FIRST ROBINSON FINANCIAL CORPORATION

PROXY STATEMENT
and
2025 ANNUAL REPORT

FIRST ROBINSON FINANCIAL CORPORATION

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

June 11, 2025

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 15, 2025, at Country View Inn & Suites, located at 100 Abraham Lincoln, Robinson, Illinois.

On behalf of the Board of Directors and management of the Company, I would like to share with you the Annual Report of First Robinson Financial Corporation for our fiscal year ended March 31, 2025. We are reporting earnings for the Company of $3,660,000 for our fiscal year ending March 31, 2025, an increase of 90% from last year's earnings of $1,917,000. The repricing of a large portion of our investment portfolio as well as paying off borrowed funds contributed to the increase in earnings. I would encourage you to review the attached annual report for more detailed financial information. Additionally, for quarterly financial information you may go to our website, www.frsb.net. Simply click on the 'About Us' tab and then 'Investor Relations' tab.

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 2028 and the ratification of the appointment of Forvis Mazars, LLP as the independent registered public accounting firm for First Robinson Financial Corporation for the fiscal year ending March 31, 2026. The Board of Directors unanimously recommends that you cast your vote **"FOR"** with respect to these two 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 2025 financial and operating performance. Our total assets increased to $477,636,000 at the end of our March 31, 2025 fiscal year, which was an increase of approximately $8,845,000, or 1.9%, over our past fiscal year. We will discuss our asset size, net interest margin and earnings during management's report. The Board of Directors and management are projecting an increase in earnings for the coming fiscal year.

The annual total of our quarterly dividends increased to a record $1.36 per share for the 2025 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. The negative valuation of our securities portfolio has negatively impacted the book value of our stock, but we expect it will continue to improve during this fiscal year.

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,

Mark Hill

MARK W. HILL
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 15, 2025

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 15, 2025.

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 three (3) directors of the Company; and

2. The ratification of the appointment of Forvis Mazars, LLP as the independent registered public accounting firm for the Company for the fiscal year ending March 31, 2026;

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 23, 2025, 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

Mark Hill

Mark W. Hill
President and Chief Executive Officer

Robinson, Illinois
June 11, 2025

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 15, 2025

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 15, 2025, to which the proxy materials being furnished relate, by calling (618) 544-8621, or via email to jamie24fan@frsb.net or mark.hill@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 15, 2025

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 15, 2025, 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 11, 2025.

At the Meeting, stockholders of the Company are being asked to consider and vote upon the election of three directors and the ratification of the appointment of Forvis Mazars, LLP ("Forvis Mazars") as the independent registered public accounting firm for the Company for the fiscal year ending March 31, 2026.

Your Voting Rights

We have fixed the close of business on May 23, 2025, 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 23, 2025, was 525,864.

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 23, 2025, owned approximately 10.3% of the Company's outstanding common stock. We also maintain a 401(k) plan (the "401(k)") which, as of May 23, 2025, owned approximately 1.9% 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 three 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 Mazars, LLP ("Forvis Mazars") as our independent registered public accounting firm for the fiscal year ending March 31, 2026, 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 Mazars 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 Mazars as our independent registered public accounting firm for the fiscal year ending March 31, 2026.

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 23, 2025, 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 Mazars as our independent registered public accounting firm for the fiscal year ending March 31, 2026. 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 ten members but will be going down to nine. 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	68	Director	1985	2028
Mark W. Hill	52	Director, President, Chief Executive Officer	2024	2028
Heather J. Beard	31	Director	2019	2028
DIRECTORS CONTINUING IN OFFICE				
Steven E. Neeley	71	Director, Chairman of the Board	2001	2026
Rick L. Catt	72	Director	1989	2026
Eli J. McCormick	41	Director	2016	2026
J. Douglas Goodwine	63	Director	1993	2027
Eric J. Niehaus	55	Director	2015	2027
Andrew J. Corn	41	Director	2021	2027

(1) At March 31, 2025

(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 Mazars, LLP ("Forvis Mazars") to be the Company's independent registered public accounting firm for the fiscal year ending March 31, 2026. Representatives of Forvis Mazars 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 Mazars as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2026.

ANNUAL REPORTS

A copy of the Annual Report for the Company's fiscal year ended March 31, 2025, is included with this proxy statement and will be furnished without charge to stockholders of record as of the May 23, 2025, 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 11, 2025

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, 2025 and 2024. The Selected Financial Condition Data and the Selected Operations Data are in thousands, except per share data.

	Years Ended at March 31,	
	2025	**2024**
Selected Financial Condition Data:		
Total assets	$ 477,636	$ 468,791
Loans, held for sale	270	795
Loans receivable, net	257,300	251,141
Mortgage-backed securities	43,770	39,336
Interest-bearing demand deposits	30,769	6,017
Available-for-sale debt securities excluding mortgage-backed securities	104,472	126,881
Held-to-maturity debt securities	5,539	5,724
Deposits	395,691	384,216
Total borrowings	44,825	54,358
Stockholders' equity	32,331	25,617
Selected Operations Data:		
Total interest and dividend income	$ 20,469	$ 18,170
Total interest expense	8,035	7,932
Net interest income	12,434	10,238
Provision for (recovery of) credit losses	(179)	352
Net interest income after provision for (recovery of) credit losses	12,613	9,886
Charges and other fees on loans	427	441
Charges and fees on deposit accounts	967	973
Net gain on sales of loans	408	368
Other non-interest income	1,447	1,417
Total non-interest expense	11,073	10,543
Income before income taxes	4,789	2,542
Provision for income taxes	1,129	625
Net income	$ 3,660	$ 1,917
Earnings per common share:		
Basic	$ 7.29	$ 3.73
Diluted	$ 6.93	$ 3.56
Book value per common share	$ 61.44	$ 47.39
Dividends per common share	$ 1.36	$ 1.27

	Years Ended at March 31,	
	2025	**2024**
Selected Financial Ratios and Other Data:		
Performance Ratios:		
Return on average assets (ratio of net income to average total assets)	0.78%	0.41%
Return on average equity (ratio of net income to average equity)	12.63	8.21
Interest rate spread during period[(1)]	2.34	1.88
Net interest margin[(2)]	2.76	2.28
Efficiency ratio[(3)]	70.61	78.46
Ratio of non-interest expense to average total assets	2.36	2.28
Ratio of average interest-earning assets to average interest-bearing liabilities	123.16	122.72
Average equity to average total assets	6.18	5.05
Quality Ratios:		
Non-performing assets to total assets at end of period	0.26	0.33
Allowance for credit losses to non-performing loans	233.99	187.28
Allowance for credit losses to loans receivable	1.12	1.15
Capital Ratios: [(4)]		
Common Equity Tier I capital (to risk-weighted assets)	14.3	13.9
Total risk-based capital (to risk-weighted assets)	15.3	14.9
Tier I capital (to risk-weighted assets)	14.3	13.9
Tier I capital (to average assets)	8.4	8.3
Other Data:		
Number of full-service offices	5	5
Number of full-time employees	74	72
Number of deposit accounts	19,600	19,918
Number of loan accounts	5,785	5,771

(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.

Forvis Mazars, LLP
225 N. Water Street, Suite 400
Decatur, IL 62523
P 217.429.2411 | F 217.429.6109
forvismazars.us

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, 2025 and 2024, and the related consolidated statements of income and comprehensive income, 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, 2025 and 2024, 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.

Forvis Mazars, LLP

Decatur, Illinois
June 2, 2025

First Robinson Financial Corporation

Consolidated Balance Sheets

March 31, 2025 and 2024

(In Thousands, Except Share Data)

Assets

	2025	2024
Cash and due from banks	$ 15,280	$ 16,697
Interest-bearing demand deposits	30,769	6,017
Cash and cash equivalents	46,049	22,714
Interest-bearing time deposits	100	—
Available-for-sale debt securities, at fair value	148,242	166,217
Held-to-maturity debt securities (fair values of $5,351 and $5,585 at March 31, 2025 and 2024, respectively)	5,539	5,724
Loans, held for sale	270	795
Loans, net of allowance for credit losses of $2,881 and $2,918 at March 31, 2025 and 2024, respectively	257,300	251,141
Premises and equipment, net of accumulated depreciation of $9,366 and $8,983 at March 31, 2025 and 2024, respectively	5,922	6,153
Federal Reserve and Federal Home Loan Bank stock	1,130	1,129
Interest receivable	2,373	2,263
Prepaid income taxes	—	530
Deferred income taxes	2,760	4,457
Cash surrender value of life insurance	5,703	5,532
Other assets	2,248	2,136
Total assets	$ 477,636	$ 468,791

Liabilities and Stockholders' Equity

	2025	2024
Liabilities		
Deposits		
Demand	$ 121,167	$ 109,124
Savings, NOW and money market	183,961	180,748
Time deposits	90,563	94,344
Total deposits	395,691	384,216
Other borrowings	41,762	50,116
Short-term borrowings	1,795	2,375
Long-term borrowings	1,268	1,867
Advances from borrowers for taxes and insurance	963	863
Interest payable	664	665
Accrued income taxes	106	—
Deferred compensation	1,128	1,091
Other liabilities	1,928	1,981
Total liabilities	445,305	443,174
Commitments and Contingencies	—	—
Stockholders' Equity		
Preferred stock, $.01 par value, authorized 500,000 shares, no shares issued and outstanding at March 31, 2025 and 2024	—	—
Common stock, $.01 par value; authorized 2,000,000 shares; issued – 1,018,853 shares; outstanding – 526,214 shares at March 31, 2025 and 540,533 shares at March 31, 2024	10	10
Additional paid-in capital	13,658	13,706
Retained earnings	35,667	32,728
Accumulated other comprehensive loss	(6,070)	(10,463)
Treasury stock, at cost - Common: 492,639 shares at March 31, 2025 and 478,320 shares at March 31, 2024	(10,934)	(10,364)
Total stockholders' equity	32,331	25,617
Total liabilities and stockholders' equity	$ 477,636	$ 468,791

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Income and Comprehensive Income
Years Ended March 31, 2025 and 2024
(In Thousands, Except Per Share Data)

	2025	2024
Interest and Dividend Income		
Loans	$ 16,466	$ 14,609
Securities:		
Taxable	2,537	2,540
Tax-exempt	333	332
Other interest income	1,063	612
Dividends on Federal Reserve and Federal Home Loan Bank stock	70	77
Total Interest and Dividend Income	20,469	18,170
Interest Expense		
Deposits	6,546	4,697
Other borrowings	1,489	3,235
Total Interest Expense	8,035	7,932
Net Interest Income	12,434	10,238
Provision for (Recovery of) Credit Loss Expense	(179)	352
Net Interest Income After Provision for (Recovery of) Credit Loss Expense	12,613	9,886
Non-Interest Income		
Charges and other fees on loans	427	441
Charges and fees on deposit accounts	967	973
Net gain on sales of loans	408	368
Net gain on sales of premises and equipment	9	10
Other	1,438	1,407
Total Non-Interest Income	3,249	3,199
Non-Interest Expense		
Compensation and employee benefits	7,060	6,564
Occupancy and equipment	1,146	1,136
Data processing and telecommunications	1,142	1,063
Audit, legal and other professional services	336	294
Advertising	241	276
Postage	109	90
FDIC insurance	228	264
Foreclosed property expense	17	33
Other	794	823
Total Non-Interest Expense	11,073	10,543

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Income and Comprehensive Income
(Continued)
Years Ended March 31, 2025 and 2024
(In Thousands, Except Per Share Data)

	2025	2024
Income Before Income Taxes	$ 4,789	$ 2,542
Provision for Income Taxes	1,129	625
Net Income	$ 3,660	$ 1,917
Basic Earnings Per Common Share	$ 7.29	$ 3.73
Diluted Earnings Per Common Share	$ 6.93	$ 3.56
Common Dividends Paid Per Share	$ 1.36	$ 1.27
Comprehensive Income		
Net income	$ 3,660	$ 1,917
Other comprehensive income, net of tax:		
Change in unrealized gain on securities available for sale, net of taxes of $1,752 and $665 for the years ended March 31, 2025, and 2024, respectively.	4,393	1,670
Total Comprehensive Income	$ 8,053	$ 3,587

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation

Consolidated Statements of Stockholders' Equity

Years Ended March 31, 2025 and 2024

(In Thousands, Except Share Data)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance, March 31, 2023	541,313	$ 10	$ 13,746	$ 31,533	$ (12,133)	$ (10,328)	$ 22,828
Cumulative impact of ASU 2016-13	—	—	—	(35)	—	—	(35)
Balance, April 1, 2023	541,313	10	13,746	31,498	(12,133)	(10,328)	22,793
Net income	—	—	—	1,917	—	—	1,917
Other comprehensive income	—	—	—	—	1,670	—	1,670
Purchase of treasury shares	(1,080)	—	—	—	—	(42)	(42)
Dividends on common stock, $1.27 per share	—	—	—	(687)	—	—	(687)
Purchase of director incentive shares	—	—	(50)	—	—	—	(50)
Stock compensation expense	—	—	16	—	—	—	16
Issue employee incentive shares	300	—	(6)	—	—	6	—
Balance, March 31, 2024	540,533	10	13,706	32,728	(10,463)	(10,364)	25,617
Net income	—	—	—	3,660	—	—	3,660
Other comprehensive income	—	—	—	—	4,393	—	4,393
Purchase of treasury shares	(14,819)	—	—	—	—	(578)	(578)
Dividends on common stock, $1.36 per share	—	—	—	(721)	—	—	(721)
Purchase of director incentive shares	—	—	(56)	—	—	—	(56)
Stock compensation expense	—	—	16	—	—	—	16
Issue employee incentive shares	500	—	(8)	—	—	8	—
Balance, March 31, 2025	526,214	$ 10	$ 13,658	$ 35,667	$ (6,070)	$ (10,934)	$ 32,331

See Notes to Consolidated Financial Statements

First Robinson Financial Corporation
Consolidated Statements of Cash Flows
Years Ended March 31, 2025 and 2024
(In Thousands)

	2025	2024
Operating Activities		
Net income	$ 3,660	$ 1,917
Items not requiring (providing) cash		
Depreciation	410	471
Provision for (recovery of) credit loss expense	(179)	352
Amortization of premiums and discounts on debt securities	178	240
Amortization of loan servicing rights	256	240
Amortization of ROU assets	5	5
Compensation related to incentive plans	16	16
Deferred income taxes	(55)	139
Net gain on sales of loans	(408)	(368)
Net gain on sales of premises and equipment	(9)	(10)
Cash surrender value of life insurance	(171)	(154)
Originations of mortgage loans held for sale	(12,623)	(11,434)
Proceeds from sales of mortgage loans held for sale	13,556	11,256
Changes in:		
Interest receivable	(110)	(433)
Other assets	(368)	(70)
Interest payable	(1)	176
Deferred compensation	37	25
Other liabilities	(53)	(166)
Income taxes	636	(268)
Net cash provided by operating activities	4,777	1,934
Investing Activities		
Change in interest-bearing time deposits in banks	(100)	—
Purchases of available-for-sale debt securities	(21,648)	—
Purchases of held-to-maturity debt securities	(1,848)	(478)
Proceeds from maturities of available-for-sale debt securities	38,235	6,200
Proceeds from maturities of held-to-maturity debt securities	1,988	1,608
Repayment of principal on available-for-sale debt securities	7,400	8,129
Purchases of Federal Reserve and Federal Home Loan Bank stock	(1)	(162)
Net change in loans	(5,980)	(18,028)
Purchases of premises and equipment	(184)	(533)
Proceeds from sales of premises and equipment	9	29
Proceeds from sales of foreclosed property	—	73
Net cash (used in) provided by investing activities	17,871	(3,162)

First Robinson Financial Corporation
Consolidated Statements of Cash Flows (Continued)
Years Ended March 31, 2025 and 2024
(In Thousands)

	2025	2024
Financing Activities		
Net increase (decrease) in demand deposits, money market, NOW and savings accounts	$ 15,257	$ (25,888)
Net increase (decrease) in time deposits	(3,782)	40,179
Proceeds from FHLB advances	10	91,000
Repayment of FHLB advances	(10)	(91,000)
Proceeds from federal funds purchased	675	18,473
Repayment of federal funds purchased	(675)	(18,473)
Proceeds from Federal Reserve borrowing	10	30,010
Repayment of Federal Reserve borrowing	(10)	(65,010)
Proceeds from other borrowings	172,663	169,459
Repayment of other borrowings	(181,017)	(154,930)
Net change in short-term borrowings	(580)	710
Repayment of long-term borrowings	(599)	(577)
Purchase of incentive plan shares	(56)	(50)
Dividends paid on common shares	(721)	(687)
Purchase of treasury shares	(578)	(42)
Net increase in advances from borrowers for taxes and insurance	100	27
Net cash (used in) provided by financing activities	687	(6,799)
Increase (Decrease) in Cash and Cash Equivalents	23,335	(8,027)
Cash and Cash Equivalents, Beginning of Year	22,714	30,741
Cash and Cash Equivalents, End of Year	$ 46,049	$ 22,714

Supplemental Cash Flows Information

Interest paid	$ 8,036	$ 7,756
Income taxes paid (net of refunds)	$ 724	$ 755

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 change relate to the determination of the allowance for credit 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, 2025 and 2024, cash equivalents consisted primarily of interest-earning and non-interest earning demand deposits in banks.

Interest-Bearing Time Deposits in Banks

The interest-bearing time deposit will mature on June 17, 2025. It is renewed annually and is carried at cost.

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, net of allowance for credit losses. 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. 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.

Allowance for Credit Losses - Available-for-Sale Debt Securities

For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and adverse conditions specifically related to the security. If the assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit loss is recognized in other comprehensive income (loss).

Changes in allowance for credit losses are recorded as provision for credit loss expense. The Company excludes accrued interest receivable on available-for-sale securities from the estimate of credit losses. The total excluded was approximately $459,000 and $484,000 as of March 31, 2025 and 2024, respectively. Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met. As of March 31, 2025 and 2024, there is no allowance for credit loss associated with available-for-sale securities as the unrealized losses were attributable to changes in interest rate, not credit quality.

Allowance for Credit Losses – Held-to-Maturity Debt Securities

The allowance for credit losses on held-to-maturity securities is a contra-asset valuation account that is deducted from the amortized cost basis of held-to-maturity securities to present the Company's best estimate of the net amount expected to be collected. Adjustments to the allowance are reported in the consolidated statements of income as a component of credit loss expense.

For securities classified as held to maturity, the Company measures expected credit losses on a collective basis by major security type with each type sharing similar risk characteristics and considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. The Company has made an accounting policy election to exclude accrued interest receivable on investment securities held to maturity from the estimate of credit losses. The total excluded was approximately $58,000 and $41,000 as of March 31, 2025 and 2024, respectively. All held-to-maturity securities of the Company are issued by local state and local municipal entities. As such, management considers (1) the financial condition of the issuer, (2) issuer bond ratings, (3) historical loss rates for given bond ratings, and (4) whether issuers continue to make timely principal and interest payments under the contractual term of the securities. Historical loss rates associated with securities having similar grades as those in the Company's portfolio have not been significant. An allowance for credit losses for securities held to maturity was not recorded as the amount was immaterial.

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 credit 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 Credit Losses - Loans

The allowance for credit losses is a valuation allowance that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Management's determination of the adequacy of the allowance for credit losses is based on the assessment of the expected credit losses on loans over the expected life of the loan. The allowance for credit losses is increased by provision expense and decreased by charge-offs, net of recoveries of amounts previously charged off. Loans are charged off when management believes the collection of the principal amount owed in full is unlikely. Expected recoveries do not exceed the aggregate of amounts previously charged off and expected to be charged off. The Company made the policy election to exclude accrued interest receivable on loans from the estimate of credit losses. The total excluded was approximately $1,847,000 and $1,714,000 as of March 31, 2025 and 2024, respectively.

Management estimates the allowance balance using relevant available information from both internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience paired with economic forecasts provide the basis for the quantitatively modeled estimates of expected credit losses. The economic forecast is for two years and then fully reverts to historical losses thereafter. The Company adjusts its quantitative model, as necessary, to reflect conditions not already considered by the quantitative model. These adjustments are commonly known as the qualitative factors. These qualitative factors and other qualitative adjustments may increase or decrease the Company's estimate of expected credit losses by a calculated percentage or amount based upon the estimated level of risk. The various risks that may be considered in making qualitative adjustments include, among other things, the impact of:

i. Changes in lending policies and procedures, including changes in underwriting standards and practices for collections, write-offs, and recoveries

ii. Actual and expected changes in international, national, regional, and local economic and business conditions and developments that affect the collectability of the loan pools

iii. Changes in the nature and volume of the loan pools and in the terms of the underlying loans

iv. Changes in experience, ability, and depth of our lending department and staff

v. Changes in volume and severity of past due financial assets, the volume of non-accrual assets, and the volume and severity of adversely classified or graded assets

vi. Changes in the quality of our credit review function

vii. Changes in the value of the underlying collateral for loans that are non-collateral dependent

viii. The existence, growth, and effect of any concentrations of credit

ix. Other factors such as regulatory, legal and technological environments; competition; and events such as natural disasters or health pandemics

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, effective April 1, 2023, and utilizes the remaining life method to measure the quantitative portion of the allowance for credit losses over the life of the loans. The following portfolio segments have been identified: Residential 1-4 family, residential home equity lines and second mortgages, residential construction and development, residential multi-family, agriculture real estate, commercial real estate, commercial and municipal obligations, agriculture finance, and consumer and other loans. Residential 1-4 family, residential home equity lines and second mortgages, residential construction and development, and consumer and other loans are primarily secured by underlying residential real estate or consumer collateral. Repayment of these loans is dependent on general economic conditions and unemployment levels in the Company's market area. Agriculture real estate, residential multi-family, commercial real estate, agriculture finance, and commercial and municipal obligation loans primarily consist of income producing real estate and related business and farm assets. Repayment of these loans depends, to a large degree, on the results of operations, cash flow, and management of the related businesses and farms. These loans may be affected largely by adverse commerce conditions of the economy in general. Accordingly, the nature of these loans makes them more difficult for management to monitor and evaluate.

For those loans that are individually evaluated, an allowance is established when the discounted cash flows or collateral value of the loan is lower than the carrying value of that loan. The collectively evaluated component covers nonclassified loans and is estimated using relevant available information for internal and external sources related to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics and are applied as a qualitative factor.

A loan is individually evaluated for allowance for credit loss when the scheduled payments for principal or interest when due according to the contractual terms of the loan agreement are not met. Factors considered by management in determining impairment include payment status, collateral value, and the possibility of collecting scheduled principal and interest payments when due.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected pre-payments. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has reasonable expectation at the reporting date that a modification will be executed with an individual borrower experiencing financial difficulty, or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

Allowance for Credit Losses - Unfunded Commitments

Off-balance sheet credit instruments include commitments to fund loans, and commercial letters of credit, issued to meet customer financing needs. The Company estimates expected credit losses over the contractual period during which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The estimate of expected credit losses should take into consideration the likelihood that funding will occur as well as the amount expected to be funded over the estimated remaining contractual term of the off-balance sheet credit exposure. While the process for estimating expected credit losses for these exposures is similar to the one used for on-balance sheet financial assets, these estimated credit losses are not recorded as part of the allowance for credit losses. These loss estimates are recorded within other liabilities on the Company's consolidated balance sheets with an adjustment to the provision for credit loss expense.

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. Both cash and stock dividends are recorded as income.

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 (Accounting Standards Codification (ASC) 860-50), servicing rights resulting from the sale 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 non-interest income.

The recognized servicing assets subsequently measured using the amortization method is 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 consolidated statements of income. 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 Directors' 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

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

Operating Segments

While the chief decision-makers monitor the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on a Company-wide basis. Discrete operating results are not reviewed by senior management to make resource allocation or performance decisions. Accordingly, all of the Company's operations are considered by management to be aggregated in one reportable operating segment.

Recent Accounting Requirements

In June 2016, the FASB issued ASU 2016-13. The ASU required an organization to measure all current expected credit losses (CECL) for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations now use forward-looking information to better inform their credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables. It also applies to off-balance sheet credit exposures such as unfunded commitments and standby letters of credit. In addition, ASC 326 made changes to the accounting for available-for-sale and held-to-maturity debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell. For securities classified as held-to-maturity, expected credit losses are measured on a collective basis by major security type with each type sharing similar risk characteristics, and considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts.

The Company adopted ASC 326 on April 1, 2023 using the remaining term to maturity method for all financial assets measured at amortized cost and off-balance sheet credit exposures. The Company recorded a net decrease to retained earnings of approximately $35,000 as of April 1, 2023, for the cumulative effect of adopting ASC 326. The transition adjustment included a $146,000 increase to the allowance for credit losses on loans and a decrease of $97,000 to the allowance for credit losses on unfunded commitments. The transition adjustment included a corresponding increase in deferred tax assets of $14,000.

The following table illustrates the impact of ASC 326:

	April 1, 2023 (In thousands)		
	Allowance for credit losses as reported under ASU 2016-13	Allowance pre-ASU 2016-13 Adoption	Impact on Allowance of ASU 2016-13 Adoption
Assets:			
Real Estate Loans			
1-4-family	$ 958	$ 1,107	$ (149)
Home equity lines and second mortgages	132	82	50
Construction and development	21	46	(25)
Multi-family	22	14	8
Agriculture real estate	198	159	39
Commercial	1,046	831	215
Commercial and municipal obligation loans	157	223	(66)
Agriculture finance loans	30	47	(17)
Consumer and other loans	286	195	91
Allowance for credit losses for all loans	$ 2,850	$ 2,704	$ 146
Liabilities:			
Allowance for credit losses on off-balance sheet exposures	$ 68	$ 165	$ (97)

In March 2022, FASB issued ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructuring and Vintage Disclosures*. The amendments in this update eliminate the accounting guidance and related disclosures for troubled debt restructurings by creditors in Subtopic 310-40, *Receivables - Troubled Debt Restructurings by Creditors*, while enhancing disclosure requirements for certain loan refinancings with restructurings by creditors when a borrower is experiencing financial difficulty and requiring an entity to disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the Scope of 326-20, *Financial Instruments - Credit Losses - Measured at Amortized Cost*. The amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years and are applied prospectively, except with respect to the recognition and measurement of troubled debt restructurings, in which an entity has the option to apply a modified retrospective transition method. Early adoption of the amendments in this update is permitted. The Company adopted ASU 2022-02 effective April 1, 2023 and the adoption of this accounting guidance did not have a material impact on the Company's consolidated financial statements.

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, 2025 and 2024 was $0.

At March 31, 2025, the Company had $428,000 at the Federal Home Loan Bank which is a government-sponsored entity 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, 2025				
U.S. Treasury securities	$ 18,934	$ —	$ (712)	$ 18,222
U.S. government sponsored enterprises (GSE)	83,179	3	(3,834)	79,348
Mortgage-backed securities, GSE, residential	45,466	69	(3,751)	41,784
Mortgage-backed securities, GSE, non-residential	1,987	—	(1)	1,986
State and political subdivisions	7,166	2	(266)	6,902
Totals	$ 156,732	$ 74	$ (8,564)	$ 148,242

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-For-Sale Debt Securities:		(In thousands)		
March 31, 2024				
U.S. Treasury securities	$ 38,858	$ —	$ (1,969)	$ 36,889
U.S. government sponsored enterprises (GSE)	90,119	—	(7,330)	82,789
Mortgage-backed securities, GSE, residential	42,335	3	(5,106)	37,232
Mortgage-backed securities, GSE, non-residential	2,104	—	—	2,104
State and political subdivisions	7,436	3	(236)	7,203
Totals	$ 180,852	$ 6	$ (14,641)	$ 166,217

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held-to-Maturity Debt Securities:		(In thousands)		
March 31, 2025				
State and political subdivisions	$ 5,539	$ 8	$ (196)	$ 5,351
March 31, 2024				
State and political subdivisions	$ 5,724	$ 1	$ (140)	$ 5,585

All of the Company's held to maturity securities are backed by local state and political subdivisions. As a result, the risk of loss is minimal. Therefore, the Company did not record an allowance for credit losses at March 31, 2025 and 2024, as the amount was immaterial.

All mortgage-backed securities are with GSEs, such as Federal National Mortgage Association, Government National Mortgage Association, and Federal Home Loan Mortgage Corporation.

The amortized cost and fair value of available-for-sale and held-to-maturity debt securities at March 31, 2025, 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	$ 26,997	$ 26,572	$ 487	$ 481
One to five years	76,766	72,699	2,471	2,444
Five to ten years	5,041	4,729	702	655
Over ten years	475	472	1,879	1,771
	109,279	104,472	5,539	5,351
Mortgage-backed securities, GSEs	47,453	43,770	—	—
Totals	$ 156,732	$ 148,242	$ 5,539	$ 5,351

The carrying value of debt securities pledged as collateral, to secure public deposits and for other purposes, was approximately $62,586,000 at March 31, 2025 and approximately $50,894,000 at March 31, 2024.

The book value of debt securities sold under agreements to repurchase amounted to approximately $46,275,000 and $57,327,000 at March 31, 2025 and 2024, respectively.

During fiscal years ended March 31, 2025, and 2024, 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, 2025 and 2024, was approximately $132,068,000 and $162,953,000, respectively, which is approximately 86% and 95%, respectively, of the Company's available-for-sale and held-to-maturity investment portfolio.

The following tables show our investments' gross unrealized losses and fair value of the Company's investments for which an allowance for credit losses has not been recorded (in thousands) aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2025 and 2024.

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, 2025						
U.S. Treasury securities	$ —	$ —	$ 18,222	$ (712)	$ 18,222	$ (712)
U.S. GSEs	8,219	(12)	66,732	(3,822)	74,951	(3,834)
Mortgage-backed securities, GSE, residential	—	—	31,306	(3,751)	31,306	(3,751)
Mortgage-backed securities, GSE, non-residential	—	—	1,986	(1)	1,986	(1)
State and political subdivisions	1,431	(6)	4,172	(260)	5,603	(266)
Total	$ 9,650	$ (18)	$ 122,418	$ (8,546)	$ 132,068	$ (8,564)

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, 2024						
U.S. Treasury securities	$ —	$ —	$ 36,889	$ (1,969)	$ 36,889	$ (1,969)
U.S. GSEs	491	(1)	82,298	(7,329)	82,789	(7,330)
Mortgage-backed securities, GSE, residential	248	(2)	36,713	(5,104)	36,961	(5,106)
State and political subdivisions	2,554	(7)	3,760	(229)	6,314	(236)
Total	$ 3,293	$ (10)	$ 159,660	$ (14,631)	$ 162,953	$ (14,641)

Unrealized losses have not been recorded as an allowance for credit loss because the Company does not intend to sell the securities prior to their anticipated recovery and the decline in fair value is largely due to changes in interest rates and other market conditions.

As of March 31, 2025, the Company's available-for-sale security portfolio consisted of 115 securities of which 91 were in an unrealized loss position. As compared to March 31, 2024, the total available-for-sale security portfolio consisted of 113 securities of which 108 were in an unrealized loss position.

U. S. Treasury Securities and U.S. GSEs

The unrealized losses on the Company's investments in direct obligations of U.S. Treasury securities and U.S. GSEs, were caused by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at prices 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 has not recorded an allowance for credit losses at March 31, 2025.

Residential and Non-residential Mortgage-backed GSEs

The unrealized losses on the Company's investment in residential and non-residential mortgage-backed GSE securities were caused by changes in interest rates and liquidity. The Company expects to recover the amortized cost basis over the terms 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 has not recorded an allowance for credit losses at March 31, 2025.

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 prices 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 has not recorded an allowance for credit losses at March 31, 2025.

Credit Quality Indicators

The Company monitors the credit quality of held-to-maturity securities through the use of credit rating. The credit ratings are monitored on a quarterly basis. The following table summarizes the amortized cost of held-to-maturity securities, all of which are state and political subdivisions, at March 31, 2025 and 2024, aggregated by credit quality indicator:

	2025	2024
Investment grade (ratings at or above BBB-*)	$ 3,785	$ 4,576
Unrated*	1,754	1,148
Total	$ 5,539	$ 5,724

*As determined by Moody's Research

There were no held-to-maturity securities on nonaccrual and past due over 89 days on accrual as of March 31, 2025 and 2024.

A security is considered to be past due once it is 31 days past due under the terms of the agreement. As of March 31, 2025 and 2024, there were no held-to-maturity securities contractually past due.

Note 4: Loans and Allowance for Credit Losses

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

	2025	2024
	(In thousands)	
Mortgage loans on real estate:		
Residential:		
1-4 Family	$ 90,877	$ 84,001
Home equity lines and second mortgages	16,117	14,965
Construction and development	11,149	7,787
Multi-family	4,801	2,010
Agriculture real estate	21,444	21,116
Commercial real estate	59,242	63,118
Total mortgage loans on real estate	203,630	192,997
Commercial and municipal obligations	23,167	24,510
Agriculture finance	12,751	10,948
Consumer and other	20,933	26,416
Total Loans	260,481	254,871
Less		
Net deferred loan fees, premiums, and discounts	30	17
Allowance for credit losses	2,881	2,918
Net loans	$ 257,570	$ 251,936

The loan portfolio includes approximately $14,000,000 and $15,700,000 at March 31, 2025 and 2024, respectively, purchased from other financial institutions.

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, commercial real estate, multi-family and agriculture real estate loans, consumer loans, and commercial business and agriculture 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 reviews all information evaluated and gathered by the loan officer to ensure the loan is underwritten to meet program guidelines. 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 or any size loan to customers with combined total debt over $500,000 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 1-4 Family, Home Equity Lines and Second Mortgages, and Construction and Development 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 a residential mortgage loan that is fixed for three years, then adjustable annually after that, with a 100 basis point adjustment cap with a maximum adjustment of 600 basis points over the life of the loan. The Company also offers a 62-month fixed then adjustable every five years residential mortgage loan with a 200 basis point adjustment cap with a maximum adjustment of 600 basis points over the life of the loan. All adjustable-rate loans offered adjust with a stated interest rate margin generally over the one-year Treasury Bill Index. 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, Agriculture, and Multi-Family 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.

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, Municipal Obligations, and Agriculture Finance 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 also 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 that names the authorized individuals to sign for the loan, is also required.

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 Company 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.

The following tables present the balance in the allowance for credit losses as of March 31, 2025 and 2024:

	2025					
	Real Estate					
	1-4 Family	Home Equity and Second Mortgages	Construction and Development	Multi-Family	Agriculture	Commercial
Allowance for credit losses:	(In thousands)					
Balance, beginning of year	$ 908	$ 161	$ 32	$ 22	$ 193	$ 1,073
Provision (recovery) charged to expense	95	50	19	33	15	(415)
Losses charged off	(3)	—	—	—	—	—
Recoveries	1	—	—	—	—	207
Balance, end of year	$ 1,001	$ 211	$ 51	$ 55	$ 208	$ 865

	Loans Not Secured by Real Estate			
	Commercial and Municipal Obligations	Agriculture Finance	Consumer and Other	Total Loans
Allowance for credit losses:				
Balance, beginning of year	$ 207	$ 47	$ 275	$ 2,918
Provision (recovery) charged to expense	(18)	9	33	(179)
Losses charged off	—	—	(98)	(101)
Recoveries	7	—	28	243
Balance, end of year	$ 196	$ 56	$ 238	$ 2,881

	2024					
	Real Estate					
	1-4 Family	Home Equity and Second Mortgages	Construction and Development	Multi-Family	Agriculture	Commercial
Allowance for credit losses:			(In thousands)			
Balance, beginning of year	$ 1,107	$ 82	$ 46	$ 14	$ 159	$ 831
Impact of adopting ASC326	(149)	50	(25)	8	39	215
Provision (recovery) charged to expense	(50)	44	11	—	(5)	234
Losses charged off	(14)	(15)	—	—	—	(216)
Recoveries	14	—	—	—	—	9
Balance, end of year	$ 908	$ 161	$ 32	$ 22	$ 193	$ 1,073

	Loans Not Secured by Real Estate			
	Commercial and Municipal Obligations	Agriculture Finance	Consumer and Other	Total Loans
Allowance for credit losses:				
Balance, beginning of year	$ 223	$ 47	$ 195	$ 2,704
Impact of adopting ASC326	(66)	(17)	91	146
Provision (recovery) charged to expense	102	17	(1)	352
Losses charged off	(59)	—	(41)	(345)
Recoveries	7	—	31	61
Balance, end of year	$ 207	$ 47	$ 275	$ 2,918

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. The Company evaluates the loan risk grading system definitions and allowance for credit loss methodology on an on-going basis. No significant changes were made during the past year.

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 as of March 31, 2025 and 2024:

	2025								
	Term Loans (amortized cost basis by origination year)								
	2025	2024	2023	2022	2021	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
	(In thousands)								
Residential 1-4 Family									
Pass	$ 17,209	$ 8,517	$ 26,448	$ 8,701	$ 6,887	$ 20,087	$ 263	$ —	$ 88,112
Watch	529	279	217	85	189	745	—	—	2,044
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	139	22	—	560	—	—	721
Doubtful	—	—	—	—	—	—	—	—	—
Total Residential 1-4 Family	17,738	8,796	26,804	8,808	7,076	21,392	263	—	90,877
Current Year-to-Date Gross Charge-offs	—	—	—	1	—	2	—	—	3

	2025								
	Term Loans (amortized cost basis by origination year)								
	2025	2024	2023	2022	2021	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
	(In thousands)								
Home Equity and Second Mtgs									
Pass	$ 1,608	$ 667	$ 659	$ 189	$ 365	$ 464	$ 11,929	$ 50	$ 15,931
Watch	—	—	—	—	—	—	—	58	58
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	24	10	—	—	21	—	73	128
Doubtful	—	—	—	—	—	—	—	—	—
Total Home Equity and Second Mtgs	1,608	691	669	189	365	485	11,929	181	16,117
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Construction and Development									
Pass	6,974	1,661	228	331	254	758	136	—	10,342
Watch	253	—	—	—	—	—	—	—	253
Special Mention	—	—	—	—	—	494	—	—	494
Substandard	—	60	—	—	—	—	—	—	60
Doubtful	—	—	—	—	—	—	—	—	—
Total Construction and Development	7,227	1,721	228	331	254	1,252	136	—	11,149
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Multi-family									
Pass	2,785	—	384	782	89	290	—	—	4,330
Watch	179	—	—	292	—	—	—	—	471
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total Multi-family	2,964	—	384	1,074	89	290	—	—	4,801
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Agriculture Real Estate									
Pass	3,255	1,491	2,758	3,353	2,284	5,896	169	—	19,206
Watch	149	—	636	—	—	1,238	19	—	2,042
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	196	—	—	196
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture Real Estate	3,404	1,491	3,394	3,353	2,284	7,330	188	—	21,444
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Commercial Real Estate									
Pass	7,676	4,610	11,688	8,323	4,513	12,540	768	—	50,118
Watch	318	105	426	6,913	—	754	137	—	8,653
Special Mention	—	—	—	—	340	—	—	—	340
Substandard	—	—	—	—	—	34	97	—	131
Doubtful	—	—	—	—	—	—	—	—	—
Total Commercial Real Estate	7,994	4,715	12,114	15,236	4,853	13,328	1,002	—	59,242

	2025								
	Term Loans (amortized cost basis by origination year)								
	2025	2024	2023	2022	2021	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
	(In thousands)								
Current Year-to-Date Gross Charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial and Municipal Obligations									
Pass	1,975	2,231	1,768	137	999	889	8,033	—	16,032
Watch	978	853	694	774	294	877	1,915	—	6,385
Special Mention	—	40	13	—	—	—	32	—	85
Substandard	—	—	63	17	—	—	585	—	665
Doubtful	—	—	—	—	—	—	—	—	—
Total Commercial and Municipal Obligations	2,953	3,124	2,538	928	1,293	1,766	10,565	—	23,167
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Agriculture Finance									
Pass	1,321	545	1,050	266	13	11	8,071	—	11,277
Watch	237	—	—	—	—	—	1,237	—	1,474
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture Finance	1,558	545	1,050	266	13	11	9,308	—	12,751
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Consumer and Other									
Pass	8,293	5,795	3,724	2,066	777	163	37	—	20,855
Watch	—	—	—	—	4	—	—	—	4
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	63	11	—	—	—	—	74
Doubtful	—	—	—	—	—	—	—	—	—
Total Consumer and Other	8,293	5,795	3,787	2,077	781	163	37	—	20,933
Current Year-to-Date Gross Charge-offs	16	6	22	29	5	20	—	—	98
Total Loans	$ 53,739	$ 26,878	$ 50,968	$ 32,262	$ 17,008	$ 46,017	$ 33,428	$ 181	$ 260,481
Total Current Year-to Date Gross Charge-offs	$ 16	$ 6	$ 22	$ 30	$ 5	$ 22	$ —	$ —	$ 101

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	2024								
	Term Loans (amortized cost basis by origination year)								
	2024	2023	2022	2021	2020 (In thousands)	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
Residential 1-4 Family									
Pass	$ 11,360	$ 28,885	$ 9,956	$ 8,087	$ 6,406	$ 17,401	$ 188	$ —	$ 82,283
Watch	237	—	27	34	—	285	30	—	613
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	225	96	—	116	668	—	—	1,105
Doubtful	—	—	—	—	—	—	—	—	—
Total Residential 1-4 Family	11,597	29,110	10,079	8,121	6,522	18,354	218	—	84,001
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	14	—	—	14
Home Equity and Second Mtgs									
Pass	945	745	263	423	209	446	11,848	—	14,879
Watch	—	—	—	—	—	40	—	—	40
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	14	32	—	—	46
Doubtful	—	—	—	—	—	—	—	—	—
Total Home Equity and Second Mtgs	945	745	263	423	223	518	11,848	—	14,965
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	15	—	—	15
Construction and Development									
Pass	6,891	896	—	—	—	—	—	—	7,787
Watch	—	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total Construction and Development	6,891	896	—	—	—	—	—	—	7,787
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Multi-family									
Pass	—	—	810	89	—	300	—	—	1,199
Watch	—	390	—	—	—	—	—	—	390
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	303	—	—	118	—	—	421
Doubtful	—	—	—	—	—	—	—	—	—
Total Multi-family	—	390	1,113	89	—	418	—	—	2,010
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Agriculture Real Estate									
Pass	2,254	3,801	4,153	2,682	1,105	5,564	107	—	19,666
Watch	—	—	—	—	—	1,420	—	—	1,420
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	30	—	30
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture Real Estate	2,254	3,801	4,153	2,682	1,105	6,984	137	—	21,116

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	2024								
	Term Loans (amortized cost basis by origination year)								
	2024	2023	2022	2021	2020	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
	(In thousands)								
Current Year-to-Date Gross Charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial Real Estate									
Pass	5,494	12,168	15,630	5,209	4,586	9,293	1,346	—	53,726
Watch	5,457	—	701	350	364	1,601	255	—	8,728
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	396	—	—	—	268	—	—	664
Doubtful	—	—	—	—	—	—	—	—	—
Total Commercial Real Estate	10,951	12,564	16,331	5,559	4,950	11,162	1,601	—	63,118
Current Year-to-Date Gross Charge-offs	—	—	216	—	—	—	—	—	216
Commercial and Municipal Obligations									
Pass	4,289	2,764	1,568	1,633	260	1,103	9,135	—	20,752
Watch	436	442	10	—	950	—	770	—	2,608
Special Mention	—	254	—	—	—	—	610	—	864
Substandard	112	72	22	76	—	—	4	—	286
Doubtful	—	—	—	—	—	—	—	—	—
Total Commercial and Municipal Obligations	4,837	3,532	1,600	1,709	1,210	1,103	10,519	—	24,510
Current Year-to-Date Gross Charge-offs	—	59	—	—	—	—	—	—	59
Agriculture Finance									
Pass	839	1,447	422	42	82	6	7,980	—	10,818
Watch	—	—	—	—	—	—	130	—	130
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture Finance	839	1,447	422	42	82	6	8,110	—	10,948
Current Year-to-Date Gross Charge-offs	—	—	—	—	—	—	—	—	—
Consumer and Other									
Pass	9,313	11,559	3,437	1,558	288	165	66	—	26,386
Watch	—	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	16	14	—	—	—	—	—	30
Doubtful	—	—	—	—	—	—	—	—	—
Total Consumer and Other	9,313	11,575	3,451	1,558	288	165	66	—	26,416
Current Year-to-Date Gross Charge-offs	8	7	9	3	1	13	—	—	41
Total Loans	$ 47,627	$ 64,060	$ 37,412	$ 20,183	$ 14,380	$ 38,710	$ 32,499	$ —	$ 254,871
Total Current Year-to Date Gross Charge-offs	$ 8	$ 66	$ 225	$ 3	$ 1	$ 42	$ —	$ —	$ 345

The following tables present the Company's loan portfolio aging analysis as of March 31, 2025 and 2024:

	2025						
	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 > 89 Days & Accruing
	(In thousands)						
Real Estate:							
Residential:							
1-4 Family	$ 356	$ 187	$ 155	$ 698	$ 90,179	$ 90,877	$ —
Home equity and second mtgs	—	43	40	83	16,034	16,117	—
Construction and development	—	—	60	60	11,089	11,149	—
Multi-family	—	—	—	—	4,801	4,801	—
Agriculture real estate	91	—	—	91	21,353	21,444	
Commercial real estate	267	—	—	267	58,975	59,242	—
Commercial and municipal obligations	44	—	37	81	23,086	23,167	—
Agriculture finance	—	—	—	—	12,751	12,751	
Consumer and other	295	61	5	361	20,572	20,933	—
Total	$ 1,053	$ 291	$ 297	$ 1,641	$ 258,840	$ 260,481	$ —

	2024						
	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 > 89 Days & Accruing
	(In thousands)						
Real Estate:							
Residential:							
1-4 Family	$ 177	$ 316	$ 421	$ 914	$ 83,087	$ 84,001	$ 95
Home equity and second mtgs	45	22	—	67	14,898	14,965	—
Construction and development	—	—	—	—	7,787	7,787	—
Multi-family	—	—	—	—	2,010	2,010	—
Agriculture real estate	153	—	—	153	20,963	21,116	
Commercial real estate	424	—	227	651	62,467	63,118	—
Commercial and municipal obligations	—	31	22	53	24,457	24,510	—
Agriculture finance	—	—	—	—	10,948	10,948	
Consumer and other	59	81	30	170	26,246	26,416	—
Total	$ 858	$ 450	$ 700	$ 2,008	$ 252,863	$ 254,871	$ 95

The following table presents the Company's nonaccrual loans at March 31, 2025 and 2024.

	2025		2024	
	Nonaccrual Loans with no Allowance for Credit Losses	Nonaccrual Loans	Nonaccrual Loans with no Allowance for Credit Losses	Nonaccrual Loans
	(In thousands)			
Residential:				
1-4 Family	$ 110	$ 706	$ 37	$ 837
Home equity and second mortgages	16	91	17	31
Construction and development	—	60	—	—
Multi-family	—	—	—	—
Agriculture real estate	—	—	—	—
Commercial real estate	267	267	500	500
Commercial and municipal obligations	—	80	—	67
Agriculture finance	—	—	—	—
Consumer and other	—	27	—	30
Total	$ 393	$ 1,231	$ 554	$ 1,465

The Company had no collateral dependent loans as of March 31, 2025 and 2024.

In certain situations, the Company may modify the terms of a loan to a debtor experiencing financial difficulty. The modifications may include principal forgiveness, interest rate reductions, payment delays, term extensions, or combinations of the above. Management performs an analysis at the time of the loan modification. Any reserve required is recorded through a provision to the allowance for credit losses on loans.

There were no modifications on loans to borrowers experiencing financial difficulty during the year ended March 31, 2025 or 2024.

Note 5: Premises and Equipment

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

	2025	2024
	(In thousands)	
Land	$ 1,259	$ 1,259
Buildings and improvements	8,170	8,147
Equipment	5,815	5,681
Right of use asset operating lease	44	49
	15,288	15,136
Less accumulated depreciation	9,366	8,983
Net premises and equipment	$ 5,922	$ 6,153

Leases. In May 2022, the Company entered into a five-year lease with an extension for an additional five years for an ATM location. This operating lease is included as a ROU asset in the premises and equipment line item on the Company's balance sheets. The corresponding lease liability is included in the other liabilities line item on the Company's consolidated balance sheets.

At March 31, 2025, the operating lease right of use asset and operating lease liability were each $44,000 compared to $49,000 at March 31, 2024. The operating lease costs classified as occupancy and equipment expense was $6,000 for the fiscal years ending March 31, 2025 and 2024. No ROU assets obtained in exchange for operating lease obligations were obtained during the fiscal year ending March 31, 2025. At March 31, 2025, future expected lease payments with terms exceeding one year will be $6,000 per year for two years and $7,200 for the final five years of the lease.

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 approximately $184,866,000 and $191,662,000 at March 31, 2025 and 2024, respectively.

Custodial escrow balances maintained in connection with the foregoing loan servicing, and included in demand deposits, were approximately $2,613,000 and $2,493,000 at March 31, 2025 and 2024, respectively.

Capitalized mortgage servicing rights at March 31, 2025 and 2024 totaled approximately $1,503,000 and $1,579,000, 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:

	2025	2024
	(In thousands)	
Mortgage servicing rights		
Balance, beginning of year	$ 1,579	$ 1,657
Servicing rights capitalized	180	162
Amortization of servicing rights	(256)	(240)
Balance, end of year	$ 1,503	$ 1,579

Fair value disclosure:

	2025	2024
	(In thousands)	
Fair value as of the beginning of the period	$ 2,357	$ 2,327
Fair value as of the end of the period	2,346	2,357

For purposes of measuring impairment, risk characteristics (including product type, investor type, and interest rates) were used to stratify the originated mortgage servicing rights.

No valuation allowance was necessary during the fiscal years ending March 31, 2025, and 2024.

Note 7: Interest-bearing Deposits

Interest-bearing time deposits in denominations of $250,000 or more were approximately $51,270,000 on March 31, 2025, and $49,271,000 on March 31, 2024.

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

	2025	2024
	(In thousands)	
Savings, NOW, money market, interest-bearing demand	$ 2,154	$ 2,217
Time deposits	4,392	2,480
Total	$ 6,546	$ 4,697

At March 31, 2025, the scheduled maturities (in thousands) of time deposits are as follows:

2026	$	71,982
2027		7,331
2028		5,098
2029		2,044
2030		655
Thereafter		3,453
	$	90,563

At March 31, 2025, deposits of two customers amounted to approximately $40,824,000 of the total deposits held by the Company.

Note 8: Other Borrowings

Other borrowings included the following at March 31:

	2025	2024
	(In thousands)	
Securities sold under repurchase agreements	$ 41,762	$ 50,116
Total	$ 41,762	$ 50,116

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 2025 and 2024 totaled approximately $54,738,000 and $51,820,000, respectively, and the monthly average of such agreements totaled approximately $44,713,000 and $37,593,000 for 2025 and 2024, respectively. The average cost of funds on the agreements during 2025 was 2.80% and 3.06% during 2024. The average rates at March 31, 2025 and 2024 were 2.44% and 3.36%, respectively. The agreements at March 31, 2025, consist of approximately $39,951,000 in overnight and short term borrowings and $1,811,000 in fixed-rate one-year repurchase agreements.

Securities sold under agreements to repurchase are secured by U.S. GSEs 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, 2025, the Company had approximately $39,951,000 of overnight repurchase agreements secured by GSEs. The fixed-rate fixed-term repurchase agreements were secured by approximately $776,000 in GSE securities and $1,035,000 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 approximately $22,705,000 in a repurchase agreement with one party as of March 31, 2025.

Note 9: Long-Term Borrowings

The Company maintained a $3,000,000 revolving line of credit note payable with an unaffiliated financial institution which matured September 30, 2024. At that time, the Company renewed the line of credit note payable with the same unaffiliated financial institution. The renewed note payable bears interest tied to the prime commercial rate with a floor of 4.00%, matures on September 30, 2025, and is secured by the stock of the national bank owned by the Company. The rate at March 31, 2025 was 7.50%. The outstanding balance as of March 31, 2025 was $1,795,000 compared to $2,375,000 outstanding as of March 31, 2024. Management intends to renew the line of credit.

In February 2022, the Company obtained a $3,000,000 term loan. The term loan is for a period of five years with quarterly payments of principal and interest and is at a fixed rate of 3.75%. The balance outstanding at March 31, 2025 was $1,268,000, compared to $1,867,000 outstanding at March 31, 2024.

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 credit 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, 2025.

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

	(In thousands)
March 31, 2026	$ 622
March 31, 2027	646
	$ 1,268

The Company maintains a $6,700,000 revolving line of credit, of which no amounts were outstanding at March 31, 2025 and 2024, with an unaffiliated financial institution. The line bears interest at the federal funds rate of the financial institution (5.45% at March 31, 2025), has an open-end maturity and is unsecured if used for less than 30 consecutive business days.

The Company has also established borrowing capabilities at the Federal Reserve Bank of St. Louis discount window. Investment securities of approximately $5,634,000 have been pledged as collateral. As of March 31, 2025 and 2024, no amounts were outstanding. The primary credit borrowing rate at March 31, 2025 was 4.50%, has an overnight term, and has no restrictions on use of the funds borrowed.

In May 2023, the Company obtained a $5,000,000 unsecured fed funds line with an unaffiliated financial institution. Funds may be borrowed on an unsecured basis for no more than 15 calendar days at a market rate of interest which could change daily. No amounts were outstanding at March 31, 2025 or 2024.

Note 10: Federal Home Loan Bank Advances

The Company maintains a borrowing capacity of approximately $86,431,000 with the Federal Home Loan Bank of Chicago ("FHLB"). As of March 31, 2025, the Company had no amounts outstanding in FHLB advances. The borrowing capacity is decreased by advances outstanding and credit enhancements of $1,617,000 related to the Mortgage Partnership Program with the FHLB resulting in an available borrowing capacity of approximately $84,814,000. The borrowings are secured by one-to-four family, multi-family, and commercial real estate mortgage loans totaling approximately $141,713,000 at March 31, 2025. The FHLB applies a collateral margin and valuation adjustment to the total dollar amount of loans pledged which reduces the collateral value available to be borrowed. Additional shares of FHLB stock may be required to be purchased when advances are drawn. 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, 2025 and 2024, the Company did not recognize expense for interest or penalties, related to uncertain tax positions.

The provision for income taxes includes these components:

	2025	2024
	(In thousands)	
Taxes currently payable	$ 1,184	$ 486
Deferred income taxes	(55)	139
Income tax expense	$ 1,129	$ 625

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

	2025	2024
	(In thousands)	
Computed at the statutory rate of 21%	$ 1,006	$ 534
Increase (decrease) resulting from:		
Tax exempt interest	(65)	(68)
State income taxes	213	180
Life insurance cash value	(36)	(32)
Other	11	11
Actual tax expense	$ 1,129	$ 625

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

	2025	2024
	(In thousands)	
Deferred tax assets:		
Unrealized loss on available-for-sale securities	$ 2,420	$ 4,172
Allowance for credit losses	840	851
Deferred compensation	322	311
Other	28	14
	3,610	5,348
Deferred tax liabilities:		
Depreciation	(240)	(292)
Mortgage servicing rights	(428)	(450)
Prepaid assets	(82)	(61)
Accrual to cash	(100)	(81)
Other	—	(7)
	(850)	(891)
Net deferred tax asset	$ 2,760	$ 4,457

Note 12: Accumulated Other Comprehensive Loss

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

	2025	2024
	(In thousands)	
Net unrealized loss on debt securities available for sale	$ (8,490)	$ (14,635)
Tax effect	2,420	4,172
Net-of-tax amount	$ (6,070)	$ (10,463)

No amounts were reclassified from accumulated other comprehensive loss during the fiscal years ended March 31, 2025 and 2024.

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, 2025 and 2024. 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 approximately $93,000 and $100,000 for fiscal years ended March 31, 2025 and 2024, respectively; investment brokerage fees of approximately $516,000 and $424,000 for the fiscal years ended March 31, 2025 and 2024, respectively; and debit card interchange and ATM fee income of approximately $586,000 and $659,000 for the fiscal years ended March 31, 2025 and 2024, respectively, which are within the scope of Topic 606. The remaining balance of the other category is outside the scope of Topic 606.

	2025	2024
	(In thousands)	
Non-interest income		
Charges and other fees on loans	$ 427	$ 441
Charges and fees on deposit accounts	967	973
Net gain on sale of loans	408	368
Net gain on sale of premises and equipment	9	10
Other	1,438	1,407
Total non-interest income	$ 3,249	$ 3,199

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

<u>Charges and fees on deposit accounts</u>: 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.

<u>Asset management fees</u>: 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 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.

<u>Investment brokerage fees</u>: 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, 2025 and 2024, 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, 2025 and 2024, 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. The Bank has 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, 2025, the most recent notification from the Office of 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	Amount	Ratio
As of March 31, 2025			(Amounts in Thousands)			
Common equity Tier 1 capital (to risk-weighted assets)	$40,737	14.3%	$19,864	7.0%	$18,445	6.5%
Total risk-based capital (to risk-weighted assets)	$43,686	15.3%	$29,796	10.5%	$28,377	10.0%
Tier I capital (to risk-weighted assets)	$40,737	14.3%	$24,121	8.5%	$22,702	8.0%
Tier I capital (to average assets)	$40,737	8.4%	$31,323	6.5%	$24,095	5.0%
As of March 31, 2024						
Common equity Tier 1 capital (to risk-weighted assets)	$39,743	13.9%	$20,002	7.0%	$18,574	6.5%
Total risk-based capital (to risk-weighted assets)	$42,729	14.9%	$30,003	10.5%	$28,575	10.0%
Tier I capital (to risk-weighted assets)	$39,743	13.9%	$24,288	8.5%	$22,860	8.0%
Tier I capital (to average assets)	$39,743	8.3%	$31,107	6.5%	$23,929	5.0%

The 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, 2025 and 2024. 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, 2025 and 2024, 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:

	2025	2024
	(In thousands)	
Balance, beginning of year	$ 5,766	$ 6,201
Additions	1,550	30
Repayments	(2,099)	(465)
Balance, end of year	$ 5,217	$ 5,766

Deposits from related parties held by the Company at March 31, 2025 and 2024 totaled approximately $1,729,000 and $1,621,000, respectively.

In management's opinion, such loans and other extensions of credit, 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, 2025 and 2024 were approximately $230,000 and $218,000, respectively. The Company accrued for a profit sharing contribution that was paid in April 2025 based on the employee's compensation for the calendar year ended December 31, 2024. As of March 31, 2025 and 2024, the employer profit sharing contribution charged to expense was approximately $255,000 and $132,000, 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, 2025 and 2024 is 27,520 and 26,290, respectively. The difference between current year and prior year shares outstanding relate to awards of 1,230 shares. 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, 2025 and 2024 was approximately $20,000 and $18,000, respectively. Contribution expense was adjusted to reflect the fair value of the shares to the current market price for the years ended March 31, 2025 and 2024. Contribution expense was decreased by approximately $19,000 and $26,000 for the years ended March 31, 2025 and 2024, respectively.

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.

	2025	2024	2023
Remaining allocated ESOP shares after participant withdrawals	54,140	54,140	57,177

Employees that are age 55 or above and have 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. The election to diversify shares by eligible participants as of December 31, 2024, was not made until after the fiscal year ending March 31, 2025. In May 2025, eligible participants elected to diversify 5,298.1229 shares. A contribution of $150,000 was made to fund the diversification. The diversified shares will be recycled and reallocated as of the December 31st plan year-end. During the fiscal year ended March 31, 2024, 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, 2025, 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 Plan was amended during the fiscal year ended March 31, 2023, to fully vest all current participants, to provide that no additional employees become eligible to participate in the Plan, and that no future contributions will be made to the Plan unless necessary to fund diversifications and distributions. The Company had no expense for contributions for the ESOP during the fiscal years ending March 31, 2025 and 2024.

At March 31, 2025 the fair value of the 54,140 allocated shares held by the ESOP is $2,220,000.

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, 2025, a total of 600 shares were awarded compared to 300 shares during the fiscal year ended March 31, 2024. In May 2024, 100 shares previously awarded were forfeited and transferred back to treasury shares. Expense is recognized on a straight-line basis and was $16,000 net, during the fiscal year ended March 31, 2025, and $16,000 for the same period in 2024. Unrecognized compensation expense was $97,000 as of March 31, 2025, and $91,000 as of March 31, 2024.

Note 17: Earnings Per Common Share

Earnings per common share were computed as follows:

	Year Ended March 31, 2025		
	Income	Weighted-Average Shares	Per Share Amount
		(In thousands)	
Basic earnings per common share:			
Income available to common stockholders	$ 3,660	501,787	$ 7.29
Effect of dilutive securities			
Incentive shares	—	26,634	
Diluted earnings per common share:			
Income available to common stockholders and assumed conversions	$ 3,660	528,421	$ 6.93

	Year Ended March 31, 2024		
	Income	Weighted-Average Shares	Per Share Amount
		(In thousands)	
Basic earnings per common share:			
Income available to common stockholders	$ 1,917	513,356	$ 3.73
Effect of dilutive securities			
Incentive shares	—	25,476	
Diluted earnings per common share:			
Income available to common stockholders and assumed conversions	$ 1,917	538,832	$ 3.56

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 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; 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
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

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, 2025 and 2024 (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, 2025				
U.S. Treasury securities	$ 18,222	$ 18,222	$ —	$ —
U.S. GSEs	79,348	—	79,348	—
Mortgage-backed securities, GSE, residential	41,784	—	41,784	—
Mortgage-backed securities, GSE, non-residential	1,986	—	1,986	—
State and political subdivisions	6,902	—	6,902	—
Total available-for-sale securities	$ 148,242	$ 18,222	$ 130,020	$ —

		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, 2024				
U.S. Treasury securities	$ 36,889	$ 36,889	$ —	$ —
U.S. GSEs	82,789	—	82,789	—
Mortgage-backed securities, GSE, residential	37,232	—	37,232	—
Mortgage-backed securities, GSE, non-residential	2,104	—	2,104	—
State and political subdivisions	7,203	—	7,203	—
Total available-for-sale securities	$ 166,217	$ 36,889	$ 129,328	$ —

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, 2025.

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. GSEs, mortgage-backed securities (GSE-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.

Fair Value of Financial Instruments

The following table presents estimated fair values of the Company's other financial instruments at March 31, 2025 and 2024:

		Fair Value Measurements at March 31, 2025		
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	$ 15,280	$ 15,280	$ —	$ —
Interest-bearing demand deposits	30,769	—	30,769	—
Held-to-maturity debt securities	5,539	—	5,351	—
Loans held for sale	270	—	—	270
Loans, net of allowance for credit losses	257,300	—	—	251,203
Federal Reserve and Federal Home Loan Bank stock	1,130	—	1,130	—
Interest receivable	2,373	—	2,373	—
Mortgage servicing rights	1,503	—	—	2,346
Financial Liabilities				
Deposits	395,691	239,204	—	90,780
Other borrowings	41,762	—	40,385	—
Short-term borrowings	1,795	—	1,795	—
Long-term borrowings	1,268	—	1,268	—
Advances from borrowers for taxes and insurance	963	—	963	—
Interest payable	664	—	664	—
		—		
Unrecognized financial instruments (net of contract amount)				
Commitments to originate loans	—	—	—	—
Letters of credit	—	—	—	—
Lines of credit	—	—	—	—

			Fair Value Measurements at March 31, 2024		
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	$	16,697	$ 16,697	$ —	$ —
Interest-bearing demand deposits		6,017	—	6,017	—
Held-to-maturity debt securities		5,724	—	5,585	—
Loans held for sale		795	—	—	795
Loans, net of allowance for loan losses		251,141	—	—	237,847
Federal Reserve and Federal Home Loan Bank stock		1,129	—	1,129	—
Interest receivable		2,263	—	2,263	—
Mortgage servicing rights		1,579	—	—	2,357
Financial Liabilities					
Deposits		384,216	289,846	—	93,967
Other borrowings		50,116	—	47,432	—
Short-term borrowings		2,375	—	2,375	—
Long-term borrowings		1,867	—	1,867	—
Advances from borrowers for taxes and insurance		863	—	863	—
Interest payable		665	—	665	—
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 credit losses are reflected in the note regarding loans. Other significant estimates 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 approximately $1,632,000 and $2,202,000 at March 31, 2025 and 2024, respectively, with 12 month terms. At March 31, 2025 and 2024, 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, 2025, the Company had granted unused lines of credit to borrowers aggregating approximately $42,863,000 and $25,397,000 for commercial lines and consumer lines, respectively. At March 31, 2024, unused lines of credit to borrowers aggregated approximately $42,619,000 for commercial lines and $23,297,000 for consumer lines.

Loans committed to, but not yet funded, as of March 31, 2025 and 2024 amounted to approximately $16,133,000 and $3,423,000, respectively. As of March 31, 2025 and 2024, those loans at fixed rates amounted to approximately $4,390,000 and $2,817,000, respectively, with $1,072,000 at March 31, 2025 and $870,000 at March 31, 2024 scheduled to be sold in the secondary market. The range of fixed rates was from 6.375%, for a loan to a municipality, to 8.00% as of March 31, 2025. Commitments to fund loans with floating rates, to be held for investment, amounted to approximately $11,743,000, and $607,000, at March 31, 2025 and 2024, respectively. Floating rates ranged from 6.00% to 11.25% as of March 31, 2025.

Note 21: Segment Reporting

The Company's reportable segment is determined by the Bank's President and Chief Executive Officer, who is the designated chief operating decision maker, based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the chief operating decision maker, who uses such information to review the performance of various components of the business, which are then aggregated if operating performance, products/services, and customers are similar. The chief operating decision maker uses this information to evaluate financial performance and determine how to allocate resources. The chief operating decision maker uses consolidated net income and return on assets to benchmark the Company against its competitors. This benchmarking analysis, coupled with the monitoring of budget to actual results, are used in assessing the Company's performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provision for credit losses, and salaries and benefits provide the significant expenses in the banking operation.

The chief operating decision maker is regularly provided with consolidated income and expenses, as presented on the consolidated statements of income, in addition to consolidated assets presented on the consolidated balance sheets.

Accordingly, and consistent with prior years, all of the Company's operations are considered by management to be aggregated into one reportable operating segment.

Note 22: Subsequent Events

Subsequent events have been evaluated through June 2, 2025, which is the date the consolidated financial statements were available to be issued.

FIRST ROBINSON FINANCIAL CORPORATION AND SUBSIDIARY

STOCKHOLDER INFORMATION

ANNUAL MEETING

The Annual Meeting of stockholders for the fiscal year ending March 31, 2025 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 15, 2025.

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 2025			Fiscal 2024		
	High	Low	Dividends	High	Low	Dividends
First Quarter	$38.50	$34.26	$0.34	$47.50	$41.00	$0.31
Second Quarter	44.00	37.30	0.34	42.00	38.60	0.32
Third Quarter	55.00	39.75	0.34	40.50	38.00	0.32
Fourth Quarter	49.00	40.80	0.34	42.51	37.66	0.32

The Company declared and paid quarterly dividends as shown above during the fiscal years ending March 2025 and 2024. 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 Consolidated Financial Statements included in this Annual Report.

As of May 23, 2025, the Company had approximately 438 registered stockholders of record and 525,864 outstanding shares of Common Stock.

SHAREHOLDERS AND GENERAL INQUIRIES

Mark W. Hill
First Robinson Financial Corporation
501 East Main Street, Robinson, IL 62454
(618) 544-8621

INDEPENDENT AUDITORS

Forvis Mazars, 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

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www.frsb.net

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DIRECTORS OF THE BOARD

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

MARK W. HILL
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

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

EXECUTIVE OFFICERS

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President and Chief Executive Officer

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

TASHA BRIGGS
Vice President and Chief Lending Officer

STACIE D. OGLE
Vice President and Chief Operations Officer

BRAD HELM
Vice President and Information Technology Officer

SAMANTHA ACORD
Vice President and Chief Compliance Officer

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