



PUBLIC DISCLOSURE

May 29, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Armed Forces Bank, National Association
Charter Number 8796

320 Kansas Avenue
Ft. Leavenworth, KS 66027-3400

Office of the Comptroller of the Currency

7101 College Boulevard
Suite 1600
Overland Park, KS 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

The Lending Test is rated: **Outstanding**.

The Community Development Test is rated: **Outstanding**.

The major factors supporting this rating include:

- Armed Forces Bank, National Association's (AFB) loan-to-deposit (LTD) ratio was reasonable.
- A majority of lending activity was inside the assessment area (AA).
- AFB's borrower distribution of loans was excellent, considering the excellent distribution of consumer loans and reasonable distribution of home mortgage loans.
- AFB's geographic distribution of loans was excellent, considering the excellent distribution of consumer loans and reasonable distribution of home mortgage loans.
- AFB provided excellent responsiveness to community development (CD) needs of the AA through CD lending, investments, and services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

Census Tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 metropolitan area/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. 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 it and half below it.

Metropolitan Area: Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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: 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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

AFB is a \$1.1 billion interstate financial institution headquartered in Fort Leavenworth, Kansas. AFB is a wholly owned subsidiary of Dickinson Financial Corporation (DFC), a \$2.4 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.

In June 2015, DFC consolidated its charters from five banks into two (Academy and AFB). DFC merged Armed Forces Bank of California into AFB. Consistent with DFC's consolidation plan, Academy purchased all in-store (Wal-Mart) locations from AFB.

AFB has one AA that includes its entire deposit customer base. 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 36 full-service branches throughout 15 states: Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Missouri, New Jersey, Nevada, Texas, Virginia, and Washington. Thirty-Three of the 36 branches are located across 25 military installations. AFB has two off-post branches 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 16 branches. Branch closings did not adversely affect the accessibility of AFB's delivery systems to low- and moderate- income (LMI) geographies or individuals. There were no branch openings during the evaluation period.

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, home equity lines of credit, and commercial loans. Consumer lending is a major credit need for military servicemembers and their dependents.

As of December 31, 2017, net loans represented 61 percent of total assets. AFB's loan portfolio, by dollar volume, consisted of 69 percent real estate, 29 percent commercial, and 2 percent other loans. Net Tier One Capital is \$178 million and total deposits is \$861 million. Ninety-five percent of AFB deposits are located at military branches with the remaining five percent opened online.

There are no legal, financial, or other factors impeding AFB's ability to meet credit needs in its communities. AFB received a "Satisfactory" rating in its previous CRA examination dated July 6, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We analyzed all home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and consumer loans for the period January 1, 2015 through December 31, 2017. Consumer loans were the primary product by number, which is consistent with the primary credit needs of the military. The primary product by dollar volume was home mortgage loans. We also reviewed CD loans, investments, and services for the same evaluation period.

Data Integrity

As part of our ongoing supervision of the institution, we tested the accuracy of HMDA and consumer lending data. AFB collects and maintains data on consumer loans. We also reviewed the appropriateness of CD activities provided for consideration in our evaluation. This included testing CD loans, investments, and services for accuracy and to determine if they qualify as CD, as defined in the CRA regulation. Based on our review, data was accurate and reliable.

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 Consumer Financial Protection Bureau, 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.

Conclusions with Respect to Performance Tests

LENDING TEST

AFB's performance under the Lending Test is rated "Outstanding." Lending volumes are reasonable given the bank's size and financial condition. A majority of loans are originated to customers with a deposit relationship. The overall geographic and borrower distribution of loans was excellent.

Loan-to-Deposit Ratio

AFB's LTD ratio is reasonable. Since the last CRA evaluation, AFB's quarterly average LTD ratio is 68.5 percent, which ranged from 57.4 percent to 75.8 percent. This compares favorably to a quarterly average LTD ratio for banks of similar size and operations of 66.1 percent. Among seven similarly situated financial institutions, the quarterly average ratio ranged from 35.3 percent to 93.3 percent.

Lending in Assessment Area

AFB originated a majority of loans inside its AA. Based on management information system (MIS) reports, consumer and mortgage loan originations during the evaluation period totaled 85.5 percent, by number, to customers with a deposit relationship. MIS reports did not include dollar volumes.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall borrower distribution of loans is excellent. The distribution of residential real estate loans reflects an overall reasonable penetration. The distribution of consumer loans reflects an overall excellent penetration.

Greater weight was placed on consumer lending, which represents a majority of the bank's lending activity by number. Consumer lending is the primary credit need for military personnel. Residential lending is not a major credit need and opportunities are limited since the military provides housing and housing subsidies for military servicemembers and their dependents. We also gave greater weight to the bank's performance in 2015-2016 than to its performance in 2017 since it includes two full years and a majority of the evaluation period.

Residential Lending

Based on data in Table 2 and the following performance context considerations, we concluded the borrower distribution of home mortgage loans is reasonable.

We gave consideration to the fact that 10 percent of families are below the poverty level based on 2010 Census data. In addition, residential lending is not a primary credit need, especially for LMI servicemembers.

Overall performance in 2015-2016 was reasonable. Performance to low-income borrowers was reasonable. The percentage of loans to low-income borrowers was near to the aggregate industry distribution of loans to these borrowers. The institution's percentage of these loans was significantly below the percentage of low-income families in the AA. Performance to moderate-income borrowers is excellent. The distribution of loans to moderate-income borrowers exceeded both the aggregate industry distribution of loans and demographics. The bank's performance in 2017 was not inconsistent with the overall performance noted in 2015-2016.

2015-2016

Table 2 - Borrower Distribution of Residential Real Estate Loans in the United States												
Borrower Income Level	Low			Moderate			Middle			Upper		
Loan Type	% AA Families	% of # of Loans **	Aggregate *	% AA Families	% of # of Loans **	Aggregate *	% AA Families	% of # of Loans **	Aggregate *	% AA Families	% of # of Loans **	Aggregate *
Home Mortgage	21.4	3.9	4.7	17.5	18.3	14.1	20.5	22.1	19.9	40.6	48.5	42.8

Source: data reported under HMDA; 2010 U.S. Census data.

*Data not available on 18.4% of loans originated and purchased.

**Data not available on 7.2% of loans originated and purchased by bank.

2017

Table 2 - Borrower Distribution of Residential Real Estate Loans in the United States												
Borrower Income Level	Low			Moderate			Middle			Upper		
Loan Type	% AA Families	% of # of Loans	Aggregate *	% AA Families	% of # of Loans	Aggregate *	% AA Families	% of # of Loans	Aggregate *	% AA Families	% of # of Loans	Aggregate *
Home Mortgage	22.2	4.4	5.4	17.2	13.2	15.6	19.6	23.9	21.1	41.0	55.1	41.3

Source: data reported under HMDA; 2015 ACS U.S. Census data.

*Data not available on 16.6% of loans originated and purchased.

Consumer Lending

Based on data in Table 2E and the following performance context considerations, we concluded the borrower distribution of consumer loans was excellent.

In 2015-2016, performance to LMI borrowers was excellent. The percentage of loans to LMI borrowers significantly exceeded the percentage of such households in the AA. The bank's performance in 2017 was not inconsistent with performance noted in 2015-2016.

2015-2016

Table 2E - Borrower Distribution of Consumer Loans in United States								
	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *
Consumer Loans	24.0	39.6	16.2	22.8	18.0	20.6	41.8	16.8

Source: data collected and maintained by AFB; 2010 U.S. Census data.

*Data not available on 0.1% of loans originated and purchased by bank.

2017

Table 2E - Borrower Distribution of Consumer Loans in United States								
	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *
Consumer Loans	24.6	30.1	15.9	25.8	17.4	24.7	42.1	19.1

Source: data collected and maintained by AFB; 2015 ACS U.S. Census data.

*Data not available on 0.3% of loans originated and purchased by bank.

Geographic Distribution of Loans

The overall geographic distribution of loans is excellent. The distribution of residential real estate loans reflects an overall reasonable penetration. The distribution of consumer loans reflects an overall excellent penetration.

As noted above, greater weight was placed on consumer lending. We also placed greater weight to the bank’s performance in 2015-2016 than to its performance in 2017.

Residential Lending

Based on data in Table 3 and the following performance context considerations, we concluded the borrower distribution of home mortgage loans is reasonable.

We placed more weight on performance in moderate-income census tracts as less than three percent of owner-occupied housing is in low-income geographies. We gave consideration to the fact that AFB locations are primarily on military installations with public access restrictions. As noted above, residential lending is not a major credit need.

Overall performance in 2015-2016 was reasonable. Performance in low-income geographies was excellent. The percentage of loans in low-income geographies exceeded the aggregate industry distribution of loans to these borrowers. The institution’s percentage of these loans met the percentage of owner-occupied housing in these tracts. Performance in moderate-income geographies was reasonable. The distribution of loans in moderate-income geographies was lower than both the aggregate industry distribution of loans and demographics. The bank’s overall

performance in 2017 was not inconsistent with the overall performance noted in 2015-2016.

2015-2016

Table 3 - Geographic Distribution of Residential Real Estate Loans in United States												
Census Tract Income Level	Low			Moderate			Middle			Upper		
Loan Type	% Owner-Occupied Housing Units	% of # of Loans	Aggregate	% Owner-Occupied Housing Units	% of # of Loans	Aggregate	% Owner-Occupied Housing Units	% of # of Loans	Aggregate	% Owner-Occupied Housing Units	% of # of Loans	Aggregate
Home Mortgage	2.6	2.5	1.9	16.3	11.3	12.9	48.9	43.6	45.5	32.3	42.6	39.8

Source: data reported under HMDA; 2010 U.S. Census data.

2017

Table 3 - Geographic Distribution of Residential Real Estate Loans in United States												
Census Tract Income Level	Low			Moderate			Middle			Upper		
Loan Type	% Owner-Occupied Housing Units *	% of # of Loans	Aggregate	% Owner-Occupied Housing Units *	% of # of Loans	Aggregate	% Owner-Occupied Housing Units *	% of # of Loans	Aggregate	% Owner-Occupied Housing Units *	% of # of Loans	Aggregate
Home Mortgage	2.9	1.0	2.4	16.6	13.2	15.1	47.1	42.9	44.8	33.4	42.9	37.6

Source: data reported under HMDA; 2015 ACS U.S. Census data.

Consumer Lending

Based on data in Table 3C and the following performance context considerations, we concluded the borrower distribution of consumer loans was excellent.

Overall performance in 2015-2016 was excellent. Performance in low-income geographies was reasonable. The percentage of loans in low-income tracts exceeded the percentage of households in these geographies. Performance in moderate-income geographies was excellent. The percentage of loans in moderate-income tracts significantly exceeded demographics. The bank’s performance in 2017 was not inconsistent with performance noted in 2015-2016.

2015-2016

Table 3C - Geographic Distribution of Consumer Loans in United States								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *	% of AA Households	% of Number of Loans *
Consumer Loans	5.7	6.3	20.8	27.6	45.8	37.5	27.6	17.0

Source: data collected and maintained by AFB; 2010 U.S. Census data.

*No information available on 11.6% of loans originated and purchased by bank.

2017

Table 3C - Geographic Distribution of Consumer Loans in United States								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households *	% of Number of Loans **	% of AA Households *	% of Number of Loans **	% of AA Households *	% of Number of Loans **	% of AA Households *	% of Number of Loans **
Consumer Loans	6.4	8.3	21.1	29.0	43.8	41.5	28.5	19.6

Source: data collected and maintained by AFB; 2015 ACS U.S. Census data.

*No information available on 0.2% of households in AA.

**No information available on 1.6% of loans originated and purchased by bank.

Responses to Complaints

AFB has not received any written complaints during the evaluation period related to its CRA performance.

COMMUNITY DEVELOPMENT TEST

AFB's performance under the CD Test is rated "Outstanding." CD loans and qualified investments total \$16.3 million. This represents 9.2 percent of Tier One Capital. In addition, AFB performed 82 CD services totaling 2,761 hours. There are limited CD loan and investment opportunities since the Federal Government provides for most of the military needs, including housing.

Number and Amount of Community Development Loans

AFB originated three qualified CD loans totaling \$5.2 million during the evaluation period.

- Two CD loans totaling \$2.6 million provided community services to LMI individuals. This included a \$2 million loan renewal that supports a Senior Crimestoppers program for LMI residents in a senior housing facility. A \$601 thousand loan helped rehabilitate water supply and sewer systems for an affordable housing apartment complex.
- One CD loan totaling \$2.6 million promoted economic development for a small business. The borrower used funds to construct a drug store and pharmacy adjacent to a city-approved redevelopment site that consists of LMI census tracts in a blighted area. The small business promotes permanent job creation for LMI individuals and serves the needs of residents in a predominately LMI geography. As of the date of construction, the closest pharmacy involved a 45-minute drive.

Number and Amount of Qualified Investments

AFB originated 76 qualified investments and donations totaling \$11.1 million during the evaluation period.

- Qualified investments totaling \$11 million provided affordable housing through various vehicles, including mortgage-backed securities in LMI loan pools, a CRA Fund, low-income housing tax credits, and LMI housing bonds and programs.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, 34 employees provided their expertise to 57 different organizations for a total of 2,761 hours.

- Over 97 percent of CD services provided community services to LMI individuals, including soldiers. A majority of services provided financial education on topics such as bank fees, maintaining accounts in good standing, basic budgeting, the importance of saving, and credit scores. Financial education is a major need in the AA.

Branches are readily accessible to geographies and individuals of different income levels in the AA. AFB has one branch in a low-income geography. Thirteen branches (36.1 percent) in moderate-income tracts, which compares to 21.6 percent of the population in these geographies.

Responsiveness to Community Development Needs

AFB demonstrated excellent responsiveness to CD needs in its AAs through CD loans, qualified investments, and CD services considering the bank's capacity, CD needs, and available CD opportunities in the AA.

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 metropolitan and nonmetropolitan areas 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 (excludes CD loans): 01/01/2015 to 12/31/2017 Investment and Service Tests and CD Loans: 01/01/2015 to 12/31/2017	
Financial Institution	Products Reviewed	
Armed Forces Bank (AFB) Ft. Leavenworth, Kansas	Consumer loans; Home Mortgage loans; Community Development loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		No affiliate products reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Entire deposit customer base (United States)	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

United States of America

Demographic Information for Full Scope Area: United States of America (USA) 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	72,845	8.21	22.50	42.02	25.83	1.44
Population by Geography	316,393,278	6.75	21.63	42.86	28.31	0.45
Owner-Occupied Housing by Geography	74,681,932	2.85	16.55	47.10	33.44	0.06
Business by Geography	21,525,017	5.32	18.71	39.74	35.56	0.67
Farms by Geography	780,629	1.82	12.91	57.23	27.92	0.12
Family Distribution by Income Level	77,232,050	22.21	17.15	19.61	41.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	30,402,315	11.25	30.03	42.53	16.07	0.12
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		67,663 69,675 14%	Median Housing Value Unemployment Rate (2015 ACS US Census)	225,925 4.15%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2015 ACS US Census and 2017 FFIEC updated MFI

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 U.S. and a number of other countries all over the world where U.S. military personnel are assigned. AFB operates 36 full-service branches throughout 15 states: Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Missouri, New Jersey, Nevada, Texas, Virginia, and Washington. Thirty-Three branches are located across 25 military installations. Three off-post branches in Kansas are in close proximity to military installations. AFB does not have any deposit-taking ATMs.

According to population estimates in July 2017 by the U.S. Census Bureau, the U.S. population is approximately 326 million, representing a 5.5 percent increase since April 2010. High population growth states include Texas, Florida, Colorado, and Arizona. A U.S. Census Bureau report dated September 2017 indicates that the official poverty rate in 2016 declined for the second consecutive year to 12.7 percent. According to 2015 American Community Survey (ACS) U.S. Census data, the percentage of families below the poverty level is 11.3 percent.

According to a Bureau of Labor Statistics publication dated April 2018, enlisted soldiers make up about 82 percent of the Armed Forces. The remaining 18 percent are officers.

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.

Employment and Economic Factors

The U.S. economy is the world's largest with a Gross Domestic Product (GDP) of \$20 trillion, and has the most diverse sectors and industries. Within the U.S., the state of California has the highest GDP (about \$3 trillion) and the state of Alabama is one of the poorest with a GDP of \$211 billion.¹ According to the Bureau of Labor Statistics, major industries within the U.S. economy include state and local governments, professional and business services, healthcare and social assistance, retail trade, leisure and hospitality, and manufacturing. The manufacturing industry is prominent in 11 of the 15 states where AFB has an office. Tourism and defense is prominent in six of the 15 states with high tech prominent in four of the states. The largest national employers include the U.S. Government, Walmart, Amazon, Kroger, Yum Ching Holdings, and Home Depot according to 2017 news sources.

Housing

According to an Insights article published by the U.S. Department of Housing and Urban Development (HUD) dated October 2015, housing is a key component of services offered to military personnel, civilian staff, and their families. Military services typically rely on the surrounding community for housing and provide a Basic Allowance for Housing (BAH) for troops and staff to cover housing costs. Approximately one-third of military families live in on-base housing.

According to the 2016 ACS Census 5-Year Estimates, total housing for the U.S. consists of 55.8 percent owner-occupied units, 32.0 percent rental units, and 12.2 percent vacant units. The estimated median owner-occupied housing cost is \$1,077 per month.

Community Contact

We contacted one community outreach organization that primarily serves military personnel. Primary credit needs for enlisted soldiers are short term unsecured small dollar consumer loans, while auto loans and home mortgages are the primary credit needs for officers in the military. Financial education is also a major need. CD loan opportunities are limited since housing or housing allowances are provided by the military. Armed Forces personnel have access to emergency relief funds. Small business needs are limited.

¹ [2017 GDP by State](#) (millions of current dollars), Bureau of Economic Analysis.