



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

November 22, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**One Bank & Trust, National Association
Charter Number 24136**

**300 W. Capitol Avenue
Little Rock, AR 72203**

**Comptroller of the Currency
Little Rock Field Office
10201 West Markham, Suite 105 Ozark National Life Bld.
Little Rock, AR 72205**

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 average loan-to-deposit ratio at 94% is more than reasonable given the bank's size, financial condition, and assessment area credit needs.
- ◆ A majority of loans are in the bank's assessment area.
- ◆ The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- ◆ The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

DESCRIPTION OF INSTITUTION

One Bank and Trust, National Association (OBT) is located in Little Rock (Pulaski County), Arkansas (AR) which has a population of 183,133 according to the 2000 census. The bank has the main office in downtown Little Rock, six full-service branches in Little Rock, one full-service branch in North Little Rock, one full-service branch in Bryant (Saline County), and one limited service facility in Little Rock. All of the full-service branches have drive-in facilities, and automated teller machines (ATM's). The bank also has 14 stand-alone ATM's, 12 of which are located in gasoline service station outlets.

OBT closed all of its banking offices in Faulkner, Searcy, and Van Buren Counties since the previous CRA examination, but no additional offices have been opened. As of September 30, 2004, the bank reported total assets of \$289 million with \$233 million in deposits and \$257 million in loans (81% of total assets). OBT just surpassed the \$250 million asset size on December 31, 2003. Therefore, OBT is being examined under small bank CRA procedures.

The bank's primary business focus is commercial and commercial real estate and residential real estate loans. OBT offers residential real estate, home improvement, consumer, agriculture, commercial real estate, commercial and business loans. The loan portfolio composition as of September 30, 2004, is as follows.

Loan Category	\$ (000)	%
Commercial & Commercial Real Estate Loans	\$156,745	60%
Residential Real Estate Loans	\$81,850	32%
Consumer Loans	\$18,076	7%
Agriculture Loans	\$2,581	1%
Total	\$259,252	100%

OBT offers convenient banking hours and a variety of loan and deposit products to meet the needs of the assessment area. There are no financial impediments that would limit the bank's ability to help meet the credit needs in its assessment area.

The bank is 100% owned by Onefinancial Corporation, a one-bank holding company headquartered in Little Rock, Arkansas. As of September 30, 2004, Onefinancial Corporation had total assets of \$289 million. The bank's last CRA examination was performed by the Federal Reserve Bank of Saint Louis as of January 10, 2000 and was rated **Satisfactory**.

DESCRIPTION OF PULASKI AND SALINE COUNTIES

OBT's assessment area (AA) is Pulaski County, and seven census tracts (CTs) in adjacent Saline County near the Bryant branch (103.01, 103.02, 103.03, 105.09, 105.10, 105.11 and 105.12). Pulaski and Saline counties are included in the Little Rock/North Little Rock Metropolitan Statistical Area (MSA).

The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. There are 83 CTs in Pulaski County and seven CTs in Saline for a total of 90 CTs. The Median Family Income (MFI) for the Little Rock/North Little Rock MSA was \$46,412 in 2000. This income figure is used to determine the income level of individual CTs. According to the 2000 census, there are 8 low-income CTs, 27 moderate-income CTs, 36 middle-income CTs, and 19 upper-income CTs in the AA. The 2004 Housing and Urban Development (HUD) estimated MFI for the Little Rock/North Little Rock MSA is \$54,200. HUD estimated MFI is updated annually and is used to determine the income level of individual applicants.

Pulaski and Saline Counties are located in the geographical center of AR. According to the 2000 Census, the population of Pulaski County was 361,474 and the population of the AA was 384,017. The population of the Little Rock/North Little MSA was 583,845 according to the 2000 Census.

The economy of the AA is considered to be in a moderate growth mode. The leading employment industries are government; services; trade; construction; transportation; public utilities; finance; insurance; and real estate. According to 2003 Business Demographic Data, there were 17,321 businesses in the assessment area. Of those, 15,547 or 89% were businesses with annual gross revenues of less than \$1 million.

Unemployment as of October 2004 was 4.4% for Pulaski County and 3.8% for Saline County.

The unemployment rates for Pulaski County and Saline County are below the Arkansas average of 5.7% and the U.S. average of 5.5% as of October 2004.

The following table shows the demographic and economic characteristics of the Assessment Area.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
<i>Population</i>	
Number of Families	103,103
Number of Households	156,603
<i>Geographies</i>	
Number of Census Tracts/BNA	90
% Low-Income Census Tracts/BNA	9%
% Moderate-Income Census Tracts/BNA	30%
% Middle-Income Census Tracts/BNA	40%
% Upper-Income Census Tracts/BNA	21%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$46,412
2004 HUD-Adjusted MFI	\$54,200
<i>Economic Indicators</i>	
Unemployment Rate October 2004	4.4%
1972 Median Housing Value	\$88,005
% of Households Below Poverty Level	12%

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

OBT's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. There is no other bank that is similarly situated in the AA. There are two banks that are headquartered in Pulaski County that are somewhat comparable in term of size and branch locations. Pulaski Bank and Trust (PBT) has nine offices in Pulaski County, one office in Saline County, and one office in Shelby County in the State of Tennessee. National Bank of Arkansas (NBA) has six offices in Pulaski County, and two offices in adjacent Faulkner County. PBT is slightly bigger in total assets than OBT, and NBA is slightly smaller.

The following table shows total assets as of June 30, 2004 and the quarterly average loan-to-deposit ratio from December 31, 1999 through June 30, 2004 (19 quarters) for these three banks.

Institution	Assets (as of 6/30/2004)	Average LTD Ratio
OBT, Little Rock, AR	\$275 million	94%
PBT, Little Rock, AR	\$367 million	85%
NBA, North Little Rock, AR	\$136 million	86%

OBT's loan-to-deposit ratio has exceeded 100% since the March 31, 2002 Call Report. OBT borrows from the Federal Home Loan Bank (FHLB).

Lending in Assessment Area

A majority of OBT loans are in the bank's assessment area. A sample of 40 consumer loans, and 40 commercial loans made during 2003 and 2004 was reviewed to determine lending within the assessment area. Since the bank is a Home Mortgage Disclosure Act (HMDA) reporter, all HMDA reportable loans (purchased residential home loans, home improvement loans, and refinanced residential home loans) made during 2002 and 2003 were also used to determine lending within the assessment area. Lending within the assessment area is detailed in the following table.

TOTAL LOANS REVIEWED								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
HMDA	856	82%	\$165,607	85%	185	18%	\$28,104	15%
Consumer	28	70%	\$418	69%	12	30%	\$192	31%
Commercial	34	91%	\$5,042	15%	6	15%	\$477	9%
Total Reviewed	918	82%	\$171,067	86%	203	18%	\$28,773	14%

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

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low-and moderate-income) and businesses of different sizes. All residential loans listed in the 2002 and 2003 Home Mortgage Disclosure Act Loan Applicant Register, and the same sample of 40 consumer loans and 40 business loans that were used to determine lending within the assessment area were also used to determine lending to borrowers of different incomes. The HMDA loans are detailed in analyses since the 2002 loans were based on the 1990 census data information, and the 2003 loans were based on the 2000 census data information. The following tables show the distribution of residential real estate and consumer loans within the various income levels.

RESIDENTIAL REAL ESTATE				
Borrower Income Level	LOW	MODERATE	MIDDLE	UPPER
% of AA Families	19%	17%	22%	42%
LOANS BY YEAR 2002	% of Number	% of Number	% of Number	% of Number
Purchase	2%	5%	18%	75%
Home Improv	0%	0%	13%	87%
Refinancing	1%	3%	11%	85%
% of AA Families	20%	18%	21%	41%
LOANS BY YEAR 2003	% of Number	% of Number	% of Number	% of Number
Purchase	4%	9%	16%	71%
Home Improv	10%	5%	15%	70%
Refinancing	1%	7%	13%	79%

The above tables show that most of the residential loans were made to upper-income borrowers. The above tables show that residential real estate loans to low-income and moderate-income borrowers are below the percentage of low-income and moderate-income people in the assessment area.

CONSUMER								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	23%		17%		20%		40%	
LOANS BY YEAR	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
2003/2004	35%	31%	40%	38%	5%	1%	20%	30%

Consumer loans made to low-income and moderate-income borrowers were significantly above the percentage of low-income and moderate-income people in the assessment area. Consumer loans by number of loans and dollar amount of loans were above the percentage of low-income and moderate-income people in the assessment area.

The distribution of business and agriculture loans reflects reasonable penetration among businesses of different sizes. Loans to businesses with revenues under \$1 million dollar by number of loans approximate the percentage of businesses with revenues of under \$1 million in the assessment area. Loans to businesses with revenues under \$1 million dollar by dollar volume of loans are slightly below the percentage of businesses with revenues under \$1 million dollar in the assessment area. The following table shows lending to small businesses.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses	89%	11%
% of Bank Loans in AA #	88%	12%
% of Bank Loans in AA \$	79%	21%

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. All residential loans listed in the 2002 and 2003 Home Mortgage Disclosure Act Loan Applicant Register, and the same sample of 40 consumer loans and 40 business loans that were used to determine lending within the assessment area and lending to borrowers of different incomes were also used to determine lending to borrowers in different geographies.

RESIDENTIAL REAL ESTATE				
Census Tract Income Level	LOW	MODERATE	MIDDLE	UPPER
%of AA Owner Occupied	2%	17%	48%	33%
2002	% of Number	% of Number	% of Number	% of Number
Purchase	0%	2%	21%	77%
Home Improv	0%	6%	35%	59%
Refinancing	0%	5%	24%	71%
%of AA Owner Occupied	2%	20%	43%	35%
2003	% of Number	% of Number	% of Number	% of Number
Purchase	1%	3%	30%	66%
Home Improv	0%	0%	33%	67%
Refinancing	0%	1%	23%	76%

The above tables show that most of the residential loans were made to borrowers residing in middle-income and upper-income census tracts. The above tables show that residential real estate loans to borrowers residing in low-income and moderate-income tracts are significantly below the percentage of people residing in low-income and moderate-income tracts in the assessment area.

CONSUMER								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	5%		23%		42%		30%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
2003/2004	0%	0%	21%	16%	14%	25%	64%	59%

The table above shows that most of the consumer loans were made to borrowers residing in upper-income census tracts. Based on the sample, the above table shows that there were no consumer loans made to borrowers residing in low-income tracts. However, consumer loans made to borrowers residing in moderate-income tracts are just slightly below the percentage of people residing in moderate-income tracts.

BUSINESS LOANS								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	10%		23%		39%		28%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
2003/2004	9%	8%	6%	14%	41%	48%	44%	32%

The above table shows that the bank is making loans in low- and moderate-income areas. Business loans made to borrowers located in low-income tracts are just slightly below the percentage of businesses that are located in low-income tracts. Business loans made to borrowers located in moderate-income tracts are below the percentage of businesses that are located in moderate-income tracts. The above tables also show that a substantial majority of business loans were made to borrowers that are located in middle-income and upper-income geographies.

Responses to Complaints

One Bank and Trust, National Association, Little Rock, AR, has not received a formal CRA complaint since the previous examination.

Fair Lending or Other Illegal Credit Practices Review

An analysis of public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in 2000.