



## **PUBLIC DISCLOSURE**

March 23, 2015

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens National Bank of Greater St. Louis  
Charter Number 12955

7305 Manchester Avenue  
Maplewood, MO 63143

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, 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: Outstanding.**

- The distribution of loans to individuals of different income levels and to businesses of different sizes reflects reasonable penetration in the assessment area (AA).
- The geographic distribution of loans reflects reasonable dispersion within the census tracts (CTs) in the AA.
- Community development activities reflect excellent responsiveness to community needs in the AA.
- The bank originated or purchased a majority of its loans within the AA.
- The bank's quarterly average loan-to-deposit ratio is reasonable.

## **Scope of Examination**

This Performance Evaluation of Citizens National Bank of Greater St. Louis (CNB) assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated CNB under the Intermediate Small Bank performance criteria, which consist of a lending test and a community development (CD) test. The lending test evaluates a bank's record of helping meet the credit needs of its AA through its lending activities. The CD test evaluates the bank's CD lending, qualified investments, CD services activities, and overall responsiveness to the community's needs.

The evaluation period covers September 27, 2011 through March 23, 2015. We evaluated CD activities over the entire period. The lending test sampled loans originated or purchased from January 1, 2012 through December 31, 2014. Conclusions regarding the bank's lending performance are based on CNB's primary loan products: Business (non-agricultural) loans and Residential Real Estate (RRE) loans. We conducted a data integrity review of the RRE loans reported under the Home Mortgage Disclosure Act (HMDA). We found the HMDA data to be accurate and reliable. We analyzed all HMDA loans and a sample of business loans that CNB originated or purchased from January 1, 2012 through December 31, 2014.

## Description of Institution

CNB is a \$419 million intrastate bank headquartered in Maplewood, Missouri. The bank is wholly owned by Cardinal Bancorp, Inc., a one-bank holding company located in Maplewood, Missouri. As of June 30, 2014, CNB's deposits in the AA totaled \$364 million. The bank has six offices within the State of Missouri. The four branches in St. Louis County are located in the cities of Maplewood, Florissant, Affton, and Maryland Heights. The two offices in St. Charles County are located in the cities of St. Charles and St. Peters. The six offices are located in moderate- (3), middle- (2), and upper- (1) income geographies. Each of the six offices has a deposit-taking ATM on the premises. In addition, the bank has two cash-dispensing ATMs placed in a low-income CT in the City of St. Louis and in a middle-income CT in St. Louis County. The bank provides its customers with a full range of banking products and services.

The bank's lending focus is on commercial lending and residential lending. Loan products offered include one-to-four family RRE loans, commercial loans, commercial real estate loans, and consumer loans. As of December 31, 2014, the bank's loan-to-deposit ratio was 82.7% and Tier 1 Capital totaled \$52 million. Loans as a percent of average assets were 68%. The loan portfolio was comprised of commercial (70%), 1-4 family residential (23%), consumer (4%), farmland (1%) and other (2%) loans. There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of the communities it serves.

CNB was rated "Satisfactory" at the prior CRA examination dated September 26, 2011.

## Description of Assessment Area

The bank has designated as its AA a portion of the St. Louis MO-IL Metropolitan Statistical Area (MSA) # 41180. The AA is comprised of the entire St. Louis City, St. Louis County, and St. Charles County in Missouri. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The bank has six branches in this AA.

Based on the 2010 Census, there are 57 low-income CTs, 75 moderate-income CTs, 114 middle-income CTs, and 136 upper-income CTs in the AA. Based on 2014 MSA adjustments, the AA consists of 56 low-income CTs, 75 moderate-income CTs, 114 middle-income CTs, and 137 upper-income CTs. Three CNB branches are located in moderate-income geographies. Because of the demographic changes due to the 2014 MSA adjustments, lending was analyzed separately for those periods.

CNB's deposits total \$364 million as of June 30, 2014. CNB is the 26<sup>th</sup> largest deposit-taking institution in the AA with less than 0.5% market share based upon FDIC deposit data. Competition for financial services is strong with 70 financial institutions operating

in the AA. The five largest financial institutions in the AA are Scottrade Bank, U.S. Bank N.A., Bank of America, N.A., Commerce Bank, and Stifel Bank and Trust. Collectively, they total 67% of the market share.

Major employers in the St. Louis, MO-IL MSA #41180 consist of trade, transportation, and utilities, education and health services, professional and business services, and government.<sup>1</sup> Major employers include BJC HealthCare, Boeing Defense, Space & Security, Washington University in St. Louis, Scott Air Force Base, Mercy Health and SSM Health Care.<sup>2</sup> Eight percent of families live below the poverty level in the AA based on the 2010 Census data.

According to the Bureau of Labor Statistics, unemployment in the bank’s AA has declined during the evaluation period from highs in September 2011 of 11.4% in St. Louis City, 8.1% in St. Louis County, and 6.8% in St. Charles County. November 2014 unemployment was 7.4% in St. Louis City, 5.3% in St. Louis County, and 4.4% in St. Charles County. The statewide Missouri unemployment rate dropped from 8.1% to 5.1% during the evaluation period.

The median family income in the AA according to the 2010 Census data is \$66,798. The Federal Financial Institutions Examination Council (FFIEC) Adjusted Median Family Income for 2014 is \$71,000. The Median Housing Value is \$191,774. The following is additional demographic data for the AA.

| Demographic Information for: Citizens NB of Greater St. Louis' AA - 2010 Census |           |            |                                    |               |              |            |
|---|-----------|------------|------------------------------------|---------------|--------------|------------|
| Demographic Characteristics   | #         | Low % of # | Moderate % of #                    | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs)  | 384       | 14.58      | 19.53                              | 29.69         | 35.68        | 0.52       |
| Population by Geography   | 1,678,733 | 9.57       | 18.66                              | 30.40         | 41.31        | 0.07       |
| Owner-Occupied Housing by Geography   | 467,088   | 5.09       | 16.37                              | 32.68         | 45.86        | 0.00       |
| Business by Geography   | 123,845   | 6.56       | 15.17                              | 28.51         | 49.60        | 0.15       |
| Farms by Geography  | 2,563     | 2.85       | 13.85                              | 31.33         | 51.85        | 0.12       |
| Family Distribution by Income Level   | 427,738   | 20.07      | 16.24                              | 19.89         | 43.79        | 0.00       |
| Distribution of Low and Moderate Income Families throughout AA Geographies      | 155,331   | 17.94      | 29.39                              | 30.10         | 22.56        | 0.01       |
| Median Family Income  |           | 66,798     | Median Housing Value               |               | 191,774      |            |
| FFIEC Adjusted Median Family Income for 2014                                    |           | 71,000     | Unemployment Rate (2010 US Census) |               | 4.17%        |            |
| Households Below Poverty Level  |           | 11%        |                                    |               |              |            |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2014 FFIEC updated MFI

<sup>1</sup> United States Department of Labor—Economy at a Glance Reporting for December 2014

<sup>2</sup> Stlregionalchamber.com—March 2015

To determine the community's needs, we contacted representatives from two economic development entities and three housing organizations serving the St. Louis MO-IL MSA AA. We also reviewed the HUD Consolidated Housing and CD Plans for the City of St. Louis and St. Louis County. We identified the following credit and non-credit related needs in the AA:

- Investments in Community Development Financial Institutions to allow more credit to local businesses.
- Investments in revolving loan pools.
- Mortgage loan products for low- and moderate-income borrowers, including down payment assistance loans.
- Loans for new construction and/or rehabilitation of affordable rental housing units and owner-occupied housing units.
- Home improvement and remodeling loan products.
- Availability of additional loan products including small-dollar loans to low- and moderate-income borrowers.
- Financial education including credit counseling and home-buyer counseling.
- Providing Second Chance Checking accounts.
- Serving on boards of directors and providing general operating support for non-profit organizations working with low- and moderate-income individuals.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

Citizens National Bank of Greater St. Louis's performance is rated Satisfactory in meeting the credit needs of its AA, including those of low- and moderate-income borrowers, given the performance context, demographics, economic factors, and competitive pressures faced by the bank.

#### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and AA credit needs. As of December 31, 2014, CNB's LTD ratio was 81%. The bank's quarterly average of LTD ratios since the last CRA evaluation was 83%. The quarterly average LTD ratio for similarly situated banks within the AA ranged from a low of 57% to a high of 103%. CNB has the seventh highest quarterly average LTD ratio for the 11 banks in the AA with total assets between \$270 million and \$575 million.

## Lending in Assessment Area

A majority of the loans are originated or purchased inside the bank's AA. Based on 929 home mortgage loans and a sample of small business loans originated or purchased by the bank from January 1, 2012 through December 31, 2014, 79% of the number of loans were to borrowers located in the AA.

| Lending in AA (Portion of the St. Louis, MO-IL MSA #41180) |                 |     |         |     |       |                          |     |          |     |            |
|--|-----------------|-----|---------|-----|-------|--------------------------|-----|----------|-----|------------|
| Loan Type  | Number of Loans |     |         |     |       | Dollars of Loans (000's) |     |          |     |            |
|  | Inside          |     | Outside |     | Total | Inside                   |     | Outside  |     | Total (\$) |
|  | #               | %   | #       | %   |       | \$                       | %   | \$       | %   |            |
| Home Purchase  | 332             | 75% | 109     | 25% | 441   | \$56,672                 | 72% | \$22,100 | 28% | \$78,772   |
| Home Improvement   | 33              | 94% | 2       | 6%  | 35    | \$1,885                  | 84% | \$370    | 16% | \$2,255    |
| Home Mortgage Refinance                                    | 366             | 81% | 87      | 19% | 453   | \$76,390                 | 83% | \$15,160 | 17% | \$91,550   |
| Business   | 19              | 95% | 1       | 5%  | 20    | \$2,993                  | 99% | \$14     | 1%  | \$3,007    |
| Totals   | 750             | 79% | 199     | 21% | 949   | \$137,940                | 79% | \$37,644 | 21% | \$175,584  |

Source: RRE loan data reported under HMDA for the period January 1, 2012 through December 31, 2014, and a Sample of 20 CNB Business loans;

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

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

### Mortgage Lending

The borrower distribution of RRE loans originated or purchased during the evaluation period is reasonable. In evaluating this distribution, we considered the percentage of families who live below the poverty level and the barriers this may have on home ownership. According to the 2010 census, 8.3% of families lived below the poverty level in this AA.

CNB's 2012-2013 and 2014 home purchase lending to low-income families was lower than the percentage of low-income families in the AA, but the bank's home purchase lending to moderate-income borrowers in 2012-2013 and 2014 exceeded the percentage of moderate-income families in the AA.

CNB's home mortgage refinance lending to low-income borrowers in 2012-2013 and 2014 was lower than the percentage of low-income families in the AA. CNB's home mortgage refinance lending to moderate-income borrowers in 2012-2013 was lower than the percentage of moderate-income borrowers in the AA, but 2014 home mortgage lending was near the percentage of moderate-income borrowers in the AA.

CNB’s home improvement lending to low- and moderate-income families in 2012-2013, and 2014 was near the percentage of low-income borrowers and exceeded the percentage of moderate-income borrowers in the AA.

| <b>Borrower Distribution of Residential Real Estate Loans in the AA 2012-2013</b> |                  |                      |                  |                      |                  |                      |                  |                      |
|---|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| 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   | 20.16%           | 11.23%               | 16.30%           | 29.41%               | 19.92%           | 20.32%               | 43.63%           | 39.04%               |
| Home Improvement  | 20.16%           | 20.00%               | 16.30%           | 30.00%               | 19.92%           | 20.00%               | 43.63%           | 30.00%               |
| Home Mortgage Refinance   | 20.16%           | 4.52%                | 16.30%           | 11.94%               | 19.92%           | 20.32%               | 43.63%           | 63.23%               |

Source: RRE loan data reported under HMDA for the period January 1, 2012 through December 31, 2013; and 2010 U.S. Census Data.

| <b>Borrower Distribution of Residential Real Estate Loans in the AA 2014</b> |                  |                      |                  |                      |                  |                      |                  |                      |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| 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  | 20.07%           | 16.67%               | 16.24%           | 25.76%               | 19.89%           | 15.15%               | 43.79%           | 42.42%               |
| Home Improvement   | 20.07%           | 15.00%               | 16.24%           | 20.00%               | 19.89%           | 20.00%               | 43.79%           | 45.00%               |
| Home Mortgage Refinance  | 20.07%           | 7.89%                | 16.24%           | 15.79%               | 19.89%           | 23.69%               | 43.79%           | 52.63%               |

Source: RRE loan data reported under HMDA for the period January 1, 2014 through December 31, 2014; and 2010 U.S. Census Data.

**Commercial Lending**

CNB’s distribution of loans to businesses of different sizes is reasonable based on a sample of 40 loans originated or purchased between January 1, 2012 and December 31, 2013 and a sample of 60 loans originated or purchased between January 1, 2014 and December 31, 2014. The percentage of loans extended between January 1, 2012 and December 31, 2014 to businesses with gross annual revenues of

\$1 million or less was slightly lower than the percentage of businesses in the AA with revenues of \$1 million or less during the same period.

| <b>Borrower Distribution of Loans to Businesses in the MSA AA 2012-2013</b> |                |               |             |       |
|---|----------------|---------------|-------------|-------|
| Business Revenues (or Sales)  | <= \$1,000,000 | > \$1,000,000 | Unavailable | Total |
| % of AA Businesses  | 69%            | 5%            | 26%         | 100%  |
| % of Bank Loans in AA by #  | 67.50%         | 32.50%        | 0.00%       | 100%  |
| % of Bank Loans in AA by \$   | 21.84%         | 78.16%        | 0.00%       | 100%  |

Source: Sample of 40 business loans originated between January 1, 2012 and December 31, 2013; and 2013 Business Geodemographic Data

| <b>Borrower Distribution of Loans to Businesses in the MSA AA 2014</b> |                |               |             |       |
|--|----------------|---------------|-------------|-------|
| Business Revenues (or Sales)   | <= \$1,000,000 | > \$1,000,000 | Unavailable | Total |
| % of AA Businesses   | 69%            | 6%            | 25%         | 100%  |
| % of Bank Loans in AA by #   | 56.67%         | 43.33%        | 0.00%       | 100%  |
| % of Bank Loans in AA by \$  | 39.90%         | 60.10%        | 0.00%       | 100%  |

Source: Sample of 60 business loans originated between January 1, 2014 and December 31, 2014; and 2014 Business Geodemographic Data

## **Geographic Distribution of Loans**

The geographic distribution of RRE and business loans originated or purchased during the evaluation period reflects reasonable dispersion. The analysis of data reflects CNB lends in most geographies within its AA; there were no conspicuous gaps in the bank's lending patterns. The analysis of the geographic distribution of loans is more heavily weighted to business loans because 70% of the bank's total loans are business loans.

### Mortgage Lending

The geographic distribution of RRE loans originated or purchased during the evaluation period is poor. The percentage of CNB's 2012-2013 and 2014 home purchase loan and home mortgage refinance loans extended in low- and moderate-income geographies is below the percentage of owner-occupied housing in those geographies. In 2012-2013 CNB originated or purchased no home improvement loans in low-income CTs but exceeded the percent of owner-occupied housing in moderate-income geographies. In 2014 the bank's home improvement lending in low-income geographies exceeded the percentage of owner-occupied housing in low-income geographies and was only slightly lower than the percentage of owner-occupied housing in moderate-income geographies.

CNB's lending in moderate-income CTs equaled the bank's market share in home purchase and exceeded the bank's market share in home refinance mortgage lending in moderate-income geographies.

| Geographic Distribution of Residential Real Estate Loans<br>in the AA 2012-2013 |   |                            |   |                            |   |                            |   |                            |
|---|---|----------------------------|---|----------------------------|---|----------------------------|---|----------------------------|
| Census Tract<br>Income Level  | Low                                     |                            | Moderate                                |                            | Middle                                  |                            | Upper                                   |                            |
| Loan type   | % of AA<br>Owner<br>Occupied<br>Housing | % of<br>Number<br>of Loans |
| Home<br>Purchase  | 5.37%                                   | 1.03%                      | 16.19%                                  | 9.74%                      | 32.94%                                  | 29.74%                     | 45.50%                                  | 59.49%                     |
| Home<br>Improvement   | 5.37%                                   | 0.00%                      | 16.19%                                  | 27.27%                     | 32.94%                                  | 45.45%                     | 45.50%                                  | 27.27%                     |
| Home<br>Mortgage<br>Refinance   | 5.37%                                   | 0.92%                      | 16.19%                                  | 4.59%                      | 32.94%                                  | 24.46%                     | 45.50%                                  | 70.03%                     |

Source: RRE loan data reported under HMDA for the period January 1, 2012 through December 31, 2013; and 2010 U.S. Census Data.

| Geographic Distribution of Residential Real Estate Loans<br>in the AA 2014 |   |                            |   |                            |   |                            |   |                            |
|--|---|----------------------------|---|----------------------------|---|----------------------------|---|----------------------------|
| Census Tract<br>Income Level   | Low                                     |                            | Moderate                                |                            | Middle                                  |                            | Upper                                   |                            |
| Loan type  | % of AA<br>Owner<br>Occupied<br>Housing | % of<br>Number<br>of Loans |
| Home<br>Purchase   | 5.09%                                   | 3.65%                      | 16.37%                                  | 10.95%                     | 32.68%                                  | 29.93%                     | 45.86%                                  | 55.47%                     |
| Home<br>Improvement  | 5.09%                                   | 9.09%                      | 16.37%                                  | 13.64%                     | 32.68%                                  | 27.27%                     | 45.86%                                  | 50.00%                     |
| Home<br>Mortgage<br>Refinance  | 5.09%                                   | 2.56%                      | 16.37%                                  | 5.13%                      | 32.68%                                  | 25.64%                     | 45.86%                                  | 66.67%                     |

Source: RRE loan data reported under HMDA for the period January 1, 2014 through December 31, 2014; and 2010 U.S. Census Data.

| Geographic Distribution – Market share Information in the AA 2012-2013<br>(St. Louis, MO-IL MSA # 41180) |         |       |          |        |       |
|--|---------|-------|----------|--------|-------|
| Census Tract<br>Income Level   | Overall | Low   | Moderate | Middle | Upper |
| Loan Type  |         |       |          |        |       |
| Home Purchase  | 0.48%   | 0.30% | 0.48%    | 0.54%  | 0.45% |
| Home Improvement   | 0.59%   | 0.00% | 0.77%    | 1.10%  | 0.31% |
| Home Mortgage Refinance  | 0.27%   | 0.33% | 0.09%    | 0.32%  | 0.28% |

Based on 2013 Peer Mortgage Data—US and PR

Commercial Lending

CNB’s geographic distribution of commercial lending reflects an excellent level of penetration in CTs of different income levels. Based on our sample of 2012 and 2013 small business loans originated or purchased, the percentage of commercial loans originated in low-income CTs is slightly below the number of small businesses located in low-income geographies, but the number of small business loans originated or purchased in moderate-income CTs exceeds the percentage of small businesses located in the moderate-income CTs. Based on our sample of 2014 small business loans originated or purchased, the percentage of commercial loans originated or purchased in the low- and moderate-income geographies exceeded the number of small businesses located in those geographies.

| Geographic Distribution of Loans to Businesses in the AA 2012-2013 |                    |                      |                    |                      |                    |                      |                    |                      |
|--|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| 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 |
| Small Business   | 6.65%              | 5.00%                | 15.37%             | 17.50%               | 28.53%             | 40.00%               | 49.32%             | 37.50%               |

Source: Sample of 40 business loans originated between January 1, 2012 and December 31, 2013; and 2012-2013 Business Geodemographic Data

| Geographic Distribution of Loans to Businesses in the AA 2014 |                    |                      |                    |                      |                    |                      |                    |                      |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| 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 |
| Small Business  | 6.56%              | 6.67%                | 15.17%             | 16.67%               | 28.51%             | 18.33%               | 49.60%             | 58.33%               |

Source: Sample of 60 business loans originated between January 1, 2014 and December 31, 2014; and 2014 Business Geodemographic Data

**Responses to Complaints**

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

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD test is rated "Outstanding." The bank's CD performance in the AA reflects excellent responsiveness to the needs of the community. Many of these activities were complex as they involved several entities and funding sources, took significant time and resources to bring the projects to fruition, and provided significant impact to the local communities. Officers and employees of the bank are involved in several community service organizations.

### Number and Amount of Community Development Loans

CNB's CD lending is excellent in the AA. CNB originated ten CD loans totaling \$3.8 million and renewed nineteen CD loans totaling \$6.8 million that directly benefited the AA. Information regarding these loans is summarized below.

- CNB renewed sixteen purchased loans granted to related entities, totaling \$5,818,848, which were originated as part of the "North Side Regeneration" project in the City of St. Louis's plan to revitalize and stabilize low- and moderate-income geographies spanning 1500 acres. CNB's original portion of the loans represented 12.5% of the total indebtedness. It is expected the project will bring 11,900 construction jobs, 7,000 new office jobs, and almost 2,400 retail jobs.
- CNB purchased four loans totaling \$1,166,332 of a total \$18 million indebtedness providing bridge financing to a Community Development Corporation. Loan proceeds were used to provide equity necessary for proposed affordable housing products in the AA. The project resulted in 459 affordable housing units.
- CNB originated three loans totaling \$2,302,550 and renewed one loan in the amount of \$650,000 to two non-profit organizations that provide community services primarily to low- and moderate-income individuals. These organizations provide temporary shelter for battered and abused women and children, group home living skills, and social services to assist with alcohol and drug recovery and with mental health issues.
- CNB purchased two loans and originated one loan totaling \$335,000 to a Community Development Financial Institution. CNB provided one-third of the participation line totaling \$780,000, which was used to make loans to 32 small and minority contractors in the St. Louis AA. Proceeds from the \$75,000 term note originated by CNB helped 23 people pay off Payday and Title Lender loans.
- CNB renewed two loans totaling \$377,950 to two non-profit organizations providing affordable housing to low- and moderate-income families.

## **Number and Amount of Qualified Investments**

CNB made qualified investments (QI) totaling \$2.1 million during the evaluation period.

- CNB made equity investments totaling \$804,868 during the evaluation period to a non-profit organization that provides affordable rental housing to low- and moderate-income individuals. During our evaluation period, CNB committed to three investments totaling \$700,000 and funded \$189,726 of the commitment. Additionally, the bank funded \$615,142 from prior evaluation period commitments. The remainder of the current period investment, which is legally binding and tracked on the bank's financial reporting system is \$510,274. An additional \$226,397 is left unfunded from prior evaluation years.
- CNB invested \$1,301,614 in a pool of GNMA mortgage-backed securities. The pool consists of loans to low- and moderate-income borrowers in the St. Louis MO AA.
- CNB provided \$18,193.50 in down-payment assistance grants for first-time homebuyers in conjunction with the bank's HOPE loan program in the City of St. Louis.
- CNB donated \$1,010 in donations to organizations providing support services to foster children and food banks for low- and moderate-income individuals.
- CNB donated check fillers, covers and registers for students in financial literacy classes in a low- and moderate-income St. Louis public school.

## **Extent to Which the Bank Provides Community Development Services**

CNB provided CD services to organizations that provide community services and affordable housing to low- and moderate-income individuals.

- CNB representatives instructed homebuyer counseling seminars for first-time homebuyers who are primarily low- and moderate-income. Sixty individuals attended the seminars.
- A CNB representative participated in fourteen financial literacy courses targeting low- and moderate-income individuals living in a public housing complex. Seventy people attended the courses.
- A CNB representative provided CD services to an economic development center in the AA by conducting annual loan reviews to ensure proper documentation from twenty small businesses.

- A CNB representative served as a member on the board of a community development foundation, which provides low-cost small business loans in the AA.
- A CNB representative participated in a free tax-return preparation program for low-income families. In the 2014 tax return year, the program aided in the preparation of 1,980 returns for low-income families in the St. Louis metropolitan area at six tax-preparation sites.
- CNB partnered with the Federal Home Loan Bank and the Missouri Housing Development Commission to facilitate down-payment and closing assistance grants to qualified first-time low-income homebuyers. CNB representatives assisted 26 applicants in completing the applications to receive the grants.
- A CNB representative participated in an event in a low-income CT to answer housing-related questions for homebuyers or sellers and those who need financial counseling.
- CNB representatives served as board members, audit committee members and treasurer of three organizations providing affordable housing to low- and moderate-income individuals in the AA.

### **Retail Bank Services and Products**

CNB has six full-service branches with deposit-taking ATMS in the AA. Three of the branches are located in moderate-income CTs. Readily accessible delivery systems for banking services offered by CNB include Internet account access, mobile banking, online bill pay, bank by mail, debit cards, and an online educational center. CNB offers many checking accounts, including Second Chance checking, savings and money market accounts, and certificates of deposit to meet a variety of deposit needs of its community. CNB loan products include commercial and small business loans, consumer real estate mortgages, down payment assistance and home equity loans, and vehicle and other consumer loans.

### **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 (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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