MINUTES OF THE JOINT BOARDS OF DIRECTORS MEETING FEDERAL RESERVE BANK OF DALLAS

December 4, 2025

Federal Reserve Bank of Dallas

The Board of Directors (the "Board") of the Federal Reserve Bank of Dallas (the "Bank") held its joint meeting on December 4, 2025, at 8:30 a.m. (CST), with the following directors participating:

Present:

Claudia Aguirre, Chair
Gary Kelly, Deputy Chair
Pascal Desroches
James Hill
Victor Pierson
Joe Quiroga
Ruth Simmons
Cindy Taylor

The following branch directors also participated:

<u>El Paso Branch Directors</u>
Tracee Bentley
Leila Melendez
Kari Mitchell
Christian Perez-Giese
Von Washington

<u>Houston Branch Directors</u>
Ric Campo
Cynthia Colbert
Bob Patel
Gary Petersen
Vanessa Wyche

<u>San Antonio Branch Directors</u>
Veronica Edwards
Gabe Guerra
Tyson Tuttle

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The following advisory council members attended a portion of the meeting as presenters:

Community Depository Institutions Advisory Council
Byron Bexley

Community Advisory Council
Carine Feyten

Federal Advisory Council
Phil Green

The following members of the Bank's staff also participated:

Lorie Logan, President and Chief Executive Officer
Robert L. Triplett, First Vice President and Chief Operating Officer
Mark Gould, Chief Payments Executive (visiting presenter from Federal Reserve Bank of San Fransico)
Tommy E. Alsbrooks, Senior Vice President and Chief Information Officer
Roberto Coronado, Senior Vice President and Senior Economist
Jeffrey L. Garrett, Chief Financial and Risk Officer
Emily Greenwald, Senior Vice President
Melissa Hunt, Senior Vice President and Chief Product Officer
Karel Mertens, Senior Vice President and Director of Research
Heidi Mitchell, Senior Vice President
Daron Peschel, Senior Vice President in Charge, Houston Branch
Mike Schetzel, Senior Vice President and Chief of Staff
Sam Schulhofer-Wohl, Senior Vice President and Senior Advisor to the President (virtual)
Katherine Sedgwick, Senior Vice President and General Auditor
David Teeples, Senior Vice President, General Counsel, and Interim Corporate Secretary
Rebecca Zarutskie, Senior Vice President
Donald Bowers, Vice President and Regional Executive
Christine Docherty, Vice President and Deputy General Counsel
Gina Gadson-Richards, Vice President and Deputy Chief of Staff
Deborah Kilroe, Vice President
Sai Nori, Vice President and Deputy Chief of Staff
Pia Orrenius, Vice President
Alex Ritcher, Vice President
Seth Searls, Vice President
Guhan Venkatu, Vice President and Regional Executive
Mark Wynne, Vice President, Associate Director of Research
Amy Chapel, Assistant Vice President

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Jim Dolmas, Assistant Vice President
Christina Gonzalez, Assistant Vice President
Missy Luton, Assistant Vice President and Associate General Counsel
Enrique Martinez-Garcia, Assistant Vice President
Armida Riojas, Assistant Vice President and Regional Executive
Alessio Saretto, Assistant Vice President
Chris Schreck, Assistant Vice President
Veronica Pompa, Supervisor
Sam Parson, Senior Counsel and Recorder
Tyler Atkinson, Senior Business Economist II
Kim Brown, Senior Risk Specialist
Rosie Levy, Senior Financial Economist I
Seth Dunbar, Senior Risk Specialist
Ron Mau, Senior Business Economist II
Diego Morales-Burnett, Research Analyst
Labon Cook, Audio/Visual Specialist
Azucena Greggerson, Senior Executive Assistant

WELCOME

Ms. Aguirre extended a cordial welcome to all attendees and called the meeting to order at 8:30 a.m. Additionally, each director and advisory council representative provided a brief self-introduction.

ADMINISTRATIVE MATTERS

The Dallas directors unanimously approved and adopted the minutes of the Board of Directors Special Meeting held on November 20, 2025; and pursuant to a comment from a director regarding the minutes of the Board of Directors Meeting held on October 23, 2025 it was determined that those minutes would be reviewed for clarification and presented for approval at the following Board meeting.

Mr. Teeples summarized the governance for determining voting members on the Federal Open Market Committee from among the Reserve Bank presidents. Following a discussion and upon motion made, the Dallas directors voted unanimously to adopt the Election of Representative to the Federal Open Market Committee resolution as presented.

RETIRING DIRECTORS RECOGNITION

Ms. Aguirre referred to the retirements of the following directors whose terms expire on December 31, 2025: Cindy Taylor, Joe Quiroga, Gary Petersen, and Von Washington. Ms. Aguirre recognized each of the retiring directors and expressed the Bank’s appreciation for their dedicated service to the Federal Reserve System. Ms. Aguirre indicated that resolutions had been prepared to recognize their service to the Bank and the System during their tenure. Upon motion made, the directors voted unanimously to adopt the retirement resolutions as presented.

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OPENING REMARKS

Ms. Logan thanked the retiring directors for their service to the Bank and the Federal Reserve System and welcomed everyone to the meeting. Ms. Logan provided the directors with an overview of the list of proposed special topics for 2026. Lastly, Ms. Logan shared insights from the Bank's recent outreach events and previewed upcoming events.

STABLECOINS

Ms. Levy presented a report on recent developments in stablecoins, including the costs and benefits of stablecoins and their potential use cases.

FEDERAL RESERVE FINANCIAL SERVICES YEAR IN REVIEW

Mr. Gould provided updates on Federal Reserve Financial Services. He noted that, similar to instant payment networks, many digital innovations share a set of desirable features, such as 24/7/365 access, instant transfer of value, and a high degree of transparency. Mr. Gould highlighted that FedNow could be helpful for corporate treasury management, citing its ability to deliver precise and immediate payments. Notably, the U.S. Treasury recently utilized FedNow to disburse FEMA payments, and government adoption is expected to expand.

U.S. NATIONAL ECONOMIC UPDATE

Mr. Atkinson briefed on current U.S. economic conditions and reviewed how economic conditions evolved over the course of the year. He stated that at the start of 2025 inflation was expected to slow from around 3% to near 2% and unemployment was expected to gradually drift up. These expectations changed early in the year, driven by larger than expected tariffs. Mr. Atkinson explained that early in the year inflation had generally come in near the 2% expectation, but after the scale of tariffs was fully known, inflation ticked upwards and was on track to end the year around 3%. He also stated that unemployment gradually increased in line with expectations. He noted Gross Domestic Product ("GDP") was more of a surprise, showing more resilience than expected, and appeared on track to grow near 2% this year.

Mr. Atkinson cited that forecasters now expect the unemployment rate to move roughly sideways near 4.5% in 2026, GDP growth to continue around 2%, and inflation to gradually slow toward the target over the next several years.

ADVISORY COUNCIL REPORTS

Mr. Green reported on the Federal Advisory Council meeting that took place November 18, 2025. He highlighted the key topics covered in the meeting: (i) labor market conditions and (ii) trends in open banking. Discussion ensued.

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Ms. Feyten reported on the Community Advisory Council meeting that took place November 12, 2025. She highlighted the key topics covered in the meeting, including challenges related to: (i) labor market and (ii) accessibility of artificial intelligence (AI) governance. Discussion ensued.

Mr. Petersen reported on the Energy Advisory Council meeting that took place November 19, 2025. He highlighted the key topics covered in the meeting, including: (i) the outlook of U.S. oil production, (ii) AI in automation, and (iii) residential electricity market concerns. Discussion ensued.

Mr. Bexley reported on the Community Depository Institutions Advisory Council meeting that took place November 13, 2025. He highlighted the key topics covered in the meeting, including: (i) labor market insights, (ii) consumer spending, and (iii) residential real estate concerns. Discussion ensued.

Mr. Mertens reported on the Academic Advisory Council meeting that took place November 7, 2025. He highlighted the key topics covered in the meeting, including the: (i) labor market and (ii) outlook for monetary policy in 2026. Discussion ensued.

Mr. Searls reported on the Financial Sector Advisory Council meeting that took place November 18, 2025. He highlighted the key topics covered in the meeting, including the: (i) key economic and financial trends and (ii) policy outlook for 2026. Discussion ensued.

[The advisory council members departed the meeting.]

REPORT OF ECONOMIC CONDITIONS

Next, the Dallas and Branch directors each provided updates and reported on the economic conditions from their respective regions and business sectors. Discussion ensued regarding: (i) the manufacturing landscape, (ii) labor market challenges, (iii) energy sector trends, (iv) consumer trends, (v) trends in government contracting, (vi) real estate markets, both residential and commercial, (vii) higher education, (viii) the airline industry, and (ix) regional trends around the state of Texas.

DISCUSSION OF ECONOMIC CONDITIONS

The Chair opened the floor for discussion and a conversation ensued on the economic conditions.

BANK OPERATIONS REPORT

Mr. Triplett highlighted the Bank’s financial performance, which was included in the 11K Review Board of Directors Report. He reviewed the Bank’s current budget status with the directors, providing additional context on the financials. Additionally, Mr. Triplett provided operational updates on the Bank’s performance. Mr. Triplett presented the dividend resolution and provided a brief overview of how the dividend is calculated and the frequency of payment. Upon motion made, the Dallas directors voted unanimously to adopt the dividend resolution as presented.

APPOINTMENT OF FEDERAL ADVISORY COUNCIL MEMBER

Ms. Aguirre provided the directors an overview of the Federal Advisory Council member appointment process and Ms. Greenwald provided described the background and qualifications of the recommended appointee, Mr. Phil Green, Chairman and CEO of Cullen/Frost Bankers Inc. and Frost Bank. After the discussion, the Board unanimously approved the motion for the re-appointment of Mr. Green as a member of the FAC.

[Ms. Aguirre called for the Executive Session to begin; all participants left the meeting except Dallas directors, Lorie Logan, Robert Triplett, Mike Schetzel, David Teeples and Missy Luton.]

DISCOUNT RATE ACTION

Ms. Logan thanked the directors for the insights provided from their respective industries and regions. She then provided her perspectives on current economic conditions. Finally, Ms. Logan recommended holding the primary credit rate at 4.00 percent. Discussion ensued.

Following the discussion, the directors voted to maintain the primary credit rate at 4.00 percent. In addition, the directors acted to maintain the formulas for calculating the secondary credit rate and the seasonal credit rate.

[Mr. Desroches departed the meeting.]

2026 STANDING COMMITTEE ASSIGNMENTS AND INDEPENDENCE DETERMINATION

Ms. Aguirre led the discussion on the proposed standing committee assignments and independence determination for the Board Audit Committee members. Discussion ensued. Following the discussion, Ms. Aguirre called for a motion and second, and the Board voted unanimously on the affirmative determination of independence of the proposed Audit Committee members and the proposed 2026 committee assignments as follows:

- Audit Committee: Pascal Desroches (chair), James Hill, Hunter Hunt, Victor Pierson, and Claudia Aguirre (ex officio);

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- Budget Planning Committee: Robert Hulsey (chair), Gary Kelly, and Hunter Hunt;
- Executive Committee: Claudia Aguirre (chair), Gary Kelly, Ruth Simmons, Pascal Desroches, and Robert Hulsey.
- Nominating and Governance Committee: Ruth Simmons (chair), Claudia Aguirre, Gary Kelly, James Hill, and Harry (Johnny) Brooks.

ETHICS OFFICER REPORT

Mr. Teeples provided the Bank's 2025 Ethics Report to the Board. After discussion with the directors, there were no objections to the report as presented.

[Ms. Aguirre called for the Third Executive Session to begin; all participants left the meeting except Dallas directors and Lorie Logan.]

THIRD EXECUTIVE SESSION

The Dallas directors met in executive session with Ms. Logan.

MATERIALS FOR REVIEW

Each director received the following documents, which were filed with the Secretary:
(1) Board of Directors Meeting Minutes – October 23, 2025
(2) Board of Directors Special Meeting Minutes – November 20, 2025
(3) Election of Representative to FOMC Resolution
(4) 2026 Proposed Special Topics List
(5) Resolution – Joe Quiroga
(6) Resolution – Cindy Taylor
(7) Resolution – Von Washington
(8) Resolution – Gary Peterson
(9) Stablecoin Overview
(10) Economic Conditions Update
(11) 11K Review Board of Directors Report
(12) Conference of Chairs Report
(13) Dividend Resolution
(14) Federal Advisory Council Member Appointment
(15) Standing Committees effective January 1, 2026
(16) Independence Analysis
(17) Annual Ethics Update
(18) San Antonio Board of Directors Summary – December 4, 2025
(19) El Paso Board of Directors Summary – December 4, 2025
(20) Houston Board of Directors Summary – December 4, 2025

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(21) Texas Economic Indicators

ADJOURNMENT

The meeting adjourned at 12:31 p.m.

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Interim Corporate Secretary DT:sp

APPROVED: ______________________________ Chair