



CDCI ANNUAL USE OF CAPITAL SURVEY - 2015

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

American Bancorp of Illinois, Inc. / Pan American Bank

Person to be contacted regarding this report:	Anthony Uroni	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 2015, the Bank was able to increase lending, growing the loan portfolio \$36,791,193, or 19.84% over 2014.
<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 \$36.8 million in total loan growth, approximately \$3.3 million was in small business loans, \$26.2 million was in commercial mortgage loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	During 2015, the Bank was able to increase its reserves by approximately \$369k to keep up with the growth in the loan portfolio, all while taking increased charge-off's to deal with problem loans.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	The Bank had net charge-off's during 2015 of \$313,661, 57.29% higher than 2014, due to the Bank's pro-active approach to dealing with problem loans. Despite the increase in charge-off's, the reserves were still increased to support the growing loan portfolio.
<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 2015. As a result, Pan American Bank was able to generate a Net Income of \$1,704k in 2015, 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 the funding available to them 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 2015 and continuing in 2016 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 2015 while maintaining asset quality.

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.