

CDCI ANNUAL USE OF CAPITAL SURVEY - 2013



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

American Bancorp of Illinois, Inc. / Pan American Bank

Person to be contacted regarding this report:	Nicholas S. Giuliano	RSSD: (For Bank Holding Companies)	2343167
UST Sequence Number:	1454	Holding Company Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	5,457,000	FDIC Certificate Number: (For Depository Institutions)	34108
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	09/17/2010	City:	Melrose 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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	During 2013, although maintaining a consistent level of total assets, the Bank was able to increase lending, growing the loan portfolio \$15,286,094, or 10.8% over 2012.
<input checked="" type="checkbox"/>	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.).	Of the \$15.3 million in total loan growth, approximately \$6.2 million was in small business loans, \$6.1 million was in commercial mortgage loans, and \$2.8 million was in residential mortgage loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input checked="" type="checkbox"/>	Make other investments	The Bank continues to re-invest in its facilities. During 2013, a drive-through lane was added at the Bellwood facility, providing more convenient service for our clients.
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	By pro-actively recognizing problems in the loan portfolio, Pan American Bank recognized approximately \$616k in losses in its loan portfolio during 2013.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Prior year growth made possible by the CDCI funds allowed the bank to operate with stable, high yielding assets in 2013. As a result, Pan American Bank was able to generate a Net Income of \$1,125k in 2013, which directly increased capital through Retained Earnings.

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

Had Pan American Bank not received the CPP/CDCI funds in 2010, it would have not had the necessary capital to grow the bank and lend to the surrounding communities. The funds helped PAB avoid actively attempting to shrink the loan portfolio and maintain the lending activity in low to moderate income communities. This would have hindered the surrounding communities we serve by restricting them the funding needed to grow or maintain their small businesses, or improve the surrounding areas.

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

Pan American Bank's ability to remain an active participant in lending since receiving the CDCI funds has been of great benefit to the Bank's customers and surrounding communities, and has had a positive and beneficial impact on the Bank's growth. By increased interaction with members of the surrounding communities through our lending activities, Pan American Bank has subsequently become more involved in various community events, even beyond banking activities.

The IT infrastructure improvements made throughout 2013 and continuing in 2014 will allow the Bank to provide additional products and services to its customers, giving them the tools they need to be more efficient and profitable in their businesses.

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

As a result of the capital infusion of the CPP/CDCI funds in 2010, Pan American Bank was able to grow the loan portfolio during 2013 after having stabilized in 2012 while maintaining asset quality. Pan American was also able to reinvest in its own branches, with improvements made to better serve customers living in the surrounding communities. In particular, our office at 2801 St Charles, in Bellwood has been improved with a new drive through to provide our clients faster and more convenient service.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.