



PUBLIC DISCLOSURE

November 23, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Robinson Savings Bank, National Association
Charter Number 23393

501 East Main Street
Robinson, IL 62454

Office of the Comptroller of the Currency

500 N. Broadway
Suite 1700
St. Louis, MO 63102

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

State Name: Illinois Rating: Satisfactory

State Name: Indiana Rating: Satisfactory

First Robinson Savings Bank's (FRSB) overall rating is a blend of the state ratings for Illinois (IL) and Indiana (IN). FRSB's lending performance reflects a Satisfactory response to the community needs. The conclusion is based on the following results from our review:

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A substantial majority of the bank's loans were made within the bank's AA.
- Lending activities represent a reasonable penetration among businesses of different sizes and individuals of different income levels.
- The geographic distribution of loans is reasonable in the state of Indiana.

SCOPE OF EVALUATION

This Performance Evaluation is an assessment of the record of FRSB in meeting the credit needs of the communities in which it operates. FRSB was evaluated under the Small Bank performance criteria, which includes only the lending test. The lending test evaluates the bank's record of helping to meet the credit needs of its AAs through its lending activities. The scope of the CRA evaluation period is October 18, 2010 through November 23, 2015. FRSB has two AAs, which each received a full-scope review.

The lending test analysis includes loans originated from January 1, 2013 through September 30, 2015. We reviewed the bank's loan originations in 2013, 2014, and year-to-date 2015 to determine the primary products for both AAs. For the Illinois AA, we concluded the bank's primary products were residential and commercial loans, based on the dollar value of loans extended, as shown in the following table. Although consumer loans represented the largest number volume, the dollar volume was not significant.

| Illinois Loan Originations by Loan Type from January 1, 2013 through September 30, 2015 | | | | |
|--|-----------------------|---------------------|------------------------|-----------------------------|
| Loan Category | Dollars (000s) | % of Dollars | Number of Loans | % of Number of Loans |
| Residential Loans | \$ 84,518 | 43% | 950 | 32% |
| Commercial Loans | \$ 78,572 | 40% | 326 | 12% |
| Consumer Loans | \$ 15,994 | 8% | 1498 | 51% |
| Farm Loans | \$ 18,244 | 9% | 157 | 5% |
| Total Originations | \$197,328 | 100% | 2931 | 100% |

For the Indiana AA, we concluded the bank's primary product was residential loans, based on the dollar volume of loans extended, as shown in the following table. Although consumer loans represented the largest number volume, the dollar volume was not significant.

| Indiana Loan Originations by Loan Type from January 1, 2013 through September 30, 2015 | | | | |
|---|-----------------------|---------------------|------------------------|-----------------------------|
| Loan Category | Dollars (000s) | % of Dollars | Number of Loans | % of Number of Loans |
| Residential Loans | \$ 59,460 | 57% | 630 | 42% |
| Commercial Loans | \$ 29,891 | 28% | 147 | 10% |
| Consumer Loans | \$ 8,707 | 8% | 710 | 47% |
| Farm Loans | \$ 6,957 | 7% | 21 | 1% |
| Total Originations | \$105,015 | 100% | 1508 | 100% |

The bank's overall rating is a blend of the state of Illinois rating and the state of Indiana rating. The Illinois AA encompasses one county (Crawford County) and the Indiana AA encompasses one county (Knox County). See the respective sections for a full description of each AA.

DESCRIPTION OF INSTITUTION

First Robinson Savings Bank is an interstate bank headquartered in Robinson, Illinois. FRSB is wholly owned by First Robinson Financial Corporation, a one-bank holding company located in Robinson, Illinois. The bank has three offices located in Illinois including Robinson, Palestine, and Oblong, and one office in Indiana located in Vincennes. In addition, FRSB has seven automated teller machines (ATMs) in Illinois, three of which are deposit-taking and located at the branches. In Indiana, the bank has three ATMs. The bank opened a new ATM at the Speedy Pete's Marathon Station in Monroe City, IN in May 2013. This ATM and the one located at the Vincennes office are deposit-taking. As of September 30, 2015, FRSB had total assets of \$289 million, total deposits of almost \$220 million, and Tier One capital of \$23 million. There have been no changes in the corporate structure, including merger or acquisition activities, since the last CRA evaluation.

FRSB offers traditional bank services and loan products normally associated with a community bank. As of September 30, 2015, the bank reported over \$185 million in outstanding loans and had a net loans and leases to total assets ratio of 63%. The loan portfolio consists of the following:

| Loan Portfolio Summary by Loan Product September 30, 2015 | | |
|--|------------------|-------------|
| Loan Category | \$(000) | % |
| Commercial Loans | \$ 70,399 | 38% |
| Residential Loans | \$ 71,502 | 39% |
| Farm Loans | \$ 23,755 | 13% |
| Consumer Loans | \$ 19,430 | 10% |
| Total Loans | \$185,086 | 100% |

Source: Call Report September 30, 2015

There are no legal or financial impediments to FRSB's ability to meet the credit needs in its AAs. The bank was rated Satisfactory at its last CRA evaluation dated October 18, 2010.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

FRSB does a reasonable job of meeting the credit needs of its AAs, including those of low- and moderate-income people, given the demographics, economic factors, and competitive pressures faced by the bank.

Loan-to-Deposit Ratio

FRSB's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and the credit needs of the AAs. The bank's quarterly LTD ratio averaged 74.82% over the 21 quarters since the last CRA evaluation, with a low of 68.17% and a high of 83.37%.

The bank's LTD ratio is comparable to other community banks of similar size, location, and product offerings. FRFB ranks second highest out of nine similarly situated institutions. The other eight banks had quarterly LTD ratios averaging 68.48% and ranging from 46.34% to 90.56% over the 21 quarters since the last CRA evaluation.

Lending in Assessment Area

A substantial majority of the bank's primary products were originated to borrowers within the bank's AAs (88% by number and dollar). The following table details the bank's lending inside and outside the AA by number and dollar amount of loans originated during the evaluation period.

| Lending in AA (in \$000) | | | | | | | | | | |
|---------------------------------|-----------------|-----|---------|-----|-------|------------------------|-----|---------|-----|---------|
| Loan Type | Number of Loans | | | | | Dollars of Loans (000) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Residential- IL | 17 | 85% | 3 | 15% | 20 | \$1,836 | 82% | \$410 | 18% | \$2,246 |
| Residential- IN | 17 | 85% | 3 | 15% | 20 | \$1,455 | 88% | \$196 | 12% | \$1,651 |
| Business | 19 | 95% | 1 | 5% | 20 | \$1,503 | 98% | \$25 | 2% | \$1,528 |
| Total | 53 | 88% | 7 | 12% | 60 | \$4,794 | 88% | \$631 | 12% | \$5,425 |

Source: Sample of 20 residential (IL), 20 residential (IN), and 20 business loans originated in 2013, 2014, and year-to-date 2015

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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

State Rating

State of Illinois

CRA Rating for Illinois: Satisfactory

Description of Assessment Area

Bank management has designated Crawford County in southeastern Illinois as its AA. The AA is comprised of six census tracts (CTs), i.e., CT 8801, 8802, 8803, 8804, 8805, and 8806. Based on the 2010 Census Median Family Income of \$52,567, CTs 8802, 8803, 8804, 8805, and 8806 are classified as middle-income and CT 8801 is classified as upper-income. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The 2014 FFIEC Updated MSA Median Income of the AA is \$58,600 for the 5,237 families in the AA. The census data concludes 17.32% of the population was age 65 and older, 19.26% of households were in retirement, and 11.13% of families lived below the poverty level. The median housing value for the AA was \$69,868 and the median age of the housing stock was 55 years. Local housing for the AA was 85.76% 1-4 family units, with 71.98% owner-occupied and 10.47% vacant.

As of August 31, 2015, Crawford County's unemployment rate of 5.3% was just below the State of Illinois rate of 5.6% and slightly above the national rate of 5.1%. Major employers around the Robinson area include the Marathon refinery, the Hershey factory, Crawford Memorial Hospital, and the local prison.

Non-farm businesses make up 84.75% of total businesses. Of those businesses, 71.11% are considered small businesses, i.e., businesses with annual gross revenues of less than or equal to one million dollars. The most prominent type of business in the county is services, making up 40.44% of all businesses, with agriculture, forestry, and fishing next at 15.25%.

Including FRSB, there are seven financial institutions with offices in Crawford County; five of these are within the town of Robinson. Major competitors include a mix of community banks and branches of regional banks: First National Bank in Olney, First Financial Bank, N.A., Regions Bank, Farmers & Merchants of Hutsonville, Casey State Bank, and Woodforest National Bank. Per FDIC deposit data as of June 30, 2015, the bank's total deposits were \$218 million. In Crawford County, FRSB held \$168 million in deposits, which amounts to a dominant 40% deposit market share in this county. The next closest is First National Bank in Olney with 21% of the market share.

To further our understanding of the community's credit needs, we referenced a community contact form completed on a community service organization knowledgeable

about the areas served by the bank. Our contact did not identify any unmet credit needs.

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

The distribution of loans reflects reasonable penetration among borrowers of different income levels and to businesses of different sizes.

Residential Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels, with excellent responsiveness to low-income borrowers and reasonable responsiveness to moderate-income borrowers.

We reviewed 40 home loans originated in 2013, 2014, and year-to-date 2015. Eight of these loans, or 20%, were extended to low-income borrowers, reflecting excellent responsiveness to low-income borrowers compared to the percentage of low-income families in the AA (20.13%). Six of the sampled loans, or 15%, were extended to moderate-income borrowers, reflecting reasonable responsiveness to moderate-income borrowers compared to the percentage of moderate-income families in the AA (19.02%).

| Illinois - Borrower Distribution of Residential Real Estate Loans | | | | | | | | |
|---|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Residential | 20.13% | 20% | 19.02% | 15% | 22.95% | 25% | 37.90% | 40% |

Source: 40 home loans originated 2013-YTD 2015; 2010 U.S. Census Data

Business Loans

The distribution of business loans reflects reasonable penetration among businesses of different sizes. Eighty percent of the bank’s business loans extended during the loan-sampling period were made to small businesses. The demographic data shows 71% of the businesses in the bank’s AA have gross annual revenues less than or equal to one million dollars.

| Illinois - Borrower Distribution of Loans to Businesses | | | | |
|---|--------------|--------------|---------------------|-------|
| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total |
| % of AA Businesses | 71.11% | 4.14% | 24.75% | 100% |
| % of Bank Loans in AA by # | 80% | 20% | 0% | 100% |
| % of Bank Loans in AA by \$ | 57% | 43% | 0% | 100% |

Source: 20 business loans originated 2013-YTD 2015; 2014 Geo-Demographic Business data

Geographic Distribution of Loans

The AA consists of one upper- and five middle-income CTs. As such, an analysis of the geographic distribution of loans within this AA would not provide meaningful information.

Responses to Complaints

FRSB has not received any complaints about its performance in helping to meet the community credit needs since the last CRA evaluation.

State of Indiana

CRA Rating for Indiana: Satisfactory

Description of Assessment Area

Bank management has designated Knox County in southwestern Indiana as its AA. The AA is comprised of 10 CTs, i.e., CT 9550, 9551, 9552, 9553, 9554, 9555, 9556, 9557, 9558, and 9559. Based on the 2010 Census Median Family Income of \$53,037, CTs 9550, 9553, 9554, and 9556 are classified as moderate-income, and the rest are considered middle-income. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The 2014 FFIEC Updated MSA Median Income of the AA is \$56,100 for the 9,702 families in the AA. The census data concludes 15.58% of the population was age 65 and older, 18.52% of households were in retirement, and 12.55% of families lived below the poverty level. The median housing value for the AA was \$86,175 and the median age of the housing stock was 58 years. Local housing for the AA was 85.71% 1-4 family units, with 60.44% owner-occupied and 13.38% vacant.

As of August 31, 2015, the Knox County unemployment rate of 4.4% matched the State of Indiana rate and was below the national rate of 5.1%. Major employers around the Vincennes area include Good Samaritan Hospital and Vincennes University.

Including FRSB, there are nine financial institutions with offices in Knox County; seven of these are within Vincennes. Major competitors include a mix of community banks and branches of regional banks: Regions Bank, Old National Bank, German American Bancorp, First Financial Bank, N.A., Fifth Third Bank, Heritage State Bank, Bloomfield State Bank, and Woodforest National Bank. Per FDIC deposit data as of June 30, 2015, the bank's total deposits were \$218 million. In Knox County, FRSB held \$50 million in deposits, which amounts to 7.5% of the deposit market share in this county. Regions Bank has the majority of the market share with 28.5% and Old National Bank comes in second with almost 24%.

To further our understanding of the community's credit needs, we contacted a local community organization knowledgeable about the areas served by the bank. Our contact did not identify any unmet credit needs.

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

The distribution of loans reflects reasonable penetration among borrowers of different income levels.

Residential Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels, with excellent responsiveness to moderate-income borrowers and reasonable responsiveness to low-income borrowers.

We reviewed 20 home loans originated in 2013, 2014, and year-to-date 2015. Eleven of these loans, or 55%, were extended to moderate-income borrowers, reflecting excellent responsiveness to moderate-income borrowers compared to the percentage of moderate-income families in the AA (18.52%). The bank’s lending to low-income borrowers (5%) is lower than the percentage of low-income families in the AA (22.12%). However, given the high family poverty rate of 12.55% for the county, the bank’s responsiveness is considered reasonable.

| Indiana - Borrower Distribution of Residential Real Estate Loans | | | | | | | | |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Residential | 22.12% | 5% | 18.52% | 55% | 22.53% | 25% | 36.83% | 15% |

Source: 20 home loans originated 2013-YTD 2015; 2010 U.S. Census Data

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the bank’s AA.

There are no low-income CTs in this AA. Lending in moderate-income CTs is reasonable with home mortgage lending in these CTs just below the percentage of owner-occupied housing in these CTs.

| Indiana - Geographic Distribution of Residential Real Estate Loans | | | | | | | | |
|--|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Loans | NA | NA | 22.05% | 20% | 77.95% | 80% | NA | NA |

Source: 20 home loans originated 2013-YTD 2015; 2010 U.S. Census Data

Responses to Complaints

FRSB has not received any complaints about its performance in helping to meet the community credit needs since the last CRA evaluation.