

PUBLIC DISCLOSURE

February 7, 2022

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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INSTITUTION'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 ratio is more than reasonable considering the bank's size, financial condition, and credit needs of its assessment area. A majority of the bank's loans are in the bank's assessment area. Geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and the distribution of loans among individuals of different income levels and businesses of different sizes is 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 its assessment area through community development loans, investments, and services considering the institution's 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 Examination Council's (FFIEC) 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.

A full scope review was conducted on the bank's sole assessment area, which consists of portions of Cook and DuPage Counties within the Chicago-Naperville-Evanston, IL Metropolitan Division #16984. Loan products reviewed include small business loans and Home Mortgage Disclosure Act (HMDA)-reportable loans. Additionally, the level of qualified community development loans, investments, and services was evaluated.

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

- ***Loan-to-Deposit Ratio*** – A 13-quarter average loan-to-deposit ratio ending September 30, 2021, 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, 2019, through December 31, 2019, and small business loans originated from

January 1, 2019, through December 31, 2020, were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated in the assessment area from January 1, 2019, through December 31, 2019, and small business loans originated from January 1, 2019, through December 31, 2020, were analyzed 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 in the assessment area from January 1, 2019, through December 31, 2019, and small business loans originated from January 1, 2019, through December 31, 2020, 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 November 6, 2018, through February 7, 2022, was 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 evaluation to provide information regarding local economic and socio-economic conditions in the assessment area. Contacts represented organizations involved with affordable housing and economic development.

DESCRIPTION OF INSTITUTION

First Eagle Bank is a wholly owned subsidiary of First Eagle Bancshares, Inc., a one bank holding company headquartered in Chicago, Illinois. The bank operates two full-service locations with drive-through services and automated teller machines (ATMs) in the assessment area. 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, access to

online banking, and other bank services. Since the previous evaluation on November 5, 2018, the bank has not opened or closed any branches or ATMs.

Since 2010, First Eagle Bank has been designated by the United States Department of the 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 Small Business Administration (SBA)-guaranteed loans including 504, Standard 7(a), and the SBA Express loan programs. The bank's Credit Builder Loan Program, introduced in 2012, was created to provide customers with little or no credit, many of whom are low- and moderate-income, an opportunity to establish credit history and encourage savings through small dollar loans. From the last performance evaluation on November 5, 2018 through October 2021, the bank made 64 Credit Builder loans totaling \$70,084, and more recently, the bank partnered with a local non-profit to introduce the Credit Builder Loan product to residents of the organization. Similarly, the bank's Second Chance Savings accounts are offered to clients of their non-profit partners to further assist low-and moderate-income individuals. Additionally, First Eagle Bank partnered with another local non-profit to help finance the purchase of automobiles for graduates of the organization's training program. The program provides construction job training to underserved communities, and the automobiles are necessary for transportation to the workplace. Overall, the bank continues to identify responsive ways to build partnerships with local organizations to provide banking services to those with limited access to financial services.

As of September 30, 2021, the Uniform Bank Performance Report (UBPR) reported total assets of approximately \$623.4 million. This represents an increase in asset size of 22.0 percent since the previous evaluation where the bank reported \$511.4 million in assets. First Eagle Bank is primarily a commercial lender, as this category represents approximately 51.4 percent of the gross loan portfolio. The bank offers a full range of traditional deposit and credit products to meet the banking needs of its assessment area. Loan products offered include home mortgage, secured and unsecured commercial, secured and unsecured consumer loans, and home equity lines of credit. In addition to its lending activities, the bank offers standard, non-complex deposit products including checking, savings, NOW, and money market deposit accounts and certificates of deposit. Details of the bank's loan portfolio are shown below.

Composition of Loan Portfolio as of September 30, 2021 (000's)		
Type	\$	%
Commercial	201,808	51.4
Residential Real Estate	125,603	32.0
Other	64,932	16.5
Consumer	66	0.0
Total	392,409	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 November 5, 2018.

DESCRIPTION OF ASSESSMENT AREA

First Eagle Bank delineates one assessment area in the state of Illinois that includes portions of Cook and DuPage Counties, which comprise a portion of the Chicago-Naperville-Evanston, Illinois Metropolitan Division #16984 (Chicago IL MD). The bank excludes McHenry, Grundy, and Will Counties from its assessment area, which are included in the Chicago IL MD. The delineated assessment area has remained unchanged since the previous evaluation and consists of 917 census tracts including 104 low-, 200 moderate-, 247 middle-, 360 upper-, and six unknown-income tracts. Although the delineated assessment area has not changed since the previous evaluation, the OMB has redefined the Chicago IL MD and the Elgin, IL MD #20994 (Elgin IL MD), effective 2019. The redefinition included re-numbering the Chicago IL MD from #16974 to #16984 and moving Kendall County from the Chicago IL MD to the Elgin IL MD.

According to 2020 FFIEC Census data, there are a total of 871,878 families in the assessment area. Of these, 69,652 families reside in low-income census tracts and 187,141 families reside in moderate-income census tracts, representing 8.0 and 21.5 percent of families in the assessment area, respectively. There are 1,583,442 housing units in the assessment area. Of these housing units, 8.0 percent are located in low-income census tracts, which are comprised of 24.0 percent owner-occupied, 59.1 percent rental, and 16.9 percent vacant housing. An additional 21.2 percent of housing units are located in moderate-income census tracts, of which 39.4 percent are owner-occupied, 50.2 percent are rental, and 10.4 percent are vacant housing. The relatively low number of owner-occupied units indicates opportunity for increased homeownership in low- and moderate-income tracts. Community representatives have stated a need for greater affordable housing throughout the assessment area.

A total of 186,100 businesses are located in the assessment area, of which 3.9 and 14.7 percent are located in low- and moderate-income census tracts, respectively. Businesses with gross annual revenues under \$1.0 million represent 88.1 percent of total business, evidencing ample lending opportunities to small businesses within the assessment area. A community representative noted many small family-owned businesses are underbanked, as evidenced by the number of businesses requesting SBA Paycheck Protection Program (PPP) loans that did not have prior relationships with banks, and these businesses would benefit from ongoing banking relationships in order to grow their business.

The June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report ranked First Eagle Bank 52nd of 114 FDIC-insured depository institutions operating in the assessment area. During this time, the bank held approximately \$465.0 million in deposits representing 0.1 percent of the total market share in the assessment area. Based on the report, the top three institutions by market share are JP Morgan Chase Bank, National Association (23.8 percent); BMO Harris Bank, National Association (16.3 percent); and Bank of America, National Association (9.5 percent).

The following table displays information about the assessment area by tract income category, including details on families, housing units, businesses, and farms for the year 2020. Please refer to Appendix C to review this information for 2019.

Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	104	11.3	69,652	8.0	24,151	34.7	200,499	23.0
Moderate-income	200	21.8	187,141	21.5	32,209	17.2	136,105	15.6
Middle-income	247	26.9	266,390	30.6	20,917	7.9	154,631	17.7
Upper-income	360	39.3	346,756	39.8	12,096	3.5	380,643	43.7
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	126,011	30,271	3.6	24.0	74,475	59.1	21,265	16.9
Moderate-income	336,059	132,360	15.9	39.4	168,728	50.2	34,971	10.4
Middle-income	451,985	268,939	32.3	59.5	149,118	33.0	33,928	7.5
Upper-income	662,186	397,941	47.9	60.1	214,202	32.3	50,043	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 by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7,193	3.9	6,477	4.0	695	3.3	21	1.9
Moderate-income	27,347	14.7	24,277	14.8	2,958	14.0	112	10.1
Middle-income	49,413	26.6	43,138	26.3	6,043	28.6	232	20.9
Upper-income	100,760	54.1	88,791	54.2	11,228	53.2	741	66.6
Unknown-income	1,387	0.7	1,201	0.7	180	0.9	6	0.5
Total Assessment Area	186,100	100.0	163,884	100.0	21,104	100.0	1,112	100.0
	Percentage of Total Businesses:		88.1		11.3		0.6	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	25	4.6	24	4.6	1	5.9	0	0.0
Moderate-income	59	10.8	59	11.2	0	0.0	0	0.0
Middle-income	136	25.0	128	24.3	8	47.1	0	0.0
Upper-income	323	59.4	314	59.7	8	47.1	1	100.0
Unknown-income	1	0.2	1	0.2	0	0.0	0	0.0
Total Assessment Area	544	100.0	526	100.0	17	100.0	1	100.0
	Percentage of Total Farms:		96.7		3.1		0.2	

2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS

Note: Percentages may not add to 100.0 percent due to rounding

Population Change

The following table below shows the population trends for the counties comprising the assessment area (Cook and DuPage Counties), the Chicago IL MD, and the state of Illinois. DuPage and Cook Counties experienced a slight increase in population of 1.5 and 0.8 percent, respectively, which was comparable to the 0.8 percent growth in population for the Chicago IL MD. The total population growth in the state was slightly lower than both counties, which indicates a somewhat slower growth trend for a majority of the state. A community representative noted the population has remained stable during the COVID-19 pandemic. However, another community representative stated low-income residents have been leaving Chicago for suburban Cook County and other adjacent counties, noting that it appears to largely be an outmigration of African American residents. The community representative speculates this is because these residents are moving to other regions to be closer to family or are leaving due to high rates of racial segregation, high crime rates, poor public resource provisions for African American communities, declining quality of schools, and the high cost of living with low earning potential within the city of Chicago.

Population Change			
Area	2010 Population	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 IL MD	7,147,982	7,208,434	0.8
Illinois	12,830,632	12,873,761	0.3

*Source: 2010 U.S. Census Bureau Decennial Census
2011 - 2015 U.S. Census Bureau American Community Survey*

Income Characteristics

The following table compares the median family income (MFI) for families living in the assessment area, the Chicago IL MD, and the state of Illinois. For context, the assessment area is comprised of 871,878 families, of which 23.0 percent are low-income, 15.6 percent are moderate-income, 17.7 percent are middle-income, and 43.7 percent are upper-income, based on 2020 FFIEC Census Data. In addition, 10.3 percent of families in the assessment area are below the poverty level. According to the 2011-2015 U.S. Census Bureau American Community Survey, the MFI in Cook County in 2015 was \$67,324, which was below the MFI for the Chicago IL MD (\$75,024) and the state of Illinois (\$71,546). During the same time, the MFI in DuPage County was \$96,751, which was significantly higher than the MFI for Cook County, the Chicago IL MD, and the state of Illinois. All areas experienced a decline in MFI since 2010. Cook County experienced the largest decline in MFI of 4.9 percent, while DuPage County experienced a decline of 3.9 percent, which was comparable to the Chicago IL MD and the state of Illinois.

A community representative noted the MFI in Hanover Park, IL, a city within Cook and DuPage Counties, has increased in recent years, and may be reflective of an increasing trend in DuPage County as well. Even during the COVID-19 pandemic, incomes have risen due to the abundant essential service jobs in Hanover Park, IL, such as manufacturing, warehousing, healthcare, and transportation.

Median Family Income Change			
Area	2010 Median Family Income (\$)	2015 Median Family Income (\$)	Percentage Change (%)
Cook County, IL	70,824	67,324	-4.9
DuPage County, IL	100,644	96,751	-3.9
Chicago, IL MD	78,230	75,024	-4.1
Illinois	74,306	71,546	-3.7

*Source: 2006 - 2010 U.S. Census Bureau American Community Survey
2011 - 2015 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.*

Housing Characteristics

The bank’s assessment area includes 1,583,442 total housing units, 52.5 percent of which are owner-occupied, 38.6 percent are rental, and 8.9 percent are vacant. The following table presents the recent housing cost burden within the counties that comprise the assessment area, the Chicago IL MD, and the state of Illinois. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. Renters across all income levels in Cook and DuPage Counties experience this burden at 45.7 and 42.1 percent, respectively, which reflects higher rates than the housing cost burden among homeowners in those counties at 29.8 and 25.1 percent, respectively. The Chicago IL MD and the state rates for renters more closely align with Cook County than DuPage County; DuPage County contains the highest percentage of low and moderate-income renters experiencing housing cost burden, at 81.2 and 53.3 percent, respectively. However, the housing cost burden among low-income renters in Cook County does not fall far below that of DuPage County at 76.5 percent, which implies a shortage of affordable housing in both counties. Local community representatives confirmed a need for more affordable housing options in both assessment area counties to support demand for affordable rental options.

Housing cost burden rates among homeowners present similar comparative trends to those of renters, with individuals in the lower income levels experiencing higher cost burdens than the average homeowner. According to FFIEC HMDA loan and application records, home mortgage trends reflect increases in home mortgage activity in recent years across the assessment area counties and the broader region. These trends suggest a continued increase in demand for home purchases, driving up home values and further indicating that housing cost burden for low-and

moderate-income homeowners will remain elevated.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Cook County, IL	76.5	38.9	45.7	74.7	48.8	29.8
DuPage County, IL	81.2	53.3	42.1	80.3	54.8	25.1
Chicago IL MD	77.0	40.7	45.3	75.2	49.5	28.3
Illinois	74.9	36.0	43.8	68.8	39.9	23.4
<i>Cost Burden is housing cost that equals 30.0 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy</i>						

Employment Characteristics

The following table presents the unemployment rates in the counties comprising the assessment area, the Chicago IL MD, and the state of Illinois from 2016-2020. Based on the Bureau of Labor Statistics' Local Area Unemployment Statistics, unemployment rates in all areas steadily declined from 2016 to 2019, then experienced a surge in 2020. Much of this increase was attributed to the COVID-19 pandemic. Representatives state that employment trends in DuPage County have been trending lower than that of the state, as many jobs have been resistant to the pandemic. This is evidenced by the lower rate of unemployment in 2020 for DuPage County compared to Cook County, the Chicago IL MD, and the state.

Unemployment Rates (%)					
Area	2016	2017	2018	2019	2020
Cook County, IL	6.2	5.2	4.2	4.0	11.1
DuPage County, IL	4.8	4.0	3.3	3.1	7.9
Chicago IL MD	6.0	5.0	4.1	3.8	10.4
Illinois	5.9	5.0	4.4	4.0	9.5
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

The assessment area has a large percentage of professional and technical service employers, followed by healthcare, social assistance, and retail trade. A community representative confirmed healthcare and retail workers comprise a significant percentage of the private sector work force throughout portions of DuPage and Cook Counties. Although manufacturing and trade positions are not widespread industries, they have maintained a stable number of establishments through the COVID-19 pandemic.

Community Representatives

Two community representatives were contacted to provide information and insight regarding local economic and demographic conditions in Cook and DuPage Counties. The representatives provided information on affordable housing, employment, and economic development needs within their respective areas of expertise. Both contacts noted that it is difficult to find affordable housing, and the pandemic has further exacerbated the problem. For instance, extra protections were granted to tenants under the pandemic's eviction moratorium, increasing landlords concerns that they would be unable to evict tenants, if needed. As a result, some landlords were unwilling to put resources into fixing units or would rather let units remain vacant than lease to new tenants for fear tenants would not be able to make their payments.

Other concerns noted by community representatives include labor shortage concerns in the construction and trade industries, as well as the need for quality public transportation to access areas of business. With the population of the metro area of Cook County declining, finding qualified workers has become increasingly challenging. Furthermore, low-income municipalities are losing tax dollars annually, thus making it difficult to provide adequate services, such as quality transportation. Contacts also noted that both counties' residents and small businesses would benefit from having more accessible bank branches in high-poverty areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Eagle Bank's performance relative to the lending test is Satisfactory. The bank's loan to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and credit needs of the assessment area. Additionally, a majority of loans were originated in the assessment area. Lending performance demonstrates reasonable penetration among individuals of different income levels and businesses of different sizes. Lastly, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Loan-to-Deposit Ratio

First Eagle Bank had a more than reasonable LTD ratio given the bank's size, financial condition, and the credit needs of its assessment area. As of September 30, 2021, the bank's 13-quarter average LTD ratio was 87.8 percent, which was above the average of local competitors. The bank's LTD ratio has decreased slightly from the previous evaluation, where the LTD ratio over 20-quarters was 88.7 percent. The table below compares the bank's LTD ratio to that of its local competitors.

Comparative Loan-to-Deposit Ratios as of September 30, 2021	
Comparative Data	13 Quarter Average (%)
First Eagle Bank	87.8
Peer Avg – Local	79.0
Competitors	
Evergreen Bank Group	94.0
Providence B&TC	81.3
International Bank of Chicago	81.2
Belmont B&TC	77.4
Amalgamated Bank Chicago	61.0

Assessment Area Concentration

First Eagle Bank made a majority of its loans within the assessment area. As presented in the table below, the bank originated 79.7 percent of HMDA-reportable loans by number and 79.6 percent by dollar amount within the assessment area. Small business loans originated within the assessment area are 84.7 percent by number and 85.6 percent by dollar. The percentage of HMDA-reportable and small business originations within the assessment area indicates the bank is actively responding to the credit needs of borrowers in the assessment area. Furthermore, this lending pattern is considered especially responsive in the onset year of the COVID-19 pandemic, during which the demand for SBA PPP loans greatly increased the number of small business loans.

Loan Types	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Improvement	5	71.4	2,800	74.8	2	28.6	945	25.2
Home Purchase - Conventional	34	87.2	32,010	92.5	5	12.8	2,598	7.5
Multi-Family Housing	5	50.0	3,531	32.3	5	50.0	7,408	67.7
Refinancing	15	83.3	14,361	84.9	3	16.7	2,548	15.1
Total HMDA Related	59	79.7	52,702	79.6	15	20.3	13,499	20.4
Total Small Business Related	316	84.7	47,037	85.6	57	15.3	7,884	14.4
TOTAL LOANS	375	83.9	99,739	82.3	72	16.1	21,383	17.7

Geographic Distribution of Loans

First Eagle Bank demonstrated a reasonable geographic distribution of loans given the bank's assessment area. In 2019, the bank originated HMDA-reportable loans in 52 census tracts and small business loans in 41 census tracts out of 917; 90.3 percent of tracts did not receive any HMDA-reportable or small business loans. In 2020, the bank originated small business loans in

131 census tracts out of 917; 85.7 percent of tracts did not receive any small business loans. The dispersion of loans in the assessment area was also reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. Based upon this analysis and considering the low volume of loans originated and the sizeable assessment area, it was determined that there were no unexplained or conspicuous gaps in contiguous census tracts.

The bank's HMDA-reportable and small business lending is discussed in more detail below by individual product. Because First Eagle Bank is primarily a commercial lender, more weight is placed on small business lending.

HMDA-Reportable Lending

The geographic distribution of 2019 HMDA-reportable loans reflects poor dispersion throughout the assessment area. The bank's primary HMDA-reportable products during the review period were home purchase and refinance loans. The remaining HMDA-reportable products will not be evaluated due to low volume.

Home Purchase

Home purchase loans represent the largest percentage of the bank's total 2019 HMDA-reportable loans originated in the assessment area with 57.6 percent of loan originations. No home purchase loans were originated in the low-income census tracts. However, aggregate lenders originated only 3.6 percent of loans in low-income census tracts, and 3.6 percent of owner-occupied units are in low-income census tracts. Of the bank's home purchase loans, 8.8 percent were originated in moderate-income census tracts, which is below aggregate lenders (15.7 percent) and owner-occupied units (15.9 percent).

Refinance

Refinance loans accounted for 25.4 percent of the bank's total 2019 HMDA-reportable loans originated in the assessment area. No refinance loans were originated in low- or moderate-income census tracts. Aggregate lenders originated 2.5 percent and 12.6 percent of refinance loans in low- and moderate-income census tracts, respectively, and there are 3.6 percent and 15.9 percent of owner-occupied units in low- and moderate-income census tracts, respectively.

The table below presents the 2019 geographic distribution of HMDA-reportable loans in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		Count		Dollar		Agg		
		Bank	Agg	Bank	Agg	Bank	Agg	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	3.6	0	0.0	2.8	3.6
	Moderate	3	8.8	15.7	1,080	3.4	12.4	15.9
	Middle	6	17.6	30.0	3,958	12.4	23.3	32.3
	Upper	25	73.5	50.5	26,972	84.3	61.2	47.9
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	Total	34	100.0	100.0	32,010	100.0	100.0	100.0
Refinance	Low	0	0.0	2.5	0	0.0	1.8	3.6
	Moderate	0	0.0	12.6	0	0.0	9.5	15.9
	Middle	4	26.7	27.1	2,436	17.0	20.0	32.3
	Upper	11	73.3	57.6	11,926	83.0	68.5	47.9
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	Total	15	100.0	100.0	14,361	100.0	100.0	100.0
Home Improvement	Low	1	20.0	2.8	135	4.8	2.7	3.6
	Moderate	0	0.0	13.3	0	0.0	10.8	15.9
	Middle	1	20.0	28.9	300	10.7	23.0	32.3
	Upper	3	60.0	55.0	2,365	84.5	63.5	47.9
	Unknown	0	0.0	0.1	0	0.0	0.1	0.2
	Total	5	100.0	100.0	2,800	100.0	100.0	100.0
Multi-Family	Low	1	20.0	11.9	665	18.8	8.5	6.6
	Moderate	1	20.0	30.9	500	14.2	18.0	22.5
	Middle	0	0.0	22.6	0	0.0	18.0	24.3
	Upper	3	60.0	34.1	2,366	67.0	54.6	45.7
	Unknown	0	0.0	0.5	0	0.0	0.8	0.9
	Total	5	100.0	100.0	3,531	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	1.6	0	0.0	1.3	3.6
	Moderate	0	0.0	11.3	0	0.0	7.7	15.9
	Middle	0	0.0	27.3	0	0.0	21.7	32.3
	Upper	0	0.0	59.6	0	0.0	69.2	47.9
	Unknown	0	0.0	0.2	0	0.0	0.1	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	3.3	0	0.0	1.9	3.6
	Moderate	0	0.0	11.7	0	0.0	6.0	15.9
	Middle	0	0.0	32.0	0	0.0	15.4	32.3
	Upper	0	0.0	52.9	0	0.0	76.2	47.9
	Unknown	0	0.0	0.2	0	0.0	0.4	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	5.7	0	0.0	4.0	3.6
	Moderate	0	0.0	21.9	0	0.0	15.6	15.9
	Middle	0	0.0	37.6	0	0.0	31.2	32.3
	Upper	0	0.0	34.8	0	0.0	49.2	47.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	2	3.4	3.1	800	1.5	2.9	3.6
	Moderate	4	6.8	14.3	1,580	3.0	11.6	15.9
	Middle	11	18.6	28.7	6,693	12.7	21.3	32.3
	Upper	42	71.2	53.7	43,629	82.8	63.9	47.9
	Unknown	0	0.0	0.2	0	0.0	0.3	0.2
	Total	59	100.0	100.0	52,702	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 Lending

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. In 2020, the bank originated 2.8 percent of its small business loans in low-income census tracts, which is consistent with the percent of total businesses at 3.9 percent. In moderate-income census tracts, the bank originated 13.7 percent of its small business loans, which is also consistent with the percent of total businesses at 14.7 percent.

In comparison to the bank’s 2020 small business geographic lending performance, 2019 demonstrated a significantly better distribution to low- and moderate-income census tracts. In 2019, the bank originated 6.0 percent of its small business loans in low-income census tracts, which is slightly above the percent of total businesses at 3.7 percent. In moderate-income census tracts, the bank originated 32.8 percent, of its small business loans, which is more than double the percent of total businesses at 14.5 percent. This demonstrates the bank is also responsive to businesses in low- and moderate-income census tracts in its normal course of business outside of the extraordinary circumstances of the COVID-19 pandemic.

The following table presents the geographic distribution of small business loans in the assessment area from 2020, while the bank’s small business 2019 geographic distribution table can be found in Appendix D.

Geographic Distribution of Small Business Loans						
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2020 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	
Small Business	Low	7	2.8	343	1.2	3.9
	Moderate	34	13.7	3,529	12.0	14.7
	Middle	37	14.9	5,052	17.2	26.6
	Upper	171	68.7	20,382	69.5	54.1
	Unknown	0	0.0	0	0.0	0.7
	Total	249	100.0	29,306	100.0	100.0

2020 FFIEC Census Data & 2020 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 Business of Different Sizes

First Eagle Bank’s distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes is reasonable given the demographics of the bank's assessment area.

A breakdown of the bank's HMDA-reportable and small business lending is discussed in more detail below by individual product. Because First Eagle Bank is primarily a commercial lender, more weight is placed on small business lending.

HMDA-Reportable Lending

The distribution of 2019 HMDA-reportable home purchase and refinance loans reflects poor penetration among individuals of different income levels, including low- and moderate-income. The bank's primary HMDA-reportable products during the review period were home purchase and refinance. The remaining HMDA-reportable products will not be evaluated due to low volume.

Home Purchase

In 2019, First Eagle Bank did not originate any of its home purchase loans to low- or moderate-income borrowers. Aggregate lenders originated 3.8 and 17.5 percent of home purchase loans to low- and moderate-income borrowers, respectively. The percentage of low- and moderate-income families in the assessment area are 23.0 percent and 15.6 percent, respectively.

Refinance

In 2019, First Eagle Bank did not originate any refinance loans to low-income borrowers. Aggregate lenders originated 2.9 percent of loans to low-income borrowers, and 23.0 percent of families are low-income. The bank originated 6.7 percent of refinance loans to moderate-income borrowers, which is below the percentage of aggregate lenders and moderate-income families at 10.4 percent and 15.6 percent, respectively.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2019			Dollar			
		Count Bank		Agg %	Bank		Agg \$ %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	3.8	0	0.0	1.7	23.0
	Moderate	0	0.0	17.5	0	0.0	10.4	15.6
	Middle	0	0.0	22.0	0	0.0	16.9	17.7
	Upper	4	11.8	45.5	4,793	15.0	60.0	43.7
	Unknown	30	88.2	11.2	27,217	85.0	11.0	0.0
	Total		34	100.0	100.0	32,010	100.0	100.0
Refinance	Low	0	0.0	2.9	0	0.0	1.1	23.0
	Moderate	1	6.7	10.4	75	0.5	5.4	15.6
	Middle	1	6.7	18.6	80	0.6	12.7	17.7
	Upper	3	20.0	55.8	1,352	9.4	68.1	43.7
	Unknown	10	66.7	12.3	12,855	89.5	12.7	0.0
	Total		15	100.0	100.0	14,361	100.0	100.0
Home Improvement	Low	0	0.0	4.7	0	0.0	2.7	23.0
	Moderate	0	0.0	11.7	0	0.0	7.7	15.6
	Middle	0	0.0	19.9	0	0.0	15.7	17.7
	Upper	1	20.0	60.2	900	32.1	67.8	43.7
	Unknown	4	80.0	3.6	1,900	67.9	6.1	0.0
	Total		5	100.0	100.0	2,800	100.0	100.0
Multi-Family	Low	0	0.0	0.1	0	0.0	0.0	23.0
	Moderate	0	0.0	0.0	0	0.0	0.0	15.6
	Middle	0	0.0	0.8	0	0.0	0.1	17.7
	Upper	0	0.0	1.2	0	0.0	0.3	43.7
	Unknown	5	100.0	97.9	3,531	100.0	99.6	0.0
	Total		5	100.0	100.0	3,531	100.0	100.0
Other Purpose LOC	Low	0	0.0	4.8	0	0.0	2.5	23.0
	Moderate	0	0.0	13.2	0	0.0	8.2	15.6
	Middle	0	0.0	20.1	0	0.0	14.6	17.7
	Upper	0	0.0	57.9	0	0.0	69.8	43.7
	Unknown	0	0.0	4.1	0	0.0	4.8	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	7.3	0	0.0	2.9	23.0
	Moderate	0	0.0	13.8	0	0.0	6.1	15.6
	Middle	0	0.0	20.3	0	0.0	10.8	17.7
	Upper	0	0.0	53.1	0	0.0	71.3	43.7
	Unknown	0	0.0	5.6	0	0.0	8.9	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.2	0	0.0	0.1	23.0
	Moderate	0	0.0	0.3	0	0.0	0.3	15.6
	Middle	0	0.0	0.5	0	0.0	0.5	17.7
	Upper	0	0.0	1.0	0	0.0	2.3	43.7
	Unknown	0	0.0	98.0	0	0.0	96.8	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	3.4	0	0.0	1.3	23.0
	Moderate	1	1.7	13.6	75	0.1	7.1	15.6
	Middle	1	1.7	19.9	80	0.2	13.3	17.7
	Upper	8	13.6	50.0	7,045	13.4	57.9	43.7
	Unknown	49	83.1	13.0	45,502	86.3	20.4	0.0
	Total		59	100.0	100.0	52,702	100.0	100.0
Originations & Purchases 2016 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. The implementation of the Small Business Administration's Paycheck Protection Program did not require banks to obtain proof of annual revenue prior to extending credit through the program; therefore, the bank's 2020 lending reflects an abnormally high number of loans with unknown revenues. The bank performed below the percentage of total businesses in the assessment area that reported gross annual revenue of \$1.0 million or less, originating 42.2 percent of its loans to these businesses while they comprise 88.1 percent of businesses in the assessment area. Of the loan originations to businesses with revenue of \$1.0 million or less, 81.9 percent were in amounts of \$100,000 or less, which are considered the most impactful in providing funding for the smallest businesses in the assessment area. Overall, the bank's small business lending demonstrates its willingness to meet credit needs of local businesses, particularly supported by the participation in PPP lending and the notable number of small dollar loans made. Further, PPP loans are considered particularly responsive to the challenges of small businesses from the COVID-19 pandemic and are incredibly beneficial to the community, as they are exclusively for payroll or income replacement.

In 2019, the bank's lending to small businesses was comparable to the bank's 2020 performance. The table below presents the 2020 borrower distribution of small business loans in the assessment area by revenue and loan size. Please refer to Appendix D for 2019 borrower distribution tables.

Small Business Lending By Revenue & Loan Size								
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Product Type		Bank & Demographic Comparison						
		2020		2020		Total Businesses %		
Revenue	Loan Size	Count Bank		Dollar Bank				
		#	%	\$ 000s	\$ %			
Small Business	Revenue	\$1 Million or Less	105	42.2	9,538	32.5	88.1	
		Over \$1 Million	86	34.5	15,261	52.1	11.3	
		Unknown	58	23.3	4,507	15.4	0.6	
		Total	249	100.0	29,306	100.0	100.0	
Small Business	Loan Size	\$100,000 or Less	174	69.9	6,237	21.3		
		\$100,001 - \$250,000	42	16.9	7,100	24.2		
		\$250,001 - \$1 Million	33	13.3	15,969	54.5		
		Total	249	100.0	29,306	100.0		
Small Business	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	86	81.9	2,420	25.4		
		\$100,001 - \$250,000	8	7.6	1,466	15.4		
		\$250,001 - \$1 Million	11	10.5	5,652	59.3		
		Total	105	100.0	9,538	100.0		

Originations & Purchases
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Response to Complaints

Neither the bank nor this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank’s performance relative to the community development test is Outstanding.

Lending, Investment, and Services Activities

First Eagle Bank demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments (including donations), and community development services considering the bank’s capacity and the need and availability of such opportunities in the assessment area. The bank’s CDFI status ensures community development is a primary mission of the bank. The bank specializes in working with niche and underserved markets not typically addressed by traditional financial institutions and provides a range of unique 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 continues to achieve its primary mission to promote development throughout its assessment area and exemplifies First Eagle Bank’s commitment to

increasing their outreach efforts to low- and moderate-income communities.

The bank made a majority of loans and investments for the primary purpose of affordable housing, and a majority of its donations and services were made to community services benefiting low-and moderate-income individuals and families. Additionally, the bank had community development loans within the broader statewide or regional area that did not benefit the assessment area based on the mission of the entity with which the bank partnered. These loans, while qualified and responsive to community development needs, are considered enhancements to the bank’s rating, resulting in an outstanding rating for the bank. Such enhancements are considered when a financial institution is satisfactorily meeting the credit needs of its assessment area.

Lending

The bank originated 91 qualified loans that benefited the assessment for a total of \$36.4 million focused on affordable housing, economic development, revitalization/stabilization, and community services over a 39-month evaluation period. Moreover, 52 qualified loans totaling \$25.6 million were originated in the broader statewide or regional area but did not benefit the assessment area. These loans are considered as enhancements and will contribute to the bank’s overall rating. A majority of the qualified loans were dedicated to organizations with an affordable housing purpose (55.2 percent). Since the prior evaluation, the average number of community development loans made monthly increased by 19.0 percent, while the average monthly dollar amount of the loans slightly decreased by 3.7 percent. Additionally, despite dedicating many of its resources to fulfill PPP loans in 2020 and 2021, the bank was still able to increase the number of community development loans, on a per month basis, since the last evaluation. The following table displays the distribution of the bank’s community development loans based on the purpose of the loan proceeds.

Summary of Community Development Loans, November 6, 2018 - February 7, 2022										
Area Benefitted	Affordable Housing		Economic Development		Revitalize/Stabilize		Community Service		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Assessment Area	43	20,944,632	14	1,827,981	19	11,418,199	15	2,213,423	91	36,404,234
Broader Statewide or Regional Area - Enhancement	36	17,284,467	1	867,306	9	6,139,750	6	1,291,035	52	25,582,558
Total	79	38,229,098	15	2,695,287	28	2,695,287	21	3,504,458	143	61,986,792

Investments

The bank made five new investments during the evaluation period totaling \$3.0 million. Additionally, 10 investments from the prior evaluation period, with an outstanding balance of \$3.5 million, were maintained during this evaluation. In total, this is a significant increase of 36.4 percent by number and 86.4 percent by dollar since the previous evaluation, where the bank made a total of 11 investments totaling \$4.0 million. Approximately 60.0 percent of investments have an affordable housing purpose. The bank continues to invest in the community through a variety of investment strategies and products, including investments made in mortgage-backed securities and other local CDFIs. The table below displays the bank's investments by community development purpose.

Summary of Community Development Investments, November 6, 2018 - February 7, 2022										
Type of Activity	Affordable Housing		Economic Development		Revitalize/Stabilize		Community Service		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Investments	9	6,022,102	4	899,983	2	493,004	0	0	15	7,415,089

The bank made 83 donations to 45 different organizations that benefited the assessment area, totaling \$265,988. On a per month basis, donations increased 5.8 percent by dollar, but decreased by 16.5 percent by number since the prior evaluation. Additionally, affordable housing donations nearly doubled by number and dollar on a per month basis, which is particularly responsive to the affordable housing needs noted by community representatives. The table below displays the distribution of the bank's donations based on the purpose of the organization receiving the donation.

Summary of Community Development Donations, November 6, 2018 - February 7, 2022										
Type of Activity	Affordable Housing		Economic Development		Revitalize/Stabilize		Community Service		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Donations	28	84,797	18	87,698	3	8,500	34	84,993	83	265,988

Services

Bank employees or officers participated in 68 services to 28 different organizations, totaling 1,263 hours, to community development organizations over a 39-month period. The majority of service activities were dedicated to organizations with a community service focus (42.6 percent) or affordable housing purpose (41.2 percent). Bank staff primarily served as board members for several of these organizations, but the bank hosted a number of financial literacy workshops and credit counseling sessions during the evaluation period as well. There was a decrease in the total number of service activities and hours by 9.9 percent and 34.7 percent, on a per month basis, respectively, since the prior evaluation; however, the number and hours of service activities for

affordable housing increased by approximately 53.5 percent and 205.3 percent, respectively, on a per month basis, as the bank has recognized the increased need for affordable housing related services within the assessment area. Additionally, the bank has increased the number of different organizations it provided services to by 21.7 percent. Given the COVID-19 pandemic began in 2020 and is still ongoing, the bank’s in-person service activities were limited during this evaluation, as much of the bank’s target population does not have access to computers, thereby limiting virtual interactions.

In order to enhance the availability of services to low- and moderate-income individuals, the bank has been partnering with many non-profit organizations to provide financial literacy training and low-cost banking services to their clients, as evidenced by the aforementioned deposits and loan programs created by the bank. Furthermore, the bank’s Chicago location is in close proximity to a number of low- and moderate-income census tracts, and between the two offices, the bank has 17 bilingual employees fluent in a total of eight languages. The bank also focuses on relationship building beyond their immediate branch locations and is doing more in areas where they may not have a physical presence, hence the bank’s alternative delivery systems such as telephone, online, ATM network, mobile banking, and remote deposit capture for their business customers. The table below displays the number and hours devoted to community development services.

Summary of Community Development Services, November 6, 2018 - February 7, 2022										
Type of Activity	Affordable Housing		Economic Development		Revitalize/Stabilize		Community Service		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Services	28	726	7	171.5	4	26	29	339.5	68	1,263

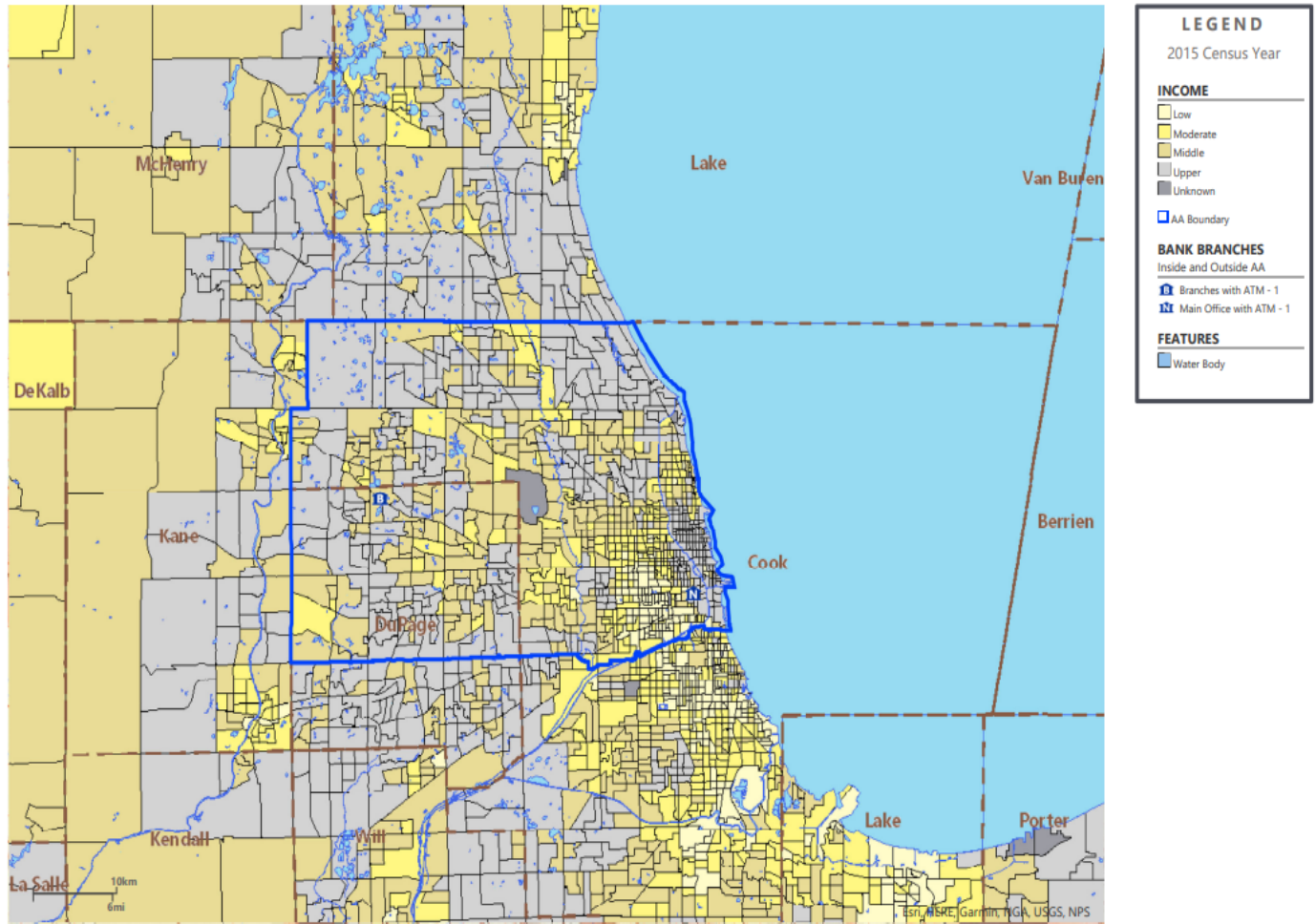
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

First Eagle Bank 759045

Chicago-Naperville-Evanston, IL MD 16984



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		HMDA Reportable Lending: January 1, 2019, through December 31, 2019 Small Business Lending: January 1, 2019, through December 31, 2020 Community Development Activities: November 6, 2018, through February 7, 2022	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
First Eagle Bank			HMDA-Reportable Loans Small Business Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	None		None
LIST OF ASSESSMENT AREA AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Chicago-Naperville-Evanston, Illinois MD	Full scope review	None	The assessment area includes portions of Cook and DuPage Counties.

APPENDIX C – 2019 Assessment Area Demographics Table

Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	104	11.3	69,652	8.0	24,151	34.7	200,499	23.0
Moderate-income	200	21.8	187,141	21.5	32,209	17.2	136,105	15.6
Middle-income	247	26.9	266,390	30.6	20,917	7.9	154,631	17.7
Upper-income	360	39.3	346,756	39.8	12,096	3.5	380,643	43.7
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	126,011	30,271	3.6	24.0	74,475	59.1	21,265	16.9
Moderate-income	336,059	132,360	15.9	39.4	168,728	50.2	34,971	10.4
Middle-income	451,985	268,939	32.3	59.5	149,118	33.0	33,928	7.5
Upper-income	662,186	397,941	47.9	60.1	214,202	32.3	50,043	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 by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	6,914	3.7	6,177	3.8	717	3.3	20	1.7
Moderate-income	26,785	14.5	23,631	14.6	3,041	13.9	113	9.8
Middle-income	49,266	26.6	42,785	26.4	6,239	28.6	242	20.9
Upper-income	100,409	54.3	87,989	54.4	11,648	53.3	772	66.8
Unknown-income	1,511	0.8	1,309	0.8	193	0.9	9	0.8
Total Assessment Area	184,885	100.0	161,891	100.0	21,838	100.0	1,156	100.0
		Percentage of Total Businesses:		87.6		11.8		0.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	26	4.5	25	4.5	1	5.3	0	0.0
Moderate-income	68	11.8	68	12.2	0	0.0	0	0.0
Middle-income	147	25.5	139	25.0	8	42.1	0	0.0
Upper-income	335	58.1	323	58.1	10	52.6	2	100.0
Unknown-income	1	0.2	1	0.2	0	0.0	0	0.0
Total Assessment Area	577	100.0	556	100.0	19	100.0	2	100.0
		Percentage of Total Farms:		96.4		3.3		0.3
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

APPENDIX D – 2019 Lending Tables

Geographic Distribution of Small Business Loans						
Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984						
	Tract Income Levels	Bank & Demographic Comparison				
		2019				
		Count Bank		Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	4	6.0	1,046	5.9	3.7
	Moderate	22	32.8	1,005	5.7	14.5
	Middle	10	14.9	2,461	13.9	26.6
	Upper	31	46.3	13,219	74.6	54.3
	Unknown	0	0.0	0	0.0	0.8
	Total	67	100.0	17,731	100.0	100.0

2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984							
Product Type	Bank & Demographic Comparison						
	2019						
		Count Bank		Dollar Bank		Total Businesses	
		#	%	\$ 000s	\$ %	%	
Small Business	Revenue	\$1 Million or Less	49	73.1	15,147	85.4	87.6
		Over \$1 Million	7	10.4	1,404	7.9	11.8
		Unknown	11	16.4	1,180	6.7	0.6
		Total	67	100.0	17,731	100.0	100.0
	Loan Size	\$100,000 or Less	31	46.3	814	4.6	
		\$100,001 - \$250,000	8	11.9	1,308	7.4	
		\$250,001 - \$1 Million	28	41.8	15,609	88.0	
		Total	67	100.0	17,731	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	18	36.7	432	2.9	
		\$100,001 - \$250,000	5	10.2	856	5.7	
		\$250,001 - \$1 Million	26	53.1	13,859	91.5	
		Total	49	100.0	15,147	100.0	

Originations & Purchases
 2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

APPENDIX E – 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.¹

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

¹ 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: 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.

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).