

COFI Disclosure

Disclosure Regarding the Cost of Funds Indices

Published by the Federal Home Loan Bank of San Francisco

As of January 21, 2014

Although the Federal Home Loan Bank of San Francisco (Bank) makes a good faith effort to be accurate in the calculation and publication of the cost of funds indices it publishes (the 11th District Monthly Weighted Average Cost of Funds Index, known as the COFI, and the semiannual weighted average cost of funds indices for California and the 11th District), the Bank does not warrant, confirm, or guarantee the accuracy of the data it receives from its COFI Reporting Members, the accuracy of the cost of funds calculations, or the accuracy of the cost of funds indices as published, and, in general, will not revise or republish any cost of funds index after the publication date. The Bank does not examine the books and records of its COFI Reporting Members for the purpose of confirming the accuracy of the data they deliver to the Bank used to calculate the cost of funds indices, and the Bank expressly disclaims all liability that may arise from any use of any cost of funds index or the use of inaccurate data received from its COFI Reporting Members in calculating the cost of funds indices. Similarly, the Bank does not examine the books and records of its members for the purpose of confirming the accuracy of the information they deliver to the Bank that is used to determine which members are eligible to be COFI Reporting Members, and the Bank expressly disclaims all liability that may arise from the use of inaccurate information received from its members in determining which members are eligible to be COFI Reporting Members. In addition, the Bank expressly disclaims any liability to any person for any inaccuracy in any cost of funds index, regardless of the cause, or for any resulting damages.

If the Bank believes that it may not receive timely cost of funds data from any COFI Reporting Member for any reason, or other relevant information from other savings institution members, the Bank may request the assistance of the Office of the Comptroller of the Currency ("OCC") in obtaining that data. (The OCC is the federal banking agency with the jurisdiction to enforce 12 C.F.R. Sec. 163.180(e), the regulation that requires COFI Reporting Members to report the data necessary to calculate the cost of funds indices.) If any of the Bank's COFI Reporting Members do not transmit the necessary data according to the timetable described in the paragraph below, the Bank nevertheless intends to make a good faith effort to publish the cost of funds indices as scheduled, based on whatever data it has received from those COFI Reporting Members that have reported. If the Bank publishes a cost of funds index based on data received from fewer than all of the COFI Reporting Members eligible to report data for that month, then the Bank will disclose both the number of eligible COFI Reporting Members and the number of COFI Reporting Members that reported data for that month.

The Bank accepts data for the COFI for a given month from its COFI Reporting Members until 12 noon California time on the last business day of the following month and publishes the COFI for that given month based on data received by that time. In general, to be included in the calculation of the semiannual indices, any new or corrected data for any month in the applicable six-month period must be received by the Bank in accordance with the Bank's procedures by 12 noon on August 15 and February 15 respectively (or if that day is not a business day, the following business day). The Bank will not revise or republish any cost of funds indices based on new or corrected data received after the applicable time for accepting data and expressly disclaims all liability that may arise as a result. In addition, although the Bank makes a good faith effort to publish the cost of funds indices on the scheduled dates of publication, the Bank does not guarantee that it will always publish the cost of funds indices on those dates, and the Bank expressly disclaims any liability for any delay in publishing any cost of funds index.

Certain corporate activity, such as charter changes or mergers, may cause the Bank to determine that a financial institution no longer qualifies as a COFI Reporting Member and will no longer be included in the cost of funds indices. Such corporate activity may also cause the Bank to determine that a financial institution has become qualified to be a COFI Reporting Member and will be included in the cost of funds indices. If a new member joins the Bank and it satisfies the Bank's criteria for inclusion, it will be added to the COFI Reporting Members. However, if a COFI Reporting Member's Bank membership is terminated, it will no longer be included in the COFI Reporting Members. The impact of such removals from, or additions to, the COFI Reporting Members on the cost of funds indices will depend entirely on the amount of interest expense and total funds of the entity being removed or added, and may be significant. The cost of funds indices could also be affected by market conditions and other financial circumstances affecting the reported interest expense and total funds of the COFI Reporting Members, all of which are beyond the control of the Bank. As a result, historical rates for any cost of funds index should not be relied on as indicative of future rates for that cost of funds index.

The Bank is under no obligation and assumes no responsibility to notify anyone about potential or expected changes in the cost of funds indices for any reason, including changes resulting from any known or anticipated corporate activity by current or potential COFI Reporting Members, and the Bank expressly disclaims all liability to anyone for any changes in the cost of funds indices resulting from changes to COFI Reporting Members and for any resulting damages. In addition, the Bank may discontinue publication of any semiannual index within its sole discretion at any time without notice.