



Annual Report 2016



Letter from the President

Robert S. Kaplan | Annual Report 2016

It has been my great honor to serve as president and CEO of the Federal Reserve Bank of Dallas since September 2015. In this role, I have heavily focused on getting to know a wide range of people who live in the Eleventh Federal Reserve District. I have traveled extensively throughout this region to better understand the views of community and business leaders, bankers, small-business owners and citizens.

The Eleventh District—which includes Texas, northern Louisiana and southern New Mexico—is vibrant and growing. The state of Texas is home to more than 50 Fortune 500 companies, and accounts for approximately 8.8% of U.S. GDP. Texas is the nation's largest exporting state and largest energy-producing state. The distinctive economic and geographic features of the district give the Dallas Fed great insights into energy, immigration and global trade as well as the national and global economies. These insights have allowed the Bank to produce excellent economic research and have been invaluable to me in informing my judgments as a member of the Federal Open Market Committee (FOMC).

One unique aspect of this district is our relationship with Mexico, which shares a 1,400-mile border with our district and is Texas' largest trading partner. The Dallas Fed plays a key leadership role in cultivating close bonds with senior business and government leaders in Mexico. I am very focused on continuing to deepen these ties in order to build and enhance the mutually beneficial relationship between Mexico and the U.S. and to produce economic research that helps us better understand the economic aspects of our relationship.

COMMUNITY OUTREACH AND EDUCATION

The Dallas Fed seeks to engage in community outreach and education to be a leading citizen in the Eleventh District. Through community and public events and other efforts, our goal is to share our research and make the Dallas Fed a much more valuable and accessible resource for residents in the district.

In this regard, the Dallas Fed has taken a key leadership role in raising awareness regarding key aspects of wealth inequality and issues facing the working poor. We have worked to highlight and convene groups to encourage job training and retraining. We have also worked closely with business leaders, educational institutions and community organizations to develop programs that would train job candidates to fill skilled positions and help address the skills gap in the district and the nation. We intend to continue to focus on these initiatives in the years ahead.

BANK LEADERSHIP AND OPERATIONS

In December 2016, Meredith Black became the new first vice president and chief operating officer of the Dallas Fed. Meredith is a 34-year veteran of the Bank whose extensive leadership experience and talents make her a superb choice to lead Bank operations. Meredith succeeded Helen Holcomb, the longest-serving first vice president in the Bank's history, who retired after 42 years of service. We are grateful to Helen for her many contributions to the Federal Reserve, and we wish Meredith continued success in this important role.

The Dallas Fed, a nongovernment, nonprofit "Bank for banks," is overseen by a nine-member board of directors composed of public and private sector leaders from throughout the Eleventh District. Additionally, 21 business and community leaders serve on our branch boards. These leaders contribute great insight regarding economic conditions throughout the Eleventh District as well as in the nation and the world.

We also draw on volunteer contributions from citizens who serve on our Community Depository Institutions and Business and Community advisory councils as well as our Corporate Payments and Emerging Leaders councils. Their advice and counsel help us better run our organization, serve the community and make good decisions regarding the nation's monetary policy.

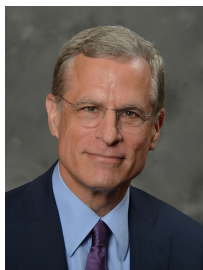
The Dallas Fed, with the help and insight of citizens of the district, will continue to provide cutting-edge thought leadership, run the critical operating and supervisory activities of the Federal Reserve System, and play a key leadership role in the communities of the Eleventh District.

Our 1,200 employees in the Eleventh District offices of Dallas, El Paso, Houston and San Antonio are honored to serve the people of the district and the nation.

Robert S. Kaplan

Robert S. Kaplan

President and CEO
Federal Reserve Bank of Dallas



Robert S. Kaplan

Year in Review

For the Eleventh Federal Reserve District, 2016 was a year of modest economic recovery as evidenced by strengthening employment and improvement in the energy sector. Operationally, our oversight of financial institutions ensured banks were operating in a safe and sound manner. By reaching out to and engaging people and communities across the district and around the world, we expanded our understanding of their economic life and brought to the forefront issues, challenges and opportunities.



Dallas Fed President Robert Kaplan addresses a community forum at Louisiana Tech University. (Courtesy of Bloomberg/Getty Images)

As one of 12 regional banks in the Federal Reserve System, the Federal Reserve Bank of Dallas serves the people of the Eleventh District, which encompasses Texas, northern Louisiana and southern New Mexico. In addition to our Dallas headquarters, we have branch offices in El Paso, Houston and San Antonio.

Like all Reserve Banks in the Federal Reserve System, the Dallas Fed performs five key functions in the public interest to promote the health of the U.S. economy and the stability of the financial system. The Federal Reserve:

- Conducts the nation's monetary policy
- Promotes the stability of the financial system
- Promotes the safety and soundness of individual financial institutions
- Fosters payment and settlement systems safety and efficiency
- Promotes consumer protection and community development

In short, we work to help protect the value of your money, ensure the stability of the financial system and support a vibrant economy. In 2016, we worked to achieve these objectives through a number of programs and initiatives. As part of our commitment to transparency and relevancy for the public we serve, we are pleased to share highlights of some of last year's most important activities and milestones.

PROMOTING JOBS AND STABLE PRICES

Congress has instructed the Federal Reserve to fulfill two goals with its monetary policy: keep unemployment low and prices stable. The Fed has economists around the country studying the economy to help inform our monetary policy effort, and we continually talk to business and community leaders to get their input as well.

The diverse, globally connected economy of the Eleventh District gives the Dallas Fed particular insight into energy, trade, immigration and other key aspects of the regional, national and global economies. The service sector represents about 70 percent of the Texas economy. The state is also a manufacturing powerhouse, ranking second in the U.S. in factory production. Exports are a key component of the Texas economy, which benefits from its border with Mexico and Gulf Coast ports. In 2016, regional economic activity improved as headwinds from declining oil prices and a stronger dollar began to dissipate. Employment strengthened in the state and in most major metropolitan areas in the second half of the year, and the energy sector continued to show signs of improvement.

In 2016, the Dallas Fed continued to enhance its leading role as an authority on the energy industry, which remains a focal point for the economies of Texas, Louisiana and New Mexico.

At the Dallas Fed, we are dedicated to thought leadership and producing top-tier economic research that is relevant to the Federal Reserve's mission, influences decision making and advances understanding of the interactions between monetary policy and the economy. To that end, one of our Bank's top priorities is to raise the profile and caliber of our research function, particularly in the areas of macroeconomics, energy, trade and immigration.

The Dallas Fed has a research staff of more than 60, with 24 PhD economists backed by an outstanding team of business economists, research analysts and assistants, local and national research consultants, visiting scholars from around the world and other highly trained support staff. A key indicator of these professionals' thought leadership is their success at publishing their research in peer-reviewed journals. In 2016, our economists submitted 46 papers to well-respected journals and received 25 acceptances. (See [Appendix](#)).



Dallas Fed staff research the energy industry with a tour of a West Texas oil rig.



Senior Vice President and Research Director Mine Yucel leads the Bank's energy research effort.



Research Vice President Mark A. Wynne welcomes guests to the Dallas Fed's Global Perspectives Speaker Series.

In 2016, the Dallas Fed continued to enhance its leading role as an authority on the energy industry, which remains a focal point for the economies of Texas, Louisiana and New Mexico. We developed and launched the quarterly [Dallas Fed Energy Survey](#), which gathers timely information on business activity in the oil and gas sector. The Energy Survey has reinforced the Dallas Fed as a leader in collecting, analyzing and distributing significant data to the public and is now relied upon by many national and international news outlets for up-to-date data and analysis.

We also hosted the “[Oil and the Economy: Adapting to a New Reality](#)” conference in Houston. This conference, held jointly with the Kansas City Fed, examined key drivers of oil price movements and their implications for the broader economy.

The Dallas Fed established the [Globalization and Monetary Policy Institute](#) in 2007 to gain a better understanding of how globalization alters the environment in which U.S. monetary policy decisions are made. In 2016, the institute inaugurated the [Global Perspectives Speaker Series](#). Featured speakers in the series included former Secretaries of the Treasury Henry Paulson, Lawrence Summers and Robert Rubin; former governor of the Bank of England, Lord Mervyn King; and dean of the Harvard Business School, Nitin Nohria. The institute also launched a new annual research conference on international trade and finance with the University of Houston and published the conference volume *The Federal Reserve's Role in the Global Economy: A Historical Perspective* with Cambridge University Press.

As part of the Global Perspectives series, we hosted the “[Trilateral Conference on Economic and Monetary Policy in North America](#)” with the governors of the central banks of Canada and Mexico, Stephen Poloz and Agustín Carstens. The discussion was particularly timely given the challenges low oil prices have created for North America and the increasing attention on U.S. trade policies. Likewise, our conference on “[The Political Economy of Texas–Mexico](#),” presented in conjunction with the SMU John G. Tower Center for Political Studies, examined the deep ties between Texas and Mexico, including the effects of the North American Free Trade Agreement.

A key aspect of the Dallas Fed's involvement in the formulation of U.S. monetary policy is Dallas Fed President [Robert S. Kaplan's](#) participation in the Federal Open Market Committee (FOMC). During his first full year as president in 2016, Kaplan took part in a variety of activities that served to inform his participation in the FOMC. He traveled extensively throughout the Eleventh District, getting to know the people, businesses and concerns of this diverse and dynamic region. Through a series of “Dialogue with the Dallas Fed” events, Kaplan met with a broad

cross section of bankers, students, and business and community leaders in Fort Worth, Midland, San Antonio and Wichita Falls, Texas, and Ruston, Louisiana.



A meeting of the Federal Open Market Committee

In addition, Kaplan presented speeches and conducted Q&A sessions at a wide variety of locations both in the district and worldwide, including London, Beijing, Mexico City and Ciudad Juárez, Mexico. Events such as these enable him to share his perspective on the regional, national and global economies with a broad audience. His public appearances also garnered significant coverage by the national and international press, greatly increasing public access to information on key topics related to the economy. Kaplan also has devoted particular attention to cultivating a full understanding of the energy industry, given its impact on not only the region but the nation and world, as well as matters related to trade, immigration and education.

KEEPING YOUR MONEY SAFE AND AVAILABLE

With responsibility for the oversight of U.S. bank holding companies (BHCs), savings and loan holding companies (SLHCs), foreign banking organizations operating in the U.S. and state-chartered member banks of the Federal Reserve System, the Fed helps ensure a strong, stable banking system for all Americans through its banking supervision function. In the Dallas district, this includes oversight of more than 400 BHCs, 17 SLHCs, 24 U.S. entities of foreign banks, and 52 state member banks. Together, these financial institutions represent more than \$310 billion in financial assets.

Our Banking Supervision area focuses on examining these financial institutions to ensure they are operating in a safe and sound manner and maintaining compliance with consumer protection laws. We thoroughly examine each institution on a periodic basis and monitor their activities between examinations. Financial institutions with higher-risk profiles or more complex operations receive greater scrutiny.

In support of the Federal Reserve's goal to promote the safety, efficiency and accessibility of the U.S. payments system, the Dallas Fed works to educate members of the public about cybersecurity and payments issues.

While thorough examinations are important, we do seek to conduct exams with the least burden possible to a financial institution. In 2016, efforts were made to change the process for examining large and regional banks by conducting more small-scale, continuous monitoring instead of deploying examiners for larger-scale examination events. The new approach reduces the number of staff required and results in fewer requests to financial institutions.

We also participate in macroprudential supervision—understanding the risks to, and resilience of, the financial system as a whole and how some institutions can impact others because of their interconnectedness. We work with our counterparts in the Federal Reserve System to develop forward-looking risk analytics to identify high- and low-risk banks. These models inform our view of financial system risk and allow us to target high-risk trends across or inside banks.

In 2016, the Dallas Fed continued its work with other federal regulators to examine the largest loans in the U.S. financial system. These loans are so large that the risk is shared among multiple financial institutions. Traditionally, many of these loans are reviewed on-site at financial institutions in New York. However, a new, remote approach from Dallas allows more loans to be reviewed while reducing travel costs.

Each of these activities helps ensure banks remain healthy contributors to a strong financial system.

The Federal Reserve is also the bank for banks. Banks get cash from us, just like you get cash from your bank. Every dollar in your pocket came through a Federal Reserve Bank. In this capacity, we supply currency and coin to meet demand. In 2016, the Dallas Fed paid and received 6.8 billion notes, or “bills,” valued at \$132 billion, and conducted transactions with more than 4,000 financial institutions and branches.

To help maintain the quality and integrity of currency and coin in circulation, we destroy currency no longer fit for use. Each month last year, we destroyed about 34 million notes valued at over \$756 million and detected more than 600 counterfeit bills per month.

Another aspect of our mission involves helping move money around the country safely and efficiently. As banking technology has evolved, so, too, have the methods criminals use to commit cyber fraud, creating a significant challenge for financial institutions of all sizes. For example, conversion to the EMV (Europay, MasterCard and Visa) chip standard for credit and debit cards is designed to reduce fraud at the point of sale, but some payments experts fear that fraudulent activity may shift to online transactions.

In support of the Federal Reserve's goal to promote the safety, efficiency and accessibility of the U.S. payments system, the Dallas Fed works to educate members of the public about cybersecurity and payments issues and to hear the concerns and challenges facing businesses and financial institutions in this rapidly evolving area.



Senior Vice President Alfreda Norman addresses the Bank's RAISE Texas Summit.

In 2016, we made progress in fostering information sharing, convening the industry in pursuit of enhanced payments security and strengthening supervision of financial institutions in the area of cybersecurity. Our efforts included presenting payments and cybersecurity information at dozens of events that reached more than 5,000 financial and business professionals, industry leaders and consumers. We also released the article [“The Evolving Landscape of Payments Fraud and Cybersecurity”](#) and accompanying [webcast](#) to educate financial institutions and consumers about the latest developments in these critical areas.

PARTNERING WITH COMMUNITIES AND BUSINESSES

At the Dallas Fed, we are committed to listening to the concerns of the people, organizations and businesses that make up our district. We convey issues and perspectives impacting the economic prosperity of the district during the monetary policy decision-making process and often convene people and organizations who can help address these same issues. Working with community groups, educators and businesses, we help identify solutions to economic problems. This includes supporting programs that help people manage their finances, improve neighborhoods, grow small businesses and more.



Dallas Fed President Robert Kaplan (second from right) tours low-income neighborhoods of Dallas with community groups. (Courtesy of menkiti + photo)

Our commitment to the community is demonstrated at all levels of the organization. In 2016, Kaplan participated in a bus tour of Dallas with the Texas Organizing Project to hear from community leaders about economic issues facing Dallas residents. In a similar manner, [Meredith Black](#), who was appointed first vice president and COO in 2016, is engaged in issues related to educational opportunity through her involvement with Year Up, a program that helps provide college students with professional development and work experience.

Recognizing the importance of educational attainment to a healthy economy, we hosted the RAISE Texas Summit, “[Building Financial Success for Texans: In Schools, the Workplace and Our Communities](#).” More than 190 participants, including community asset builders, bankers, funders and community leaders, received presentations on recent success models focusing on financial coaching, expanding knowledge of college savings accounts for children, providing small-dollar loan alternatives and implementing asset-building products and programs in the

workplace. The Bank and our president have also been extensively involved in matters related to educational attainment in Texas. Kaplan spoke on the issue at conferences and summits convened by the Dallas Fed and authored an [op-ed column](#) that was published in *The Dallas Morning News*.

Working with community groups, educators and businesses, we help identify solutions to economic problems. This includes supporting programs that help people manage their finances, improve neighborhoods, grow small businesses and more.

An integral aspect of the Dallas Fed’s community leadership involves outreach to educators and students through economic education initiatives. In 2016, the Dallas Fed led the effort to develop standards and a course outline to support Texas schools in fulfilling a new legislative requirement to provide personal financial literacy education in all public high schools. Members of our team participated in data gathering with educators and administrators and developed a course outline for the new curriculum that includes personal financial literacy tools available from the Federal Reserve at no cost to educators. In a coordinated effort involving each of our branch offices, our staff trained over 130 high school teachers in using the course outline, impacting potentially 15,000 students across Texas.

Also in 2016, we collaborated with Austin College to present the “[10th Annual Economics Scholars Program Undergraduate Research Conference](#),” which included more than 200 students and faculty from over 30 institutions across the U.S. Additionally, we distributed nearly 200,000 copies of our [Navigate: Exploring College and Careers](#) publication, which continues to provide a valuable resource to teachers, students and their families.

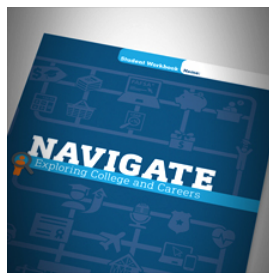
The Dallas Fed is actively involved in community development, supporting the Federal Reserve System’s economic growth and financial stability objectives by promoting programs and policies that stabilize neighborhoods, assist small businesses and improve the financial stability of low- and moderate-income households. In 2016, the Bank’s Community Development Department focused on critical issues facing the district and nation, including workforce development, affordable housing and closing the digital divide, an initiative that brought to light the challenges for communities without broadband access.

A report in the Dallas Fed’s new [Community Outlook Series](#) and related conference held in conjunction with HousingWorks Austin brought attention to the scarcity of affordable housing in Texas. An article on [payday lending](#) provided a similarly comprehensive look at the current state of the payday-lending industry, with a special focus on Texas, which is home to a large portion of payday lending in the United States.

Building on its 2015 study “[Las Colonias in the 21st Century: Progress Along the Texas–Mexico Border](#),” the Dallas Fed researched the wide gap in broadband coverage in many border areas of Texas and published its findings in “[Closing the Digital Divide: A Framework for Meeting CRA Obligations](#).” The report included a toolkit for bankers seeking to bring opportunity to underserved populations. In partnership with the U.S. Department of Housing and Urban Development, we also hosted “[The Southwest Border Colonias: Housing and Sustainable Development in the 21st Century](#)” conference in El Paso. This conference highlighted the issues facing these residential areas in Texas along the Mexican border that lack some of the most basic living necessities. The Bank also arranged for Federal Reserve Governor [Lael Brainard](#) to visit El Paso to tour several colonias to gain a deeper understanding of the issues facing these border communities.



Fed Governor Lael Brainard (fourth from left)
and Dallas Fed staff toured colonias in El Paso.



Navigate: Exploring College and Careers

SERVING THE AMERICAN PEOPLE

The Federal Reserve Banks operate as public servants, but the Dallas Fed is not supported by taxpayer dollars. In fact, the 12 banks in the Federal Reserve System, including the Dallas Fed, are self-sufficient. We earn income that covers our operating expenses, and we send income earned above that to the U.S. Treasury. Last year, the Dallas Fed contributed \$3.3 billion in net income to the U.S. Treasury.



The Dallas Fed's Economy in Action public exhibit allows visitors to explore interactive exhibits, examine historical currency and learn about the Federal Reserve.

The Dallas Fed also serves our nation and the U.S. Treasury by operating the U.S. Electronic Payment Solution Center, which includes a call center in Dallas and website through which people can sign up for direct deposit of their federal benefit checks. Since we began providing this service in 2005, the center has processed 9.2 million enrollments and saved the U.S. Treasury over \$1 billion. The center has consistently received the highest possible rating from the Bureau of the Fiscal Service for the services it provides to the Treasury. And in 2016, after completing a thorough review, the Fiscal Service determined that the center should remain in Dallas, calling the Dallas Fed "an integral part of the program's success."

In addition to serving the American people, we remain accountable through government and independent audits, and oversight by Congress. Many people believe the Fed is not audited. In fact, our operations are regularly audited by internal and external agencies. The combined financial statements of the Reserve Banks, as well as the annual financial statements of each of the 12 Banks and the consolidated LLC entity, are audited annually by an independent auditing firm retained by the Board of Governors. In addition, the Reserve Banks, including the consolidated LLC entity, are subject to oversight by the Board of Governors, which performs its own reviews. More information about our financial reporting and audit results can be found in the [Financials](#) section of this report.

Another way we remain accountable is by sharing information and our economic research with the public in a variety of ways, including through our website, DallasFed.org. We publish our balance sheet online every week and announce monetary policy decisions as soon as they are made. Our officials frequently make speeches explaining monetary policy and answer questions from the public.

In all of the many ways we fulfill our mission, we are pleased to serve as your Federal Reserve Bank. We're always looking for ways to be even more transparent, and we welcome your thoughts, questions and suggestions on what we do well and how we can improve. Visit our website and follow us on [Twitter](#), [Facebook](#), [LinkedIn](#) or [YouTube](#)—or stop by our [Economy in Action](#) free public exhibit in Dallas—to learn more about the Dallas Fed.

Our Commitment to Public Service

As an organization of over 1,200 employees whose views and perspectives are respected and encouraged, we are committed to investing in our people and providing opportunities for them to contribute meaningfully in the communities we serve.



March of Dimes

Bank employees are involved with a variety of organizations such as the United Way, March of Dimes, Junior Achievement, Meals on Wheels, North Texas Food Bank, People Helping People and many more. The Houston and El Paso offices also participate in annual Money Smart Week events designed to help members of the community better manage their finances.

In the Dallas office, employees maintain a special relationship with Margaret B. Henderson Elementary School, providing tutoring, donating school supplies and participating in an Adopt-a-Family program during the holidays. We have similar partnerships with Sherman Elementary School in Houston and Fabens Independent School District in El Paso; in San Antonio, employees participate annually in the Communities in Schools Stuff the Bus School Supply Drive.



2016 Dallas Fed Interns

We also partner with diverse organizations and universities across the Eleventh District to identify candidates for internships and full-time positions. In 2016, we hosted over 30 summer interns across the district and helped introduce Year Up to the Dallas community, providing young adults from urban communities with the opportunity to participate in an intense yearlong internship program. We also strengthened our partnership with INROADS, which develops and places underserved youth in business and industry, and earned a Partner in Excellence Award for our continued commitment and work with the organization.

Through all of these efforts and more, we strive to be leading citizens helping to create a vibrant economy in the communities we serve, to develop and sustain a fully engaged and diverse workforce and to be seen as a premier place of employment that offers engaging work in service to the public.



People Helping People



North Texas Food Bank



Letters from M.B. Henderson Students

Examinations of the Reserve Bank

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The Reserve Banks and the consolidated limited liability company (LLC) entity are subject to several levels of audit and review.

The combined financial statements of the Reserve Banks as well as the annual financial statements of each of the 12 Banks and the consolidated LLC entity are audited annually by an independent auditing firm retained by the Board of Governors. In addition, the Reserve Banks, including the consolidated LLC entity, are subject to oversight by the Board of Governors, which performs its own reviews. The Reserve Banks use the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to assess their internal controls over financial reporting, including the safeguarding of assets. Within this framework, the management of each Reserve Bank annually provides an assertion letter to its board of directors that confirms adherence to COSO standards.

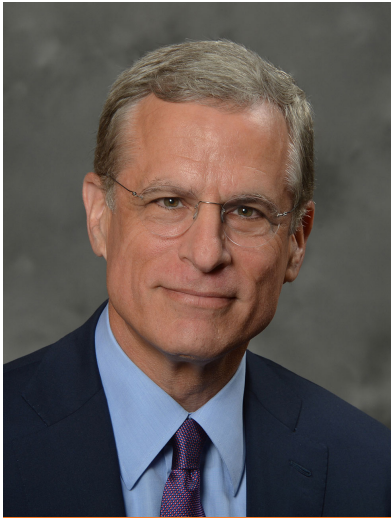
The Federal Reserve Board engaged KPMG to audit the 2016 combined and individual financial statements of the Reserve Banks and Maiden Lane LLC.

In 2016, KPMG also conducted audits of internal controls over financial reporting for each of the Reserve Banks. Fees for KPMG services totaled \$6.7 million, of which \$0.4 million was for the audit of Maiden Lane LLC. To ensure auditor independence, the Board requires that KPMG be independent in all matters relating to the audits. Specifically, KPMG may not perform services for the Reserve Banks or others that would place it in a position of auditing its own work, making management decisions on behalf of the Reserve Banks, or in any other way impairing its audit independence. In 2016, the Bank did not engage KPMG for any non-audit services.

The Federal Reserve Bank of Dallas' financial statements as of and for the years ended December 31, 2015 and 2014 and the independent auditors' report can be found at the following link: [In addition, KPMG audited the Office of Employee Benefits of the Federal Reserve System \(OEB\), the Retirement Plan for Employees of the Federal Reserve System \(System Plan\), and the Thrift Plan for Employees of the Federal Reserve System \(Thrift Plan\). The System Plan and the Thrift Plan provide retirement benefits to employees of the Board, the Federal Reserve Banks, the OEB and the Consumer Financial Protection Bureau.](#)

Senior Management

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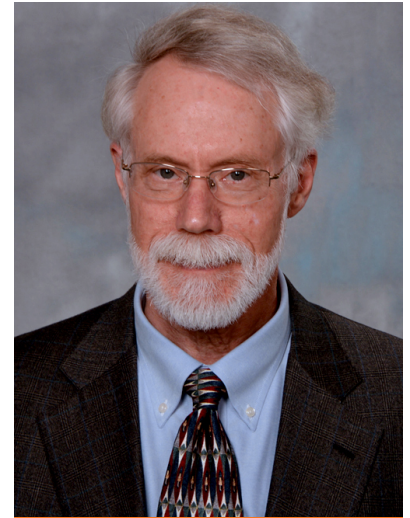
Robert S. Kaplan

President and CEO



Meredith N. Black

*First Vice President and Chief
Operating Officer*



Evan F. Koenig

*Senior Vice President and Principal
Policy Advisor*



Joanna O. Kolson
Senior Vice President



Harvey R. Mitchell III
Senior Vice President



Alfreda B. Norman
Senior Vice President



Sharon A. Sweeney
*Senior Vice President, General
Counsel and Corporate Secretary*



Robert L. Triplett III
Senior Vice President



Mine K. Yücel
*Senior Vice President and Director of
Research*



Daron D. Peschel

Senior Vice President in Charge



Blake Hastings

Senior Vice President in Charge

Dallas Board

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Chair

Chancellor
University of Houston System
President
University of Houston
Houston



Matthew K. Rose

Deputy Chair

Executive Chairman
BNSF Railway Co
Fort Worth



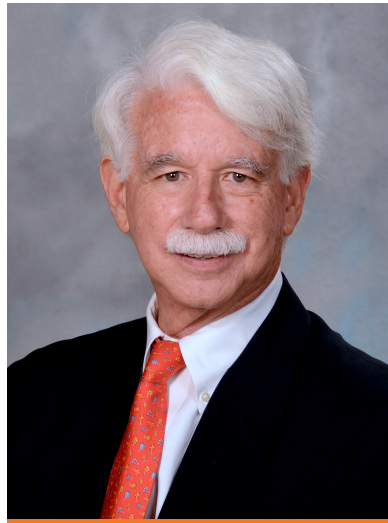
Curtis V. Anastasio

Chairman
GasLog Partners LP
San Antonio



Greg L. Armstrong

Chairman and CEO
Plains All American Pipeline LP
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Jorge A. Bermudez

President and CEO
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Rasmussen**

President and CEO
HomeTown Bank NA
Galveston, Texas



J. Russell Shannon

President and CEO
National Bank of Andrews
Andrews, Texas



Ann B. Stern

President and CEO
Houston Endowment Inc.
Houston

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El Paso Electric Co.
El Paso



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First New Mexico Bank
Deming, N.M.



Jerry Pacheco

President
Global Perspectives Integrated Inc.
Santa Teresa, N.M.

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Ellen Ochoa

Chair

Chair
Government Executive
Houston



Marcus A. Watts

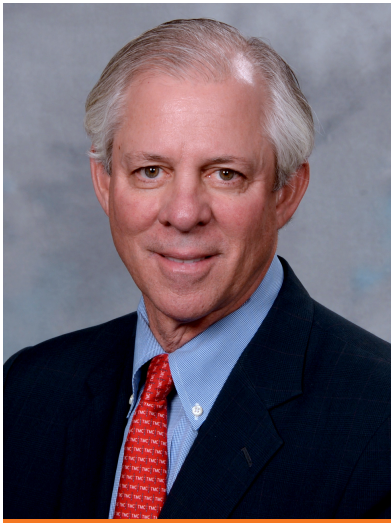
Chair Pro Tem

President
The Friedkin Group
Houston



Albert Chao

President and CEO
Westlake Chemical Corp.
Houston



Robert C. Robbins, MD

President and CEO
Texas Medical Center
Houston



Gerald B. Smith

Chairman and CEO
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R.A. "Al" Walker

Chairman, President and CEO
Anadarko Petroleum Corp.
The Woodlands, Texas



David Zalman

Chairman and CEO
Prosperity Bancshares
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San Antonio Board

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Chair

Managing Director
The Entrepreneurs' Fund
Austin



**James "Rad" Conrad
Weaver**

Chair Pro Tem
CEO
McCombs Partners
San Antonio



Charles E. Amato

Chairman and Co-Founder
Southwest Business Corp.
San Antonio



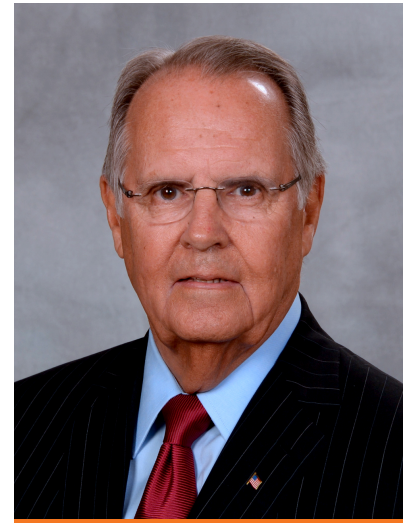
Janie Barrera

President and CEO
LiftFund
San Antonio



Jesús Garza

President and CEO
Seton Healthcare Family
Austin



Alfred "Al" B. Jones

President
American Bank Holding Corp.
Corpus Christi, Texas



Robert L. Lozano

President/Owner
Lynn Lee Inc. Dairy Queen
Pharr, Texas

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DALLAS

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President and CEO

Meredith N. Black

First Vice President and
Chief Operating Officer

Evan F. Koenig

Senior Vice President and Principal
Policy Advisor

Joanna O. Kolson

Senior Vice President

Harvey R. Mitchell III

Senior Vice President

Alfreda B. Norman

Senior Vice President

Sharon A. Sweeney

Senior Vice President, General Counsel
and Corporate Secretary

Robert L. Triplett III

Senior Vice President

Mine K. Yücel

Senior Vice President and Director of
Research

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of Research

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Vice President and OMWI Director

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Appendix: Published Research

Anton Cheremukhin and Antonella Tutino, "Information Rigidities and Asymmetric Business Cycles," *Journal of Economic Dynamics and Control*

Anton Cheremukhin (joint with Mikhail Golosov, Sergei Guriev and Aleh Tsyvinski), "The Industrialization and Economic Development of Russia Through the Lens of a Neoclassical Growth Model," *Review of Economic Studies*

Scott Davis (joint with Ignacio Presno), "Capital Controls and Monetary Policy Autonomy in a Small Open Economy," *Journal of Monetary Economics*

Scott Davis (joint with Mario Crucini), "Distribution Capital and the Short- and Long-Run Import Demand Elasticity," *Journal of International Economics*

Wenhua Di (joint with Daniel Millimet), "Introduction: Evaluating Individual- and Community-Based Programs," *Empirical Economics*

Wenhua Di (joint with Daniel Millimet), "Targeted Business Incentives and the Debt Behavior of Households," *Empirical Economics*

Wenhua Di and Emily N. Perlmeter (joint with William H. Greene, Sherrie L.W. Rhine), "Savings Account Ownership During the Great Recession," *Journal of Family and Economic Issues*

John V. Duca and Christoffer Koch (joint with Michael D. Bordo), "Economic Policy Uncertainty and the Credit Channel: Aggregate and Bank Level U.S. Evidence over Several Decades," *Journal of Financial Stability*

John V. Duca and Anthony Murphy (joint with John Muellbauer), "How Mortgage Finance Reform Could Affect Housing," *American Economic Review Papers & Proceedings*

John V. Duca and Jason L. Saving, "Income Inequality, Media Fragmentation and Increased Political Polarization," *Contemporary Economic Policy*

Soojin Jo (joint with Sung Je Byun), "Heterogeneity in the Dynamic Effects of Uncertainty on Investment," *Canadian Journal of Economics*

Christoffer Koch (joint with John C. Bluedorn and Christopher Bowdler), "Heterogeneous Bank Lending Responses to Monetary Policy: New Evidence from a Real-Time Identification," *International Journal of Central Banking*

Christoffer Koch (joint with Gary Richardson and Patrick Van Horn), "Bank Leverage and Regulatory Regimes: Evidence from the Great Depression and Great Recession," *American Economic Review Papers & Proceedings*

Janet C. Koech and Mark A. Wynne, "Diversification and Specialization of U.S. States," *The Review of Regional Studies*

Anil Kumar, "Impact of Oil Booms and Busts on Human Capital Investment in the U.S.," *Empirical Economics*

Anil Kumar (joint with Che-Yuan Liang), "Declining Female Labor Supply Elasticities in the U.S. and Implications for Tax Policy: Evidence from Panel Data," *National Tax Journal*

Enrique Martínez-García, "A Quantitative Assessment of the Role of Incomplete Asset Markets on the Dynamics of the Real Exchange Rate," *Open Economies Review*

Anthony Murphy, "What Drives House Price Cycles? International Experience and Policy Issues," *Journal of Economic Literature*

Anthony Murphy (joint with Chi-Young Choi and Jyhlin Wu), "Segmentation of Consumer Markets in the U.S.: What Do Intercity Price Differences Tell Us?" *Canadian Journal of Economics*

Pia M. Orrenius (joint with Madeline Zavodny), "Do State Work Eligibility Verification Laws Reduce Unauthorized Immigration?" *IZA Journal of Migration*

Keith R. Phillips and Jianguo Wang, "Seasonal Adjustment of State and Metro CES Jobs Data," *Journal of Economic and Social Measurement*

Michael D. Plante, Alex W. Richter and Nathaniel A. Throckmorton, "The Zero Lower Bound and Endogenous Uncertainty," *The Economic Journal*

Alex W. Richter and Nathaniel A. Throckmorton, "Is Rotenberg Pricing Justified by Macro Data?" *Economics Letters*

Keith R. Phillips and Jianguo Wang, "Seasonal Adjustment of Hybrid Time Series: An Application to U.S. Regional Jobs," *Journal of Economic and Social Measurement*

Carlos E.J.M. Zarazaga (joint with Finn E. Kydland), "Fiscal Sentiment and the Weak Recovery from the Great Recession: A Quantitative Exploration," *Journal of Monetary Economics*