



PUBLIC DISCLOSURE

March 24, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Citizens National Bank of Bluffton
Charter Number 11573

102 South Main Street
Bluffton, Ohio 45817

Office of the Comptroller of the Currency

Westlake Center
4555 Lake Forest Drive, Suite 520
Cincinnati, Ohio 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 Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

- The bank's loan-to-deposit (LTD) ratio is more than reasonable and compares favorably with similarly situated banks in the bank's assessment areas (AA).
- A majority of this bank's lending activity occurs within its AAs.
- Lending to borrowers of different income levels and businesses and farms of different sizes reflects reasonable penetration within the AAs.
- The bank's lending in geographies of different income levels exhibits reasonable dispersion.
- Responsiveness to the community development needs is adequate.

Scope of Examination

Our office conducted a full scope Community Reinvestment Act (CRA) evaluation to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. We used the intermediate small bank CRA evaluation procedures to perform our review. The evaluation under the Lending Test considered performance from January 1, 2012 through December 31, 2013 (lending evaluation period), excluding Community Development (CD) loans. The evaluation under the CD Test considered CD loans, investments, and services from February 23, 2011 to March 24, 2014 (CD evaluation period).

The bank's primary products include residential real estate loans, small business loans, and small farm loans. We reviewed home purchase, home improvement, and refinance loans reported under the Home Mortgage Disclosure Act (HMDA) and small business and small farm loans reported under CRA data. Accuracy of HMDA and CRA data was verified during the August 2013 Data Integrity onsite activity.

Description of Institution

The Citizens National Bank of Bluffton (CNB) is a \$665 million independent, intrastate community bank, which is wholly owned by Citizens Bancshares, Inc., a one-bank holding company. Both the main office and holding company are located in Bluffton, Ohio, approximately 85 miles northwest of Columbus, Ohio. The bank has nine banking offices, with seven full service offices and two independent drive-thru facilities. The bank has offices in Bluffton, Lima, Elida, Van Wert, Celina, Findlay, and Springfield. The bank also operates six automatic teller machines (ATM) at the offices. The only office location without a drive-thru or ATM is the Springfield branch. In January 1, 2014, the bank opened a Loan Production Office in Toledo, Ohio. The bank's Lima branch is located in a low-income census tract, the Springfield branch is located in a moderate-income census tract, and the rest of the offices are located in middle- or upper-income census tracts.

CNB's primary business focus is retail/commercial/agricultural banking. The bank offers a variety of standard lending products and services through their full service banking offices to accommodate the credit needs of borrowers throughout their AAs. CNB also offers savings accounts and certificates of deposit (CD) to depositors across the country through cnbbankdirect.com. As of February 1, 2011, the bank had internet savings accounts totaling \$34 million and CDs totaling \$4 million. Loan products are not offered through this internet site.

Presently, no legal or economic impediments exist that could restrict the institution's ability to serve the community's credit needs. CNB's CRA rating as of February 22, 2011, was Satisfactory.

As of December 31, 2013, CNB reported total assets of \$665 million and held \$59 million in Tier I Capital. CNB's loan portfolio totaled approximately \$493 million at the same time period, with net loans representing about 74 percent of total assets. During the lending evaluation period, the bank sold approximately \$259 million in residential real estate loans to the secondary market. Table 1 reflects the bank's total loans originated/purchased between January 1, 2012 and December 31, 2013.

Loan Type	% by Dollars of Loans Originated/ Purchased during evaluation period	% by Number of Loans Originated/ Purchased during evaluation period
Home Loans	45%	54%
Consumer Loans	1%	6%
Business Loans	32%	20%
Farm Loans	22%	20%
Total	100%	100%

Description of Assessment Areas

CNB serves a total of three AAs. The AAs meet the requirements of the Community Reinvestment Act (CRA) and do not arbitrarily exclude low- or moderate-income geographies. Two of the AAs are located in metropolitan statistical areas (MSAs) and the remaining AAs are located in non-MSA areas. The Non-MSA AAs adjoin to the Lima MSA AA. Because the Non-MSA AAs are similar in nature, we analyzed all Non-MSA AAs as a single AA. Therefore, our review includes the combined Non-MSA AA plus the two MSA AAs.

Competition remains strong. The AAs include many local community banks, savings and loan institutions, and larger financial institution branches. The community contacts (Contacts) indicated the area's economy came out of the recession with moderate stability. Industries continue to improve as they experience moderate growth. One-to-four family real estate loans (affordable housing) and small business loans continue to be the primary credit needs of the AAs. According to the Contacts, the local financial institutions satisfactorily meet the needs of the AAs.

Lima MSA AA #30620

The Lima MSA AA (MSA #30620) includes all of Allen County. CNB maintains five branches in the AA including a main branch and a drive-thru facility in Bluffton, a branch and drive-thru facility in Lima, and a branch in Elida. The Lima branch office and drive-thru facility are located in a low-income census tract. Elida and Bluffton branches are located in upper-income tracts. According to the FDIC Market Share report as of June 30, 2013, CNB ranks second among 11 institutions in the AA, with a 17 percent deposit market share.

The Lima MSA AA includes 33 census tracts: five low-income census tracts (15 percent), six moderate-income census tracts (18 percent), 16 middle-income census tracts (48 percent), and six upper-income census tracts (18 percent). Based on the 2010 U.S. Census data (updated as of 2013), the population of the Lima MSA is 106,000, nine percent of which live in low-income tracts, 16 percent live in moderate-income tracts, 48 percent live in middle-income tracts, and 27 percent live in upper-income tracts. Sixty-four percent of the housing units are owner occupied, with six percent in low-income tracts, 10 percent in moderate-income tracts, 51 percent in middle-income tracts, and 33 percent in upper-income census tracts. Approximately 15 percent of the households live below the poverty level, 31 percent of the households receive social security benefits, and 22 percent of households receive retirement benefits.

According to the 2010 U.S. Census Data (updated as of 2013), the Lima MSA median family income was \$55,625. The Department of Housing and Urban Development's (HUD) 2013 median family income was \$54,200.

Since the previous CRA examination, the local economy continues to steadily improve and remains fairly stable at the present time. According to the 2010 U.S. Census Data updated for 2013, the unemployment rate for the AA is six percent. As of December 2013, the state of Ohio's unemployment rate was 7.2 percent, slightly greater than the national unemployment rate of 6.7 percent.

The major employers in the area include Ford Motor Company, General Dynamics Corporation, St. Rita's Medical Center, Lima Memorial Health Systems, BP Chemicals, MetoKote Corporation, Procter & Gamble Company, and the Lima City Schools.

Non- MSA AA

The Non-MSA AA includes all of Van Wert, Mercer, and Hancock counties. It also consists of two census tracts in Putnam County and one census tract in Auglaize County. The Non-MSA area is predominately agricultural communities. CNB maintains three offices including drive-thrus within the Non-MSA AA, which includes one branch each in Van Wert, Mercer, and Hancock counties (Van Wert, Celina, and Findlay offices). Van Wert is the county seat of Van Wert County, Celina is the county seat of Mercer County, and Findlay is county seat of Hancock County. According to the FDIC Market Share report as of June 30, 2013, CNB ranks ninth among 26 institutions in the Non-MSA AA, with a four percent deposit market share.

The Non-MSA AA includes 34 census tracts: no low-income census tracts, four moderate-income census tracts (12 percent), 17 middle-income census tracts (50 percent), and 13 upper-income census tracts (38 percent). Based on the 2010 U.S. Census data (updated as of 2013), the population of the Non-MSA AA is 156,000, with 11 percent living in moderate-income tracts, 43 percent living in middle-income tracts, and 46 percent living in upper-income tracts. Seventy percent of the housing units are owner occupied, with eight percent in moderate-income tracts, 45 percent in middle-income tracts, and 47 percent in upper-income census tracts. Approximately 10 percent of the households live below the poverty level, 29 percent of the households receive social security benefits, and 20 percent of households receive retirement benefits.

According to the 2010 U.S. Census Data (updated as of 2013), the Non-MSA AA median family income was \$58,932. The Department of Housing and Urban Development's (HUD) 2013 median family income was \$53,000.

Per our discussions with the community contacts, the local economy continues to slowly improve. As of December 2013, the unemployment rates for the Non-MSA counties were Van Wert (6.1 percent), Mercer (3.8 percent), Hancock (5.2 percent), Putnam (5.7 percent), and Auglaize (4.6 percent). As of December 2013, the state of Ohio's unemployment rate was 7.2 percent, slightly greater than the national unemployment rate of 6.7 percent.

Van Wert County diversifies itself in manufacturing, education, health, and government industries. Major employers include the Van Wert City Schools, Eaton Corporation, Federal-Mogul Corporation, and Van Wert County Hospital Association. Mercer County's economy also revolves around manufacturing, trade, transportation, utilities, agriculture, and government industries. Major employers include the Celina City Schools and Celina Aluminum Precision Technology. Finally, Hancock County immerses itself into manufacturing, trade, transportation, utilities, education, health, and government industries. Major employers include the Findlay City Schools, Blanchard Valley Health System, Cooper Tire & Rubber Company, University of Findlay, Marathon Petroleum Company LLC, and Whirlpool Corporation.

Springfield MSA AA #44220

The Springfield MSA AA (MSA #44220) includes all of Clark County, Ohio. Springfield is the county seat of Clark County. The Springfield branch opened in August of 2008, does not have an ATM or a drive-thru facility, and is located within a moderate-income census tract. Per the FDIC market share report dated June 30, 2013, out of twelve institutions operating a total of 38 total branches within the AA, CNB ranks ninth with 0.91 percent deposit market share. Due to the Springfield branch originating less than two percent of the total loans originated during our evaluation period, its 0.91 percent market share, and strong competition, we placed less emphasis on this assessment area in the evaluation.

The Springfield MSA AA includes 44 census tracts: six low-income census tracts (14 percent), nine moderate-income census tracts (20 percent), 16 middle-income census tracts (36 percent), and 13 upper-income census tracts (30 percent). Based on the 2010 U.S. Census data, the population of the Springfield MSA is 138,000, 10 percent of which live in low-income tracts, 16 percent live in moderate-income tracts, 41 percent live in middle-income tracts, and 33 percent live in upper-income tracts. Sixty-three percent of the housing units are owner occupied, with five percent in low-income tracts, 13 percent in moderate-income tracts, 45 percent in middle-income tracts, and 37 percent in upper-income census tracts. Approximately 14 percent of the households live below the poverty level, 33 percent of the households receive social security benefits, and 26 percent of households receive retirement benefits.

According to the 2010 U.S. Census Data, the Springfield MSA median family income was \$54,705. The Department of Housing and Urban Development's (HUD) 2013 median family income was \$53,500.

Since the previous CRA examination, the local economy continues to steadily improve and remains fairly stable at the present time. According to the 2010 U.S. Census Data updated for 2013, the unemployment rate for the AA is six percent. As of December 2013, the state of Ohio's unemployment rate was 7.2 percent, slightly greater than the national unemployment rate of 6.7 percent.

The major employers in the area include Assurant Specialty Property, Clark County, Clark County Schools, Code Blue, Community Mercy Health Partners, Springfield Air National Guard Base/178th Fighter Wing, Springfield City Schools, Wright-Patterson Air Force Base, City of Springfield, Dole Fresh Vegetables, Honda of America, International Truck and Engine Corp., Kroger Stores, Speedway Super America LLC, T AC Industries, Thirty-One gifts Distribution Center, and Wal-Mart Stores.

Conclusions with Respect to Performance Tests

LENDING TEST

CNB's lending test is Satisfactory. Based on a full-scope review, CNB's performance in the Lima MSA AA, Non-MSA AA, and Springfield MSA AA is satisfactory.

Loan-to-Deposit Ratio

CNB's loan-to-deposit (LTD) ratio is more than reasonable and exceeds the standard for satisfactory performance. The average LTD ratio calculated over the last 12 quarters since the prior CRA examination (March 31, 2011 to December 31, 2013) was 100.07 percent. CNB's highest LTD ratio during this timeframe was 108.29 percent at September 30, 2013, and the lowest LTD ratio was 96.17 percent at March 31, 2013. CNB's current LTD ratio (103.37 percent at December 31, 2013) and 12-quarter average LTD ratio compares favorably to similarly situated institutions whose average ratios are 44 percent to 104 percent, respectively, for the same time period.

Lending in Assessment Area

A majority of CNB’s lending activity occurs within its AAs. Based on the HMDA residential mortgage loans, and CRA small business and small farm loans originated during the evaluation period, CNB originated or purchased 76 percent by number of loans and 73 percent by dollar amount within its AAs. Refer to Table 1 for more details.

Table 1 - Lending in all Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans (in 000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	324	76%	102	24%	426	\$38,021	73%	\$14,415	27%	\$52,436
Home Refinance	903	77%	274	23%	1177	\$112,145	76%	\$36,031	24%	\$148,176
Home Improvement	63	74%	22	26%	85	\$1,779	67%	\$874	33%	\$2,653
Business Loans	560	74%	197	26%	757	\$109,122	72%	\$43,222	28%	\$152,344
Totals	1,850	76%	595	24%	2445	\$261,067	73%	\$94,542	27%	\$355,609

Source: 2012 and 2013 data reported under HMDA

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

CNB’s lending to borrowers of different incomes, including low- and moderate-income borrowers, for residential real estate loans reflects reasonable penetration in the Lima MSA and Non-MSA AAs. The performance in the Springfield MSA AA reflects poor penetration. With one branch and approximately 14 percent of the households living below the poverty level, 33 percent of the households receiving social security benefits, and 26 percent of households receiving retirement benefits, lending opportunities to low- and moderate-income individuals are limited in the Springfield MSA AA.

CNB’s lending to businesses and farms of different sizes reflects reasonable penetration in the Lima MSA and Non-MSA AAs. CNB’s lending to businesses and farms of different sizes reflects poor penetration for the Springfield MSA AA. This is mainly due to strong competition and CNB’s limited presence in this market.

Lima MSA AA

For the Lima MSA AA, the distribution of residential real estate loans reflects reasonable penetration among individuals of different incomes, including low- and moderate-income borrowers. In addition, the penetration of loans to small businesses and farms of different sizes is reasonable

The distribution of residential real estate lending reflects reasonable penetration among families of different incomes, including low- and moderate-income borrowers. A limiting factor to lending to low-income families is that 15 percent of the population live below the poverty level and may not meet the criteria to qualify for a home mortgage loan. There is also a high level of rental units in the AA; 26 percent of the total housing units in the AA are occupied rental units. Refer to Table 2 for details.

Table 2 - Borrower Distribution of Residential Real Estate Loans in the Lima MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	21%	9%	17%	15%	23%	31%	39%	45%
Home Refinance		7%		15%		28%		50%
Home Improvement		12%		20%		24%		44%

Source: HMDA loans originated from January 1, 2012, through December 31, 2013; 2010 U.S. Census data, updated as of 2013.

The penetration of loans to small businesses is reasonable in the Lima MSA AA. In this AA, the bank made 51 percent of their loans to businesses with annual gross revenues of \$1 million or less. Refer to Table 2A for details.

CNB has originated a significant volume of small business loans in the AA, in comparison to other banks. CNB was ranked sixth in the AA for small business market share (2012 Peer Small Business Data), with 4.67 percent of the market share by number of loans originated and second with 20.94 percent of the market share by dollar amount of loans originated.

Table 2A - Borrower Distribution of Loans to Businesses in the Lima MSA AA				
Business Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than \$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70%	5%	25%	100%
% of Bank Loans in AA by #	51%	49%	0%	100%
% of Bank Loans in AA by \$	34%	66%	0%	100%

Source: Bank MIS and 2013 Business Geographic demographic data

The penetration of loans to small farms is reasonable and meets the standard for satisfactory performance in the Lima MSA AA. In this AA, the bank originated 87 percent of its farm loans to farms with gross revenues of \$1 million or less compared to 99 percent of the farms in the AA with annual revenues of \$1 million or less. Refer to Table 2B on the following page for details.

Table 2B - Borrower Distribution of Loans to Small Farms in the Lima MSA AA				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1%	0%	100%
% of Bank Loans in AA by #	87%	13%	0%	100%
% of Bank Loans in AA by \$	73%	27%	0%	100%

Source: Data reported under CRA small farm data from January 1, 2012 to December 31, 2013; U.S. Census data, updated as of 2013.

Non-MSA AA

The distribution of residential real estate loans reflects reasonable penetration among individuals of different incomes, including low- and moderate-income borrowers. In addition, the penetration of loans to businesses and farms of different sizes is reasonable. Although distribution of residential real estate loans is reasonable, a contributing factor to the lower level of penetration to low-income families is 10 percent of the population live below the poverty level and may not meet the criteria to qualify for a home mortgage loan. There is also a high level of rental units in the AA; 21 percent of the total housing units in the AA are occupied rental units. Refer to Table 3 for details.

Table 3 - Borrower Distribution of Residential Real Estate Loans in the Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	14%	9%	17%	20%	24%	18%	45%	53%
Home Refinance		3%		15%		25%		57%
Home Improvement		3%		17%		20%		60%

Source: HMDA loans originated from January 1, 2012, through December 31, 2013; 2010 U.S. Census data, updated as of 2013.

The penetration of loans to small businesses is reasonable in the Non-MSA AA. The bank originated 58 percent of their number of loans to businesses with annual gross revenues of \$1 million or less, which is lower than the 70 percent of AA businesses with gross revenues of \$1 million or less. However, CNB was ranked eighth in the AA in a market share report of peer data, with 4.10 percent of the market share by number of small business loans originated and ranked second with 22.16 percent by dollar volume. Competition in the AA is strong. Refer to Table 3A for details.

Table 3A - Borrower Distribution of Loans to Businesses in the Non-MSA AA				
Business Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than \$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	70%	5%	25%	100%
% of Bank Loans in AA by #	58%	42%	0%	100%
% of Bank Loans in AA by \$	34%	66%	0%	100%

Source: Bank MIS and 2013 Business Geodemographic data

The penetration of loans to small farms is excellent in the Non-MSA AA. In this AA, the bank made 95 percent of loans to farms with annual gross revenues of \$1 million or less, which is slightly lower than the 99 percent of AA farms having gross annual revenues of \$1 million or less. Refer to Table 3B for more details. Competition in the AA is strong.

Table 3B - Borrower Distribution of Loans to Small Farms in the Non-MSA AA				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	99%	1%	0%	100%
% of Bank Loans in AA by #	95%	5%	0%	100%
% of Bank Loans in AA by \$	89%	11%	0%	100%

Source: Data reported under CRA small farm data from January 1, 2012 to December 31, 2013; U.S. Census data, updated as of 2013.

Springfield MSA AA

The distribution of residential real estate loans reflects poor penetration among individuals of different incomes. The penetration of loans to businesses and farms of different sizes is also poor; see below for details. However, 25 percent of the home refinance loans were made to low-income borrowers, which exceeded demographic indicators. A contributing factor to the low penetration is that 14 percent of the population of the AA live below the poverty level and may not meet the criteria to qualify for a home mortgage loan. There is also a high level of rental units in the AA; 27 percent of the total housing units in the AA are occupied rental units. Refer to Table 4 for details.

Table 4 - Borrower Distribution of Residential Real Estate Loans in the Springfield MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	20%	0%	18%	0%	23%	0%	40%	0%
Home Refinance		25%		0%		25%		50%
Home Improvement		0%		0%		0%		0%

Source: HMDA loans originated from January 1, 2012, through December 31, 2013; 2010 U.S. Census data, updated as of 2013.

The penetration of loans to small businesses is poor in the Springfield MSA AA. In this AA, the bank originated 12 percent of their business loans to businesses with annual gross revenues of \$1 million or less, which is significantly lower than the 73 percent of businesses in the AA with gross revenues of \$1 million or less. Refer to Table 4A on the following page for details.

Table 4A - Borrower Distribution of Loans to Businesses in the Springfield MSA AA				
Business Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than \$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	73%	5%	22%	100%
% of Bank Loans in AA by #	12%	88%	0%	100%
% of Bank Loans in AA by \$	1%	99%	0%	100%

Source: Bank MIS and 2013 Business Geodemographic data

The penetration of loans to small farms is poor in the Springfield MSA AA. In this AA, the bank originated 33 percent of farm loans to farms with annual gross revenues of \$1 million or less, which is significantly less than the 98 percent of farms in the AA with annual gross revenues of \$1 million or less. The bank has strong competition in the AA with Farm Credit Services, which actively advertises and markets their loan products in the AA. Refer to Table 4B for details. .

Table 4B - Borrower Distribution of Loans to Small Farms in the Springfield MSA AA				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Farms	98%	1%	1%	100%
% of Bank Loans in AA by #	33%	67%	0%	100%
% of Bank Loans in AA by \$	10%	90%	0%	100%

Source: Data reported under CRA small farm data from January 1, 2012 to December 31, 2013; U.S. Census data, updated as of 2013.

Geographic Distribution of Loans

Overall, the bank's performance in lending to geographies of different income levels within its AAs reflects reasonable dispersion in the Lima MSA and Non-MSA AA. The bank's performance in lending to geographies of different income levels within the Springfield MSA AA is poor. Our analysis reflects lending in a majority of the census tracts, with no conspicuous gaps.

Lima MSA AA

Lending to geographies of different income levels in the Lima MSA AA reflects reasonable dispersion for residential real estate lending. A factor contributing to the lower penetration in low- and moderate-income geographies is that 26 percent of the total units in the AA are rental occupied units. Seventy eight percent of the total occupied rental units are in low- and moderate-income tracts, with 34 percent in low-income tracts and 44 percent in moderate-income tracts. See Table 5 on the following page for details.

Table 5 – Geographic Distribution of Residential Real Estate Loans in the Lima MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	6%	1%	10%	1%	51%	47%	33%	51%
Home Refinance		2%		3%		49%		46%
Home Improvement		4%		4%		57%		35%

Source: HMDA loans originated from January 1, 2012, through December 31, 2013; 2010 U.S. Census data, updated as of 2013.

The geographic dispersion of business loans in the Lima MSA AA is reasonable. The bank originated a number of loans in low- and moderate-income geographies near the demographic data for businesses located in these areas. See Table 5A for details.

Table 5A - Geographic Distribution of Loans to Businesses in the Lima MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	15%	11%	11%	8%	48%	38%	26%	43%

Source: Bank MIS and 2013 Business Geographic demographic data

The geographic dispersion of farm loans in the Lima MSA AA is reasonable. The bank originated a similar number of farm loans in the low- and moderate-income geographies compared to the number of farms in those areas. Census data indicated there were very few farms located in Low- and moderate-income census tracts.

Non-MSA AA

Lending to geographies of different income levels in the Non-MSA AA reflects reasonable dispersion. Within the Non-MSA AA, there are no low-income census tracts and only one moderate-income census tract out of 34 total census tracts. See Table 6 on the following page for details.

Table 6 - Geographic Distribution of Residential Real Estate Loans in the Non-MSA AA						
Census Tract Income Level	Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	8%	5%	45%	56%	47%	39%
Refinance	8%	2%	45%	54%	47%	44%
Home Improvement	8%	6%	45%	39%	47%	55%

Source: HMDA loans originated from January 1, 2012, through December 31, 2013; 2010 U.S. Census data, updated as of 2013.

The geographic dispersion of business loans in the Non-MSA AA is reasonable. The bank made 12 percent of the number of business loans in the moderate-income geography compared to 13 percent of businesses in the moderate-income census tract. See Table 6A for details.

Table 6A - Geographic Distribution of Loans to Businesses in the Non-MSA AA						
Census Tract Income Level	Moderate		Middle		Upper	
Loan type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	13%	12%	45%	49%	42%	39%

Source: Bank MIS and 2013 Business demographic data

The geographic dispersion of farm loans in the Non-MSA AA is poor; however, only two percent of farms are in a moderate-income census tract. See Table 6B for details.

Table 6B - Geographic Distribution of Loans to Farms in the Non-MSA AA						
Census Tract Income Level	Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Small Farm	2%	0%	46%	30%	52%	70%

Source: Data reported under CRA small farm data from January 1, 2012 to December 31, 2013; U.S. Census data, updated as of 2013.

Springfield MSA AA

Lending to geographies of different income levels in the Springfield MSA AA reflects reasonable dispersion. Within the Springfield MSA AA, there are two low-income and nine moderate-income census tracts. The bank did not originate any residential real estate or farm loans in the low- and moderate-income census tracts in this AA during the evaluation period. However, these are not significant products for the branch.

The geographic dispersion of business loans in the Springfield MSA AA is excellent. The bank made 43 percent of its loans in low- and moderate-income geographies, which significantly exceeds area demographic information for the AA. See Table 7A for details.

Table 7A - Geographic Distribution of Loans to Businesses in the Springfield MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	8%	7%	18%	36%	36%	21%	38%	36%

Source: Bank MIS and 2013 Business Geographic demographic data

Responses to Complaints

CNB has not received any complaints about its performance in helping to meet assessment area credit needs during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s CD performance is satisfactory. The bank has been adequately responsive to CD needs through CD loans and services. The bank’s level of investments is adequate.

Number and Amount of Community Development Loans

CNB’s amount of CD loans is satisfactory. During this evaluation period, the bank originated 12 loans totaling \$4.3 million in the Lima MSA AA, four loans totaling \$1.9 million in the Non-MSA AA, and one loan for \$480 thousand in the Springfield MSA AA.

Lima MSA AA

CNB originated 12 CD loans during the evaluation period in the Lima MSA AA, totaling \$4,281,434, which represents adequate responsiveness. This includes seven loans to organizations that provide affordable housing for low- and moderate-income families or to organizations providing services to low- and moderate-income individuals. The bank originated five loans to companies in low- or moderate-income census tracts to revitalize the area and create new jobs.

Non-MSA AA

CNB made four CD loans during the evaluation period in the Non-MSA AA, totaling \$1,860,000, which represents adequate responsiveness. They originated two loans to organizations that provide affordable housing and services to low- and moderate-income individuals and two loans to companies in low- or moderate-income census tracts to revitalize the area and create new jobs.

Springfield MSA AA

CNB made one CD loan during the evaluation period in the Springfield MSA AA, totaling \$480,200, which represents adequate responsiveness. This loan was made to an organization that provides affordable housing for low- and moderate-income families.

Number and Amount of Qualified Investments

CNB's amount of qualified CD investments is satisfactory. The number and amount, and descriptions of some of the investments, are below.

Lima MSA AA

CNB's level of CD investments is adequate given the asset size and capacity of the bank in the Lima MSA AA. During the evaluation period, CNB made 61 qualifying donations totaling \$42,991.

Non-MSA AA

CNB's level of CD investments is adequate given the asset size and capacity of the bank in the Non-MSA AA. During the evaluation period, CNB made 94 qualifying donations to 34 organizations totaling \$36,481.

Springfield MSA AA

CNB's level of CD investments is adequate given the asset size and capacity of the bank in the Springfield MSA AA. During the evaluation period, CNB made 11 qualifying donations totaling \$4,008.

Extent to Which the Bank Provides Community Development Services

CD Services provided by the bank represent adequate responsiveness and demonstrate satisfactory performance. CNB's employee involvement in CD services is satisfactory in the Lima, Springfield, and Non-MSA AAs. CNB is represented on major community groups active in meeting housing, service, and economic needs of the low- and moderate-income individuals and areas. Bank officers and employees serve on boards or as volunteers for numerous local social service and CD organizations, offering technical assistance and expertise. During the evaluation period, multiple employees provided CD qualifying services to various organizations. These organizations provide essential services to low- and moderate-income individuals as well as services to organizations dedicated to promoting economic development and creating or improving jobs for low- or moderate-income geographies and individuals. These organizations include Habitat for Humanity and Our Daily Bread soup kitchen.

CNB participates in several loan programs, which target low- and moderate-income borrowers. Since CNB is a member bank of the FHLBC, they are permitted to use these grants to assist borrowers. The funds are specifically allocated for households whose incomes are below 80 percent of Mortgage Revenue Bond income limits as adopted by the appropriate state housing finance agency, adjusted for family size.

CNB offers loan programs through Freddie Mac, called Home Possible 100 and Home Possible 97. These loans are for borrowers who are at or below the area median income limit. Both of these loan programs reduce the down payment amount at closing to only \$500 in personal funds. During the evaluation period, CNB made 23 Home Possible 97 loans. These programs help low- and moderate-income borrowers by providing more liberal repayment terms, lower down payments, and higher loan-to-value requirements.

Responsiveness to Community Development Needs

CNB is adequately responsive to CD needs of the AAs through CD lending, investments, and services. The Lima MSA AA, Non-MSA AA, and Springfield MSA AA reflect satisfactory performance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(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.