FIRST ROBINSON FINANCIAL CORPORATION

PROXY STATEMENT
and
2022 ANNUAL REPORT

FIRST ROBINSON FINANCIAL CORPORATION

501 E. MAIN ST. P.O. BOX 8598 ROBINSON, IL 62454 618-544-8621

June 14, 2022

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of First Robinson Financial Corporation (the "Company"), I cordially invite you to attend the annual meeting of stockholders. The meeting will be held at 10:00 a.m., central time, on July 19, 2022, at Country View Inn & Suites, located at 100 Abraham Lincoln, Robinson, Illinois.

On behalf of the Board of Directors and management of First Robinson Financial Corporation (the "Company"), I would like to share with you the Annual Report of First Robinson Financial Corporation for our fiscal year ended March 31, 2022. We are reporting earnings for the Company of $2,728,000 for our fiscal year ending March 31, 2022, an increase of 4.3% from last year's earnings of $2,616,000. I would encourage you to review the attached annual report for more detailed financial information.

I encourage you to attend the meeting in person. Whether or not you attend the meeting, please read the proxy statement and then complete, sign and date the enclosed proxy card and return it in the postage prepaid envelope provided. This will save the Company additional expense in soliciting proxies and will ensure that your shares are represented. You may vote in person at the meeting even if you have previously returned a proxy.

An important aspect of the meeting process is the stockholder vote on corporate business items. I urge you to exercise your rights as a stockholder to vote and participate in this process. This year stockholders are being asked to vote on the election of three directors with terms to expire in 2025, the election of one director with a term to expire in 2024 and the ratification of the appointment of FORVIS, LLP (formerly known as BKD, LLP) as the independent registered public accounting firm for First Robinson Financial Corporation for the fiscal year ending March 31, 2023. The Board of Directors unanimously recommends that you cast your vote **"FOR"** with respect to these three matters.

In addition to the annual stockholder vote on corporate business items, the meeting will include management's report to you on First Robinson Financial Corporation's 2022 financial and operating performance.

Our commitment to operate a conservatively managed community bank continues to serve us well. The impact of Stimulus funds continue to affect our asset size, as our total assets increased to $470,685,000 at the end of our March 31, 2022 fiscal year, which was an increase of approximately $45.6 million, or 10.7%, over our past fiscal year. This continued significant asset growth has created some unique circumstances for management to navigate, which we will highlight at the meeting. The annual total of our quarterly dividends increased to a record $1.23 per share for the 2022 fiscal year. We are pleased that our total annual dividends have increased each year since our Company's inception. Management and the Board of Directors evaluate our dividend policy quarterly and make any adjustments as necessary to ensure you are receiving a reasonable return on your investment.

This IS your Company and we want you to have confidence and pride in it; therefore, we would encourage your questions, comments and suggestions. We thank you for your patronage and support.

Sincerely,

Rick L. Catt

RICK L. CATT
President and Chief Executive Officer

First Robinson Financial Corporation
501 East Main Street
Robinson, Illinois 62454
(618) 544-8621

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held on July 19, 2022

Notice is hereby given that the annual meeting of stockholders (the “Meeting”) of First Robinson Financial Corporation (the “Company”) will be held at Country View Inn & Suites, located at 100 Abraham Lincoln, Robinson, Illinois at 10:00 a.m., central time, on July 19, 2022.

A proxy card and a proxy statement for the Meeting are enclosed.

The Meeting is for the purpose of considering and acting upon:

1. The election of four (4) directors of the Company; and

2. The ratification of the appointment of FORVIS, LLP (formerly known as BKD, LLP) as the independent registered public accounting firm for the Company for the fiscal year ending March 31, 2023;

and such other matters as may properly come before the Meeting, or any adjournments or postponements thereof. The Board of Directors is not aware of any other business to come before the Meeting.

As set forth in the Company’s bylaws, action may be taken on the foregoing proposals at the Meeting on the date specified above, or on any date or dates to which the Meeting may be adjourned or postponed. Stockholders of record at the close of business on May 27, 2022, are the stockholders entitled to vote by proxy prior to the Meeting and any adjournments or postponements thereof. A complete list of stockholders entitled to vote will be available at the main office of the Company during the ten days prior to the Meeting, as well as at the Meeting.

Please complete and sign the enclosed form of proxy, which is solicited on behalf of the Board of Directors, and mail it promptly in the enclosed envelope. The proxy will not be used if you attend and vote at the Meeting in person.

BY ORDER OF THE BOARD OF DIRECTORS

Rick L. Catt
President and Chief Executive Officer

Robinson, Illinois
June 14, 2022

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES TO ENSURE A QUORUM AT THE MEETING. A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on July 19, 2022

This Proxy Statement, the Proxy Card and our Annual Report to Stockholders are available at http://www.frsb.net/about-us/proxy-information.html

A stockholder may request an additional copy of the proxy statement, proxy card, and annual report to stockholders relating to all of First Robinson Financial Corporation's future stockholder meetings and for this year's annual stockholder meeting on Tuesday, July 19, 2022, to which the proxy materials being furnished relate, by calling (618) 544-8621, or via email to jamie24fan@frsb.net or rlcatt@frsb.net or at www.frsb.net.

First Robinson Financial Corporation
501 East Main Street
Robinson, Illinois 62454
(618) 544-8621
www.frsb.net

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
To be held on July 19, 2022

This proxy statement is furnished in connection with the solicitation, on behalf of the Board of Directors of First Robinson Financial Corporation (the "Company"), the parent company of First Robinson Savings Bank, National Association (the "Bank"), of proxies to be used at the annual meeting of stockholders of the Company (the "Meeting") which will be held at Country View Inn & Suites, located at 100 Abraham Lincoln, Robinson, Illinois on July 19, 2022, at 10:00 a.m., central time, and all adjournments or postponements of the Meeting. The accompanying Notice of Annual Meeting of Stockholders and this proxy statement are first being mailed to stockholders on or about June 14, 2022.

At the Meeting, stockholders of the Company are being asked to consider and vote upon the election of four directors and the ratification of the appointment of FORVIS, LLP (formerly known as BKD, LLP) ("FORVIS") as the independent registered public accounting firm for the Company for the fiscal year ending March 31, 2023.

Your Voting Rights

We have fixed the close of business on May 27, 2022, as the record date for the Meeting. Only stockholders of record of Company common stock on that date are entitled to notice of and to vote at the Meeting. You are entitled to one vote for each share of the Company's common stock you own. The number of the Company's common stock outstanding and entitled to vote on May 27, 2022, was 540,163.

If you are the beneficial owner of shares held in "street name" by a broker, bank or other nominee, your nominee, as the record holder of the shares, is required to vote the shares in accordance with your instructions. If you do not give instructions to your nominee, your nominee will nevertheless be entitled to vote the shares with respect to "discretionary" items, but will not be permitted to vote your shares with respect to "non-discretionary" items. In the case of non-discretionary items, the shares will be treated as "broker non-votes." The election of directors is considered a "non-discretionary" item and, therefore, your broker may not vote your shares without instructions from you.

We maintain an Employee Stock Ownership Plan ("ESOP") which, as of May 27, 2022, owned approximately 11.5% of the Company's outstanding common stock. We also maintain a 401(k) plan (the "401(k)") which, as of May 27, 2022, owned approximately 2.9% of the Company's outstanding common stock. We refer to the ESOP and the 401(k) in this proxy statement collectively as the "Plans." Employees of the Company and the Bank participate in the Plans. TI-Trust, Inc. is the trustee of the Plans ("Trustee"). Each Plan participant may instruct the Trustee how to vote the shares of the Company's common stock allocated to his or her account(s) under the Plans. If a Plan participant properly executes the voting instruction card distributed by the Trustee, the Trustee will vote such participant's shares in accordance with the participant's instructions. If properly executed voting instruction cards are returned to the Trustee with no specific instruction as to how to vote at the Meeting, the Trustee may vote such shares in its discretion. In the event a Plan participant fails to give timely voting instructions to the Trustee with respect to the voting of the common stock that is allocated to his or her Plan account(s), the Trustee may vote such shares in its discretion. The Trustee will vote the shares of Company common stock held in the ESOP but not allocated to any participant's account in the manner directed with respect to the majority of the shares allocated to ESOP participants who instructed the Trustee how to vote their allocated ESOP shares on each such proposal.

Votes Required to Approve the Proposals

Directors are elected by a plurality of the votes present in person or represented by proxy at the Meeting and entitled to vote on the election of directors. The four director nominees with the most affirmative votes will be elected to fill the available director positions. If you vote "Withheld" with respect to the election of one or more director nominees, your shares will not be voted with respect to the person or persons indicated, although they will be counted for purposes of determining whether there is a quorum.

Ratification of the appointment of FORVIS, LLP (formerly known as BKD, LLP) ("FORVIS") as our independent registered public accounting firm for the fiscal year ending March 31, 2023, requires the affirmative vote of the majority of shares cast, in person or by proxy, at the Meeting. Stockholder abstentions on the proposal to ratify the appointment of FORVIS as our independent registered public accounting firm will have the same effect as a vote against the proposal, while broker non-votes will have no effect on the outcome of the vote.

One-third of the shares of the common stock entitled to vote at the Meeting, represented by proxy, shall constitute a quorum for purposes of the Meeting. Abstentions and broker non-votes are counted for purposes of determining a quorum.

The Board of Directors unanimously recommends that you vote "FOR" the election of each of the director nominees and "FOR" the proposal to ratify FORVIS as our independent registered public accounting firm for the fiscal year ending March 31, 2023.

How to Vote

Please vote prior to the meeting using the proxy card received with the mailing notification. To ensure your representation at the Meeting, we recommend you vote as soon as possible by proxy. However, if your shares are held in the name of your broker, bank or other nominee, you must present a letter from the nominee indicating that you were the beneficial owner of the Company's common stock on May 27, 2022, the record date for voting at the Meeting. See "How to Revoke Your Proxy and Change Your Vote" below.

Shares of the Company's common stock represented by properly executed proxies will be voted by the individuals named in such proxy in accordance with the stockholder's instructions. Where properly executed proxies are returned to the Company with no specific instruction as how to vote at the Meeting, the persons named in the proxy will vote the shares "FOR" the election of each of the director nominees and "FOR" the proposal to ratify the appointment of FORVIS as our independent registered public accounting firm for the fiscal year ending March 31, 2023. Voting instructions are included on your proxy card. If your shares are registered in the name of a broker, bank or other nominee, you should follow the instructions set forth on the voting instruction form provided to you.

In accordance with the Company's bylaws, the persons named in the proxy will have the discretion to vote on any other business properly presented for consideration at the Meeting in accordance with their best judgment. We are not aware of any other matters to be presented at the Meeting other than those described in the Notice of Annual Meeting of Stockholders accompanying this document.

You may receive more than one proxy card depending on how your shares are held. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children — in which case you will receive three separate proxy cards to vote.

How to Revoke Your Proxy and Change Your Vote

If you are a registered stockholder, you may revoke your proxy and change your vote at any time before your proxy is voted at the Meeting by: (i) filing with the Secretary of the Company at or before the Meeting a written notice of revocation bearing a later date than the proxy, or (ii) duly executing a subsequent proxy relating to the same shares and delivering it to the Secretary of the Company before the Meeting. Any written notice revoking a proxy should be delivered to the Secretary, First Robinson Financial Corporation, P.O. Box 8598, 501 East Main Street, Robinson, Illinois, 62454. If your shares are registered in the name of a broker, bank or other nominee, you should follow the instructions set forth on the voting instruction form provided to you.

Proxy Solicitation Costs

We will pay our own costs of soliciting proxies. In addition to this mailing, our directors, officers and employees may also solicit proxies personally, electronically or by telephone; they will receive no additional compensation for such efforts. We will also reimburse brokers and other nominees for their expenses in sending these materials to you and obtaining your voting instructions.

PROPOSAL I - ELECTION OF DIRECTORS

The Company's Board of Directors is presently composed of nine members. The members are classified into three groups, each of whom is also a director of the Bank. Directors of the Company are generally elected to serve for a three-year term or until their respective successors shall have been elected and qualified. Approximately one-third of the directors are elected annually.

The following table sets forth certain information regarding the composition of the Company's Board of Directors, including their terms of office and the nominees for election as directors. The nominating committee has recommended and approved the nominees identified below. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to the nominees) will be voted at the Meeting **"FOR"** the election of the nominees identified in the following table. If such nominees are unable to serve, the shares represented by all such proxies will be voted for the election of such substitutes as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why any of the nominees might be unable to serve, if elected. Except as described herein, there are no arrangements or understandings between any director or nominee and any other person pursuant to which such director or nominee was selected.

Name	Age[(1)]	Position(s) Held	Director Since[(2)]	Term to Expire
		NOMINEES		
Scott F. Pulliam	65	Director	1985	2025
William K. Thomas	77	Director	1988	2025
Heather J. Beard	28	Director	2019	2025
Andrew J. Corn	38	Director	2021	2024
		DIRECTORS CONTINUING IN OFFICE		
Steven E. Neeley	68	Director, Chairman of the Board	2001	2023
Eli J. McCormick	38	Director	2016	2023
Rick L. Catt	69	Director, President, Chief Executive Officer	1989	2023
J. Douglas Goodwine	60	Director	1993	2024
Eric J. Niehaus	52	Director	2015	2024

(1) At March 31, 2022

(2) Includes service as a director of the Bank

COMMUNICATING WITH OUR DIRECTORS

Although the Company has not to date developed formal processes by which stockholders may communicate directly with directors, it believes that the informal process, pursuant to which any communication addressed to the Board at the Company's offices at P.O. Box 8598, 501 East Main Street, Robinson, Illinois 62454, in care of Investor Relations, the Chairman of the Board, President or other corporate officer is forwarded to the Board, has served the Board's and stockholders' needs.

PROPOSAL II - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of the Company has appointed FORVIS, LLP (formerly known as BKD, LLP) ("FORVIS") to be the Company's independent registered public accounting firm for the fiscal year ending March 31, 2023. Representatives of FORVIS are not expected to be present at the Meeting to respond to questions.

The Board of Directors recommends that stockholders vote "FOR" the ratification of the appointment of FORVIS, LLP (formerly known as BKD, LLP) as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2023.

ANNUAL REPORTS

A copy of the Annual Report for the Company's fiscal year ended March 31, 2022, is included with this proxy statement and will be furnished without charge to stockholders of record as of the May 27, 2022, voting record date upon written request to Investor Relations, First Robinson Financial Corporation, P.O. Box 8598, 501 East Main Street, Robinson, Illinois 62454. This Proxy Statement, the Proxy Card and our Annual Report to Stockholders are also available at http://www.frsb.net/about-us/proxy-information.html.

OTHER MATTERS

The Board of Directors is not aware of any business to come before the Meeting other than those matters described above in this proxy statement. However, if any other matter should properly come before the Meeting, it is intended that holders of the proxies will act in accordance with their best judgment.

Robinson, Illinois
June 14, 2022

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected consolidated financial data of First Robinson Financial Corporation and its subsidiary, First Robinson Savings Bank, National Association, at and for the fiscal years ended March 31, 2022 and March 31, 2021. The Selected Financial Condition Data and the Selected Operations Data are in thousands, except per share data.

	Years Ended at March 31,	
	2022	2021
	(In thousands)	
Selected Financial Condition Data:		
Total assets	$ 470,685	$ 425,073
Loans, held for sale	836	1,350
Loans receivable, net	198,010	201,513
Mortgage-backed securities	58,399	48,967
Interest bearing deposits	35,504	50,714
Available-for-sale investment securities excluding mortgage-backed securities	134,785	85,251
Held-to-maturity investment securities	8,910	9,188
Deposits	392,932	372,258
Total borrowings	46,617	15,874
Stockholders' equity	26,820	32,967
Selected Operations Data:		
Total interest and dividend income	$ 11,940	$ 11,745
Total interest expense	1,078	1,324
Net interest income	10,862	10,421
Provision for loan losses	845	1,542
Net interest income after provision for loan losses	10,017	8,879
Charges and other fees on loans	1,051	579
Charges and fees on deposit accounts	878	855
Net gain on sales of loans	1,000	2,291
Other non-interest income	1,327	1,190
Total non-interest expense	10,602	10,388
Income before taxes	3,671	3,406
Income tax provision	943	790
Net income	$ 2,728	$ 2,616
Earnings per common share:		
Basic	$ 5.30	$ 4.89
Diluted	$ 5.05	$ 4.68
Book value per common share	$ 49.68	$ 59.53
Dividends per common share	$ 1.23	$ 1.20

	Years Ended at March 31,	
	2022	**2021**
	(In thousands)	
Selected Financial Ratios and Other Data:		
Performance Ratios:		
Return on average assets (ratio of net income to average total assets)	0.62%	0.63%
Return on average equity (ratio of net income to average equity)	8.60	7.99
Interest rate spread during period[1]	2.57	2.61
Net interest margin[2]	2.62	2.67
Efficiency ratio[3]	70.13	67.74
Ratio of non-interest expense to average total assets	2.41	2.50
Ratio of average interest-earning assets to average interest-bearing liabilities	121.12	119.24
Average equity to average total assets	7.20	7.89
Quality Ratios:		
Non-performing assets to total assets at end of period	0.30	0.64
Allowance for loan losses to non-performing loans	390.79	106.60
Allowance for loan losses to loans receivable	1.24	1.24
Capital Ratios: [4]		
Common Equity Tier I capital (to risk-weighted assets)	14.8	15.7
Total capital (to risk-weighted assets)	15.8	17.0
Tier I capital (to risk-weighted assets)	14.8	15.7
Tier I capital (to average assets)	7.8	8.0
Other Data:		
Number of full-service offices	5	5
Number of full-time employees	76	75
Number of deposit accounts	19,128	18,683
Number of loan accounts	5,485	5,734

(1) Interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(2) Net interest margin represents net interest income divided by average interest-earning assets.

(3) Efficiency ratio represents non-interest expense divided by the sum of net-interest income and non-interest income.

(4) Capital ratios presented are those of the Bank.

BKD
CPAs & Advisors

225 N. Water Street, Suite 400 | Decatur, IL 62523-2326
217.429.2411 | Fax 217.429.6109 | bkd.com

Independent Auditor's Report

Audit Committee, Board of Directors
and Stockholders
First Robinson Financial Corporation
Robinson, Illinois

Opinion

We have audited the consolidated financial statements of First Robinson Financial Corporation and subsidiary, which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related consolidated statements of income and comprehensive income (loss), stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of First Robinson Financial Corporation and subsidiary as of March 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of First Robinson Financial Corporation and subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about First Robinson Financial Corporation and subsidiary's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of First Robinson Financial Corporation and subsidiary's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about First Robinson Financial Corporation and subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BKD, LLP

Decatur, Illinois
May 26, 2022

First Robinson Financial Corporation
Consolidated Balance Sheets
March 31, 2022 and 2021
(In Thousands, Except Share Data)

Assets

	2022	2021
Cash and due from banks	$ 13,462	$ 10,867
Interest-bearing demand deposits	35,504	50,714
Cash and cash equivalents	48,966	61,581
Available -for-sale debt securities	193,184	134,218
Held-to-maturity debt securities (fair values of $8,947 and $9,534 at March 31, 2022 and 2021, respectively)	8,910	9,188
Loans, held for sale	836	1,350
Loans, net of allowance for loan losses of $2,473 and $2,520 at March 31, 2022 and 2021, respectively	198,010	201,513
Premises and equipment, net of accumulated depreciation of $8,026 and $7,460 at March 31, 2022 and 2021, respectively	6,485	6,823
Federal Reserve and Federal Home Loan Bank stock	917	917
Foreclosed assets held for sale, net	797	342
Interest receivable	1,471	1,670
Prepaid income taxes	553	386
Deferred income taxes	2,855	37
Cash surrender value of life insurance	5,239	5,102
Other assets	2,462	1,946
Total assets	$ 470,685	$ 425,073

Liabilities and Stockholders' Equity

	2022	2021
Liabilities		
Deposits		
Demand	$ 140,968	$ 120,668
Savings, NOW and money market	211,978	211,709
Time deposits	39,986	39,881
Total deposits	392,932	372,258
Other borrowings	43,617	14,620
Short-term borrowings	—	320
Long-term borrowings	3,000	934
Advances from borrowers for taxes and insurance	732	677
Interest payable	149	155
Deferred compensation	1,448	1,263
Other liabilities	1,987	1,879
Total liabilities	443,865	392,106
Commitments and Contingencies	—	—
Stockholders' Equity		
Preferred stock, $.01 par value, authorized 500,000 shares, no shares issued and outstanding at March 31, 2022 and 2021	—	—
Common stock, $.01 par value; authorized 2,000,000 shares; issued – 1,018,853 shares; outstanding – 539,813 shares at March 31, 2022 and 553,758 shares at March 31, 2021	10	10
Additional paid-in capital	13,807	13,758
Retained earnings	29,613	27,548
Accumulated other comprehensive income (loss)	(6,256)	1,264
Treasury stock, at cost - Common: 479,040 shares at March 31, 2022 and 465,095 shares at March 31, 2021	(10,354)	(9,613)
Total stockholders' equity	26,820	32,967
Total liabilities and stockholders' equity	$ 470,685	$ 425,073

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Income and Comprehensive Income (Loss)
Years Ended March 31, 2022 and 2021
(In Thousands, Except Per Share Data)

	2022	2021
Interest and Dividend Income		
Loans	$ 9,600	$ 9,918
Securities:		
Taxable	1,834	1,311
Tax-exempt	429	441
Other interest income	44	40
Dividends on Federal Reserve Bank and Federal Home Loan Bank stock	33	35
Total Interest and Dividend Income	11,940	11,745
Interest Expense		
Deposits	984	1,246
Other borrowings	94	78
Total Interest Expense	1,078	1,324
Net Interest Income	10,862	10,421
Provision for Loan Losses	845	1,542
Net Interest Income After Provision for Loan Losses	10,017	8,879
Non-Interest Income		
Charges and other fees on loans	1,051	579
Charges and fees on deposit accounts	878	855
Net gain on sale of loans	1,000	2,291
Other	1,327	1,190
Total Non-Interest Income	4,256	4,915
Non-Interest Expense		
Compensation and employee benefits	6,729	6,324
Occupancy and equipment	1,126	1,154
Data processing and telecommunications	921	961
Audit, legal and other professional services	331	336
Advertising	310	213
Postage	82	89
FDIC insurance	170	153
Foreclosed property expense	102	81
Net loss on sale of foreclosed property	35	62
Other	796	1,015
Total Non-Interest Expense	10,602	10,388

First Robinson Financial Corporation

Consolidated Statements of Income and Comprehensive Income (Loss)

(Continued)

Years Ended March 31, 2022 and 2021

(In Thousands, Except Per Share Data)

	2022	2021
Income Before Income Taxes	$ 3,671	$ 3,406
Provision for Income Taxes	943	790
Net Income	$ 2,728	$ 2,616
Basic Earnings Per Common Share	$ 5.30	$ 4.89
Diluted Earnings Per Common Share	$ 5.05	$ 4.68
Common Dividends Paid Per Share	$ 1.23	$ 1.20

	2022	2021
Comprehensive Income (Loss)		
Net income	$ 2,728	$ 2,616
Other comprehensive income (loss), net of tax:		
Change in unrealized gain (loss) on securities available for sale, net of taxes of $(2,998) and $408 for the years ended March 31, 2022, and 2021, respectively.	(7,520)	1,024
Total Comprehensive Income (Loss)	$ (4,792)	$ 3,640

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Stockholders' Equity
Years Ended March 31, 2022 and 2021
(In Thousands, Except Share Data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
	Shares	Amount					
Balance, April 1, 2020	563,758	$ 10	$ 13,805	$ 25,602	$ 240	$ (9,092)	$ 30,565
Net income				2,616			2,616
Other comprehensive income					1,024		1,024
Dividends on common stock, $1.20 per share				(670)			(670)
Purchase of treasury shares	(10,000)					(521)	(521)
Purchase of director incentive shares			(47)				(47)
Balance, March 31, 2021	553,758	$ 10	$ 13,758	$ 27,548	$ 1,264	$ (9,613)	$ 32,967
Net income				2,728			2,728
Other comprehensive income (loss)					(7,520)		(7,520)
Dividends on common stock, $1.23 per share				(663)			(663)
Purchase of treasury shares	(14,495)					(750)	(750)
Director incentive shares issued			106				106
Purchase of director incentive shares			(49)				(49)
Stock compensation expense			1				1
Issue employee incentive shares	550		(9)			9	—
Balance, March 31, 2022	539,813	$ 10	$ 13,807	$ 29,613	$ (6,256)	$ (10,354)	$ 26,820

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Cash Flows
Years Ended March 31, 2022 and 2021
(In Thousands)

	2022	2021
Operating Activities		
Net income	$ 2,728	$ 2,616
Items not requiring (providing) cash		
Depreciation	566	561
Provision for loan losses	845	1,542
Amortization of premiums and discounts on debt securities	747	1,312
Amortization of loan servicing rights	379	1,022
Impairment (recovery) of loan servicing rights	(390)	133
Compensation related to incentive plans	107	—
Deferred income taxes	180	(135)
Net gain on sale of loans	(1,000)	(2,291)
Net loss on sale of other real estate owned	35	62
Cash surrender value of life insurance	(137)	(69)
Changes in:		
Originations of mortgage loans held for sale	(44,564)	(114,684)
Proceeds from the sale of mortgage loans	45,050	118,304
Interest receivable	199	(97)
Other assets	(505)	(1,201)
Interest payable	(6)	(29)
Deferred compensation	185	(69)
Other liabilities	108	438
Prepaid income taxes	(167)	(128)
Net cash provided by operating activities	4,360	7,287
Investing Activities		
Purchases of available-for-sale debt securities	(145,986)	(68,136)
Purchase of held-to-maturity debt securities	(1,019)	(4,507)
Proceeds from maturities of available-for-sale debt securities	55,170	675
Proceeds from maturities of held to maturity debt securities	1,231	1,005
Repayment of principal on available-for-sale debt securities	20,651	28,187
Purchase of bank owned life insurance	—	(3,000)
Net change in loans	3,012	(10,950)
Purchase of premises and equipment	(228)	(139)
Proceeds from sale of other real estate owned	184	222
Net cash used in investing activities	(66,985)	(56,643)

First Robinson Financial Corporation
Consolidated Statements of Cash Flows (Continued)
Years Ended March 31, 2022 and 2021
(In Thousands)

	2022	2021
Financing Activities		
Net increase in demand deposits, money market, NOW and savings accounts	$ 20,569	$ 84,573
Net increase in time deposits	105	504
Proceeds from FHLB advances	10	4,010
Repayment of FHLB advances	(10)	(4,010)
Proceeds from federal funds purchased	8,907	1,484
Repayment of federal funds purchased	(8,907)	(1,484)
Proceeds from other borrowings	217,780	159,637
Repayment of other borrowings	(188,783)	(166,882)
Net change in short-term borrowings	(320)	270
Proceeds in long-term borrowings	3,000	—
Repayment in long-term borrowings	(934)	(505)
Purchase of incentive plan shares	(49)	(47)
Dividends paid on common shares	(663)	(670)
Purchase of treasury shares	(750)	(521)
Net increase (decrease) in advances from borrowers for taxes and insurance	55	(38)
Net cash provided by financing activities	50,010	76,321
Increase (Decrease) in Cash and Cash Equivalents	(12,615)	26,965
Cash and Cash Equivalents, Beginning of Year	61,581	34,616
Cash and Cash Equivalents, End of Year	$ 48,966	$ 61,581

	2022	2021
Supplemental Cash Flows Information		
Interest paid	$ 1,084	$ 1,353
Income taxes paid (net of refunds)	930	1,053
Real estate acquired in settlement of loans	674	310

See Notes to Consolidated Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

First Robinson Financial Corporation (the "Company") is a bank holding company whose principal activity is the ownership and management of its wholly-owned subsidiary, First Robinson Savings Bank, N.A. (the "Bank"). The Bank is primarily engaged in providing a full range of banking and financial services to individual and corporate customers in Crawford and surrounding counties in Illinois, and Knox and surrounding counties in Indiana. The Bank is subject to competition from other financial institutions. The Company and the Bank are subject to the regulation of certain federal and state agencies and undergo periodic examinations by those regulatory authorities.

Principles of Consolidation and Financial Statement Presentation

The consolidated financial statements include the accounts of the Company and the Bank. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, valuation of deferred tax assets, and loan servicing rights.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At March 31, 2022 and 2021, cash equivalents consisted primarily of interest-earning and non-interest earning demand deposits in banks.

Securities

Certain debt securities that management has the positive intent and ability to hold to maturity are classified as "held-to-maturity" and recorded at amortized cost. Debt securities not classified as held-to-maturity are classified as "available-for-sale" debt securities and recorded at fair value with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss). Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the debt securities. For callable debt securities purchased at a premium, the amortization is instead recorded to the earliest call date. Gains and losses on the sale of debt securities are recorded on the trade date and are determined using the specific identification method.

For debt securities with fair value below amortized cost when the Company does not intend to sell a debt security, and it is more-likely-than-not, the Company will not have to sell the debt security before recovery of its cost basis, it recognizes the credit component of an other-than-temporary impairment of a debt security in earnings and the remaining portion in other comprehensive income (loss). For held-to-maturity debt securities, the amount of an other-than-temporary impairment recorded in other comprehensive income (loss) for the noncredit portion of a previous other-than-temporary impairment is amortized prospectively over the remaining life of the debt security on the basis of the timing of future estimated cash flows of the debt security.

Loans Held for Sale

Mortgage loans originated and intended for sale on the secondary market are carried at the lower of cost or fair value in the aggregate. Net realized losses, if any, are recognized through a valuation allowance by charges to income. Gains and losses on loan sales are recorded in non-interest income, and direct loan origination costs and fees are recognized at origination of the loan and are recognized in non-interest income upon sale of the loan.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for charge-offs, the allowance for loan losses, and any unamortized deferred fees or costs on originated loans.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

The accrual of interest on mortgage and commercial loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off are reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management’s periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower’s ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Management's evaluation is also subject to review and potential change, by bank regulatory authorities.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from the Company's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal and external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due, according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Groups of loans with similar risk characteristics, including individually evaluated loans not determined to be impaired, are collectively evaluated for impairment based on the group's historical loss experience adjusted for changes in trends, conditions, and other relevant factors that affect repayment of the loans. Accordingly, the Company does not separately identify individual consumer and residential loans for impairment measurements, unless such loans are the subject of a restructuring agreement due to financial difficulties of the borrower.

Premises and Equipment

Land is carried at cost. Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets. Estimated lives are generally 30 to 40 years for premises and 3 to 5 years for equipment.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company - put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Federal Reserve and Federal Home Loan Bank Stock

Federal Reserve and Federal Home Loan Bank stock are required investments for institutions that are members of the Federal Reserve and Federal Home Loan Bank systems. The required investment in the common stock is based on a predetermined formula, carried at cost and evaluated for impairment.

Bank Owned Life Insurance

The Bank has purchased life insurance policies on certain key executives and employees. Bank-owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date which is the surrender value adjusted for other charges or other amounts due that are probable at settlement.

Foreclosed Assets Held for Sale

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less the cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, management periodically performs valuations and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net income or expense from foreclosed assets.

Mortgage Servicing Rights

Mortgage servicing assets are recognized separately when rights are acquired through purchase or through sale of financial assets. Under the servicing assets and liabilities accounting guidance (ASC 860-50), servicing rights resulting from the sale or securitization of loans originated by the Company are initially measured at fair value at the date of transfer. The Company subsequently measures each class of servicing asset using the amortization method. Under the amortization method, servicing rights are amortized in proportion to, and over the period of, estimated net servicing income. The amortized assets are assessed for impairment or increased obligation based on fair value at each reporting date.

Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds, and default rates and losses. These variables change from quarter to quarter as market conditions and projected interest rates change, and may have an adverse impact on the value of the mortgage servicing right and may result in a reduction to noninterest income.

Each class of separately recognized servicing assets subsequently measured using the amortization method are evaluated and measured for impairment. Impairment is determined by stratifying rights into tranches based on predominant characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual tranche, to the extent that fair value is less than the carrying amount of the servicing assets for that tranche. The valuation allowance is adjusted to reflect changes in measurement of impairment after the initial measurement of impairment. Changes in valuation allowances are reported with charges and other fees on loans on the income statement. Fair value in excess of the carrying amount of servicing assets for that stratum is not recognized.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income.

Incentive Plans

The Company has a Director's Retirement Plan (DRP) deferred compensation plan where certain directors' fees earned are deferred and placed in a "Rabbi Trust". The DRP purchases stock of the Company with the funds. The deferred liability is equal to the shares owned multiplied by the market value at year-end. The deferred value of the shares purchased is netted from additional paid in capital. The change in share price is reflected as compensation expense.

The Company has a Restricted Stock Plan with a seven-year cliff vesting schedule where certain employees are awarded stock of the Company issued from treasury shares using the first-in first-out cost method. Expense for the awarded shares will be allocated over the seven-year vesting period. The Company's accounting policy is to recognize forfeitures as they occur.

Treasury Stock

Treasury stock is stated at cost. Cost is determined by the first-in, first-out method.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current year by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the balance sheet method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date is subject to management's judgment.

The Company files consolidated income tax returns with its subsidiary.

Earnings Per Common Share

Basic earnings per common share represent income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. Diluted earnings per common share reflect additional potential common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate solely to outstanding incentive plan shares and are determined using the treasury stock method.

Treasury stock shares are not deemed outstanding for earnings per share calculations.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income and other comprehensive income (loss), net of applicable income taxes. Other comprehensive income (loss) includes unrealized appreciation (depreciation) on available for sale debt securities.

COVID-19

The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business remains highly uncertain and difficult to predict. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic.

The severity of the impact of the COVID-19 pandemic on the Company's business continues to depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, all of which are uncertain and cannot be predicted. The Company's future results of operations and liquidity could be adversely impacted. As of the date of the issuance of these consolidated financial statements, the extent to which the COVID-19 pandemic may materially impact the Company's consolidated financial condition, liquidity or results of operations is uncertain.

Note 2: Restriction on Cash and Due From Banks

The Company is required to maintain reserve funds in cash and/or on deposit with the Federal Reserve Bank. The reserve required at March 31, 2022 and 2021 was $0.

The Company had $22,491,000 at the Federal Home Loan Bank and Federal Reserve Bank, which are government-sponsored entities not insured by the FDIC.

Note 3: Debt Securities

The amortized cost and approximate fair values, together with gross unrealized gains and losses, of debt securities are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-For-Sale Debt Securities:		(In thousands)		
March 31, 2022				
U.S. treasury securities	$ 38,702	$ —	$ (1,635)	$ 37,067
U.S. government sponsored enterprises (GSE)	93,537	31	(4,764)	88,804
Mortgage-backed securities, GSE, residential	58,291	126	(2,487)	55,930
Mortgage-backed securities, GSE, non-residential	2,487	—	(18)	2,469
State and political subdivisions	8,917	132	(135)	8,914
Totals	$ 201,934	$ 289	$ (9,039)	$ 193,184
March 31, 2021				
U.S. treasury securities	$ 12,990	$ 29	$ (38)	$ 12,981
U.S. government sponsored enterprises (GSE)	62,771	246	(126)	62,891
Mortgage-backed securities, GSE, residential	43,816	1,268	(92)	44,992
Mortgage-backed securities, GSE, non-residential	3,984	—	(9)	3,975
State and political subdivisions	8,889	492	(2)	9,379
Totals	$ 132,450	$ 2,035	$ (267)	$ 134,218

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held-to-Maturity Debt Securities:		(In thousands)		
March 31, 2022				
State and political subdivisions	$ 8,910	$ 109	$ (72)	$ 8,947
March 31, 2021				
State and political subdivisions	$ 9,188	$ 349	$ (3)	$ 9,534

The amortized cost and fair value of available-for-sale and held-to-maturity debt securities at March 31, 2022, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities as issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized cost	Maturity fair value
	(In thousands)			
Within one year	$ 171	$ 173	$ 1,932	$ 1,943
One to five years	91,249	87,473	4,277	4,268
Five to ten years	45,855	43,276	1,477	1,517
Over ten years	3,881	3,863	1,224	1,219
	141,156	134,785	8,910	8,947
Mortgage-backed securities, GSE's	60,778	58,399	—	—
Totals	$ 201,934	$ 193,184	$ 8,910	$ 8,947

The carrying value of debt securities pledged as collateral, to secure public deposits and for other purposes, was $38,388,000 at March 31, 2022, and $46,844,000 at March 31, 2021.

The book value of debt securities sold under agreements to repurchase amounted to $46,343,000 and $17,150,000 at March 31, 2022 and 2021, respectively.

During fiscal years ended March 31, 2022, and 2021, the Company did not sell any debt securities.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. Total fair value of these debt securities at March 31, 2022 and 2021, was $168,516,000 and $26,863,000, respectively, which is approximately 83.4% and 18.7%, respectively, of the Company's available-for-sale and held-to-maturity investment portfolio. These declines primarily resulted from recent changes in market interest rates.

Management believes the declines in fair value for these debt securities are temporary. The following table shows our investments' gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, (in thousands), aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2022 and 2021.

Description of Securities	Less than 12 Months		More than 12 Months		Total	
Available-For-Sale Debt Securities:	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
As of March 31, 2022						
US treasury securities	$ 34,282	$ (1,446)	$ 2,785	$ (189)	$ 37,067	$ (1,635)
US government sponsored enterprises, GSE	70,020	(4,355)	6,584	(409)	76,604	(4,764)
Mortgage-backed securities, GSE residential	43,178	(2,261)	4,054	(226)	47,232	(2,487)
Mortgage-backed securities, GSE, non-residential	—	—	2,469	(18)	2,469	(18)
State and political subdivisions	2,550	(135)	—	—	2,550	(135)
Total temporarily impaired securities	$ 150,030	$ (8,197)	$ 15,892	$ (842)	$ 165,922	$ (9,039)
As of March 31, 2021						
US treasury securities	$ 2,928	$ (38)	$ —	$ —	$ 2,928	$ (38)
US government sponsored enterprises, GSE	13,638	(126)	—	—	13,638	(126)
Mortgage-backed securities, GSE, residential	5,103	(89)	271	(3)	5,374	(92)
Mortgage-backed securities, GSE, non-residential	—	—	3,975	(9)	3,975	(9)
State and political subdivisions	600	(2)	—	—	600	(2)
Total temporarily impaired securities	$ 22,269	$ (255)	$ 4,246	$ (12)	$ 26,515	$ (267)

Description of Securities	Less than 12 Months		More than 12 Months		Total	
Held-to-Maturity Debt Securities:	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
As of March 31, 2022						
State and political subdivisions	$ 2,594	$ (72)	$ —	$ —	$ 2,594	$ (72)
Total temporarily impaired securities	$ 2,594	$ (72)	$ —	$ —	$ 2,594	$ (72)
As of March 31, 2021						
State and political subdivisions	$ 348	$ (3)	$ —	$ —	$ 348	$ (3)
Total temporarily impaired securities	$ 348	$ (3)	$ —	$ —	$ 348	$ (3)

U. S. Treasury Securities and U.S. Government Sponsored Enterprises, GSE

The unrealized losses on the Company's investments in direct obligations of U.S. treasury securities and U.S. government sponsored enterprises, GSE's, were caused by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at March 31, 2022.

Residential and Non-Residential Mortgage-backed Debt Securities

The unrealized losses on the Company's investment in residential and non-residential mortgage-backed debt securities were caused by changes in interest rates and liquidity. The Company expects to recover the amortized cost basis over the term of the debt securities. Because the decline in market value is attributable to changes in interest rates and liquidity and not credit quality, and because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at March 31, 2022.

State and Political Subdivisions

The unrealized losses on the Company's investments in debt securities of state and political subdivisions were caused by changes in interest rates and liquidity. The contractual terms of those investments do not permit the issuer to settle the debt securities at a price less than the amortized cost basis of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at March 31, 2022.

Note 4: Loans and Allowance for Loan Losses

Categories of loans, including loans held for sale, at March 31 include:

	2022	2021
	(In thousands)	
Mortgage loans on real estate:		
Residential:		
1-4 Family	$ 57,262	$ 58,519
Second mortgages	2,411	2,644
Construction	12,674	11,200
Equity lines of credit	8,649	8,548
Commercial	83,479	68,021
Total mortgage loans on real estate	164,475	148,932
Commercial loans	21,218	43,200
Consumer/other loans	16,909	14,800
Municipal government loans	3,356	3,236
Total Loans	205,958	210,168
Less		
Net deferred loan fees, premiums and discounts	74	804
Undisbursed portion of loans	4,565	3,981
Allowance for loan losses	2,473	2,520
Net loans	$ 198,846	$ 202,863

The Company is a community-oriented financial institution that seeks to serve the financial needs of the residents and businesses in its market area. The Company considers Crawford County and surrounding counties in Illinois, and Knox County and surrounding counties in Indiana, as its market area. The principal business of the Company has historically consisted of attracting retail deposits from the general public and primarily investing those funds in one- to four-family residential real estate loans, commercial, multi-family and agricultural real estate loans, consumer loans, and commercial business and agricultural finance loans. For the most part, loans are collateralized by assets, primarily real estate, of the borrowers and guaranteed by individuals. Repayment of the loans is expected to come from cash flows of the borrowers or from proceeds from the sale of selected assets of the borrowers.

Loan originations are developed from continuing business with (i) depositors and borrowers, (ii) real estate broker referrals, (iii) customer referrals, and (iv) walk-in customers. All of the Company's lending is subject to its written underwriting standards and loan origination procedures. Upon receipt of a loan application, it is first reviewed by a loan officer in the loan department who checks applications for accuracy and completeness. The Company's underwriting department then gathers the required information to assess the borrower's ability to repay the loan, the adequacy of the proposed collateral, the employment stability, and the credit-worthiness of the borrower. The financial resources of the borrower and the borrower's credit history, as well as the collateral securing the loan, are considered an integral part of each risk evaluation prior to approval. A credit report is obtained to verify specific information relating to the applicant's credit standing. Income is verified using W-2 information, tax returns, or pay-stubs of the potential borrower. In the case of a real estate loan, an appraisal of the real estate intended to secure the proposed loan is undertaken by an independent appraiser approved by the Company. The board of directors has established secured, unsecured and one- to- four- family lending authorities for each loan officer. Loans over an individual officer's lending limits must be approved by a loan officer with a higher lending limit. The highest individual lending limit being $500,000 on one- to- four-family residential properties for the senior loan officer and one real estate loan officer. The highest secured limit is also $500,000, but on a combined basis of the president and senior loan officer. Loans with a principal balance over this limit must be approved by the directors' loan committee, which meets weekly, or as needed, and consists of the chairman of the board, all outside directors, the president, the senior loan officer and loan officers. The senior loan officer and loan officers do not vote on the loans presented. The board of directors ratifies all loans that are originated. Once the loan is approved, the applicant is informed and a closing date is scheduled. Loan commitments are typically funded within 45 days.

The Company requires evidence of marketable title and lien position or appropriate title insurance on all loans secured by real property. The Company also requires fire and extended coverage casualty insurance in amounts at least equal to the lesser of the principal amount of the loan or the value of improvements on the property, depending on the type of loan. As required by federal regulations, the Company also requires flood insurance to protect the property securing its interest if such property is located in a designated flood area.

Management reserves the right to change the amount or type of lending in which it engages to adjust to market or other factors.

Residential Real Estate Lending. Residential mortgages include first liens on one- to- four-family properties, second mortgages, home equity lines of credit, and construction loans to individuals for the construction of one- to- four-family residences. Residential loan originations are generated by the Company's marketing efforts, its present customers, walk-in customers, and referrals from real estate brokers. Historically, the Company has focused its lending efforts primarily on the origination of loans secured by one- to four-family residential mortgages in its market area. The Company offers both adjustable and fixed rate mortgage loans. Substantially all of the Company's one- to four-family residential mortgage originations are secured by properties located in its market area.

The Company offers adjustable-rate mortgage loans at rates and on terms determined in accordance with market and competitive factors. The Company currently originates adjustable-rate mortgage loans with a term of up to 30 years. The Company offers residential mortgage loans that are fixed for three years and seven years, then adjustable annually after that, with a stated interest rate margin generally over the one-year Treasury Bill Index. Increases or decreases in the interest rate at any adjustment date is generally limited to 100 basis points for those loans that are fixed for three years then annually adjustable with a maximum adjustment of 600 basis over the life of the loan, or 200 basis points for those loans that are fixed for seven years then annually adjustable with a maximum adjustment of 600 basis points over the life of the loan. As a consequence of using caps, the interest rates on these loans may not be as rate sensitive as the Company's liabilities. The Company qualifies borrowers for adjustable-rate loans based on the initial interest rate of the loan and by reviewing the highest possible payment in the first 61 months of the loan. As a result, the risk of default on these loans may increase as interest rates increase.

The Company offers fixed-rate mortgage loans with a term of up to 30 years. The majority of the fixed rate loans currently originated by the Company are underwritten and documented pursuant to the guidelines of the Federal Home Loan Bank of Chicago's (the "FHLB") Mortgage Partnership Finance ("MPF") program.

The Company will generally lend up to 80% of the lesser of the appraised value or purchase price of the security property on owner occupied one- to four-family loans. Residential loans do not include prepayment penalties, are non-assumable (other than government-insured or guaranteed loans), and do not produce negative amortization. Real estate loans originated by the Company contain a "due on sale" clause allowing the Company to declare the unpaid principal balance due and payable upon the sale of the security property. The Company utilizes private mortgage insurance.

The Company also offers home equity loans that are secured by the underlying equity in the borrower's residence, and accordingly, are reported with the one- to- four- family real estate loans. As a result, the Company generally requires loan-to-value ratios of 90% or less after taking into consideration the first mortgage held by the Company. These loans typically have fifteen-year terms with an interest rate adjustment monthly.

The Company offers construction loans to individuals for the construction of one- to- four-family residences. Following the construction period, these loans may become permanent loans. Construction lending is generally considered to involve a higher level of credit risk since the risk of loss on construction loans is dependent largely upon the accuracy of the initial estimate of the individual property's value upon completion of the project and the estimated cost (including interest) of the project. If the cost estimate proves to be inaccurate, the Company may be required to advance funds beyond the amount originally committed to permit completion of the project. The Company conducts periodic inspections of the construction project to help mitigate this risk.

Commercial Real Estate Lending. The Company also originates commercial, multi-family and agricultural real estate loans. The Company will generally lend up to 80% of the value of the collateral securing the loan with varying maturities up to 20 years with re-pricing periods ranging from daily to one year. In underwriting these loans, the Company currently analyzes the financial condition of the borrower, the borrower's credit history, and the reliability and predictability of the cash flow generated by the business. The Company generally requires personal guaranties on corporate borrowers. Appraisals on properties securing commercial and agricultural real estate loans originated by the Company are primarily performed by independent appraisers. The Company also offers small business loans, which are generally guaranteed up to 90% by various governmental agencies.

Commercial, multi-family and agricultural real estate loans generally present a higher level of risk than loans secured by one- to four-family residences. This greater risk is due to several factors, including the concentration of principal in a limited number of loans and borrowers, the effect of general economic conditions on income and the increased difficulty of evaluating and monitoring these types of loans. Furthermore, the repayment of loans secured by commercial, multi-family and agricultural real estate is typically dependent upon the successful operation of the business. If the cash flow from the project is reduced, the borrower's ability to repay the loan may be impaired.

Commercial Lending. The Company also originates commercial and agricultural business loans. Unlike residential mortgage loans, which generally are made on the basis of the borrower's ability to make repayment from his or her employment and other income and which are secured by real property whose value tends to be more easily ascertainable, commercial business and agricultural finance loans typically are made on the basis of the borrower's ability to make repayment from the cash flow of the borrower's business. As a result, the availability of funds for the repayment of commercial business and agricultural finance loans may be substantially dependent on the success of the business itself (which, in turn, is likely to be dependent upon the general economic environment). The Company's commercial business and agricultural finance loans are usually secured by business or personal assets. However, the collateral securing the loans may depreciate over time, may be difficult to appraise, and may fluctuate in value based on the success of the business.

The Company's commercial business and agricultural finance lending policy includes credit file documentation and analysis of the borrower's character, capacity to repay the loan, the adequacy of the borrower's capital and collateral, as well as an evaluation of conditions affecting the borrower. Analysis of the borrower's past, present, and future cash flows is also an important aspect of the Company's current credit analysis. Nonetheless, such loans are believed to carry higher credit risk than more traditional investments.

Consumer and Other Lending. The Company offers secured and unsecured consumer and other loans. Secured loans may be collateralized by a variety of asset types, including automobiles, equity securities, and deposits. The Company currently originates substantially all of its consumer and other loans in its primary market area. A significant component of the Company's consumer loan portfolio consists of new and used automobile loans. These loans generally have terms that do not exceed six years. Generally, loans on vehicles are made in amounts up to 100% of the sales price plus license and tax fees or the value as quoted in BlackBook USA, whichever is least.

Consumer and other loan terms vary according to the type and value of collateral, length of contract, and creditworthiness of the borrower. The underwriting standards employed by the Bank for consumer loans include an application, a determination of the applicant's payment history on other debts, and an assessment of ability to meet existing obligations and payments on the proposed loan. Although creditworthiness of the applicant is a primary consideration, the underwriting process also includes a comparison of the value of the security, if any, in relation to the proposed loan amount.

Consumer and other loans may entail greater credit risk than do residential mortgage loans, particularly in the case of consumer loans which are unsecured or are secured by rapidly depreciable assets, such as automobiles. Further, any repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage, loss, or depreciation. In addition, consumer loan collections are dependent on the borrower's continuing financial stability, and thus are more likely to be affected by adverse personal circumstances. Furthermore, the application of various federal and state laws, including bankruptcy and insolvency laws, may limit the amount which can be recovered on such loans.

Municipal Government Lending. The Company originates both fixed and adjustable loans for municipal governments. Loans to municipal governments are generally at a lower rate than consumer or commercial loans due to the tax-free nature of municipal loans. For underwriting purposes, the Company does require financial information to document the ability to repay. Proper documentation in the entity's minutes, from a board meeting with a quorum present, that indicate the approval to seek a loan and that names the authorized individuals to sign for the loan, is also required.

The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of March 31, 2022 and 2021:

	2022					
	Residential Real Estate	Commercial Real Estate	Commercial	Consumer/ Other Loans	Municipal Government	Total
Allowance for loan losses:	(In thousands)					
Balance, beginning of year	$ 1,097	$ 641	$ 593	$ 164	$ 25	$ 2,520
Provision charged to expense	(72)	1,239	(303)	(14)	(5)	845
Losses charged off	(42)	(865)	—	(57)	—	(964)
Recoveries	2	23	—	47	—	72
Balance, end of period	$ 985	$ 1,038	$ 290	$ 140	$ 20	$ 2,473
Ending balance: individually evaluated for impairment	$ 21	$ 61	$ —	$ —	$ —	$ 82
Ending balance: collectively evaluated for impairment	$ 964	$ 977	$ 290	$ 140	$ 20	$ 2,391
Loans:						
Ending balance	$ 80,996	$ 83,479	$ 21,218	$ 16,909	$ 3,356	$ 205,958
Ending balance: individually evaluated for impairment	$ 679	$ 5,276	$ 358	$ 5	$ —	$ 6,318
Ending balance: collectively evaluated for impairment	$ 80,317	$ 78,203	$ 20,860	$ 16,904	$ 3,356	$ 199,640

	2021					
	Residential Real Estate	Commercial Real Estate	Commercial	Consumer/ Other Loans	Municipal Government	Total
Allowance for loan losses:	(In thousands)					
Balance, beginning of year	$ 929	$ 843	$ 431	$ 157	$ 25	$ 2,385
Provision charged to expense	192	8	1,234	108	—	1,542
Losses charged off	(55)	(235)	(1,077)	(141)	—	(1,508)
Recoveries	31	25	5	40	—	101
Balance, end of period	$ 1,097	$ 641	$ 593	$ 164	$ 25	$ 2,520
Ending balance: individually evaluated for impairment	$ 45	$ 11	$ 244	$ 1	$ —	$ 301
Ending balance: collectively evaluated for impairment	$ 1,052	$ 630	$ 349	$ 163	$ 25	$ 2,219
Loans:						
Ending balance	$ 80,911	$ 68,021	$ 43,200	$ 14,800	$ 3,236	$ 210,168
Ending balance: individually evaluated for impairment	$ 810	$ 3,640	$ 627	$ 36	$ —	$ 5,113
Ending balance: collectively evaluated for impairment	$ 80,101	$ 64,381	$ 42,573	$ 14,764	$ 3,236	$ 205,055

Management's opinion as to the ultimate collectability of loans is subject to estimates regarding future cash flows from operations and the value of property, real and personal, pledged as collateral. These estimates are affected by changing economic conditions and the economic prospects of borrowers.

During the fiscal year ended March 31, 2021, the Company made a change to the methodology used in estimating the allowance for loan losses by increasing the loss experience history from a three year average used in prior periods to a four year average.

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on all loans at origination. In addition, commercial lending relationships over $150,000 are reviewed annually by the credit analyst or senior loan officer in our loan department in order to verify risk ratings. The Company uses the following definitions for risk ratings:

Watch – Loans classified as watch have minor weaknesses or negative trends. There is a possibility that some loss could be sustained.

Special Mention – Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard – Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be Pass rated loans.

The following tables present the credit risk profile of the Company's loan portfolio based on rating category and payment activity as of March 31, 2022 and 2021:

	2022					
	Residential Real Estate	Commercial Real Estate	Commercial	Consumer/ Other Loans	Municipal Government	Total
	(In thousands)					
Rating:						
Pass	$ 79,976	$ 74,237	$ 18,225	$ 16,901	$ 3,356	$ 192,695
Watch	432	4,762	1,747	8	—	6,949
Special Mention	—	3,051	555	—	—	3,606
Substandard	588	1,429	691	—	—	2,708
Doubtful	—	—	—	—	—	—
Total	$ 80,996	$ 83,479	$ 21,218	$ 16,909	$ 3,356	$ 205,958

	2021					
	Residential Real Estate	Commercial Real Estate	Commercial	Consumer/ Other Loans	Municipal Government	Total
	(In thousands)					
Rating:						
Pass	$ 79,582	$ 61,932	$ 41,176	$ 14,758	$ 3,140	$ 200,588
Watch	600	2,067	794	16	96	3,573
Special Mention	—	—	69	—	—	69
Substandard	729	4,022	1,161	26	—	5,938
Doubtful	—	—	—	—	—	—
Total	$ 80,911	$ 68,021	$ 43,200	$ 14,800	$ 3,236	$ 210,168

The following tables present the Company's loan portfolio aging analysis as of March 31, 2022 and 2021:

	2022						
	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater Past Due	Total Loans Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
	(In thousands)						
Real Estate:							
Residential:							
1-4 Family	$ 238	$ 191	$ 19	$ 448	$ 56,814	$ 57,262	$ —
Second mortgages	—	—	16	16	2,395	2,411	—
Construction	—	—	—	—	12,674	12,674	—
Equity lines of credit	—	—	11	11	8,638	8,649	—
Commercial real estate	—	—	—	—	83,479	83,479	—
Commercial	—	—	—	—	21,218	21,218	—
Consumer/other loans	10	—	—	10	16,899	16,909	—
Municipal government loans	—	—	—	—	3,356	3,356	—
Total	$ 248	$ 191	$ 46	$ 485	$ 205,473	$ 205,958	$ —

	2021						
	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater Past Due	Total Loans Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
	(In thousands)						
Real Estate:							
Residential:							
1-4 Family	$ 426	$ 54	$ 83	$ 563	$ 57,956	$ 58,519	$ —
Second mortgages	—	17	—	17	2,627	2,644	—
Construction	—	—	—	—	11,200	11,200	—
Equity lines of credit	—	—	20	20	8,528	8,548	—
Commercial real estate	345	—	1,480	1,825	66,196	68,021	—
Commercial	13	—	241	254	42,946	43,200	—
Consumer/other loans	9	27	—	36	14,764	14,800	—
Municipal government loans	—	—	—	—	3,236	3,236	—
Total	$ 793	$ 98	$ 1,824	$ 2,715	$ 207,453	$ 210,168	$ —

In March 2020, the COVID-19 coronavirus was identified as a global pandemic and began affecting the health of large populations around the world. As a result of the spread of COVID-19, economic uncertainties arose which can ultimately affect the financial position, results of operations and cash flows of the Company as well as the Company's customers. In response to economic concerns over COVID-19, in March 2020 the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was passed into law by Congress. The CARES Act included relief for individual Americans, health care workers, small businesses and certain industries hit hard by the COVID-19 pandemic. The 2021 *Consolidated Appropriations Act*, passed by Congress in December 2020, extended certain provisions of the CARES act affecting the Company into 2021.

The CARES Act included several provisions designed to help financial institutions like the Company in working with their customers. Section 4013 of the CARES Act, as extended, allowed a financial institution to elect to suspend generally accepted accounting principles and regulatory determinations with respect to qualifying loan modifications related to COVID-19 that would otherwise be categorized as a troubled debt restructuring (TDR) until January 1, 2022. The Company has taken advantage of this provision to extend certain payment modifications to loan customers in need. As of March 31, 2022 and 2021, the Company had no loans and $406,000, respectively, remaining on modified terms under the CARES Act guidance.

The CARES Act also approved the Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA) with funding provided by financial institutions. The *2021 Consolidated Appropriations Act* approved a new round of PPP loans in 2021. The PPP provided loans to eligible businesses through financial institutions like the Company, with loans being eligible for forgiveness of some or all of the principal amount by the SBA if the borrower meets certain requirements. The SBA guarantees repayment of the loans to the Company if the borrower's loan is not forgiven and is then repaid by the customer. The Company earns a 1% interest rate on PPP loans, plus a processing fee from SBA for processing and originating a loan. The Company originated approximately $1,452,000 in PPP loans during the March 31, 2022, fiscal year and approximately $36,411,000 during fiscal year 2021. Still outstanding as of March 31, 2022, and 2021, were $953,000 and $23,908,000, respectively.

A loan is considered impaired, in accordance with the impairment accounting guidance (ASC 310-10-35-16), when based on current information and events, it is probable the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.

Impairment is measured on a loan-by-loan basis by either the present value of the expected future cash flows, the loan's observable market value, or, for collateral-dependent loans, the fair value of the collateral adjusted for market conditions and selling expenses. Significant restructured loans are considered impaired in determining the adequacy of the allowance for loan losses.

The Company actively seeks to reduce its investment in impaired loans. The primary tools to work through impaired loans are settlement with the borrowers or guarantors, foreclosure of the underlying collateral, or restructuring.

The Company will restructure loans when the borrower demonstrates the inability to comply with the terms of the loan, but can demonstrate the ability to meet acceptable restructured terms. Restructurings generally include one or more of the following restructuring options; reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection. Restructured loans in compliance with modified terms are classified as impaired.

The following tables present impaired loans for the years ended March 31, 2022 and 2021:

	2022					
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized	Interest Income Recognized on a Cash Basis
			(In thousands)			
Loans with a specific valuation allowance						
Residential real estate	$ 275	$ 275	$ 21	$ 884	$ 10	$ 11
Commercial real estate	2,042	2,042	61	1,246	105	78
Commercial	—	—	—	118	—	—
Consumer	—	—	—	32	—	—
Loans without a specific valuation allowance						
Residential real estate	$ 404	$ 404	$ —	$ 85	$ 26	$ 26
Commercial real estate	3,234	3,337	—	1,551	164	160
Commercial	358	358	—	248	24	24
Consumer	5	5	—	4	1	1
Total:						
Residential real estate	$ 679	$ 679	$ 21	$ 969	$ 36	$ 37
Commercial real estate	5,276	5,379	61	2,797	269	238
Commercial	358	358	—	366	24	24
Consumer	5	5	—	36	1	1
Total	$ 6,318	$ 6,421	$ 82	$ 4,168	$ 330	$ 300

	2021					
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized	Interest Income Recognized on a Cash Basis
			(In thousands)			
Loans with a specific valuation allowance						
Residential real estate	$ 768	$ 768	$ 45	$ 1,143	$ 52	$ 53
Commercial real estate	615	615	11	2,053	35	33
Commercial	363	363	244	820	27	25
Consumer	35	35	1	32	4	3
Loans without a specific valuation allowance						
Residential real estate	$ 42	$ 42	$ —	$ 225	$ 2	$ 2
Commercial real estate	3,025	3,123	—	1,239	100	109
Commercial	264	264	—	55	—	13
Consumer	1	1	—	4	—	—
Total:						
Residential real estate	$ 810	$ 810	$ 45	$ 1,368	$ 54	$ 55
Commercial real estate	3,640	3,738	11	3,292	135	142
Commercial	627	627	244	875	27	38
Consumer	36	36	1	36	4	3
Total	$ 5,113	$ 5,211	$ 301	$ 5,571	$ 220	$ 238

Included in certain loan categories in the impaired loans are troubled debt restructurings (TDR’s), where economic concessions have been granted to borrowers who have experienced financial difficulties, that were classified as impaired. These concessions typically result from our loss mitigation activities and could include reductions in interest rate, payment extensions, forgiveness of principal, forbearance, or other actions. TDR’s are considered impaired at the time of restructuring and typically are returned to accrual status after considering the borrower’s sustained repayment performance for a reasonable period of at least six months.

When loans are modified into a TDR, the Company evaluates any possible impairment similar to other impaired loans based on the present value of expected cash flows, discounted at the contractual interest rate of the original loan agreement, or based upon the current fair value of the collateral, less selling costs for collateral dependent loans. If the Company determined that the value of the modified loan is less than the recorded investment in the loan (net or previous charge-offs, deferred loan fees or costs, and unamortized premium or discount), impairment is recognized through an allowance estimate or a charge-off to the allowance. In periods subsequent to modification, the Company evaluates all TDR’s, including those that have payment defaults, for possible impairment and recognizes impairment through the allowance.

The following table presents the recorded balance, at original cost, of troubled debt restructurings, as of March 31, 2022 and 2021.

	2022	2021
	(In thousands)	
Residential	$ 123	$ 173
Commercial real estate	158	179
Total	$ 281	$ 352

The following table presents the recorded balance, at original cost, of troubled debt restructurings, which were performing according to the terms of the restructuring, as of March 31, 2022 and 2021.

	2022	2021
	(In thousands)	
Residential	$ 123	$ 112
Commercial real estate	158	179
Total	$ 281	$ 291

The following table presents loans modified as troubled debt restructuring during the years ended March 31, 2022 and 2021.

	2022			2021		
	Number of Modifications	Pre-modification Recorded Investment	Post Modification Balance	Number of Modifications	Pre-modification Recorded Investment	Post Modification Balance
			(In thousands)			
Residential	1	$ 7	$ 7	2	$ 84	$ 84
Total	1	$ 7	$ 7	2	$ 84	$ 84

For the fiscal year ending March 31, 2022, the Company restructured one residential real estate loan with a recorded investment of $7,000, compared to the modification of two residential real estate loans with a recorded investment of $84,000 during the fiscal year ended March 31, 2021. The one restructured real estate in fiscal year 2022 was due to the reduction in payment which will create a balloon loan at maturity. The two loans restructured during the fiscal year ended March 31, 2021, were to one borrower on a single property. The two loans were granted two-month extensions but did not qualify under the CARES Act, as both were past due at December 31, 2019.

The loans restructured as troubled debt during fiscal years 2022 and 2021 did not have a material effect on the allowance for loan losses.

The following table presents the Company's nonaccrual loans at March 31, 2022 and 2021. This table excludes performing troubled debt restructurings.

	2022	2021
	(In thousands)	
Residential:		
1-4 Family	$ 525	$ 521
Second mortgages	16	—
Construction	—	—
Equity Lines of Credit	11	20
Commercial real estate	—	1,566
Commercial	70	257
Consumer/other loans	11	—
Total	$ 633	$ 2,364

The following table presents the Company's foreclosed assets at March 31, 2022 and 2021.

	2022	2021
	(In thousands)	
Residential:		
1-4 Family	$ 44	$ 190
Commercial real estate	850	220
Valuation allowance	(97)	(68)
Total	$ 797	$ 342

At March 31, 2022, the balance of real estate owned included $44,000 on one foreclosed one-to four family property and $850,000 in commercial real estate, consisting of two empty lots and a restaurant, recorded as a result of obtaining physical possession of the properties, compared to $190,000 in foreclosed one-to four family real estate and $220,000 in commercial real estate owned as of March 31, 2021. A valuation allowance of $97,000 was established for the commercial real estate foreclosed properties owned as of March 31, 2022, with $68,000 in valuation allowances for two commercial real estate properties for the year ended March 31, 2021. Formal foreclosure proceedings are in the process on $147,000 of residential real estate properties as of March 31, 2022, compared to formal foreclosure proceedings on $125,000 in residential real estate mortgage and $1,486,000 in commercial real estate properties as of March 31, 2021.

Note 5: Premises and Equipment

Major classifications of premises and equipment stated at cost, are as follows:

	2022	2021
	(In thousands)	
Land	$ 1,259	$ 1,259
Buildings and improvements	7,962	7,817
Right of use asset	130	130
Equipment	5,160	5,077
	14,511	14,283
Less accumulated depreciation	8,026	7,460
Net premises and equipment	$ 6,485	$ 6,823

In November 2018, the Company entered into a fifty-four month finance lease in the amount of $130,000 of a building previously owned by a financial institution. On April 1, 2023, at the termination of the lease, the Company will purchase the building for the unpaid balance of the lease, $95,000.

Note 6: Loan Servicing

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balance of mortgage loans serviced for others was $210,910,000 and $198,511,000 at March 31, 2022 and 2021, respectively.

Custodial escrow balances maintained in connection with the foregoing loan servicing, and included in demand deposits, were approximately $2,164,000 and $2,508,000 at March 31, 2022 and 2021, respectively.

Capitalized mortgage servicing rights at March 31, 2022 and 2021 totaled $1,825,000 and $1,322,000, respectively, and are included in "other assets" on the consolidated balance sheets. Comparable market values and a valuation model that calculates the present value of future cash flows were used to estimate fair value. For purposes of measuring impairment, risk characteristics, including type of loan and origination date, were used to stratify the originated mortgage servicing rights.

The following summarizes the activity pertaining to mortgage servicing rights:

	2022	2021
	(In thousands)	
Mortgage servicing rights		
Balance, beginning of year	$ 1,322	$ 1,233
Servicing rights capitalized	492	1,244
Amortization of servicing rights	(379)	(1,022)
Change in valuation allowance	390	(133)
Balance, end of year	$ 1,825	$ 1,322

Fair value disclosure:

	2022	2021
	(In thousands)	
Fair value as of the beginning of the period	$ 1,322	$ 1,233
Fair value as of the end of the period	2,014	1,322

For purposes of measuring impairment, risk characteristics (including product type, investor type, and interest rates) were used to stratify the originated mortgage servicing rights. Activity in the valuation allowance was as follows:

	2022	2021
	(In thousands)	
Balance, beginning of year	$ 390	$ 257
Additions	—	133
Reductions	(390)	—
Balance, end of year	$ —	$ 390

During the fiscal year ended March 31, 2022, a recovery of $390,000 was recognized as the valuation of the mortgage servicing assets exceeded the amortized cost basis. At March 31, 2021, an additional valuation allowance of $133,000 was necessary to adjust the aggregate cost basis of the mortgage servicing assets to fair market value. The valuation allowance was adjusted during the years ended March 31, 2022 and 2021, due to payments received on the related loans, as well as changes in the estimated value on the mortgage servicing right asset.

Note 7: Interest-bearing Deposits

Interest-bearing time deposits in denominations of $250,000 or more were $10,812,000 on March 31, 2022, and $9,881,000 on March 31, 2021.

The following table represents deposit interest expense by deposit type at March 31:

	2022	2021
	(In thousands)	
Savings, NOW, Money Market, Interest bearing demand	$ 456	$ 581
Certificates of deposit	528	665
Total	$ 984	$ 1,246

At March 31, 2022, the scheduled maturities (in thousands) of time deposits are as follows:

2023	$ 20,634
2024	8,550
2025	5,210
2026	1,754
2027	736
Thereafter	3,102
	$ 39,986

At March 31, 2022, deposits of two customers amounted to $54,808,000 of the total deposits held by the Company.

Note 8: Other Borrowings

Other borrowings included the following at March 31:

	2022	2021
	(In thousands)	
Securities sold under repurchase agreements	$ 43,514	$ 14,509
Lease agreement	103	111
Total	$ 43,617	$ 14,620

Securities sold under agreements to repurchase consist of obligations of the Company to other parties. The maximum amount of outstanding agreements at any month end during 2022 and 2021 totaled $44,491,000 and $38,411,000, respectively, and the monthly average of such agreements totaled $30,937,000 and $25,402,000 for 2022 and 2021, respectively. The average cost of funds on the agreements during 2022 and 2021 were 0.03%. The average rates at March 31, 2022 and

2021 were 0.13% and 0.04%. The agreements at March 31, 2022, consist of $43,514,000 in overnight and short term borrowings.

Securities sold under agreements to repurchase are secured by U.S. government sponsored enterprises and mortgage-backed securities and such collateral is held by the Company in safekeeping at The Independent Bankers Bank (TIB) in a segregated custodial account. At March 31, 2022, the Company had $37,481,000 of overnight repurchase agreements secured by government sponsored enterprises and $6,033,000 of overnight repurchase agreements secured by mortgage-backed securities. The right of offset for a repurchase agreement resembles a secured borrowing, whereby the collateral pledged by the Company would be used to settle the fair value of the repurchase agreement should the Company be in default. In the event the collateral value falls below stipulated levels, the Company will pledge additional securities. The Company closely monitors collateral levels to ensure adequate levels are maintained.

The Company had $32,123,000 in a repurchase agreement with one party as of March 31, 2022.

See Note 5 for the lease agreement terms related to the finance lease.

Note 9: Lines of Credit

The Company maintains a $2,500,000 revolving line of credit note payable, of which no balance was outstanding at March 31, 2022 and $320,000 outstanding as of March 31, 2021, with an unaffiliated financial institution. The note payable bears interest tied to the prime commercial rate with a floor of 3.25%, matures on September 30, 2022, and is secured by the stock of the national bank owned by the Company. The rate at March 31, 2022 was 3.50%. Management intends to renew the line of credit.

In November 2017, the Company obtained a $2,500,000 term loan from the same unaffiliated financial institution as the revolving line of credit. The funds were used to pay the revolving line of credit to zero and to inject $1,525,000 in capital into the bank. The loan was for a term of 3 years with quarterly payments of principal and interest and a balloon payment at maturity. The rate was fixed at 4.20% for the term of the loan. The loan matured in November 2020 and $1,063,000 was refinanced for a term of two years with quarterly principal and interest payments at a rate of 3.50% fixed for the term. This loan was paid in full in February 2022. The balance outstanding at March 31, 2022 was $0 and $934,000 at March 31, 2021.

In February 2022, the Company obtained a $3,000,000 term loan. The term loan is for a period of five (5) years with quarterly payments of principal and interest and is at a fixed rate of 3.75%. The balance outstanding at March 31, 2022 was $3,000,000.

The line of credit and term loan require the Company to maintain certain financial conditions and covenants. Covenants attached to the line of credit and term loan are: (i) total risk-based capital of greater than or equal to 10%; (ii) allowance for loan and lease losses to total loans must be greater than or equal to 0.80%; and (iii) past due, 90 days and non-accrual loans to total average loans must be less than or equal to 2.0%. The Company is in compliance with the loan covenants, as of March 31, 2022.

The following table represents annual principal payments of the term loan due until maturity:

	(In thousands)
March 31, 2023	$ 556
March 31, 2024	577
March 31, 2025	599
March 31, 2026	622
March 31, 2027	646
	$ 3,000

The Company maintains a $6,700,000 revolving line of credit, of which no amounts were outstanding at March 31, 2022 and 2021, with an unaffiliated financial institution. The line bears interest at the federal funds rate of the financial institution (1.40% at March 31, 2022), has an open-end maturity and is unsecured if used for less than thirty (30) consecutive business days.

The Company has also established borrowing capabilities at the Federal Reserve Bank of St. Louis discount window. Investment securities of $5,327,000 have been pledged as collateral. As of March 31, 2022 and 2021, no amounts were outstanding. The primary credit borrowing rate at March 31, 2022 was 0.50%, has an overnight term, and has no restrictions on use of the funds borrowed.

The Company also maintains a $5,500,000 unsecured fed funds line with an unaffiliated financial institution. No amount was outstanding at March 31, 2022 and 2021. The interest rate charged on the line is equal to the unaffiliated financial institution's internal fed funds rate, which was 0.33% at March 31, 2022. The line must be paid to zero if in borrowing position for 20 consecutive days.

Note 10: Federal Home Loan Bank Advances

The Company maintains a borrowing capacity of $76,048,000 with the Federal Home Loan Bank of Chicago ("FHLB"). As of March 31, 2022, the Company had no amounts outstanding in FHLB advances. The borrowing capacity is decreased by advances outstanding and credit enhancements of $1,853,000 related to the Mortgage Partnership Program with the FHLB resulting in an available borrowing capacity of $74,195,000. The borrowings are secured by one-to four-family, multi-family, and commercial real estate mortgage loans totaling $122,796,000 at March 31, 2022. However, without purchasing additional shares of FHLB stock, the maximum amount available to borrow is 22 times the amount of FHLB Capital Stock of $562,000. The FHLB advances are subject to restrictions or penalties in the event of prepayment.

Note 11: Income Taxes

The Company files income tax returns in the U.S. federal, state of Illinois, and state of Indiana jurisdictions. During the years ended March 31, 2022 and 2021, the Company did not recognize expense for interest or penalties, related to uncertain tax positions.

The provision for income taxes includes these components:

	2022	2021
	(In thousands)	
Taxes currently payable	$ 763	$ 925
Deferred income taxes	180	(135)
Income tax expense	$ 943	$ 790

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense is shown below:

	2022	2021
	(In thousands)	
Computed at the statutory rate of 21%	$ 771	$ 715
Increase (decrease) resulting from:		
Tax exempt interest	(106)	(110)
State income taxes	297	193
Life insurance cash value	(29)	(14)
Other	10	6
Actual tax expense	$ 943	$ 790

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets were:

		2022		2021
		(In thousands)		
Deferred tax assets:				
Unrealized loss on available-for-sale securities	$	2,494	$	—
Allowance for loan losses		752		762
Deferred compensation		413		360
Accrual to cash		98		231
Other		60		55
		3,817		1,408
Deferred tax liabilities:				
Unrealized gain on available-for-sale securities		—		(504)
Depreciation		(385)		(442)
Mortgage servicing rights		(520)		(377)
Prepaid assets		(52)		(47)
Other		(5)		(1)
		(962)		(1,371)
Net deferred tax asset	$	2,855	$	37

Note 12: Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), included in stockholders' equity, are as follows:

		2022		2021
		(In thousands)		
Net unrealized (loss) gain on debt securities available for sale	$	(8,750)	$	1,768
Tax effect		2,494		(504)
Net-of-tax amount	$	(6,256)	$	1,264

No amounts were reclassified from Accumulated Other Comprehensive Income (Loss) during the fiscal years ended March 31, 2022 and 2021.

Note 13: Revenue from Contracts with Customers

All of the Company's revenue from contracts with customers in the scope of Topic 606 is recognized within Non-Interest Income. The following table presents the Company's sources of

Non-Interest Income for the years ended March 31, 2022 and 2021. Items outside the scope of Topic 606 are charges and other fees on loans, and net gain on sale of loans. The other category includes income related to asset management fees of $105,000 and $120,000 for fiscal years ended March 31, 2022 and 2021, respectively; Investment brokerage fees of $256,000 and $272,000 for the fiscal years ended March 31, 2022 and 2021, respectively; and debit card interchange and ATM fee income of $760,000 and $651,000 for the fiscal years ended March 31, 2022 and 2021, respectively, which are within the scope of Topic 606. The remaining balance of the other category is outside the scope of Topic 606.

	2022	2021
	(In thousands)	
Non-interest income		
Charges and other fees on loans	$ 1,051	$ 579
Charges and fees on deposit accounts	878	855
Net gain on sale of loans	1,000	2,291
Other	1,327	1,190
Total non-interest income	$ 4,256	$ 4,915

A description of the Company's revenue streams accounted for under Topic 606 follows:

Charges and fees on deposit accounts: The Company earns fees from its customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as stop payment charges, statement rendering, and ACH fees are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Asset management fees: The Company earns asset management fees from its contracts with trust customers to manage assets for investment, and/or to transact business on their accounts. These fees are primarily earned over a time as the Company provides contracted monthly or quarterly services and are generally assessed based on a tiered scale of the market value of assets under management at month-end.

Investment brokerage fees: The Company earns fees from investment brokerage services provided to customers by a third-party service provider. The Company receives commissions from the third-party service provider on a monthly basis based upon customer activity for the month. The fees are recognized monthly. Because the Company provides an employee that (i) acts as an agent in arranging the relationship between the customers and the third-party service provider and (ii) does not control the services rendered to the customers, investment brokerage fees are presented net of related costs, including commission paid to the employee and advertising costs associated with promoting the investment brokerage services.

Debit Card interchange and ATM fee income: The Company earns interchange fees from debit cardholder transactions conducted through the Visa payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

ATM use fee income is recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer request.

Gains/Losses on sales of foreclosed assets: The Company records a gain or loss from the sale of foreclosed assets when control of the property transfers to the buyer, which generally occurs at the time of the executed deed. When the Company finances the sale of the foreclosed assets to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether the collectability of the transaction price is probable. Once these criteria are met, the foreclosed asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) if a significant financing component is present. As of the fiscal years ended March 31, 2022 and 2021, the Company's net loss was immaterial.

Note 14: Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under U.S. GAAP, regulatory reporting requirements, and regulatory capital standards. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Furthermore, the Bank's regulators could require adjustments to regulatory capital not reflected in the consolidated financial statements.

Quantitative measures established by regulatory reporting standards to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital (as defined) to risk-weighted assets (as defined), common equity Tier 1 capital (as defined) to total risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of March 31, 2022 and 2021, that the Bank met all capital adequacy requirements to which it is subject.

Effective January 1, 2020, depository institutions and depository institution holding companies that have less than $10 billion in total consolidated assets and meet other qualifying criteria, including a tier 1 leverage ratio of greater than 9 percent, are considered qualifying community banking organizations and are eligible to opt into an alternative simplified regulatory capital framework, which utilizes a newly-defined "Community Bank Leverage Ratio" (CBLR). The CBLR framework is an optional framework that is designed to reduce burden by removing the requirements for calculating and reporting risk-based capital ratios for qualifying community banking organizations that opt into the framework. Qualifying community banking organizations that elect to use the CBLR framework and that maintain a leverage ratio of greater than 9 percent are considered to have satisfied the risk-based and leverage capital requirements in the agencies' generally applicable capital rule. In April 2020, the federal banking regulatory agencies announced the issuance of two interim final rules, effective immediately, to provide temporary relief to community banking organizations. Under the interim final rules, the CBLR requirement is a minimum of 8% for the remainder of calendar year 2020, 8.5% for calendar year 2021, and 9% thereafter. The Company and the Bank have not made an election to utilize the CBLR framework, but will continue to monitor the available option, and could do so in the future.

As of March 31, 2022, the most recent notification from the Comptroller of the Currency categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based capital, Tier I risk-based capital, common equity Tier 1 risk-based capital, and Tier I leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the Bank's category.

The Bank's actual capital amounts and ratios are also presented in the table.

	Actual		Minimum Capital Requirement		Minimum to be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio[1]	Amount	Ratio
As of March 31, 2022			(Amounts in Thousands)			
Common equity Tier 1 capital (to risk-weighted assets)	$35,950	14.8%	$17,052	7.0%	$15,834	6.5%
Total risk-based capital (to risk-weighted assets)	$38,588	15.8%	$25,577	10.5%	$24,359	10.0%
Tier I capital (to risk-weighted assets)	$35,950	14.8%	$20,705	8.5%	$19,487	8.0%
Tier I capital (to average assets)	$35,950	7.8%	$30,067	6.5%	$23,128	5.0%
As of March 31, 2021						
Common equity Tier 1 capital (to risk-weighted assets)	$32,780	15.7%	$14,592	7.0%	$13,549	6.5%
Total risk-based capital (to risk-weighted assets)	$35,386	17.0%	$21,887	10.5%	$20,852	10.0%
Tier I capital (to risk-weighted assets)	$32,780	15.7%	$17,718	8.5%	$16,682	8.0%
Tier I capital (to average assets)	$32,780	8.0%	$26,538	6.5%	$20,414	5.0%

(1) Includes the 2.50% capital conservation buffers for 2022 and 2021.

The above minimum capital requirements include the capital conservation buffer required to avoid limitations on capital distributions, including dividend payments and certain discretionary bonus payments to executive officers. The capital conservation buffer was 2.50 percent at March 31, 2022 and 2021. The net unrealized gain or loss on available-for-sale securities is not included in computing regulatory capital.

The Bank is subject to certain restrictions on the amount of dividends that it may declare without prior regulatory approval. The Bank's ability to pay dividends on its common stock to the Company is restricted to maintain adequate capital as shown in the table above.

Basel III Capital Rules

In July 2013, the three federal bank regulatory agencies jointly published final rules (the Basel III Capital Rules) establishing a new comprehensive capital framework for U.S. banking organizations. The rules implement the Basel Committee's December 2010 framework known as "Basel III" for strengthening international capital standards as well as certain provisions of the Dodd-Frank Act. These rules substantially revise the risk-based capital requirements applicable to bank holding companies and depository institutions, compared to the current U.S. risk-based capital rules. The Basel III Capital Rules define the components of capital and address other issues affecting the numerator in banking institutions' regulatory capital ratios. These rules also address risk weights and other issues affecting the denominator in banking institutions' regulatory capital ratios and replace the existing risk-weighting approach with a more risk-sensitive approach. The Basel III Capital Rules were effective for the Bank on January 1, 2015 (subject to a four-year phase-in period).

The Basel III Capital Rules, among other things, (i) introduce a new capital measure called "Common Equity Tier 1" (CET1), (ii) specify that Tier 1 capital consist of CET1 and "Additional Tier 1 Capital" instruments meeting specified requirements, (iii) define CET1 narrowly by requiring that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expand the scope of the deductions/adjustments as compared to existing regulations.

At the time of the conversion of the Bank to a stock organization, a special liquidation account was established for the benefit of eligible account holders and the supplemental eligible account holders in an amount equal to the net worth of the Bank. The special liquidation account will be maintained for the benefit of eligible account holders and the supplemental eligible account holders who continue to maintain their accounts in the Bank after June 27, 1997. The special liquidation account was $5,070,000 as of that date. In the unlikely event of a complete liquidation, each eligible and supplemental eligible accounts holder will be entitled to receive a liquidation distribution from the liquidation account in an amount proportionate to the current adjusted qualifying balances for accounts then held. The Bank may not declare or pay cash dividends on, or repurchase any of its common stock, if stockholders' equity would be reduced below applicable regulatory capital requirements or below the special liquidation account.

Note 15: Related Party Transactions

At March 31, 2022 and 2021, the Company had loans outstanding to executive officers, directors, and significant stockholders and their affiliates (related parties). Changes in loans to executive officers, directors, and significant stockholders and their affiliates, are as follows:

	2022	2021
	(In thousands)	
Balance, beginning of year	$ 3,658	$ 4,180
Additions	311	3,364
Repayments	(442)	(3,886)
Balance, end of year	$ 3,527	$ 3,658

Deposits from related parties held by the Company at March 31, 2022 and 2021 totaled approximately $2,439,000 and $3,460,000 respectively. No repurchase agreements from related parties were held by the Company at March 31, 2022, compared to $364,000 held at March 31, 2021.

In management's opinion, such loans and other extensions of credit, repurchase agreements, and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than normal risk of collectability or present other unfavorable features.

Note 16: Employee Benefits

The Company has a defined contribution pension plan. Eligible employees must have worked at least 500 hours in a six month consecutive period from employment start date and be a minimum age of 21 to enroll in the plan. Employees may contribute up to the maximum amount allowed by law annually with the Bank matching 100% of the employee's contribution on the first 5% of the employee's compensation. Employer matching contributions charged to expense for March 31, 2022 and 2021 were $200,000 and $207,000, respectively. The Company accrued for a profit sharing contribution that was paid in April 2022 based on the employee's compensation for the calendar year ended December 31, 2021. As of March 31, 2022 and 2021, the employer profit sharing contribution charged to expense was $196,000 and $234,000 respectively.

Also, the Company has a deferred compensation agreement with active Directors. The agreement provides annual contributions of $2,000 per year, per director, to be paid on January 1st of each year. The contributions are used to purchase shares of the Company's stock which are held in trust for the Directors until retirement. The total number of shares in the plan as of March 31, 2022 and 2021 is 24,187 and 25,133, respectively. The difference between current year and prior year shares outstanding relate to awards of 838 shares, offset by the payout of 1,784 shares to a retired director. The cost of the shares held by the Trust is deducted from additional paid in capital on the consolidated balance sheets. The charge to expense for the annual contribution for the fiscal years ended March 31, 2022 and 2021 was $18,000. Contribution expense was adjusted to reflect the fair value of the shares to the current market price for the years ended March 31, 2022 and 2021. Contribution expense was increased by $243,000 for the year ended March 31, 2022 and was decreased by $117,000 for the year ended March 31, 2021.

As part of the conversion in 1997, the Company established an ESOP covering substantially all employees of the Company. The ESOP acquired 68,770 shares of Company common stock at $10 per share in the conversion with funds provided by a loan from the Company. Accordingly, $688,000 of common stock acquired by the ESOP was shown as a reduction of stockholders' equity. Shares were released to participants proportionately as the loan was repaid. The loan was repaid in full and all shares were allocated to participants as of December 31, 2006. Dividends on allocated shares are recorded as dividends and charged to retained earnings.

	2022	2021	2020
Remaining allocated ESOP shares after participant withdrawals	61,992	61,992	62,234

Employees that are age 55 or above and been enrolled in the plan for ten years have a six year period in which they are eligible to diversify a portion of their ESOP shares with the funds being rolled over to the Bank's 401(k) plan. The Company is required to fund the diversification of the shares. During the fiscal year ended March 31, 2022, no shares were diversified.

The Company is obligated at the option of each beneficiary to repurchase shares of the ESOP upon the beneficiary's termination or after retirement. During the fiscal year ended March 31, 2022, cash held in the plan was adequate to fund the repurchase of shares of terminated participants. The repurchased shares are reallocated to eligible employees as of the December 31st plan year end. The Company accrued $90,000 during the fiscal year ended March 31, 2022, compared to no accrual during the March 31, 2021, fiscal year-end. The funds will be used to make a contribution to the ESOP prior to the December 31, 2022, plan year-end and will be allocated to all eligible participants.

At March 31, 2022 the fair value of the 61,992 allocated shares held by the ESOP is $3,712,000.

A Restricted Stock Plan (the "Plan") was established during the fiscal year ended March 31, 2022. Shares are awarded to various employees based on the sole discretion of the Company's board of directors. The Plan requires a seven-year cliff vesting restricted period in which participants are not able to sell or transfer the awarded shares. The participants have voting rights and receive dividends during the restricted period. A plan share reserve of 5,000 treasury shares have been set aside to fund the awards. For the fiscal year ended March 31, 2022, a total of 550 shares have been awarded. Expense is recognized on a straight-line basis and was $1,000 during the fiscal year ended March 31, 2022. Unrecognized compensation expense was $30,000 as of March 31, 2022.

Note 17: Earnings Per Common Share

Earnings per common share were computed as follows:

	Year Ended March 31, 2022		
	Income (In thousands)	Weighted-Average Shares	Per Share Amount
Basic earnings per common share:			
Income available to common stockholders	$ 2,728	514,987	$ 5.30
Effect of dilutive securities			
Incentive shares	—	25,474	
Diluted earnings per common share:			
Income available to common stockholders and assumed conversions	$ 2,728	540,461	$ 5.05

	Year Ended March 31, 2021		
	Income (In thousands)	Weighted-Average Shares	Per Share Amount
Basic earnings per common share:			
Income available to common stockholders	$ 2,616	534,494	$ 4.89
Effect of dilutive securities			
Incentive shares	—	24,516	
Diluted earnings per common share:			
Income available to common stockholders and assumed conversions	$ 2,616	559,010	$ 4.68

Note 18: Disclosures about Fair Value of Assets

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

Recurring Measurements

The following table presents the Company's assets that are measured at fair value on a recurring basis and the level within the hierarchy in which the fair value measurements fall as of March 31, 2022 and 2021 (in thousands):

		Fair Value Measurement Using		
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
March 31, 2022				
U.S. treasury securities	$ 37,067	$ 37,067	$ —	$ —
U.S. government sponsored enterprises (GSE)	88,804	—	88,804	—
Mortgage-backed securities, GSE, residential	55,930	—	55,930	—
Mortgage-backed securities, GSE, non-residential	2,469	—	2,469	—
State and political subdivisions	8,914	—	8,914	—
Total available-for-sale securities	$ 193,184	$ 37,067	$ 156,117	$ —

		Fair Value Measurement Using		
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
March 31, 2021				
U.S. treasury securities	$ 12,981	$ 12,981	$ —	$ —
U.S. government sponsored enterprises (GSE)	62,891	—	62,891	—
Mortgage-backed securities, GSE, residential	44,992	—	44,992	—
Mortgage-backed securities, GSE, non-residential	3,975	—	3,975	—
State and political subdivisions	9,379	—	9,379	—
Total available-for-sale securities	$ 134,218	$ 12,981	$ 121,237	$ —

Following is a description of the valuation methodologies and inputs used for assets measured at fair value, on a recurring basis, and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the period ended March 31, 2022.

Available-for-Sale Securities

Where quoted market prices are available in an active market, securities are classified within Level 1. If quoted market prices are not available, then fair values are estimated using pricing models or quoted prices of securities with similar characteristics or discounted cash flows. For these investments, the inputs used by the pricing service to determine fair value may include one or a combination of observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data market research publications and are classified within Level 2 of the valuation hierarchy. Level 2 securities include obligations of U.S. government sponsored enterprises, mortgage-backed securities (government-sponsored enterprises-residential and commercial), and obligations of states and political subdivisions. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2022 and 2021 (in thousands):

		Fair Value Measurements at March 31, 2022		
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Foreclosed assets held for sale	123	—	—	123
Mortgage servicing rights	1,825	—	—	1,825

		Fair Value Measurements at March 31, 2021		
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Collateral-dependent impaired loans	$ 1,481	$ —	$ —	$ 1,481
Foreclosed assets held for sale	342	—	—	342
Mortgage servicing rights	1,322	—	—	1,322

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Collateral-dependent Impaired Loans

The estimated fair value of collateral-dependent impaired loans is based on the appraised fair value of the collateral, less estimated cost to sell. Collateral-dependent impaired loans are classified within Level 3 of the fair value hierarchy.

The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral-dependent and subsequently as deemed necessary. Appraisals are reviewed for accuracy and consistency. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by comparison to historical results.

Foreclosed Assets Held for Sale

Foreclosed assets held for sale are valued at the time the loan is foreclosed upon and the asset is transferred to foreclosed assets held for sale. The value of the asset is based on third party appraisals, less estimated costs to sell. The appraisals are generally discounted based on current and expected market conditions that may impact the sale or value of the asset. Such discounts typically may be significant and result in a Level 3 classification of the inputs for determining the fair value of these assets. Foreclosed assets held for sale are evaluated annually, or as needed if market conditions or property conditions deteriorate, for additional impairment and are adjusted accordingly if impairment is identified.

Mortgage Servicing Rights

Mortgage servicing rights do not trade in an active, open market with readily observable prices. Accordingly, fair value is estimated using discounted cash flow models having significant inputs of discount rate, prepayment speed and default rate. Due to the nature of the valuation inputs, mortgage servicing rights are classified within Level 3 of the hierarchy.

Mortgage servicing rights are tested for impairment on a quarterly basis. The Company engages a third party to measure mortgage servicing rights through the completion of a proprietary model. The inputs used in the model are developed by the third party and are reviewed by management.

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements (in thousands):

	Fair Value at March 31, 2022	Valuation Technique	Unobservable Inputs	Rate
Foreclosed assets held for sale	123	Market comparable properties	Comparability adjustments	10%
Mortgage servicing rights	1,825	Discounted cash flow	Discount rate	12%
			Constant prepayment rate	10.3%
			Probability of default	0.3%

	Fair Value at March 31, 2021	Valuation Technique	Unobservable Inputs	Rate
Collateral-dependent impaired loans	$ 1,481	Market comparable properties	Marketability discount	10%
Foreclosed assets held for sale	342	Market comparable properties	Comparability adjustments	Not available
Mortgage servicing rights	1,322	Discounted cash flow	Discount rate	12%
			Constant prepayment rate	21.2%
			Probability of default	0.4%

Fair Value of Financial Instruments

The following table presents estimated fair values of the Company's other financial instruments at March 31, 2022 and 2021:

		Fair Value Measurements at March 31, 2022		
Financial Assets	**Carrying Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and due from banks	$ 13,462	$ 13,462	$ —	$ —
Interest-bearing demand deposits	35,504	—	35,504	—
Held-to-maturity securities	8,910	—	8,947	—
Loans held for sale	836	—	—	836
Loans, net of allowance for loan losses	198,010	—	—	199,816
Federal Reserve and Federal Home Loan Bank stock	917	—	917	—
Interest receivable	1,471	—	1,471	—
Financial Liabilities				
Deposits	392,932	352,937	—	39,648
Other borrowings	43,617	—	43,617	—
Long-term borrowings	3,000	—	3,000	—
Advances from borrowers for taxes and insurance	732	—	732	—
Interest payable	149	—	149	—
		—		
Unrecognized financial instruments (net of contract amount)				
Commitments to originate loans	—	—	—	—
Letters of credit	—	—	—	—
Lines of credit	—	—	—	—

		Fair Value Measurements at March 31, 2021		
Financial Assets	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and due from banks	$ 10,867	$ 10,867	$ —	$ —
Interest-bearing demand deposits	50,714	—	50,714	—
Held-to-maturity securities	9,188	—	9,534	—
Loans held for sale	1,350	—	—	1,350
Loans, net of allowance for loan losses	201,513	—	—	205,187
Federal Reserve and Federal Home Loan Bank stock	917	—	917	—
Interest receivable	1,670	—	1,670	—
Financial Liabilities				
Deposits	372,258	302,054	—	40,887
Other borrowings	14,620	—	14,620	—
Short-term borrowings	320	—	320	—
Long-term borrowings	934	—	934	—
Advances from borrowers for taxes and insurance	677	—	677	—
Interest payable	155	—	155	—
Unrecognized financial instruments (net of contract amount)				
Commitments to originate loans	—	—	—	—
Letters of credit	—	—	—	—
Lines of credit	—	—	—	—

Note 19: Significant Estimates

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates. Estimates related to the allowance for loan losses are reflected in the note regarding loans. Other significant estimates and concentrations included the following:

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Note 20: Financial Instruments with Off-Balance Sheet Risk

Standby Letters of Credit

In the normal course of business, the Company issues various financial standby, performance standby, and commercial letters of credit for its customers. As consideration for the letters of credit, the institution charges letter of credit fees based on the face amount of the letters and the creditworthiness of the counterparties. These letters of credit are stand-alone agreements and are unrelated to any obligation the customer has to the Company.

Standby letters of credit are irrevocable conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Financial standby letters of credit are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Performance standby letters of credit are issued to guarantee performance of certain customers under non-financial contractual obligations. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loans to customers.

The Company had total outstanding standby letters of credit amounting to $239,000 and $261,000 at March 31, 2022 and 2021, respectively, with 12 month terms. At March 31, 2022 and 2021, the Bank's deferred revenue under standby letters of credit agreements was nominal.

Lines of Credit and Commitments to Fund Loans

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant, and equipment, commercial real estate, and residential real estate. Management uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments.

At March 31, 2022, the Company had granted unused lines of credit to borrowers aggregating approximately $31,366,000, $23,630,000, and $5,500 for commercial lines, consumer lines, and municipal government lines, respectively. At March 31, 2021, unused lines of credit to borrowers aggregated approximately $26,795,000 for commercial lines, $22,071,000 for consumer lines, and $5,500 for municipal government lines.

Loans committed to, but not yet funded, as of March 31, 2022 and 2021 amounted to $16,508,000 and $15,017,000, respectively. As of March 31, 2022 and 2021, those loans at fixed rates amounted to $6,491,000 and $7,684,000, respectively, with $4,186,000 at March 31, 2022 and $5,308,000 at March 31, 2021 scheduled to be sold in the secondary market. The range of fixed rates was from 3% to 5% as of March 31, 2022. Commitments to fund loans with floating rates, to be held for investment, amounted to $10,017,000, and $7,333,000, at March 31, 2022 and 2021, respectively. Floating rates ranged from 3.25% to 5.05% as of March 31, 2022.

Note 21: Subsequent Events

Subsequent events have been evaluated through May 26, 2022, which is the date the financial statements were available to be issued.

Note 22: Future Change in Accounting Principles

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326)*. The ASU introduces a new credit loss model, the current expected credit loss model (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk.

The CECL model uses a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. For available for-sale securities where fair value is less than cost, credit-related impairment, if any, will be recognized in an allowance for credit losses and adjusted each period for changes in expected credit risk. The model replaces multiple existing impairment models, which generally require that a loss be incurred before it is recognized.

The CECL model represents a significant change from existing practice and may result in material changes to the Bank's accounting for financial instruments. The Company is evaluating the effect ASU 2016-13 will have on its consolidated financial statements and related disclosures. The impact of the ASU will depend upon the state of the economy and the nature of the Company's portfolio at the date of adoption.

In November 2019, the Financial Accounting Standards Board issued ASU 2019-10, which delayed the effective date for ASU 2016-13 until the annual period beginning after December 15, 2022, including interim periods within those years.

FIRST ROBINSON FINANCIAL CORPORATION AND SUBSIDIARY

STOCKHOLDER INFORMATION

ANNUAL MEETING

The Annual Meeting of stockholders for the fiscal year ending March 31, 2022 will be held in the conference room of Country View Inn & Suites, 100 Abraham Lincoln, Robinson, Illinois 62424, at 10:00 a.m., central time, on July 19, 2022.

STOCK LISTING

The Company's stock is traded on the over-the-counter market with quotations available under the symbol "FRFC."

PRICE RANGE OF COMMON STOCK

The following table sets forth the high and low bid prices of the Company's Common Stock for the periods indicated. The information set forth in the table below was provided by Yahoo Finance. The information reflects interdealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

	Fiscal 2022			Fiscal 2021		
	High	Low	Dividends	High	Low	Dividends
First Quarter	$54.00	$50.11	$0.30	$59.50	$50.00	$0.30
Second Quarter	70.00	48.50	0.31	54.99	49.75	0.30
Third Quarter	70.00	57.00	0.31	52.00	47.00	0.30
Fourth Quarter	60.00	55.10	0.31	51.50	48.02	0.30

The Company declared and paid quarterly dividends as shown above during the fiscal years ending March 2022 and 2021. Dividend payment decisions are made with consideration of a variety of factors including earnings, financial condition, market considerations and regulatory restrictions. Restrictions on dividend payments are described in Note 14 of the Notes to Financial Statements included in this Annual Report.

As of May 27, 2022, the Company had approximately 436 registered stockholders of record and 540,163 outstanding shares of Common Stock.

SHAREHOLDERS AND GENERAL INQUIRIES

Rick L. Catt
First Robinson Financial Corporation
501 East Main Street, Robinson, IL 62454
(618) 544-8621

INDEPENDENT AUDITORS

FORVIS, LLP (formerly known as BKD, LLP)
225 N. Water Street, Suite 400
Decatur, IL 62523-2326

TRANSFER AGENT

Computershare
462 S. 4th Street, Louisville, KY 40202

FIRST ROBINSON FINANCIAL CORPORATION AND SUBSIDIARY CORPORATE INFORMATION

COMPANY AND BANK ADDRESS

P.O. Box 8598
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Robinson, Illinois 62454
www.frsb.net

Telephone: *(618) 544-8621*
Fax: *(618) 544-7506*

DIRECTORS OF THE BOARD

STEVEN E. NEELEY
Chairman of the Boards of Company and Bank
Retired
Previous Owner - Industrial Equipment Company
Robinson, Illinois

RICK L. CATT
President and Chief Executive Officer
First Robinson Financial Corporation
First Robinson Savings Bank, National Association
Robinson, Illinois

SCOTT F. PULLIAM
Public Accountant
Robinson, Illinois

WILLIAM K. THOMAS
Attorney
Robinson, Illinois

J. DOUGLAS GOODWINE
Funeral Director
Robinson, Illinois

ELI J. McCORMICK
Owner – Trucking Companies
Vincennes, Indiana

ERIC J. NIEHAUS
Owner – Wholesale and Retail Businesses
Vincennes, Indiana

HEATHER J. BEARD
Certified Public Accountant
Robinson, Illinois

ANDREW J. CORN
Pharmacist
Robinson, Illinois

EXECUTIVE OFFICERS

RICK L. CATT
President and Chief Executive Officer

JAMIE E. McREYNOLDS
Vice President, Chief Financial Officer and Secretary

LESLIE TROTTER, III
Vice President

WILLIAM D. SANDIFORD
Vice President

MARK W. HILL
Vice President and Senior Loan Officer

W.E. HOLT
Vice President

STACIE D. OGLE
Vice President and Chief Operations Officer

SAMANTHA ACORD
Assistant Vice President and Chief Compliance Officer

BRAD HELM
Vice President and Information Technology Officer

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