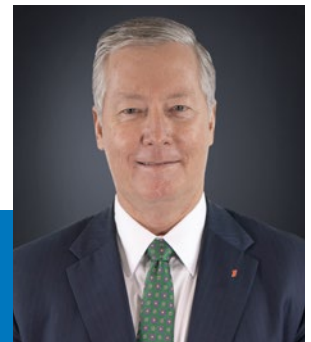
View video to see how First Financial Bank uses our advances and MPF Program.

Advances

We provide 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

As we discuss in the [Climate section](#) of this report, our 2022 ESG goals included development of an ESG Advance feature. Currently expected to be released in late 2023, this feature may be eligible for discounted pricing.



The Federal Home Loan Bank is a trusted source of liquidity. It's very important. What you're providing is keeping the engine going. And that's important for the entire economy and the whole banking industry.

Ron Butler
Chairman and CEO
First Financial Bank
Abilene, Texas

VIDEO

View how Winnsboro State Bank uses FHLB Dallas advances.



For us to be in the real estate business, we have to have a partner like the Federal Home Loan Bank to match funding. That's one of the biggest reasons I use the Federal Home Loan Bank.

Howard Dee Smith
President and CEO
Winnsboro State Bank
Winnsboro, Louisiana

Letters of Credit

Our highly rated letters of credit (LOCs) enable 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 qualified transactions, such as bond issuances.

LOCs are used to support:

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

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

In 2023, we will monitor our progress toward 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 \$1.4 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 services and rapid responses to research inquiries. FHLB Dallas offers an array of collateral services. FHLB Dallas services also include wire transfers for payments and collections and demand deposit account services that simplify cash management.



The MPF Program makes us more competitive in the market, which is good for us, and in turn, is great for our customers. It's very important for programs like MPF to remain strong to keep us competitive. It keeps liquidity out there in the market, so we have more homebuyers.

Troy A. Fore Jr.
President
First Financial Mortgage
Fort Worth, Texas



Affordable Housing and Community Investment Programs

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

Affordable Housing Program (AHP) grants assist in financing the purchase, construction and/or rehabilitation of owner-occupied, rental or transitional housing, permanent supportive housing and housing to assist homeless people. The program also has components that assist low- to moderate-income first-time homebuyers with down payments and closing costs. The goal is to help income-qualified elderly and other special-needs homeowners with home repairs and modifications and to aid 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 2022 goals and accomplishments, as well as our 2023 objectives, are outlined in the Communities section of this report. You may also view our [2022 Affordable Housing Advisory Council Annual Report](#) for more information on the AHP and other community investment programs and success stories.

Member Education

Providing member education is a key aspect of the value of membership in FHLB Dallas. In 2022, we continued offering the virtual webinars and workshops we introduced during the pandemic. We hosted 21 webinars and training sessions for members, which included eight informational sessions that shared best uses and practices when applying for community investment programs.

Additionally, we offered six in-person AHP workshops District-wide, and one virtual offering, to educate members and community organizations on accessing our community revitalization programs.



LOOKING FORWARD

The Bank continues to invest in its members in 2023 — both in terms of products and services to meet member needs and education. This year, following a three-year hiatus because of the pandemic, we brought back our in-person member conference featuring industry and motivational speakers, a workshop and product-specific educational sessions.

Furthering our efforts to increase access to education and our programs, we are exploring opportunities to offer a symposium for women in banking and finance in our District. We also plan to offer more product-specific training to promote economic development in underserved areas through programs like Small Business Boost (SBB), a secondary loan program that assists small businesses.





4

SOCIAL

COLLEAGUES

A Culture Rooted in Diversity, Equity and Inclusion

Employee Benefits

Engaging Our Colleagues

Preparing for Our Future Workforce



Supporting Our Colleagues

Our colleagues — our greatest assets — are dedicated employees who serve our members, communities and each other with professionalism and expertise. We work to support them through a culture underpinned by our diversity, equity and inclusion and by providing opportunities for their continuous learning and growth.

We are committed to the well-being, growth and development of our colleagues. We strive to foster a culture of trust that is based on mutual respect and empathy, supports learning and growth, challenges the status quo and addresses the needs of the whole individual.

We work to attract, retain and engage our employees by providing competitive salaries and benefits and opportunities to support their career and personal growth and to encourage them to engage with their colleagues and communities.

Our recruitment practices strategically position us to innovate and grow as an organization, while our tenured staff bring a continuity of knowledge and experience to their interactions with our members and community contacts.

A Culture Rooted in Diversity, Equity and Inclusion

Diversity, equity and inclusion (DEI) 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, as well as through our vendor sourcing and contracting. 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 DEI 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





Diversity in race, ethnicity, gender, cultures and backgrounds expands our horizons and broadens our world views. In a business setting, we believe it fosters creativity and innovation.

Mahak Ereyi
 DEI Program Manager
 FHLB Dallas

DEI is an integral part of our Strategic Business Plan, which includes quantifiable metrics to measure our progress in achieving our goals. We report our progress to the executive management team and our Board of Directors, and we report on metrics, goals and key performance indicators (KPIs) in our annual 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.

We provide DEI training for our Board, executive leadership and colleagues. To ensure Bank-wide focus and accountability, DEI is an integral part of our annual employee performance reviews and a component of our employee incentive program. In 2022, our colleagues participated in a culture survey focused on DEI and other aspects of the Bank’s culture.

We have a long history of commitment to DEI. We formed our Office of Minority and Women Inclusion in 2014 with a primary focus of ensuring the fair inclusion of minorities and women in management, employment and business activities. We published our first OMWI report in 2011. Since then, the Bank has established the role of the OMWI director and tracked goals in three target areas: 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 in the treasury space.

Our diversity framework, developed in 2014, has continued to evolve with the Bank’s other strategic priorities. Now, almost a decade later, our efforts have reached a level of maturity that includes oversight, implementation of strategic priorities, data measurement and promotion of a culture that embodies and supports DEI.

DIVERSITY AT FHLB DALLAS

*As of December 31, 2022

ETHNIC/RACIAL MINORITIES IN THE WORKPLACE



45.5%

Executive Leadership



56.2%

All Staff

WOMEN IN THE WORKPLACE



27.3%

Executive Leadership



39.8%

All Staff

OUR DEI PROGRESSION TIMELINE

2009

- Created OMWI director role

2011

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

2014

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

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

2016

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

2017

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

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

2019

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

2020

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

2021

- Surveyed employees about diversity, equity and inclusion

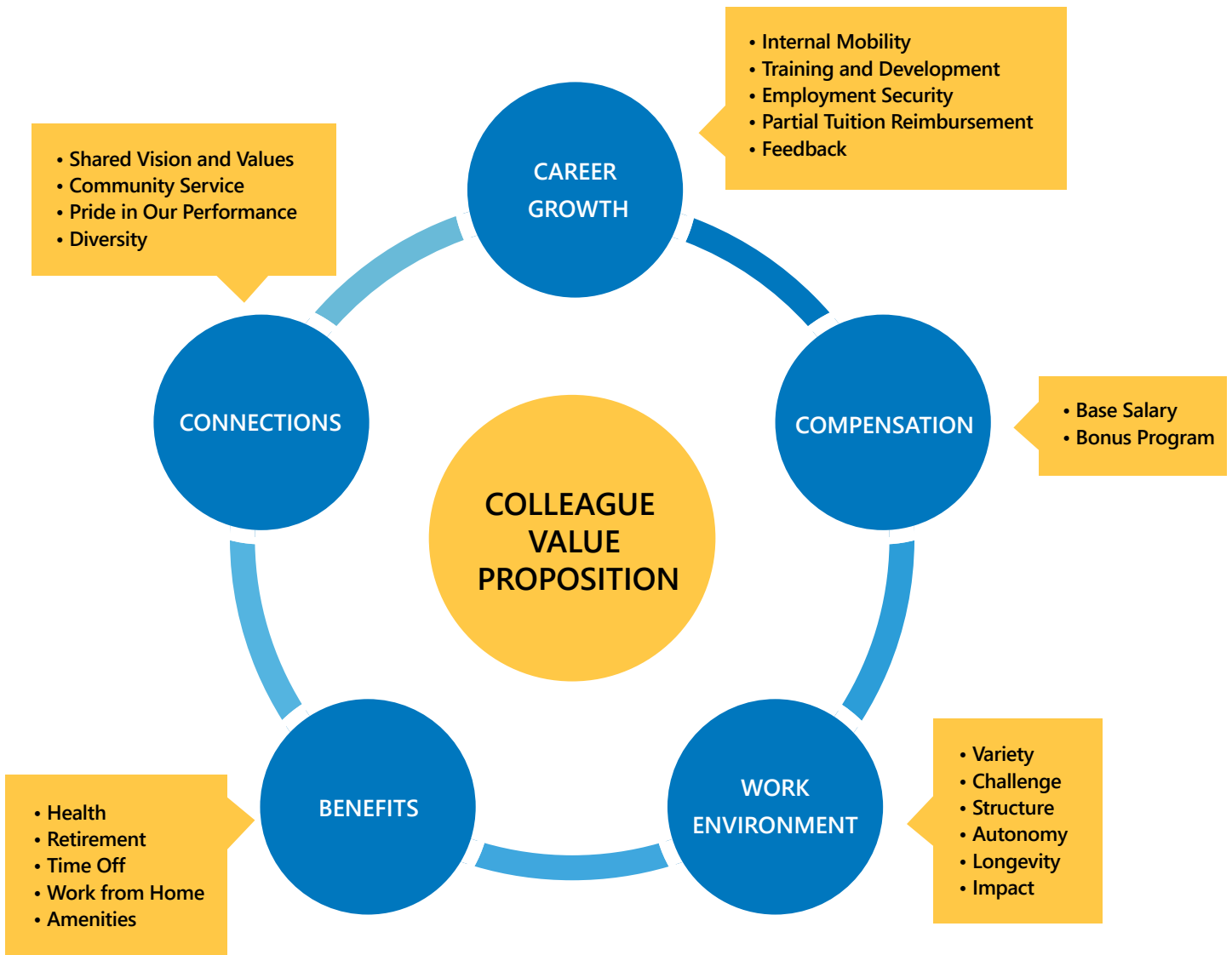
2022

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

[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 also embraced a hybrid work schedule in 2022 in which employees worked two days at home and three days from the office each week. 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. Because our employees have embraced working from home, we are providing in 2023 the option for our colleagues to work one month from anywhere in the world.



2022 BENEFITS



401(k) with Company Match

COMPETITIVE SALARY



Continuing Education

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



Paid Vacation Time



Paid Sick Time

Fertility Support



Annual Flex Day for Volunteering

Performance-Based Bonus Program



Onsite Fitness Center

HEALTH SAVINGS ACCOUNTS AND FLEXIBLE SPENDING ACCOUNTS



Long-Term Disability Benefits



Health, Dental and Vision Benefits

Life Insurance

Tuition Assistance

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

Short-Term Disability of Six Weeks Available Every 12 Months



Same-Sex Partnership Benefits



Teledoc

EMPLOYEE ASSISTANCE PROGRAM

2023 ADDED BENEFITS



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 with community service



Family Support

Maternity or paternity leave: 12 weeks, up from six weeks

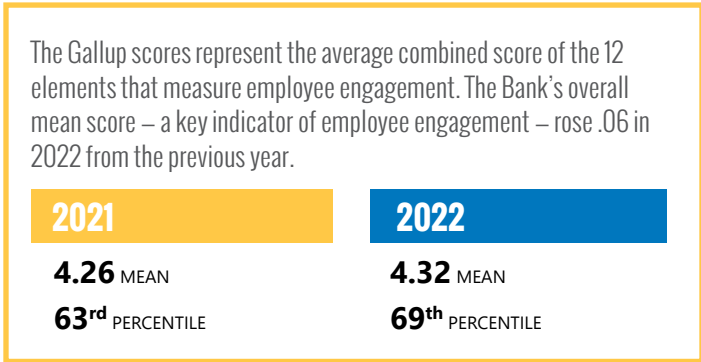
Fertility support increased from \$10,000 to \$25,000

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

Ensuring our colleagues’ ongoing 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 each employee’s tenure with the Bank. Once on board, employees have access to a variety of programs designed to foster their engagement with our business and culture.



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

- Annual Gallup Employee Engagement Survey
- Employee surveys, including DEI and culture surveys
- Exit 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 monthly 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 our 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, digital displays, 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 their personal and professional interests with a focus on a continuous learning and growth mindset.



My time as an intern enabled me to explore various areas of Corporate Communications to determine what I liked and who I wanted to become. I was given real assignments, real deadlines and real feedback. Because of that, I gained valuable work experience. Since being hired in 2017, I’ve continued to expand upon that foundation taking on new roles and responsibilities and enhancing my skills.

Jaelyn Carson
Social Media and Corporate Events 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 70 interns have come through our program, and we have subsequently hired 10 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.

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 2020, 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 expanded our HBCU recruitment to include two additional HBCUs.

For 2023, we have set an ESG goal to extend 60 percent of our summer internship program offers to minority and women students.

2022 Intern Demographics



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. We expanded this program in 2022, doubling the number of high school interns at the Bank from four to eight during the 2022-2023 academic year. 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 50 percent of their high school tuition.

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. The programs are particularly relevant at this time, as many women left the workforce during the COVID-19 pandemic to care for children during associated school closures and are now looking to return.

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.

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.

Launching ReStart and Returnship were among FHLB Dallas' ESG goals in 2022, and the Bank succeeded in filling two Returnship positions. We will continue to market these programs during 2023.



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, as well as team members' children who are college freshmen.

In 2022, we achieved 100 percent employee participation in three digital learning initiatives.

2022 Learning Highlights

100% PARTICIPATION RATE



All our colleagues completed a **Microsoft Teams Certification**



All our colleagues completed an **automation training**



All our colleagues attended at least one **subject-matter expert-led session**



I left the career track with the onset of motherhood, and I was away for more than a decade. I applaud FHLB Dallas for its Returnship program, which extends opportunities to people of diverse professional backgrounds and experiences. This Returnship has delivered a pivotal, life-changing experience.

Tracy Pena
Returnship Participant
Employee Engagement Coordinator
FHLB Dallas

We offer structured learning paths in any technical area that is related to an employee's growth and the Bank's business. In 2022, the Bank:

- Increased employee skills in emerging technologies, continuing a learning program launched in 2019: 22 colleagues obtained their PL:500 Microsoft Power Automate certification and received company-wide recognition on our intranet and Town Hall presentation channels.
- Offered training for all employees, regardless of job level, on the Bank's business processes, including digital advances and automation efficiencies.

Fostering Connections Through Affinity Programs

In 2022, FHLB Dallas sponsored six affinity groups based on personal and professional interests, offering our colleagues the opportunity to meet and build relationships with others across the Bank.

As an example, in late 2022, the Bank formed an affinity group called BUILD for professionals in the first 10 years of their careers. The group is led by two colleagues who joined FHLB Dallas through our college internship program. The group organizes career development and learning opportunities via workshops, guest speakers and executive-led sessions. Our CEO serves as the group's executive sponsor.



LOOKING FORWARD

Nurturing Emerging Professionals in 2023

Knowledge transfer is a significant priority for our organization. In 2023, we will introduce new projects and programs focused on building skills and supporting employee engagement and retention at all levels of the organization, including:

- **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.
- **You Are FHLB:** Online library featuring employee-produced videos highlighting various Bank departments and roles.



It's extremely fulfilling to work for an employer who provides tuition assistance. It makes me feel valued that FHLB Dallas would invest in my career and future in this way. When complete, I will graduate with my Master of Science in Data Analytics from Georgia Tech.

Unna Suppiah
Senior Solutions Developer
FHLB Dallas



A HISTORY OF FHLB DALLAS' LEARNING CULTURE

2014

- Hired training and development manager

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

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

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

2021

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

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
- Started offering employee learning hours one day a week

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

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

2022

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



5

SOCIAL **COMMUNITIES**

Affordable Housing Program

Voluntary Programs

Charitable Giving



Positively Impacting the Lives of Those around Us

We work hard to live our *Do Good* value every day in multiple ways. By statute, we contribute 10 percent of our annual income to fund affordable housing for both renters and homeowners. Additionally, we provide our members with favorably priced funding for community investments through our low-cost advances. Further, we fund several voluntary programs designed to meet the specific needs of our District, including housing programs for disaster recovery and veterans. Beyond these mission-based programs, the Bank's philanthropic activities are focused on corporate-led programs and initiatives driven by our colleagues.

Affordable Housing Program (AHP)

AHP provides funding for the purchase, construction and/or rehabilitation of owner-occupied, rental or transitional housing, as well as 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 2022, FHLB Dallas awarded \$17.2 million in AHP funding through 14 members for 26 rental housing projects. This funding provided 2,022 affordable homes for very low-, low- and moderate-income households, including those with disabilities or special needs. Another \$6.3 million of AHP funding 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 2022, more than \$368 million in AHP funds have been awarded through our members to assist nearly 63,000 individuals and families with their housing needs.



The \$27.5-million Laurel Creek project in Austin, Texas, funded in part with a \$750,000 AHP grant, includes 88 affordable apartments, a learning center and preschool.

[VIDEO](#)

Learn how the Ohkay Owingeh Housing Authority, a Tribally Designated Housing Entity, has used AHP funding in New Mexico.

Homebuyer Equity Leverage Partnership

HELP provides down payment and closing cost assistance to income-qualified, first-time homebuyers. Through our members, we disbursed \$3.9 million in HELP grants in 2022.

Special Needs Assistance Program

In 2022, SNAP provided up to \$8,000 for the rehabilitation and/or 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. SNAP is one of our most popular homeownership programs, and we awarded \$1.4 million in SNAP funds through our members in 2022.

Disaster Rebuilding Assistance

In 2022, DRA provided homeowners with up to \$10,000 for repair, rehabilitation or construction following a disaster. Due to the high demand for disaster assistance in 2022, we added \$250,000 to our initial \$750,000 allocation for a total of \$1 million in DRA grants through our members to repair 109 owner-occupied units.



LOOKING FORWARD

For 2023, we have allocated:

- \$6.5 million in HELP grants to meet growing demand from members
- \$2.3 million of our AHP funds for SNAP grants
- \$1.5 million to fund DRA grants, a \$500,000 increase over our 2022 allocation



Anita L. West, a Santa Fe, New Mexico, artist, purchased a condo with the assistance of a \$5,500 Homebuyer Equity Leverage Partnership grant provided by FHLB Dallas through New Mexico Bank & Trust.



Life circumstances can put some people at a great disadvantage. HELP humanizes the homebuying process, helping hardworking families achieve the dream of homeownership.

Dickie Wall

Senior Vice President and Chief Credit Officer
Lea County State Bank
Hobbs, New Mexico



Tommy Ray Jackson received an \$8,000 SNAP grant from FHLB Dallas through Red River Bank to repair a leaky roof and a bathroom of his Shreveport, Louisiana, home.

Community Advance Programs

The Community Investment Program (CIP) provides favorably priced advances to assist members in funding affordable housing initiatives in their communities. In 2022, FHLB Dallas funded six CIP advances totaling \$1.9 million. The Economic Development Program (EDP) provides favorably priced advances to assist members in funding qualified economic development projects and community revitalization in targeted communities. In 2022, FHLB Dallas funded 25 EDP advances totaling \$27.2 million. Our total funding for CIP and EDP in 2022 — \$29.1 million — is supporting the creation of 489 jobs.

Voluntary Programs

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

In 2022, we provided the New Mexico Mortgage Finance Authority with \$250,000 for housing to benefit low-income residents displaced by wildfires and donated \$50,000 to the North Central New Mexico Economic Development District for rental assistance to families who lost their homes.

Housing Assistance for Veterans

The Housing Assistance for Veterans (HAVEN) program provides grants, through our members, for necessary home modifications or repairs for eligible disabled veterans and service members or Gold Star Families. In July 2022, we introduced a pilot program offering down payment assistance for home purchases, and in December 2022, we funded our first HAVEN grant for this purpose. Working with six member institutions, we awarded 11 HAVEN grants totaling nearly \$103,000 in 2022.

The Partnership Grant Program

The Partnership Grant Program (PGP) complements the AHP by providing grants through our members 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 also designed to promote and strengthen relationships between organizations and FHLB Dallas members. In 2022, FHLB Dallas 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.

Small Business Boost

Small Business Boost (SBB) is an economic development program providing loans to our members for 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 the member financing and the amount of the loan request.

VIDEO

We distribute HAVEN grants through our members on a first-come, first-served basis.



VIDEO

Learn how our member, First National Bank Texas, has used our community investment programs.

SBB funds can be used for the startup or expansion of a small business, including for building purchase, land acquisition, construction, equipment, working capital and other related uses. There are no repayments due on the SBB loan in its first year, which helps to improve the small business’ initial cash flow.



LOOKING FORWARD

\$300,000 allocated for HAVEN grants in 2023

\$400,000 allocated for PGP in 2023

\$4 million allocated for small businesses in 2023

\$1 million through our members to support nonprofits and tribal entities involved with initiatives that help prevent or address heirs’ property-related issues

Charitable Giving

Our corporate philanthropic programs complement the contributions we make through our grant and advance programs and offer our employees the opportunity to directly participate in our corporate giving efforts.

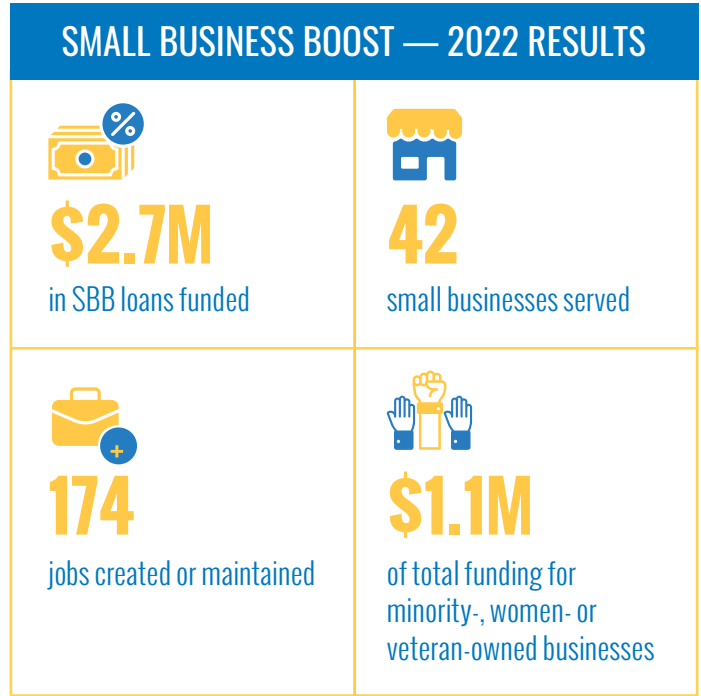
The Bank’s corporate giving priorities support:

- 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 philanthropical 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 allow paid time off for employee participation and hold ourselves accountable by tracking and measuring employee participation time 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 2022, we selected two organizations for corporate-wide support, the Irving Schools Foundation (ISF), which we have supported since 2020 to assist underserved student populations, and United Way of Metropolitan Dallas to assist underserved communities.



Irving Schools Foundation

Our 2022 support focused in part on addressing food insecurity across the Irving Independent School District. Following a heavy rainstorm that damaged the ISF Food for Thought warehouse, FHLB Dallas contributed \$10,000 for needed repairs and to help replenish the pantry. Another \$24,000 contribution provided students with healthy snacks for the weekends, and \$5,000 funded a holiday event.

In addition, we provided \$15,000 in science, technology, engineering and math (STEM) scholarships to support 10 high school girls pursuing studies in science, engineering, technology and math, and we provided \$15,000 for school supplies.

United Way of Metropolitan Dallas

Our support for United Way of Metropolitan Dallas included a Spanish-language book drive, diaper drive and children’s coat drive. We achieved our 2022 participation goal for our support of United Way with 96 percent of our employees supporting at least one of these partnership opportunities.



Our History of Giving

North Texas Food Bank: Our colleagues distributed food at local schools, worked at the distribution centers and helped with clerical work at the main offices for this hunger relief agency serving North Texas.

Meals on Wheels: We provided 907 physical deliveries and 104 virtual check-ins.

Irving Schools Foundation: We donated \$35,000.



2017

2018

2019

2020

2021

2022

Ronald McDonald House: Our colleagues prepared and served 875 meals to 250 families with children at nearby hospitals.

Dallas Area Habitat for Humanity: More than 150 colleagues volunteered to build a three-bedroom, two-bathroom home for a local single mother and her family.

Irving Schools Foundation: More than 175 colleagues volunteered to assemble 14,000 snack bags for students in need.

Meals on Wheels (MoW): Our colleagues participated in more than 200 virtual wellness checks.

Dallas Hope Charities: The Bank provided 3,000 toiletry bags.

Social Justice Charities: We provided \$64,000 in a special match funding of employees' donations to 23 organizations supporting social and racial equity.

Irving Schools Foundation: The Bank contributed \$69,000 for multiple purposes.

United Way: Our colleagues supported donation drives throughout the year.

Employee-Led Giving Initiatives

Our giving program also supports employee philanthropy by encouraging volunteerism and providing a company match of up to \$500 for each employee's annual charitable donations. In addition, we offer our colleagues an opportunity to host monthly fundraisers for a qualifying charity of their choice. In 2022, FHLB Dallas and its employees supported the following charities through monthly fundraisers with a combined contribution of \$106,000:

- **Beautiful Feet Ministries:** Supports underserved and homeless people in Fort Worth
- **Dustin Chamberlain Memorial Foundation (AKA Dustin's Dream):** Supports international mission work and provides university scholarships
- **Family Promise of Irving:** Addresses the root causes of family homelessness
- **Hope House International:** Assists in finding homes for orphans in Ukraine
- **Leukemia & Lymphoma Society:** Seeks a cure for blood cancer
- **OurCalling:** Provides services to homeless people in Dallas
- **United Mitochondrial Disease Foundation:** Provides support to affected individuals and families and funds research

The Bank's collective efforts, including both corporate match funding and employee donations, raised \$175,000 in charitable contributions in 2022, supplementing in-kind book and clothing donations to United Way.





LOOKING FORWARD

Financial and volunteer support for Irving Schools Foundation (ISF) in 2023 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



Habitat for Humanity Partnership

We have set an ESG goal of partnering with Habitat for Humanity to build a home in a lower socioeconomic area of Dallas where the need for affordable housing is great. 2023 marks the start of a multiyear partnership in which we have committed to building a home every three years.

Community Elementary School Adoption

In line with our commitment to support underserved students, the Bank plans to adopt a grade cohort in an elementary school, with a goal of providing ongoing support, as needed. The selected school will represent a highly diverse and economically disadvantaged community.



New Mexico Inter-Faith Housing received a \$650,000 AHP grant that we provided through our member, Century Bank, for Siler Yard, an affordable apartment development for creative professionals in Santa Fe, New Mexico.





6

ENVIRONMENTAL CLIMATE

2022 Outcomes

Digitization: Preparing for the Workplace of the Future

Waste Management and Recycling

2023 Objectives



Sustainable Business Practices That Move Our Business Forward

In 2022, we continued to build upon environmental and sustainability initiatives for our business and for our owned office building that will help to positively impact our climate, environment and business.

2022 Outcomes

In addition to establishing our ESG Committee, Sustainability Subcommittee and Climate Risk Subcommittee, we made significant progress on the development of our ESG Advance product. Following socialization of the product with a member focus group, we integrated feedback and plan to offer a pilot advance feature in late 2023.

We also implemented more than 30 automated processes across our organization to increase workflow efficiencies, digitize knowledge and reduce waste — several of these processes directly impacted the reduction of paper processes to bolster our building sustainability practices. See the [Digitization section](#) of this report for more detailed information.

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

Our 2022 climate-related ESG goals included:



Formation of an ESG Committee to assist our leadership team in setting ESG strategy to further our environmental sustainability efforts



Formation of a Sustainability Subcommittee to explore opportunities to implement new sustainable practices across our organization and to provide oversight of our sustainability efforts



Formation of a Climate Risk Subcommittee to actively respond to the effects of climate change



Development of an ESG Advance product that could provide a discounted price on advances for borrowers who hold green bonds at the time an advance is made



Reduction of paper processes through automation

2022 Building Sustainability Highlights

100%

replacement of fluorescent lighting in the interior dock corridor with energy-efficient LED lighting

95%

replacement of exterior safety and security lights with energy-efficient LED lighting

82%

reduction in the number of color printers, along with setting remaining printers to default to two-sided printing to reduce paper use

9%

reduction in the number of scanners we use

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

Related efforts during 2022 included the following initiatives:

- Energy and water audits of our 157,000-square-foot office building
- A sustainable, green and healthy building certification review
- Use of Microsoft Teams and Zoom to reduce business travel emissions
- Further progress on our digital initiative to reduce key paper processes by year-end 2024



We want to be cognizant of how our daily business operations impact our planet and to make those impacts as neutral as possible.

Kelly Davis

Executive Vice President and Chief Risk Officer
FHLB Dallas



Digitization: Preparing for the Workplace of the Future

The onset of the COVID-19 pandemic in the spring of 2020 vastly accelerated our adoption of automation and digital processes as it required a nimble response to quickly changing conditions we had never experienced before. Accommodating remote work helped us perform our jobs and serve our members effectively and efficiently while helping to ensure the health and safety of our staff. Our implementation of new self-service options enabled our members to access information and services on their preferred timeframe and improved our operational efficiencies.

In 2020, our Physical Security department introduced the Facilities Service Desk, enabling staff to submit service requests via our intranet. The system saves staff time when requesting new or updated badges, access keys and other similar items and reduces paper usage.

In 2022, we implemented 33 additional automation projects and provided employee training on several software platforms and applications to increase workflow efficiencies, digitize knowledge management and reduce waste.

Waste Management and Recycling

Like many organizations, FHLB Dallas has focused for years on reducing waste by expanding recycling programs and implementing more energy reduction measures.

We recycle batteries, paper, cardboard, toner cartridges, light bulbs and Nespresso pods.

We also provide each of our colleagues with a reusable mug and water bottle. In 2022, our water-bottle filling stations prevented an estimated 6,000 disposable water bottles from entering the landfill.

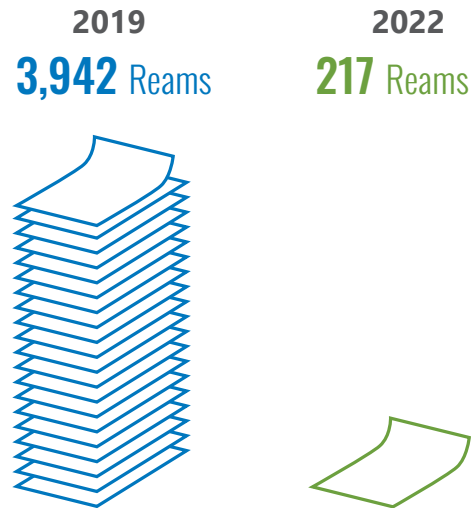
Over the past several years, we have accelerated our efforts to replace the fluorescent lighting in our building with energy-saving LED lights. Restroom renovations in 2021 included the installation of automated faucets for water conservation and hand dryers to reduce paper towel use.

We also eliminated our data center in 2021. This enabled us to remove and recycle 13,342 pounds of metal, electronics and wet cell battery materials. An independent audit of energy consumption at our building in 2022 showed an estimated 30 percent reduction in energy use that we believe is tied to a number of factors, including the data center removal, energy efficiency upgrades and hybrid work environments among the building's tenants.

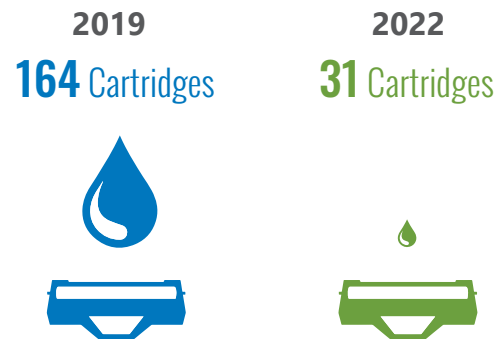


FHLB Dallas Recycling Impact

Since 2019, FHLB Dallas' annual paper order has declined 94%.



Since 2019, FHLB Dallas' annual order of printer toner cartridges has declined 81%.





2023 Objectives

Our strategic focus through 2025 is to continually improve and expand on our automation and sustainability projects and

processes. In addition, we have identified several sustainability initiatives related to members and communities.

Fortified Housing



Since the 2018 inception of our Disaster Rebuilding Assistance program, we have provided nearly \$2.7 million in recovery and rebuilding assistance in areas of our District impacted by natural disasters.

To date, our disaster response has been largely reactive — providing food and water along with grants for emergency repairs, renovations, rebuilding and long-term recovery.

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

Our Voluntary Fortified Fund, which we plan to introduce in 2023, will provide approximately \$1.75 million to help our members finance the construction of roofs that are built to better withstand severe weather, including high winds, hail, hurricanes and tornadoes.

This program will specifically fund roofs built to the “Fortified” program standard of the Insurance Institute for Business & Home Safety. As climate change raises the risks of more frequent and more 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/or rehabilitation of owner-occupied, rental, and transitional housing as well as housing for the homeless 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.

Beginning in 2023, AHP scoring will include an emphasis on resiliency, sustainability and energy conservation. Resilient housing certifications will increase an application’s score by up to seven points. Nine different climate-resilient building standard certifications will be eligible to receive points.

See Attachment D of the [2023 AHP Implementation Plan](#).



ESG Advance Product

In 2023, we look forward to introducing an ESG Advance feature as a pilot offering. The objective of the offering is to incentivize our member institutions to buy green financial assets such as Fannie Mae

Green Mortgage-Backed Securities (MBS). We intend to provide favorable pricing on certain FHLB Dallas advances when the member demonstrates the ownership of these green securities at the time an advance is made.

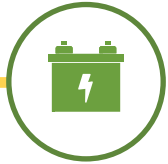




Building Sustainability: A Roadmap for the Future

In 2023, FHLB Dallas will develop a climate and sustainability roadmap defining our climate-related goals for the next two years. After concluding our energy and water audits in January 2023, we immediately started researching some of the recommendations to lower our energy and water consumption.

In addition, we are evaluating several energy and emissions reduction activities that we can begin implementing in 2023 and future years. Initially, we will consider the following:



Removing a backup power source for two floors of our building and/or replacing it with smaller, more efficient units to achieve energy savings



Changing the programming on condenser water pumps associated with the building’s heating and air-conditioning system to achieve optimal performance and energy savings



Replacing fluorescent lighting with LEDs, as needed, to achieve additional energy efficiencies in the building



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



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



Converting a portion of our electric plan to renewable energy

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



Providing ESG training to our executive leadership, the ESG Committee and our ESG subcommittees



Conducting knowledge sharing sessions to educate our staff about ESG initiatives and sustainable business practices



Sponsoring a company-wide trash cleanup day in April 2023



7

PERFORMANCE METRICS

2022 ESG Performance Objectives and Results

SASB Index and Responses

Management Assertion

Report of Independent Accountants

2022 ESG Performance Objectives and Results

2022 ESG Goals	Results
 <p>Create program to recruit/hire women who have been out of the workforce for an extended period</p>	<p>Developed and marketed the ReStart program. ReStart provides women who have been out of the workforce for an extended period and are hired by FHLB Dallas the opportunity to receive mentoring and training in new technologies and the latest developments in their chosen fields.</p>
 <p>Create yearlong fellowship program for women who have been out of the workforce for at least two years and want to return</p>	<p>Placed two women in Returnship positions in 2022. 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.</p>
 <p>Provide a digital upskilling plan for employees</p>	<p>Introduced various training opportunities to colleagues, and 100 percent of our colleagues received digital automation training and Microsoft Teams training. Some colleagues also received advanced training in automation.</p>
 <p>Support the Irving Schools Foundation (ISF)</p>	<p>Provided \$69,000 in monetary support to ISF, including \$15,000 for scholarships, as well as funds for snacks, school supplies, a holiday event and repairs to the food pantry.</p>
 <p>Support United Way of Metropolitan Dallas</p>	<p>Provided in-kind donation drives of books, diapers and clothing.</p>
 <p>Conduct outreach to and recruitment of interns from historically Black colleges and universities (HBCUs)</p>	<p>Recruited three interns from HBCUs in 2022.</p>
 <p>Develop an ESG Advance product</p>	<p>Began developing an ESG Advance product that could provide a discounted price for members that hold green bonds at the time the advance is made.</p>
 <p>Reduce paper processes through automation and e-sign capability</p>	<p>Implemented several automation processes to reduce paper consumption.</p>
 <p>Create ESG Committee</p>	<p>Established committee and met several times in 2022.</p>
 <p>Create Sustainability Subcommittee</p>	<p>Established subcommittee and met several times in 2022.</p>
 <p>Create Climate Risk Subcommittee</p>	<p>Established subcommittee and met several times in 2022.</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

Management of the Federal Home Loan Bank of Dallas (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 2022 Environmental, Social and Governance Report, as of or for the year ended December 31, 2022. 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			
Data Security*	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See description under Data Security 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 Board of Directors and executive management team. 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.

Our cybersecurity program aligns with industry standards, specifically the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) 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 implementing 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 composed of members from IT Security, IT Infrastructure and Operational Risk Management, meets regularly to discuss details of the vulnerability management program, including current threats and vulnerabilities, patching status, current issues and upcoming items.

Our Incident Response policies and procedures are invoked in the event of a security breach or incident and provide guidance for the purposes 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 vendor management process which includes an assessment of vendor 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, 2022.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
Financial Inclusion & Capacity Building*	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 486 Community Investment Program (CIP) and Community Investment Cash Advances totaling \$281 million outstanding as of December 31, 2022. As of that same date, there were 152 outstanding Small Business Boost (SBB) loans totaling \$9.6 million. SBB loans are offered separate from the Bank's advance products.</p>
Financial Inclusion & Capacity Building*	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, 2022. As of that same date, FHLB Dallas had one SBB loan with an outstanding balance of \$11,000 that was more than 90 days past due and on nonaccrual status.</p>
Financial Inclusion & Capacity Building	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			
Financial Inclusion & Capacity Building	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.
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	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.
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	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.
Business Ethics*	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, 2022, as a result of legal proceedings associated with the issues listed in FN-CB-510a.1.
Business Ethics*	FN-CB-510a.2	Description of whistleblower policies and procedures	See description under Business Ethics below.

Business Ethics

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

The Whistleblower Policy of the Federal Home Loan Bank of Dallas 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 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 Secretary 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 with an online signature that they have done so. 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 Program training, the Bank Secrecy Act Anti-Money Laundering Training and Annual FHFA Notification training.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
Systemic Risk Management	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.
Systemic Risk Management*	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 2022 10-K (See page 69 of the 2022 10-K). We perform capital planning primarily through our strategic planning process and updates to our strategic business plan each year.
Checking and Savings Accounts	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.
Loans by Segment	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			
Employee Diversity & Inclusion*	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 Chart A and Chart B .

Our 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 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 includes 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	4	11	0	15
Female	Black or African American	0	4	16	3	23
Female	Two or More Races	0	1	0	0	1
Female	White	3	13	16	3	35
Female	Hispanic or Latino	0	1	3	2	6
Male	Asian	4	9	22	0	35
Male	Black or African American	0	6	9	1	16
Male	Two or More Races	0	0	2	1	3
Male	White	3	17	26	4	50
Male	Did not specify	0	0	3	0	3
Male	Hispanic or Latino	1	4	8	1	14
TOTAL		11	59	116	15	201

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	1.49%	11.44%	22.89%	3.98%
Male	3.98%	17.91%	34.83%	3.48%

Race/Ethnicity	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees
Asian	1.99%	6.47%	16.42%	0.00%
Black or African American	0.00%	4.98%	12.44%	1.99%
Two or More Races	0.00%	0.50%	1.00%	0.50%
White	2.99%	14.93%	20.90%	3.48%
Hispanic or Latino	0.50%	2.49%	5.47%	1.49%
Did not specify	0.00%	0.00%	1.49%	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			
Lending Practices*	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, 2022, 3 percent of Mortgage Partnership Finance® (MPF®) loans purchased were to very low-income borrowers, 13 percent were to low-income borrowers and 5 percent were to families in low-income areas, which exclude very low- and low-income borrowers so as not to double count loans.</p>

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 (<=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			
Discriminatory Lending*	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, 2022.</p>

Summary of Mortgage Loan Purchases for the Year Ended December 31, 2022

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance at Acquisition (In millions)	Weighted Average LTV
FICO > 660	Minority	1,081	\$368	81.5%
	Non-Minority	2,376	\$773	79.0%
	Information Not Reported	528	\$185	79.9%
	Total	3,985	\$1,326	79.8%
FICO ≤ 660	Minority	111	\$32	76.9%
	Non-Minority	181	\$54	74.4%
	Information Not Reported	52	\$15	75.4%
	Total	344	\$101	75.4%
FICO not available	Minority	5	\$2	82.6%
	Non-Minority	4	\$1	67.6%
	Information Not Reported	3	\$1	60.0%
	Total	12	\$4	73.3%
Total		4,341	\$1,431	79.5%

Summary of Mortgage Loans Held in Portfolio as of December 31, 2022

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance as of December 31, 2022 (In millions)	Weighted Average LTV
FICO > 660	Minority	3,962	\$1,032	79.8%
	Non-Minority	9,318	\$2,499	77.5%
	Information Not Reported	2,111	\$531	78.0%
	Total	15,391	\$4,062	78.1%
FICO ≤ 660	Minority	508	\$101	77.9%
	Non-Minority	596	\$141	75.7%
	Information Not Reported	220	\$34	76.5%
	Total	1,324	\$276	76.6%
FICO not available	Minority	37	\$3	84.8%
	Non-Minority	12	\$3	76.3%
	Information Not Reported	223	\$4	85.4%
	Total	272	\$10	82.9%
Total		16,987	\$4,348	78.1%

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, 2022, the LTVs were weighted by the unpaid principal balance (UPB) at the date of acquisition. For loans held in portfolio as of December 31, 2022, 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 2022 Environmental, Social and Governance Report, as of or for the year ended December 31, 2022 are presented in accordance with the assessment criteria set forth in the 2022 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 and, accordingly, maintains a comprehensive system of quality control.

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.

PricewaterhouseCoopers LLP

April 28, 2023



8500 Freeport Parkway South, Suite 100 | Irving, Texas 75063
214.441.8500 | fhlb.com

Follow us: