



PUBLIC DISCLOSURE

June 12, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Savings, FSB
Charter Number 704247

8230 Hohman Ave
Munster, IN 46321-1516

Office of the Comptroller of the Currency
2001 Butterfield Road, Suite 400
Downers Grove, IL 60515

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

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

American Savings, FSB (bank) has a satisfactory record of meeting community credit needs.

- The bank's average quarterly loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- The bank originates the majority of their primary loan products inside the AA.
- The bank's distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes given the bank's product offerings and local economic conditions.
- There are no written complaints regarding the bank's performance in meeting the credit needs of the community.

SCOPE OF EXAMINATION

The purpose of this evaluation was to assess American Savings' ability to meet the credit needs of its community. We used the small bank evaluation procedures to evaluate American Savings' CRA performance. The evaluation included an assessment of the following:

- Loan-to-deposit ratio;
- Percentage of lending activity in the AA;
- Lending to borrowers of different income levels and businesses of different sizes;
- Geographic distribution of lending in the AA; and,
- Responsiveness to written complaints about the bank's CRA performance.

The CRA evaluation period is from January 1, 2011, through December 31, 2013. The lending test includes data reported under the Home Mortgage Disclosure Act (HMDA) and a random sample of 60 commercial loans that originated from January 1, 2011, through December 31, 2013. Prior to this evaluation, the HMDA data was tested and found reliable. American Savings is not required to report CRA data on small business lending.

The evaluation of the lending data was completed using two separate periods due to changes in the available Census data. We used the 2000 U.S. Census demographic data and 2011 peer mortgage data to evaluate the 2011 HMDA loans. We used the 2010 U.S. Census demographic data and 2012 peer mortgage data to evaluate the HMDA loans from 2012 and 2013. Aggregate HMDA information was extracted from 2011 and 2012 data of all Federal Deposit Insurance Corporation (FDIC) insured HMDA reporting entities within the institution's AA. Aggregate

small business lending data was obtained from all financial institutions that were required to report these loans (i.e., FDIC insured institutions with assets of at least \$1 billion in the Gary, IN Metropolitan Division [MD]) in 2011 and 2012. Our evaluation is based on American Savings' primary loan products, residential mortgage loans and commercial lending.

DESCRIPTION OF INSTITUTION

American Savings is a federally chartered stock savings bank and a wholly owned subsidiary of AMB Financial Corp, Inc., a unitary thrift holding company. The institution operates four full-service banking offices in Lake County, Indiana. Its main office is located in Munster, Indiana, approximately 30 miles southeast of downtown Chicago, Illinois. The three branch offices are located in Hammond, Dyer, and Schererville, Indiana. The Munster, Dyer, and Schererville offices are located in upper-income geographies and the Hammond office is located in a moderate-income geography. No branch offices closed during the evaluation period. Automated teller machines (ATMs) are located at all offices. All offices except the Munster office have drive-up facilities.

American Savings' business strategy is to operate as a traditional thrift. The institution solicits and accepts deposits, originates mortgage and commercial loans, and provides banking services to the local community. Currently, American Savings' credit products consist of conventional fixed rate mortgage loans, adjustable rate mortgage loans, residential construction loans, home equity loans, home equity lines of credit, consumer loans, and commercial loans. The institution's savings products consist of business checking accounts, certificates of deposits, individual retirement accounts, money market accounts, savings accounts, and consumer checking accounts. American Savings also offers cashier's checks, gift cards, money orders, traveler's checks, wire transfer services, safety deposit box rentals, and notary services.

As of March 31, 2014, American Savings had \$176.5 million in total assets and its loan portfolio equaled \$137.5 million (before deductions for accruals and loan losses.) The table below shows the dollar amount, percentage to total loans, and percentage to total assets of each loan category.

American Savings' Investment in Loans (per 3/31/2014 Uniform Bank Performance Report)			
Loan Category	Amount (\$000's)	Percent of Total Loans	Percent of Total Assets
Residential Loans	\$85,936	62.5%	48.7%
Construction and Land Development Loans	\$7,560	5.5%	4.3%
Commercial Loans	\$42,358	30.8%	24.0%
Consumer and Other	\$1,653	1.2%	0.9%
Total	\$137,507	100.0%	77.9%

As the table above indicates, American Savings' primary products are residential and commercial loans. Other than competitive pressure, there are no known impediments limiting the institution's ability to help meet the credit needs of low- and moderate-income borrowers.

American Savings received a rating of “Satisfactory” during the last CRA examination on March 31, 2009.

DESCRIPTION OF ASSESSMENT AREA(S)

Lending analyses for 2011 was conducted using the 2000 U.S. Census data. American Savings’ 2011 AA consisted of 49 contiguous geographies within Lake County, Indiana. Lake County is located within the Gary, Indiana MD. The AA is reasonably drawn and does not arbitrarily exclude any low- or moderate-income neighborhoods. Although only part of the MD is included in the AA, the AA is reasonable considering the institution’s resources and limited branch network. The AA consists of newer and established neighborhoods. The northern portion of the AA is heavily industrialized with major steel mills and oil refineries. This portion of the AA includes the cities of Hammond, Whiting, and East Chicago. This area consists primarily of older homes and neighborhoods. The southern part of the AA has a reasonable amount of population growth due to families moving from Illinois and northern parts of the county. This growth has contributed to substantial new residential and commercial developments in the area. Lake County has been severely affected by the recent economic downturn. Unemployment remains higher than the national and state averages. Households living below the poverty level remain over 10 percent. The table below provides basic demographic information and includes the 2000 U.S. Census data.

American Savings AA 2011 Evaluation

Demographic Information for Full Scope Area: American Savings AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	10.20	30.61	32.65	26.53	0.00
Population by Geography	226,159	4.52	28.86	31.50	35.12	0.00
Owner-Occupied Housing by Geography	59,486	1.35	22.81	34.76	41.09	0.00
Business by Geography	17,597	3.40	18.49	29.75	48.36	0.00
Farms by Geography	227	0.88	12.78	30.84	55.51	0.00
Family Distribution by Income Level	59,771	20.43	17.57	22.93	30.07	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	22,716	8.57	40.47	30.75	20.21	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		52,518 65,200 11%		Median Housing Value Unemployment Rate (IN Dept. of Workforce Development 2011)	107,223 9.9%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2011 HUD updated MFI.

While there was no expansion or contraction of the institution’s physical AA for 2012 and 2013, changes in population increased the number of geographies based on the 2010 U.S. Census data.

Therefore, we used the 2010 U.S. Census data to analyze the 2012 and 2013 lending information. The following table is based on the 2010 U.S. Census data.

American Savings AA 2012 and 2013 Evaluation

Demographic Information for Full Scope Area: American Savings FSB AA 2012 and 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	53	11.32	28.30	28.30	32.08	0.00
Population by Geography	236,200	5.41	28.19	23.58	42.81	0.00
Owner-Occupied Housing by Geography	62,136	1.60	22.04	25.28	51.08	0.00
Business by Geography	15,399	5.27	17.44	23.55	53.74	0.00
Farms by Geography	217	2.30	16.59	26.27	54.84	0.00
Family Distribution by Income Level	58,288	20.81	17.03	21.18	40.98	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	22,054	10.55	40.15	25.35	23.95	0.00
Median Family Income		62,512	Median Housing Value		143,596	
FFIEC Adjusted Median Family Income for 2012		66,100	Unemployment Rate 2013		9.2%	
FFIEC Adjusted Median Family Income for 2013		62,400	(Indiana Dept. of Workforce Development)			
Households Below Poverty Level		13%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census and 2012 and 2013 FFIEC updated MFI.

American Savings operates in a very competitive environment. As of June 2013, there were 23 FDIC insured financial institutions with 179 office locations in Lake County. In 2012, 137 FDIC insured lenders originated 6,518 HMDA reportable loans within American Savings' AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

American Savings' quarterly average LTD ratio is more than reasonable and exceeds the standard for satisfactory performance. As of March 31, 2014, the quarterly average LTD ratio is 83.92 percent for last 13 quarters. The institution's LTD ratio fluctuated from a low of 76.11 percent for the first quarter of 2013, to a high of 91.00 percent for the first quarter of 2011. American Savings sold HMDA reportable loans to the secondary market during the review period. These loans could have increased the bank's LTD ratio. American Savings sold 65 loans totaling \$12.2 million in 2011, 114 loans totaling \$20.7 million in 2012, and 93 loans totaling \$18.8 million in 2013. We compared the institution's LTD ratio to four similarly sized institutions with total assets ranging from \$59 million to \$2,407 million located in Lake County, Indiana. American Savings' is ranked third among these financial institutions. Refer to the table below for comparative data:

Loan-to-Deposit Ratio		
Institution	Total Assets (millions) (As of 3/31/2014)	Loan to Deposit Ratio
American Savings, FSB	\$176	88.51%
Centier Bank	\$2,407	93.83%
Lake Federal Bank, FSB	\$68	93.33%
Liberty Savings Bank, FSB	\$59	54.46%
Peoples Bank SB	\$724	75.58%

Source: FFIEC Call Report Data as of March 31, 2014.

Lending in Assessment Area

American Savings’ lending in its AA is reasonable and meets the standard for satisfactory performance. A majority of the number and dollar amount of small business loans and home purchase loans were originated within the bank’s AA.

Lending in American Savings’ AA										
Loan Type	Number of Loans					Dollars of Loans (000’s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business	40	67%	20	33%	60	\$8,324	48%	\$9,091	52%	\$17,415
Home Mortgage	330	68%	153	32%	483	\$61,688	69%	\$27,208	31%	\$88,896
Totals	370	68%	173	32%	543	\$70,012	66%	\$36,299	34%	\$106,311

Source: Reported HMDA data from 2011, 2012 and 2013 for home mortgage loans. Bank records for sample of 60 small business loans originated during the evaluation period.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

American Savings’ overall record of lending to borrowers of different income levels and businesses of different sizes is reasonable. While the bank’s record of residential lending to low- and moderate-income borrowers is only marginally adequate, the institution has a reasonable record of lending to small businesses and extending business loans in amounts of less than or equal to \$100,000.

Borrower Distribution of Home Mortgage Loans

The institution’s overall distribution of home mortgage loans to low- and moderate-income families is marginally adequate, as depicted in the following tables.

2011 Distribution of Home Mortgage Loans By Borrower Income Level in the AA				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	6.67%	4.33%	20.53%	7.86%
Moderate	10.00%	4.27%	17.64%	18.99%
Middle	25.56%	15.56%	22.95%	23.65%
Upper	57.77%	75.84%	38.88%	41.03%
Income Not Available	0.0%	0.0%	0.0%	8.47%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2000 U.S. Census data and 2011 Aggregate Data.

2012 & 2013 Distribution of Home Mortgage Loans By Borrower Income Level in the AA				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	5.00%	1.89%	20.81%	8.59%
Moderate	11.25%	5.08%	17.03%	16.57%
Middle	19.17%	12.41%	21.18%	23.89%
Upper	64.58%	80.62%	40.98%	37.14%
Income Not Available	0.0%	0.0%	0.0%	13.81%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2010 U.S. Census data and 2012 Aggregate Data.

The percentage of loans to low-income borrowers is substantially lower than the percentage of low-income families residing in the AA. However, the opportunity to make home mortgage loans to low-income borrowers is very limited due to strong competition, the high poverty level of the AA, and the current economic and unemployment conditions. Competition is strong due to the number of large regional and national financial institutions in the AA. Based on the most recent peer mortgage loan data (2012), American Savings is ranked 15th (of 44 lenders) in lending to low-income borrowers and has a market share of 1.79 percent. This is less than the bank’s overall residential lending market share of 2.12 percent and rank (12th out of 137 lenders). According to the 2010 U.S. Census data, 13 percent of households are at or below the poverty level. The unemployment rate for Lake County was 9.9 percent as of December 31, 2011 and 9.2 percent as of December 31, 2013. The unemployment rates are well above the State of Indiana rates of 8.7 percent at December 2011 and 6.8 percent at December 2013.

American Savings’ distribution of home mortgage loans to moderate-income families is weak. The percentage of these loans is significantly below the aggregate and the percentage of moderate-income borrowers residing in the AA. The institution is ranked 19th (of 65 lenders) with a 1.57 percent market share in 2012. This is considerably less than its overall home mortgage lending market share of 2.12 percent.

Borrower Distribution of Small Business Loans

The distribution of loans to businesses reflects reasonable penetration among businesses of different sizes given the demographics of the AA. Based on our sample, loans to businesses with revenues of \$1 million or less represent 85 percent of American Savings' small business loans in 2011, which exceeds the 67.93 percent of the AA's businesses reporting revenues of less than \$1 million per the 2000 U.S. Census data. For 2012 and 2013, 70 percent of the institution's loans were to businesses with revenues of \$1 million or less, which is slightly less than the 72.07 percent of the AA's businesses reporting revenues of less than \$1 million per the 2010 U.S. Census data. Fifty-five percent of the institution's small loans to businesses are loans for less than \$100,000. American Savings' performance is consistent with the demographics of the AA.

The following tables show the distribution of small business loans among businesses of different sizes within the AA.

Borrower Distribution of Loans to Businesses of Different Sizes in the AA 2011					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	11	85%	67.93%	\$2,008	66.49%
>\$1,000,000	2	15%	3.28%	\$1,012	33.51%
Revenue Not Reported	0	0.0%	28.79%	0	0.0%
Total	13	100%	100%	\$3,020	100%

Source: Based on a sample of 13 loans originated in 2011 in the AA and 2000 U.S. Census Data.

Borrower Distribution of Loans to Businesses of Different Sizes in the AA 2012 & 2013					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	19	70%	72.07%	\$3,689	69.55%
>\$1,000,000	4	28%	4.17%	\$1,491	26.75%
Revenue Not Reported or Available	4	2%	23.76%	\$124	2.34%
Total	27	100%	100%	\$5,304	100%

Source: Based on a sample of 27 loans originated in 2012 & 2013 in the AA and 2010 U.S. Census Data.

Geographic Distribution of Loans

American Savings' record of lending to low- and moderate-income geographies is weak and does not meet the standards for satisfactory performance.

Residential Mortgage Lending

The institution’s record of residential lending among geographies of different income levels within its AA is poor as depicted in the following tables.

American Savings 2011 Distribution of Residential Mortgage Loans By Census Tract Income Level in the AA				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	1.60%	0.14%
Moderate	4.44%	1.77%	22.04%	7.99%
Middle	21.11%	17.93%	25.28%	24.09%
Upper	74.45%	80.30%	51.08%	67.78%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2000 U.S. Census data and 2011 Aggregate Data.

American Savings 2012 & 2013 Distribution of Residential Mortgage Loans By Census Tract Income Level in the AA				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	1.35%	0.41%
Moderate	4.58%	1.54%	22.81%	10.48%
Middle	9.58%	5.14%	34.76%	20.56%
Upper	85.84%	93.32%	41.08%	68.55%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2010 U.S. Census data and 2012 Aggregate Data.

The tables above show that American Savings’ geographic distribution of residential lending in the low- and moderate-income geographies of its AA is well below the aggregate lender average. Lending opportunities in the low-income geographies of the AA are very limited. Less than 2 percent of the owner occupied housing units and less than 0.50 percent of aggregate residential mortgage loans are in the low-income geographies. Therefore, any further analysis of lending in these geographies would be not be meaningful. The institution’s penetration percentage of residential lending within the moderate-income geographies of its AA is significantly below owner occupied housing units. This penetration percentage is 56 percent of the aggregate lender average for 2011 and only 44 percent of the aggregate average in 2012 and 2013. Almost 86 percent of American Savings’ residential lending within its AA in 2012 and 2013 was in upper income geographies, while its lending penetration percentages in moderate- and middle-income geographies are less than 50 percent of the aggregate lender average.

Small Business Lending

American Savings’ record of small business lending in low- and moderate-income geographies within its AA is weak as depicted in the following tables.

American Savings 2011 Distribution of Small Business Loans By Census Tract Income Level in the AA				
Census Tract Income Category	% of Loans	% of \$ Volume	% of Businesses	% of Aggregate (or Peers)
Low	7.69%	2.98%	3.40%	2.17%
Moderate	0.00%	0.00%	18.49%	17.27%
Middle	38.46%	48.06%	29.75%	28.87%
Upper	53.85%	48.96%	48.36%	51.69%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2000 U.S. Census data and 2011 Aggregate Data for institutions required to report small business lending activity.

American Savings 2012 & 2013 Distribution of Residential Mortgage Loans By Census Tract Income Level in the AA				
Census Tract Income Category	% of Loans	% of \$ Volume	% of Businesses	% of Aggregate (or Peers)
Low	0.00%	0.00%	5.14%	3.67%
Moderate	0.00%	0.00%	17.40%	16.99%
Middle	33.33%	15.95%	23.61%	22.87%
Upper	66.67%	85.05%	53.85%	56.47%
Total # or \$	100%	100%	100%	100%

Source: Based on the 2010 U.S. Census data and 2012 Aggregate Data for institutions required to report small business lending activity.

Based on our sample of 60 small business loans originated during the review period, American Savings originated one loan in a low-income geography and no loans in the moderate-income geographies of its AA.

Responses to Complaints

There were no written complaints about American Savings’ performance in meeting the credit needs of the community during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 195.28(c), in determining a Federal Savings Association’s (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA or in any AA by an affiliate whose loans have been considered as part of the FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.