



ASSOCIATION OF MILITARY BANKS OF AMERICA

*Those Who Serve Have Banked on Us
for Over 60 Years*

2019 AMBA Fall Workshop

August 25 - 28, 2019
The Breakers Resort
Palm Beach, Florida

WELCOME

Welcome to The Breakers and the 60th Anniversary Association of Military Banks of America Workshop. It's my honor and pleasure to serve as AMBA's Chairman during this very important point in the history of our organization and in the evolution of military banking.

We've produced this short history to remind us why AMBA was established 60 years ago, to document the challenges we've met and successes we've achieved along the way, and to reflect on the future of military banking at a time when the entire financial industry is changing. To a large extent, changes have been a function of banking and financial services technology and the specific needs of the force. Fundamentally, though, our mission remains the same throughout: specializing in providing banking services for military personnel and their families around the world. AMBA has a long history of partnering with the Department of Defense and its stakeholders for the benefit of military members and their dependents.

In the following pages, we hope to link our future to our past and strengthen our connection and commitment to the military and veteran communities our member banks and other financial organizations serve.

We hope you enjoy your time with us and look forward to working with you to achieve our common mission to improve the financial resiliency of the men, women, and families who are serving and have served our Nation.

- Jerry Quinn
Wells Fargo Bank
Chairman

Thank you for your support of the Association of Military Banks of America! Your AMBA staff – Andia Dinesen, Christiane Jacobs, and I – welcome you to our 60th Anniversary Workshop at The Breakers Hotel in Palm Beach, Florida.

The Annual Workshop is the cornerstone of AMBA's efforts to connect our member financial institutions with the other public and private organizations that serve the financial services and literacy needs of our Nation's armed forces and veterans. Our program is designed to inform us of the challenges and opportunities that exist in this space; our agenda has been constructed to equip us with the tools we need to navigate the intersection of our rapidly-changing financial industry and our increasingly-challenged military communities.

This brief 60th Anniversary history is offered to document AMBA's progress since it was formed in 1959 and to serve as a bridge to an uncertain future. As banks leave military installations, military banking is being redefined and AMBA is at the center of that process. This history talks about those challenges and how we are preparing our members to continue delivering financial services and education to military communities when they no longer operate within their gates. One continuing key to that effort are the connections we hope this workshop will facilitate.

Thank you again for your support, your attendance, and for letting AMBA serve as part of your team.

- Steven J. Lepper
Major General, USAF (Ret.)
President & CEO



INTRODUCTION

Military Banking is a concept that is easy to understand but difficult to describe. Essentially, it is the provision of financial services by federal or state-chartered banks regulated and insured by the federal government. For decades, banks across the United States have specialized in serving military customers. At its roots, military banking is banking for the military.

Beyond this very basic definition, it's hard to describe what military banking is because the services banks provide their military customers are so numerous and vary so much from bank to bank and customer to customer. Over the years, it has even evolved to include services to the government and to non-government entities operating on or near military installations. Because it's difficult to describe "what" military banking is, perhaps it's better to describe "why" military banking has become an important element of the financial readiness our military seeks to instill in its members.

AMBA member banks serve the military community around the globe and are well-suited to help you with your specific needs as a military service or family member.

THE BIRTH OF MILITARY BANKING

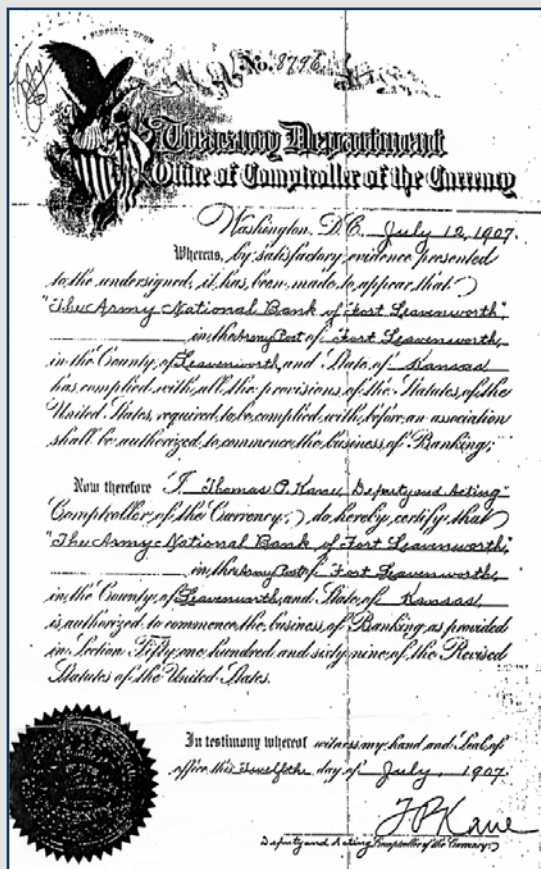


The “why” of military banking is a story the Association of Military Banks of America is proud to have been a part of for 60 years. Military banking’s origins are somewhat fuzzy. Commentary found in AMBA’s archives suggests that military banking began in 1941, when the War Department first recognized the need for financial services on Army posts. In consultation with the Department of the Treasury, the Army and Navy asked Congress to pass legislation permitting the Comptroller of the Currency to allow national banks to open and operate on military installations.

From this need for on-base financial services – the initial “why” – the Military Banking Facility program was born with the opening of the first military bank at Fort Sill, Oklahoma, in 1942. By 1943, the Treasury Department had authorized 155 banks to operate on 160 Army and Navy installations in the United States. While the establishment and growth of military banking was swift, it was not without controversy or challenges. Concern about national charters infringing on state banking authority led to court challenges that ultimately culminated in a U.S. Court of Appeals decision validating the Treasury Department’s actions.

It’s at this point where the story – or we should say “stories” – diverge. While the above account makes sense when one considers that the needs of World War II gave rise to many innovations, there is evidence that military banking was not one of them. That evidence is a bank charter issued by the Acting Comptroller of the Currency on July 12, 1907 establishing “The Army National Bank of Fort Leavenworth” on “the Army Post of Fort Leavenworth.” This charter suggests that military banking was actually born at least 35 years before the Military Banking Facility program described above. Today, Armed Forces Bank, a financial institution with the largest number of banks on military bases, holds the Army National Bank charter.

Were any other military banks chartered before 1907? That’s hard to say and, frankly, it’s not really that important. Regardless of when and where military banking was born, the same “why” applied then as applies today: military and civilian personnel on military installations, many of which were located at considerable distances from cities



Army National Bank 1907 Charter

or towns, needed the financial services only banks could provide. The government provides pay and that's traditionally where the government's financial responsibilities ended. Most other financial services, to include loans, savings and checking accounts, and financial education, were available only from banks. It made sense then, and still makes sense today, that the military would partner with banks to provide those services.

On a parallel track, the financial needs of the large numbers of US troops stationed and deployed overseas ultimately gave rise to the need for US banks on foreign soil. Today, those banks operate as the "Community Bank" under a multi-year, cost-plus Overseas Banking Program government contract. Over the years, a number of banks have held the contract. Today, Bank of America operates "Community Bank" facilities at US military installations around the world.

Today, the overseas "Community Banks" and the stateside banks on military installations operate together to serve the financial needs of our Nation's military communities. It is a noble mission for banks that have undertaken the commitment to understand and take care of those needs. It is a mission that distinguishes these banks from their competitors and has earned them the title "military bank."

AMBA'S BEGINNING:

MILITARY BANKS TURN A COMMON MISSION INTO A COMMON BOND

THE FIRST NATIONAL BANK

OF COLORADO SPRINGS

CAPITAL \$1500,000 RESERVE \$4500,000

ESTD 1874

COLORADO SPRINGS, COLORADO

September 17, 1959

Mr. Henry Croak, President
American State Bank
Midwest City, Oklahoma

Dear Mr. Croak:

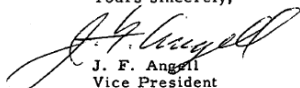
Having in mind the strengthening of our relationship with military personnel and at the same time furthering our interest, insofar as that might be possible, several of the banks serving the military have thought of an organization to carry out these objectives and other endeavors in a joint effort. The problems in handling the business of military personnel, I am sure, are well known to you, involving as they do the relatively short tours of duty, matters of credit and collection, and our relationship with the military departments.

The basic organization, it is suggested, should be a simple non-profit, tax free corporation. The tentative plan, as presently thought out, allows for membership in the Associated Military Banks Organization of one bank in each military area, unless a second or additional banks in such areas are nominated and elected to membership. Other organizational procedures, including proposed by-laws and initial procedures can be left for the decision of the organizers at their first meeting or to an elected Board of Directors. I shall not attempt in this communication to go into our procedural ideas.

Our plans for a first meeting of the proposed organization call for a meeting some time during the ABA Convention in Miami in October. As your bank is one of some 150 banks of the country selected on the basis of your position in serving one or more of the larger military establishments, I trust that you will arrange to be represented.

So that our plans can be furthered for the meeting, will you please indicate in your reply which of your officers will represent your organization.

Yours sincerely,


J. F. Angell
Vice President

JFA:hn

Original Invitation to Establish AMBA

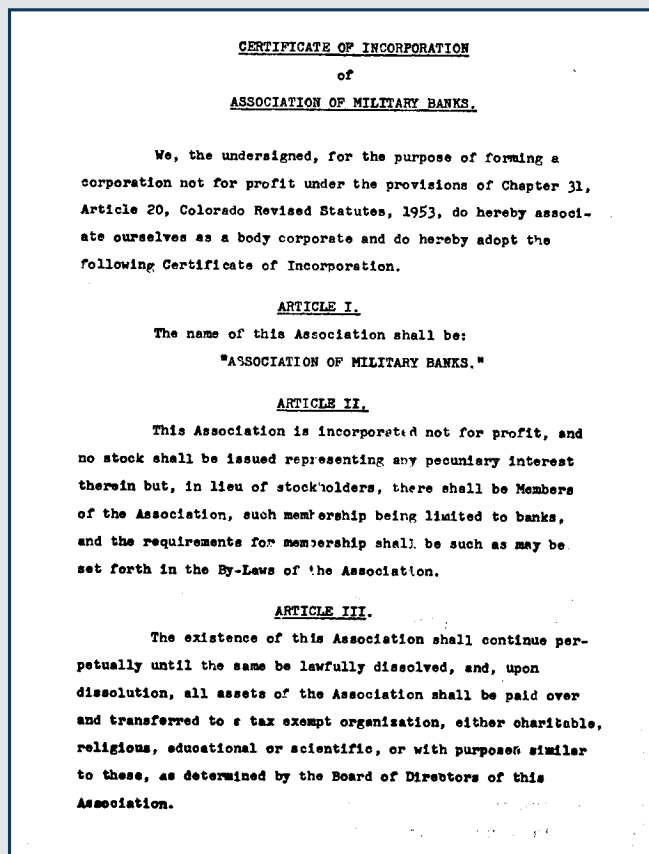
Sixty years ago, a group of bankers with branches on military installations met during an American Bankers Association convention in Miami, Florida. As is usual whenever people with common interests get together, these bankers compared their experiences and discovered that each of them was treated differently across the Military Services and the installations on which they operated. They concluded that the best way for them to deal with those differences was to continue their dialog and to speak to the Department of Defense with one voice. The result was the establishment of an association that could serve as both an information clearinghouse and a single voice for all military banks. Thus, the Associated Military Banks Organization was born.

This association's original purpose is perhaps best reflected in a letter between two of its founders, Mr. J. F. Angell, Vice President of The First National Bank of Colorado Springs, and Mr. Henry Croak, President of American State Bank of Midwest City, Oklahoma. To the great credit of its founders, the original concern that led them to meet in Miami was not necessarily to establish a unified voice; rather, it was to strengthen their relationship with military personnel and to consult on the "problems in handling the business of military personnel," which included "relatively short tours of duty, matters of credit and collection, and [their] relationship with the military departments."

These objectives remain today as the common core of the military bank ethic: military banks exist for and are defined by the purpose of serving the unique financial needs of the American armed forces.

From this initial commitment among a number of banks serving military communities soon came the legal steps necessary to establish an association. Mr. Angell offered his Colorado Springs bank as the first AMBA office. Thus, it made sense that AMBA should be incorporated in Colorado. On 10 November 1959, "The Association of Military Banks" was incorporated in El Paso County, Colorado, by its first Board of Directors. In 1968, it was re-incorporated as a Colorado non-profit corporation. It remains a Colorado non-profit corporation to this day.

At some point in its early history, AMBA added "of America" to its name and moved its office to Bellevue, Nebraska. Perhaps that's because its early Executive Vice Presidents – today's President & CEO – operated the organization out of their homes. It was from this Bellevue home office in 1977 that AMBA applied for and was granted a 501(c)(6) trade association IRS tax exemption. To this day, AMBA continues to operate as a tax-exempt 501(c)(6) trade association.



Original Certificate of Incorporation



Mr. Henry Croak



*First Association Headquarters
First National Bank of Colorado Springs*

AMBA'S INITIAL MISSION: THE EARLY YEARS

AMBA's initial objectives were listed in its initial Articles of Incorporation.

It's important to note that all of these purposes have military members as their central focus. Additionally, all of these objectives include cooperation among banks.

This is uncommon among banking organizations because banks typically compete against one another. To set competition aside for the benefit of military customers reflects the unique character of military banks as banks that put the military customer first.

ARTICLE IV.

The objects and purposes for which this Association is organized are:

1. To cooperate in assisting military personnel in the establishment of banking relationships in the areas of their posts of duty.
2. To cooperate in developing and expediting credit for military personnel.
3. To establish relationships between member banks, so as to facilitate collections relating to persons in the military service.
4. To cooperate in developing reasonable compensation for rendering banking services to military personnel.
5. To assist in the rendition of efficient and satisfactory banking services by member banks to persons in the military service.
6. To have and exercise all powers necessary or convenient to carry into effect the objects and purposes for which this Association is formed.

This Association will not be engaged in any activity for profit. No part of any earnings of the Association shall inure to the benefit of any member or individual.

Original Association of Military Banks Purposes



ARTICLE IV

The objectives and purposes for which this Association is organized are to:

1. Establishment and advocacy of military banking professional and ethical standards
2. Establish meaningful relationships between Member banks
3. Facilitate the exchange of banking information
4. Serve as a thought leader in the area of military banking and financial readiness
 - a. Develop and coordinate bank programs, special studies and analyses
 - b. Arrange annual workshops for Members to:
 - i. Study military banking developments, problem areas, etc.
 - ii. Exchange data, information and intelligence
 - iii. Engage in consultations with member bankers and bank regulatory officials
 - iv. Develop efficient and modern banking services for military personnel
5. Represent AMBA members to Congress and Federal financial regulatory agencies – particularly, the Department of Defense – on military banking matters
 - a. Assist AMBA members in conflict resolution and communication with DoD and other federal regulators
 - b. Engage in advocacy and liaison on behalf of AMBA member banks
6. Lead efforts to educate the public on benefits of military banks, and military communities on fundamentals of financial readiness
7. Support and subscribe to any charitable or public institution, organization, or club that may be for the benefit of the military or military personnel, or to organize such institutions, organizations, or clubs, if it shall be deemed necessary.
8. To have and exercise all powers necessary or convenient to bring into effect the objects and purposes for which this Association is formed

The Association will not be engaged in any activity for profit. While this Article prohibits any member or individual benefiting from the earnings of the Association, the Association has the right to contract for administrative and professional services from the earnings of the Association.

AMBA's first annual meeting of its initial nine banks was held on 21 September 1960 in New York City. From that small beginning, AMBA grew at its height in the early 2000s to an association of more than 100 banks serving on over 120 military installations across the United States.

Early in its history, the AMBA Board of Directors decided that an annual meeting would be the best way to achieve the objectives listed above. From that decision the AMBA Workshop was developed. It remains an annual fixture on AMBA's calendar.

Each year, the Annual Meeting/Workshop would bring together representatives from member banks and the federal government agencies that regulated them. The Workshop was typically a two-day series of update briefings from each government agency. The American Bankers Association and Independent Community Bankers of America also participated and shared their perspectives. The Workshop's purpose, as it remains today, was to help military banks better serve their military customers. It also had the collateral benefit of strengthening relationships among banks and their federal regulators.

AMBA Purposes Today

THE ARMED FORCES FINANCIAL NETWORK



Given AMBA's early focus on building strong bonds among its members and between AMBA and the federal banking regulators, it was not surprising that the Department of Defense came to AMBA to help establish the Armed Forces Financial Network. In 1985, as DoD was planning to implement its "Sure Pay" direct deposit program, the Department of the Army reached out to AMBA and its counterpart Defense Credit Union Council and asked them to design and establish an ATM network that would provide military members access to their bank accounts no matter where they are stationed or deployed. This expanded over the years to include point-of-sale debit transactions.

Today, AFFN's ATM/POS architecture follows the force. When US troops were deployed to the Middle East, AFFN established relationships with local banks to place the AFFN network on their ATMs. When US troops were deployed to Africa, AFFN took similar steps to provide access to the AFFN network to troops using their hometown bank ATM/Debit cards. The benefits for these troops are significant: by using AFFN, they can continue banking at their US banks and avoid many of the high fees otherwise charged at foreign ATMs.

Since its inception, AFFN has also provided AMBA and DCUC and their partner, Fidelity National Information Systems (FIS), a way to give back to the military communities they serve. Through its matching grant program, AFFN has provided millions of dollars in charitable contributions to military and veteran-focused charities. The Fisher House Foundation is a notable example of an organization that provides support for injured and wounded service members and their families. Through their Fisher Houses, the Foundation supports families near major military and Department of Veterans Affairs medical facilities. The Dover Air Force Base Fisher House supports families of fallen heroes as they await their loved ones' return from abroad. AMBA is proud of the support the AFFN enables us to provide.



BENEFITS OF AN ON-BASE BANK

FULL SERVICE

Military banks do not limit their services to their customers; they provide services to customers and non-customers in the military communities they serve.

PARTNERSHIP

On-base banks partner with the commands and the military communities they serve by providing financial services and sponsoring community activities and programs.

FINANCIAL EDUCATION

Military banks are committed in their operating agreements to provide financial education to all base personnel and family members. This benefit is particularly important as Congress redefines military compensation and retirement benefits.

RESPONSIBLE LENDING

On-base banks engage in responsible lending by helping qualified service members and their families bridge occasional gaps between paychecks. As alternatives to predatory lending often available outside the installation's main gate, military banks offer loans at reasonable prices and employ lending practices designed to improve borrower credit.

CHOICE

All on-base banks provide military members, civilian employees, and their families a choice of financial service providers without requiring them to leave the base. This choice results in a healthy competition through increased availability of products and services, improved delivery methods, and more favorable prices.

COMMAND SUPPORT

Most military banks are participants in the Treasury General Account program, through which they provide financial services to federal entities on the installation. These banks also store cash, thereby eliminating the need for on-base entities to transport their funds off-base.

CONVENIENCE

Some military banks are located inside Military Exchanges and offer financial services during Exchange operating hours. Most on-base banks manage ATM machines that provide access to cash 24 hours a day, 7 days a week.

SUPPORT TO THE MISSION

Commercial, nonprofit, and other on-base accounts can be maintained at military banks. Alternatives such as personnel traveling off-base to perform these financial tasks potentially adversely impact their unit's mission.

EXPEDITIONARY

Military banks serve where our military serves. Whether through on-base banks in the United States or abroad or through electronic bank networks like the Armed Forces Financial Network (AFFN), military banks provide military members access to their money wherever they are assigned or deployed.



AMBA'S LEADERSHIP

The basic structure of AMBA's leadership has changed little over 60 years. The original Board of Directors consisted of nine bankers; today, that number has increased to twelve. AMBA's bylaws traditionally required that directors must be executives from "Regular Members" -- banks with branches on military installations. Because of the declining number of banks on military bases, in 2018 AMBA's bylaws were changed to allow up to one-third of directors to represent AMBA member banks not on military installations. Today, the twelve members of AMBA's Board reflect the diversity of banks, ranging from small community banks to large multinational financial institutions, that have embraced service to military communities as a core mission.

Members, to-wit:

**J. C. MacPherson
Hamilton L. McNichol
Nelson B. Morton
Henry Croak
Wayne E. Dailey**

**Lt. Col. Wm. F. Ong, Jr.
B. I. Williams
Chas. H. Parks
J. F. Angell**

AMB Board of Directors, 1960

While AMBA's Board of Directors provides the organization's strategic leadership, AMBA's CEO provides day-to-day direction. The original officers included the Board President, Vice President, Secretary, and Assistant Secretary. At some point -- it's unclear when -- the Board decided that it needed to employ a person to deal with the association's day-to-day activities. That person was originally designated the Executive Vice President.



AMBA & ASI 2018 Boards of Directors and Officers

In 2004, the Board decided to change “President” to “Chairman” and the EVP position to “President & CEO.” This change coincided with the retirement of AMBA’s EVP, Colonel Henry W. Neill, Jr., US Army, Retired, and the hiring of Major General Andrew M. Egeland, Jr., USAF, Retired. Colonel Neill served AMBA from 1998 to 2004 following an Army career that culminated in his service as Chief of the U.S. Army Finance Corps. General Egeland came to AMBA following an Air Force career culminating in his service as the Deputy Judge Advocate General of the Air Force.

During General Egeland’s tenure, AMBA grew from one full-time employee – the President -- to its current size of three employees. The hiring of Christiane Jacobs as Executive Assistant and Andia Dinesen as Vice President for Communications and Operations enabled General Egeland to take AMBA to the next level. Together, this new team gave AMBA the ability to extend its reach and influence into areas not possible for just one person.



*Three generations of AMBA Presidents:
COL (Ret.) Hank Neill (R), Maj Gen (Ret.) Andy Egeland (L),
and Maj Gen (Ret.) Steve Lepper (Center)*

Over AMBA’s 60 years, a number of distinguished individuals served as AMBA’s EVP and kept the organization going. Unfortunately, AMBA’s records only go as far back as the early 1990s, when Rear Admiral Wendell McHenry, USN, Retired, manned AMBA’s helm. As of this writing, Admiral McHenry is in his late 90s and lives in California. AMBA salutes him and all of AMBA’s previous directors and officers and thanks them for their service.

Following General Egeland’s eleven years of AMBA service, in 2015 he handed AMBA’s reins to his successor, Major General Steven J. Lepper, USAF, Retired. General Lepper also served as an Air Force Judge Advocate, retiring from the same Deputy Judge Advocate General position in which General Egeland had served many years before. Today, he joins Ms. Dinesen and Ms. Jacobs to form AMBA’s management team.

2019 AMBA Board of Directors

Jerry Quinn
Wells Fargo Bank
Chairman

John M. Bird
USAA - Vice Chairman

James A. Cerrone
FSNB Bank
Immediate Past Chairman

Fred A. Alvarado
Bank of Hawaii

John Baeuchle
Armed Forces Bank

James M. Carlile
UMB Bank

W. H. “Bill” Croak
FNB Community Bank

Philip Edwards
Synovus Bank

Michael S. League
5-Star Bank

Albert J. Martin
First Citizens Bank

Terry Tuggle
Fort Hood National Bank

Larry T. Wilson
First Arkansas Bank & Trust

Jeffrey M. Cathey
Bank of America
Overseas Bank
Representative

OFFICERS

Steven J. Lepper
Major General, USAF (Ret.)
President &
Chief Executive Officer

Andia Dinesen, AFC®
Executive Vice President
Communications and
Operations

MILITARY BANKING'S CHALLENGES AND AMBA'S RESPONSES

Over the past 60 years, the challenges AMBA has faced are very similar to those with which the rest of the banking industry has struggled. As banking has become more technology-dependent, many of those challenges have related in some way to the evolution of technology. For example, over the past decade, digital banking has accelerated to the point where many bank customers no longer need to visit their brick-and-mortar financial institutions. They simply do all their banking on their computers or smart phones.

Just as the ATM/POS network AFFN offers our service members and their families remote access to their funds, digital banking now enables them to do much more than withdraw cash or make debit purchases. Today's digital banking platforms enable our troops to link directly and safely to their hometown banks from wherever they may be deployed or stationed. This revolution in banking has caused some to question whether banks should continue to operate on military installations. AMBA's answer to this question is yes; the underlying rationale provides a window into how military banks work and why they are and must continue to be distinguished from banks outside the base.



Almost since their inception, military banks have provided full-scope financial services to the personnel assigned to military installations. Whether the first military bank was chartered in 1907 or 1941, the mission of the military bank was and continues to be to promote and enable the financial readiness of our troops and their families. Moreover, military banks have also been instrumental in the federal government's gradual transition from cash-based financial transactions to their own forms of digital banking. Whether it's "Sure Pay" direct deposit or simply the closure of many cashier cages in base finance offices, it is increasingly clear that to the extent the government needs cash, it must continue to rely on banks to provide it.

It's somewhat ironic that as a result of this digital revolution, military banks now serve the banking needs of both the base's population and the government and non-government entities that operate there. The military banking program has thus continued to be relevant to military operations. For example, if a military unit needs to bring cash on a deployment to an



A Collage of AMBA Workshop Programs

austere area where digital financial transactions may not be available, it will get the cash from the on-base bank. When a disaster or emergency results in troops getting support from the military aid societies, it's a military bank that will typically cash aid society checks free of charge. When a soldier finds himself in deep financial trouble, it's still a military bank that will help him recover through the financial education and services it has agreed to provide under the bank's "operating agreement." Even in today's digital age, there remain many reasons why military banks should continue to operate on military installations.

Despite the continuing need for banks on bases, the numbers of those banks have actually been declining over the past 20 years. The Base Realignment and Closure (BRAC) process closed many of the bases on which banks used to operate. Other on-base bank closures have resulted from the rising cost of operating branches on military installations. This latter issue has been one AMBA has been trying to fix both legislatively and through DoD policy. Unfortunately, relief from those rising costs is not yet in sight. The reality of banks leaving military installations is one that AMBA, its member banks, and the military communities they serve must deal with. It is a reality that also drives the need to adjust the definition of "military bank" as time goes on and circumstances change.

As the voice of military banking, AMBA also engages with its fellow banking trade associations, military and veteran service organizations, and even the federal banking regulatory agencies as a consultant on military financial matters. The legal regime that has been built around military banking over the past 60 years is the result of discussion and collaboration in which AMBA has played major roles. AMBA contributed to the development of the Military Lending Act and the regulations implementing it. It recently offered its insights to the efforts of the Comptroller of the Currency to modernize its Community Reinvestment Act regulations. AMBA's goals have been and will continue to be to enhance military financial readiness by improving the financial services offered by military banks, partnering with responsible non-bank financial service providers to broaden the scope of those financial services, and eliminating predatory financial practices.

AMBA'S MISSION AND MEMBERSHIP TODAY

Over 60 years, AMBA has evolved a great deal beyond its five original purposes. Whereas AMBA's original objectives focused on establishing military banking as a legitimate and respected niche in the banking industry, today its mission is defined by the outcomes it seeks to achieve: Advocacy, education, relationship-building, and thought leadership. In 2018, in recognition of the fact that banking for the military necessarily includes banking for veterans, AMBA expanded its basic charter to include veterans:

The Association of Military Banks of America (AMBA) is a not-for-profit trade association that represents financial institutions specializing in providing worldwide banking services for military personnel, veterans, and their families. AMBA, through its members and with its partners, is committed to improving the financial readiness of the U.S. military community by providing products, services, and education.

AMBA's many challenges over the years also influenced its approach to its mission. For example, given the steady departure of banks from military installations, AMBA leadership recognized that limiting the definition of "military banks" to banks on bases would soon shrink membership to just a few banks. In 2018, the AMBA Board of Directors decided to expand that definition to include as "Military Bank Associate Members" off-base banks that serve military personnel, veterans, and their families. In this way, AMBA has opened its doors to any bank that serves or wants to serve the military and veteran communities.

Similarly, in recognition of the fact that modern financial services are provided by myriad financial services providers, only some of which are banks, AMBA broadened the definition of its "Associate Corporate Member" category to include non-bank corporations providing financial services to the military or veteran communities. In this category, AMBA welcomed its first two non-bank members: Fidelity National Information Services (FIS), AMBA's AFFN partner; and StreetShares, a financial technology company whose mission is to provide small business loans to veteran entrepreneurs.



AMBA President & CEO, Steve Lepper, presents a charitable donation check to MOAA's President & CEO, Dana Atkins

Today, AMBA provides both advocacy and education to its members and the communities they serve. Through its annual Workshop, AMBA brings together its members, partners, regulators, and others who are interested in military financial preparedness. As an advocate, it has offered to Congress, the Executive Branch, and fellow non-profit associations insights into the real, persistent, and unique financial challenges military and veteran families face. It is a tribute to AMBA's past and present members and leaders that it is often consulted when military financial readiness matters become topics of legislation, regulation, or education.

In 2003, the Department of Defense invited AMBA to become a charter member of its newly-formed Financial Readiness Campaign. This Campaign convened roundtable meetings where participants helped DoD better understand and address financial readiness risks and threats. In 2019, AMBA has been asked to become a member of the successor DoD Financial Readiness Network. On a parallel track, AMBA is a founding member of the Military Family Financial Readiness Coalition, a group of non-profit organizations focused on augmenting and supporting DoD's financial readiness efforts. The common theme in all these efforts is the common goal of helping America's military and veteran families deal with their unique financial challenges.



The principal resource sustaining AMBA's efforts since 1985 has been its revenue from the Armed Forces Financial Network. In addition to its philanthropy and its ATM/POS network that deploys with the force, AFFN provides revenue that has replaced AMBA membership dues and sponsorships as the primary source of AMBA income. Because that income is based on transaction volume, AFFN, AMBA, and DCUC continually seek new members among banks, credit unions, and merchants. Because new developments in digital banking are gradually decreasing ATM/POS transaction volume, AFFN's future depends not only on acquiring new customers but also on developing new revenue sources. As AFFN evolves, the integrity of its brand will demand that future lines of business remain true to its core purpose to support the military and veteran communities.

Finally, because AMBA recognized that its work as a non-profit was both insufficient for its needs and at risk because its AFFN revenue was unrelated to its tax-exempt purposes, in 2016 AMBA created a for-profit subsidiary named AMBA Services, Inc. (ASI). This new corporation replaced AMBA as the legal AFFN partner and gave military banking a new way to both earn revenue and implement programs. With its own independent Board of Directors, chaired by the AMBA President & CEO, and its own Executive Director, ASI has already begun working to earn its place as a source of military financial education.

AMBA'S MISSION TOMORROW

As AMBA begins its next 60 years, its future is inextricably linked to the future of military banking. Just as it has redefined “military banking” by expanding its membership beyond its original charter, by including veterans among its beneficiaries, and by embracing non-bank providers of military and veteran financial services, it must also lead the development of incentives to encourage other financial service providers to serve the military and veteran communities.

Its recent recommendations to the Office of the Comptroller of the Currency in its modernization of its Community Reinvestment Act (CRA) regulations is just one example of how AMBA intends to serve in this leadership role. The CRA essentially provides banks a report card that grades the extent to which they serve the financial needs of the low-to-moderate income (LMI) communities within their geographic areas. In an effort to attract banks to the mission of serving military and veteran communities, AMBA recommended that OCC give “CRA credit” to banks engaged in those efforts. Whether banks provide loans to military or veteran borrowers, provide financial education, or employ veterans or military spouses, such services should be formally recognized. At the very least, such services qualify the financial institution for membership in the new AMBA.

The AMBA of the future must also be a facilitator of partnerships among entities that provide financial services to the military and veteran communities. Whether those partnerships are among banks, between banks and non-bank financial services providers, or between banks and non-profit organizations that seek to strengthen military financial resiliency, AMBA's central role among these entities makes it the perfect “matchmaker.”

Finally, the AMBA of tomorrow must continue to pursue the vision its founders established 60 years ago. Although it's likely that AMBA's founders would not recognize today's financial industry, the core of their vision – to provide the best possible financial services for the men and women who serve our Nation – has not and will never change. With that goal as its guide, AMBA's path for the next 60 years is certain. What is also certain is that AMBA, assisted by its members and partners, will overcome the many obstacles it will invariably encounter along the way.



AMBA Family: AMBA and ASI board of directors, staff, and their spouses



AFFN

Salutes
AMBA



Congratulations
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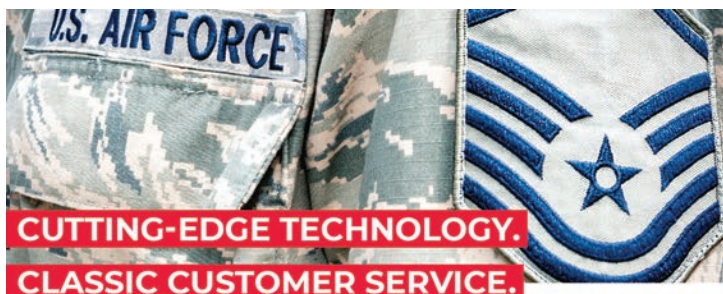


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