



## PUBLIC DISCLOSURE

May 18, 2015

### 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  
Fort Worth Field Office  
9003 Airport Freeway Suite 275, North Richland Hills, TX 76180-9127

**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, nor should it 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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory**

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

Major factors supporting this institution's rating include:

- First Command Bank's (FCB) loan-to-deposit ratio is reasonable given its size, strategy and performance context. FCB's loan-to-deposit ratio averaged 44.71% during the evaluation period.
- A substantial majority of loans originated by FCB was within its designated assessment area (AA).
- The distribution of loans to businesses of different sizes reflects an excellent penetration. The institution's distribution of consumer loans to borrowers of different income levels exhibits a poor penetration to low- and moderate-income (LMI) individuals. However, concern over the bank's poor lending distribution is mitigated when performance context issues are considered.
- The geographic distribution of consumer loans reflects a reasonable dispersion among the various income geographies given the performance context. The geographic distribution of business loans reflects a poor dispersion amongst the various income geographies.
- The institution's community development (CD) performance is adequate and demonstrates satisfactory responsiveness to the community development needs of its AA through community development loans, investments, and services.

## **Scope of Examination**

FCB qualifies as an Intermediate Small Bank (ISB) under the CRA regulation and is subject to a Lending Test and a Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The Community Development Test evaluates the bank's responsiveness to the identified needs in its AA through CD lending, qualified investing, and services.

We began the CRA performance evaluation of the bank on May 18, 2015. The evaluation period for the Lending Test runs from January 4, 2012 through December 31, 2014. The evaluation period for the Community Development Test runs from January 4, 2012 through May 18, 2015. Performance under the Lending Test was based on a review of the bank's primary loan products, which consist of consumer debt consolidation loans and commercial loans to small businesses. For the lending test, we reviewed a sample of 95 consumer debt consolidation loans and 20 commercial loans

## COMMUNITY DEVELOPMENT TEST

FCB's overall level of community development performance demonstrates adequate responsiveness to needs of its assessment areas through community development loans, qualified investments and community development services, considering the bank's size, its performance context and the need and availability of such opportunities for community development in the AAs.

### Number and Amount of Community Development Loans

FCB's loan performance reflects adequate responsiveness to CD needs. FCB originated one CD loan in the amount of \$500,000 to the Senior Housing Crime Prevention Foundation (SHCPF) during the evaluation period. The loan was first originated in March 2011, 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 20 of the 156 Veterans residing in the Clyde W. Coper Texas State Veterans Home located at 1300 Seven Oaks Road in Bonham, Texas. Of these residents, 87 of them, or 55%, are low-to-moderate income individuals.

### Number and Amount of Qualified Investments

FCB's investment performance reflects adequate responsiveness to the development needs of its AA. During the evaluation period, FCB's investments totaled \$6 million and included donations totaling over \$200,000. FCB invests through the CRA Qualified Investment Fund, which allocates the monies amongst various security pools to finance various community development activities. Donations made during the evaluation period include \$100,000 to support army veterans and \$100,000 to the First Command Educational Foundation (FCEF), an organization formed in 1983 to provide educational scholarships to children of active military officers.

### Extent to Which the Bank Provides Community Development Services

During the evaluation period, FCB exhibited an adequate responsiveness to the CD service needs of its AA. In addition to providing financial support to FCEF, employees, management and board members of FCB dedicate several volunteer hours in providing community development services through the organization. FCEF administers a direct scholarship program that is heavily based on need. The foundation partners with community organizations and schools to award scholarships. Since 1983, FCEF has awarded almost \$4 million in scholarship grants. In addition, FCB meets the CD service needs of its AA through volunteer activities by its directors, officers and employees, many on a continuing basis to several organizations with services geared towards LMI individuals and families. Annually, bank staff and management spend 833 hours serving as volunteers, committee members and directors, providing expertise in areas such as strategic planning, financial literacy, fundraising and budgeting.