



## PUBLIC DISCLOSURE

May 23, 2022

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Command Bank  
**Charter Number 713570**

1 Firstcomm Plaza, Fort Worth, TX 76109-4999

Office of the Comptroller of the Currency

225 East John Carpenter Freeway, Suite 900  
Irving, TX 75062-2270

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 **Satisfactory**.

**The lending test is rated: Satisfactory.**

**The community development test is rated: Satisfactory.**

The Lending Test rating is based on performance in the United States (US) assessment area (AA), which is the bank's AA. The Community Development (CD) Test rating is based on performance in the US AA. The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank's loans are inside its AA.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. The LTD is calculated on a bank-wide basis. The bank's quarterly LTD ratio during the review period averaged 41.83 percent, with a quarterly high of 45.13 percent and quarterly low of 36.96 percent. We compared the bank's LTD ratio to four other military-focused institutions with similar AAs and customer base. These institutions ranged in asset size from \$158 million to \$2.3 billion. The quarterly average LTD ratio for banks in this peer group was 62.57 percent.

The bank is predominantly a consumer lender with 56 percent of its portfolio centered in consumer-related loans as of December 31, 2021. The primary consumer loan product is debt consolidation loans which made up 50 percent of all consumer loans originated during the evaluation period. These loans are typically small to moderate in size. When aggregated and compared against the bank's deposits, this may yield a modest LTD in comparison to the other military focused banks with substantial commercial loan portfolios and smaller levels of loans to individuals. During the evaluation period, the bank originated 5,681 loans with origination balances of \$25,000 or less. Additionally, these loans are short-term and borrowers are encouraged to repay principal at a pace even faster than the contractual terms as the borrower's financial position improves. As a result, even as new loans are being originated, existing loans are being repaid and at a similar rate.

### Lending in Assessment Area

A substantial majority of the bank's loans were made inside its AA. This is based on the fact that FCB has designated the entire deposit base as its AA. The majority of the bank's customers are active or former active-duty military. As such, the customer base is broadly located across the United States and overseas. The bank originated and purchased 100 percent of its total loans inside the 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.

## Description of Institution

First Command Bank (FCB) is a federally chartered, one-branch bank headquartered in Fort Worth, Texas. FCB was established in 1997 and is a wholly-owned subsidiary of First Command Financial Services Inc. (FCFS). In addition to FCB, FCFS owns and operates four additional affiliated organizations which focus on providing a wide range of financial services to active and retired military personnel and their families. Products and services provided by FCFS and its subsidiaries include long-term financial planning, wealth and asset management, life insurance, investment advisories, as well as traditional banking products. FCFS provides these services through a nationwide network of financial advisors who operate primarily near military base installations all over the U.S. and a handful of international locations where U.S. military forces are deployed. Financial advisors are trained to routinely refer their clients to FCB for their traditional credit, depository, and wealth management needs. Given this, the bank's customer base is primarily derived from FCFS's existing client base and its strategic focus is tailoring its product and service offerings to meeting the specific banking needs of these clients.

Due to the wide dispersion of the bank's customer base nationwide and overseas, foot traffic at the bank's physical location is limited with a significant majority of customers completing their transactions through electronic and remote platforms. To meet the needs of its customer base, the bank offers a variety of banking services to ensure that customers have easy and instantaneous accessibility to their depository accounts regardless of where they are located. FCB offers nationwide and international access to ATMs through its numerous ATM networks in which it participates. Customers may also access their account information at any time through the bank's online banking system, mobile banking application, and toll-free customer support telephone system which operates extended hours. FCB's website provides information regarding the bank's products and services and allows online access to account information to customers enrolled for the service. The bank also accepts new deposit account applications, loan applications, and customer service requests through its website.

As of December 31, 2021, FCB had total assets of \$1.08 billion, total deposits of \$998 million, and tier 1 capital of \$78 million. The loan portfolio totaled \$371 million, with loans comprising 34 percent of the bank's total assets. Of the entire loan portfolio, approximately 56 percent is concentrated in shorter-term consumer purpose loans. FCB's loan portfolio mix is consistent with meeting the primary credit needs typically experienced by military personnel. Active military personnel tend to have limited demand for home mortgage products since on-base housing is usually provided or costs associated with housing are heavily subsidized. Consumer-type loans offered by FCB include debt consolidation loans, personal loans usually secured by mutual funds, credit cards, and auto loans. As of December 31, 2021, the commercial loan portfolio totaled \$104 million and is a niche product concentrated in professional practice acquisition loans primarily to veterinarians and dentists. While these loans are available to both civilians and military personnel, the bank envisions that these types of loans are targeted to meet the needs of retiring professional military personnel whom, with the financial planning assistance of FCFS, have been able to save enough resources to purchase their own professional practices.

At 50 percent of the consumer loan portfolio, debt consolidation loans constitute the bank's primary product. This product is one of the ways FCB meets its strategic focus, which is to aid its target customer base in achieving holistic, long-term financial security. Typical borrowers of the debt consolidation loans offered by FCB are military personnel who are working with a financial planner from FCFS to get their finances better organized as part of preparation for a military career. This is

important to those considering a long-term career with the military, as military personnel are held to a high standard of financial discipline and ill-managed finances may negatively impact their job performance rating. If a client has credit card debt, the financial planner may suggest a lower rate debt consolidation loan originated by FCB to pay off the credit card debt. The money that had previously gone to credit card interest is then deployed to savings, investments, or life insurance, depending on the customer's situation. As a result, the customer's monthly payments stay the same, but he/she is reducing debt and building savings due to lower interest rates and sometimes a shorter repayment term.

FCB has no identified legal or regulatory impediments that would affect its lending activities or impede the bank's ability to meet the credit needs within its AA. FCB received an overall rating of "Satisfactory" at its last CRA evaluation dated March 11, 2019.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We completed a full-scope review of FCB's CRA activities in the AA under the Intermediate Small Bank CRA procedures, which includes the Lending Test and the Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of the AA through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Loan information used for this evaluation included consumer and commercial loan data for loans originated between January 1, 2019 and December 31, 2021. Conclusions regarding the CD Test are based on the bank's CD activities during the same period.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

We evaluated FCB under the provision of 12 CFR 25.41(f), which allows institutions primarily serving the needs of military personnel and their dependents to define their AA as the entire deposit customer base. FCB identifies as a military bank with a primary focus of serving active and retired military personnel and their dependents. As such, the US AA received a full scope review.

Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of state ratings, and where applicable, multistate ratings. FCB's only physical branch is located in the state of Texas. However, the bank's overall rating is based on performance within its entire deposit customer base, which is dispersed throughout the United States.

We placed greater weight on consumer loans because they represent a significant portion of the loan portfolio by number and dollar amount and also meet the primary credit needs of the bank's customer base. Additionally, we placed more weight on the bank's lending distribution by borrower income level than by geographic distribution. FCB operates primarily close to where military bases are located and as such, areas from where its financial advisors operate and their market reach are significantly determined by military base locations nationwide.

Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), 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 (or any affiliate whose loans have been considered as part of the institution's lending performance) 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.

## State Rating

### State of Texas

**CRA rating for the State of Texas<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

### Description of Institution's Operations in Texas

The bank's only physical branch is located in Fort Worth, Texas in Tarrant County. However, the bank operates nationwide and primarily serves active and retired military personnel and their dependents as described in the "Description of Institution" and the "Scope of the Evaluation" sections of this Performance Evaluation.

The bank's primary lending focus continues to be consumer lending, specifically debt consolidation loans to military personnel, as well as commercial lending focused on practice acquisition loans primarily to dentists and veterinarians. Community credit needs in the AA were determined by reviewing recent housing and demographic information, performance context information provided by management, and two community contacts conducted in conjunction with performance evaluations from other banks operating in the AA or serving a similar customer base. One community contact from a local chamber of commerce in Fort Worth indicated financial literacy as a primary need, as well as access to capital for local businesses. An additional community contact from an organization that provides services for members of the military and their families indicated basic financial education on topics such as budgeting, credit card debt, gambling, and planning for life events was needed, as well as 24/7 access to financial services and banking customer support.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

US AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: US AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
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 US AA		\$79,900	Median Housing Value			\$224,511
			Median Gross Rent			\$984
			Families Below Poverty Level			11.7%
<i>Source: 2015 ACS Census and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

**Scope of Evaluation in Texas**

As discussed above, the bank has one physical branch which is located in the state of Texas. However, FCB has designated its entire deposit base as its AA. As a result, there is only one AA and this AA is subject to a full-scope review.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**

### **LENDING TEST**

The bank's performance under the Lending Test in Texas is rated Satisfactory.

#### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's lending performance in the state of Texas is reasonable.

#### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the state. As noted in the "Scope of the Evaluation" section, FCB operates primarily close to where military bases are located and as such, areas from where its financial advisors operate and their market reach are significantly determined by military base locations nationwide.

##### ***Consumer Loans***

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

For 2019-2021, the bank reported no consumer loans to individuals living in low-income geographies. However, only 6.3 percent of households were located in these geographies, thus limiting opportunities. For moderate-income geographies, the bank's consumer loans align with the number of households located in these geographies.

##### ***Small Loans to Businesses***

Refer to Table Q in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

For 2019-2021, the bank's lending to businesses in low-income geographies was somewhat lower than the number of small businesses and the aggregate lending in these geographies. For moderate-income geographies, the bank's lending to businesses was also somewhat lower than the number of small businesses, but near to the aggregate lending in these geographies.

FCB business loans are primarily practice acquisition loans, specifically, dental and veterinary practices. Dental and veterinary practices tend to be located in strip centers and office complexes within highly commercialized areas and opportunities to rent or buy office space within low- and moderate-income tracts tend to be fewer.

##### ***Lending Gap Analysis***

We evaluated the lending distribution in the bank's AA to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. As noted in the “Scope of the Evaluation” section, we placed greater weight on consumer loans because they represent a significant portion of the loan portfolio by number and dollar amount and also meet the primary credit needs of the bank’s customer base.

### ***Consumer Loans***

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

For 2019-2021, the bank’s lending to low-income individuals was lower than the percentage of low-income households in the AA. However, the bank’s lending to moderate-income individuals exceeded the percentage of moderate-income households in the AA.

FCB’s primary loan product is their niche consumer debt consolidation loan. As earlier noted in the “Description of Institution” section, FCB’s strategic focus is to serve as a bank which aids military personnel to achieve long-term financial security for themselves and their loved ones. Typically, these debt consolidation loans offer customers a rapid way of becoming debt-free through lower interest rates and faster repayment terms. Servicemember who begin to require financial planning services are typically at the enlisted non-commissioned officer (NCO) level of E-5 and above. These are servicemembers who have spent several years with the military, are likely to pursue a military career, and are beginning to have some financial wherewithal to begin saving and investing for the future. Typically, these servicemembers would have at least five years of service, before attaining the E-5 grade. According to the military pay tables completed as of January 1, 2021, by the *Defense Finance and Accounting Service*, the average annual salary for an E-5 NCO ranged from \$38,256 to \$43,283 in 2021 depending on their length of service in the military. Based on the 2021 HUD Median Family Income for the US AA, this salary range falls primarily within the moderate-income bracket. As the majority of FCB’s customer base originates from referrals from FCFS, NCOs and newly commissioned officers account for many of the bank’s deposit base and are the most likely to take advantage of the debt consolidation loan product.

### ***Small Loans to Businesses***

Refer to Table R in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to businesses.

For 2019-2021, the bank’s lending to businesses with revenues of \$1 million or less was lower than the percent of businesses identified as having revenues of \$1 million or less, but near the aggregate level of lending to these businesses.

## **Responses to Complaints**

The bank had no CRA-related complaints during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

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

### Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information 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.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
US AA	1	100.0	500	100.0

The level of CD lending demonstrates adequate responsiveness, when considering the CD needs in the AA and the bank's capacity. Given FCB's business model and limited expertise with loans that would be qualified for community development, greater emphasis is placed on qualified investments to address CD needs in the AA.

FCB originated one CD loan in the amount of \$500 thousand. This loan was to the Senior Housing Crime Prevention Foundation (SHCPF). The loan was originated in November 2014 and is re-underwritten annually after financial information and repayment performance on the loan is considered. The sole objective of SHCPF is to reduce crime in the nation's senior housing facilities and to provide on-going, effective crime prevention programs that promote safe and secure environments for senior housing residents. The proceeds of the loan were used to fund SHCPF's Veteran's Initiative in the state of Texas. Specifically, the bank's funds are used in providing safe, secure, crime-free residences to Veterans residing in the Clyde W. Coper Texas State Veterans Home located in Bonham, Texas. Of these residents, 83 percent, are low- or moderate-income individuals.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
US AA	1	5,877	3	1,470	4	100	7,347	100	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.

The bank's level of investments and donations demonstrates adequate responsiveness to the CD needs in the AA. During the evaluation period, the bank continued its \$5.88 million investment in a CRA Qualified Fund. The bank and holding company also made three annual donations totaling \$1.47 million to the First Command Educational Foundation (FCEF) during the evaluation period. FCEF was formed in 1983 to provide educational scholarships to military dependents. FCEF administers multiple scholarship programs and endowments that are heavily based on need. In 2001, FCEF expanded its focus to financial education for military personnel and their families. In 2005, the military restriction was lifted and now the foundation focuses on the civilian population as well. FCEF has over 60 different financial education presentations that are used by community organizations and schools.

## Extent to Which the Bank Provides Community Development Services

The bank's level of CD services demonstrates adequate responsiveness to the needs of the AA, when considering performance context.

Retail banking services are primarily delivered electronically, as the bank has only one physical location. FCB's banking programs allow the bank to deliver needed banking and credit services to low- and moderate-income areas and individuals in the AA, and include:

- Command checking account that has a low minimum opening deposit, no monthly maintenance fees, no fee for bank stock checks, free unlimited check writing, free initial/renewal MasterCard debit card with unlimited free debit card transactions, free online banking and web bill pay, free remote deposit, free eStatements, free unlimited telephone banking, and a choice of overdraft protection or free overdraft from another account with FCB.
- Money Market Savings account that has a low minimum opening deposit, no monthly maintenance fees, free bank stock checks, free initial/renewal MasterCard debit card, ATM withdrawals with no fee charged for the first six ATM withdrawals per statement cycle, free overdraft from another FCB account, free online banking and web bill pay, free remote deposit, free eStatements, and free unlimited telephone banking.
- Commercial checking account that has a low minimum opening deposit, no monthly service charge when average daily balance of \$5,000 is maintained, or low monthly service charge of \$12, if average daily balance of \$5,000 is not maintained, free unlimited deposits, free initial/renewal MasterCard debit card with unlimited free debit card transactions, free overdraft

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

from another FCB account, free online banking, free remote deposit and web bill pay, free eStatements, and free unlimited telephone banking.

- Third party ATM surcharge fee rebates up to \$15 per statement cycle, per account.
- Free remote deposit functionality for consumer and business accounts.
- Client assistance during government shutdowns including: zero interest payroll advances, loan assistance, penalty free early CD withdrawals, secured lines of credit, and special handling of credit card accounts.

FCB also meets the CD service needs of the AA through volunteer activities by its directors and employees. By providing financial services that take advantage of bank employees' financial expertise, the bank is responsive to the needs of low- and moderate-income individuals and families. These services include developing and conducting financial education programs to individuals and providing technical financial assistance to CD organizations. Bank and holding company staff serve in leadership roles such as directors, executive committee members, and treasurers for charitable organizations whose mission is to provide assistance, education, and skills to low- and moderate-income individuals. During the evaluation period, FCB and FCFS personnel provided a total of 653.5 hours of qualifying CD services that benefited low- and moderate-income individuals and families in the AA. Employees also dedicated 29 volunteer hours during the evaluation period providing CD services through FCEF.

## Appendix A: Scope of Examination

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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.”

<b>Time Period Reviewed:</b>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Small business, consumer loans Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
First Command Financial Services (FCFS)	Holding Company	Qualified investments, community development services
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Texas</b>		
US AA	Full-Scope	This represents the bank’s entire customer base.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS FIRST COMMAND BANK			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
First Command Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Texas	Satisfactory	Satisfactory	Satisfactory

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

## Appendix C: Definitions and Common Abbreviations

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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/assessment area.

**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. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts 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/assessment area.

**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:** 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

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### 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/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> 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/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm 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/assessment area.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2019-21**

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
US AA	48	16,124,752	100.0	5.3	4.2	5.3	18.3	14.6	17.8	38.9	31.3	37.4	36.9	50.0	38.9	0.7	0.0	0.6
<b>Total</b>	<b>48</b>	<b>16,124,752</b>	<b>100.0</b>	<b>5.3</b>	<b>4.2</b>	<b>5.3</b>	<b>18.3</b>	<b>14.6</b>	<b>17.8</b>	<b>38.9</b>	<b>31.3</b>	<b>37.4</b>	<b>36.9</b>	<b>50.0</b>	<b>38.9</b>	<b>0.7</b>	<b>0.0</b>	<b>0.6</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2019-21**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
US AA	48	16,124,752	100.0	8,326,136	87.3	33.3	39.2	4.3	66.7	8.4	0.0
<b>Total</b>	<b>48</b>	<b>16,124,752</b>	<b>100.0</b>	<b>8,326,136</b>	<b>87.3</b>	<b>33.3</b>	<b>39.2</b>	<b>4.3</b>	<b>66.7</b>	<b>8.4</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>														<b>2019-21</b>	
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		
US AA	60	1,562,556	100.0	6.3	0.0	21.1	21.7	43.9	45.0	28.6	33.3	0.2	0.0		
<b>Total</b>	<b>60</b>	<b>1,562,556</b>	<b>100.0</b>	<b>6.3</b>	<b>0.0</b>	<b>21.1</b>	<b>21.7</b>	<b>43.9</b>	<b>45.0</b>	<b>28.6</b>	<b>33.3</b>	<b>0.2</b>	<b>0.0</b>		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0%*

<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>														<b>2019-21</b>	
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		
US AA	60	1,562,556	100.0	24.6	6.7	15.9	16.7	17.4	25.0	42.1	51.6	0.0	0.0		
<b>Total</b>	<b>60</b>	<b>1,562,556</b>	<b>100.0</b>	<b>24.6</b>	<b>6.7</b>	<b>15.9</b>	<b>16.7</b>	<b>17.4</b>	<b>25.0</b>	<b>42.1</b>	<b>51.6</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0%*