

PUBLIC DISCLOSURE

November 5, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Eagle Bank
RSSD# 759045

1201 West Madison Street
Chicago, Illinois 60607

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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BANK'S CRA RATING

First Eagle Bank is rated: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

First Eagle Bank is meeting the credit needs of its community based on an analysis of the lending and community development activities within its assessment area. The bank's loan-to-deposit (LTD) ratio is more than reasonable considering the characteristics of the bank, its local competitors, and credit needs of the assessment area. A majority of the bank's loans were originated within the bank's assessment area. Geographic distribution of loans reflects a reasonable dispersion among geographies of different income levels. The distribution of loans among borrowers of different income levels and businesses of different sizes is also reasonable. There were no CRA related complaints received by the institution or this Reserve Bank since the previous evaluation.

The bank's community development performance demonstrates excellent responsiveness to the community development needs of the bank's assessment area through community development loans, investments and services considering the institution's financial capacity and the availability of community development opportunities within the bank's assessment area.

SCOPE OF EXAMINATION

First Eagle Bank's CRA performance was evaluated using Federal Financial Institutions Examinations Council's (FFIEC's) Intermediate-Small Bank Examination Procedures. Performance was evaluated in the context of information about the institution and its assessment area, including the bank's asset size, financial condition, competition and economic and demographic characteristics. Products selected for review included Home Mortgage Disclosure Act (HMDA) reportable loans (or home mortgage loans), small business loans, community development loans, qualified investments, and community development services.

Performance in the assessment area was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 20 quarter average loan-to-deposit ratio ending June 30, 2018 was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2016 through December 31, 2017, and small business loans originated January 1, 2017 through December 31, 2017 were reviewed to determine the percentage of loans originated inside the assessment area.

- *Geographic Distribution of Lending in the Assessment Area* – The bank’s HMDA-reportable loans originated from January 1, 2016 through December 31, 2017, and small business loans originated within the assessment area, from January 1, 2017 to December 31, 2017, were reviewed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- *Lending to Borrowers of Different Income and to Businesses of Different Sizes* – The bank’s HMDA-reportable loans originated from January 1, 2016 through December 31, 2017, and small business loans originated January 1, 2017 through December 31, 2017, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- *Response to Substantiated Complaints* – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- *Community Development Activities* – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from September 17, 2013 through November 5, 2018, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. Representatives specialized in affordable housing and economic development and provided information relevant to the performance context for the assessment area.

DESCRIPTION OF INSTITUTION

First Eagle Bank is a subsidiary of First Eagle Bancshares, Inc., a one-bank holding company located in Chicago, Illinois. The bank operates two full-service office locations, including drive through services, and two automated teller machines (ATMs) throughout one assessment area in the state of Illinois. The bank’s main office is located in an upper-income census tract in Chicago, Illinois, with a branch office located in a middle-income census tract in Hanover Park, Illinois, approximately 40 miles west of the main office. The ATM located at the main office is cash dispensing only while the ATM located at the branch office is full-service. In addition, the bank maintains a website (www.febank.com) that provides information on loan and deposit products, applications, other bank services and access to online banking. Since the previous evaluation on September 16, 2013, the bank relocated its main office from Hanover Park to Chicago. The bank has not opened or closed any other branches or ATMs.

As of 2010, First Eagle Bank has been designated by the United States Department of Treasury as a Community Development Financial Institution (CDFI). CDFIs are mission-driven financial institutions that create economic opportunity for individuals and small businesses, quality affordable housing, and essential community services. The bank provides a variety of deposit and loan products and services to help meet the banking needs of individuals, families, and businesses in the communities it serves. The bank also offers specialized lending programs including Federal Housing Administration (FHA) mortgage loans, Small Business Administration (SBA) guaranteed loans including the 504, Standard 7(a) and the SBA Express loan programs. The bank's Credit Builder Loan Program introduced in 2012 was created by the bank to help establish credit and to encourage savings. In 2016 and 2017, the bank made 53 loans under this program for a total of \$51,750.

According to the Uniform Bank Performance Report (UBPR), the bank reported total assets of \$511 million as of September 30, 2018. The bank offers residential real estate, commercial and consumer loan products, but they don't aggressively market these products. In addition, the bank offers tradition deposit accounts such as checking, savings, NOW accounts, money market deposit accounts and certificates of deposit. The majority of bank's loan and leases portfolio consists of commercial loans, as this category represents 53.9 percent of the portfolio. Residential real estate accounts for 30.5 percent of the bank's loans and leases. The bank also provides for leasing of commercial equipment which represents 15.0 percent of all loans and leases. Though the bank is primarily a commercial lender, a full range of retail banking services is available. Details of the bank's loan portfolio are shown below.

Composition of Loan and Leases Portfolio as of September 30, 2018 (\$ are in 000s)		
Category	\$	%
Residential Real Estate	120,777	30.5
Commercial	213,711	53.9
Agricultural	0	0.0
Consumer	150	0.04
Lease Financing Receivables (net)	59,536	15.0
Other	3,686	1.0
Total Loans and Leases	397,860	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated Outstanding under the CRA at its previous evaluation conducted on September 16, 2013.

DESCRIPTION OF ASSESSMENT AREA

First Eagle Bank's assessment area includes portions of Cook and DuPage Counties in Illinois, which is part of the Chicago-Naperville-Arlington Heights, Illinois Metropolitan Division (MD) (#16974). The bank excludes Grundy, Kendall, McHenry and Will Counties from its assessment area, which are also included in the MD. In 2016, the 917 census tracts consisted of 106 (11.6 percent) low-income tracts, 188 (20.5 percent) moderate-income tracts, 295 (32.2 percent) middle-income tracts, 327 (35.7 percent) upper-income tracts and one tract (0.1 percent) of unknown-income tracts. The unknown-income tract represents O'Hare International Airport. The Cook and DuPage portion of the MD contain a total of 1,535 census tracts. The bank operates one branch and one full-service ATM in a middle-income census tract in Hanover Park, Illinois and its main office in Chicago, Illinois, includes a cash-only ATM in an upper-income census tract. Each location has drive-up services.

The bank's assessment area has remained unchanged since the previous evaluation. However, census tract income designations within the assessment area have changed from 2016 to 2017. The table below provides a breakdown of the census tract income designation changes from 2016 to 2017.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and later is evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	106	105	-1
Moderate	188	200	12
Middle	295	248	-47
Upper	327	358	31
Unknown	1	6	5
Total	917	917	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015			

In 2016, low-income census tracts included 68,144 families, representing 7.8 percent of all families in the assessment area, while moderate-income census tracts included 179,682 families, representing 20.6 percent of all families in the assessment area. In 2017, low-income census tracts included 70,733 families, representing 8.1 percent of all families in the assessment area while

moderate-income census tracts included 187,264 families, representing 21.5 percent of all families in the assessment area. Overall, the percentage of families in low- and moderate-income census tracts in the assessment area increased slightly from 28.4 percent to 29.6 percent from 2016 to 2017.

Additionally, in 2016 there were 1,576,018 housing units in the assessment area. Of all housing units in 2016, 132,433 were in low-income census tracts, of which 24.2 percent were owner-occupied, 57.5 percent were rental units, and 18.3 percent were vacant units. An additional 316,443 were in moderate-income census tracts, of which 41.2 percent were owner-occupied, 47.2 percent were rental units, and the remaining 11.5 percent were vacant. These figures were similar in 2017 when there were 1,583,442 housing units in the assessment area. Of all housing units in 2017, 127,845 were in low-income census tracts of which 24.2 percent were owner-occupied, 59.0 percent were rental units, and 16.9 percent were vacant units. There were also 335,972 housing units in moderate-income census tracts, of which 39.5 percent were owner occupied, 50.1 percent were rental units, and 10.3 were vacant.

In 2016, there were 165,493 businesses in the assessment area and 142,191 of those, or 85.9 percent, had gross annual revenue of one million dollars or less. Of all businesses in the assessment area in 2016, 4.1 percent were located in low-income census tracts and 13.7 percent were located in moderate-income census tracts. Similarly, in 2017 there were 149,752 businesses in the assessment area and 126,755 of those, or 84.6 percent, had gross annual revenues of one million dollars or less. Of all businesses in 2017, 3.7 percent were located in low-income census tracts, and 14.1 percent were located in moderate-income census tracts. Of total businesses in the assessment area in both 2016 and 2017, 17.8 percent were located in low- and moderate-income census tracts.

The respective census demographic data table was compared to the applicable loan periods. The 2016 data is found in the following table while 2017 data can be found in Appendix B of this document.

Assessment Area: 2016 Chicago-Naperville-Arlington Heights, IL MD 16974								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	106	11.6	68,144	7.8	22,483	33.0	197,436	22.6
Moderate-income	188	20.5	179,682	20.6	28,390	15.8	142,938	16.4
Middle-income	295	32.2	310,369	35.6	20,998	6.8	160,457	18.4
Upper-income	327	35.7	314,327	36.0	9,612	3.1	371,691	42.6
Unknown-income	1	0.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	917	100.0	872,522	100.0	81,483	9.3	872,522	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	132,433	32,037	3.7	24.2	76,153	57.5	24,243	18.3
Moderate-income	316,443	130,432	15.0	41.2	149,516	47.2	36,495	11.5
Middle-income	536,026	324,080	37.2	60.5	171,764	32.0	40,182	7.5
Upper-income	591,116	383,904	44.1	64.9	159,281	26.9	47,931	8.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	1,576,018	870,453	100.0	55.2	556,714	35.3	148,851	9.4
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	6,716	4.1	5,837	4.1	850	3.8	29	3.0
Moderate-income	22,729	13.7	19,158	13.5	3,473	15.6	98	10.0
Middle-income	49,663	30.0	43,063	30.3	6,357	28.5	243	24.8
Upper-income	86,169	52.1	73,990	52.0	11,572	51.8	607	62.1
Unknown-income	216	0.1	143	0.1	72	0.3	1	0.1
Total Assessment Area	165,493	100.0	142,191	100.0	22,324	100.0	978	100.0
	Percentage of Total Businesses:			85.9		13.5		0.6
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	23	5.1	22	5.2	1	4.3	0	0.0
Moderate-income	45	10.0	41	9.7	4	17.4	0	0.0
Middle-income	118	26.3	110	25.9	8	34.8	0	0.0
Upper-income	262	58.5	251	59.2	10	43.5	1	100.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	448	100.0	424	100.0	23	100.0	1	100.0
	Percentage of Total Farms:			94.6		5.1		0.2
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

According to the Federal Deposit Insurance Corporation (FDIC) Market Share Report, as of June 30, 2018, First Eagle held 0.1 percent of the deposit market share and ranked 52nd out of 126 FDIC insured financial institutions within Cook and DuPage Counties. Based on the report, the top institutions by market share are JP Morgan Chase Bank, National Association (23.4 percent); BMO Harris Bank, National Association (13.0 percent); Bank of America, National Association (9.8 percent); and The Northern Trust Company (7.5 percent).

Population Characteristics

The table below shows the population trends for the assessment area and the State of Illinois from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the population for both counties in the assessment area remained relatively stable from 2010 to 2015. DuPage and Cook Counties experienced a slight increase in population of 1.5 and 0.8 percent, respectively, comparable to the 0.9 percent increase in population for the Chicago-Naperville-Arlington Heights, IL MD. The total population increase in the state of Illinois was slightly lower than both counties, which indicates a slow growth trend for a majority of the state. One community representative commented that the City of Chicago has been losing population and another commented on the higher property taxes in Cook County causing people to leave the county.

Population Change 2010 and 2015			
Area	2010 Population	2011-2015 Population	Percentage Change (%)
Cook County, IL	5,194,675	5,236,393	0.8
DuPage County, IL	916,924	930,412	1.5
Chicago-Naperville-Arlington Heights, IL MD	7,262,718	7,328,470	0.9
State of Illinois	12,830,632	12,873,761	0.3
Source: 2010—U.S. Census Bureau: Decennial Census 2011-2015—U.S. Census Bureau: Annual Population Estimates OR 2015—U.S. Census Bureau: Decennial Census			

Income Characteristics

The following table compares the median family income for the assessment area to the metropolitan division and the state of Illinois. According to the 2011-2015 Census Bureau the median family income (MFI) in Cook County was \$67,324, which was below the MFI for the metropolitan division and the State of Illinois where MFIs were \$75,350 and \$71,546, respectively. During the same time the MFI in DuPage County was \$96,751 which was higher than the MFI for the metropolitan division and the state of Illinois. According to the 2011-2015 Census Bureau data, the growth in MFI in Cook and DuPage Counties was below that of the state at 3.5 and 4.7 percent, respectively, but DuPage County's MFI was slightly higher than the growth in MDI for the metropolitan division which was 4.4 percent. The state of Illinois experienced an increase of 4.9 percent in MFI. According to the community contacts, the general stability of median family income is attributed to the presence of larger employers including Navistar, financial institutions

and numerous municipal and school districts.

Median Family Income Change 2010 and 2011-2015			
Area	2006-2010 Median Family Income (\$)	2011-2015 Median Family Income (\$)	Percentage Change (%)
Cook County, IL	65,039	67,324	3.5
DuPage County, IL	92,423	96,751	4.7
Chicago-Naperville-Arlington Heights, IL MD	72,196	75,350	4.4
State of Illinois	68,236	71,546	4.9
Source: 2006-2010—U.S. Census Bureau: American Community Survey 2011-2015—U.S. Census Bureau: American Community Survey			

Bankruptcy Characteristics

According to the Administrative Office of the U.S. Courts, each county in the assessment area, the metropolitan division and for the state of Illinois, saw a decline in the filing of personal bankruptcies in the four years ending in 2016 which is the most recent data available. Between 2013 and 2016, the bankruptcy rate per 1,000 people in Cook County decreased from 6.8 to 6.0; in DuPage County, the bankruptcy rate declined from 4.0 to 2.6; in the metropolitan division, the bankruptcy rate declined from 6.2 to 5.2; and, in the state of Illinois the bankruptcy rate declined from 5.1 to 4.1. Throughout this time period, the bankruptcy rate in DuPage County was consistently below the bankruptcy rate for Cook County, the metropolitan division and the state of Illinois, while the bankruptcy rate for Cook County was consistently higher than DuPage County, the metropolitan division and the state of Illinois.

Housing Characteristics

The following table compares housing values between 2006 and 2010 to the median housing values between 2011 and 2015 for the each county in the assessment area, the metropolitan division, and the state of Illinois. Based on 2011-2015 American Community Survey data, the median housing and gross rent values for both counties in the assessment area are greater when compared to that of the state of Illinois which can be attributed to the higher cost of living in the assessment area. The median housing value and median gross rent value in Cook County are very similar to the median housing value and gross rent value in the metropolitan division. The median housing value in Cook County, based on 2011-2015 American Community Survey, is \$218,700, while the median housing value in DuPage County for the same time period is \$278,500. For the state of Illinois, the median housing value is \$173,800 for the same time period. The median housing value in the metropolitan division is \$224,861. Based on the 2011-2015 American Community Survey, the median gross rent in Cook County is \$980, while in DuPage County it is \$1,143 for the state of Illinois it is \$907, and for the metropolitan division it is \$996. Between 2010 and 2015, median

gross rent in Cook County increased 8.9 percent, while it increased by 13.4 percent in DuPage County 9.0 percent in the metropolitan division and 8.8 percent in the state of Illinois

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio indicates more affordable housing. Based on the 2011-2015 American Community Survey data, the affordability ratio in Cook (0.25) and DuPage (0.29) Counties is generally less affordable when compared to the state (0.33) as a whole, but comparable to the affordability ratio for the metropolitan division (0.27). Community contacts stated a lack of affordable housing is a concern for the assessment area.

The following table illustrates recent housing trends within the counties comprising the assessment area and the state of Illinois.

Trends in Housing Costs 2010 and 2015					
Area	2006-2010 Median Housing Value	2011-2015 Median Housing Value	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent	2011-2015 Affordability Ratio
Cook County, IL	265,800	218,700	900	980	0.25
DuPage County, IL	316,900	278,500	1,008	1,143	0.29
Chicago-Naperville- Arlington Heights, IL MD	267,990	224,861	914	996	0.27
State of Illinois	202,500	173,800	834	907	0.33
Source: 2006-2015 U.S. Census Bureau: American Community Survey					

Foreclosure Characteristics

The Federal Reserve Bank of Chicago conducted a study on the change in the foreclosure inventory rate at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure and excludes properties that have completed the foreclosure cycle. Foreclosure rates are calculated by dividing the number of loans in foreclosure by the total number of active loans. Since the previous evaluation foreclosure rates in both Cook and DuPage counties and the state of Illinois exhibited decreasing trends. In September of 2013, the foreclosure inventory rate in Cook County was 4.7 percent and it declined to 1.6 percent by October of 2016, which is the most recent date the information is available. In DuPage County, the foreclosure inventory rate was 2.6 percent in September of 2013 and it declined to 0.8 percent by October of 2016. For the state of Illinois, the foreclosure inventory rate in September of 2013 was 3.9 percent and it declined to 1.5 percent by October of 2016. These decreasing trends are consistent with the overall general improvement in the area economy.

Employment Conditions

The following table presents the unemployment rates for Cook and DuPage Counties, the metropolitan division and state of Illinois. From 2013 to 2017, Cook County consistently had the highest unemployment rate while the unemployment rate in DuPage County was consistently the lowest of the geographies analyzed. Between 2016 and 2017, Cook County's unemployment rate decreased by 1.0 percentage point, as compared to DuPage County which declined by 0.7 percentage points and the state of Illinois and metropolitan division declining by 0.9 percentage points each during the same time period.

Unemployment Rates					
Area	2013	2014	2015	2016	2017
Cook County, IL	9.6	7.4	6.2	6.2	5.2
DuPage County, IL	7.5	5.6	4.7	4.8	4.1
Chicago-Naperville-Arlington Heights, IL MD	9.2	7.1	6.0	5.9	5.0
State of Illinois	9.2	7.1	5.9	5.9	5.0
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)					

Industry Characteristics

The bank's assessment area has a diverse employment base with multiple industries represented, including insurance agencies, schools and universities, and general medical and surgical hospitals. The largest employers in the assessment area are presented in the following table.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
University of Illinois - Chicago Office-Public & Government	20,000	Schools-Universities & College
Allstate Insurance Co.	13,000	Insurance
University Of Illinois-Chicago	11,515	Schools-Universities & Colleges Academic
CDW Government LLC	10,000	Electronic Retailing
University of Chicago Board-Trustees	8,534	Schools-Universities & Colleges Academic
Northwestern Memorial Hospital	8,375	Hospitals
Rush University Medical Center	8,337	Hospitals
Johnston R Bowman Health Center	8,000	Clinics
University Of Chicago Medicine	7,998	Medical Groups
State Street Global Advisors	7,000	Investment Management
Loyola University Medical Center	6,500	Hospitals
Northshore University Health	6,055	Health Care Management
Sears Home & Business Franchises	6,000	Home Improvements
Northern Trust Corp	6,000	Holding Companies (Bank)
Source: American's Labor MARKET Information System (ALMIS)		

Community Representatives

Two community organizations representing economic development and affordable housing were contacted to help understand the credit needs and local economic conditions of the assessment area. The representatives provided information on housing and economic development needs within Cook and DuPage Counties. Representatives also stated although there are many financial institutions in the area, opportunities to assist low- and moderate-income individuals are still present. Overall, the representatives indicated that the community as a whole continues to work with financial institutions to drive continued growth in the assessment area and surrounding communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Eagle Bank's performance relative to the lending test is rated Satisfactory. The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs. A majority of loans and other lending related activities are in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. Neither the bank nor this Reserve Bank received any complaints related to the Community Reinvestment Act since the previous examination. First Eagle Bank is primarily a commercial lender. As a result, small business lending carried more weight during this evaluation.

Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs. As of June 30, 2018, the bank's 20-quarter average LTD ratio was 88.7 percent. The three most recent quarters through June 30, 2018 reviewed for this evaluation had LTD ratios of 98.4 percent, 103.8 percent and 98.4 percent, respectively. The increase is attributed to increased loan volumes. Additionally, compared to local competitors of similar asset size, First Eagle Bank's average LTD is significantly higher. Given the factors noted above, the bank's performance is deemed more than reasonable.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	20 Quarter Average
First Eagle Bank	88.7
Competitors	
Albany Bank and Trust Company National Association	75.8
Belmont Bank & Trust Company	77.9
Itasca Bank & Trust Company	76.6
Oxford Bank & Trust	70.5
South Central Bank, National Association	43.5
Source: Uniform Bank Performance Report published by the FFIEC	

Assessment Area Concentration

A majority of loans and other lending related activities are in the assessment area. The following table summarizes the bank's lending inside and outside its assessment area by loan product. The bank originated 79.0 percent of its total loans, by number, and 85.8 percent, by dollar amount, inside its assessment area. Additionally, the bank made 76.9 percent of its small business loans in the assessment area by number, and 84.6 by dollar amount. First Eagle Bank originated 79.6 percent of its HMDA-reportable loans by number, and 86.0 percent by dollar amount within the assessment area. The majority of HMDA-reportable and small business loans were originated inside the assessment area, indicating the bank is actively serving the needs of its community. The percentages of loans made within the assessment area for this evaluation are very similar to the distribution noted at the previous evaluation.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Total HMDA Loans	129	79.6	99,349	86.0	33	20.4	16,214	14.0
Total Small Business Loans	40	76.9	18,661	84.6	12	23.1	3,392	15.4
Total Loans	169	79.0	118,010	85.8	45	21.0	19,606	14.2

Geographic Distribution of Loans

For the purposes of this review, loans made in calendar years up to and including 2016 were analyzed based on income designations from the 2006-2010 American Community Survey data¹. Loans made in calendar years 2017 and after were analyzed based on income designations from the 2011-2015 American Community Survey data.

¹ The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. No unexplained or conspicuous gaps in lending activity were identified. The volume of HMDA-reportable loans evaluated in this evaluation represents an increase from the previous evaluation of nearly 200.0 percent while the volume of small business loans is identical to the volume evaluated at the previous evaluation.

HMDA Reportable Loans

Geographic distribution of HMDA-reportable loans reflects excellent dispersion throughout the assessment area.

In 2016, home purchase loans represent the largest percentage of HMDA-reportable lending (39.7 percent), followed by refinances (23.8 percent), multi-family loans (20.6 percent), and home improvement loans (15.9 percent). In 2017, home purchase loans represented 53.0 percent of all HMDA-reportable loans, followed by refinance loans at 22.7 percent, multi-family loans at 16.7 percent, and home improvement loans at 7.6 percent.

In 2016, the bank originated 63 HMDA-reportable loans of which seven (11.1 percent) were on properties located in low-income census tracts, which exceeds aggregate lending levels (3.1 percent), and the percentage of owner-occupied housing units (3.7 percent) in low-income census tracts. The bank made 12 loans (19.0 percent) on properties located in moderate-income census tracts, which exceeds aggregate lending volumes (12.9 percent) and the percentage of owner-occupied housing units in moderate-income census tracts (15.0 percent).

In 2017, the bank originated 66 HMDA-reportable loans of which seven (10.6 percent) were on properties located in low-income census tracts, which exceeded the percentage of owner-occupied housing units in low-income census tracts (3.7 percent). The bank made 10 loans (15.2 percent) on properties located in moderate-income census tracts, which was slightly below the percentage of owner-occupied housing units in moderate-income census tracts (16.0 percent).

Home Purchase Loans

In 2016, the bank originated 25 home purchase loans. Of these 25 loans, four (16.0 percent) were made on properties located in low-income census tracts, which exceeded aggregate lending volumes (3.4 percent) as well as the percentage of owner-occupied housing units (3.7 percent) in these tracts. The bank made three loans (12.0 percent) on properties located in moderate-income census tracts, which was below aggregate lending volumes (14.4 percent), and the percentage of owner-occupied housing units (15.0 percent) in these tracts. The bank made three loans (12.0 percent) on properties located in middle-income census tracts, which was significantly below aggregate lending volumes (35.1 percent) as well as the percentage of owner-occupied housing units in these tracts (37.2 percent). The bank made 15 loans (60.0 percent) on properties located in

upper-income census tracts, which exceeded aggregate lending volumes (47.2 percent) as well as the percentage of owner-occupied housing units in these tracts (44.1 percent).

In 2017, the bank originated 35 home purchase loans, or 53.0 percent of total HMDA-reportable loans. Of these 35 loans, none were made in low-income census tracts, which was below the percentage of owner-occupied housing units in low-income census tracts (3.7 percent). The bank made six loans (17.1 percent) on properties located in moderate-income census tracts, which exceeded the percentage of owner-occupied housing units (16.0 percent) in these tracts. The bank made six loans (17.1 percent) on properties located in middle-income census tracts, which was below the percentage of owner-occupied housing units in middle-income census tracts (32.6 percent). The bank also made 23 loans (65.7 percent) on properties located in upper-income census tracts which significantly exceeded the percentage of owner-occupied housing units in upper-income census tracts (47.5 percent).

Refinance Loans

In 2016, the bank originated 15 refinance loans, or 23.8 percent of total HMDA-reportable loans. Of these 15 loans, one (6.7 percent) was on a property in a low-income census tract, which exceeded aggregate lending levels (2.7 percent) as well as the percentage of owner-occupied housing units in low-income census tracts (3.7 percent). The bank made five loans (33.3 percent) on properties located in moderate-income census tracts, which significantly exceeded aggregate lending (11.0 percent) and the percentage of owner-occupied housing units (15.0 percent) in these tracts. The bank made three loans (20.0 percent) on properties located in middle-income census tracts, which was significantly less than aggregate lending (31.5 percent) and the percentage of owner-occupied housing units (37.2 percent) in these tracts. The bank made six loans (40.0 percent) loans on properties located in upper-income census tracts, which was less than aggregate lending volumes (54.8 percent) and below the percentage of owner-occupied housing units (44.1 percent) in these tracts.

In 2017, the bank originated 15 refinance loans, or 22.7 percent of total HMDA-reportable loans. Of these 15 loans, three (20.0 percent) were made on properties located in low-income census tracts, which significantly exceeded the percentage of owner-occupied housing units (3.7 percent) in low-income census tracts. The bank made no refinance loans in moderate-income census tracts, which is significantly below the percentage of owner-occupied housing units (16.0 percent) in moderate-income census tracts. The bank made two loans (13.3 percent) on properties located in middle-income census tracts, which is significantly less than the percentage of owner-occupied housing units (32.6 percent) in these tracts. The bank made nine loans (60.0 percent) on properties located in upper-income census tracts, which significantly exceeds the percentage of owner-occupied housing units (47.5 percent) in upper-income census tracts. The bank also made one loan (6.7 percent) on a property in a tract of unknown income designation, while 0.2 percent of the owner-occupied housing units in the assessment area were located in census tracts whose income was unknown.

Home Improvement Loans

In 2016, the bank originated 10 home improvement loans, or 15.9 percent of total HMDA-reportable loans. Of these 10 loans, none were made in low-income census tracts, which is below aggregate lending levels (3.5 percent) and the percentage of owner-occupied housing units in low-income census tracts (3.7 percent). The bank made one loan (10.0 percent) on a property located in a moderate-income census tract, which was less than aggregate lending (13.9 percent) and the percentage of owner-occupied housing units (15.0 percent) in moderate-income census tracts. The bank made three loans (30.0 percent) on properties located in middle-income census tracts, which was slightly below aggregate lending volumes (32.9 percent), and it was less than the percentage of owner-occupied housing units (37.2 percent) in these tracts. The bank made six loans (60.0 percent by number) on properties located in upper-income census tracts, which exceeded aggregate lending volumes (49.7 percent by number), as well as the percentage of owner-occupied housing units (44.1 percent) in upper-income census tracts.

In 2017, the bank originated five home improvement loans, or 7.6 percent of total HMDA-reportable loans. However, this volume is too low to provide for any meaningful analysis, and is not discussed.

Multi-family Loans

In 2016, the bank originated 13 loans on multi-family properties, or 20.6 of total HMDA-reportable loans. Of these 13 loans, two (15.4 percent) were made on multi-family properties located in low-income census tracts, which significantly exceeded aggregate lending volumes (10.0 percent) and the percentage of multi-family properties (8.7 percent) in low-income census tracts. The bank made three (23.1 percent) loans on multi-family properties located in moderate-income census tracts, which was slightly below aggregate lending volumes (30.7 percent), but exceeded the percentage of multi-family properties located in moderate-income census tracts (20.5 percent). The bank made one loan (7.7 percent) on a multi-family property located in a middle-income census tract, which was significantly below aggregate lending volumes (33.0 percent) the percentage of multi-family properties located in middle-income census tracts (30.9 percent). The bank made seven loans (53.8 percent) loans on multi-family properties located in upper-income census tracts, which exceeded aggregate lending volumes (26.3 percent) and the percentage of multi-family properties located in upper-income census tracts (39.9 percent).

In 2017, the bank originated 11 loans on multi-family properties, or 16.7 percent of total HMDA-reportable loans. Of these 11 loans, two (18.2 percent) were made on multi-family properties located in low-income census tracts, which exceeded the percentage of multi-family properties in low-income census tracts (6.6 percent). The bank made three loans (27.3 percent) on multi-family properties located in moderate-income census tracts, which exceeded the percentage of multi-family properties in moderate-income census tracts (22.6 percent). The bank made one loan (9.1

percent) on a multi-family property located in a middle-income census tract, which is significantly less than the percentage of multi-family properties located in middle-income census tracts (24.5 percent). The bank made five loans (45.5 percent) on multi-family properties located in upper-income census tracts, which is similar to the percentage of multi-family properties located in upper-income census tracts (45.4 percent).

The following table details the bank's 2016 HMDA-reportable lending compared to aggregate lenders and selected demographic data. The bank's 2017 HMDA-reportable lending, in which aggregate data was not available, is included in Appendix B.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Chicago-Naperville-Arlington Heights, IL MD 16974								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2016						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	4	16.0	3.4	1,183	7.2	2.8	3.7
	Moderate	3	12.0	14.4	1,020	6.2	11.2	15.0
	Middle	3	12.0	35.1	1,447	8.9	27.9	37.2
	Upper	15	60.0	47.2	12,682	77.7	58.1	44.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	25	100.0	100.0	16,332	100.0	100.0	100.0
Refinance	Low	1	6.7	2.7	544	7.3	2.1	3.7
	Moderate	5	33.3	11.0	2,562	34.6	7.9	15.0
	Middle	3	20.0	31.5	1,141	15.4	24.1	37.2
	Upper	6	40.0	54.8	3,161	42.7	65.8	44.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	15	100.0	100.0	7,408	100.0	100.0	100.0
Home Improvement	Low	0	0.0	3.5	0	0.0	1.9	3.7
	Moderate	1	10.0	13.9	1,042	12.7	7.7	15.0
	Middle	3	30.0	32.9	1,188	14.4	23.7	37.2
	Upper	6	60.0	49.7	6,000	72.9	66.7	44.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	10	100.0	100.0	8,230	100.0	100.0	100.0
Multi-Family	Low	2	15.4	10.0	2,625	23.7	6.8	Multi-Family 8.7 20.5 30.9 39.9 0.0
	Moderate	3	23.1	30.7	1,632	14.7	17.1	
	Middle	1	7.7	33.0	1,195	10.8	29.5	
	Upper	7	53.8	26.3	5,621	50.8	46.6	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	13	100.0	100.0	11,073	100.0	100.0	100.0
HMDA Totals	Low	7	11.1	3.1	4,352	10.1	2.8	3.7
	Moderate	12	19.0	12.9	6,256	14.5	10.1	15.0
	Middle	10	15.9	33.2	4,971	11.5	26.2	37.2
	Upper	34	54.0	50.8	27,464	63.8	60.9	44.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	63	100.0	100.0	43,043	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank originated a total of 40 small business loans in 2017. While the bank did not originate small business loans in low income census tracts, it originated 10.0 percent of its small business loans in moderate-income census tracts. According to area demographics, 3.7 and 14.1 percent, respectively, of small businesses in the assessment area are located in low- and moderate-income census tracts. Lending at these levels indicates there is an opportunity for the bank to serve small businesses in its assessment area.

The following table presents the bank's 2017 small business lending compared to the selected demographic data.

Geographic Distribution of Small Business Loans						
Assessment Area: 2017 Chicago-Naperville-Arlington Heights, IL MD 16974						
	Tract Income Levels	Bank & Demographic Comparison				
		2017				Total Businesses
		Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	
Small Business	Low	0	0.0	0	0.0	3.7
	Moderate	4	10.0	2,102	11.3	14.1
	Middle	3	7.5	745	4.0	27.0
	Upper	33	82.5	15,814	84.7	54.4
	Unknown	0	0.0	0	0.0	0.8
	Total	40	100.0	18,661	100.0	100.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

For the purposes of this review, loans made in calendar year 2016 or before were analyzed based on 2006-2010 American Community Survey income designations for individuals². Loans made in calendar year 2017 or after were analyzed based on 2011-2015 American Community Survey income designations for individuals.

² Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. First Eagle Bank's distribution of HMDA-reportable loans and small business loans is reasonable. The volume of HMDA-reportable loans reviewed in this evaluation represents an increase from the previous evaluation of nearly 200.0 percent, while the volume of small business loans is identical to the volume evaluated at the previous evaluation.

HMDA-Reportable Loans

HMDA-reportable loans reflect reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2016, home purchase loans represent the largest percentage of HMDA-reportable lending (39.7 percent), followed by refinances (23.8 percent), multi-family loans (20.6 percent), and home improvement loans (15.9 percent). In 2017, home purchase loans represented 53.0 percent of all HMDA-reportable loans, followed by refinance loans at 22.7 percent, multi-family loans at 16.7 percent, and home improvement loans at 7.6 percent.

In 2016, the bank originated 63 HMDA-reportable loans, of which two (3.2 percent) were made to borrowers designated as low-income, which is similar to aggregate lenders (3.5 percent), but significantly below the percentage of borrowers designated as low-income (22.6 percent). The bank made three loans (4.8 percent) to borrowers designated as moderate-income, which is significantly less than aggregate lenders (11.6 percent) and the percentage of borrowers designated as moderate-income (16.4 percent). The bank made three loans (4.8 percent) to borrowers designated as middle-income, which is significantly less than aggregate lenders (19.1 percent) and the percentage of borrowers designated as middle-income (18.4 percent). The bank made 12 loans (19.0 percent) to borrowers designated as upper-income, which is significantly less than aggregate lenders (53.8 percent) and the percentage of borrowers designated as upper-income (42.6 percent). The bank also made 43 loans (68.3 percent) loans to borrowers whose income was unknown, which is significantly below aggregate lending to unknown-income borrowers (12.0 percent).

In 2017, the bank originated 66 HMDA-reportable loans of which one (1.5 percent) was made to a borrower designated as low-income, which is significantly less than the percentage of borrowers designated as low-income (23.1 percent). The bank made one loan (1.5 percent) to a borrower who was designated as moderate-income, which is significantly less than the percentage of borrowers designated as moderate-income (15.7 percent). The bank made one loan (1.5 percent) to a borrower whose income was designated as middle-income, which is significantly less than the percentage of borrowers designated as middle-income (17.8 percent). The bank made 17 loans (25.8 percent) loans to borrowers designated as upper-income, which is less than the percentage of borrowers designated as upper-income (43.4 percent). The bank made 46 loans (69.7 percent) to borrowers whose income was unknown.

Both years saw significant levels of borrowers with unknown income (68.3 percent by number in 2016 and 69.7 percent by number in 2017) much higher than aggregate levels (12.0 percent by number in 2016). The vast majority of HMDA-reportable loans the bank made are to non-natural persons, such as real estate development organizations, and it is noted the bank does not aggressively market or originate home mortgage loans. Consequently, any further meaningful analysis of these loans could not be completed. Despite the differential between aggregate lending levels and the bank, First Eagle Bank is helping to meet assessment area credit needs.

The following table details the bank's 2016 HMDA-reportable lending compared to aggregate lenders and selected demographic data. The bank's 2017 HMDA-reportable lending, in which aggregate data was not available, is included in Appendix B.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Chicago-Naperville-Arlington Heights, IL MD 16974								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2016						
		Count		Dollar				
		Bank #	%	Agg %	Bank \$(000s)	\$ %	Agg \$ %	
Home Purchase	Low	0	0.0	4.1	0	0.0	1.7	22.6
	Moderate	1	4.0	15.1	320	2.0	8.6	16.4
	Middle	2	8.0	21.4	620	3.8	16.2	18.4
	Upper	5	20.0	48.5	6,990	42.8	63.9	42.6
	Unknown	17	68.0	10.9	8,402	51.4	9.6	0.0
	Total	25	100.0	100.0	16,332	100.0	100.0	100.0
Refinance	Low	2	13.3	3.0	405	5.5	1.2	22.6
	Moderate	2	13.3	8.6	680	9.2	4.4	16.4
	Middle	1	6.7	17.3	216	2.9	11.6	18.4
	Upper	5	33.3	59.9	2,535	34.2	72.6	42.6
	Unknown	5	33.3	11.2	3,572	48.2	10.2	0.0
	Total	15	100.0	100.0	7,408	100.0	100.0	100.0
Home Improvement	Low	0	0.0	4.1	0	0.0	1.3	22.6
	Moderate	0	0.0	10.1	0	0.0	4.4	16.4
	Middle	0	0.0	21.4	0	0.0	12.7	18.4
	Upper	2	20.0	58.5	2,633	32.0	74.9	42.6
	Unknown	8	80.0	5.8	5,597	68.0	6.7	0.0
	Total	10	100.0	100.0	8,230	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	22.6
	Moderate	0	0.0	0.0	0	0.0	0.0	16.4
	Middle	0	0.0	0.0	0	0.0	0.0	18.4
	Upper	0	0.0	0.0	0	0.0	0.0	42.6
	Unknown	13	100.0	100.0	11,073	100.0	100.0	0.0
	Total	13	100.0	100.0	11,073	100.0	100.0	100.0
HMDA Totals	Low	2	3.2	3.5	405	0.9	1.3	22.6
	Moderate	3	4.8	11.6	1,000	2.3	5.8	16.4
	Middle	3	4.8	19.1	836	1.9	12.6	18.4
	Upper	12	19.0	53.8	12,158	28.2	62.6	42.6
	Unknown	43	68.3	12.0	28,644	66.5	17.8	0.0
	Total	63	100.0	100.0	43,043	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Loans

The borrower distribution of small business loans reflects reasonable penetration among businesses of different sizes. In 2017, First Eagle Bank originated 100.0 percent of its small business loans to small businesses with annual revenues of \$1 million or less, performing above the percentage of small businesses operating in the assessment area at 84.6 percent. Of the 40 loans originated to small businesses with revenues of \$1 million or less, 20.0 percent were originated in amounts of \$100,000 or less, which are considered most beneficial to small businesses.

The following table presents the bank's 2017 small business lending compared to the selected demographic data.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2017 Chicago-Naperville-Arlington Heights, IL MD 16974							
Product Type		Bank & Demographic Comparison					
		2017					
		Count Bank		Dollar Bank		Total Businesses	
		#	%	\$ 000s	\$ %	%	
Small Business	Revenue	\$1 Million or Less	40	100.0	18,661	100.0	84.6
		Over \$1 Million or Unknown	0	0.0	0	0.0	15.4
		Total	40	100.0	18,661	100.0	100.0
	Loan Size	\$100,000 or Less	8	20.0	513	2.7	
		\$100,001 - \$250,000	5	12.5	1,016	5.4	
		\$250,001 - \$1 Million	27	67.5	17,132	91.8	
		Total	40	100.0	18,661	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	8	20.0	513	2.7	
		\$100,001 - \$250,000	5	12.5	1,016	5.4	
		\$250,001 - \$1 Million	27	67.5	17,132	91.8	
		Total	40	100.0	18,661	100.0	
Originations & Purchases							
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates excellent responsiveness to the community development needs within its assessment area through community development loans, qualified investments (including donations) and community development services, considering the capacity, need and availability of such opportunities in the assessment area. The bank's Community Development Financial Institution (CDFI) status ensures community development is a primary mission of the bank. Lending efforts for First Eagle Bank are focused on community development lending; therefore, more emphasis is given to these loans in the performance evaluation.

First Eagle Bank maintained its status as a CDFI, which means they are a specialized financial institution that works in market niches that are underserved by traditional financial institutions and provides a unique range of financial products and services in economically-distressed target markets. Objectives include increased partnerships with other CDFIs, increased opportunities for knowledge building, and expanding services that impact low- and moderate-income individuals and small businesses. As a CDFI, the bank continued to achieve its primary mission to promote development throughout its assessment area and exemplifies First Eagle Bank's commitment to increasing outreach efforts to low- and moderate-income communities.

Community Development Lending

During the evaluation period, the bank originated or renewed a total of 191 loans to organizations engaged in community development activities. The totals represent significant increases since the previous evaluation; 218.3 percent by number, and 158.2 percent by dollars. A large majority of the community development loans made were for affordable housing initiatives, which were identified as a critical need by community representatives. The largest loan made was for over \$3.5 million dollars to a local housing development program. The following table shows the distribution of the bank's community development loans based on the purpose of the loan proceeds.

Summary of CD Loans, Review Period September 17, 2013 – November 5, 2018										
Area Benefited	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Assessment Area	87	56,294,923	10	3,624,435	6	2,882,750	20	8,466,809	123	71,268,917
Broader Regional Area	40	20,869,098	5	380,000	3	2,770,212	20	7,034,043	68	31,053,353
Total	127	77,164,021	15	4,004,435	9	5,652,962	40	15,500,852	191	102,322,270

Community Development Investments

First Eagle Bank made six qualified investments during the evaluation period, totaling \$2,381,127. This represents a slight increase of 10.3 percent for new investment dollars compared to new investments made at the previous evaluation. In addition, the bank maintained five prior period qualified investments with a current balance of \$1,598,041. Most of the new investments went to an affordable housing project in the community, which has been identified by a community representative as being a critical need in the community. The bank continues to invest in the community through a variety of investment strategies and products. The following table displays the bank's investments by type of community development activity.

Summary of CD Investments, Review Period September 17, 2013 – November 5, 2018										
Period of Investment	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Current Period	1	1,289,127	1	100,000	4	992,000	0	0	6	2,381,127
Prior Period	2	688,041	1	100,000	1	248,000	1	562,000	5	1,598,041
Totals	3	1,977,168	2	200,000	5	1,240,000	1	562,000	11	3,979,168

During the evaluation period, the bank made 158 qualified grants and donations to 69 different organizations, totaling \$399,823. This represents a substantial increase in grants and donations from the previous evaluation of 299.0 percent in dollars donated. The grants and donations were made to organizations engaged in community development activities throughout the assessment area. The largest single donation was made to an economic development organization specializing in small dollar financing to micro-enterprises, while the majority of donations were made to organizations that provide community services to low- and moderate-income individuals or families. The following table shows the distribution of the bank's donations based on the purpose of the organization receiving the donation.

Summary of CD Donations, Review Period September 17, 2013 – November 5, 2018										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Donations	22	67,825	7	59,730	22	82,050	107	190,218	158	399,823

Community Development Services

During the evaluation period, bank employees or officers participated with 23 different organizations that provide community development services in the bank's assessment area and logged 3,075.25 service hours. This represents a substantial increase in service hours from the

previous evaluation of 174.7 percent.

The employees and officers participated in activities that were directly related to the provision of banking, small business, housing, and financial services, totaling 120 separate instances. Bank representatives served in various capacities such as board directors and committee members. The degree of involvement by the bank was made evident as community representatives noted First Eagle Bank as highly involved with community initiatives and also highlighted their efforts in contributing their financial expertise to various organizations. All of the bank's officers participate in community service activities. The bank has also hosted several events ranging in topics from financial literacy to homeownership and small business workshops.

In addition to service hours, the bank provides accessibility programs to better serve the needs of its communities. There are 19 bilingual staff members who speak a total of ten languages. Also, Cash Advance and Fresh Start Checking programs are available to help serve unbanked and underbanked members of the community. The bank also offers the previously mentioned Credit Builder Loan Program to assist in repairing credit histories. Further, the bank partners with local non-profit organizations to both provide expertise to them and to provide low-cost banking services to the organizations.

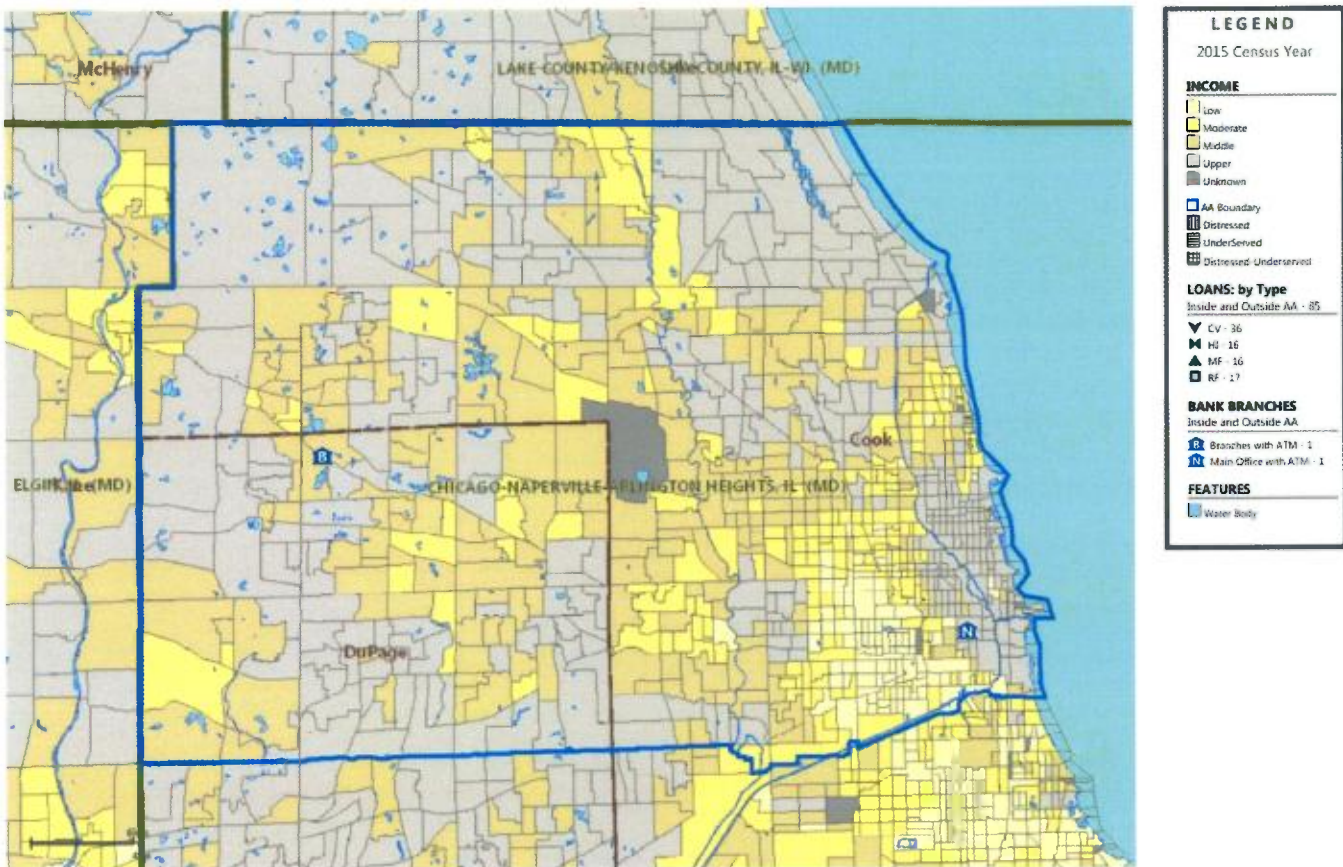
The table below details the number and hours devoted to the aforementioned community development activities.

Summary of CD Activities, Review Period September 17, 2013 – November 5, 2018										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Services	29	378	10	245	11	427	70	2,025.25	120	3,075.25

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area



APPENDIX B – Supplemental Tables

Assessment Area: 2017 Chicago-Naperville-Arlington Heights, IL MD 16974								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	105	11.5	70,733	8.1	24,476	34.6	201,530	23.1
Moderate-income	200	21.8	187,264	21.5	31,970	17.1	136,566	15.7
Middle-income	248	27.0	267,699	30.7	20,991	7.8	155,014	17.8
Upper-income	358	39.0	344,243	39.5	11,936	3.5	378,768	43.4
Unknown-income	6	0.7	1,939	0.2	402	20.7	0	0.0
Total Assessment Area	917	100.0	871,878	100.0	89,775	10.3	871,878	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	127,845	30,929	3.7	24.2	75,368	59.0	21,548	16.9
Moderate-income	335,972	132,843	16.0	39.5	168,393	50.1	34,736	10.3
Middle-income	455,089	270,765	32.6	59.5	150,222	33.0	34,102	7.5
Upper-income	657,335	394,974	47.5	60.1	212,540	32.3	49,821	7.6
Unknown-income	7,201	1,911	0.2	26.5	4,373	60.7	917	12.7
Total Assessment Area	1,583,442	831,422	100.0	52.5	610,896	38.6	141,124	8.9
	Total Businesses Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	5,571	3.7	4,785	3.8	763	3.5	23	2.6
Moderate-income	21,183	14.1	18,077	14.3	3,023	13.7	83	9.2
Middle-income	40,377	27.0	33,781	26.7	6,400	29.0	196	21.8
Upper-income	81,494	54.4	69,200	54.6	11,701	53.0	593	65.8
Unknown-income	1,127	0.8	912	0.7	209	0.9	6	0.7
Total Assessment Area	149,752	100.0	126,755	100.0	22,096	100.0	901	100.0
	Percentage of Total Businesses:			84.6		14.8		0.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	15	3.8	14	3.7	1	4.3	0	0.0
Moderate-income	43	10.8	41	10.9	2	8.7	0	0.0
Middle-income	109	27.4	99	26.4	10	43.5	0	0.0
Upper-income	230	57.8	220	58.7	10	43.5	0	0.0
Unknown-income	1	0.3	1	0.3	0	0.0	0	0.0
Total Assessment Area	398	100.0	375	100.0	23	100.0	0	0.0
	Percentage of Total Farms:			94.2		5.8		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans						
Assessment Area: 2017 Chicago-Naperville-Arlington Heights, IL MD 16974						
Product Type	Tract Income Levels	Bank & Demographic Comparison				Owner Occupied % of Units
		2017				
		Count Bank		Dollar Bank		
		#	%	\$ (000s)	\$ %	
Home Purchase	Low	0	0.0	0	0.0	3.7
	Moderate	6	17.1	1,805	7.9	16.0
	Middle	6	17.1	2,573	11.3	32.6
	Upper	23	65.7	18,365	80.8	47.5
	Unknown	0	0.0	0	0.0	0.2
	Total	35	100.0	22,743	100.0	100.0
Refinance	Low	3	20.0	2,529	14.1	3.7
	Moderate	0	0.0	0	0.0	16.0
	Middle	2	13.3	355	2.0	32.6
	Upper	9	60.0	14,556	81.4	47.5
	Unknown	1	6.7	450	2.5	0.2
	Total	15	100.0	17,890	100.0	100.0
Home Improvement	Low	2	40.0	754	20.2	3.7
	Moderate	1	20.0	717	19.2	16.0
	Middle	0	0.0	0	0.0	32.6
	Upper	2	40.0	2,255	60.5	47.5
	Unknown	0	0.0	0	0.0	0.2
	Total	5	100.0	3,726	100.0	100.0
Multi-Family	Low	2	18.2	752	6.3	Multi-Family 6.6
	Moderate	3	27.3	4,694	39.3	22.6
	Middle	1	9.1	1,850	15.5	24.5
	Upper	5	45.5	4,651	38.9	45.4
	Unknown	0	0.0	0	0.0	0.9
	Total	11	100.0	11,947	100.0	100.0
HMDA Totals	Low	7	10.6	4,035	7.2	3.7
	Moderate	10	15.2	7,216	12.8	16.0
	Middle	9	13.6	4,778	8.5	32.6
	Upper	39	59.1	39,827	70.7	47.5
	Unknown	1	1.5	450	0.8	0.2
	Total	66	100.0	56,306	100.0	100.0
Originations & Purchases						
2017 FFIEC Census Data						
Note: Percentages may not add to 100.0 percent due to rounding						

Borrower Distribution of HMDA Reportable Loans						
Assessment Area: 2017 Chicago-Naperville-Arlington Heights, IL MD 16974						
Product Type	Borrower Income Levels	Bank & Demographic Comparison				Families by Family Income %
		2017				
		Count		Dollar		
		#	%	\$ (000s)	\$ %	
Home Purchase	Low	0	0.0	0	0.0	23.1
	Moderate	1	2.9	1,014	4.5	15.7
	Middle	0	0.0	0	0.0	17.8
	Upper	9	25.7	8,157	35.9	43.4
	Unknown	25	71.4	13,572	59.7	0.0
	Total	35	100.0	22,743	100.0	100.0
Refinance	Low	1	6.7	144	0.8	23.1
	Moderate	0	0.0	0	0.0	15.7
	Middle	1	6.7	450	2.5	17.8
	Upper	7	46.7	12,854	71.9	43.4
	Unknown	6	40.0	4,442	24.8	0.0
	Total	15	100.0	17,890	100.0	100.0
Home Improvement	Low	0	0.0	0	0.0	23.1
	Moderate	0	0.0	0	0.0	15.7
	Middle	0	0.0	0	0.0	17.8
	Upper	1	20.0	1,630	43.7	43.4
	Unknown	4	80.0	2,096	56.3	0.0
	Total	5	100.0	3,726	100.0	100.0
Multi-Family	Low	0	0.0	0	0.0	23.1
	Moderate	0	0.0	0	0.0	15.7
	Middle	0	0.0	0	0.0	17.8
	Upper	0	0.0	0	0.0	43.4
	Unknown	11	100.0	11,947	100.0	0.0
	Total	11	100.0	11,947	100.0	100.0
HMDA Totals	Low	1	1.5	144	0.3	23.1
	Moderate	1	1.5	1,014	1.8	15.7
	Middle	1	1.5	450	0.8	17.8
	Upper	17	25.8	22,641	40.2	43.4
	Unknown	46	69.7	32,057	56.9	0.0
	Total	66	100.0	56,306	100.0	100.0
Originations and Purchases						
2017 FFIEC Census Data						
Note: Percentages may not add to 100.0 percent due to rounding						

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		HMDA-Reportable Loans: January 1, 2016 through December 31, 2017 Small Business Loans: January 1, 2017 through December 31, 2017 Community Development Activities: September 17, 2013 – November 5, 2018	
FINANCIAL INSTITUTION First Eagle Bank			PRODUCTS REVIEWED HMDA Reportable Loans Small Business Loans Community Development Loans Qualified Investments Community Development Services
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	None		None
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Chicago-Naperville-Arlington Heights, IL MD	Full Scope Review	Hanover Park, IL	First Eagle includes a portion of DuPage and Cook counties in its assessment area.

APPENDIX D – Glossary

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

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.³

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

³ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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 household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an 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 census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in “loans to small businesses” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).