

IATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

May 05, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

One Bank & Trust, National Association
Charter Number: 24136

300 W. Capitol Avenue
Little Rock, AR 72203-0000

Office of the Comptroller of the Currency

LITTLE ROCK (MEMPHIS)
10201 West Markham, Suite 105 Ozark National Life Bldg.
Little Rock, AR 72205-2180

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 Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

- The bank's loan-to-deposit ratio is the highest of similarly situated banks in the assessment area (AA).
- A substantial majority of home mortgage loans and small loans to businesses originated in the bank's AA.
- Borrower distribution of loans is adequate.
- Geographic distribution of loans is adequate.
- OneBanc demonstrates an excellent response to community development through its level of community development loans, qualified investments, and community development services.

Scope of Examination

This Performance Evaluation was based on Home Mortgage Disclosure Act (HMDA) data and a sample of small loans to businesses from January 3, 2005 through December 31, 2007, and community development activities from November 24, 2007 through May 5, 2008. Loan data reviewed included home purchase, home improvement, and refinance loans. The sample of small loans to businesses consisted of sixty-three loans. Community development activities consisted of community development loans, qualified investments/grants/donations, and community development services.

Description of Institution

One Bank and Trust, National Association (OneBanc) is located in Little Rock (Pulaski County), Arkansas (AR) which has a population of 183,133 according to the 2000 Census. The bank has its main office in downtown Little Rock. There are eight full-service branches in Little Rock and one full-service branch in North Little Rock. During the evaluation period, OneBanc had a branch located in Bryant, AR (Saline County). The branch was closed in August 30, 2007. As of December 31, 2007, the bank reported total assets of \$367 million with \$297 million in deposits and \$323 million in loans (88% of total assets). OneBanc is currently being examined under the intermediate small bank procedures. The bank is 100% owned by Onefinancial Corporation, a one-bank holding company headquartered in Little Rock, Arkansas.

The bank's primary business focus is commercial and commercial real estate loans. OneBanc offers commercial and commercial real estate, residential real estate, consumer, and agricultural loans. Home improvement loans are not a significant product line for the bank. OneBanc offers home improvement loans, but does not actively market them. The loan portfolio composition as of December 31, 2007, is as follows:

Loan Category	\$ (000)	%
Commercial & Commercial Real Estate Loans	\$224,866	69.02%
Residential Real Estate Loans	\$85,309	26.18%
Consumer Loans	\$15,080	4.63%
Agriculture Loans	\$539	.17%
Total	\$325,794	100%

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

Description of Assessment Area(S)

For the evaluation period, OneBanc's AA is Pulaski and Saline Counties. 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 104 census tracts (CTs) in AA. The Median Family Income (MFI) for the AA 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 7 low-income CTs, 28 moderate-income CTs, 46 middle-income CTs, and 23 upper-income CTs in the AA. Pulaski and Saline Counties are located in the geographical center of AR. According to the 2000 Census, the population of the counties was 445,003.

The poverty level for the counties is 11.54%; thus, making it more difficult for low-income families to purchase homes. In addition, the percentage of owner-occupied housing units in low-income geographies is less than 3%, indicating that there are little to no opportunities to make home mortgage loans in low-income tracts.

The economy of the AA is considered to be in a moderate growth mode. The leading employment industries are government, education, medical, finance, construction, and retail. According to 2007 Business Demographic Data, there were 35,787 businesses in the AA. Of those, 22,366 or 62.5% were businesses with annual gross revenues of less than \$1 million. Unemployment as of March 2008 was 4.3% for Pulaski County, 4.2% for Saline County, 4.9 for the state of Arkansas, and 5.1 for the United States. The unemployment rate for Pulaski and Saline Counties are below average compared to the unemployment rates Arkansas and the United States. The following table shows the demographic and economic characteristics of the AA.

Demographic Information for Full Scope Area: Pulaski and Saline Counties, AR						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	6.73	26.92	44.23	22.12	0.00
Population by Geography	445,003	3.81	22.17	44.92	29.10	0.00
Owner-Occupied Housing by Geography	115,713	2.02	16.63	46.25	35.10	0.00
Business by Geography	35,787	7.82	20.36	42.33	29.50	0.00
Farms by Geography	660	3.79	15.45	44.24	36.52	0.00
Family Distribution by Income Level	120,937	19.80	17.66	22.09	40.45	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	45,308	6.17	32.90	45.09	15.84	0.00
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below Poverty Level		46,412 56,500 12%	Median Housing Value Unemployment Rate (2000 US Census)		87,560 2.54%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 US Census and 2007 HUD updated MFI

Conclusions with Respect to Performance Tests

LENDING TEST

OneBanc has a satisfactory record of meeting the credit needs of low- and moderate-income families and lending in low- and moderate-income areas of the AA.

Loan-to-Deposit Ratio Exceeds the Standard for Performance

OneBanc's loan-to-deposit ratio was calculated over twelve quarters beginning March 31, 2005 through December 31, 2007. The bank's LTD ratio was compared to local competitors in the AA. OneBanc had the highest quarterly average LTD ratio of similarly situated banks.

The following table shows total assets as of December 31, 2007, and the quarterly average loan-to-deposit ratio from January 1, 2005 through December 31, 2007 (12 quarters), for these banks.

Loan-To-Deposit Ratios		
Institution	Total Assets \$000's (As of 12/31/07)	Average Loan –to- Deposit Ratio
One Banc & Trust, National Association	366,685	109.92%
Twin City Bank	694,981	77.70%
Centennial Bank	228,946	89.72%
Delta Trust & Bank	216,177	83.56%
National Bank of Arkansas in North Little Rock	210,838	91.91%
The Capital Bank	176,353	51.59%
Bank of Little Rock	143,730	77.90%
Eagle Bank and Trust Company	123,948	59.59%

Source: Institution Reports of Condition from March 2005 to December 2007.

Lending in Assessment Area Exceeds the Standard for Satisfactory Performance

A substantial majority of the number and dollar volume of loans originated in the bank's AA. For home mortgage loans, 81.79% of the number and 79.34% of the dollar volume originated in the AA. From a sample of small business loans, the bank originated 88.89% of the number and 82.30% of the dollar volume of small loans to businesses in the AA.

Pulaski and Saline Counties, AR										
Loan Sample	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2005-2007 Residential Loans	768	81.79	171	18.21	939	131,054	79.34	34,130	20.66	165,184
2005-2007 Business Loans	56	88.89	7	11.11	63	7,505	82.30	1,614	17.70	9,119
Total	824	82.24	178	17.76	1,002	138,559	79.49	35,744	20.51	174,303

Source: 2005-2007 HMDA data, sample of small loans to businesses, and CRA Wiz™ Reports.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes Meets the Standard for Satisfactory Performance

Home Purchase

The overall lending for home purchase loans is adequate. The percentage of bank loans is well below the percentage of low-income families in the AA. The percentage of bank loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. Based on information from community contacts, affordable housing is a predominate need in the AA. The median price of homes in the county is \$88 thousand, making it difficult for many low- and moderate-income applicants to find affordable housing to purchase.

Home Improvement

The overall lending for home improvement loans is poor. The distribution of loans to low- and moderate-income borrowers is lower than the percentage of low- and moderate-income families in the AA. Home improvements loans comprise 6% of total home mortgage loans for OneBanc. The average age of housing in the AA is 37 years, indicating that home improvement loans are a need in the AA.

Home Refinance

The overall lending for home refinance loans is adequate. The percentage of bank loans to low-income borrowers is much lower than the percentage of low-income families in the AA. As noted above, the AA’s poverty level and lack of affordable housing hinders the bank’s ability to make loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA.

Borrower Distribution of Residential Real Estate Loans in Pulaski and Saline Counties, AR								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.80	3.18	17.66	10.88	22.09	19.89	40.45	66.05
Home Improvement	19.80	2.63	17.66	7.89	22.09	23.68	40.45	65.79
Home Refinance	19.80	2.63	17.66	7.89	22.09	23.68	40.45	65.79

Source: 2005-2007 HMDA data and CRA Wiz™ Reports.

Small Loans to Businesses

OneBanc is not required to collect and report data on small loans to businesses under the intermediate small bank CRA guidelines. During this evaluation we viewed a sample of 63 small business loans originated from January 3, 2005 through December 31, 2007. Approximately 91.53% of small loans to businesses, regardless of revenue size, originated at \$100 thousand or less. OneBanc’s record of making small loans to small businesses is good. The percentage of bank loans to businesses with revenues of \$1 million or less is near to the percentage of businesses that reported revenues of \$1 million or less. The bank’s business strategy is commercial and commercial real estate lending.

2005-2007 Borrower Distribution of Loans to Businesses in AA				
Pulaski and Saline Counties, AR				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	62.50%	5.80%	31.70%	100%
% of Bank Loans in AA by #	61.54%	19.23%	19.23%	100%
% of Bank Loans in AA by \$	57.39%	28.02%	14.59%	100%

Source: 2005-2007 bank loans and CRA Wiz™ Reports.

Geographic Distribution of Loans Meets the Standard for Satisfactory Performance

Home Purchase

The overall lending for home purchase loans is adequate. The percentage of bank loans in low-income census tracts is lower than the percentage of owner-occupied housing units in low-income geographies. The percentage of bank loans in moderate-income geographies is much lower than the percentage of owner-occupied housing units in moderate-income geographies.

Home Improvement

The overall lending for home improvement loans is good. OneBanc did not originate any home improvement loans in low-income geographies during the evaluation period. Again, lending opportunities for home mortgage loans in low-income geographies is minimal. The percentage of bank loans in moderate-income geographies exceeds the percentage of owner-occupied housing units in the moderate-income geographies.

Home Refinance

The overall lending for home refinance loans is adequate. The percentage of bank loans in low- and moderate-income geographies is lower than the percentage of owner-occupied housing units.

Geographic Distribution of Residential Real Estate Loans in Pulaski and Saline Counties, AR								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	2.02	1.20	16.63	5.50	46.25	31.34	35.10	61.96
Home Improvement	2.02	0.00	16.63	17.78	46.25	24.44	35.10	57.78
Home Refinance	2.02	1.32	16.63	11.59	46.25	34.44	35.10	52.65

Source: 2005-2007 HMDA data and CRA Wiz™ Reports.

Small Loans to Businesses

The bank’s overall geographic distribution of small loans to businesses is good. The percentage of bank loans in low-income census tracts exceeds the percentage of businesses located in low-income tracts. The percentage of bank loans in moderate-income census tracts is somewhat lower than the percentage of businesses located in moderate-income tracts.

2005 – 2007 Geographic Distribution of Loans to Businesses Pulaski and Saline Counties, AR								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Loans to Businesses	7.82	10.34	20.36	15.52	42.33	25.86	29.50	48.28

Source: Loan Sample Data

Responses to Complaints

OneBanc has not received any complaints concerning the bank’s lending performance.

COMMUNITY DEVELOPMENT TEST

OneBanc demonstrates an excellent response to community development through its level of community development loans, qualified investments, and community development services.

Number and Amount of Community Development Loans Exceeds the Standard for Satisfactory Performance

OneBanc has an excellent record of meeting the affordable housing needs and promoting economic development in the AA. During the evaluation period, the bank originated twenty-three loans totaling \$12.9 million that qualify as community development loans. The majority of the loans were to finance the purchase of multi-family housing units. Nineteen of the twenty-three (83%) community development loans were originated for affordable housing needs. The units are leased at below market rates and the residents are low- and moderate-income. All twenty-three loans are located in low- and moderate-income census tracts. Four of the twenty-three (17%) community development loans were originated for stabilization and revitalization needs in low- and moderate-income geographies in the community. The purpose of the loans was to construct commercial property in low- and moderate-income census tracts to stabilize the community.

Number and Amount of Qualified Investments Exceeds the Standard for Satisfactory Performance

During the evaluation period, OneBanc made equity investments in two (2) Small Business Investment Corporations (SBIC) totaling \$903 thousand. Both entities provide funding or capital to small businesses that can not receive financing from financial institutions.

The bank participates in a partnership with the Federal Home Loan Bank (FHLB). OneBanc's total investment is \$63,488. The affordable housing and economic development programs of the twelve FHLBs consist of grants and low-interest loans to member financial institutions to use to provide financing for economic development and housing activities.

FHLB grants and low-interest loans are catalysts for the construction and revitalization of housing targeted to people with low- and moderate-incomes. The Affordable Housing Program (AHP) - funded projects serve a wide range of neighborhood needs; many are designed for seniors, the disabled, homeless families, first-time homeowners and others with limited resources.

During the evaluation period, OneBanc made seven grants totaling \$16,500 that provide services to low- and moderate-income individuals. These grants went to organizations that provide basic living needs, help people understand basic banking and personal finance principles, provide mentoring for children, and provide educational opportunities for low- and moderate-income individuals.

Extent to Which the Bank Provides Community Development Services

OneBanc officers and employees are actively involved in eight community development service activities in the AA. The organizations promote assistance to low- and moderate-income families, economic development, and community revitalization. During the evaluation period, bank employees used their banking experience and expertise to assist these organizations. The organizations provide affordable housing, basic living needs, education opportunities, and youth mentoring opportunities to low- and moderate-income individuals and families.

The bank's branch distribution shows 10% in low-income census tracts, 50% in middle-income census tracts, and 40% in upper-income census tracts. No branches are located in moderate-income census tracts. The main office is located in a low-income census tract. The main office is readily accessible to low- and moderate-income census tracts in the AA. Each branch location has an ATM. The bank also has ATMs located in 25 convenience stores located throughout the AA. OneBanc is part of the Dash Network which allows OneBanc customers to use ATMs in the Dash Network free of surcharges.

Responsiveness to Community Development Needs

OneBanc has not received any complaints concerning the bank's lending performance.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.