



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

December 13, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CNB Bank & Trust, National Association
Charter Number 14347

450 West Side Square
Carlinville, IL 62626

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

Institution's CRA Rating: This institution is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development (CD) Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on the overall assessment of the bank's combined performance of lending in the state of Illinois and the St. Louis Multistate Metropolitan Statistical Area (MMSA). Performance in the state of Illinois received more weight with 74.3 percent of bank loans and 61.1 percent of total bank deposits.
- The CD Test rating is based on an aggregate assessment of the bank's CD activities for loans, investments, and services in the state of Illinois and the St. Louis MMSA. As listed above, we placed more weight on performance in the state of Illinois.
- The bank's loan-to-deposit (LTD) ratio is reasonable with a quarterly average of 82.0 percent during the evaluation period.
- The majority of the bank's loans are inside its assessment areas (AA).
- The bank received no CRA-related complaints during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable. CNB Bank & Trust, National Association's (CNB or bank) quarterly average LTD ratio from March 31, 2018 to December 31, 2020 is 82.0%. CNBs LTD ratio ranged from a low of 73.4 percent to a high of 89.0 percent.

The average quarterly LTD ratio for 12 similarly situated institutions over the same period is 87.7 percent, which ranged from a low of 81 percent to a high of 95.2 percent. CNB ranked 11th among the group when comparing the average LTD ratios. The table below lists the similarly situated institutions with corresponding average LTD ratios, location, and total assets.

Institution	Location	Average Quarterly LTD Ratio	Total Assets \$(000s) as of 9/30/2021
Oakstar Bank	Greene County, MO	95.2%	1,780,696
Montgomery Bank	Scott County, MO	93.8%	1,163,435
FCB Banks	Madison County, IL	92.8%	2,034,931
Beverly Bank & Trust Company, N.A.	Cook County, IL	92.8%	1,818,590
Guaranty Bank	Greene County, MO	91.8%	1,163,271
BankFinancial, N.A.	Cook County, IL	89.7%	1,659,315
Providence Bank & Trust	Cook County, IL	86.8%	1,330,720
Schaumburg Bank & Trust Company, N.A.	Cook County, IL	85.8%	1,559,896
Signature Bank	Cook County, IL	85.6%	1,501,249
Marquette Bank	Cook County, IL	84.9%	1,980,279
CNB Bank & Trust, N.A.	Macoupin County, IL	82.0%	1,583,203
Cornerstone National Bank & Trust Company	Cook County, IL	81.6%	1,001,404

Source: Quarterly Call Reports from March 31, 2018 to December 31, 2020

Lending in Assessment Area

A majority of the bank's loans are inside its AAs. CNB originated and purchased 85.0 percent of its total loans inside the AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending Test conclusions are based upon loans originated and/or purchased inside the bank's AAs.

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	1,626	85.1%	285	14.9%	1,911	241,181	80.2%	59,501	19.8%	300,682
Small Business	16	80.0%	4	20.0%	20	15,896	93.2%	1,156	6.8%	17,052
Total	1,642	85.0%	289	15.0%	1,931	257,077	80.9%	60,657	19.1%	317,734

Source: Bank Data – Home mortgage loan sample includes all HMDA reportable loan originations or purchases between 1/1/2018 and 12/31/2020, as reported by the bank annually to the CFPB; the Small Business loan sample was randomly selected from loan originations or purchases between 1/1/2018 and 12/31/2020.

Due to rounding, totals may not equal 100.0%

Description of Institution

CNB is an interstate financial institution headquartered in Carlinville, Illinois and wholly owned by CNB Bank Shares, Inc., a one-bank holding company. There were no affiliate or subsidiary activities considered in this evaluation.

CNB currently operates 18 branches that offer a full range of banking products and services to its customers. This includes deposit and loan products, as well as automated teller machine (ATM)/debit cards, overdraft protection, remote deposit capture, night depository, safe deposit boxes, wire transfers, internet banking (including bill pay), mobile banking, cash management, trust services, and wealth management services. CNB opened two new branches and acquired four branches since the 2018 assessment. New branches include Tinley Park, Illinois on April 9, 2018 and Edwardsville/Glen Carbon, Illinois on January 25, 2021. The purchase of Jacksonville Savings Bank on February 15, 2019 resulted in four new Illinois branches located in Jacksonville, Litchfield, Chapin, and Virden.

As of December 31, 2020, CNB had total assets of \$1.49 billion, total loans of \$936 million, total deposits of \$1.26 billion, and common equity tier 1 capital of \$122 million or 8.3 percent of average total assets. Loan portfolio composition as of December 31, 2020 includes the following:

Loan Type	Dollars \$(000s)	Percentage of Loan Portfolio
Commercial Loans	\$477,291	51%
Agriculture Loans	\$262,561	28%
Residential Loans	\$168,633	18%
Consumer Loans	\$23,043	2%
Other Loans	\$4,726	<1%
Total Loans	\$936,254	100%

Source: 12/31/2020 FFIEC Call Report

CNB received a “Satisfactory” rating at their last CRA evaluation dated September 17, 2018. There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AAs.

For CRA purposes, CNB has identified three AAs that include portions of the St. Louis, MO-IL metropolitan statistical area (MSA) #41180 (St. Louis MO IL AA), Cook County in the Chicago-Naperville-Evanston, IL MSA #16974 (Chicago Naperville Evanston Metropolitan District (MD)), and a Non-MSA AA in Illinois (IL Non MSA AA). CNBs identified AAs conform to regulatory requirements and do not arbitrarily exclude low- and moderate-income (LMI) geographies.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 2018 through December 31, 2020. CNBs primary lending products were business loans in the St. Louis MO IL AA and the Chicago Naperville Evanston MD and home mortgage loans in the St. Louis MO IL AA and the IL Non-MSA AA. Please refer to the applicable Lending Test narratives under each rating area section for details on loan products analyzed.

Examiners selected an initial sample of 20 loans for businesses for each AA in which it was a primary product. Additional loans were selected as needed to have sufficient information to analyze borrower and geographic distributions within each AA. Examiners relied on Home Mortgage Disclosure Act (HMDA) data to complete the analysis of home mortgage loans. Home mortgage loans originated or purchased during the evaluation period were compared to 2015 American Community Survey (ACS) and 2020 peer mortgage data. Business loans originated or purchased during the evaluation period were compared to 2015 ACS, 2020 peer small business data, and June 2020 data provided by Dun & Bradstreet (D&B).

MSA boundary changes introduced in 2018 and effective January 1, 2019 by the Office of Management and Budget resulted in no additional analysis under the Lending Test for any of the bank's AAs. All AAs remain the same as the last CRA evaluation, other than a name change for the Chicago-Naperville-Evanston, IL MD, which was formerly known as the Chicago-Naperville-Arlington Heights, IL MD.

When there were differences in performance between loan products in a specific AA, examiners determined the overall conclusion by weighing the products based on the loan mix by number of loans over the evaluation period. Weighting by number of loans gives consideration for each lending decision regardless of the loan's dollar amount. When there were performance differences between LMI geographies, examiners placed more emphasis on the geographic category with more lending opportunities (e.g., higher percentage of businesses or owner-occupied housing units). The weightings are described within the narrative comments of each rating area.

The evaluation period for the CD test is January 1, 2018 through December 31, 2020. CD loans, qualified investments, and CD services were evaluated in each of the bank's three AAs. Qualifying activities performed in response to the significant impact of the COVID-19 pandemic across the United States were considered from January 1, 2020 through December 31, 2020. Activities occurring on or after January 1, 2021 will be considered in the subsequent evaluation.

The OCCs analysis of qualified investments included the investment portfolio as well as donations and grants made during the evaluation period that had CD as its primary purpose. Qualified investments included investments that met the definition of CD and were made prior to and remained outstanding through the end of the current evaluation period or were made during the current evaluation period. Examiners considered prior-period investments at the book value of the investment at the end of the current evaluation period and current-period investments at their original investment amount.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, MMSA, or combined statistical area are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full or limited scope.

When determining areas for full-scope reviews, examiners considered factors such as CNBs percentage of deposits within the rating area, business strategy within a particular MMSA or state, the number of branch offices, the volume of reportable loans originated and purchased in each state and/or MMSA, the significance of the bank to the AA based on its deposit market share and rank, comments received from the public, and conclusions from prior CRA evaluations. Where necessary, examiners selected multiple AAs to complete sufficient full-scope analyses to support the conclusions and ratings.

Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the for the St. Louis MMSA and state of Illinois. The state of Illinois received the greatest weight in arriving at the bank’s overall CRA rating as it represents the largest portion of the bank’s deposits, loan originations and purchases, and branch offices during the evaluation period. By dollar, the state of Illinois represented 62.1 percent of CNBs total deposits, 61.1 percent of branch offices, and 74.3 percent of loan originations by number (66.9 percent by dollar).

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the Scope section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 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 AA 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 Bureau of Consumer Financial Protection, 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.

Multistate Metropolitan Statistical Area Rating

St. Louis MMSA

CRA rating for the St. Louis MMSA¹: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The distribution of loans to borrowers of different income levels and businesses of different sizes in the St. Louis MO-IL MSA (St. Louis MSA) is reasonable.
- CNB's CD performance demonstrates adequate responsiveness to the CD needs of its AAs in the St. Louis MSA through CD loans, qualified investments, and CD services.
- The bank received no complaints regarding its CRA performance in the St. Louis MSA.

Description of Institution's Operations in St. Louis MSA

CNB's St. Louis MSA AA includes all of Jersey, Macoupin, and Madison Counties in Illinois and all of St. Louis City and St. Louis County in Missouri. There are 385 CTs in the AA with 61 low-income CTs, 90 moderate-income CTs, 124 middle-income CTs, 107 upper-income CTs, and three CTs in which income information was not available. The bank operates seven branches located in Alton, Brighton, Carlinville, Glen Carbon, Jerseyville, and Virden in Illinois and Clayton in Missouri. ATMs are located in Alton, Brighton (2), Carlinville (3), Girard, Jerseyville, Shipman, and Virden in Illinois.

Competition

According to the June 30, 2020 FDIC Deposit Market Share Report, CNB reported \$403 million in deposits in the St. Louis MSA, representing 33 percent of total bank deposits. Competition is high in the AA with 56 institutions operating 396 offices in the Missouri portion of the AA, of which CNB has one office. In the Illinois portion of the AA, there are 35 institutions operating 121 offices, of which CNB has six offices. In total, there are 91 institutions operating 517 offices in the AA. CNB ranks 48th in the deposit market share in Missouri at 0.02 percent market share with \$18 million in deposits. CNB ranks 8th in the deposit market share in Illinois at 5.4 percent market share with \$385 million in deposits. Competition in the AA is comprised primarily of small to midsize institutions, with some larger institutions including Bank of America, US Bank, and PNC Bank.

Market competition for home mortgage loans is high within the AA. According to the 2020 Peer Mortgage Market Share data, there were 590 lenders with an overall total of 98,554 mortgage loans originated. CNB ranked 64th, originating 341 home mortgages and holding 0.4 percent market share. Wells Fargo Bank ranks at the top with 6,251 originations and 6.3 percent market share, followed by US Bank with 5,387 originations and 5.5 percent market share.

¹ This rating reflects performance within the MMSA. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Demographics

The following table provides a summary of the AA demographics, including housing and business information, for the St. Louis MSA.

Demographic Information of the Assessment Area						
Assessment Area: St Louis MO IL AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	385	15.8	23.4	32.2	27.8	0.8
Population by Geography	1,656,002	11.3	22.1	33.4	32.8	0.4
Housing Units by Geography	763,123	12.9	23.0	33.7	30.1	0.4
Owner-Occupied Units by Geography	441,204	6.4	19.7	36.3	37.4	0.2
Occupied Rental Units by Geography	235,113	18.9	27.6	31.9	20.8	0.8
Vacant Units by Geography	86,806	29.0	27.2	25.3	18.1	0.4
Businesses by Geography	128,629	7.3	18.7	29.1	43.5	1.4
Farms by Geography	2,991	3.4	15.2	43.0	37.7	0.7
Family Distribution by Income Level	416,121	23.2	17.1	18.9	40.8	0.0
Household Distribution by Income Level	676,317	26.0	16.3	17.0	40.6	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$168,411
			Median Gross Rent			\$829
			Families Below Poverty Level			10.4%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 1.7 million with 187,128 (11.3 percent) residing in low-income CTs, 365,976 (22.1 percent) residing in moderate-income CTs, 553,105 (33.4 percent) residing in middle-income CTs, 543,169 (32.8 percent) residing in upper-income CTs, and 6,624 (0.4 percent) residing in CTs where income information is not available.

Family Distribution by Income Level

According to the 2015 ACS Census data, there were 416,121 families in the AA. The distribution of families by income level was 96,540 (23.2 percent) low income, 71,157 (17.1 percent) moderate income, 78,647 (18.9 percent) middle income, and 169,777 (40.8 percent) upper income. The percentage of families in the AA living below the poverty level was 10.4 percent.

Employment and Economic Factors

According to the Bureau of Labor and Statistics (BLS), the unemployment rate for the St. Louis MSA AA was stable until the COVID-19 pandemic in 2020. St. Louis County trends below the national unemployment rate, while St. Louis City trends slightly above the national unemployment rate.

Annual Unemployment Rates			
	2018	2019	2020
St. Louis County	3.0%	3.0%	6.3%
St. Louis City	3.9%	3.9%	8.5%
National	3.9%	3.7%	8.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted.

According to Moody's Analytics, *St. Louis will advance, but its recovery will lag that of Missouri and the nation. Construction and business/professional services will add jobs at a reasonable pace, but neither industry will provide high-quality positions to make the metro area a top performer. Longer term, lackluster demographics will limit growth in employment and income.*

The top employment sectors in the AA are education and health services (18.6 percent), professional and business services (15.2 percent), government (11.0 percent), leisure and hospitality services (10.9 percent), and retail trade (9.8 percent). The top five employers in the AA include BJC Healthcare (28,516 employees), Mercy Health Care (23,011 employees), Walmart Inc. (22,290 employees) Washington University in St. Louis (17,442 employees), and Boeing Defense, Space & Security (14,566 employees).

Based on the 2015 ACS Census data and June 2020 D&B data, there were 128,629 non-farm businesses in the AA. Of these businesses, 9,451 (7.4 percent) were located in a low-income CT and 24,055 (18.7 percent) were located in a moderate-income CT. Small businesses with annual revenues less than \$1 million total 106,277 (82.7 percent).

Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 763,123 in the AA, of which 441,204 (57.8 percent) were owner occupied, 235,113 (30.8 percent) were renter-occupied, and 86,806 (11.4 percent) were vacant. Of the owner-occupied units, 28,237 (6.4 percent) were in low-income CTs and 86,917 (19.7 percent) were in moderate-income CTs. The median age of housing stock in low-income CTs was 71 years and in moderate-income CTs was 66 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Based on information in the table below, the low-income families earned as much as \$38,299 in 2018 and up to a maximum of \$41,299 in 2020. Moderate-income families earned as much as \$61,279 in 2018 and up to a maximum of \$66,079 in 2020.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2018 (\$76,600)	<\$38,300	\$38,300 to <\$61,280	\$61,280 to <\$91,920	≥\$91,920
2019 (\$81,200)	<\$40,600	\$40,600 to <\$64,960	\$64,960 to <\$97,440	≥\$97,440
2020 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
<i>Source: FFIEC</i>				

According to Realtor.com data, the median housing value in the AA ranged from \$189,900 in 2018 to \$231,450 in 2020, an increase of \$41,550 (21.9 percent). This is far greater than the \$6,000 (7.8 percent) increase in the Federal Financial Institutions Examination Council (FFIEC) median-family income over the same period as reflected in the table above.

Community Contacts

Through discussions with a local economic leader, it was determined that local financial institutions are involved in the community and meeting the community's banking needs overall. The contact identified a continued need for banking products such as small loans to small businesses and products for LMI individuals.

Scope of Evaluation in St. Louis MSA

Examiners completed a full-scope review of the St. Louis MSA. Home mortgage loans and business loans were the primary products in the St. Louis MSA. Business loans accounted for 20 percent of originations by number and 46 percent by dollar volume. Home mortgage loans accounted for 31 percent of originations by number and 22 percent by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ST. LOUIS MMSA

LENDING TEST

The bank's performance under the Lending Test in the St. Louis MSA is rated Satisfactory.

Based on a full-scope review, the bank's performance in the St. Louis MSA is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the MSA.

Home Mortgage Loans

Refer to Table O in the MMSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The percentage of home mortgage loans originated or purchased in both LMI geographies was below the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in LMI geographies was well below the aggregate percentage of all reporting lenders.

Factors contributing to CNBs poor performance include geographic distance from the branch locations to LMI CTs, competition, and strategy. None of the seven branches are located in LMI CTs and only two of the seven branches are located near moderate-income CTs. None are near low-income CTs. Also, competition is high in the St. Louis metro area. CNB has only 0.5 percent of the deposit market share and 0.4 percent of the mortgage markets share in the area. The strategic focus in this AAs urban and suburban market is commercial lending.

Small Loans to Businesses

Refer to Table Q in the MMSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was poor. The percentage of small loans originated or purchased to businesses in both LMI geographies was below the percentage of businesses and aggregate percentage of reporting lenders in those geographies.

Factors contributing to CNBs poor performance include geographic distance from the branch locations to LMI CTs, as detailed in the *Home Mortgage* section above, as well as the percentage of small businesses in LMI CTs and competition. Of the businesses located in the AA, only 7.3 percent were located in a low-income CT and 18.7 percent in a moderate-income CT, resulting in fewer opportunities for lending in these CTs. Competition is strong, as the top five lenders comprise 41.7 percent of loans originated or purchased in 2020 per the Small Business Loan Market Share Report, leaving fewer opportunities for lending from CNBs branch locations. The market is very saturated with 186 FDIC-insured institutions reporting loans in the AA.

Lending Gap Analysis

We analyzed CNBs home mortgage and business 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.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the MMSA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was excellent. Examiners considered housing costs in relation to the median-family incomes in the AA, which limited

the affordability for LMI families. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers was above, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to LMI borrowers exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the MMSA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of small loans to businesses of different sizes was adequate. The percentage of small business loans originated or purchased to small businesses was slightly below the percentage of small businesses in the AA. Competition played a factor in the shortfall, as stated above.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the St. Louis MMSA is rated Satisfactory.

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the MSA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

CD loans demonstrated excellent responsiveness to CD needs and opportunities in the AA. CNB originated six loans totaling \$11.2 million during the evaluation period. This represents 27.6 percent of the AAs allocated common equity tier 1 capital (\$40.6 million) as of June 30, 2020. CD loans consisted of the following:

- One CD loan totaling \$51,000 for affordable housing, primarily for LMI individuals.
- Four CD loans totaling \$7.8 million that promoted economic development through financing small businesses that supported permanent job creation, retention, and/or improvement for persons who were LMI.
- One CD loan totaling \$3.3 million that promoted revitalization and/or stabilization for LMI geographies.

Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investment, including prior period investments that remain outstanding as of the examination date.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000s)
St. Louis MO IL MSA	8	2,632	49	72	57	100.0	2,704	100.0%	-	-
<i>Source: Bank Data; 1/1/2018 – 12/31/2020</i>										
<i>* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.</i>										
<i>** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.</i>										

CNBs level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, CNB did not have any current period investments; however, the bank had current period donations totaling \$71,883 and retained eight prior-period investments with a combined book value of \$2.6 million, for an overall total of \$2.7 million. This represents 6.7 percent of the AAs allocated common equity tier 1 capital (\$40.6 million) as of June 30, 2020.

Qualified investments included:

- Eight prior-period investments of school bonds within various counties in the St. Louis MSA; all of which were Title 1 school districts.
- Nine donations totaling \$13,000 to Partners in Progress, which promotes economic development activities throughout the AA.

Extent to Which the Bank Provides Community Development Services

The CD Services Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD service activities during the evaluation period.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# of Hours	# of Hours	# of Hours	# of Hours	# of Hours
St. Louis MO IL	7	208	24	0	239
<i>Source: Bank Data; 1/1/2018 - 12/31/2020</i>					

CNB provided an adequate level of CD services in the AA. During the evaluation period, six employees performed 239 hours of CD services, supporting six organizations. Employees served in a variety of roles providing financial/technical expertise. Two employees served in leadership roles within these organizations. These organizations focus on serving LMI individuals and/or LMI areas

State Rating

State of Illinois

CRA rating for the State of Illinois²: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The distribution of loans to borrowers of different income levels and businesses of different sizes in Illinois is reasonable.
- The distribution of loans throughout geographies of different income levels in Illinois is reasonable.
- CNB's CD performance demonstrates adequate responsiveness to the CD needs of its AAs in Illinois through CD loans, qualified investments, and CD services.
- The bank received no complaints regarding its CRA performance in Illinois.

Description of Institution's Operations in Illinois

CNB has two AAs located in Illinois: the IL Non-MSA AA and the Chicago-Naperville-Evanston MD AA.

IL Non-MSA AA

The IL Non-MSA AA consists of Cass, Christian, Greene, Montgomery, Morgan, Pike, and Scott Counties. The AA includes 45 CTs, with no low-income CTs, eight moderate-income CTs, 31 middle-income CTs, and six upper-income CTs. CNB operates eight branches and 12 ATMs in the AA. CNB operates one branch in each of the following Illinois cities: Carrollton, Hillsboro, Litchfield, Pittsfield, Taylorville, Chapin, and two branches in Jacksonville. ATMs are located at each of the Illinois branches, with the exception of Chapin and one of the Jacksonville locations. Additional ATMs include an ATM in Concord and four ATMs in Jacksonville.

Competition

Competition for deposits in the AA is high. According to the June 30, 2020 FDIC Deposit Market Share Report, CNB's deposits in the AA totaled \$473 million, representing 38.2 percent of the bank's total deposits. CNB ranked 1st out of the 40 institutions in the AA, with a market share of 11.7 percent. The next three competitors include Peoples Bank & Trust with six offices and 7.1 percent of the market, Farmers State Bank with five offices and 5.5 percent of the market, and Bank & Trust Company with four offices and 5.1 percent of the market. There were a remaining 36 institutions in the market operating a combined 71 offices.

² This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Market competition for home mortgage loans in the AA is high. According to the 2020 Peer Mortgage Market Share data, there were 170 lenders making 3,447 mortgage originations. CNB ranked 1st, holding 16.8 percent of the market. CNB was followed by United Community Bank with 7.5 percent of the market and Town & Country Bank Mortgage with 6.3 percent of the market.

Demographics

The following table provides a summary of the demographics, including housing and business information, for the IL Non-MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: IL Non MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	0.0	17.8	68.9	13.3	0.0
Population by Geography	146,775	0.0	14.5	72.0	13.5	0.0
Housing Units by Geography	66,283	0.0	15.5	71.1	13.4	0.0
Owner-Occupied Units by Geography	43,299	0.0	13.4	71.5	15.1	0.0
Occupied Rental Units by Geography	14,983	0.0	19.9	69.2	10.9	0.0
Vacant Units by Geography	8,001	0.0	18.4	72.3	9.3	0.0
Businesses by Geography	7,644	0.0	13.8	72.7	13.5	0.0
Farms by Geography	1,034	0.0	7.7	77.0	15.3	0.0
Family Distribution by Income Level	38,541	21.4	18.6	21.4	38.7	0.0
Household Distribution by Income Level	58,282	23.6	17.4	18.1	41.0	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$86,283
			Median Gross Rent			\$590
			Families Below Poverty Level			10.3%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 146,775 with 21,282 (14.5 percent) residing in moderate-income CTs, 105,678 (72.0 percent) residing in middle-income CTs, and 19,815 (13.5 percent) residing in upper-income CTs.

Family Distribution by Income Level

According to the 2015 ACS Census data, there were 38,541 families in the AA. The distribution of families by income level was 8,248 (21.4 percent) low income, 7,169 (18.6 percent) moderate income, 8,248 (21.4 percent) middle income, and 14,915 (38.7 percent) upper income. The percentage of families in the AA living below the poverty level was 10.3 percent.

Employment and Economic Factors

According to the BLS, the unemployment rate for the IL Non-MSA AA, prior to the 2020 COVID-19 pandemic, was showing slight improvement year-over-year, while trending slightly higher than the national unemployment rate.

Annual Unemployment Rates			
	2018	2019	2020
Cass County	4.4%	4.0%	6.7%
Christian County	5.2%	4.6%	8.1%
Greene County	4.8%	4.1%	6.5%
Montgomery County	5.8%	5.0%	8.7%
Morgan County	4.4%	3.8%	6.9%
Pike County	4.8%	4.2%	6.0%
Scott County	5.1%	4.6%	6.6%
National	3.9%	3.7%	8.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted.

According to Moody's Analytics, *Illinois' economic recovery will gain momentum through 2021 at a slower clip than the U.S. Elevated reliance on office-using industries confers a modest advantage, and housing is poised for an upturn, but population-dependent industries will generally lag their counterparts in the rest of the country. Longer term, IL will underperform because poor population trends and state and local fiscal pressures.*

The top employment sectors in Illinois are professional and business services (15.5 percent), education and health services (15.3 percent), government (13.5 percent), leisure and hospitality services (10.2 percent), manufacturing (9.6 percent), and retail trade (9.6 percent).

Based on the 2015 ACS Census data and June 2020 D&B data, there were 7,644 non-farm businesses in the AA. Of those businesses, 1,054 (13.8 percent) were located in a moderate-income CT, 5,557 (72.7 percent) were located in a middle-income CT, and 1,033 (13.5 percent) were located in an upper-income CT. Small non-farm businesses with revenues less than \$1 million total 5,818, or 76.1 percent of businesses.

Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 66,283. Of the total number of housing units, 43,299 (65.3 percent) were owner-occupied, 14,983 (22.6 percent) were renter-occupied, and 8,001 (12.1 percent) were vacant. There are 5,802 (13.4 percent) owner-occupied units in a moderate-income CT. The median housing age was 67 years in the moderate-income CTs. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Based on information in the table below, low-income families earned as much as \$31,949 in 2018 up to a maximum of \$32,899 in 2020. Moderate-income families earned as much as \$51,119 in 2018 up to a maximum of \$52,639 in 2020.

Median Family Income Ranges IL NA Median Family Income Ranges (99999)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$63,900)	<\$31,950	\$31,950 to <\$51,120	\$51,120 to <\$76,680	≥\$76,680
2019 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960
<i>Source: FFIEC</i>				

According to Realtor.com data, the median housing value in the AA ranged from \$74,064 in 2018 to \$82,030 in 2020, an increase of \$7,996 (10.8 percent). This is far greater than the \$1,900 (3.0 percent) increase in the FFIEC median-family income over the same period as reflected in the table above.

Community Contacts

Through discussions with a local economic leader, it was determined that local financial institutions are involved in the community and meeting the community's banking needs overall. The contact did not identify any unmet needs within the area.

Chicago-Naperville-Evanston MD AA

The Chicago-Naperville-Evanston MD AA includes Cook County only. Cook County includes 253 low-income CTs, 381 moderate-income CTs, 317 middle-income CTs, 355 upper-income CTs, and 13 CTs in which income information is not available. CNB operates three branches in Cook County: Oak Forest, Palos Heights, and Tinley Park, each with an ATM.

Competition

Competition for deposits in the AA is high. According to the June 30, 2020 FDIC Deposit Market Share Report, CNB deposits in the AA totaled \$363.5 million, accounting for 23.9 percent of the bank's total deposits. CNB ranked 49th out of 102 institutions in the market, with a market share of 0.1 percent. The market consists of several large institutions with the top three deposit holders being JPMorgan Chase Bank, N.A. at 22.5 percent across 195 offices, BMO Harris Bank, N.A. at 18.4 percent across 88 offices, and Bank of America, N.A. at 10.9 percent across 93 offices.

Market competition for home mortgage loans is high within the AA. According to the 2020 Peer Mortgage Market Share Data, there were 795 lenders with an overall total of 229 million mortgages originated. CNB ranked 251st with 41 loans originated, for a market share of 0.02 percent. JPMorgan Chase Bank was the leading lender with 18.5 million originations and 8.1 percent of the market.

Demographics

The following table provides a summary of the demographics, including housing and business information, for the Chicago-Naperville-Evanston AA.

Demographic Information of the Assessment Area						
Assessment Area: Chicago Naperville Evanston MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,319	19.2	28.9	24.0	26.9	1.0
Population by Geography	5,236,393	14.5	29.9	27.0	28.3	0.4
Housing Units by Geography	2,176,549	14.4	27.9	26.3	30.8	0.5
Owner-Occupied Units by Geography	1,107,485	6.9	24.2	32.0	36.7	0.2
Occupied Rental Units by Geography	835,474	20.8	32.1	20.9	25.3	0.9
Vacant Units by Geography	233,590	27.5	30.5	19.1	22.3	0.6
Businesses by Geography	388,399	6.9	20.1	25.1	47.0	0.8
Farms by Geography	3,839	6.3	21.7	30.7	41.2	0.2
Family Distribution by Income Level	1,184,857	28.0	17.0	17.7	37.2	0.0
Household Distribution by Income Level	1,942,959	29.2	15.8	16.7	38.2	0.0
Median Family Income MSA -16984 Chicago-Naperville-Evanston, IL		\$75,024	Median Housing Value			\$245,250
			Median Gross Rent			\$1,038
			Families Below Poverty Level			13.2%
Source: 2015 ACS and 2020 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.						

Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 5.2 million with 759,277 (14.5 percent) residing in low-income CTs, 1.6 million (29.9 percent) in moderate-income CTs, 1.4 million (27.0 percent) in middle-income CTs, 1.5 million (28.3 percent) in upper-income CTs, and 20,946 (0.4 percent) with no income information available.

Family Distribution by Income Level

According to the 2015 ACS Census data, there were 1.2 million families in the AA. The distribution of families by income level was 331,760 (28.0 percent) low income, 201,426 (17.0 percent) moderate income, 209,720 (17.7 percent) middle income, and 440,767 (37.2 percent) upper income. The percentage of families living below the poverty level was 13.2 percent.

Employment and Economic Factors

According to the BLS, the unemployment rate for the Chicago-Naperville-Evanston MD AA, prior to the 2020 COVID-19 pandemic, unemployment rates showed slight improvement year-over-year, and remained above the national unemployment rate.

Annual Unemployment Rates			
	2018	2019	2020
Cook County	4.2%	4.0%	11.1%
National	3.9%	3.7%	8.1%
<i>Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted.</i>			

The top five employers in Cook County per Chicago Business include The U.S. Government (52,357 employees), Chicago public school (38,637 employees), the City of Chicago (30,928 employees), Advocate Aurora Health (26,335 employees), and Cook County (22,074 employees).

Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 2.2 million in the AA. Of the total number of housing units, 1.1 million (50.9 percent) were owner-occupied, 835,474 (38.4 percent) were renter-occupied, and 233,590 (10.7 percent) were vacant. Of the owner-occupied units, 76,416 (6.9 percent) were in low-income CTs and 268,011 (24.2 percent) were in moderate-income CTs. Of the renter-occupied units, 173,779 (20.8 percent) were located in low-income CTs and 268,187 (32.1 percent) in moderate-income CTs. Of the vacant units, 64,237 (27.5 percent) were located in low-income CTs and 71,245 (30.5 percent) in moderate-income CTs. The median housing age of stock in low-income CTs was 74 years and 68 years in moderate-income CTs. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Based on information in the table below, low-income families earned as much as \$41,199 in 2018 and up to a maximum of \$42,399 in 2020. Moderate-income families earned as much as \$65,919 in 2018 and up to a maximum of \$67,839 in 2020.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Chicago-Naperville-Arlington Heights, IL MD Median Family Income (16974)				
2018 (\$82,400)	<\$41,200	\$41,200 to <\$65,920	\$65,920 to <\$98,880	≥\$98,880
Chicago-Naperville-Evanston, IL Median Family Income (16984)				
2019 (\$82,000)	<\$41,000	\$41,000 to <\$65,600	\$65,600 to <\$98,400	≥\$98,400
2020 (\$84,800)	<\$42,400	\$42,400 to <\$67,840	\$67,840 to <\$101,760	≥\$101,760
<i>Source: FFIEC</i>				

According to Realtor.com data, the median housing value in the AA ranged from \$307,375 in 2018 to \$327,754 in 2020, an increase of \$20,379 (6.6 percent). This is greater than the \$2,400 (2.9 percent) increase in the FFIEC median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This would result in a \$1,025 payment for low-income borrowers and \$1,696 for moderate income borrowers resulting in a loan amount of \$190,939

and \$315,934, respectively. According to 2015 ACS Census data, the average median housing price is \$245,250. This would indicate, without consideration of any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, borrowers of moderate incomes would be able to afford to purchase a house; however, borrowers of low-income would have difficulties affording the purchase of a house.

Community Contacts

Through discussions with a local economic leader, it was determined that local financial institutions are involved in the community and meeting the community's banking needs overall. The contact identified a continued credit needs as affordable housing and capital infusions for affordable housing projects and small businesses.

Scope of Evaluation in Illinois

Examiners completed a full-scope review of both the AAs in Illinois. The IL Non-MSA AA continues to hold a large share of the bank's deposits and largest volume of lending, so examiners performed a full-scope review in this AA. Examiners conducted a limited-scope review of the Chicago-Naperville-Evanston MD AA during the last CRA evaluation, resulting in a full-scope review during the current evaluation.

The primary product for the IL Non-MSA AA is home mortgages. Home mortgages accounted for 63 percent of originations in the AA by number and 68 percent by dollar volume. The primary product for the Chicago-Naperville-Evanston MD AA is business loans. Business loans account for 61 percent of originations in the AA by number and 84 percent by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS

LENDING TEST

The bank's performance under the Lending Test in Illinois is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's lending performance in the IL Non-MSA AA and the Chicago-Naperville-Evanston MD is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The percentage of home mortgage loans originated or purchased in LMI geographies was below both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders.

Factors contributing to CNBs poor performance include geographic distance from the branch locations to LMI CTs and strategy. All eight of the branches in the Non-MSA AA are located in middle-income CTs, with only two branches near moderate-income CTs and none near low-income CTs. There are only eight out of 45 moderate-income CTs in the AA and zero low-income CTs. The strategic focus for lending in this AA is agriculture loans, not mortgage lending.

Small Loans to Businesses

Refer to Table Q in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was adequate. The percentage of small loans originated or purchased to businesses in LMI geographies was slightly below the percentage of businesses in those geographies. Competition is high in the area with 306 lenders reporting small business loans in the AA.

Lending Gap Analysis

We analyzed CNBs home mortgage and business 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.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was excellent. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers was above, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to LMI borrowers exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of small loans to businesses of different sizes was adequate. The percentage of small business loans originated or purchased to small businesses was below the percentage of small businesses in the AA, but above the aggregate percentage of all reporting lenders.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Illinois is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000s)	% of Total \$
IL Non-MSA	6	25.0%	3,267	18.7%
Chicago, Naperville, Evanston MD	18	75.0%	14,243	81.3%
Total	24	100%	17,510	100%
Source: Bank Data; 1/30/18 – 12/31/20.				

CD loans demonstrated adequate responsiveness to CD needs and opportunities in the Non-MSA AA and excellent responsiveness in the Chicago, Naperville, Evanston MD AA during the evaluation period.

Illinois Non-MSA

In the Non-MSA AA, CNB originated six CD loans for \$3.3 million. This represents 6.9 percent of the AAs allocated common equity tier 1 capital (\$47.6 million) as of June 30, 2020. Each of the six loans qualified by promoting economic development through financing small businesses that supported permanent job creation, retention, and/or improvement for persons who were LMI.

Chicago-Naperville-Evanston MD

In the Chicago, Naperville, Evanston MD AA, CNB originated 18 loans for \$14.2 million. This represents 38.9 percent of the AAs allocated common equity tier 1 capital (\$36.6 million) as of June 30, 2020. CD loans consisted of the following:

- Twelve CD loans totaling \$10.1 million for affordable housing, primarily for LMI individuals.
- Four CD loans totaling \$2.2 million that promoted economic development through financing small businesses that supported permanent job creation, retention, and/or improvement for persons who were LMI.
- Two CD loans totaling \$1.9 million that promoted revitalization and/or stabilization for LMI geographies.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000s)
Illinois Non-MSA	1	460	118	828	119	100.0	1,288	100.0%	-	-
Chicago, Naperville, Evanston MD	0	0	22	1,492	22	100.0	1,492	100.0%	-	-
Total	1	460	140	2,320	141	100.0	2,780	100.0%	-	-
<i>Source: Bank Data; 1/1/2018 – 12/31/2020</i>										
* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.										
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.										

The Qualified Investments Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investment, including prior period investments that remain outstanding as of the examination date.

IL Non-MSA

CNBs level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, CNB had a combination of donations and investments totaling \$828,092 and retained one prior period investment with a book value of \$460,000, for an overall total of \$1.3 million. This represents 2.7 percent of the AAs allocated common equity tier 1 capital (\$47.6 million) as of June 30, 2020.

Qualified investments included:

- Donations totaling \$116,414 to various community service organizations that provide an array of services primarily for LMI individuals and families.
- One investment totaling \$711,678 in a school bond for Montgomery County; the specific Litchfield CUSD 12 this bond funds is entirely comprised of Title 1 schools with the majority of district students eligible for free/reduced lunch.
- One prior period investment of \$460,000 in a school bond for Greene County School District 1; all schools within the district are Title 1 schools and the majority of district students are eligible to receive free/reduced lunch.

Chicago-Naperville-Evanston MD

CNBs level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, CNB had a combination of donations and investments totaling \$1.5 million. This represents 4.1 percent of the AAs allocated common equity tier 1 capital (\$36.6 million) as of June 30, 2020.

Qualified investments included:

- Donations totaling \$21,727 to various community service organizations that provide an array of services primarily for LMI individuals and families.
- One investment totaling \$400,730 in a school bond for Lincoln Land CCD, where the majority of district students are eligible for free/reduced lunch.
- One investment totaling \$1.1 million in a school bond for Cook & Will Counties school districts, where the majority of students are eligible for free/reduced lunch.

Extent to Which the Bank Provides Community Development Services

The CD Services Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD service activities during the evaluation period.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# of Hours	# of Hours	# of Hours	# of Hours	# of Hours
IL Non-MSA	72	153	198	0	423
Chicago, Naperville, Evanston MD	142	0	135	0	277
<i>Source: Bank Data; 1/1/2018 - 12/31/2020</i>					

Illinois Non-MSA

CNB provided an excellent level of CD services in the AA. During the evaluation period, five employees performed 423 hours of CD services supporting seven organizations. Employees served in a variety of roles and supported organizations that provided financial support and services for LMI individuals and areas.

Chicago-Naperville-Evanston MD

CNB provided an adequate level of CD services in the AA. During the evaluation period, two employees performed 277 hours of CD services, supporting two organizations. Employees served in leadership roles and supported organizations that provided financial support and services for LMI individuals and areas.

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 MSA(s) and non-MSA(s) 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:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Home Mortgage Loans: St. Louis MSA, IL Non-MSA Small Business Loans: St. Louis MSA, Chicago-Naperville-Evanston MD AA Community Development Loans, Investments, and Services: St. Louis MSA, IL Non-MSA, Chicago-Naperville-Evanston MD	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
St. Louis MO-IL MSA #41180	Full Scope	<i>Jersey, Macoupin, Madison, and St. Louis Counties; Louis City</i>
State of Illinois		
Chicago-Naperville-Evanston MD AA #16984	Full Scope	<i>Cook County</i>
Illinois Non-MSA AA	Full Scope	<i>Cass, Christian, Greene, Montgomery, Morgan, Pike, and Scott Counties</i>

Appendix B: Summary of MMSA and State Ratings

RATINGS: CNB Bank & Trust, National Association			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
CNB Bank & Trust	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
St. Louis MMSA	Satisfactory	Satisfactory	Satisfactory
Illinois	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/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. The median is the point at which half of the families have income above, and half below, a range of incomes. 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, and half below, a range of incomes.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/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.

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 MMSA/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 that were 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) in those geographies. Because aggregate 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 (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

St. Louis MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20	
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	
St Louis MO IL AA	609	104,877	100.0	98,554	6.4	0.5	2.0	19.7	9.4	11.9	36.3	81.4	33.5	37.4	8.7	52.3	0.2	0.0	0.2	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
St Louis MO IL AA	609	104,877	100.0	98,554	23.2	10.7	6.9	17.1	20.0	15.7	18.9	24.5	18.2	40.8	30.0	41.2	0.0	14.8	18.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2018-20	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
St Louis MO IL AA	23	24,803	100.0	7.3	4.3	18.7	8.7	29.1	73.9	43.5	13.0	1.4	0.0		
<i>Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>															

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2018-20	
Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
St Louis MO IL AA	20	17,941	100.0	--	82.6	65.0	--	6.6	35.0	10.8	0.0		
<i>Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>													

State of Illinois

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20	
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	
IL Non MSA AA	914	97,486	89.9	3,447	0.0	0.0	0.0	13.4	7.7	12.4	71.5	57.8	64.6	15.1	34.6	23.0	0.0	0.0	0.0	
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>																				

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
IL Non MSA AA	914	97,486	89.9	3,447	21.4	6.8	7.7	18.6	20.2	18.3	21.4	27.8	21.9	38.7	40.8	37.6	0.0	4.4	14.5	
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>																				

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2018-20	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts					
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans				
Chicago Naperville Evanston MD	20	10,778	100.0	6.9	5.0	20.1	15.0	25.1	45.0	47.0	35.0	0.8	0.0				
<i>Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>																	

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues													2018-20	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans			
Chicago Naperville Evanston MD	20	10,778	100.0	157,442	85.5	50.0	37.4	5.8	30.0	8.7	20.0			
<i>Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>														