



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

September 24, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community First Bank, N.A.
Charter Number: #7518

118 East Lima Street
Forest, Ohio 45843

The Office of the Comptroller of the Currency

**Ohio Valley Field Office
One Financial Place
440 South LaSalle Street, Suite 2700
Chicago, Illinois 60605**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Community First Bank, N. A.** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of September 24, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated **SATISFACTORY** .

This institution meets the requirements for satisfactory performance for all applicable performance criteria. The current and eleven quarter average loan-to-deposit (LTD) ratios of 63% and 63% respectively, is reasonable and comparable to the ratios demonstrated by national, custom and local peer banks. A sample of 114 loans representing approximately 30% of the bank's gross loan portfolio illustrates that a substantial majority of the bank's loans are made within the assessment area and are reasonably dispersed. Based upon the sample, the bank's loans are made to customers of all income levels, including 17% to low, 28% to moderate, 38% to middle and 17% to high income borrowers. The bank has had no consumer complaints regarding its CRA performance since the prior examination.

The following table indicates the performance level of Community First Bank, N. A. with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<i>COMMUNITY FIRST BANK, N. A. PERFORMANCE LEVELS</i>		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

Community First Bank, N.A. (CFB) is a wholly owned subsidiary of Community First Bancshares, Inc., a one bank holding company. The main office is located approximately 70 miles northwest of Columbus, Ohio in the village of Forest, Ohio. The bank's primary business focus is retail banking and it offers standard products and services through full service offices in Forest and in Kenton, the Hardin County seat. Competition for loans and deposits is moderate and comes primarily from several community banks in surrounding cities. Currently, no legal or economic impediments exist that could restrict the institution's ability to serve the community's credit needs.

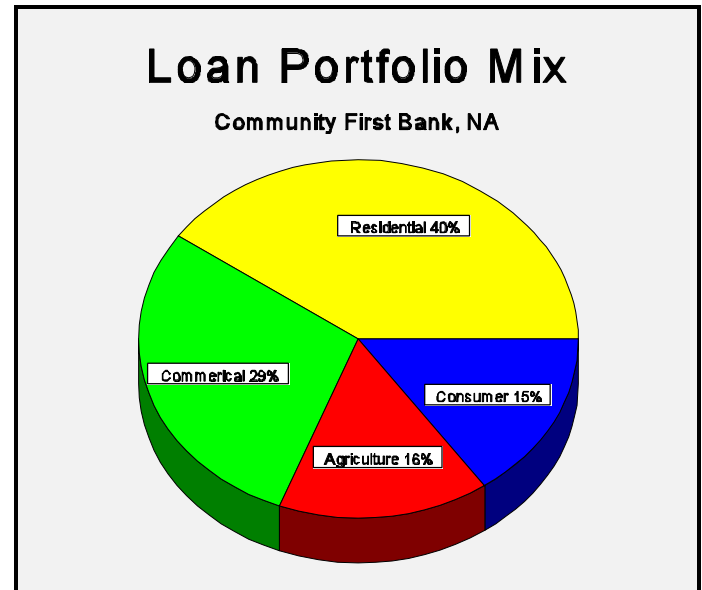


Figure 1

As of the June 30, 1996 Call Report, CFB reported total assets of \$29 million and gross loans of \$17 million. Loans for one-to-four family residential housing purposes represented about 40% of gross loans, with the remainder divided among loans having individual, agricultural and commercial/industrial purposes. Figure 1 shows the bank's total loan mix as of June 30, 1996.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area (AA) is not within a metropolitan statistical area and consists of five block numbering areas (BNA) in northeastern Hardin County and one BNA in southwestern Wyandot County. Management selected this AA based on the location of loan customers and the bank's proximity to the Hardin County/Wyandot County border line. Of the six BNAs included in the AA, three are characterized as moderate income areas and three are middle income areas. The AA contains a population of about 25,000 people and has an approximate median family income of \$30,000 as of the 1990 census. The AA complies with all regulation requirements and does not arbitrarily exclude any low- or moderate-income areas.

The overall economic condition of the AA is good with stable to increasing trends. The AA is primarily rural with an agricultural focus, but does contain several strong manufacturing and retail businesses. Larger employers include Rockwell International, Worthington Industries and Precision Strip, Inc. The combined unemployment rate for the two counties reflects an average of 4.7% as of June 30, 1996 and compares favorably with the state and national

averages of 5.0% and 5.5%, respectively. Community contact interviews revealed that loans for the purchase and construction of residential properties is the primary need of the AA. Community contacts also revealed that these types of loans are readily available from all area institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

CFB’s current loan-to-deposit (LTD) ratio of 63% as of June 30, 1996, and average LTD ratio over the last eleven calendar quarters of 63% are comparable to other similarly situated institutions, and reflect satisfactory performance. CFB’s LTD ratios were compared with a peer group of banks nationwide and two custom peer groups consisting of banks in Ohio and Indiana with total assets between \$20 million and \$35 million with similar loan portfolio structures. The bank’s ratios were then further compared with three local community banks also competing in the AA. Although CFB’s ratios were slightly below the 64%-69% range demonstrated by the combined peer bank sample, it compared favorably with the local banks range of 60%-75%.

A sample of 114 loans made since January 1, 1995 was reviewed for borrower location and income. The sample consisted of 38 real estate loans, 30 commercial loans, 31 consumer loans, and 15 agricultural loans accounting for approximately \$5.2 million or 30% of the banks gross loans. The geographic distribution of sampled loans is acceptable with some lending activity noted in each BNA and a majority of sample loans (84%) made within the AA. The highest concentration of loans came from BNA #9831, which is the Forest, Ohio area. (The table illustrates the geographic distribution of all loans sampled.)

<i>Geographic Distribution of Loans Sampled</i>					
<i>BNA Number</i>	<i>1 to 4 Family Residential Mortgage Loans</i>	<i>Loans To Individuals</i>	<i>Commercial /Agricultural Loans</i>	<i>Total Loans Sampled Per BNA</i>	<i>Percent Per BNA</i>
<i>#9831</i>	17	10	14	41	35%
<i>#9832*</i>	0	3	0	3	3%
<i>#9833</i>	0	2	2	4	4%
<i>#9836*</i>	8	2	5	15	13%
<i>#9837*</i>	4	1	10	15	13%
<i>#9882</i>	6	4	8	18	16%
<i>Outside AA</i>	3	9	6	18	16%

<i>BNA Number</i>	<i>1 to 4 Family Residential Mortgage Loans</i>	<i>Loans To Individuals</i>	<i>Commercial /Agricultural Loans</i>	<i>Total Loans Sampled Per BNA</i>	<i>Percent Per BNA</i>
<i>Total</i>	38	31	45	114	100%
<i>Percent Made in The AA</i>	92%	71%	87%	84%	

* Indicates a Moderate Income BNA

The bank's record of lending to borrowers of different income levels is appropriate. The 38 residential real estate loans and the 31 consumer loans mentioned above were also used to test the bank's dispersion of credit to borrowers of different income levels. The income information from each loan was compared to the State of Ohio non-metropolitan statistical area median family income figure to determine the income category for each. The sample indicated that the bank approved credit to borrowers in the following income categories: 17% low, 28% moderate, 38% middle and 17% high income. Nearly 66% of the sampled loans were made to moderate and middle income borrowers and this is consistent with the make-up of the bank's AA. The sample of 45 commercial and agricultural loans revealed that 80% of these loans were made in original amounts of \$100,000 or less with the majority made to businesses or farms with gross revenue of less than \$1 million. Only five of the commercial loans sampled were to businesses with gross revenue exceeding \$1 million and only one agricultural loan was to a farm with a gross revenue greater than \$500,000. Virtually all CFB's commercial and agricultural loans are to small businesses or small farms.

No evidence of discriminatory or other illegal credit practices on any prohibited basis was noted during the course of the examination. The bank is in compliance with the substantive provisions of the antidiscrimination laws.