

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

Point of Contact:	Patrick T. Kaveney	RSSD: (For Bank Holding Companies)	1492956
UST Sequence Number:	1297	Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	7,875,000	FDIC Certificate Number: (For Depository Institutions)	25883
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	September 11, 2009	City:	Hanover Park
Date Repaid ¹ :	N/A	State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

Though the Bank's loan portfolio, as a whole, has declined the past couple years, the Bank's participation in the CDCI Capital program has aided the Bank in developing and increasing its community development lending efforts. Please see the "describe other actions" box for additional comments

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Since obtaining CPP funds in 2009 and the subsequent transfer to CDCI in 2010, the Bank's commercial lease loan portfolio volumes have trended higher and 2011 saw this trend continue.

Increase securities purchased (ABS, MBS, etc.).

Since obtaining CPP funds in 2009 the Bank's security portfolio has steadily increased. 2011 saw increases in agency MBS and CMOs. Also additional municipal bonds were purchased which helped support our local communities.

Make other investments.

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

Increase reserves for non-performing assets.

Reduce borrowings.

The Bank has continued to reduce its outstandings for brokered CDs and FHLB Chicago borrowings since obtaining the CDCI funds.

Increase charge-offs.

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

Purchase another financial institution or purchase assets from another financial institution.

The Bank continues to be in a position to acquire another financial institution. To date, the right acquisition has not been found.

Held as non-leveraged increase to total capital.

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

A large, empty rectangular box with a black border, intended for the respondent to provide answers to the question above.

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

A large, empty rectangular box with a black border, intended for the respondent to provide answers to the question above.

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. and First Eagle Bank

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

In 2011, the Bank originated and funded 12 new community development loans totaling \$3.28 million and renewed another community development loan for \$3.0 million.