



CRA PUBLIC FILE

2023

CRA Officer

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Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

August 23, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Armed Forces Bank, National Association
Charter Number 8796
320 Kansas Avenue
Fort Leavenworth, Kansas 66027

Office of the Comptroller of the Currency
7101 College Boulevard, Suite 1600
Overland Park, Kansas 66210

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on Armed Forces Bank's (AFB) excellent lending to borrowers of different incomes for consumer and home mortgages, excellent consumer lending in geographies of different incomes, a substantial majority of the bank's lending by both number and dollar in the assessment area (AA), and reasonable loan-to-deposit (LTD) ratio. The Office of the Comptroller of the Currency (OCC) gave primary lending performance consideration to consumer loans, followed by home mortgage loans.
- The Community Development (CD) Test rating is based on excellent responsiveness by the bank in meeting the CD needs of its AA through the combined loans, investments, donations, and services provided. AFB qualified \$15.5 million in CD loans and investments, representing 9.1 percent of tier 1 capital. AFB employees also performed 2,788.5 hours of CD services to 67 different organizations.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. AFB's quarterly average LTD is reasonable when reviewing their capacity to lend within their customer base and the capacity of other similarly situated institutions to lend. The bank's quarterly LTD ratio from March 31, 2018 to December 31, 2020 averaged 72.41 percent, with a high of 80.34 percent and low of 57.52 percent. The combined average quarterly LTD ratio for five competitor banks was 62.41 percent over the same period, and the ratios for each competitor bank ranged between 42.54 percent and 82.52 percent. The asset size of the competitor banks ranged from \$512.7 million to \$2.2 billion, with an average size of \$1.3 billion. AFB ranked the third largest in asset size. Competitors, including three credit unions, lend to military and military-related personnel. According to military rules for installations, a base or post can have one bank and one credit union. Due to this, credit unions are direct competition for AFB and warranted a comparison.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA. The bank originated and purchased 100 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Loans inside the AA are considered as part of the geographical distribution analysis under the Lending Test. Based on management information system (MIS) reports, mortgage and consumer loan originations during the evaluation period totaled 96 percent, by number, to customers with a deposit relationship.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		#	\$	%	\$	
Home Mortgage	1,346	100.0	0	0.0	1,346	373,297	100.0	0	0.0	373,297
Consumer	10,751	100.0	0	0.0	10,751	1,818	100.0	0	0.0	1,818
Total	12,097	100.0	0	0.0	12,097	375,115	100.0	0	0.0	375,115
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Description of Institution

AFB is a \$1.2 billion interstate financial institution headquartered in Fort Leavenworth, Kansas. AFB is a wholly owned subsidiary of Dickinson Financial Corporation (DFC), a \$3.6 billion multi-bank holding company headquartered in Kansas City, Missouri. DFC also owns Academy Bank, National Association (Academy), which is headquartered in Kansas City, Missouri.

AFB has one AA that includes its entire deposit customer base, the entire United States. The CRA regulation allows this option for banks whose business predominantly consists of serving the needs of military personnel or their dependents that are not located within a defined geographic area. Major competitors include credit unions on military installations, payday lenders, specialized consumer lenders, and organizations with military affiliations.

AFB operates 27 full-service branches throughout 12 states: Arizona, California, Colorado, Georgia, Illinois, Kansas, Kentucky, Missouri, New York, Nevada, Texas, and Washington. Twenty-five of the 27 branches are located across 19 military installations. AFB has two off-post branches one in Leavenworth, Kansas and one in Junction City, Kansas, all in close proximity to the Fort Leavenworth and Fort Riley military installations, respectively. During the evaluation period, AFB closed five branches and opened one branch. Branch closings did not adversely affect the accessibility of AFB's delivery systems to low- and moderate-income (LMI) geographies or individuals. One branch was closed in a moderate-income geography; however, an ATM remains available. Additionally, there are other financial institutions on base where services can be accessed.

AFB offers automated teller machines (ATMs) at each of its bank locations with eight locations having deposit-taking ATMs. There are no fees charged for use of ATMs with Academy, another bank under the holding company. There is access to 30,000 plus ATMs through the MoneyPass network. Through a program, customers can add cash to debit cards at the registers of Walmart at over 4,000 locations. AFB offers the Access Checking Account product to allow customers early access to Defense Finance Accounting Service (DFAS) military pay and lower fees. Early Pay is also available to Army and Air Force Exchange Service, Navy Exchange Service Command, and Commissary employees.

AFB's primary strategic focus is to operate a military banking franchise that delivers quality financial products and services. Product offerings include various consumer loans, secured credit cards, residential real estate loans, and home equity lines of credit. Consumer lending is a major credit need for military service members and their dependents.

AFB has various consumer lending products, including a small dollar lending program, Access Program, to address the credit needs of military and LMI borrowers. For the Access Program, the maximum loan amounts were \$1,250 with liberal underwriting and loan terms for LMI borrowers. AFB originated a total of 8,108 non-card consumer loans during the evaluation period, which 41.3 percent were for LMI borrowers. AFB originated 7,122 consumer loans of \$1,250 or less with LMI individuals receiving approximately 45 percent of these loans. In addition, AFB has a secured credit card program of \$1,000 or less to assist LMI individuals in developing their credit. These programs provide military borrowers lending options at reasonable costs.

As of December 31, 2020, net loans represented 49.6 percent of total assets. AFB's loan portfolio, by dollar volume, consisted of 78.2 percent real estate, 18.4 percent commercial, 1.0 percent consumer, and 2.4 percent other loans. Net tier 1 capital is \$171.1 million and total deposits is \$987.9 million.

Ninety-one percent of AFB accounts are opened on base and nine percent virtually.

There are no legal, financial, or other factors impeding AFB's ability to meet credit needs in its communities. AFB received an "Outstanding" rating in its previous CRA examination dated May 29, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period is January 1, 2018 through December 31, 2020. We included all home mortgage loans reported under HMDA and consumer loans originated or purchased by AFB during the evaluation period to assess the bank's performance under the Lending Test. The greatest weight was placed on consumer loans as they account for the greatest number of loans made by the bank during the evaluation period. Home mortgages are the primary product by dollar volume. We also evaluated CD loans, qualified investments, CD services, and retail services during the evaluation period to assess performance under the Community Development Test.

Selection of Areas for Full-Scope Review

We evaluated AFB under the provision of 12 CFR 25.41(f), which allows institutions serving the needs of primarily military personnel and their dependents to define its AA as the entire deposit customer base. AFB identifies as a military bank with a primary focus of serving military personnel and their dependents.

Refer to appendix A for more information.

Ratings

The bank's overall rating is based on AFB's performance within its entire deposit customer base located throughout the United States.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

United States

CRA rating for the United States¹: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- AFB's LTD ratio is reasonable.
- A substantial majority of AFB's lending activity was within the AA.
- AFB's borrower distribution of loans was excellent.
- AFB's geographic distribution of loans was excellent.
- AFB demonstrated excellent responsiveness to the AA's CD needs through CD loans, investments, and services.

Description of Institution's Operations in the United States

AFB's AA consists of its entire deposit customer base. Institutions that predominantly serve military personnel are afforded this option under 12 CFR 25.41(f). AFB's deposit customer base is located throughout the United States (US) and a number of other countries all over the world where US military personnel are assigned. AFB operates 27 full-service branches throughout 12 states: Arizona, California, Colorado, Georgia, Illinois, Kansas, Kentucky, Missouri, Nevada, New York, Texas, and Washington. Twenty-five branches are located across 19 military installations. Two off-post branches in Kansas are in close proximity to military installations. AFB has 27 total ATMs located at its banking facilities with eight of the ATMs being deposit-taking ATMs.

According to the U.S. Census Bureau from the 2020 census, the US population is approximately 331.4 million. From the 2010 US Census to the 2020 census, the US population grew at 7.4 percent. The greatest population growth occurred in the South at 10.2 percent and in the West at 9.2 percent. The Northeast and Midwest grew at 4.1 percent and 3.1 percent, respectively.

As of 2019, total US military personnel was over 3.5 million, including all active duty, Coast Guard, Ready Reserve, Retired and Stand-by Reserve, and Department of Defense (DoD) civilian personnel. For active duty personnel, 87.4 percent are located in the US and its territories with the greatest concentration in California, Virginia, Texas, North Carolina, Georgia, Florida, Washington, Hawaii, South Carolina, and Colorado. As of November 2020, 82 percent of the US military was enlisted personnel, with officers making up the remaining 18 percent.

In December 2020, the US poverty level was 11.8 percent, increasing by 2.5 percent in the latter half of 2020 and is attributed to the economic impacts of the COVID-19 pandemic across the US. The

¹ This rating reflects performance within the United States.

June 2020 poverty level was estimated at 9.3 percent. This is a decrease from a pre-pandemic level of 10.5 percent in 2019.

Competition for financial services to military personnel is strong and includes credit unions on military installations, payday lenders, specialized consumer lenders, and organizations with military affiliations. AFB bank branches compete directly with some credit unions on base. AFB deposit market share in the US is at less than .01 percent.

Employment and Economic Factors

The US economy is the world's largest with a Gross Domestic Product (GDP) of \$20.94 trillion, down from \$21.43 trillion in 2019. The 2020 GDP per capita income is \$63,544, down from the 2019 high of \$65,280. Within the US, the state of California has the highest GDP (\$3.2 trillion) and the state of West Virginia is one of the poorest with a GDP of \$76.4 billion. The US has one of the most diverse sectors of commerce and industry. Major industries within the US economy as contributors by percentage to the US GDP include finance/insurance/real estate/rental/leasing (22.3 percent), professional and business services (12.8 percent), government (12.6 percent), manufacturing (10.8 percent), and educational services/health care/social assistance (8.6 percent). The prominent industries in the states in which AFB operates chiefly include real estate/rental/leasing, professional and business services, manufacturing, information, finance and insurance, and education and health services. The largest national employers in 2019 include the US Government, US Post Office, US Military, Walmart, Amazon, Allied Universal, FedEx, Kroger, Yum Brands, and Home Depot.

Defense and military spending in the US have major impacts on state and local economies. In Kansas, where AFB's headquarters are located, defense personnel payroll totaled \$2 billion, with 39,000 defense personnel and military contracts awarded totaled \$1.3 billion. In California, defense personnel payroll totaled \$16 billion, with 270,000 defense personnel and military contracts awarded totaled \$50 billion. For Washington, defense personnel payroll totaled \$6.7 billion, with 109,000 defense personnel and military contracts awarded totaled \$11 billion.

Housing

According to an article from the Military Times, many active-duty families living outside of military installations are paying more than \$200 for out-of-pocket housing costs above their Basic Allowance for Housing (BAH). The DoD paid, to approximately one million service members, about \$22 billion for BAH. According to the DoD, BAH for 2020 is between \$68 to \$148 per month. BAH is calculated on factors such as the median current market rent and average utilities of an area into the total housing cost. Costs are computed based on housing type and the number of bedrooms. BAH rates are also calculated for paygrades and the number of dependents. Out-of-pocket costs are calculated to be approximately five percent of the actual cost of rent and utilities. By law, BAH is designed to cover 95 percent of housing rental payments and utilities in the private sector. Researchers noted the COVID pandemic impacts put additional constraints on the housing market, which may affect service members' costs.

According to the American Community Survey (ACS) Census data, total housing for the US consists of 56 percent owner-occupied units, 32.6 percent rental units, and 12.4 percent vacant units. The estimated median owner-occupied housing cost for 2015-2019 was \$1,595 per month for a mortgage. Enlisted military personnel at the E-6 level basic pay with 10 years in the military is less than \$3,900/month. Basic pay for E-4 and E-3 levels is \$2,829/month, and \$2,372/month, respectively.

Community Contact

We contacted a community outreach organization that serves military personnel. The contact identified financial literacy and education as the primary need, particularly for junior enlisted military personnel. New recruits and enlisted personnel are large users of consumer credit with limited financial education. Consumer lending is the primary lending need, as the military provides housing to most recruits and military members. The contact indicated lending and credit needs of personnel are being met by the banks, but that military regulations prohibit banks from going directly to enlisted personnel, who are in need of financial education. The contact stated the banks are doing a good job of reaching children of military members in schools with financial literacy. AFB was specifically mentioned by the contact as playing a positive, active role in meeting the credit needs of the community.

United States – Full-Scope

Table A – Demographic Information of the Assessment Area						
Assessment Area: United States						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74,135	8.0	22.4	42.0	25.8	1.8
Population by Geography	320,473,259	6.6	21.6	43.0	28.3	0.4
Housing Units by Geography	135,060,758	6.5	21.3	44.2	27.8	0.2
Owner-Occupied Units by Geography	75,623,284	2.8	16.5	47.2	33.4	0.1
Occupied Rental Units by Geography	42,658,186	12.4	29.1	38.2	19.9	0.4
Vacant Units by Geography	16,779,288	8.2	22.6	46.3	22.6	0.3
Businesses by Geography	28,186,620	5.3	18.3	38.9	36.9	0.7
Farms by Geography	878,002	2.2	13.6	55.0	29.2	0.1
Family Distribution by Income Level	78,140,364	22.3	17.1	19.6	41.0	0.0
Household Distribution by Income Level	118,170,507	24.6	15.9	17.4	42.1	0.0
Median Family Income MSA		\$66,919	Median Housing Value			\$224,511
Households Below Poverty Level - 14.69%		Median Gross Rent			\$984	
Median Household Income - \$59,188					Families Below Poverty Level 11.7%	
Source: 2015 ACS and 2020 D&B Data; Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in the United States

We evaluated AFB under the provision of 12 CFR 25.41(f), which allows institutions serving the needs of primarily military personnel and their dependents to define its AA as the entire deposit customer base. AFB identifies as a military bank with a primary focus of serving military personnel and their dependents.

Refer to appendix A for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE UNITED STATES

LENDING TEST

The bank's performance under the Lending Test in the United States is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the United States is excellent.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. The bank exhibits a reasonable geographic distribution of home mortgage loans and an excellent distribution of consumer loans in the AA.

We placed greater weight on consumer lending as this represents 89 percent of AFB's lending activity by number of loans and consumer lending is a primary credit need for service members. Residential lending is not a major credit need with limited lending opportunities and demand due to the provision of housing on military installations where many new recruits and enlisted personnel reside. The housing boom in 2020 also caused housing prices to increase and reduced available housing inventories affecting the availability of affordable homes in LMI geographies. Housing prices for 2020 have increased nearly 11 percent with average home prices in the US for the evaluation period totaling nearly \$380,000, further affecting the ability of military borrowers to purchase homes.

Home Mortgage Loans

Refer to Table O in the US section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall performance in the evaluation period demonstrated reasonable dispersion. Performance to LMI geographies was reasonable. The percentage of loans to moderate-income geographies was below demographics and near to the aggregate percentage of all reporting lenders. Greater weight was placed on performance in the moderate-income tracts due to the very low percentage of owner-occupied housing in low-income tracts. The percentage of loans to low-income geographies was below demographics and the aggregate percentage of all reporting lenders.

Consumer Loans

Refer to Table U in the US in appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

Overall performance during the evaluation period was excellent for the bank's geographic distribution of consumer loans. Lending to borrowers in moderate-income tracts significantly exceeded demographics in the AA. Lending to borrowers in low-income tract was reasonable and slightly above the demographics in the AA. Greater weight was placed on performance in the moderate-income tracts due to the very low percentage of owner-occupied housing in low-income tracts.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels. The bank exhibits a reasonable borrower distribution of home mortgage loans and an excellent distribution of consumer loans in the AA.

We placed greater weight on consumer lending as this represents 89 percent of AFB's lending activity by number of loans and consumer lending is a primary credit need for service members. Residential lending is not a major credit need with limited lending opportunities due to the provision of housing on military installations. The housing boom in 2020 also caused housing prices to increase and reduced available housing inventories affecting the availability of affordable homes to LMI individuals.

Home Mortgage Loans

Refer to Table P in the US in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is reasonable. Performance to low-income borrowers was below demographics and near to the aggregate percentage of all reporting lenders. We gave consideration to the fact that 11.7 percent of families are below the poverty level. Performance to moderate-income borrowers was below both demographics and the aggregate percentage of all reporting lenders.

Consumer Loans

Refer to Table V in the US in appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

Overall performance during the evaluation period was excellent for the bank's borrower distribution of consumer loans. Lending to borrowers of different income levels significantly exceeded demographics in the AA.

Responses to Complaints

There were no complaints noted regarding the bank's CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the US is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

AFB's CD loans and qualified investments totaled \$15.5 million. This represents 9.1 percent of tier 1 capital. AFB employees also performed 2,788.5 hours of CD services to 67 different organizations.

Number and Amount of Community Development Loans

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
US and Territories	3	100.0	6,000	100.0

AFB originated three CD loans totaling \$6 million or 3.5 percent of tier 1 capital during the evaluation period. The three loans qualified as meeting the affordable housing needs in the AA by providing funding for a senior care facility for LMI individuals.

Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, set forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of the examination date.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
US and Territories	2	1,119	97	8,338	99	100.0	9,457	100.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

AFB originated 99 qualified investments and donations during the evaluation period. Qualified investments and donations, including prior period investments, made during the evaluation period totaled \$9.5 million, which represents 5.5 percent of allocated tier 1 capital. Management provided four current period investments totaling \$8.3 million and two prior period investments totaling \$1.1 million. The investments represent mortgage loan pools directed at affordable housing needs for LMI individuals. AFB also made 93 donations totaling \$128 thousand during the evaluation period to 67 different organizations. Donations supported organizations providing community services including food banks, emergency funds, legal services, tax services, and community support programs.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, 57 employees provided their expertise to 67 different organizations for a total of 2,788.5 hours. AFB employees focused on community services to LMI individuals, which was primarily financial education.

Branches are readily accessible to geographies and individuals of different income levels in the AA. AFB has no branches in low-income tracts, but has ten branches located in moderate-income tracts, representing 37 percent of the bank's total bank branches, which compares to 21.6 percent of the population in moderate-income geographies.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	Lending Test and Community Development: 1/1/2018 to 12/31/2020	
Bank Products Reviewed:	Home mortgage and consumer loans. Community development loans, qualified investments, community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Entire Deposit Customer Base (United States and its territories)	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS Armed Forces Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
AFB	Outstanding	Outstanding	Outstanding
AA:			
United States	Outstanding	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with

the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2020 US plus Territories	1,346	373,297	100.0	17,241,408	2.8	1.5	2.0	16.5	11.4	12.7	47.2	45.7	42.6	33.4	41.3	42.6	0.1	0.1	0.1
Total	1,346	373,297	100.0	17,241,408	2.8	1.5	2.0	16.5	11.4	12.7	47.2	45.7	42.6	33.4	41.3	42.6	0.1	0.1	0.1
Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			
Armed Forces Bank National As (10000008796) excluded from Aggregate																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
2020 US plus Territories	1,346	373,297	100.0	17,241,408	22.2	3.7	4.6	17.1	11.1	14.7	19.5	18.2	20.5	41.0	33.4	41.9	0.0	33.6	18.2
Total	1,346	373,297	100.0	17,241,408	22.2	3.7	4.6	17.1	11.1	14.7	19.5	18.2	20.5	41.0	33.4	41.9	0.0	33.6	18.2
Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			
Armed Forces Bank National As (10000008796) excluded from Aggregate																			

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography 2018-20

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2020 US plus Territories	10,751	1,818	100.0	6.3	7.8	21.1	28.5	43.9	42.7	28.6	20.2	0.2	0.8

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.
Due to rounding, totals may not equal 100.0%

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower 2018-20

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2020 US plus Territories	10,751	1,818	100.0	24.6	29.5	15.9	28.3	17.4	24.5	42.1	17.1	0.0	0.6
Total	10,751	1,818	100.0	24.6	29.5	15.9	28.3	17.4	24.5	42.1	17.1	0.0	0.6

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.
Due to rounding, totals may not equal 100.0%