



Comptroller of the Currency
Administrator of National Banks

Small Bank

PUBLIC DISCLOSURE

October 30, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First Central National Bank
Charter Number 2488**

**103 South Springfield Street
St. Paris, Ohio 43072**

**Office of the Comptroller of the Currency
Central Ohio Field Office
325 Cramer Creek Court, Suite 101
Dublin, Ohio 43017-3577**

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) has a **SATISFACTORY** record of meeting community credit needs.

- The distribution of loans reflects, given the demographics of the AA, an excellent penetration among borrowers of different income levels and businesses and farms of different sizes. The analysis of loans in our sample demonstrates outstanding performance for the Non-MSA AA and the Dayton MSA AA.
- FCNB is responsive to its community's credit needs as a majority of the loans in our sample were made within the bank's assessment area (AA). Ninety-three percent of the number of loans in our sample were inside the bank's AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The bank's current and 26-quarter average loan-to-deposit ratios are reasonable and commensurate with those demonstrated by local peer banks.

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 the village of St. Paris, Ohio. St. Paris is approximately 65 miles west of Columbus, Ohio in the western portion of Champaign County. The bank operates two full service offices, the main office in St. Paris and a branch office in Christiansburg, which is about seven miles southwest of St. Paris. The bank also operates two limited service branches (no lending activity), one in Rosewood, about seven miles north of St. Paris, and at another location within the village of St. Paris. All of the bank's offices are located in Champaign County in Ohio and are in middle-income geographies. The bank's primary business focus is retail, with significant agricultural and commercial interest, and it offers standard products and services through its network of two full-service and two limited-service branches. FCNB has a 24-hour ATM at its main office location in St. Paris and an off-premise ATM at a grocery store in Christiansburg. The bank also has drive-thru facilities at all offices except the Rosewood office.

At the prior CRA examination, as of July 24, 2000, 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. Our current evaluation of the bank's record of meeting the credit needs of community assesses the bank's performance from January 1, 2004 through September 30, 2006.

As of September 30, 2006, FCNB reported total assets of \$68 million, Tier One Capital of \$11 million, with net loans representing 64% of average assets. Loans for 1-4 family residential housing purposes represented 36% of the loans outstanding, commercial and commercial real estate represented 31% and agricultural and farmland represented 25%. We determined the bank's

primary loan products to be residential real estate, commercial and commercial real estate (business loans), and agricultural/farm loans after reviewing the total originations/purchases made during the evaluation period, total outstanding loans, and discussions held with management. The tables below detail the total number and dollar volume of loans originated during the evaluation period and the total loans currently outstanding as of September 30, 2006.

Primary Loan Types		
Loans originated/purchased from January 1, 2004 to September 30, 2006		
Loan Type	% by Number of Loans Originated/Purchased during evaluation period	% by Dollars of Loans Originated/Purchased during evaluation period
Residential Real Estate Loans	10%	32%
Business Loans	13%	31%
Farm Loans	15%	18%
Auto Loans	34%	12%
All Other Loans	28%	7%
Total	100%	100%

Source: Internal bank reports.

Total Loans Outstanding in the Bank's Portfolio		
As of September 30, 2006		
Loan Type	% by Number of Loans	% by Dollars of Loans
Residential Real Estate Loans	19%	36%
Business Loans	17%	31%
Farm Loans	19%	25%
Auto Loans	27%	5%
All Other Loans	18%	3%
Total	100%	100%

Source: Internal bank reports.

DESCRIPTION OF ASSESSMENT AREAS:

The bank has three assessment areas: Non-MSA (Metropolitan Statistical Area) area, Dayton, OH MSA area, and the Springfield, OH MSA area. The Non-MSA AA consists of all of the census tracts in Champaign County (seven census tracts), four census tracts in the western section of Logan County, and one census tract in the southeastern part of Shelby County. The Dayton MSA AA consists of one census tract in the eastern part of Miami County. The Springfield MSA AA consists of six census tracts in the northern and eastern sections of Clark County. The entire AA is contiguous. FCNB does not have any offices in a Metropolitan Statistical Area (MSA). FCNB has little lending activity in the Springfield MSA AA, and it provides little weight in this evaluation. The bank included the one census tract in the Dayton MSA AA because it makes a reasonable volume of agricultural loans in that area. Of the twelve census tracts in the Non-MSA AA, only one (census tract 104) is moderate-income (8%), and the rest is comprised of middle- and upper-income geographies (75% and 17%, respectively). All of the census tracts in the Dayton and Springfield MSA AAs are middle- and upper-income

geographies. Bank management selected the AA based on the bank’s targeted lending territory and branch locations. The bank is headquartered in Champaign County in the Non-MSA AA and does most of its lending in that area. The AA meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- or moderate-income geographies.

The Department of Housing and Urban Development (HUD) estimated the 2006 median family income for the non-MSA areas of Ohio at \$51,100, \$59,800 for the Dayton MSA AA, and \$55,400 for the Springfield MSA AA. The 2000 median family income, from the 2000 Census, for the Non-MSA AA was \$43,801, \$51,271 for Dayton MSA AA, and \$48,068 for Springfield MSA AA. See the tables below for the number of families in the AA by income category and owner-occupied housing units. Nine percent of the families in the Non-MSA AA were living below the poverty level as of 2006, 5% for the Dayton MSA AA, and 6% for the Springfield MSA AA.

INCOME AS A PERCENTAGE OF MEDIAN FAMILY INCOME				
Borrower Income Level	Low-Income Families	Moderate-Income Families	Middle-Income Families	Upper-Income Families
Non-MSA AA	15%	17%	23%	45%
Dayton MSA AA	13%	21%	26%	40%
Springfield MSA AA	11%	17%	26%	46%

Source: 2000 U.S. Census Data, updated as of 2006.

OWNER-OCCUPIED HOUSING				
Tracts by Income Category	Low-Income	Moderate-Income	Middle-Income	Upper-Income
Non-MSA AA	0%	5%	69%	26%
Dayton MSA AA	0%	0%	100%	0%
Springfield MSA AA	0%	0%	41%	59%

Source: 2000 U.S. Census Data, updated as of 2006.

Businesses with revenues of less than \$1 million account for 56% of all the business entities in the Non-MSA AA. Farms with revenues of less than \$1 million account for 98% of all the farms in the same AA. As of the 2000 Census, updated as of 2006, the Non-MSA AA had a population of 58,835 with 6% of the population living in moderate-income geographies, 69% in middle-income, and 25% in upper-income. The Non-MSA AA has 26,730 housing units with 66% of those as owner-occupied. Of those owner-occupied units, 5% are located in moderate-income census tracts, with 69% in middle-income and 26% in upper-income geographies. The median housing value, as of the 2000 Census and updated as of 2006, was \$86,975.

Businesses with revenues of less than \$1 million account for 62% of all the business entities in the Dayton MSA AA. Farms with revenues of less than \$1 million account for 96% of all the farms in the same AA. As of the 2000 Census, updated as of 2006, the Dayton MSA AA had a population of 4,807 (only one census tract). The AA has 1,826 housing units with 82% of those as owner-occupied. This census tract is a middle-income geography. The median housing value,

as of the 2000 Census and updated as of 2006, was \$127,700.

Businesses with revenues of less than \$1 million account for 64% of all the business entities in the Springfield MSA AA. Farms with revenues of less than \$1 million account for 95% of all the farms in the same AA. As of the 2000 Census, updated as of 2006, the Springfield MSA AA had a population of 22,933 with 44% of the population living in middle-income geographies and 56% in upper-income. The AA has 8,972 housing units with 83% of those as owner-occupied. Of those owner-occupied units, 41% are located in middle-income and 59% in upper-income census tracts. The census tracts in this AA are middle- (50%) and upper-income (50%). The median housing value, as of the 2000 Census and updated as of 2006, was \$109,777.

The economic conditions of the AA continue to be stable. The AA is primarily rural with an agricultural focus. Major industries in the AA are manufacturing and agriculture. The AA and surrounding areas have some very large employers including Honda of America, Navistar, KTH Parts Industries, and Infotel Distributing. As of September 2006, the unemployment rates for all counties in the AA compare favorably or are commensurate with the state of Ohio's average rate of 5.0% and the national average rate of 4.4%. The individual unemployment rates for the counties in the AA are Champaign 4.6%, Logan 4.3%, Miami 4.9%, Shelby 3.9%, and Clark 5.2%. FCNB had 8.47% of Champaign County's market share of total deposits as of June 30, 2006.

Competition within the AA comes from branches of large banks, two local national banks, two savings banks, and a credit union. Competition for loans also comes from several non-bank institutions. These non-bank institutions include the Farm Credit Services, mortgage companies, and leasing companies of local new and used car dealerships.

Our discussion with a community leader (via one community contact with an official in the Champaign County government) and bank personnel indicate that the community's credit needs are being adequately met. The contact identified that local financial institutions are very involved in meeting the credit needs of the community. The credit needs of the community continue to be affordable low- to moderate-income housing and loans to small businesses. The contact stated this need was being addressed satisfactorily.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

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

The bank's performance of residential real estate (purchase and refinance loans), commercial and commercial real estate, and agricultural lending is considered foremost in this CRA examination. These are the bank's primary lending products.

Loan samples were taken from loans originated from January 1, 2004 to September 30, 2006. To evaluate lending within the AA, we took a random sample of twenty loans from each of the primary lending products (residential real estate loans, commercial/commercial real estate loans, and agricultural loans) originated during the evaluation period. We used these files first to

perform the analysis of Lending in the AA and then disregarded any of the loans not originated in the AA. Additional loans within each AA were added to the sample to utilize the 20-item sample or the number of loans made in each AA during the evaluation period (if less than 20 loans were made) to perform the Borrower Distribution and Geographic Distribution analyses.

Loan-to-Deposit Ratio

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

FCNB has an average loan-to-deposit ratio over the 26 quarters (June 30, 2000 to September 30, 2006) since the prior CRA examination of 73.75%. The bank’s quarterly loan-to-deposit ratio ranged from a low of 63.7% at December 31, 2001, to a high of 82.2% at June 30, 2004. The average loan-to-deposit ratio for similarly situated banks in the counties of FCNB’s assessment area was 72.59% as of September 30, 2006 (national peer average was 78.16%). The bank’s present loan-to-deposit ratio of 81.22% at September 30, 2006, is above the peer average. Overall the bank’s average and present loan-to-deposit ratios are commensurate with peer.

Lending in the Assessment Area

- **The bank’s record of lending within its AA is reasonable and supports satisfactory performance with a 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 residential real estate, agricultural production and farmland, and commercial and commercial real estate loans. We sampled 20 loans from each of these loan types (for a total sample of 60) that the bank originated during the evaluation period. According to that sample, the bank made 93% of the number of loans in our sample within its AA. Table 1 details the bank’s lending within the AA by number and dollar volume. This table demonstrates that a majority of the loans in our samples were made inside the bank’s AA.

Table 1 - 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	19	95%	1	5%	20	\$1,845	86%	\$288	14%	\$2,133
Commercial & Commercial Real Estate Loans	18	90%	2	10%	20	\$943	95%	\$54	5%	\$997
Agricultural Loans	19	95%	1	5%	20	\$610	97%	\$20	3%	\$630
Totals	56	93%	4	7%	60	\$3,398	90%	\$362	10%	\$3,760

Source: Sample of loans.

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

- **The bank’s lending to borrowers of different income levels and businesses and farms of different sizes is excellent and reflects outstanding performance.**

Non-MSA AA

The distribution of residential real estate lending reflects excellent penetration among individuals of different incomes including low- and moderate-income borrowers, and is reflective of overall outstanding performance for this Non-MSA AA. Based on the 1-4 family residential real estate loan sample mentioned above, the distribution to borrowers in different income categories reflects penetration to all income categories. Lending to low-income borrowers is less than the percentage of low-income families within the AA; however, lending to moderate-income borrowers is substantially higher than the moderate-income families in the AA. A contributing factor to the low penetration to low-income borrowers is that, as identified previously, 9% of the families in the Non-MSA AA live below the poverty level. Those families living below the poverty level would likely not meet the credit standard for home mortgage loans. In addition, twenty percent of the occupied housing units in the AA are rental units. Bank management stated there are also several other banks in area providing additional competition for loans.

Based on the business and farm loan samples, the distribution of lending to businesses and farms of different sizes is also excellent and supports outstanding performance. A substantial majority of loans in our sample to businesses and farms were to businesses and farms with annual gross revenues of less than \$1 million.

Refer to Tables 2, 3, and 4 for specific details on the loans made low- and moderate-income borrowers and to businesses and farms with annual gross revenues of less than \$1 million.

Table 2 – Borrower Distribution of Residential Real Estate Loans in Non-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
Residential Real Estate Loans	15%	5%	17%	30%	23%	35%	45%	30%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Table 3 – 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 or equal to \$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	56%	3%	41%	100%
% of Bank Loans in AA by #	85%	15%	0%	100%
% of Bank Loans in AA by \$	77%	23%	0%	100%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Table 4 – Borrower Distribution of Loans to Farms in the Non-MSA AA				
Farm Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than or equal to \$1,000,000	Unavailable/Unknown	Total
% of AA Farms	98%	2%	0%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Dayton MSA AA

The distribution of residential real estate lending reflects excellent penetration among individuals of different incomes including low- and moderate-income borrowers, and is reflective of overall outstanding performance for the Dayton MSA AA. Based on the 1-4 family residential real estate sample mentioned above, the distribution to borrowers in different income categories reflects penetration to all income categories. Lending to low-income borrowers is slightly more than the percentage of low-income families within the AA, and lending to moderate-income borrowers is substantially higher than the moderate-income families in the AA.

Based on the business and farm loan samples, the distribution of lending to business and farms of different sizes is also excellent and supports outstanding performance. A substantial majority of loans in our sample to businesses and farms were to businesses and farms with annual gross revenues of less than \$1 million.

Refer to Tables 2A, 3A, and 4A for specific details on the loans made to low- and moderate-income borrowers and to businesses and farms with annual gross revenues of less than \$1 million. Overall, this analysis demonstrated outstanding performance in lending to low- and moderate-income borrowers and businesses and farms with annual gross revenues of less than \$1 million.

Table 2A – Borrower Distribution of Residential Real Estate Loans in Dayton 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
Residential Real Estate Loans	13%	14%	21%	43%	26%	14%	40%	29%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Table 3A – Borrower Distribution of Loans to Businesses in the Dayton MSA AA				
Business Revenues (or	Less than or	Greater than or	Unavailable/	Total

Sales)	equal to \$1,000,000	equal to \$1,000,000	Unknown	
% of AA Businesses	62%	3%	35%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Table 4A – Borrower Distribution of Loans to Farms in the Dayton MSA AA				
Farm Revenues (or Sales)	Less than or equal to \$1,000,000	Greater than or equal to \$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	96%	4%	0%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Loan Sample; 2000 U.S. Census Data, updated as of 2006.

Springfield MSA AA

The bank only made one residential real estate loan, one business loan, and two farm loans during the evaluation period in the Springfield MSA AA. Therefore, the limited activity during the evaluation period does not allow for meaningful conclusions and is provided little weight in the performance evaluation.

Geographic Distribution of Loans

- **The geographic distribution of loans reflects reasonable dispersion throughout the AAs and supports an overall satisfactory conclusion in this area for the entire AA.**

Dayton MSA and Springfield MSA AAs

During the evaluation period, all of the census tracts in the bank’s Dayton MSA (Miami County) and Springfield MSA (Clark County) AAs were middle- and upper-income geographies. An analysis of the geographic distribution of the bank’s lending activity would not be meaningful and was not performed since all the census tracts were middle- and upper-income.

Lending Analysis for the Non-MSA AA:

The geographic distribution of loans reflects reasonable dispersion throughout the Non-MSA AA and supports an overall satisfactory performance conclusion in this area. During the evaluation period, the bank had one moderate-income (8%), nine middle-income (75%), and two upper-income (17%) census tracts. Only 5% of the owner-occupied units in the AA were in moderate-income census tracts. The bank made 5% of their residential real estate loans to borrowers in moderate-income census tracts, which is consistent with the demographics of the AA.

The bank did not make any business or farm loans in our sample to businesses and farms located in the moderate-income census tract in the Non-MSA AA. However, there is only one moderate-income census tract in the AA, and it is located in the Urbana area which is not in close

proximity to the bank's offices. There are also at least two national banks located in the Urbana area, and they provide additional competition for loans in this area.

Refer to Tables 5, 5A, and 5B for additional information. Overall the bank lends to most of the census tracts in the AAs, with limited activity in the Springfield MSA AA. The bank does not have any branches located in the Springfield MSA AA, but included it in their AA due to it is a targeted marketing area for the bank and it is contiguous to the bank's primary market area of Champaign County.

Table 5 - Geographic Distribution of Residential Real Estate Loans in the Non-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
Residential Real Estate Loans	0%	0%	5%	5%	69%	70%	26%	25%

Source: Loan Sample; 2000 U.S. Census data, updated as of 2006.

Table 5A - Geographic Distribution of Loans to Businesses in the Non-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	0%	0%	5%	0%	73%	90%	22%	10%

Source: Loan Sample; 2000 U.S. Census data, updated as of 2006.

Table 5B - Geographic Distribution of Loans to Farms in the Non-MSA AA								
Census Tract Income Level	Low		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	% of AA Farms	% of Number of Farms
Farm Loans	0%	0%	1%	0%	60%	85%	39%	15%

Source: Loan Sample; 2000 U.S. Census data, updated as of 2006.

Responses to Complaints

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

Fair Lending Review

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