



PUBLIC DISCLOSURE

February 4, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The City National Bank of Metropolis
Charter Number 8745

423 Ferry Street
Metropolis, IL 62960

Office of the Comptroller of the Currency
500 N Broadway, Suite 1700
St. Louis, MO 63102

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, and should not 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.

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Overall CRA Rating: Outstanding

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The City National Bank's (CNB) Community Reinvestment Act (CRA) performance is outstanding. We based our conclusions on CNB's lending and community development (CD) activities. The major factors that support the rating for CNB include:

- CNB's quarterly average loan-to-deposit ratio (LTD) is reasonable given the bank's size and consideration to factors from the performance context.
- A majority of CNB's loans are located inside the assessment area (AA).
- CNB has a reasonable distribution to borrowers of various income levels.
- CNB's geographic distribution of loans across geographies of different income levels is reasonable throughout the AA.
- There were no complaints with respect to CNB's CRA performance.
- CNB demonstrates excellent responsiveness to the CD needs of its AA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family

households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have

original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

CNB is an intrastate financial institution headquartered in Metropolis, Illinois. It is a wholly owned subsidiary of City National Bankcorp, Inc. and was founded in 1907. There were no affiliate or subsidiary activities considered in this evaluation, and there were no merger or acquisition activities during the review period.

CNB operates out of two locations, both offering full services and operating in Metropolis, Illinois. The bank operates nine automated teller machines (ATMs). Eight of the ATMs are located in Metropolis: at each of the two offices, a grocery store, a convenience store, a restaurant, the high school, the community college, and the hospital. There is also a stand-alone ATM in Brookport, Illinois. The main office, branch, and stand-alone ATM are full service and accept deposits. The remaining ATMs are cash-dispensing only. CNB's last CRA performance evaluation (PE) was on October 6, 2014. Utilizing Intermediate-Small Bank CRA examination procedures, the OCC concluded that CNB's performance was "Satisfactory."

CNB reported assets totaling \$380 million and common equity tier one capital (CET1) of \$50.5 million, or 28 percent of total risk weighted assets, as of December 31, 2018. The loan portfolio totaled \$172 million, or 45 percent of total assets, and deposits totaled \$304 million. The loan portfolio is composed of the following as of 2018 year end:

Loan Type	Dollars (000)	Percentage of Loan Portfolio
Agriculture Loans	\$22,562	13%
Commercial Loans	\$44,800	26%
Residential Loans	\$89,914	52%
Consumer Loans	\$15,185	9%
Total Loans	\$172,461	100%

Source: 12/31/2018 FFIEC Call Report

CNB's board remains dedicated to providing banking services to the local community and maintaining the bank's position as the primary community bank in the AA. The board and management execute this strategy by offering non-complex, wide-ranging products and services for all age groups. CNB is well established in the AA, which provides intangibles such as local decision-making by individuals with historical knowledge of the bank and the AA. The board and management are dedicated to implementing new technology where feasible, encouraging community involvement, and providing responsive, personal service to all customers. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA.

For CRA purposes, CNB has identified one AA in the state of Illinois. The AA includes all of Massac County, which is a Non-Metropolitan Statistical Area (Non-MSA) AA, and the same AA utilized during the previous CRA PE. The AA conforms to regulatory requirements and does not arbitrarily exclude any low- and moderate-income geographies. Refer to Appendix B for further details on the bank's AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The scope of this evaluation includes an assessment of CNB under the Intermediate Small Bank performance criteria, which consists of a lending test and a CD Test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD test evaluates the bank's record of responding to the CD needs of its AA through CD lending and providing qualified investments, donations, and services.

The evaluation period for this examination is October 7, 2014 to December 31, 2018. For the CD test, we used information from the entire evaluation period. We determined that loan data from January 1, 2016 to December 31, 2018 was representative of the evaluation period and we sampled loans from this period for the lending test.

Home mortgage lending and consumer lending account for 47 percent of the total dollar amount and 86 percent of the total number of all loans originated or purchased during the evaluation period. Based on this information, CNB's primary lending products for this evaluation are home mortgage loans and consumer loans.

Loan Originations by Loan Type from January 1, 2016 through December 31, 2018				
Loan Category	Number of Loans	% of Number of Loans	\$000 of Loans	% of Dollars
Agricultural Loans	357	6%	\$ 36,080	20%
Commercial Loans	452	8%	\$ 57,902	33%
Home Mortgage Loans	845	14%	\$ 58,535	33%
Consumer Loans	4243	72%	\$ 25,626	14%
Total Originations	5,897	100%	\$ 178,143	100%

Source: Bank Records January 1, 2016 – December 31, 2018

To evaluate lending performance, we selected a random sample of home mortgage loans and consumer loans originated during the same period. The sample included 20 loans per product, per year, per AA, with the exception of home mortgage loans originated in 2017 and 2018. For this product and year(s), we increased the sample size to 60 loans at management's request.

We completed two separate analyses of the bank's lending performance. For CNB's lending performance in 2016, we used the comparators of demographic data from the 2010 United States (U.S.) Census and 2016 Home Mortgage Disclosure Act (HMDA) Aggregate Data. For the bank's lending performance in 2017 and 2018, we used the comparators of demographic data from the 2015 American Community Survey (ACS) U.S. Census and 2017 HMDA Aggregate Data. The 2015 ACS provided an update to median family income, changing the income designation of some census tracts (CTs) in the AA in 2017.

Data Integrity

CNB is not required nor does it opt to collect and report data on residential or consumer loans; therefore, lending performance was evaluated using data collected during our review of bank loan files. We verified that CD loans, investments, and services submitted by CNB meet the regulatory definition for qualified CD activities and excluded those activities that did not meet the definition.

Selection of Areas for Full-Scope Review

We selected CNB's only AA, which consists of all of Massac County, Illinois, a Non-MSA, for full-scope review. Please refer to the table in Appendix A for more information pertaining to the scope of the evaluation.

Ratings

The CD test received more consideration in arriving at the overall rating, given demographic and economic factors affecting the AA. We placed more weight on performance from consumer lending given the significant number of loans originated during the evaluation period. We also considered that the percentage of home mortgage loans by dollar was in line with the percentage of commercial loans originated during the evaluation period.

Community Contacts

We contacted one community action agency representative during this evaluation. The community contact indicated that CNB was doing a satisfactory job of meeting the financial needs of the community, including efforts to provide financial options/banking to low- and moderate-income families. The contact recognized CNB for providing donations to the organization that directly provided financial assistance to low- and moderate-income individuals ineligible for federal or state grants or subsidies.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) 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. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

CNB's performance under the lending test is satisfactory. Lending to borrowers of different incomes is reasonable. Geographic distribution of loans among different income geographies is reasonable. CNB originated a majority of its primary loan products within the AA. The LTD ratio is reasonable.

Refer to Tables O, P, U, and V in Appendix C for the facts and data used to evaluate the borrower and geographic distribution of the bank's loan originations.

Loan-to-Deposit Ratio

CNB's average LTD ratio of 50.18 percent for the 18-quarter evaluation period is reasonable. During this evaluation period, the bank reported minimum and maximum LTD ratios 46.82 percent and 55.79 percent, respectively. The bank has historically reported a low LTD ratio. The LTD ratio has trended consistently higher since the previous evaluation.

The bank does not face significant competition in the AA. To obtain a meaningful peer analysis, we expanded our parameters to include similarly sized banks in the neighboring counties of Union, Pulaski, Williamson, Saline, Johnson, and Pope. The six peer banks from neighboring counties reported total assets ranging from \$100 million to \$500 million as of December 31, 2018. The six peer banks reported average LTD ratios ranging from 50 percent to 84 percent during the evaluation period, the minimum of which is higher than CNB's average LTD ratio.

The table below lists institutions pulled from the peer group sample with at least \$100 million in assets and their corresponding average LTD ratio.

Institution	Total Assets (\$000s) as of 12/31/2018	Average Quarterly LTD Ratio
The City National Bank of Metropolis	\$380,466	50%
Farmers State Bank of Alto Pass, Ill.	\$228,258	84%
South Porte Bank	\$103,159	82%
Legence Bank	\$474,752	68%
Bank of Herrin, The	\$247,938	68%
Southern Illinois Bank	\$106,802	66%

*Source: Quarterly Call Reports from September 30, 2014 to December 31, 2018.
Note: The loan-to-deposit ratio is calculated on a bank-wide basis.*

Lending in Assessment Area

CNB originated a majority of its primary loan products within its AA. Our sample revealed 88 percent of the total number and 82 percent of the total dollar volume of these loans originated within the AA.

Table D - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	18	90	2	10	20	1,168	81	266	19	1,434
Consumer	17	85	3	15	20	103	94	7	6	110
Total	35	88	5	12	40	1,271	82	272	18	1,544

Source: 01/01/2016-12/31/2018 Bank Data

Lending to Borrowers of Different Incomes

Based on the data in Tables P and V in Appendix C and performance context considerations, we concluded the borrower distribution of the bank's originations of home mortgage and consumer loans is reasonable and meets the standard for satisfactory performance.

Illinois Non-MSA AA (Massac County)

Home Mortgage Loans

The overall borrower distribution of home mortgage loans in the Non-MSA AA was reasonable. We noted reasonable distribution within both analyses when considering loans made to low- and moderate-income borrowers, performance context information, and demographic comparators.

In evaluating the borrower distribution of home mortgage loans, we noted the number of families with incomes below the poverty level trended upward during the evaluation period, from 9.7 percent in 2016 to 14.5 percent in 2018. In addition to the performance context factors discussed in the *Description of the AA* section, it is also worth noting that while the FFIEC Median Family income for the Non-MSA was \$60,400 in 2017, this figure is derived from all Non-MSA geographies in the state of Illinois. According to the US Census Bureau website for Massac County only, the Median Family Income as of July 1, 2017 was \$42,168. People living in poverty, including LMI families, often have difficulty qualifying for conventional home mortgage products without flexible terms or some other form of financial assistance. In addition, there was consistent population migration out of Illinois during the evaluation period, one of the factors Moody's analytics identifies as contributing to the few growth drivers downstate. The bank is located in the southernmost part of the state and its AA shares a border with Kentucky, to where there is more incentive for businesses and individuals to move when compared to Illinois, both factors that could limit lending opportunities in the AA.

2016

Borrower distribution of home mortgage loans was reasonable. CNB originated 25 percent of loans to low-income borrowers, which exceeds the percentage of low-income families (20.1 percent,) and is well above the 2016 HMDA aggregate lending to low-income borrowers data (5.0 percent). The bank originated 15 percent of loans to moderate-income borrowers. This falls within a reasonable range below both the percentage of moderate-income families (20.5 percent) and the 2016 HMDA aggregate lending to moderate-income borrowers data (16.7 percent).

2017-18

Borrower distribution of home mortgage loans for 2017-18 was reasonable. CNB originated 28.33 percent of loans to low-income borrowers. This exceeds the percentage of low-income families (26.2 percent) and is significantly higher than the 2018 HMDA aggregate lending to low-income borrowers data (10.9 percent). The bank originated 11.67 percent of loans to moderate-income borrowers, which falls significantly below both the percentage of moderate-income families (19.4 percent) and the 2018 HMDA aggregate lending to moderate-income borrowers data (19.1 percent).

Consumer Loans

The overall borrower distribution of consumer loans in the Non-MSA AA exceeds the standard for satisfactory performance. Based on our sample of 40 originated consumer loans (20 loans from 2016 and 20 loans from 2017-18), we noted excellent distribution within both analyses when considering loans made to low- and moderate-income borrowers, performance context information, and demographic comparators.

2016

Borrower distribution of consumer loans is excellent. CNB originated 35 percent of loans to low-income borrowers, which significantly exceeds the percentage of low-income households (25.2 percent). The bank originated 40.0 percent of loans to moderate-income borrowers, which significantly exceeds the percentage of moderate-income households (17.1 percent).

2017-18

Borrower distribution of consumer loans for 2017-18 is excellent. CNB originated 30 percent of loans to low-income borrowers, which exceeds the percentage of low-income households (28.0 percent). The bank originated 50 percent of loans to moderate-income borrowers, which significantly exceeds the percentage of moderate-income households (18.0 percent).

Geographic Distribution of Loans

CNB's overall geographic distribution of home and consumer loans reflects reasonable dispersion among different income tracts in the bank's AA. Refer to Tables O and U in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases.

We analyzed CNB's home mortgage and consumer lending originations over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous lending gaps in the AAs.

Home Mortgage Loans

2016

Because the bank's AA consisted of only middle-income CTs in 2016, a geographic distribution of home loans would not be meaningful.

2017-18

The geographic distribution of home loans in 2017-18 is reasonable. The bank originated 10.0 percent of home loans in moderate-income CTs, which is within a reasonable range below both the percentage of owner-occupied housing units located in moderate-income CTs (13.9 percent) and the 2017-18 HMDA Aggregate lending to the moderate-income CTs (13.6 percent).

Consumer Loans

2016

Because the bank's AA consisted of only middle-income CTs in 2016, a geographic distribution of consumer loans would not be meaningful.

2017-18

The geographic distribution of consumer loans in 2017-18 is reasonable. The bank originated 15 percent of consumer loans in moderate income CTs, which is within a reasonable range below the percentage of households in moderate income CTs (16.7 percent).

Responses to Complaints

CNB did not receive any complaints during the assessment period that would impact its CRA performance.

COMMUNITY DEVELOPMENT TEST

The bank's overall responsiveness to CD needs and opportunities in its AA is outstanding. The bank's CD activities during the assessment period included \$8 million in CD loans and investments and 152 hours of CD services.

Number and Amount of Community Development Loans

CD loans demonstrated outstanding responsiveness to CD needs and opportunities in the AA during the evaluation period. CNB originated 20 CD loans totaling \$6 million during the evaluation period. Eighteen loans provided stabilization of low-, moderate-, and distressed middle income geographies, one loan promoted community services for LMI individuals, and one loan promoted affordable housing.

Number and Amount of Qualified Investments

CD investments demonstrated adequate responsiveness to CD needs and opportunities in the AA during the evaluation period. In aggregate, CD investments and donations totaled \$2.1 million during the evaluation period. This represents approximately 4 percent of the AA's CET1 capital as of December 31, 2018.

Management purchased one municipal bond totaling \$2 million from the local school district, where over 50 percent of the students are eligible for free or low cost lunches under the National School Lunch Program.

The remaining qualified investments consisted of 49 qualified donations totaling \$76,942 in the AA during the evaluation period. The majority of donations supported community service organizations or local school districts.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, CNB exhibited outstanding responsiveness to the CD service needs of the AA. Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AAs.

CNB had eight documented instances that totaled approximately 152 hours of qualifying CD services in the AA during the evaluation period. Employees who bring financial expertise to a community service organization and provide financial education at the local schools provide the majority of these qualified CD services.

The bank also participates in the Federal Home Loan Bank of Chicago's (FHLBC) *Down Payment Plus* program, which provides down payment assistance on home loans and requires borrowers to attend a financial literacy course. CNB originated 31 loans totaling \$1.4 million under this program during the evaluation period, which included \$139,500 in down payment assistance from the FHLBC.

Responsiveness to Community Development Needs

CNB's CD activities reflect outstanding responsiveness to the CD needs of the AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2016 to 12/31/2018) Investment and Service Tests and CD Loans: (10/07/2014 to 12/31/2018)	
Financial Institution		Products Reviewed
The City National Bank of Metropolis (CNB) Metropolis, IL		Home Mortgage Loans Consumer Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
State of Illinois Non-MSA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA (Massac County) 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	100.0	0.0	0.0
Population by Geography	15,429	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	7,119	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,050	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,243	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	826	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	662	0.0	0.0	100.0	0.0	0.0
Farms by Geography	72	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,137	20.1	20.5	24.1	35.2	0.0
Household Distribution by Income Level	6,293	25.2	17.1	18.3	39.4	0.0
Median Family Income Non-MSAs - KS		\$54,499	Median Housing Value			\$85,989
			Median Gross Rent			\$534
			Families Below Poverty Level			9.7%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non MSA (Massac County) 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	25.0	75.0	0.0	0.0
Population by Geography	15,016	0.0	16.3	83.7	0.0	0.0
Housing Units by Geography	7,097	0.0	17.6	82.4	0.0	0.0
Owner-Occupied Units by Geography	4,365	0.0	13.9	86.1	0.0	0.0
Occupied Rental Units by Geography	1,622	0.0	24.2	75.8	0.0	0.0
Vacant Units by Geography	1,110	0.0	22.7	77.3	0.0	0.0
Businesses by Geography	651	0.0	29.5	70.5	0.0	0.0
Farms by Geography	59	0.0	5.1	94.9	0.0	0.0
Family Distribution by Income Level	3,765	26.2	19.4	19.2	35.2	0.0
Household Distribution by Income Level	5,987	28.0	18.0	18.0	36.0	0.0
Median Family Income Non-MSAs - IL		\$59,121	Median Housing Value			\$85,246
			Median Gross Rent			\$690
			Families Below Poverty Level			14.5%
Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (* The NA category consists of geographies that have not been assigned an income classification.						

CNB has designated all of Massac County in Illinois as its AA. The 2010 U.S. Census recorded four CTs in the AA, consisting of four middle income CTs (9701-9704). According to the 2010 census data, the area population was 15,429.

The 2015 ACS Census recorded four CTs in the AA, of which one (9704) was considered a moderate-income tract and the rest were considered middle-income tracts. The AA population was down slightly from the 2010 census at 15,016, with 2,454 (16.34 percent) residing in the moderate-income CT.

According to the 2015 ACS Census data, the median income for a family in the AA was \$51,479, compared to \$59,121 reported for the Census MSA Median Family Income. For a household, the median income was \$40,391. Of the 3,765 total families in the AA, 988 (26 percent) are considered low income, 729 (19 percent) moderate, 723 (19 percent) middle, and 1,325 (35 percent) upper. The 2018 FFIEC adjusted median family income for the AA was \$63,900. Low-income families earned annual income of \$31,950 or less, and moderate-income families earned annual income of \$31,950 to \$51,120. The percentage of households in the AA living below the poverty level was 14.5 percent, representing an increase from the 9.7 percent calculated by the 2010 US Census.

Table B – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
IL NA Median Family Income				
2016 (\$58,000)	<\$29,000	\$29,000 to <\$46,400	\$46,400 to <\$69,600	≥\$69,600
2017 (\$60,400)	<\$30,200	\$30,200 to <\$48,320	\$48,320 to <\$72,480	≥\$72,480
2018 (\$63,900)	<\$31,950	\$31,950 to <\$51,120	\$51,120 to <\$76,680	≥\$76,680
<i>Source: FFIEC Due to rounding, totals may not equal 100.0</i>				

As of June 30, 2018, there were three depository institutions in the AA operating four branches, two of which are CNB's only locations. Based on the FDIC Summary of Deposits Report, CNB ranks first in market share in the AA with deposits totaling \$317 million, representing 83 percent of the market. The other two depository institutions in the market are Banterra bank with 13 percent of the market share and Legence Bank with 4 percent of the market share.

Massac County AA

Massac County, a Non-MSA AA, represents 100 percent of CNB's AA for CRA purposes. Both of the bank's branches are located within the AA in Metropolis, Illinois. The AA is located in the southeastern-most part of Illinois and contains four CTs. The southern border of the AA is the Ohio River and the state of Kentucky.

Historically, the bank has struggled to find loan demand in its AA due primarily to economic and demographic factors. All CTs that were considered middle-income geographies by the FFIEC were also designated as distressed due to poverty in 2016 and 2018. According to the U.S. Department of Labor (DOL) Bureau of Labor Statistics (BLS) report, the annual

unemployment rates for Massac County ranged from a high of 8 percent in 2014 to a low of 6.3 percent in 2017. For 2018, the average unemployment for January thru September is 6.3 percent. The Illinois Department of Employment Security website reports a state average unemployment rate of 4.4 percent as of December 2018, and the U.S. DOL reports a national unemployment rate of 4 percent as of January 2019. Moody's Analytics project both short- and long-term underperformance by Illinois, one of the drivers being population outmigration. According to the June 2018 report, Moody's notes one of the main drivers for this assessment is "few growth drivers downstate", which is where CNB and its AA are located. There were also concerns identified with manufacturing and agriculture sectors given the changes in trade agreements between the U.S. and its trade partners. Management informed us during the examination that they have already witnessed layoffs and attrition in local businesses, including a mass-layoff in 2018 at the local Honeywell plant.

The distribution of families by income level was 26.2 percent low-income, 19.4 percent moderate-income, 19.2 percent middle-income, and 35.2 percent upper-income. The percentage of households in the AA living below the poverty level was 14.5 percent. The 2018 FFIEC adjusted median family income for the AA was \$63,900. It is worth noting that this figure represents the entire state of Illinois Non-MSA. According to the US Census Bureau website for Massac County only, the Median Family Income as of July 1, 2017 was \$42,168.

The 2010 US Census reported total housing units of 7,119 for the AA. Of the total number of housing units, 5,050 or 70.94 percent of the total housing units in the AA were owner occupied, 1,243 or 17.46 percent are renter occupied, and 826 or 11.6 percent are vacant. All housing units were located in middle income CTs given all four CTs in Massac County were designated as middle-income in 2016. Of the 7,119 total housing units in the AA, 5,470 or 76.84 percent were single-family units, 360 or 5.06 percent were multi-family units, and 1,289 or 18.11 percent were mobile homes. The 2010 U.S. Census indicates that the weighted average median housing value was \$85,989, and the weighted average monthly gross rent was \$534.

The 2015 ASC US Census reported total housing units of 7,097 for the AA. Of the total number of housing units, 4,365 (62 percent) of the total housing units in the AA were owner occupied, 1,622 (23 percent) were renter occupied, and 1,110 (16 percent) units were vacant. Of all owner occupied units, 605 (13.86 percent) were located in the moderate-income CT 9704. Of all occupied rental units, 393 (24.23 percent) were located in the moderate income CT 9704. Of all vacant units, 252 (22.7 percent) were located in moderate-income CT 9704. Additionally, 1,557 (18.58 percent) single-family homes and (41.2 percent) of multifamily housing units were located in moderate-income CT 9704. The weighted average median housing value was \$85,246, and the weighted average monthly gross rent was \$690.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of

businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Non-MSA AA 2016	20	900	100	120	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	20	900	100	120	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-18
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Non-MSA AA 2017-18	60	4,459	100	110	0.0	0.0	0.0	13.9	10.0	13.6	86.1	90.0	86.4	0.0	0.0	0.0	0.0	0.0	0.0
Total	60	4,459	100	110	0.0	0.0	0.0	13.9	10.0	13.6	86.1	90.0	86.4	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Non-MSA AA 2016	20	900	100	120	20.1	25.0	5.0	20.5	15.0	16.7	24.1	25.0	26.7	35.2	35.0	34.2	0.0	0.0	17.5
Total	20	900	100	120	20.1	25.0	5.0	20.5	15.0	16.7	24.1	25.0	26.7	35.2	35.0	34.2	0.0	0.0	17.5

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-18
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Non-MSA AA 2017-18	60	4,459	100	110	26.2	28.3	10.9	19.4	11.7	19.1	19.2	26.7	20.0	35.2	33.3	29.1	0.0	0.0	20.9
Total	60	4,459	100	110	26.2	28.3	10.9	19.4	11.7	19.1	19.2	26.7	20.0	35.2	33.3	29.1	0.0	0.0	20.9

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2016	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA 2016	20	146	100	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	
<i>Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-18	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA 2017-18	20	100	100	0.0	0.0	16.7	15.0	83.3	85.0	0.0	0.0	0.0	0.0	
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA 2016	20	146	100	25.2	35.0	17.1	40.0	18.3	15.0	39.4	10.0	0.0	0.0	
Total	20	146	100	25.2	35.0	17.1	40.0	18.3	15.0	39.4	10.0	0.0	0.0	

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017-18	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA 2017-18	20	100	100	28.0	30.0	18.0	50.0	18.0	15.0	36.0	5.0	0.0	0.0	
Total	20	100	100	28.0	30.0	18.0	50.0	18.0	15.0	36.0	5.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data.
Due to rounding, totals may not equal 100.0