



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

May 31, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**City National Bank of Metropolis
Charter Number 8745**

**423 Ferry Street
Metropolis, IL 62960**

**Comptroller of the Currency
Nashville Field Office
5200 Maryland Way Suite 104
Brentwood, TN 37027**

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.

City National Bank (City National) makes credit opportunities available to all individuals, regardless of income level, consistent with the safe and sound operation of the bank. City National's performance rating is supported by the following:

- a reasonable loan-to-deposit ratio;
- a majority of its loans are made in the bank's assessment area; and
- lending to borrowers of different incomes and businesses of different sizes is very reasonable.

DESCRIPTION OF INSTITUTION

City National is a full-service bank located in Metropolis, Illinois. The bank is a wholly owned subsidiary of City National BankCorp. On March 31, 2005, City National had total assets of \$160 million. The ratio of net loans to total assets on this date was 56%. As of June 30, 2004, the most recent figures publicly available, City National had a 55.24% share of the deposit market within Massac County. It is the only locally owned financial institution in the area. City National is well capitalized with capital ratios exceeding peer averages. There are no legal impediments to hinder the bank's ability to meet community's credit needs.

City National is a full-service lender focusing on residential and commercial real estate, consumer, and commercial lending. The following chart presents the loan portfolio by type:

Loan Type	Balance Outstanding (000s)	% of Total Loans
Consumer Real Estate	46,526	50.76
Commercial Real Estate	21,560	23.52
Consumer Installment	10,122	11.04
Commercial and Industrial	9,063	9.89
Agricultural (non-RE)	4,382	4.78
TOTAL	91,653	100.00

City National operates from a single office in the downtown area of Metropolis, Illinois. A branch office is currently under construction. Banking hours are Monday through Wednesday from 8:30 A.M. to 3:00 P.M., Thursday and Saturday from 8:30 A.M. to 12:00 P.M., and Friday from 8:30 A.M. to 6:00 P.M. Drive-up and walk-up services are available from Monday through Friday from 8:00 A.M. to 6:00 P.M. and Saturday from 8:00 A.M. to 2:00 P.M. The bank operates four ATM machines, one at the main office and three in local grocery and convenience stores.

The evaluation period for this review is from July 6, 1999 to March 31, 2005. The previous CRA Performance Evaluation was dated July 6, 1999. The bank received a “Satisfactory” rating.

DESCRIPTION OF MASSAC COUNTY ASSESSMENT AREA

City National’s assessment area (AA) includes all of Massac County, Illinois. Massac County is located along the Ohio River in southern Illinois, across the river from Paducah, Kentucky. City National’s AA meets the requirement of the regulation. Based on the 2000 census, the county’s population is 15,161 with a minority population of 6%. Approximately 42% of the county population, or 6,482 persons, reside in Metropolis. The only other significant community in the county is Brookport, with a population of 1,054. There are four census tracts making up Massac County; three of them are middle-income tracts (9701, 9703, and 9704) and one is a moderate-income tract (9702).

The statewide median family income for the non-MSA portions of Illinois including Massac County is \$49,000 for 2004. A breakdown of the total families in Massac County by income classification is as follows: low income families – 22.32%, moderate income families – 21.30%, middle income families – 21.16%, and upper income families – 35.21%. The weighted average median housing value is \$60,274. Approximately 71% of the housing in the county is owner occupied.

The local economy is supported by agriculture, light industry, and tourism. The county is generally rural in character. Major employers include Electric Energy, Inc., Allied Signal Corp., Laidlaw Corp., the Cook Coal Terminal, and Harrah’s Riverboat Casino. Credit needs of the community include housing, consumer loans, small business loans, and small farm loans. During the course of our review, contact was made with one local governmental official. He indicated his opinion that City National does a good job in serving the credit needs of the community and that it provides more personalized service than the non-locally owned financial institutions in the area.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

City National’s loan-to-deposit ratio meets the standard for satisfactory performance considering the bank’s size, financial condition and credit needs in the community. The quarterly average loan to deposit ratio during the period from June 30, 1999 through March 31, 2005 is 68.02%. This ratio is reasonable and is comparable to that of similar institutions in neighboring counties. City National is the only locally owned financial institution in Massac County.

Lending in Assessment Area

To evaluate the bank’s lending performance, the OCC reviewed a sample of 20 residential real estate loans and 20 loans secured by real estate made for business purposes. Real estate loans were sampled because these represent the bank’s largest type of lending.

Based on our sample of 20 residential real estate loans and 20 commercial real estate loans, 92.5% of the number and 90.6% of the dollar amount were made within the Massac County AA. City National is making the majority of its loans within the Massac County AA and therefore, meets the standard for satisfactory performance.

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

Based on our same sample of 20 residential real estate loans and 20 commercial real estate loans made within the AA, we found that the bank’s lending to borrowers of different incomes and businesses of different sizes, exceeds the standard for satisfactory performance. Our samples were chosen from the bank’s two primary loan types.

The borrower distribution of residential home loans, in their AA, show that 20% of the number of loans sampled were made to low-income borrowers and this is near the ratio of low-income families. In addition, 25% of the loans sampled were made to moderate-income borrowers, which exceeds the ratio of moderate-income families.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Assessment Area								
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 Mortgage Loans	22.3%	20.0%	21.3%	25.0%	21.2%	20.0%	35.2%	35.0%

Source: Residential Home loan sample; U.S. 2000 Census data.

The distribution of loans to small businesses show 85% of the number and 93% of the dollar of loans sampled were made to small businesses. This exceeds the ratio of small businesses in the AA.

Table 2A - Borrower Distribution of Loans to Businesses in Assessment Area			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Not reported
% of AA Businesses*	66.8%	4.3%	28.9%
% of Bank Loans in AA by #	85.0%	0%	15.0%
% of Bank Loans in AA by \$	92.9%	0%	7.1%

Source: Business loan sample; Dunn & Bradstreet data.

Geographic Distribution of Loans

Massac County is divided into four census tracts, three of which are considered middle income and one, which is considered moderate income. For this analysis, since there are no low-income census tracts, we focused on the bank’s lending in the one moderate-income census tract. However, we did note in our sample of residential real estate loans that the bank is lending reasonably throughout all census tracts in its AA. Overall and considering the bank’s lending

efforts and that the AA is rather homogeneous, we find the bank meets the standard for satisfactory performance in the geographic distribution of loans.

Our analysis revealed 15% of the residential real estate loans sampled were made within the moderate-income census tract. This is lower than the percent of owner occupied housing in that census tract.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of Owner Occupied Housing	% of Number of Loans	% of Owner Occupied Housing	% of Number of Loans	% of Owner Occupied Housing	% of Number of Loans	% of Owner Occupied Housing	% of Number of Loans
Loan Sample	0%	0%	27.9%	15.0%	72.1%	85.0%	0%	0%

Loan Sample; Demographic data source: U.S. 2000 Census data.

Our analysis of the commercial real estate loans sampled show that the bank’s lending to businesses in moderate-income census tracts is near to the ratio of AA businesses in that tract.

Table 3A - Geographic Distribution of Loans to Businesses in Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Loan Sample	0%	0%	29.1%	25.0%	70.9%	75.0%	0%	0%

Data source: Dunn & Bradstreet data.

Responses to Complaints

City National has not received any complaints during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.