



PUBLIC DISCLOSURE

June 17, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First Central National Bank of St. Paris
Charter Number 2488

103 South Springfield Street
St. Paris, OH 43072

Office of the Comptroller of the Currency

Westlake Center
4555 Lake Forest Drive, Suite 520
Blue Ash, OH 45242-3760

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The First Central National Bank of St. Paris ("FCNB" or "the bank") exhibits a **satisfactory** record of meeting its community's credit needs.

- Lending to borrowers of different income levels and farms of different sizes reflects reasonable penetration and supports satisfactory performance.
- FCNB is responsive to its community's credit needs as a substantial majority of the loans in our sample were made within the bank's assessment area (AA). Ninety-eight percent of the number of loans in our sample were inside the bank's AA.
- The bank's current and 26-quarter average loan-to-deposit ratios are reasonable and commensurate with those demonstrated by local peer banks.

SCOPE OF EXAMINATION

Our office conducted a full scope Community Reinvestment Act (CRA) examination to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. We used small bank examination procedures to evaluate the bank's performance. The prior CRA examination was conducted as of October 30, 2006. Our review focused on the bank's primary lending products, farm and residential real estate, as determined through discussions with management and the volume of loan originations during the lending evaluation period, which was January 1, 2011 to May 31, 2013.

To perform our analysis of lending inside the AA, we randomly sampled 20 loans originated during the evaluation period from each primary lending product. Next, to perform the borrower distribution and geographic analysis, we removed any loans in the original sample that were outside the AA and selected additional loans located inside the AA to ensure at least 20 loans per primary product, per census period. The bank only originated 17 farm loans inside the AA during 2011, so we sampled all 17 loans as part of our borrower distribution and geographic analysis. We used the 2000 U.S. Census data for loans originated in 2011 and the 2010 U.S. Census data for loans originated in 2012 through year-to-date 2013.

DESCRIPTION OF INSTITUTION

FCNB is a wholly owned subsidiary of Central Bancshares Inc., a one-bank holding company. Both FCNB and its holding company are headquartered in St. Paris, Ohio. St. Paris is approximately 55 miles west of Columbus, Ohio in the western portion of Champaign County. The bank operates two full service offices, which include the main office in St. Paris and a branch office in Christiansburg. The bank also operates two limited-service branches (no lending activity) located in Rosewood and St. Paris. All of the bank's offices are located in Champaign County in Ohio and all are in a middle-income geography. The bank's primary business focus includes residential real estate, and agricultural production and farmland loans.

The bank offers standard products and services through its network of offices. FCNB has a 24-hour ATM at its main office location in St. Paris and an off-premise ATM at a restaurant in Christiansburg. The bank also has drive-thru facilities at three of its branches.

At the prior CRA examination, as of October 30, 2006, FCNB received a satisfactory CRA rating. Currently, no legal or financial impediments exist that could restrict the bank's ability to serve the community's credit needs.

As of March 31, 2013, FCNB reported total assets of \$86 million, Tier One Capital of \$14 million, with net loans representing 55 percent of average assets. The bank's primary loan products are farm and residential real estate loans. Table 1 details the total number and dollar volume of loans originated during the evaluation period.

Table 1 - Primary Loan Types				
Loans originated/purchased from January 1, 2011 to May 31, 2013				
Loan Type	% by Dollars of Loans Originated/Purchased during evaluation period		% by Number of Loans Originated/Purchased during evaluation period	
	\$000's	%	# of Loans	%
Farm	\$17,455	61%	48	33%
Residential Real Estate	\$5,711	20%	64	43%
Commercial	\$3,460	12%	9	6%
All Other	\$2,155	7%	27	18%
Total	\$28,781	100%	148	100%

Source: Internal bank reports of loans originated from January 1, 2011 through May 31, 2013.

DESCRIPTION OF ASSESSMENT AREA

FCNB has designated one AA in a non-Metropolitan Statistical Area (MSA). This AA consists of all the census tracts (CTs) in Champaign County, four CTs in the western section of Logan County, one CT in the southeastern part of Shelby County, and one CT in the eastern section of Miami County. The CT in Miami County is located in the Dayton, OH MSA 19380 area. The bank does a moderate level of lending in this CT. Additionally, this CT does not extend substantially beyond the non-MSA boundary. Therefore, it was included in the non-MSA AA. All of the other CTs are located in non-MSA areas. The entire AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude any low- or moderate-income areas. Bank management selected this AA based on the bank's targeted lending territory and branch locations. The bank is headquartered in Champaign County and does most of its lending in this county. The CTs outside Champaign County are located near their branches.

Competition in the AA is moderate with national banks, credit unions, savings and loans, and branches of larger financial institutions. As of June 30, 2012 FCNB had approximately a 10.21 percent deposit market share in Champaign County and was ranked fifth out of seven financial institutions. The bank also had a 3.27 percent deposit market share in a combined county AA of

Champaign, Logan, and Shelby counties (12th out of 23 financial institutions). The source of the deposit market share information is the June 30, 2012 Deposit Market Share Report from the Federal Deposit Insurance Corporation.

Our community contact indicated the AA's economy was improving. The credit needs of the community continue to include affordable housing and small business lending. According to our contact, local financial institutions are meeting those needs.

Information as of the 2000 U.S. Census Data

As of the 2000 U.S. Census, the AA had one moderate-income (8 percent), ten middle-income (77 percent), and two upper-income (15 percent) CTs. Per the 2000 Census data, the population of the AA was 63,642 with six percent of the population living in moderate-income CTs, 71 percent of the population living in middle-income CTs, and 23 percent of the population living in upper-income CTs. Sixty-seven percent of the housing units in the AA are owner-occupied with five percent in moderate-income geographies, 71 percent in middle-income geographies, and 24 percent in upper-income geographies. Nine percent of the households in the AA live below the poverty level, 28 percent receive social security benefits, and two percent receive public assistance. The median housing value for the AA is \$89,579 with the average median age of housing stock of 50 years. The weighted average monthly gross rent is \$477.

According to the 2000 U.S. Census data, the non-MSA median family income was \$43,801. The Department of Housing and Urban Development's estimate of the updated non-MSA median family income for 2011 was \$52,900. Approximately 14 percent of the families in the AA are low-income and 18 percent are moderate-income.

Information as of the 2010 U. S. Census Data

As of the 2010 U.S. Census, the AA had three moderate-income (19 percent), seven middle-income (44 percent), and six upper-income (37 percent) CTs. Per the 2010 Census data, the population of the AA was 63,749 with 16 percent of the population living in moderate-income CTs, 51 percent of the population living in middle-income CTs, and 33 percent of the population living in upper-income CTs. Sixty-three percent of the housing units in the AA are owner-occupied with 13 percent in moderate-income geographies, 52 percent in middle-income geographies, and 35 percent in upper-income geographies. Twelve percent of the households in the AA live below the poverty level, 31 percent receive social security benefits, and three percent receive public assistance. The median housing value for the AA is \$123,516 with the average median age of housing stock of 47 years. The weighted average monthly gross rent is \$603.

According to the 2010 U.S. Census data, the non-MSA median family income was \$52,111. The Department of Housing and Urban Development's estimate of the updated non-MSA median family income for 2012 was \$53,600. Approximately 18 percent of the families in the AA are low-income and 16 percent are moderate-income.

The local economy is improving in the AA. According to the Ohio Labor Market Information as of April 2013, the unemployment rate for Champaign County was 6.3 percent, which is lower than the state and national levels of unemployment (6.7 percent and 7.1 percent, respectively). The unemployment rate was 6.3 percent for Logan County, 5.8 percent for Shelby County, and 6.5 percent for Miami County for the same time period. All are lower than the state and national levels.

The AA has a diverse employer base across many industries from manufacturing and service industries to agriculture. Major employers in Champaign County include Honeywell International Inc., KTH Part Industries Inc., Johnson Welded Products., and Wal-Mart Stores, Inc. Major employers in Logan County include Honda Motor Company Ltd., Wal-Mart Stores Inc., and the local school systems. Major employers in Shelby County include Honda Motor Company Ltd., Cargill, Freshway Foods, and Wal-Mart Stores, Inc. Major employers in Miami County include Goodrich Corp., Honda Motor Company Ltd., Meijer, and the local school system.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Based on the criteria for the CRA lending test, the bank's lending performance is satisfactory.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs. It meets the requirements for satisfactory performance.

FCNB has an average loan-to-deposit ratio over the 26 quarters (December 31, 2006 to March 31, 2013) since the prior CRA examination of 73.94 percent. The bank's quarterly loan-to-deposit ratio ranged from a low of 67.13 percent at March 31, 2013, to a high of 81.72 percent at September 30, 2009. The average loan-to-deposit ratio for similarly situated banks in Champaign, Logan, and Shelby counties was 86.34 percent as of March 31, 2013. Two of these banks were outliers with loan-to-deposit ratios of 130.86 percent and 119.69 percent. Removing the outliers from the average, the new average is 73.37 percent. Overall, the bank's average ratio of 73.94 percent is commensurate with its peer banks.

Lending in Assessment Area

The bank's record of lending within its AA supports outstanding performance with a substantial majority of the bank's lending inside the AA.

As outlined in the description of the institution above, the bank's primary loan types are agricultural and residential real estate loans. We sampled 20 loans from each of these loan types (for a total of 40) that the bank originated during the evaluation period. According to our sample, the bank made 98 percent of the number of loans within its AA. Table 2 details the bank's lending within the AA by number and dollar volume. This table demonstrates that a substantial majority of the loans in our samples were made inside the bank's AA.

Table 2 - Lending in the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (in 000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate Loans	20	100%	0	0%	20	\$1,752	100%	\$0	0%	\$1,752
Agricultural Loans	19	95%	1	5%	20	\$6,821	99%	\$96	1%	\$6,917
Totals	39	98%	1	2%	40	\$8,573	99%	\$96	1%	\$8,669

Source: Loan sample; loans originated from January 1, 2011 through May 31, 2013.

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

Lending to borrowers of different income levels and farms of different sizes reflects reasonable penetration and supports satisfactory performance.

Information as of the 2000 U.S. Census Data, Loan sample originated in 2011

The bank’s distribution of residential real estate loans in their AA reflects excellent penetration among borrowers of different income levels for loans originated in 2011. Based upon an analysis of home loans originated in our sample during 2011 compared to the 2000 U.S. Census demographics, FCNB originated 20 percent of their home loans to low-income borrowers, which is excellent compared to the 14 percent of low-income families in the AA. The bank originated 25 percent of their home loans to moderate-income borrowers, which is also excellent compared to the 18 percent of moderate-income families in the AA. See Table 3 for details.

Table 3- Borrower Distribution of Residential Real Estate Loans in the Non-MSA AA 2011 Loan Sample								
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
Residential Real Estate Loans	14%	20%	18%	25%	24%	25%	44%	30%

Source: Loan Sample; 2000 U.S. Census data, updated as of 2011.

The bank’s lending to farms of different sizes is reasonable and reflects satisfactory performance. A majority of the loans in our farm sample were to farms with annual gross revenues of less than \$1 million. The bank only made 17 farm loans inside the AA during 2011 and two of the loans were to the same large borrower. See Table 4 for details.

Table 4 - Borrower Distribution of Loans to Farms in the Non-MSA AA 2011 Loan Sample				
Farm Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than \$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1%	0%	100%
% of Bank Loans in AA by #	82%	18%	0%	100%
% of Bank Loans in AA by \$	85%	15%	0%	100%

Source: Loan Sample; 2011 Business Geodemographic data.

Information as of the 2010 U.S. Census Data, Loan sample originated in 2012 through May 31, 2013

The bank’s distribution of residential real estate loans in their AA reflects reasonable penetration among borrowers of different income levels for loans originated in 2012 through May 31, 2013. Based upon an analysis of home loans originated during this time period that are within our sample, , FCNB originated 20 percent of their home loans to low-income borrowers, which is excellent compared to the 18 percent of low-income families in the AA. FCNB originated 10 percent of their home loans to moderate-income borrowers, which is reasonable compared to the 16 percent of moderate-income families in the AA. Twelve percent of the households in this AA live below the poverty level and 31 percent of the households receive social security benefits. In addition, 19 percent of the housing units are occupied rental units. There are also several other banks in the area providing competition for loans. These factors may contribute to the lower penetration to moderate-income borrowers. See Table 5 for details.

Table 5 - Borrower Distribution of Residential Real Estate Loans in the Non-MSA AA 2012 – May 31, 2013 Loan Sample								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans						
Residential Real Estate Loans	18%	20%	16%	10%	22%	20%	44%	50%

Source: Loan Sample; 2010 U.S. Census data, updated as of 2012.

The bank’s lending to farms of different sizes is reasonable and reflects satisfactory performance. Within our sample, a majority of the farm loans were to farms with annual gross revenues of less than \$1 million. There were two loans with revenues greater than a million, which were to large farming borrowers in the area, with one of the loans being a participation loan with another bank. See Table 6 for details.

Table 6 - Borrower Distribution of Loans to Farms in the Non-MSA AA 2012 – May 31, 2013 Loan Sample				
Farm Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than \$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1%	0%	100%
% of Bank Loans in AA by #	90%	10%	0%	100%
% of Bank Loans in AA by \$	68%	32%	0%	100%

Source: Loan Sample; 2012 Business Geodemographic Data.

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the AA and supports an overall satisfactory performance. Competition for loans is moderate and management is meeting the credit needs of the community. The geographic distribution analysis reflected lending in most census tracts with no significant gaps identified.

Information as of the 2000 U.S. Census Data, Loan sample originated in 2011

As of the 2000 U.S. Census, the bank had one moderate-income census tract in Champaign County. There were no low-income census tracts in the AA.

For loans originated in 2011 within our sample, FCNB originated five percent of their home loans in the moderate-income CT, which is reasonable, compared to the five percent of owner-occupied units in the AA. See Table 7 for details.

Table 7 – Geographic Distribution of Residential Real Estate Loans in the Non-MSA AA 2011 Loan Sample								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans						
Residential Real Estate Loans	0%	0%	5%	5%	71%	80%	24%	15%

Source: Loan Sample; 2000 U.S. Census data, updated as of 2011.

Within our sample, the bank did not make any farm loans located in the moderate-income CT in the AA. However, as noted above, there is only one moderate-income CT in the AA. In addition, the moderate-income CT is located in the Urbana city area, where farming is not prevalent. Overall, the geographic distribution of farm loans during this time period is reasonable, with only one percent of AA farms in moderate-income CTs. See Table 8 for details.

Table 8 - Geographic Distribution of Loans to Farms in the Non-MSA AA 2011 Loan Sample								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Farms	% of Number of Loans						
Farm Loans	0%	0%	1%	0%	69%	94%	30%	6%

Source: Loan Sample; 2011 Business Geodemographic data.

Information as of the 2010 U.S. Census Data, Loan sample originated in 2012 through May 31, 2013

As of the 2010 U.S. Census, FCNB had three moderate-income census tracts: one in Logan County and two in Champaign County. These census tracts are not located directly near a FCNB office. There are no low-income census tracts in the AA during this period.

For loans originated in 2012 through May 31, 2013 within our sample, FCNB did not originate any home loans in moderate-income CTs in the AA, which is poor in comparison to the 13 percent of owner-occupied units in the AA. Of note, 19 percent of the occupied units in the AA are occupied rental units, which suggest a large portion of the population is opting to rent instead of purchase a home. Twelve percent of the households live below the poverty level. Per discussions with bank management, overall loan demand has been low due to the state of the economy, and this may have contributed to the lower level of lending in these tracts as well. Competition for loans in this AA is moderate. See Table 9 for details.

Table 9 - Geographic Distribution of Residential Real Estate Loans in the Non-MSA AA 2012 – May 31, 2013 Loan Sample								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans						
Residential Real Estate Loans	0%	0%	13%	0%	52%	90%	35%	10%

Source: Loan Sample; 2010 U.S. Census data, updated as of 2012.

Within our sample, the bank did not make any farm loans located in the moderate-income CTs in the AA. However, as noted above, there are only three moderate-income CTs in the AA, which are not located in close proximity to the bank’s branches. In addition, two of the moderate-income CTs are located in the Urbana city area, where farming is not prevalent. Overall, the geographic distribution of farm loans during this period is reasonable, compared to the four percent of AA farms in moderate-income CTs. See Table 10 for details.

Table 10 - Geographic Distribution of Loans to Farms in the Non-MSA AA 2012 – May 31, 2013 Loan Sample								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Farms	% of Number of Loans						
Farm Loans	0%	0%	4%	0%	61%	90%	35%	10%

Source: Loan Sample; 2012 Business Geodemographic data.

Responses to Complaints

FCNB has not received any complaints about its performance in helping to meet AA credit needs during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank’s CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s lending performance.

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