

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Bank One, Louisiana, N.A.** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of **September 19, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the CRA of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

“Outstanding record of meeting community credit needs.”

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Satisfactory record of meeting community credit needs.”

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Needs to improve record of meeting community credit needs.”

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

“Substantial noncompliance in meeting community credit needs.”

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

ABBREVIATIONS

The following abbreviations are used in this Public Evaluation:

- ATM - Automatic Teller Machine
- BOC - Banc One Corporation, Inc. (Parent holding company of Bank One, Louisiana, N.A. and other Bank One affiliates nationwide)
- BOCDC - Banc One Community Development Corporation (subsidiary of BOC for making equity investments in and loans to development projects)
- BOMC - Banc One Mortgage Corporation (subsidiary of BOC organized to make and sell real estate mortgages in the secondary market for affiliated banks)
- CDC - Community Development Center
- CRA - Community Reinvestment Act (12 USC 2901) (12 CFR 25)
- CT - Census tract
- ECOA - Equal Credit Opportunity Act (15 USC 1691) (12 CFR 202)
- FHA - Federal Housing Administration
- FmHA - Farmers Home Administration
- FNMA - Federal National Mortgage Association
- HMDA - Home Mortgage Disclosure Act (12 USC 2801) (12 CFR 203)
- HUD - U.S. Department of Housing and Urban Development
- LHFA - Louisiana Housing Finance Authority
- LMI - Low- and moderate-income census tracts where the median family income is less than 80% of the MSA median.
- MSA - Metropolitan Statistical Area
- SBA - United States Small Business Administration
- SLMA - Student Loan Marketing Association
- VA - Department of Veteran's Affairs (Veteran's Administration)

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated:

“Satisfactory Record of Meeting Community Credit Needs.”

Evaluation Period: The bank's previous Public Disclosure is dated March 31, 1994. The current disclosure evaluates the bank's performance from April 1, 1994 through September 19, 1996.

BANK PROFILE

Bank One, Louisiana, N.A. (Bank One) resulted from Banc One Corporation's (BOC) acquisition of Premier Bancorp, Incorporated, parent of Premier Bank, on January 2, 1996. The bank's name was changed from Premier Bank to Bank One, Louisiana, N.A. at that time.

Bank One is a wholly-owned subsidiary of BOC of Columbus, Ohio. As of June 30, 1996, BOC reported total assets of \$97.1 billion and operated 59 banks with a total of 1,503 offices in Arizona, Colorado, Illinois, Indiana, Kentucky, Louisiana, Ohio, Oklahoma, Texas, Utah, West Virginia, and Wisconsin. Other BOC subsidiaries operating in Louisiana include: Banc One Mortgage Corporation (BOMC), Bank One Credit Card Services Company, Banc One Capital Corporation, and Banc One Community Development Corporation. The lending, investment, and advisory activities of these subsidiaries in Bank One's delineated communities, which are included in this evaluation are not a part of any other institution's CRA performance.

The second largest bank in Louisiana, Bank One reported assets of \$5.8 billion at June 30, 1996 with gross loans and leases of \$3.3 billion and a loan-to-deposit ratio of 75%. The bank's delineated market area includes all or portions of the Baton Rouge, Houma-Thibodaux, Lake Charles, Lafayette, Monroe, New Orleans, and Shreveport MSAs. The bank also serves a Non-Metro Region of the following parishes: Acadia, Claiborne, Iberia, Jefferson Davis, Lincoln, Morehouse, Natchitoches, St. Mary, Tangipahoa, and Union. The bank's main office is located in Baton Rouge, and the remaining 151 full-service branches are located in the seven MSAs and Non-Metro communities as follows: 24 branches in the Baton Rouge community, 20 branches in the Houma-Thibodaux community, 14 branches in the Lake Charles community, 13 branches in the Lafayette community, 10 branches in the Monroe community, 23 branches in the New Orleans community, 25 branches in the Shreveport community, and 22 branches in the Non-Metro community.

Bank One ranks first in deposit size in the Lafayette MSA, second in the Baton Rouge, Houma-Thibodaux, Monroe and Shreveport MSAs, and fourth in the New Orleans and Lake Charles MSAs. In the Non-Metro communities, the bank ranks first in deposit size in the Claiborne and

Lincoln parishes and second in Natchitoches and Morehouse Parishes. In the remaining parishes of the Non-Metro community, Bank One has an insignificant deposit market share.

The bank offers a wide range of credit products to its retail and small business customers and is primarily a consumer lender. At year-end 1995, loans to individuals, credit card loans, and 1-4 family residential loans represented 65% of gross loans in the portfolio. The following table presents a breakdown of the loan portfolio.

LOAN PORTFOLIO COMPOSITION				
	12-31-94 (\$ millions)	% of Loan Portfolio	12-31-95 (\$ millions)	% of Loan Portfolio
Loans secured by real estate	\$1,086	39	\$1,235	33
Loans to individual	1,009	36	1,687	45
Commercial & Industrial Loans	615	22	727	20
Agricultural Loans	34	1	34	1
Other Loans	29	1	29	1
Total Loans	\$2,773	100	\$3,712	100

Source: 1994 and 1995 Reports of Condition

The bank reported net income of \$74.2 million and \$62.5 million for 1994 and 1995, respectively. These earnings resulted in returns on average assets of 1.52% and 1.13% for these respective periods.

COMMUNITY PROFILE

Louisiana has eight MSAs, of which Bank One serves seven. Within the state's MSAs, over 11% of the white population and almost 43% of the black population live below the poverty level. In rural Louisiana, outside the MSAs, over 18% of the white population and over 53% of the black population live in poverty, as defined by the U.S. Bureau of the Census. The economy is improving as the state continues to recover from the decline of the petrochemical industry in the 1980s. Contributing to this growth is a new casino industry, renewed oil and gas extraction sector, fabricated metal, machinery and barges, chemicals, construction, trade, and services. These growth areas are offsetting declines in the apparel, utilities, and banking industries.

Because of the overall decline of the Louisiana economy in the 1980s, the state suffered from a significant loss of tax revenues. Today, there is a need in Louisiana for infrastructure improvements to support development. In addition, further diversification of business and industry is needed to strengthen the state's economy. There is a critical need for basic education and job training to provide the skilled work force necessary to attract and retain a viable industry base.

State-wide organizations and agencies working to address these needs include the State Office of Economic Development, the Louisiana Seed Capital Corporation, Louisiana Economic Development Corporation, the Committee of 100 for Economic Development, Gulf Coast Business and Industrial Development Corporation (BIDCO), and the New Orleans Specialty Business and Industrial Development Corporation (SBIDCO).

The bank's delineated communities cover most of the state, except the central part or Alexandria MSA. The table on the following page lists the delineated communities and their demographics. Note that these demographics are not city or parish-wide, as they have been calculated for the specific area comprising each delineated community.

BANK ONE, LOUISIANA - DEMOGRAPHICS OF DELINEATED COMMUNITIES

COMMUNITIES	BANK ASSETS (MILLIONS)	BRANCHES	TOTAL POPULATION (1990 census)	1995 HUD MEDIAN FAMILY INCOME	% LMI TRACTS	% OWNER OCCUPIED UNITS		% of POPULATION	
						TOTAL	LMI	BLACK	OTHER MINORITIES
BATON ROUGE	\$763	24	528,264	\$32,466	36%	57%	28%	30%	1%
SHREVEPORT	579	25	376,330	27,402	37%	57%	27%	35%	1%
NEW ORLEANS	483	23	1,285,270	29,212	37%	51%	24%	35%	4%
MONROE	465	10	142,191	26,284	43%	58%	30%	31%	1%
LAFAYETTE	331	13	344,953	24,153	31%	59%	13%	27%	1%
HOUMA	200	20	181,842	24,464	11%	67%	9%	14%	1%
LAKE CHARLES	164	14	168,134	29,180	25%	63%	19%	23%	1%
NON-METRO	*	22	391,281	21,178	19%	62%	15%	32%	2%
TOTAL	\$5,785**	151							

* These communities have an insignificant amount of assets; therefore, these are included in the nearest region in which the branch is located.

** The total assets of the bank include amounts not allocated to the branches.

Description of Delineated Communities

Baton Rouge Community - The Baton Rouge MSA is located in the east central region of the state and consists of the East Baton Rouge, West Baton Rouge, Ascension, and Livingston Parishes. Bank One's delineated community is limited to the East Baton Rouge Parish.

At year-end 1995, there were an estimated 150,502 households in Bank One's Baton Rouge community. According to Civilian Labor Force Estimates as of May 1996, unemployment in the Baton Rouge MSA was at 5.1%, while the rate for the state of Louisiana was 6.1%. In the 18 census tracts with median incomes below the poverty level, the unemployment rate was 7% and an additional 34% of persons over age 16 years are not in the workforce, for a total of 41% unemployed or not in the workforce.

For more than a decade, the economy of the Baton Rouge MSA has outperformed that of most other regions in the state. Lacking a significant oil and gas exploration industry, this MSA was spared the deep recession of the 1980's.

Bank One has ascertained a need in this MSA for economic development to generate jobs and training for job related skills. Several government agencies and local organizations in the area are working to address these needs. These organizations include: the Downtown Development District, the State Office of Economic Development, the Chamber of Commerce, the Louisiana Seed Capital Corporation, and Wybirk Minority Business Development Center.

Bank One has ascertained a need for consumer credit counseling and for technical assistance for prospective home buyers and small business owners in the community. The lack of understanding about the mortgage process is a barrier to many prospective home buyers.

The bank's delineated community is served by 170 branches of banks, credit unions, and savings banks. Bank One's principal competitors in this community are Hibernia National Bank, City National Bank, and Union Planters Bank.

Houma-Thibodaux Community - This MSA is located along the southwestern coast of the state and consists of LaFourche and Terrebonne Parishes. Bank One has delineated the entire MSA as its community.

At year-end 1995, there were an estimated 64,560 households in Bank One's Houma-Thibodaux community. According to the 1990 U.S. Census, there were 66,748 housing units in the bank's community. Unemployment was 4.5% as of May 1996.

The bank has ascertained a need for affordable financing of residential housing. This credit is especially needed for first-time home buyers with low or moderate incomes. Barriers to qualifying for mortgage loans for the purchase of affordable homes include: credit history, high debt-to-income ratios, unverifiable income, non-conforming properties, and insufficient funds for down payment and/or closing costs. In addition, the bank has ascertained a need for affordable housing stock. The cities of Houma and Thibodaux lie at the southern tip of

Terrebonne and LaFourche parishes, along the Gulf Coast. There are unique barriers associated with obtaining property suitable for development in this area due to state and federal requirements for wetlands preservation and access, title, and erosion issues associated with intercoastal waterways. Nevertheless, the Houma-Terrebonne CDC is working with the Terrebonne Parish consolidated government to address these needs.

Bank One has ascertained a need for consumer credit counseling and for technical assistance for prospective home buyers and entrepreneurs in the community. The lack of understanding about the mortgage process is a barrier to many prospective home buyers. Technical assistance for small businesses and entrepreneurs is needed to help them prepare loan applications, financial records, and business plans.

The bank's delineated community is served by 47 branches of banks, credit unions, and savings banks. Bank One's principal competitors are Argent, Progressive, and Meritrust banks.

Lake Charles Community - The Lake Charles MSA is located in the southwestern region of the state. Bank One has identified the MSA's only parish, Calcasieu, as its delineated community.

At year-end 1995, there were an estimated 64,450 households in Bank One's Lake Charles community. According to the 1990 U.S. Census, there were 66,426 housing units in the bank's community. Unemployment for the area was estimated at 5.8% as of May 1996.

The refining and chemical industries in the Lake Charles area are expanding through increased activity by companies such as CITGO, Conoco/Penzoil, and Westlake Chemical. In addition, Lake Charles has successfully introduced river boat casinos to the area. Forecasts indicate an additional 6,500 jobs will be created for Lake Charles by 1998.

The bank has ascertained a need for affordable financing for residential housing purchase and rehabilitation. This credit is especially needed for first-time home buyers with low or moderate incomes. Barriers to qualifying for mortgage loans for the purchase of affordable homes include: credit history, high debt-to-income ratios, and insufficient funds for down payment and/or closing costs. In the Lake Charles MSA, organizations such as the Community Housing Resource Board, the First Commerce Community Development Corporation, and the City Housing Authority are helping to meet these needs.

The bank's community is served by 72 branches of banks, credit unions, and savings banks. Bank One's principal competitors in this market are Calcasieu Marine, First National Bank of Lake Charles, and First Federal.

Lafayette Community - The Lafayette MSA is located in the south central region of the state and consists of the parishes of Acadia, Lafayette, St. Landry, and St. Martin. Bank One's delineated community is Lafayette Parish.

At year-end 1995, there were an estimated 66,297 households in Bank One's Lafayette community. According to the 1990 U.S. Census, there were 67,431 housing units.

The local economy is diverse. Major employers include: Stuller Settings Incorporated, Acadiana Ambulance, The ACE Group, Vega Automotive Group, Frank's Casing Crew & Rental Tools Incorporated, and Hub City Ford Incorporated. Bank One has ascertained a need for job creation, economic development, and loans to small businesses in Lafayette. Several government agencies and local organizations in the area are working to address these needs. These include the Louisiana Capital Certified Development Corporation, Acadiana Small Business Development Center, and the Evangeline and Lafayette Economic Development Authorities.

The bank has ascertained a need for affordable financing for the purchase and rehabilitation of residential housing in Lafayette.

The bank's community is served by 82 branches of banks, credit unions, and savings banks. Bank One's principal competitors in the area are First National Bank of Lafayette, LBA Savings, and Hibernia National Bank.

Monroe Community - The Monroe MSA is located in the northeastern region of the state. Bank One has identified the MSA's only parish, Ouachita, as its delineated community.

At year-end 1995, there were an estimated 53,210 households in Bank One's Monroe community. According to the 1990 U.S. Census, there were 56,300 housing units in the community. The unemployment rate for Monroe was estimated to be 5.5%.

Bank One has ascertained a need for job creation, economic development, and loans to small businesses in the Monroe MSA. The Ouachita Enterprise Corporation is helping to address these needs.

As with the other communities that Bank One serves, it has ascertained a need for consumer credit counseling and for technical assistance for prospective home buyers and entrepreneurs in the community.

The bank's community is served by 59 branches of banks and credit unions. Bank One's principal competitors are First National Bank of Commerce, Regions Bank, and Hibernia National Bank.

New Orleans Community - The New Orleans MSA is located in the southeastern tip of the state and consists of eight parishes. Bank One's delineated community in this MSA consists only of the following parishes: Orleans, Jefferson, St. Tammany, and St. Bernard.

At year-end 1995, there were an estimated 446,228 households in Bank One's New Orleans community. Unemployment for the area was 5.9% as of May 1996. According to the 1990 U.S. Census there were 493,785 housing units in this community. In New Orleans proper, the rate of home ownership is approximately 40%. Housing stock in the city is aging, and much of it is rental, intermixed with historic districts. The bank has ascertained a need for affordable financing for residential housing in its assessment area. This credit is especially needed for the

first-time home buyers with low or moderate incomes. In New Orleans proper, Bank One has ascertained a need for rehabilitation financing in addition to purchase money financing.

The local economy is diverse. The major employers are: Benson Motors Corporation, Pan-American Life Insurance Corporation, K&B Services, Ochsner Clinic, Southern Holdings Incorporated, and the tourism industry in general. Bank One has ascertained a need for job creation, economic development and loans to small businesses. The Regional Loan Corporation, Specialty BIDCO, JEDCO, and the Chamber of Commerce are working to address these needs.

The bank's community is served by 370 branches of banks, credit unions and savings banks. Bank One's principal competitors are First National Bank of Commerce, Hibernia National Bank, and Whitney National Bank.

Shreveport Community - The Shreveport MSA is located in the northwest corner of the state and consists of Bossier, Caddo, and Webster Parishes. Bank One has delineated Bossier and Caddo Parishes as its community.

At year-end 1995, there were an estimated 127,219 households in Bank One's Shreveport community. According to the 1990 U.S. Census, there were 142,609 housing units in the community. According to Civilian Labor Force Estimates as of May 1996, unemployment in the Shreveport MSA was at 6.2%, higher than the state rate of 6.1%.

The local economy is diverse. Major employers are: Barksdale Air Force Base, State of Louisiana, Caddo Parish School Board, LSU Medical Center, City of Shreveport, and General Motors.

Bank One has ascertained a need for job creation, economic development, and loans to small businesses in the Shreveport MSA. The bank has also ascertained a need for affordable financing for residential housing in the community. This credit is especially needed for first-time home buyers with low or moderate incomes. Barriers to qualifying for mortgage loans for the purchase of affordable homes include: credit history, high debt-to-income ratios, or insufficient funds for down payment and/or closing costs. In addition, the bank has ascertained a need for affordable housing stock.

The bank's community is served by 91 branches of banks, credit unions, and savings banks. Bank One's principal competitors are Commercial National, Hibernia National Bank, and Barksdale Federal Credit Union.

Non-Metro Community - The region identified by Bank One as its Non-Metro delineated community consists of ten rural parishes located in the northern and southern regions of the state. These parishes are Acadia, Claiborne, Iberia, Jefferson Davis, Lincoln, Morehouse, Natchitoches, St. Mary, Tangipahoa, and Union.

At year-end 1995, there were an estimated 137,418 households in Bank One's Non-Metro Region delineated community. Unemployment for the Non-Metro Region was at 7% as of May 1996.

The bank's community is served by 190 branches of banks, credit unions and savings banks. Bank One's principal competitors are: Planter and Regions (Claiborne Parish); Central and Community (Lincoln Parish); City Bank & Trust and Exchange Bank & Trust (Natchitoches Parish); Hibernia National Bank and Kraftman Credit Union (Morehouse Parish); and First United, Marion and community banks (Union Parish).

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding credit services being provided by the institution.

Conclusion - Management has reasonably identified the credit needs of the bank's delineated communities, including LMI neighborhoods. The bank has responded to those needs through credit products and banking services designed to help meet the varied interests of its market.

Rationale - Management has made a reasonable number of contacts with individuals, community-based organizations, government officials, and developers within the bank's communities. Responses to identified credit needs include the development of loan products and programs, creation and modification of some banking services, sponsorship of educational seminars, and participation in government lending programs and community development projects. The bank also supports local consumer credit counseling and education programs. A special effort has been made to develop programs in areas where the bank has fewer loans. Management regularly reviews the bank's products and participation in programs in relation to information obtained in the credit needs ascertainment process.

Bank One has taken action to make retail credit products offered by both the bank and by Bank One Mortgage Corporation (BOMC) more appealing and more accessible to LMI consumers. It has also taken steps to improve its delivery of credit products to small businesses. Marketing programs have been enhanced to more effectively communicate information to existing and prospective customers about products designed to help meet their specific needs.

Supporting Detail - The bank focuses its ascertainment efforts at the local market level through periodic contact with community-based organizations, local government officials, housing agencies, realtors, church leaders, and others familiar with the delineated community. Local bank officers, including senior management, conduct community contacts. A list of contacts is maintained by the CRA Coordinator. When the bank enters a new market, a meeting with community leaders is held, and minutes of the meeting are documented, including specific references to any credit needs identified during the meeting. Needs identified through ongoing contacts are reported to regional bank management and the statewide CRA Committee

for action in relation to the bank's credit products and services. The CRA Committee also monitors progress toward ascertainment and lending goals included in the CRA Strategic Plan adopted by the Board.

The CRA Committee meets monthly to discuss the volume of calls and activities. It also reviews the results of surveys and studies conducted by or on behalf of the bank to highlight the financial needs of the communities. These studies and surveys address a variety of topics, including affordable housing issues, customer satisfaction, image and advertising awareness, and market analysis and demographic analysis. In addition, bank employees participate in many special committees formed by nonprofit organizations and business associations designed to find solutions to the credit needs of local communities, particularly affordable housing and economic development.

The process to identify and respond to community credit needs is ongoing. Management has identified and responded to the following credit needs:

Credit Need: Affordable mortgage loans with down payment and closing cost assistance, and mortgage loans for purchase and rehabilitation.

Response: The bank has developed and offered the following products:

- Foundations Affordable Housing Program - Mortgage products available to LMI home buyers and homeowners when the applicant or property does not meet the criteria for standard FNMA or FHA loans. Home ownership and personal finance counseling are required prior to loan approval. The applicant may borrow all or part of the 5% down payment or use grants or gift money for closing costs or down payment. More flexible underwriting standards apply.
- FNMA Community Home Buyers Program - Mortgage products such as the 3/2 Option and FNMA 97 that allow smaller down payments and grants or gift money to cover some of the down payment. More flexible underwriting standards also apply.
- Unsecured Loan Program for Closing Costs and Prepaid Expenses - An unsecured loan that covers the applicant's closing costs and prepaid expenses for Foundations Affordable Housing Program and FNMA Community Home Buyers Program loans.
- State and Local Bond Loans - The bank participates in mortgage loan programs developed by local and state government agencies and/or nonprofit organizations in the delineated communities when available. These programs are community specific with terms and conditions designed to help meet housing needs in those communities, but generally offer some form of down payment or closing cost assistance.

Credit Need: Housing for low-income individuals.

Response: The bank is addressing this need by providing construction financing for the development of more housing units by private real estate developers and by public entities. The bank has extended credit to construct multi-family low-income housing, and has been involved in partnerships for the same purpose. Bank One has also financed the manufacture and sale of prefabricated housing within its communities.

Credit Need: Financial advice and less burdensome credit approval process for small business loans.

Response: Bank One produced and licensed a personal computer program to educate and assist small businesses in financial planning, management, and credit application. It contains a complete credit application and financial statement package. Twenty thousand copies of the diskette have been distributed to small businesses free of charge.

Small business loan underwriting has been centralized to reduce approval time. The bank has also modified its underwriting policy and provided for alternative forms of documentation to reduce the paperwork burden for small business applicants.

Bank One sometimes acts as liaison to technical assistance resources and various sources of equity funds. Educational seminars for small business owners and managers are conducted throughout the state. The bank also publishes a quarterly business magazine, *Louisiana Business*, which features customers and information for each region in which the bank operates.

Credit Need: Loan products to finance the purchase of household goods and furniture.

Response: This need was identified often in surveys conducted by the bank, and a special dealer program has been developed for sellers of these items. The program allows the retail merchant to offer financing with less interruption to the cashflow of his business.

Credit Need: Convenience of access to consumer products and services.

Response: The bank built a 24-hour customer call service center so that loans and deposits may be handled by phone and over the Internet. The branch system is being redesigned to add more in-store and ATM locations. Loan approval time was reduced by centralizing the underwriting process.

Additional information on specific loan products and the volume of lending is provided under Assessment Factors E, H, I, and J.

Assessment Factor C - The extent of participation by the institution's Board of Directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the CRA.

Conclusion - The Board of Directors and senior management have adopted and followed a reasonable program to help meet the credit needs of the bank's communities. They have adequately supervised the bank's performance with respect to the purposes of CRA.

Rationale - The Board and senior management, through the statewide CRA Committee, have used a goal-oriented CRA Strategic Plan to direct efforts to help meet credit needs in each of the bank's seven regions. Periodic reporting facilitates monitoring at all levels. Identified credit needs have been met through product development and modification, more flexible underwriting standards and processes, and target market strategies. Policy and procedures are adequate to ensure technical compliance with the regulation.

Supporting Detail - The CRA Coordinator and the statewide CRA Committee supervise implementation of the CRA program. The Coordinator accumulates data, provides analysis, disseminates information bank-wide, coordinates responsive actions, and tracks results. She also chairs the monthly CRA Committee meetings and makes quarterly reports to the Board. A self-assessment was performed by the CRA Coordinator and presented to the Board in March 1995. The self-assessment reviewed the bank's performance in relation to each of the 12 assessment factors and provided comments and recommendations to enhance documentation and the review process. The recommendations have been implemented.

The CRA Committee consists of the CRA Coordinator, various loan product and market segment managers, and managers of BOMC and marketing. This committee drives the CRA mechanism through its review function and its products/programs/services/delivery design authority. The members of the committee have sufficient authority and responsibility to respond to identified credit needs.

Directors and senior management are involved in activities which benefit and improve the bank's communities. A partial list of involvement includes the following: Baton Rouge Area Foundation; Council for a Better Louisiana; Baton Rouge Community Services Council; Downtown Development Districts of Shreveport, Bossier City and Lafayette; Monroe-West Monroe Public Trust Finance Authority; Louisiana Council for Economic Education in Lake Charles; Terrebonne Economic Development Commission; South Louisiana Economic Council; Neighborhood Housing Services; and Chambers of Commerce throughout the state.

The bank provides appropriate CRA-related training to all relevant personnel. CRA training is included in the orientation of new personnel. The training includes instruction on how to handle public inquiries concerning the CRA Public Comment File. In addition, lending personnel receive fair lending and cultural diversity training. CRA officers and product and segment managers for each community also receive periodic CRA training. Compliance with

the technical requirements of the regulation is satisfactory. The CRA Statement was most recently approved by the Board on June 11, 1996.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

Conclusion - Bank One management has implemented adequate marketing programs to inform all segments of the bank's communities of products and services offered.

Rationale - Bank One's marketing program focuses on informing the public of the bank's credit services in each of its delineated communities. A variety of means are used to reach consumers including some that are specifically targeted at minority and LMI individuals.

Supporting Detail - Marketing activities coincide with objectives established by the bank's Strategic Plan and are conducted by a centralized Marketing Department. Marketing efforts are coordinated with loan production goals and include goals for penetration of LMI areas. The LMI Segment Manager and Community Lenders are instrumental in the implementation of the call program and in marketing to LMI areas and persons.

To inform the public about its products and to enhance its image, Bank One utilizes a wide variety of media sources and marketing techniques, including some that are targeted to reach minorities and LMI census tracts. Traditional forms of advertising are utilized, including newspaper, radio, billboards, magazines, trade publications, brochures and television. Educational seminars, realtors, and community-based organizations are also utilized. The Marketing Department maintains profiles of various media analyses and uses them in marketing decisions. To improve the effectiveness of its marketing efforts, Bank One uses outside marketing firms that can provide survey information on the acceptance of specific advertising campaigns. The bank also works with agencies that have expertise in marketing to the African-American market segment.

Campaigns for mass market media such as broadcast television, major radio stations, and mass circulation newspapers are developed by the Marketing Department. Cable television and special interest radio advertising is also used on a statewide basis. Review of the 1996 advertising budget disclosed that approximately equal expenditures are made for product and image advertising. The name change, from Premier Bank to Bank One, which occurred on June 1, 1996, accounted for most of the image expenditures.

Marketing activities tailored to individual communities use alternative media, such as minority and special interest publications, direct mailings to LMI areas, special event programs, and direct calls. Some special interest publications which have been used are *Louisiana Weekly*, *Southern Consumer Times*, the New Orleans *Tribune*, and builder and realtor magazines in

each MSA and statewide. Bank One also uses billboards and bank fairs in LMI areas to promote products and banking relationships. In 1995, the bank's affordable mortgage program was promoted by Premier Mortgage Company personnel, and business loan products were promoted by the Business Loan Department at "Black Expo '95" and "Living The Dream" seminars for persons considering buying a home or starting a small business. Loan products were also featured at the "Fall Conference for Women," held in the bank's Southwest Region.

The bank has run several multi-media marketing campaigns since 1994. These promoted Foundations Affordable Housing Program mortgages, consumer debt consolidation loans, home equity loans, and loans-by-check. Consumer loan applications received during each campaign were tracked for volume and by market. The general consumer loan sale and debt consolidation loan campaigns are the largest campaigns, and they have been very successful. The combined campaigns have resulted in increasing loan originations by 57% in 1994 and 42% in 1995. The campaigns have been very effective in reaching LMI individuals. The distribution among all income segments is fairly even with the LMI segments slightly higher. The campaigns were also held in 1996 and continued to be successful. The results have not yet been analyzed; however, the goals set for debt consolidation loans were exceeded in all communities and the general consumer loan sale exceeded goals in all but two communities. The home equity loan campaign was run in 1995 and 1996. The number of fixed-term instalment accounts originated in 1996 was 1,109 (\$32 million) which was close to double that of the 1995 campaign. Additionally, the lines of credit originated for home equity increased from seven in 1995 to 133 (\$4 million) in 1996. All communities, except New Orleans, significantly exceeded the goals set for 1996.

Marketing efforts are also directed to small business customers. Bank One publishes the quarterly *Louisiana Business* magazine which circulates statewide. Each quarter, a small business customer from one of the bank's delineated communities is featured on the cover. Products are advertised and explained in the publication, and advice from financial and operational experts is included. The direct call program remains the primary marketing tool for business lending, and it includes ascertainment of credit needs. Goals for the call program are established in the CRA Strategic Plan, at 16 calls per region per year. Achievement of the goals was monitored by the regional presidents, and to date the goals have been met in each region. Bank personnel formally report efforts in new markets, but there is no formal tracking system for calls in established communities.

The BusinessLine product was introduced in 1993 specifically to help meet the working capital needs of small businesses. Major multi-media and branch incentive campaigns in early 1995 and 1996 increased volume from less than \$10 million in commitments in March 1995, to \$36.4 million in commitments as of July 1996. This portfolio grew 7.9% in July 1996 alone.

Bank One sponsors seminars designed to educate consumers and small business owners about products offered by the bank and about banking in general. The bank also sponsors and organizes many financial education programs in schools. These seminars are conducted in each market in which the bank operates, and they totaled 174 in 1995. In addition, Bank One supports credit and home ownership counseling programs; such as, Consumer Credit

Counseling, Inc.; Neighborhood Housing Services, Inc.; and Coalition for a Better Tomorrow, Incorporated. For further details on such organizations, see Assessment Factor H.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

Conclusion - Bank One extends a reasonable amount of credit in its delineated communities. The bank's volume of mortgage, home improvement, and small business and small farm loans shows responsiveness to needs identified within the community.

Rationale - The bank has extended an adequate volume of consumer, mortgage and small business loans to various segments of its communities. Affordable housing and business loans are among the communities' most pressing needs. Management has introduced innovative products and has used flexibility in underwriting to increase the availability of credit.

Supporting Detail - Bank One offers a complete line of consumer, mortgage, and commercial credit products through a branch network spanning most of Louisiana. The CRA Statement accurately lists these various products. Major credit products offered include:

- o Residential real estate loans, including 1-4 and multi-family, home equity, home improvement and construction loans and lines of credit.
- o Consumer loans for various purposes, including instalment loans and lines of credit.
- o Various government-guaranteed or enhanced programs, including FHA, VA, SBA, FmHA, and student loans.
- o Commercial loans, including small business loans on terms or as revolving lines of credit.

The following table reflects the composition of the bank's loan portfolio. At year-end 1995, 65% of the bank's portfolio consisted of residential 1-4 family real estate and consumer loans. Bank One has grown its consumer and residential real estate portfolios significantly since the last examination. Residential mortgages, including first and second liens, have increased 31% and consumer loans have increased 27%. Loans for the construction of multi-family housing are up 57% over the last two years. Home equity lending was significantly boosted in 1995 after management increased the maximum allowable loan-to-value ratio to 100%, as noted under Assessment Factor B. The total loan portfolio increased by 32% since 1994. This loan growth is reflected in the bank's higher loan-to-deposit ratio, which was 75% as of June 30, 1996.

OUTSTANDINGS BY LOAN TYPE - COMBINED COMMUNITIES						
	June 30, 1996		June 30, 1995		June 30, 1994	
	AMOUNTS \$000s	% OF TOTAL	AMOUNTS \$000s	% OF TOTAL	AMOUNTS \$000s	% OF TOTAL
REAL ESTATE						
Construction & Development	\$120,410	4	\$ 93,310	3	\$ 82,374	3
Residential- 1st lien	476,636	14	492,663	17	391,640	16
Residential- 2nd lien	138,475	4	105,021	4	77,172	3
Open-end Home Equity	27,474	1	26,854	1	25,884	1
Multi-Family	53,060	2	32,962	1	33,776	1
Commercial	431,008	13	387,975	14	381,651	15
Farm	26,746	1	18,901	1	20,764	1
CONSUMER						
Open-end	124,928	4	108,855	4	83,322	3
All Other	984,262	30	929,715	33	790,411	32
COMMERCIAL & INDUSTRIAL	689,762	21	500,391	18	461,437	18
AGRICULTURAL	35,348	1	34,117	1	46,660	2
STATE & POLITICAL OBLIGATIONS	104,639	3	81,004	3	78,052	3
ALL OTHER	90,262	3	28,278	1	25,902	1
TOTAL LOANS	\$3,303,010	100%	\$2,840,046	100%	\$2,499,045	100%
LOAN TO DEPOSIT RATIO	75%		64%		62%	

Developed in late 1994 to address an identified community credit need, Bank One introduced its own affordable mortgage product, the Foundations Affordable Housing Loan Program. Management committed \$30 million to this initiative. The program offers 95% financing of home purchase and home refinancing upon completion of a home buyer training class. Gap financing is available in certain situations to cover the down payment. Closing costs are kept to a minimum, and may also be financed. Recent credit histories (6-12 months) are emphasized.

Community Lending originators in Shreveport, Baton Rouge and New Orleans are dedicated to the Foundations Affordable Housing Loan Program and government home finance programs. Other mortgage company lenders may also originate Foundations loans. The bank does not track these loans by region or community. The following table reflects loan volume in the Foundations Affordable Housing Loan Program since its inception and other affordable housing loans made with local government assistance programs.

AFFORDABLE HOUSING LOANS ORIGINATED FROM 1994 THROUGH 6/30/96				
Program	Sponsor	Region	#	\$ (000s)
Foundations Affordable Housing Loan Program	Bank One (internal)	statewide	N/A	\$12,845
Homebuyer's Assistance Program	Office of the Mayor, Division of Human Services	Baton Rouge	13	537
Low Interest Homebuyers & Home Improvement Program	N. O. Home Mortgage Authority	New Orleans	25	1,173
Grant for Downpayment and Closing Cost Assistance	Neighborhood Housing Services	New Orleans		
Homeownership Program	Monroe Affordable Homeownership Community Housing Development Organization, Inc.	Northeast	3	97
HOME Investment Partnership Program	Terrebonne Parish Consolidated Government	South Louisiana	new	

N/A = not available

Foundations Affordable Housing Loan Program loans originated in the years of 1994, 1995, and as of June 20, 1996, were \$1.4 million, \$5.4 million, and \$6 million, respectively. An additional \$2.9 million in Foundations loans are approved but not yet funded. The overall trend in this affordable housing product is positive despite the downward trend in total mortgage originations.

Ease of application and processing was an identified consumer credit need addressed through the introduction of Telebanking and Loan-by-Check during the review period. These products were successful and Bank One remains one of the top consumer lenders in Louisiana.

Bank One defines small business loans as those commercial and non-residential real estate loans with original loan amounts of \$100 thousand or less. The bank actively promotes and obtains small business credits and considers itself a leader in small business lending, although its market share is unknown. Increased competition has kept growth in the portfolio at modest levels. Loan requests have recently shifted from real estate lending to working capital for small businesses, a credit need identified in the ascertainment process. The bank's portfolio has shifted accordingly. The BusinessLine product, introduced in 1993 to help address small business working capital needs, has tripled in volume in 1996. Other innovations include a streamlined application process and centralized underwriting to speed loan approval.

Small farm loans are defined as those loans in original amounts of \$100 thousand or less, secured by farmland, or for agricultural purposes. The bank has not advertised small farm lending, but it acquired rural banks in recent years that had small farm loans in their portfolios. The decline in volume reflects the timely repayment of those acquired loans. The following table shows the bank's volume of loans to small businesses and small farms.

Small Business and Small Farm Loans Originated for Amounts of \$100,000 or less						
	6/30/96		6/30/95		6/30/94	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Non-residential real estate loans	1,062	\$37,467	1,220	\$40,932	1,271	\$41,791
Commercial loans	4,572	104,099	4,201	97,687	4,071	86,539
TOTAL SMALL BUSINESS LOANS	5,634	141,566	5,421	138,619	5,342	128,330
Loans secured by farmland	140	3,525	96	2,874	94	2,710
Agricultural loans	255	7,246	370	8,686	474	11,318
TOTAL SMALL FARM LOANS	395	\$10,771	466	\$11,560	568	\$14,028

The percentage of loans made within or outside the bank's delineated communities is not currently available. The bank does not track geographic distribution by product or program. Loans originated or purchased within the community are tracked only on a total portfolio basis, and the bank cannot segregate lending inside the community from lending outside the community. Bank management estimates that since 1994, approximately 75%-80% of

commercial loans were made to Louisiana businesses. The geographic distribution of loans is more fully detailed under Assessment Factor E.

Assessment Factor J - The institution's participation in governmentally insured, guaranteed, or subsidized loan programs for housing, small business or small farms.

Conclusion - The bank uses government-guaranteed and subsidized loan programs to expand the availability of credit.

Rationale - The bank participates in a variety of insured and subsidized programs to promote housing and small businesses. The programs are used to decrease the risk the bank assumes and to reduce the cost of credit to borrowers. Bank One makes a reasonable amount of government- guaranteed or subsidized loans.

Supporting Detail - The following table shows Bank One's participation in government loan programs based on production reports:

GOVERNMENT-RELATED LOAN PROGRAM PARTICIPATION (in 000s \$)								
REGION	FHA		VA		SBA		SLMA	
	1994	1995	1994	1995	1994	1995	1994	1995
Baton Rouge	14,810	6,814	3,828	1,719	not currently tracked by region or product		26,325	37,747
Houma	3,250	2,497	1,927	792			2,973	4,114
Lafayette	523	403	1,351	608			11,444	8,797
Lake Charles	1,888	842	777	207			1,077	2,294
Monroe	1,962	1,580	89	293			2,990	3,823
New Orleans	1,371	782	195	122			16,721	30,627
North Central	452	1,065	141	137			1,702	3,301
Shreveport	3,921	2,521	1,991	913			1,620	2,443
Other	N/A	90	N/A	0			4,729	2,487
Totals	28,178	16,594	10,299	4,791			16,081	14,851

The decline in SBA loans represents the effect of heightened competition. In 1994, Bank One ranked first in dollars and second in number of SBA loans originated in Louisiana. In 1995, Bank One ranked fourth in number, and third in dollars. Bank One is a Certified Lender at

present, and it expects to be a Preferred Lender by year-end 1997. SBA loans include Low-Doc, 7(A), 504, and Greenline/ Capline products, but the bank does not track SBA loans either by product or by geography. As of August 30, 1996, there were 292 SBA accounts outstanding, totaling approximately \$32 million.

Bank One ranked first in the State in 1995 in student loan volume, with 44% of the market. Its nearest competitor has 13% of the market. In 1994, 83% of student loans were to students within the bank's delineated communities, and all of the schools were within the communities. These figures were not provided for 1995, but it was estimated that 97% of the schools benefiting from 1995 loans were within the bank's communities.

The sharp decline in FHA and VA lending is attributable to the completion of the refinance cycle begun in 1993 when interest rates fell, and because competitive conventional mortgage products have reduced the demand for FHA and VA loans. Some applicants who might ordinarily apply for FHA or VA loans have chosen the Foundations loan program. The bank's volume and its market share in FHA and VA guaranteed loans by MSA are shown in the following table. This volume is reasonable given the competitiveness of the products and the large number of mortgage loan providers in the bank's markets, particularly New Orleans (over 300).

FHA/VA Loan Volume and Market Share								
Community	#		(000s)		(#) Market Share		Market Ranking	
	1994	1995	1994	1995	1994	1995	1994	1995
Baton Rouge	255	92	\$15,515	\$6,158	10%	5%	3rd	7th
Houma	77	53	4,331	2,870	18%	13%	2nd	4th
Lafayette	17	13	869	900	2%	4%	12th	12th
Lake Charles	51	21	2,554	974	11%	5%	3rd	6th
Monroe	39	28	2,143	1,685	4%	4%	6th	5th
New Orleans	37	16	2,444	1,243	0.4%	0.3%	45th	45th
Shreveport	86	64	5,376	3,779	2%	2%	14th	10th

The bank also offers Farmers Home Administration loans, with outstanding balances of \$1.6 million as of June 30, 1996. The bank participates in the Louisiana Small Business Linked-

Deposit Program statewide, but does not separately track the number or amount of loans originated under the linked-deposit program.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

Conclusion - Bank One's community delineations are reasonable and do not arbitrarily exclude any LMI areas.

Rationale and Supporting Detail - Bank One has delineated seven communities that are located in MSAs and one other community composed of parishes not located in an MSA (see Community Profile section for detailed description). The delineations are reasonable and do not exclude any LMI areas the bank would reasonably be expected to serve. The bank's communities contain a reasonable volume of LMI areas with 35% of the census tracts within the communities designated as LMI areas.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

Conclusion - The geographic distribution of the bank's credit applications and extensions reflects a reasonable penetration in the bank's delineated communities, including LMI areas. Management has conducted certain analysis of the distribution of credit applications and extensions.

Rationale - The bank has solicited and received applications and extended credit throughout its delineated communities. From 1994 to 1995, the bank has continued to achieve good loan penetration in the vast majority of the census tracts in its communities except the New Orleans community. The bank entered the New Orleans market in 1993 and faces intense competition for mortgage and consumer loans. Management has established formal procedures to identify, by census tract, areas where lending is at a significantly lower than average level. Those areas are evaluated to identify the reasons for those circumstances, and when appropriate, to formulate plans to increase service to those areas.

Supporting Detail - The bank conducts quarterly analyses to monitor its applications and loans for home mortgage, home improvement, consumer, and small business. Management has begun the transition to Bank One reporting processes which provide comparative data and mapping of the distribution of accounts.

Household Penetration By Community

As part of the analysis of the bank's lending performance, management calculates the percentage of households in each census tract that have at least one of the bank's mortgage or

consumer loan products. This percentage is referred to as the bank's level of penetration. Management calculates the overall level of penetration for each community, and then identifies census tracts with a low level of penetration. Low penetration areas are defined as census tracts with a penetration level less than one-half the overall level for that community. Branch managers are required to develop action plans which include focused marketing efforts to address low penetration areas within their markets. Progress toward improving penetration in these areas is monitored at least quarterly.

The following table discloses that the bank's level of penetration is generally good. The Baton Rouge, New Orleans, and Non Metro communities have the greatest number of census tracts considered to be under served. The table reflects that the majority of census tracts with low penetration are also LMI. Bank management attributes the large number of under served census tracts in Baton Rouge to the fact that most have a median income of less than \$15,000. Also, eight of the census tracts are located within the two universities (LSU and Southern University), are areas that are primarily industrial, or encompass the airport. The high percentage of under served areas in the Non-Metro communities is attributed to the lack of bank facilities in rural parishes. It has only been in the last year that the bank entered the rural parish markets. Management also attributes low penetration in LMI census tracts in the New Orleans and Non-Metro communities to the fact that a majority of these census tracts are made up of households that have extremely low levels of income. Additionally, approximately 39% of the census tracts that are predominately minority are considered to be under served versus 6% of the non-minority census tracts. As noted in the Community Profile section, demographics of the bank's communities show that a majority of the LMI population are minorities.

LOAN PENETRATION ANALYSIS				
Community and (Number of Census Tracts)	(#) and % of census tracts with low-penetration	(#) and % of low- penetration census tracts that are LMI	% of LMI census tracts with low- penetration	% of Minority census tracts with low-penetration
Baton Rouge (86)	(18) 21%	(18) 100%	50%	50%
Houma/Thibodaux (38)	(4) 11%	(2) 50%	25%	50%
Lafayette (41)	(3) 7%	(3) 100%	23%	50%
Lake Charles (44)	(3) 7%	(2) 67%	18%	10%
Monroe (42)	(5) 12%	(5) 100%	26%	36%
New Orleans (350)	(55) 16%	(55) 100%	36%	41%

Shreveport (82)	(8)	10%	(7)	88%	21%	28%
Non-Metro (94)	(29)	31%	(6)	21%	32%	36%
Total (777)	(125)	16%	(98)	78%	33%	39%

* Low penetration is defined by the bank as any census tract where the % of consumer and residential loans are less than 50% of the overall level for that community.

Loan Production Relative to Population Demographics

In the following table, information from the bank's HMDA data was used to evaluate its lending in the seven communities that are located in MSAs. Bank One was not required to report specific data for the bank's Non-Metro community. Mortgage lending subject to HMDA reporting relates to home purchase, refinance, and home improvement lending. Loans made by the bank and its affiliated mortgage company were included in this analysis. The table shows the percentage of mortgage loans originated in LMI census tracts in each community. This percentage is compared to the percentage of each community's households that reside within LMI census tracts.

HMDA LOANS IN LMI CENSUS TRACTS COMPARED TO HOUSEHOLDS IN LMI CENSUS TRACTS						
Community	% Households LMI	1994 HMDA loans in LMI census tracts		1995 HMDA loans in LMI census tracts		% change from 1994 to 1995
		#	%	#	%	%
Baton Rouge <i>All Lenders</i>	28%	168	10.5 <i>12.3</i>	180	12.9 <i>16.8</i>	23% <i>37%</i>
Houma-Thibodaux <i>All Lenders</i>	9%	42	5.7 <i>5.8</i>	25	4.3 <i>5.1</i>	-25% <i>-12%</i>
Lafayette <i>All Lenders</i>	13%	39	8.8 <i>6.1</i>	39	8.8 <i>7.1</i>	0% <i>16%</i>
Lake Charles <i>All Lenders</i>	24%	85	14.5 <i>12.8</i>	90	16.3 <i>15.7</i>	12% <i>23%</i>
Monroe <i>All Lenders</i>	34%	119	21.0 <i>17.7</i>	127	23.9 <i>21.1</i>	14% <i>19%</i>
New Orleans <i>All Lenders</i>	32%	56	9.8 <i>13.8</i>	83	13.9 <i>15.9</i>	42% <i>15%</i>

Shreveport	30%	199	17.9	219	19.8	11%
<i>All Lenders</i>			<i>15.9</i>		<i>17.8</i>	<i>12%</i>

* HMDA loans are residential purchase, refinancing, home improvement, and multi-family originated by Premier Bank, N.A. or Premier Mortgage Company in 1994 and 1995.

Overall, the bank's percentage of loans in LMI census tracts is less than the percentage of households residing in those census tracts. The bank has increased its lending in LMI census tracts in all of its communities but Houma and Lafayette. This illustrates that there continues to be opportunity for lending in LMI areas. It is also noted that the bank's percentage of residential loans in LMI census tracts is similar to overall market performance, but competing lenders increased loans in LMI census tracts by a higher percentage. Residential loan products are becoming more flexible and innovative. This brings more people into the market and increases the competition for that new market. Management stated that the decline in activity in Houma might be due to the low number of LMI census tracts and the higher level of owner-occupied housing. The rising interest rate environment would then cause a decline in demand for residential lending. The largest increase in loans in LMI census tracts has been in the New Orleans community where the bank continues to gain additional market share and there is greater need for residential loan products.

HMDA - Market Share

The following tables show the bank's market share for home purchase and home improvement lending in the bank's largest communities for 1994 and 1995. Rather than show the overall market share by community, the tables reflect the bank's market share by income level of the census tract where the property is located. Market share means the bank's lending as a percentage of the total lending for all reporting entities in the market. Total lending includes loans made by banks, savings banks, and mortgage companies. The tables are based on median family income.

MARKET SHARE DATA								
RESIDENTIAL PURCHASE LOANS BY CENSUS TRACT								
Census Tract Designation	Low Income % & (ranking)		Moderate Income % & (ranking)		Middle Income % & (ranking)		Upper Income % & (ranking)	
	1994	1995	1994	1995	1994	1995	1994	1995
Baton Rouge	10 (2)	8 (2)	9 (2)	9 (2)	12 (1)	9 (2)	12 (1)	10 (2)
Houma/Thibodaux	N/A	N/A	12 (1)	8 (3)	14 (1)	11 (2)	19 (1)	13 (1)
Lafayette	7 (4)	5 (3)	1 (8)	7 (4)	4 (8)	4 (7)	3 (11)	5 (7)

Lake Charles	7 (4)	17 (3)	9 (3)	9 (2)	11 (2)	7 (7)	9 (3)	6 (6)
Monroe	17 (2)	13 (4)	12 (3)	12 (3)	8 (4)	8 (6)	10 (5)	10 (5)
New Orleans	1 (19)	1 (17)	1 (28)	1 (25)	1 (22)	1 (26)	2 (14)	1 (20)
Shreveport	5 (4)	10 (3)	12 (1)	7 (4)	6 (6)	4 (10)	7 (6)	5 (7)

* Residential loans made by both Premier Bank and Premier Mortgage Company are combined to determine the market share.

MARKET SHARE DATA HOME IMPROVEMENT LOANS BY CENSUS TRACT								
Census Tract Designation	Low Income % & (ranking)		Moderate Income % & (ranking)		Middle Income % & (ranking)		Upper Income % & (ranking)	
	Community:	1994	1995	1994	1995	1994	1995	1994
Baton Rouge	17 (3)	15 (4)	23 (1)	19 (3)	27 (1)	25 (2)	29 (1)	27 (1)
Houma/Thibodaux	N/A	N/A	29 (2)	27 (1)	30 (1)	26 (1)	38 (1)	25 (1)
Lafayette	24 (1)	19 (1)	27 (2)	31 (1)	30 (1)	26 (2)	29 (1)	26 (1)
Lake Charles	29 (1)	15 (2)	17 (3)	26 (2)	19 (3)	23 (2)	24 (2)	23 (1)
Monroe	34 (1)	27 (1)	34 (1)	38 (1)	24 (2)	32 (1)	29 (1)	34 (1)
New Orleans	4 (7)	6 (6)	2 (13)	3 (8)	2 (9)	4 (5)	3 (8)	5 (5)
Shreveport	40 (1)	35 (2)	19 (2)	26 (2)	26 (2)	31 (2)	27 (2)	32 (2)

The bank's market share generally ranks (1) or (2) throughout all income levels in most of its communities. This is reasonable since Bank One is one of the largest financial institutions in most of its communities. In Lake Charles, New Orleans and some rural parishes, the bank does not have the dominant presence that it has in other communities. In addition, as the economy improves, the bank faces additional competition from out-of-state lenders. This has been reflected in the bank's declining share of residential loans, especially in middle- and upper-income census tracts. The number of competitors providing home purchase loans is much larger and geographically diverse than those providing home improvement loans. Consequently, the bank's market share ranking of home improvement loans is generally higher than its share for residential purchase.

The bank has generally improved its share of HMDA loans in LMI areas, especially in the moderate-income census tracts. Notable exceptions are a decline in market share of residential purchase loans in low-income census tracts in Monroe and in moderate-income census tracts in Houma/Thibodaux and Shreveport. Also, a declining market share is reflected in home improvement loans in LMI census tracts in Baton Rouge. The Lake Charles and New Orleans communities have experienced an increasing share of loans in LMI census tracts, despite the bank's comparatively low share of deposits in those communities.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

Conclusion - The bank has a good record of providing services to its communities through its branch and alternative service networks. Bank One's record of opening and closing offices is acceptable.

Rationale - The bank's branch and alternative service networks provide reasonable access to banking services for all segments of its communities. Bank One has a network of 151 branches and 27 off-site ATMs that provide service to its communities. The bank's branch closing activity has not significantly affected the provisions of banking services to the delineated communities.

Supporting Detail - Bank One has closed 11 branches since the last CRA evaluation, primarily to reduce duplication of services caused from previous acquisitions of community banks. During the same period, Bank One opened 16 new branches, primarily in Wal-Mart stores.

Approximately one-third of the bank's facilities are located in LMI census tracts. A review of the locations of these offices indicates that banking services are reasonably accessible to all segments of the bank's communities.

Bank One has located a number of offices inside retail establishments such as grocery or discount stores. These offices offer most retail lending and deposit functions available at other branches. Location in the retail facilities may eliminate at least some perceived intimidation of

the usual branch facility which the public has frequently cited as an impediment to obtaining banking services.

Another alternative of delivering lending services is through the bank's Loan-by-Phone system. This allows consumers to apply for retail loans without visiting a branch office. This system makes the bank's services more readily available to persons who may be located farther from a branch or who may prefer to conduct business over the telephone. The bank's Loan-by-Phone services are available 24 hours a day in either English or Spanish. Other bank services are also available by telephone. The TeleServices department is available 24 hours a day for all retail deposit and loan activities, customer inquiry, and commercial deposit activities except cash withdrawals.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

Conclusion - No practices were identified which are intended to discourage applications for credit.

Rationale and Supporting Detail - Bank One solicits credit applications from all segments of its communities. Marketing programs have specifically targeted minority and LMI individuals. Marketing efforts have also specifically targeted areas with below average levels of credit penetration.

The bank's written policies and procedures support nondiscrimination in lending activities. Training programs address the requirements of the Fair Housing Act, the Equal Credit Opportunity Act, and the Home Mortgage Disclosure Act.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

Conclusion - No illegal discrimination or other illegal credit practices were noted.

Rationale and Supporting Detail - The fair lending review performed by examiners focused on home improvement loans underwritten from January 1, 1996 through March 31, 1996. Bank One underwrites home improvement loans using a combination of credit scoring and judgmental underwriting. Examiners analyzed 191 home improvement loan applications to determine whether similar applicants received similar loan outcomes without regard to their race. No instances were identified where applicants were treated differently because of race.

The bank conducted a fair lending self assessment. Results of the review were not made available to examiners.

V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

Conclusion - The bank regularly participates in community development and redevelopment programs.

Rationale - The bank has participated in projects throughout its communities. Community development has been supported through a wide variety of means.

Supporting Detail - The bank participates in community development and redevelopment projects through direct loans, participation in multi-bank community development corporations, equity investments by Banc One Community Development Corporation (BOCDC), and support of community-based organizations with contributions and technical assistance. The bank has participated in projects which target affordable housing needs, home rehabilitation, small businesses, and economic development.

Bank One officers serve on the boards of directors of many community development organizations, including in Baton Rouge: Local Initiatives Support Corporation, Mid-City Redevelopment Alliance, and Consumer Credit Counseling Services; in New Orleans: Treme' Community Reinvestment Council, Speciality Business and Industrial Development Corporation, Neighborhood Housing Services, Regional Loan Corporation, and the Xavier Triangle Neighborhood Development Corporation; and in Lafayette: Neighborhood Economic Development Corporation, and Habitat for Humanity.

The bank also provides technical assistance and various educational programs to small business and minority- and women-owned businesses throughout its communities.

The bank's participation in community development has been centered in providing construction loans and equity investments through the purchase of affordable housing tax credits. The bank's lending staff provided technical assistance in structuring transactions and making the actual investment. Two of the bank's significant projects, Evangeline Hotel in Lafayette and Bonne Terre Village Apartments in Houma, totaled approximately \$6.9 million in tax credit equity investment. Community development is also supported by the activities of BOCDC, a subsidiary of Banc One Corporation. BOCDC was created in 1987 to make equity and affordable housing tax credit investments nationally. The staff of BOCDC provides technical assistance in structuring transactions and making the actual investment. In Louisiana, BOCDC has invested \$1.3 million in affordable housing tax credits since the beginning of 1996. These tax credit transactions were originally committed to by the former Premier Bank and subsequently transferred to BOCDC. Some more significant community development activities are further described in the following paragraphs.

Baton Rouge Community

Local Initiatives Support Corporation (LISC) - The bank contributed \$75,000 in 1993 to assist this organization in building a program in Baton Rouge. A Bank One representative serves on LISC's local board of directors. LISC has helped establish and assist six locally-based community development corporations (CDCs) with affordable housing and commercial development projects in low-income neighborhoods in Baton Rouge. The bank has committed to provide \$330,000 in interim construction loans to two CDCs.

Redbud and Sycamore Apartments - BOCDC was the investor in the acquisition/rehabilitation of these two existing 16-unit apartment complexes in Baker, Louisiana. They were originally funded by a low-interest loan from the Farmers Home Administration. Farmers Home Administration provides rental assistance subsidies, and the apartments have qualified for low-income tax credits. BOCDC has made a formal commitment to provide equity through the purchase of tax credits (\$172,000-Sycamore; \$161,000-Redbud) which will provide part of the acquisition/rehabilitation funds. The bank also provided short-term construction funds of approximately \$600,000.

Houma Community

Bonne Terre Village Apartments - A \$3.2 million multi-family housing project in Houma, Louisiana. The 50-unit apartment complex qualified for low-income tax credits because the occupants are at least 55 years old, with annual incomes of less than \$12,500. This project was a collaborative effort with Argent Bank; Historic Restoration, Inc; the Louisiana Housing Finance Agency, and the Terrebonne Parish Consolidated government. The bank provided \$1.4 million in equity by purchasing tax credits.

Houma-Terrebonne CDC - This not-for-profit CDC was formed in 1994 for the purpose of buying, refurbishing, and selling homes to LMI first-time home buyers. The bank made an investment of \$40,000, which represented 20% of the CDC's capital. The CDC will fund the construction/rehabilitation cost and sell the units to qualified borrowers who obtain permanent financing. Two homes have been constructed in the Aycock St./Old Houma market with plans for an additional 48 in that targeted area.

Lafayette Community

Evangeline Hotel Development - The bank purchased 100% of approximately \$5.5 million in tax credits covering the cost of restoration of a historic hotel. The hotel was converted into 86 one-bedroom apartments that will be 75% occupied by low-income and elderly people.

New Orleans Community

New Orleans Specialty Business and Industrial Development Corporation (SBIDCO) - The bank owns \$135,000 in stock, which is approximately 13% of the community-based shareholders. SBIDCO provides financial and technical support to small, minority, and women-owned businesses in targeted industries and areas in New Orleans.

Shreveport Community

White Oak Apartments - BOCDC has formally committed to invest \$1 million in the construction of this 80-unit apartment complex in Bossier City. BOCDC's investment was made through purchasing tax credits as these apartments will house low-income people.

The bank was also involved in the initial capitalization of the Gulf Coast BIDCO. This is a certified capital company engaged in providing technical and financial assistance to minority-owned companies for economic development in Louisiana. The bank was joined by two other financial institutions and the state of Louisiana in the initial capitalization of \$2 million. The bank, through its venture capital subsidiary, made a \$350,000 investment over the three-year period from 1993-1995. Approximately 10 companies have received loans through this entity.

The bank has also provided construction and permanent loans for new and existing multi-family housing projects targeted for low-income elderly persons. These projects have been approved for low-income tax credits. As an example, the bank has participated in multi-family low-income housing projects developed by Riemer Calhoun. Normally these projects receive equity funds supplied through bond issues from the Louisiana Housing Finance Authority. The bank provides 100% of the construction funds and funds a permanent loan that does not exceed 50% of the project's appraised value. Bank One then participates approximately 50% of the permanent loan to other banks. Bank One is currently involved in 13 projects in various stages. To date, the bank has participated in 13 completed projects to provide 571 units to LMI people. The bank has provided approximately \$12 million in interim construction loans and has committed to fund \$1.7 million in permanent loans.

In addition, the bank has funded \$16 million of the \$27 million interim construction loan for another developer to build 624 units of low-income housing in southeast Baton Rouge. The construction loan will be liquidated through equity provided by private investors who have purchased the low-income housing tax credits associated with this project. The construction loans meet the bank's normal underwriting guidelines.

There is only modest community development lending or investment in the bank's Non-Metro communities. These communities do not have the "entitlement" designation for Community Development Block Grant (CDBG) funds due to having populations of less than 50,000. They must apply directly to Housing and Urban Development for CDBG funds and have historically used grants received for infrastructure development. As a result, community development opportunities in these communities are limited.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions, and other factors.

Conclusion - There are no legal, financial, or economic impediments that hinder the bank's ability or efforts to help meet community credit needs.

Rationale and Supporting Detail - Refer to the Bank and Community Profiles Section of this Evaluation. There were no impediments to the bank's performance noted.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

Conclusion - Bank One and its officers and employees practice good corporate citizenship by sponsoring, financially supporting, and contributing time and leadership to numerous organizations, programs, and events throughout its local communities.

Rationale and Supporting Detail - Bank One officers and employees devote significant time and financial support to organizations and initiatives which promote the welfare of the community and its citizens. Bank One encourages its staff to participate in such activity by making time available and recognizing special efforts in bank newsletters and at appreciation or awards ceremonies. There have been numerous activities that have helped to foster employee development, volunteerism, and cultural diversity.