

2022 Impact Report



Contents

- [A Message from President and CEO Teresa Bryce Bazemore](#)
- [About FHLBank San Francisco](#)
- [Providing Member Liquidity and Reliable Funding](#)
- [Supporting Social and Environmental Outcomes](#)
- [Addressing Housing Needs](#)
- [Strengthening Local Economies](#)
- [Sustaining Responsible Corporate Practices](#)
- [Endnotes and Legal Disclosure](#)

A Message from President and CEO Teresa Bryce Bazemore



At FHLBank San Francisco, our aim is to change lives for the better and we pursue this goal through our dual mission of providing critical liquidity to our members as well as resources for affordable housing, homeownership, and economic development. Our inaugural Impact Report highlights how we delivered on this mission in 2022, positively impacting people, businesses, and communities across our district.

We take great pride in our track record of meeting our foundational mission – reliably supplying our members with liquidity and supporting statutory grant programs – providing the Bank the ability to go above and beyond those requirements to implement voluntary grant programs and launch innovative initiatives to address specific local needs. I invite you to see the tangible results of our efforts in the pages that follow.

For example, in 2022 we delivered more than \$3 million in grants through our voluntary programs, supported employee volunteer activities and matched their charitable contributions, convened productive events for members and industry stakeholders, launched a racial equity research partnership with Urban Institute, and expanded outreach to tribal nations — all while strengthening our enterprise commitment to diversity, environmental sustainability, and responsible corporate practices.

We are proud of what we have accomplished, and we continuously seek new ways to support our members and other partners as we work together to make our communities more vibrant, equitable, and resilient.

Best,

A handwritten signature in black ink that reads "Teresa Bryce Bazemore". The signature is written in a cursive, flowing style.

Teresa

About Federal Home Loan Bank of San Francisco

Mission

Since 1932, our mission has been to provide our members with reliable access to low-cost on-demand liquidity, essential financial services and expertise, and resources for affordable housing and economic development. Together, we make our communities more vibrant, equitable, and resilient, changing lives for the better.

FHLBank San Francisco is a reliable partner for member financial institutions of all sizes in all phases of the economic cycle. Executing our foundational liquidity mission, day in and day out, enables us to make substantial contributions to increasing affordable housing, boosting homeownership, and promoting economic development in the communities that we and our members collectively serve.

2022 by the Numbers



As of December 31, 2022

*These results reflect adjustments, cancellations, and modifications to projects as of December 31, 2022.

Providing Member Liquidity and Reliable Funding



Cooperative Ownership

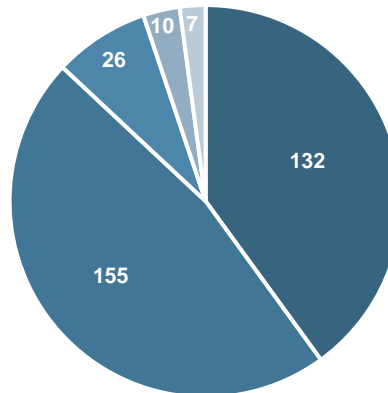
As a member-driven cooperative wholesale bank, we connect our members to the global capital markets, delivering a ready supply of low-cost liquidity and essential financial tools and expertise.

FHLBank San Francisco plays a stabilizing role in the U.S. financial system and is designed to provide access to on-demand liquidity, enabling our member financial institutions to manage the risks that come with offering their customers 30-year fixed rate mortgages and holding those loans in portfolio along with mortgage-backed securities.

To gain access to our products and services, a qualified financial institution must be approved for membership and purchase capital stock in the Bank. Eligible financial institutions¹ include commercial banks, credit unions, insurance companies, and community development financial institutions (CDFIs) that have their principal place of business in Arizona, California, or Nevada.

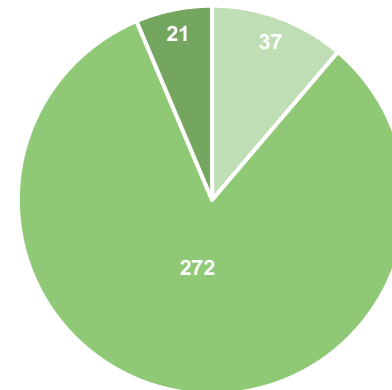
[10 Things to Know About Federal Home Loan Banks](#)

Members by Industry



- Commercial Banks
- Credit Unions
- Insurance Companies
- Other²
- CDFIs

Members by State



- Arizona
- California
- Nevada

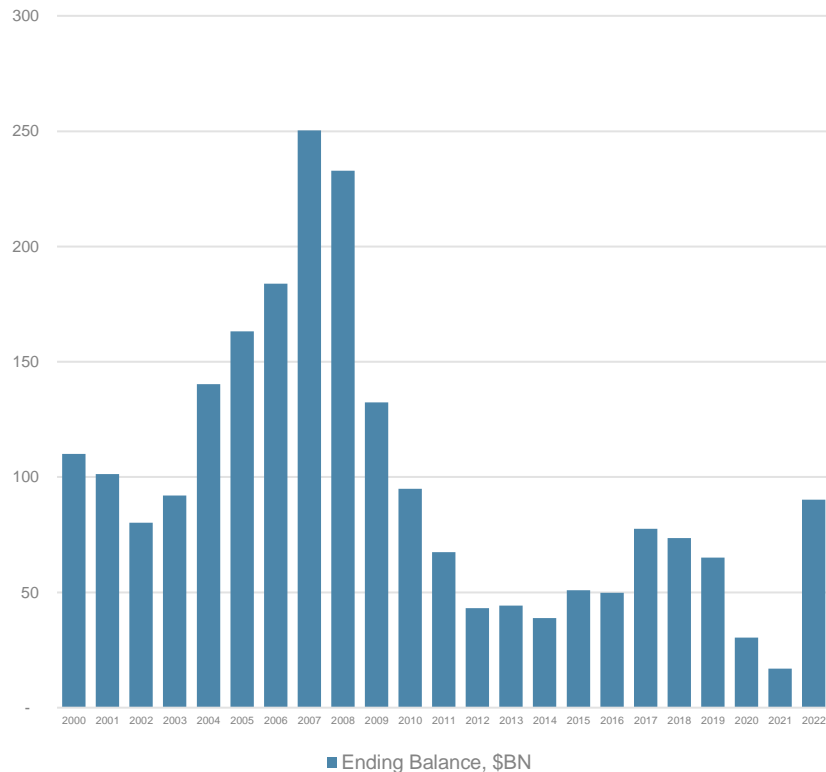
Reliable Access to Liquidity

The Bank raises funds at rates close to Treasury security yields, producing financial products and services that are among the most cost effective and versatile in the industry. We also accept a wide range of collateral types, some of which cannot be readily pledged elsewhere or readily securitized — making us a reliable partner to our members through all phases of the economic cycle.

Our members count on us to provide essential liquidity day-in and day-out as well as in times of economic stress, such as the Global Financial Crisis (2007-2008) and the early stages of the COVID-19 pandemic (2020). By design, FHLBanks are able to safely expand and contract our assets, liabilities, and capital as our member base and our members' credit needs change.

We stand ready to meet the diverse and ever-changing credit needs of our members and their communities in all economic environments.

Advance Historical Balances, \$BN



Funding Sources and Pricing

We obtain most of our funds from the sale of debt instruments, which consist of consolidated obligation bonds and discount notes. These are issued through the FHLBanks' Office of Finance using authorized securities dealers and are backed only by the financial resources of the FHLBanks³. As provided by the FHLBank Act and regulations governing the operations of the FHLBanks, all FHLBanks have joint and several liability for all FHLBank consolidated obligations.

Our competitive pricing considers the daily cost of alternative market choices available to our members, along with our operating costs and profitability targets. We are proud to provide the same pricing to all our members, no matter their size, and housing associates each day.

Additionally, any price concessions negotiated to reflect market conditions on a given day are made available to all members for the same product with the same terms on the same day.

Adele Sandberg, president and CEO of FHLBank San Francisco member and WISH program participant AEA Federal Credit Union, with Miriam Limon, director of marketing.



FHLBank
San Francisco

Member Products

FHLBank San Francisco credit products are designed to help members and housing associates compete effectively in their markets and meet the credit needs of their communities while enabling asset-liability management. Members and housing associates can utilize a wide range of advance types, with different maturities and payment characteristics, to match the characteristics of their assets and reduce their interest rate risk.

Advances

We offer an array of fixed- and adjustable-rate loans, called advances, which are secured with eligible mortgage loans and other eligible collateral. Advances offer members and housing associates both long-term and interim sources of funds which can be used for a variety of credit activities.

Standby Letters of Credit

This product may be used to support certain obligations of members to third parties. Members may use standby letters of credit to facilitate residential housing finance and community lending, to achieve liquidity and asset-liability management goals, to secure certain state and local agency deposits, and to provide credit support to certain tax-exempt bonds.

Discounted Credit Programs

The Community Investment Program (CIP) and Advances for Community Enterprise (ACE) Program offer members lower-cost advances and standby letters of credit, making funds available for eligible affordable housing activities, such as mortgages for low- and moderate-income households or first-time homebuyer programs, or for eligible economic development for low- and moderate-income communities, such as small business lending, community facilities, and public works projects.

In 2022, eight members took advantage of these lower-cost funds, borrowing \$1.02 billion in CIP advances, enabling nearly 3,800 owner-occupied and rental housing units. The Bank also issued an ACE Letter of Credit on behalf of one member to credit-enhance refinancing for a mixed-use project in California with over 188 housing units, and it issued 15 CIP Standby Letters of Credit on behalf of four members to credit-enhance refinancing for the construction or acquisition of 13 multi-family projects.

Supporting Social and Environmental Outcomes



Supporting Social Outcomes

We're committed to Diversity, Equity, and Inclusion.

It's a business imperative and a cultural priority to ensure that our workplace reflects the communities we serve. We are committed to promoting diversity while ensuring balance with financially safe and sound business practices – providing access to opportunities for employment, sourcing of goods and services, and to conduct business activities with the Bank.

We've maintained our public commitment to diversity, equity, and inclusion by re-signing the CEO ACTION for Diversity and Inclusion™ Pledge, facilitated by PwC⁴. In this, we join over 1,200 organizations working to combat systemic racism.

[Learn more: FHLBank System DEI Report Opening Doors, Changing Lives – Diversity, Equity, and Inclusion at FHLBanks](#)

At FHLBank San Francisco,
women are:

46% of team members

41% of managers⁶

47% of board directors

At FHLBank San Francisco,
minorities⁵ represent:

68% of team members

58% of managers⁶

53% of board directors

As of December 31, 2022

Homeownership Solutions Summits

While the entire country is experiencing a housing shortage, data show that from 2021 to 2022 home prices increased in our district states at a higher rate than for the U.S. overall. Additionally, homeownership rates are lower than the national average in California and Nevada. To address these trends and the racial homeownership gap, the Bank launched a series of Homeownership Solutions Summits, with the first two events taking place in Los Angeles and Sacramento, California.

In convening these summits, the Bank's goal was to bring disparate, siloed stakeholders and practitioners together to share ideas, explore best practices, and develop evidence-based solutions to boost both the supply of affordable housing and access to equitable mortgage financing. Stakeholders from across the housing and mortgage finance industries gathered with community and political leaders to coordinate public and private collaboration that can better address the urgent demand for affordable housing and homeownership opportunities.

Key themes from the Homeownership Solutions Summit presentations and discussions included:

- Available programs at state and local levels that are effectively addressing the housing shortage
- Innovative solutions offered by housing developers
- Calls for expansion of the Low-Income Housing Tax Credit program
- More effective underwriting to finance manufactured or modular homes

Building on the momentum of these events, the Bank plans to complete the series of Homeownership Solutions Summits in 2023.

Urban Institute Research Partnership

We launched our Racial Equity Accelerator collaboration with Urban Institute as a call to action for the industry to rewrite the U.S. home financing process, critically evaluate the systemic barriers that continue to limit people of color from achieving homeownership, and implement tangible solutions to enable and ensure racial equity in homeownership and wealth-building.

Through this \$1.5 million, two-year collaboration, FHLBank San Francisco is proud to add relevant data and insights to the search for scalable solutions to address the decline in Black homeownership rates, which has further widened the racial wealth gap over the past six decades and moved the U.S. further away from equitable access to homeownership in local communities.

The Racial Equity Accelerator published two reports in 2022:

The first paper explores how to bring more information into the underwriting process when the borrower has the demonstrated ability to repay and that will result in sustainable loans. Read [Reducing the Black-White Homeownership Gap through Underwriting Innovations: The Potential Impact of Alternative Data in Mortgage Underwriting](#)

The second paper addresses the burden of student loan debt that disproportionately affects people of color, given past barriers to building wealth. Read [Student Loan Debt and Access to Homeownership for Borrowers of Color](#)

The collaboration will deliver two more reports and culminate with an Innovations in Mortgage Financing Symposium.

DEI Symposium

In 2022, the Bank hosted its first DEI Symposium for members in Pasadena, California. The DEI Symposium was designed to facilitate a better understanding of the persistence of racial homeownership and wealth gaps. Our goal was to generate a productive discussion of strategies and tactics for breaking down barriers and reaching out to diverse employees and customers.

The half-day event was highlighted by moderated panels that included representatives from National Fair Housing Alliance (NFHA), National Association of Real Estate Brokers (NAREB), National Association of Minority Mortgage Bankers of America (NAMMBA), the Urban Institute, and other industry leaders, focusing on three topics:

- [Narrowing the Racial Homeownership Gap: The Case for Systemic Change](#)
- [How DE&I Benefits Business: Focus on Customers](#)
- [How DE&I Benefits Business: Focus on Employees](#)

Representatives of more than 30 member financial institutions and community organizations participated in the inaugural event.



Workforce Diversity

At FHLBank San Francisco, our team members are inspired by the Bank's mission and commitment to DEI practices that have a positive sustained community impact through improved access to homeownership and that attract and retain top talent. A key partnership between our Chief Diversity Officer and Chief Human Resources Officer ensures our workforce diversity practices are grounded in our Equal Employment Opportunity program, and strengthened by procedures, policies, and practices across the enterprise in recruiting, hiring, promotions, education and training, professional development, internships, succession planning, and the overall annual performance management process.

Our Employee Resource Groups (ERGs) strengthen relationships among our team members and foster collaboration by building social networks, encouraging professional development, and supporting volunteer events to empower individuals, celebrate differences, serve our communities, and enhance business knowledge.



ERG events provide team members with opportunities to connect and learn from each other.

Each of our seven ERGs is team member-led. In 2022, ERGs hosted more than 50 events to:

- Support, connect, and engage with the Pan-Asian community
- Cultivate Black leadership and foster a culturally competent workforce that reflects multi-ethnic perspectives
- Inspire awareness, understanding, and appreciation of past, present, and future contributions by the Hispanic community
- Facilitate professional development through open dialogue about barriers and misconceptions that exist for women in the workplace
- Coordinate enjoyable and rewarding social networking activities for team members in a casual environment
- Encourage a sustainable work/life balance for working parents and team members who care for individuals with special needs
- Promote an inclusive community for lesbian, gay, bisexual, transgender, and queer (LGBTQ) team members

Supplier Diversity



Kelly Bass and Paula Bond, principal at First Option Entertainment and Film, staffing an FHLBank San Francisco event.

Supplier Diversity efforts rely on strong partnerships between our Corporate Procurement team and internal departments responsible for implementing contracting and purchasing processes that support annual performance targets for diverse spend.

We continually identify opportunities for diverse suppliers to compete or bid to provide goods and services to the Bank through purchase policy requirements that ensure outreach to diverse suppliers and diverse supplier organizations.

To support this outreach, our DEI team also provides education to team members and potential suppliers on the Bank's procurement practices and offers support for professional certification of diverse status.

In 2022, over 87% of competitive sourcing activities had diverse supplier participation, representing a significant increase over 2021 where the Bank achieved a 68% diverse supplier participation rate.

The percentage of overall spend with diverse suppliers increased in 2022 to 22%, up from 17% in 2021.

Capital Markets Diversity

Our Capital Markets team onboards diverse dealers that have been validated by the FHLBank System's Office of Finance and promotes debt issuance and investment transaction opportunities to engage with diverse dealers, in balance with safety and soundness practices. Our Treasurer and Chief Diversity Officer coordinate closely to leverage diversity objectives and achieve positive financial outcomes for the Bank.

On a one-year rolling average, total diverse debt issuance activity represented just over 15% of all underwriting activity on a notional basis, which compares favorably to the nearly 11% diverse underwriting activity for the rest of the System over the same period.

In partnership with the DEI team, our Capital Markets team undertakes proactive outreach to the Bank's diverse dealers through a variety of communication channels, including virtual meetings. This ongoing engagement provides reciprocal opportunities to gain a better understanding of each other's business strategies and enables us to provide them with useful information on the Bank's capital markets objectives as we identify areas for potential business opportunities.

Supporting Environmental Outcomes

The Bank aims to minimize the environmental impact of our business functions. We strive to use sustainable materials and practices – such as improving the recycling program in our offices to meet the stringent requirements for the building to achieve the TRUE Silver certification – and we encourage similar behaviors by our team members.

We continue to look for new ways to reduce the use of consumable materials in our daily operations.

Workplace

In 2019, the Bank moved its San Francisco headquarters to 333 Bush Street. This was an opportunity to consolidate into a single location and co-locate team members after more than 20 years of operating out of two separate buildings. Among the criteria for our new location, environmental performance was a priority along with access to public transportation and modern workplace design to encourage team member collaboration and support workplace well-being. We are tenants of a property owned by Tishman Speyer, an organization committed to net-zero carbon emissions by 2050⁷.

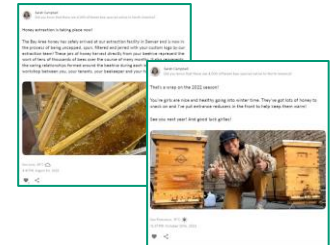


LEED Gold, 80+ points – The certification is earned for adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health, and indoor environmental quality.

Energy Star, 84% – The rating is based on actual energy use and verification that the building generates fewer greenhouse gas emissions than typical buildings.

TRUE Silver, 90.1% waste diversion – TRUE certified spaces are environmentally responsible, are more resource efficient, and help turn waste into savings and additional income streams.

Alveole partnership – Urban beekeeping is on premises: two boxes with three frames of bees and two frames of honey⁸.



Addressing Housing Needs



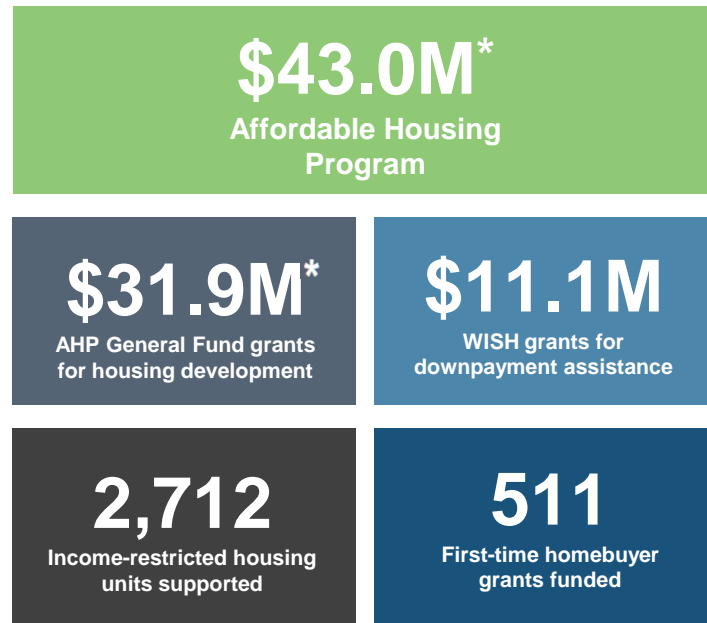
Addressing Housing Needs

Community Development

By statute, each year, FHLBank San Francisco contributes 10% of the prior year's annual net income to our Affordable Housing Program (AHP). AHP supports the communities our members serve by awarding grants that ensure that people in need — including lower-income families and individuals, the chronically unhoused, seniors, veterans, at-risk youth, people overcoming addiction, people with disabilities, and many others — can have an affordable place to call home or that eligible first-time homebuyers can achieve their dreams.

Working in partnership with local affordable housing developers and community organizations, our member financial institutions can apply for AHP grants in an annual funding competition to support projects that build or preserve affordable housing. Many of the successful housing developments are enriched with supportive services, such as counseling, vocational and educational services, healthcare support, and other forms of assistance.

2022 by the Numbers



As of December 31, 2022

*These results reflect adjustments, cancellations, and modifications to projects as of December 31, 2022.

Identifying District Needs and Solutions

Our Affordable Housing Advisory Council (AHAC) plays an important role in our efforts to meet known and emerging needs across the Bank's district through our Community Programs. Made up of 15 senior executives who volunteer their time and represent a diverse range of affordable housing and community development organizations operating in Arizona, California, and Nevada, our AHAC provides expert guidance that helps shape our community grant programs in response to local needs.

Targeted Community Lending Plan

Each year, the Bank prepares an annual Targeted Community Lending plan that identifies housing and economic development needs, community lending credit needs, and market opportunities within the Bank's district.

We develop our plan in consultation with our AHAC, the Bank's member financial institutions and non-member housing associates, housing developers, and economic development organizations in the Bank's district. The plan also incorporates information from an extensive list of key national and state reports. The Bank uses the data and insights gathered from this research to ensure our Community Programs are responsive to the needs of our district.

Affordable Housing Advisory Council



David Paull
Chair



Holly Benson
Vice Chair



Nikki A. Beasley



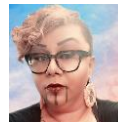
Cesar Covarrubias



Diana Yazzie Devine



Patricia Duarte



Elizabeth Elliot



Stephen L.
Hastings



Maurilio León



Hilary Lopez



Erin Rank



Takao Suzuki



Tunua Thrash-Ntuk



Tyrone Roderick
Williams



Anne Wilson

A comprehensive report, authored by the AHAC chair, describes the current affordable housing and economic development challenges and opportunities in our district, and provides details of how the Bank, our members, and their local partners have used our grants and discounted credit programs to have a positive impact in the communities we collectively serve.

Learn more: [Targeted Community Lending Plans](#)

Learn more: [Affordable Housing Advisory Council Annual Reports](#)

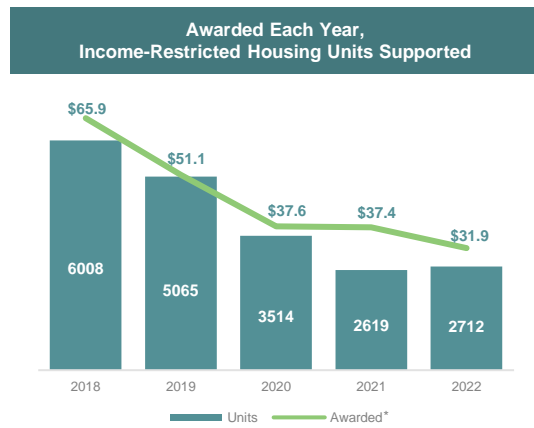
Affordable Housing Program (AHP) General Fund

Access to quality affordable housing in a safe and healthy neighborhood is the foundation for a brighter future. Our competitive Affordable Housing Program (AHP) provides a flexible source of gap funding for projects that are designed to serve extremely low-, very low -, and low-income families and individuals, many serving the formerly unhoused.

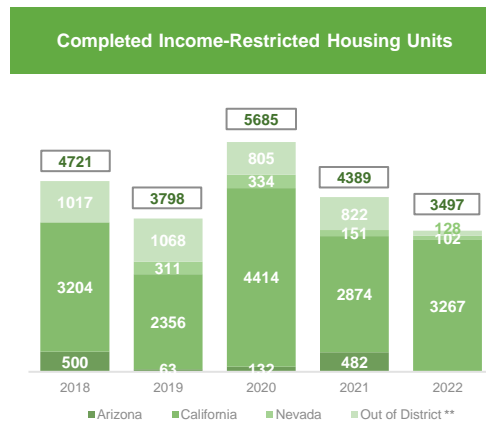
In 2022, FHLBank San Francisco awarded **\$31.9 million in AHP General Fund grants** to 39 projects to construct or rehabilitate **2,712 income-restricted housing units** affordable to lower-income families and individuals in the Bank's district. Nineteen member financial institutions, working in partnership with community-based housing developers, submitted successful applications in 2022, with grants ranging from \$100,000 to \$1 million.

All 2022 grant winners will deliver a mix of valuable social services to support residents, ranging from financial literacy education and job training to on-site after-school care and medical and behavioral health services.

We also completed the design of a Nevada Targeted Fund to address that state's exceptional affordable housing needs (launch date 2023).



As of December 31, 2022, \$ in millions
*These results reflect adjustments, cancellations, and modifications to projects as of December 31, 2022.



As of December 31, 2022
**Other states where members conduct business



Marvel Way Apartments, a recovery-focused affordable housing project that received an AHP grant.

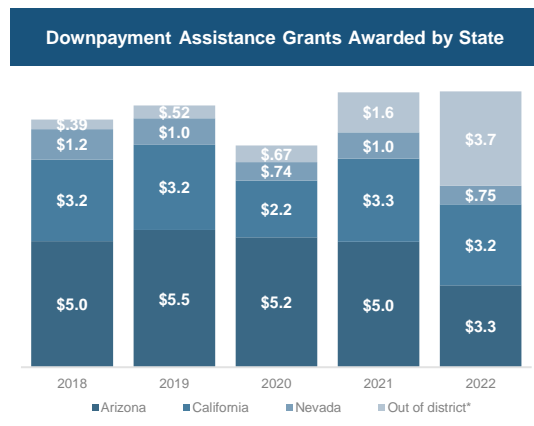
[Learn more about AHP projects on fhlbsf.com.](https://www.fhlbsf.com)

Downpayment Assistance: WISH First-Time Homebuyer Program

WISH grants, which can be used for downpayment and closing costs, do more than just help someone secure a roof over their head. Because homeownership is a primary way for families to build intergenerational wealth in the United States, our WISH first-time homebuyer program helps aspiring homeowners overcome the biggest financial barriers to achieving sustainable homeownership.

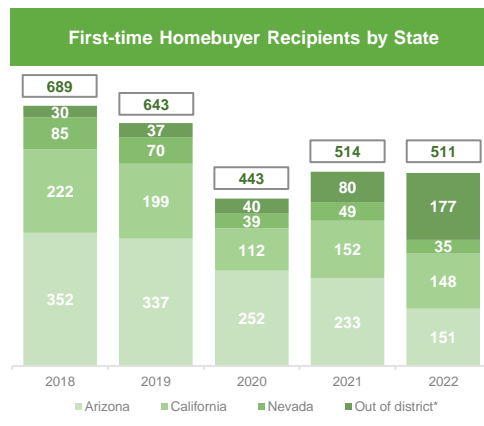
The 2022 program offered eligible households, those with incomes at or below 80% AMI, matching grants of up to \$22,000 for the purchase of a home. These grants are targeted to working families and individuals who are ready to make the transition from renting to owning, and the grants can be paired with local, state, and federal grant and mortgage loan programs, such as Fannie Mae HomeReady and Federal Housing Administration-insured mortgages.

In 2022, the Bank allocated **\$11.1 million to fund WISH grants** for low- and moderate-income individuals and families aspiring to homeownership. With this funding, 43 member financial institutions, of which 15 participated for the first time, helped homebuyers in Arizona, California, Nevada, and other states where Bank members do business, to invest in the future of families in their communities.



As of December 31, 2022

*Other states where members conduct business



As of December 31, 2022

*Other states where members conduct business



Since the launch of WISH in 2000, FHLBank San Francisco has funded more than \$140 million in matching grants, assisting nearly 9,400 families achieve the dream of homeownership.

[Learn more about WISH recipients on fhlbsf.com.](https://www.fhlbsf.com)

Strengthening Local Economies



Driving Economic Vitality

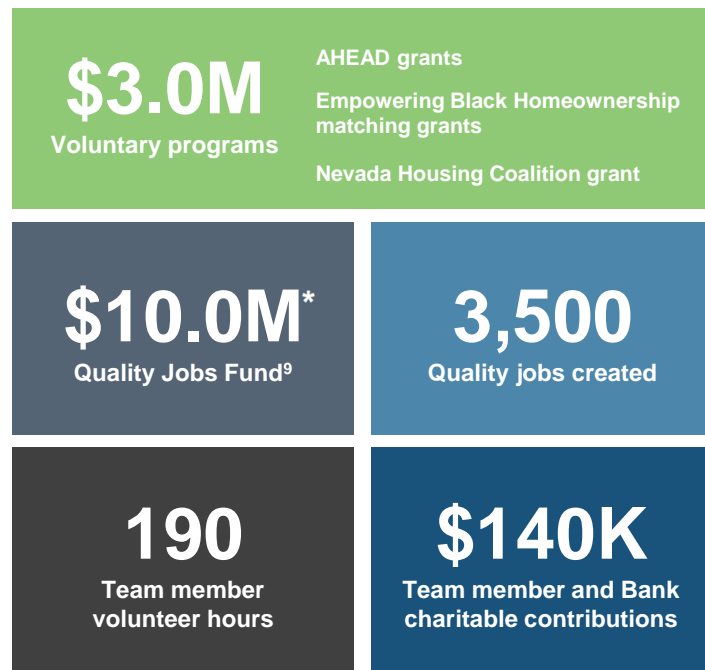
Voluntary Initiatives

Alongside our annual statutory housing and homeownership grant programs, FHLBank San Francisco continually identifies other needs in our district. We respond by designing new programs and initiatives that provide funding and other resources to help make the communities we serve more vibrant, equitable, and resilient.



Resident Sarah Berdu tends the garden at [AHP-assisted Marvel Way Apartments](#), in Reno, Nevada.

2022 by the Numbers



As of December 31, 2022

*Recommendation to donor-advised fund partner.

AHEAD Economic Development Grants

We created the AHEAD Program in 2004 with the aim of assisting people living in lower-income communities obtain critical resources to fully participate in a changing economy. AHEAD grants are awarded annually and delivered through our members to support local efforts that create new economic opportunity by expanding proven development models or piloting new interventions. Since 2004, this voluntary program has awarded over \$21 million to nearly 720 economic development projects in our district.

In 2022, the Bank disbursed \$1.5 million to 55 economic development projects — ranging from creating jobs and supporting small businesses to providing resources for unhoused populations. These grantees showcase all the ways nonprofits supported by the AHEAD Program are making a difference.

The 55 projects support these target areas:

34 Assisting BIPOC

24 Assisting Women

14 Microenterprise

9 Financial Education

9 Social Services



Theresa Wallace, client at AHEAD grant recipient [Renaissance Entrepreneurship Center](#).



Savon Green and Anthony Donahue at AHEAD grant recipient [Honey Art Studio](#).

We are proud to partner with our member financial institutions to support initiatives that build the economic vitality of our communities.

[Learn more: AHEAD-Funded Projects](#)

Empowering Black Homeownership

The rate of Black homeownership is not only the lowest among all racial groups in the United States, but it is also at a lower level today than it was when the Fair Housing Act became law in 1968. The Empowering Black Homeownership pilot program is part of a continuum of FHLBank San Francisco initiatives focusing on advancing racial equity.

This \$1.0 million program was fully subscribed in 2022, offering our members a dollar-for-dollar matching grant, up to \$125,000 per member, for housing counseling agencies. The funds could be used for HUD-eligible activities, including staffing, marketing, and pre- and post-purchase counseling. Our member financial institutions' participation in this program more than doubled the positive impact of our \$1.0 million contribution, resulting in a total of \$2.2 million distributed to 22 housing counseling agencies in our district.

Additionally, for nearly a decade, the Bank has helped underwrite the National Association of Real Estate Brokers (NAREB) State of Housing in Black America (SHIBA) Report. At the unveiling of the 2022 SHIBA report during NAREB's Black Housing Summit, our president and CEO, Teresa Bryce Bazemore, spoke about the Bank's ongoing investments in initiatives and programs aimed at narrowing the Black homeownership gap.



Learn more: [SHIBA report](#)

Building Infrastructure for Affordable Housing

Research shows Nevada has the lowest number of nonprofit organizations and total nonprofit assets focused on housing in the Bank's district, affecting the number of grant applications and overall affordable housing development within the state.

In January 2022, the Bank's board of directors authorized a commitment of \$500,000 to the Nevada Housing Coalition (NHC) to support a capacity building program that could ultimately increase the state's affordable housing project pipeline. With this funding, the Coalition was able to hire a program coordinator, deliver critical training to practitioners on the nuances of applying for and securing affordable housing grants, and host outreach events for stakeholders to connect and collaborate.



Quality Jobs Fund

In 2017, the Bank made a \$100 million investment commitment and established a donor-advised fund, the Quality Jobs Fund (QJF), which is administered through New World Foundation (NWF)⁹. This fund supports creating and maintaining quality jobs — those with a living wage, a safe workplace, and benefits such as healthcare, retirement savings, and paid time off — in underserved communities within Arizona, California, and Nevada.

Through this voluntary program, the Bank has recommended over \$58 million in grants to 14 economic development projects that are creating over 26,000 quality jobs in the district. Recipients are small- to medium-sized businesses, nonprofits, and employee-owned cooperatives, and the funding they receive can include patient capital, subordinated debt and/or equity. These projects support upskilling, business expansion, bankability, homeownership, and wealth creation.

In 2022, we recommended a \$10 million QJF investment to fund two economic development projects, creating nearly 3,500 quality jobs in the district.

Engaging with Tribal Nations

Our district is home to approximately 1.1 million American Indian and Alaska Native (AIAN) households. Since 1990, tribal communities have participated in our community investment programs, receiving over \$15 million in grants to address affordable housing and economic development needs. Through partnerships with our members and support from government programs, such as Low-Income Housing Tax Credit (LIHTC) and HUD Indian Housing Block Grant programs, the Bank has supported the development of approximately 1,400 rental and owner-occupied units for AIAN households.

In 2022, the Bank established a scoring category for Native American / AIAN affordable housing projects to make our Affordable Housing Program (AHP) more accessible for these projects. We also expanded outreach efforts to encourage more participation in our programs, including sponsoring exhibition booths and presenting at housing conferences.



Patina Mountain Reserve in Phoenix, Arizona, is the new construction of a 48-bed community situated on the edge of the Phoenix Mountain Preserve area. Residents have access to integrated medical care and support services focused on the Native American community.

Community Advocacy Representing Equity (CARE) Initiative

Responding to the desire of Bank team members to get involved with local organizations that have received grants from the Bank's mission-based community programs, our DEI and Community Investment teams created the Community Advocacy Representing Equity (CARE) initiative. In 2022, our team members supported three organizations through Bank-sponsored volunteer activities:



Rebuilding Together San Francisco

provides free repairs to low-income seniors and free renovations to nonprofit facilities. Bank volunteers helped improve classrooms for young children at the Wah Mei School for Bilingual Education.



Tenderloin Neighborhood Development Corporation

provides affordable housing and services for people with low incomes in the Tenderloin district of San Francisco and promotes equitable access to resources and opportunities. Our volunteers set up the Kain Na food pantry.



Urban University, Single Moms at Work helps impoverished single moms overcome their socioeconomic barriers and build a greater future for themselves and their families. Team members volunteered to help clients pursue education, employment, and empowerment opportunities.

Team Member Charitable Contributions and Volunteering

The Bank encourages all team members to use their talents to make a difference in their communities and provides paid time off for volunteer activities. We also support team members in their personal charitable efforts by providing matching gifts of up to \$1,000 per team member per year.

Overall, our team members are active within the communities, whether through CARE initiatives or independent volunteer activities. In 2022, the Bank's team members dedicated over 190 hours of volunteer time to helping local nonprofits and CARE beneficiaries.

This year our team members also donated \$84,860, which the Bank matched with another \$55,570 to deliver total contributions of \$140,430. Primary recipients were local schools, food banks, and community health organizations.

Sustaining Responsible Corporate Practices



Sustaining Responsible Corporate Practices

Working with integrity is the foundation of our business. FHLBank San Francisco remains a trusted partner for our members. We reinforce that trust through our commitment to management fundamentals that ensure the Bank's safety and soundness.

Our Board of Directors oversees the corporate control environment establishing the tone at the top, promoting high ethical standards and creating a culture that emphasizes prompt escalation of concerns or issues in need of remediation to senior management and the Board.

After first winning the Diversity Award from the National Association of Corporate Directors in 2021, the Bank's Board of Directors¹⁰ was named as a finalist for a second consecutive year in 2022.

Leadership Team



Teresa Bryce Bazemore
President and CEO



Greg Ward
Chief Operating Officer



Joseph Amato
Chief Financial Officer



Arlene Coyle
Chief Audit Executive



Kwame A. Fields
Chief Diversity Officer and
Chief Information Security Officer



Kelly Gear
Chief of Staff and
Corporate Services



**Anne Segrest
McCulloch**
Chief Legal Officer



Mani Massoomi
Chief Risk Officer



Maxine Moir
Chief Human Resources
Officer



Tony Wong
Chief Banking Officer

Board of Directors



Simone Lagomarsino
Chair



F. Daniel Siciliano
Vice Chair



David Adame
Independent Director



Banafsheh Akhlaghi
Independent Director



Jeffrey K. Ball
Member Director



Marangal (Marito) Domingo
Member Director



Ana E. Fonseca
Member Director



Lori R. Gay
Independent Director



Melinda Guzman
Independent Director



Matthew Hendricksen
Member Director



Kevin Murray
Independent Director



Joan C. Opp
Member Director



Brian M. Riley
Member Director



Scott Syphax
Independent Director



Virginia Varela
Member Director

Attracting and Retaining Top Talent

The Bank offers a mission-driven work environment that brings out the best in everyone. We focus on building connections and empowering team members at all levels through programs that encourage their personal and professional development.



Compensation and Benefits

We are committed to ensuring our compensation and incentive plans are competitive and align with the marketplace, including:

- Fair, equitable, and competitive compensation at all levels
- Incentive plans and nonmonetary rewards
- Comprehensive health and wellness benefits
- Retirement savings programs to help employees plan for their future
- Holiday and time-off benefits
- Tuition reimbursement and support for pursuing certifications



Professional Development

The Bank offers access to development opportunities for team members, helping them achieve their full potential and career ambitions.

Mentor Program shares Bank knowledge and experience, provides exposure to different business units, and builds networks.

LinkedIn Learning provides a vast library of thousands of instructional videos covering the latest business and professional development topics.

McKinsey Academy builds core business acumen and promotes learning practical tools through problem solving and strategic thinking assignments.

Pacific Coast Banking School is a three-year program that leads to a master's level graduate certificate in Executive Banking and Leadership.



Whole Person Programs

Access to several wellness plans in support of each team member's overall physical, mental, and financial well-being.

Our Flexible Work Program supports personal and organizational efficiency with hybrid work schedules, flextime, and work anywhere weeks.

Wellness Reimbursement Program covers eligible expenses related to physical fitness activities and paid Wellness time off.

Volunteer Time-off and Matching Gift Program encourages team members to get involved with eligible nonprofits and give back to their communities.

Employee Resource Groups promote inclusion and foster networking and team member collaboration.

Delivering Business Results and Managing Risks

At FHLBank San Francisco, we believe our team members are the driving force that deliver results to our members and enable positive community impact. We have a diverse and motivated team working together to help our members compete effectively in their markets and serve their communities.

Our team members also play a critical role in mitigating risks that occur in the normal course of business. Through their expertise and commitment, our team members maintain regulatory compliance and uphold the Bank's safe and sound business practices.

As the Bank continues to evolve, it is critical to develop team member capabilities for future performance and our talent strategy ensures the right team members are ready to lead, now and in the future.

Mentorship Program

Since its inception in late 2020, the objectives of the Bank's Mentorship Program have been to promote learning, empowerment and achievement and to enhance development of core competencies.

For mentors, the program is a chance to share knowledge and experience and to hone leadership skills. For mentees, the program offers the opportunity to gain a broader understanding of the business and build relationships outside their specific area of the Bank.

Each year we have a cohort of 15 pairs of mentors and mentees. The format is informal and driven by the mentee's curiosity, with the primary aim of creating their an actionable development plan.



Mentors share experience and collaborate to build program resources.

Technology Modernization

The Bank is embracing cloud technology to leverage scalability, agility, and cost savings. Partnership between our Information Security team and our cloud provider ensures robust security and compliance of our cloud environment.

We are excited to leverage data as a business enabler. Our Information Technology and Enterprise Risk Management teams collaborate to implement a comprehensive data governance framework that prioritizes accuracy, consistency, and security.

Automation is a key objective. Our team members continue to identify processes that are repetitive, manual, and time-consuming as candidates for robotic process automation (RPA) and related technologies. This approach reduces operational costs and human errors, improves speed and accuracy, and allows our team members to focus on more value-added activities.

Effective and Sustainable Business Processes

In 2022, the Bank implemented the President's Award program designed to recognize and reward individuals and/or teams for going above and beyond day-to-day responsibilities to deliver significant and sustainable improvements at the Bank. Twenty nominations were submitted by leaders from across the Bank, with a total of 68 team members nominated in these categories: Creative Solutions, Collaboration, Drives Results, Efficiency Gained, Sustainability, and Strategic Mindset.



The first-ever President's Award recognized three exceptional improvements initiated by team members, which were showcased during our year-end Town Hall.

First Place Winner

- Reduced a daily 90-minute process to 10 minutes
- Eliminated 19 steps from the daily process
- Supported the LIBOR Transition

Second Place Winner

- Scalable solution increased time savings from 30 mins per day to nearly three hours per day
- Automated workflow steps reduced risk

Third Place Winner

- Improved turn-time for member requests using real-time information
- Eliminated EOD manual reconciliation calculations, saving an hour per day

Risk Management

FHLBank San Francisco is organized to achieve its risk management objectives, consistent with the Federal Home Loan Bank Act and the Federal Housing Enterprise Financial Safety and Soundness Act, the rules and regulations of the Federal Housing Finance Agency (FHFA), and the Prudential Management and Operating Standards established by the FHFA.

The Board reviews and approves the Bank's major strategies, policies, and budget. It makes revisions as needed to ensure that management implements the strategies and policies and maintains the capability to manage risk within the Board's established risk appetite. The Board monitors a broad set of matters that may determine the Bank's effectiveness in managing risk. These matters include, but are not limited to, the corporate culture and control environment, the organizational structure, the quality of management, compensation incentives, succession planning, and executive leadership.

Code of Conduct

The Bank holds a unique role within the financial system as a federally chartered, government-sponsored enterprise within the national system of Federal Home Loan Banks, and as a member-owned cooperative. The Bank has a Conflict of Interest and Code of Conduct Policy which applies to all employees and requires team members to carry out their responsibilities in ways that maintain confidence in the Bank and ensure the proper performance of Bank business.

All team members must follow established procedures when an actual or potential conflict of interest arises to help protect them and the Bank.

Learn more: [Code of Conduct for Senior Officers](#)

Whistleblower Policy

The Bank provides several options for team members to report concerns, both in-person and anonymously. The Bank responds to every reported concern by following the policies and procedures applicable to the respective concern and takes appropriate action as needed, up to and including reporting significant concerns to the Chair of the Audit Committee of the Bank's Board of Directors.

The Bank prohibits any form of discrimination or other retaliation against team members, per the Anti-Retaliation Policy, for having reported any concern, in good faith, under these procedures.

Regulatory Compliance

The Bank has established a compliance program to help assure that the Bank complies with applicable laws, rules, and regulations. The program is designed to ensure that the Bank is aware of and closely monitors FHFA regulations and supervisory guidance that apply to it, and endeavors to respond appropriately to update applicable internal policies, procedures, and practices as necessary, on a timely basis. It is also designed to accommodate the Bank's size, complexity, and risk profile. The Bank's Chief Compliance Officer monitors compliance with applicable laws and provides reporting to the Board's Risk Committee regarding the adequacy of the Bank's compliance program, and any recommendations to improve the Bank's compliance posture.

Business Resiliency Framework

The Bank must be prepared to respond to various threats that could impact its business operations. We are committed to maintaining the continuity and resiliency of the Bank's business operations during and/or after disruptive events. The Business Continuity Management (BCM) Program provides a framework for governance, roles and responsibilities, and active participation by internal departments in the implementation of the overall business continuity management. The BCM Program and BCM Program Standards are employed by the Bank to identify, assess, mitigate, and where appropriate, accept risks that may affect the continuity of business operations. Business Continuity Plans (BCP), along with departmental Business Impact Analysis (BIA), are created and maintained by each department and at the enterprise level.

Endnotes

- 1 All eligible financial institution types are commercial banks, credit unions, industrial loan companies, savings institutions, insurance companies, and community development financial institutions.
- 2 Other includes 8 savings institutions and 2 industrial loan companies.
- 3 Although all obligations of the FHLBanks must plainly state that they are neither obligations of, nor guaranteed by, the United States, the perception that the government would support investors in the event of a default by the FHLBanks may also be a material factor in the favorable interest rates available to the FHLBanks.
- 4 CEO Action for Diversity & Inclusion™ was collectively formed by CEOs and leaders from Accenture, BCG, Deloitte US, The Executive Leadership Council, EY, General Atlantic, KPMG, New York Life, P&G and PwC. For more information, see [CEO Action](#).
- 5 Minority means any Black (or African) American, Native American (or American Indian), Hispanic (or Latino) American, or Asian American.
- 6 Supervisors and/or Managers means the number of individuals responsible for supervising employees and/or managing the functions or departments.
- 7 For more information, see [Tishman Speyer ESG Policy](#)
- 8 For more information, see [Alveole, Tishman Speyer, 333 Bush](#)
- 9 The New World Foundation, FHLBank San Francisco's donor-advised fund (DAF) partner, is responsible for surveying the field, due diligence for grantmaking purposes, and spearheading monitoring and evaluation for investment and grants made. For more information, see [Quality Jobs Fund](#)
- 10 For more information, see [Press Release, NACD-Announces 20 Boards of Directors as Finalists for 2022 NACD Diversity Equity Inclusion Awards](#)

Legal Disclosure

This Report reflects FHLBank San Francisco's good faith effort to present our recent, ongoing, and currently anticipated endeavors to support and empower our members, communities, and employees. FHLBank San Francisco's plans and goals are aspirational and not guarantees or promises. There can be no assurance that our programs, policies, and procedures as described will continue; they could change, even materially, as they may be based on standards and approaches that are still developing, internal processes that continue to evolve or assumptions that are subject to change or that are eclipsed by new considerations or priorities. Any goals, commitments, incentives, and initiatives outlined in this Report are, unless explicitly stated otherwise, purely voluntary, are not binding on FHLBank San Francisco and/or its board or management, and do not constitute a commitment regarding actual or potential positive impacts or outcomes.

This Report may contain statements describing our plans, objectives, targets, goals, commitments, and programs in furtherance of support of our members, communities, and employees. These statements, as well as other future predictions of management, statements of belief, or any statements of assumptions underlying the foregoing, may be "forward-looking statements." These statements may use forward-looking terms, such as "anticipate," "believe," "could," "estimate," "expect," "intend," "likely," "may," "probable," "plan," "project," "should," "will," "would," "possible," or their negatives or other variations on these terms. The Bank cautions that by their nature, forward-looking statements involve risk or uncertainty that could cause actual results to differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the risk factors discussed in the Risk Factors section of our 2022 Form 10-K, subsequent quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission, as well as those discussed in this Report and other challenges and assumptions that we presently are unable to foresee. These risks are not the only risks we face or that could affect us going forward. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also affect us.

Statements in this report speak only as of the date they were made, and we undertake no obligation to update or release any revisions to any forward-looking statement made in this report or to report any information, events, or circumstances after the date of this Report or to reflect the occurrence of unanticipated events or to conform such statements to actual results or changes in our expectations, except as required by law. Certain information contained in this Report was provided by third parties including our business partners, and FHLBank San Francisco is not responsible for such information, nor do we guarantee their accuracy and completeness.

Thank you.

We are proud of the work we do, in partnership with our members, to make our communities more vibrant, equitable, and resilient.

