



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 18, 2010

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

St. Louis Field Office
2350 Market Street, Room 100
St. Louis, MO 63103

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

The bank's overall rating is a blend of the state ratings for Illinois (IL) and Indiana (IN). The major factors that support the Satisfactory rating are:

- A substantial majority of the bank's loans were made within the bank's assessment area (AA).
- The bank's lending distribution to borrowers of different income levels and to businesses of different sizes meets the standards for satisfactory performance in both the state of Illinois and the state of Indiana.
- The geographic distribution of loans is reasonable for both the state of Illinois and the state of Indiana.
- The bank's loan-to-deposit (LTD) ratio is reasonable. The bank's average quarterly LTD ratio since the last examination is 74%, higher than seven out of seventeen comparable banks.

SCOPE OF EXAMINATION

This Performance Evaluation of the First Robinson Savings Bank, N.A. (FRSB) assesses FRSB's record of meeting the credit needs of the communities in which it operates. We evaluated FRSB under the Small Bank performance criteria.

The evaluation period covers loans originated or purchased from January 1, 2008 through September 30, 2010. For the state of Indiana, however, the evaluation period started January 1, 2009, because the bank had no presence in Indiana prior to that date. Conclusions regarding the bank's lending performance are based on FRSB's primary loan products, which include residential real estate (RRE) loans and commercial loans. We reviewed a sample of 20 RRE loans and 20 commercial loans from each state for our evaluation.

The bank's overall rating is a blend of the state of Illinois rating and the state of Indiana rating. The state of Illinois AA encompasses one Illinois county (Crawford County) and the state of Indiana encompasses one Indiana county (Knox County). See the respective sections for a full description of each AA. We placed more weight on the conclusions for Crawford County, IL because a substantial majority of the bank's deposits are from this AA (91% as of June 30, 2010). Also, the Knox County, IN location was only established in December 2008. Both AAs received a full-scope review.

DESCRIPTION OF INSTITUTION

First Robinson Savings Bank, N.A. is 100% owned by First Robinson Financial Corporation, a one-bank holding company located in Robinson, Illinois. As of June 30, 2010, FRSB had total assets of \$188 million. Four of the five offices of FRSB are in Crawford County in southeastern Illinois. The main office is located in Robinson, IL. The bank also has a full-service branch in Palestine, IL, a full-service branch in Oblong, IL, and a drive-up facility in Oblong. On December 29, 2008, FRSB opened a full-service branch in Vincennes, IN (Knox County). The bank operates depository ATMs at the main bank in Robinson, at the branch locations in Palestine and Vincennes, and at the drive-up facility in Oblong. Cash-dispensing ATMs are located at a shopping center in Robinson, at Lincoln Trail College in Robinson, and at the Good Samaritan Hospital in Vincennes. There were no branch closings since the prior CRA evaluation.

FRSB's business strategy focuses on RRE and commercial loans. Loan products offered include one-to-four family RRE loans, commercial loans, agricultural loans, and consumer loans. As of June 30, 2010, net loans totaled \$108 million or 57% of total assets and consisted of RRE loans (50%), commercial loans (25%), agriculture-related loans (13%), consumer loans (10%), and other (2%). Total Risk Based Capital as of June 30, 2010 was \$14 million.

There are no legal, financial, or other factors impeding FRSB's ability to help meet the credit needs of the AAs it serves. FRSB was rated Satisfactory at its last CRA evaluation dated August 9, 2004.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

FRSB’s loan-to-deposit (LTD) ratio is reasonable given the institution’s size, its financial condition, and the needs of the AA. As of June 30, 2010, the bank’s LTD ratio is 72%. The average quarterly LTD ratio since the last examination is 74%. This ratio is above that of seven out of seventeen comparable banks, based on size and location. The competitors’ average quarterly LTD ratios range from 31% to 96% for the same time period.

Lending in Assessment Area

A substantial majority of the bank’s loans during the evaluation period were made inside the bank’s AA, 88% by number and 90% by dollar volume. Based on our sample of 20 residential real estate loans made in 2008, 2009 and 2010, 90% by number and 88% by dollar amount were made within the bank’s AA. Based on our sample of 20 small commercial loans made in 2008, 2009 and 2010, 85% by number and 92% by dollar amount were made within the bank’s AA.

Lending in Crawford County, IL and Knox County, IN										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
1-4 Family RRE	18	90%	2	10%	20	\$1,160,222	88%	\$158,037	12%	\$1,318,259
Commercial	17	85%	3	15%	20	\$1,311,327	92%	\$109,265	8%	\$1,420,592
Totals	35	88%	5	12%	40	\$2,471,549	90%	\$267,302	10%	\$2,738,851

Source: Sample of 20 commercial and 20 RRE loans originated in 2008, 2009, and year-to-date 2010.

Fair Lending or Other Illegal Credit Practices Review

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

FRSB's Illinois AA consists of all census tracts (CTs) in Crawford County in southeastern Illinois. This AA has one moderate-income geography (CT 9804) and five middle-income geographies. The Robinson office is located within the moderate-income CT. The AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Based on loans originated during the assessment period, the primary products in Crawford County are RRE and commercial loans. Using only loans made within the AA, we reviewed a sample of 20 RRE and 20 commercial loans originated or purchased from January 1, 2008 through September 30, 2010.

Competition for financial services is moderate. Seven financial institutions have a presence in the AA, with 15 offices throughout the county. Several institutions have a strong presence in Robinson, a town that encompasses the only moderate-income CT in the AA. FDIC deposit market share data as of June 30, 2010 indicates FRSB has deposits of \$138 million in Crawford County, ranking it first out of the seven banks in this AA (34% market share).

Economic conditions in the AA are affected by the nationwide recession. The unemployment rate in Crawford County increased from 6.5% in July 2008 to 9.8% in July 2010. This trend roughly follows the unemployment rate for the state of Illinois, which increased to 10.6% as of July 2010, and the national unemployment rate, which increased to 9.7% as of July 2010. Major employers in the AA are Hershey Chocolate USA, Marathon Petroleum, Crawford County Hospital, Robinson Correctional Center, and the local college and school district.

The 2000 Census data indicates 9% of families in this AA live below the poverty level. The same data also shows that 20% of the families were classified as low-income, 23% as moderate-income, 23% as middle-income, and 34% as upper-income.

Business data for 2009 shows 1,465 businesses in Crawford County: 1,139 (78%) have revenues of \$1 million or less, 38 (3%) have revenues over \$1 million, and 288 (19%) did not report revenues. Of these businesses, 285 (19%) are located in the moderate-income CT.

To further our understanding of the county’s credit needs, we contacted a community action agency. Based on information provided, the ongoing credit needs of the community include financing for low-cost housing. To help meet these community credit needs, FRSB is an approved lender for the USDA Rural Development Guaranteed Loan Program. This program enables qualified low- or moderate-income families to become homeowners. Under the program guidelines, FRSB made 33 loans in 2008 totaling \$1,721,707; 33 loans in 2009 totaling \$2,159,852; and 20 loans totaling \$1,133,087 as of October 31, 2010.

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

FRSB’s lending to borrowers of different income levels and to businesses of different sizes reflects a reasonable penetration in this AA.

Residential Real Estate Loans

The borrower distribution of RRE loans meets the standards for satisfactory performance. The percentage of loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The percentage of loans made to low-income borrowers is lower than the percentage of low-income families in the AA. In evaluating the borrower distribution, we considered the percentage of families (9%) who live below the poverty level and the barriers this may have on home ownership. We also considered the local economy, which is currently stressed as reflected in the high unemployment rate in the AA (9.8% as of July 2010).

Borrower Distribution of Residential Real Estate Loans in Crawford County, IL								
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 RE	20%	5%	23%	25%	23%	15%	34%	55%

Source: Sample of 20 RRE loans; 2000 U.S. Census data.

Business Loans

The distribution of the bank’s loans to small businesses is reasonable. The percentage of loans to businesses with revenues of \$1 million or less is near the market demographic by number and exceeds the market demographic by dollar amount of loans extended to businesses in the AA.

Borrower Distribution of Loans to Businesses in Crawford County, IL				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	78%	3%	19%	100%
% of Bank Loans in AA by #	75%	25%	0%	100%
% of Bank Loans in AA by \$	89%	11%	0%	100%

Source: Sample of 20 commercial loans; 2009 Dunn and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of the bank’s loans reflects a reasonable dispersion in this AA. No conspicuous gaps were noted in the bank’s lending in this AA. There are no low- or upper-income geographies in the AA.

Residential Real Estate Loans

The geographic distribution of RRE loans originated or purchased during the evaluation period is reasonable. The percentage of home purchase loans made to borrowers in the moderate-income CT is lower than the percentage of owner-occupied housing units located in the moderate-income CT. In evaluating the geographic distribution, we considered the percentage of families (9%) who live below the poverty level and the barriers this may have on home ownership. We also considered the local economy, which is currently stressed as reflected in the high unemployment rate in the AA.

Geographic Distribution of Residential Real Estate Loans in Crawford County, IL								
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
Residential RE	NA	NA	16%	10%	84%	90%	NA	NA

Source: Sample of 20 RRE loans; 2000 U.S. Census data.

Business Loans

The geographic distribution of business loans exceeds the standard for satisfactory performance. The percentage of business loans made in the moderate-income CT exceeds the percentage of businesses located in the moderate-income CT.

Geographic Distribution of Loans to Businesses in Crawford County, IL								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	NA	NA	19%	20%	81%	80%	NA	NA

Source: Sample of 20 commercial loans; 2009 Dunn and Bradstreet data.

Responses to Complaints

No CRA-related complaints have been received by the bank or the OCC since the prior CRA evaluation.

STATE OF INDIANA

CRA Rating for Indiana: Satisfactory

Description of Assessment Area

FRSB's Indiana AA consists of all CTs in Knox County, which is located along the Indiana/Illinois border in southwestern Indiana. There are five moderate-income geographies (CTs 9550, 9553, 9554, 9555 and 9556) and five middle-income geographies. The Vincennes office is located within the middle-income CT 9559. The AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Based on loans originated during the assessment period, the primary products in Knox County are RRE and commercial loans. Using only loans made within the AA, we reviewed a sample of 20 RRE and 20 commercial loans originated or purchased from January 1, 2009 through September 30, 2010.

Competition for financial services is strong, with 21 branches of ten financial institutions in the AA. FRSB opened the Knox County location on December 29, 2008. FDIC deposit market share data as of June 30, 2010 indicates FRSB has deposits of \$14 million in Knox County, ranking it seventh out of the ten banks in this AA (2% market share).

Economic conditions in the AA are affected by the nationwide recession. The unemployment rate in Knox County increased from 5.3% in July 2008 to 7.9% in July 2010. While significantly lower, this trend roughly follows the unemployment rate for the state of Indiana, which increased to 10.1% as of July 2010, and the national unemployment rate, which increased to 9.7% as of July 2010. Major employers in the AA are Good Samaritan Hospital, Vincennes University, Knox County, and the local school district.

The 2000 Census data indicates 12% of families in this AA live below the poverty level. The same data also shows that 24% of the families were classified as low-income, 19% as moderate-income, 24% as middle-income, and 33% as upper-income.

Business data for 2009 shows 2,867 businesses in Knox County: 2,084 (73%) have revenues of \$1 million or less, 118 (4%) have revenues over \$1 million, and 665 (23%) did not report revenues. Of these businesses, 1,365 (48%) are located in the moderate-income CTs.

To further our understanding of the credit needs in this AA, we contacted a community action agency. The agency did not provide specific unmet credit needs in the community.

FRSB participates in Indiana's mortgage credit certificate program. This program is targeted toward specific counties and allows qualified individuals to receive a 25-35% tax credit on their mortgage interest. Home buyers qualify if their income is less than

\$75,960 for a 1-2 person household and less than \$85,120 for a household with 3 or more individuals. FRSB is also an approved lender for the USDA Rural Development Guaranteed Loan Program. This program enables qualified low- or moderate-income families to become homeowners. Under the program guidelines, FRSB made 26 loans totaling \$1,901,395 in 2009 and 32 loans totaling \$2,245,922 as of October 31, 2010.

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

FRSB’s lending distribution to borrowers of different income levels and to businesses of different sizes reflects a reasonable penetration in this AA considering the strong competition in the county and the bank’s recent entrance in the market.

Residential Real Estate Loans

The borrower distribution of RRE loans originated or purchased during the evaluation period meets the standards for satisfactory performance. The percentage of loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is also lower than the percentage of moderate-income families in the AA. In evaluating the borrower distribution, we considered the percentage of families (12%) who live below the poverty level and the barriers this may have on home ownership. We also considered the local economy, which is currently stressed as reflected in the high unemployment rate in the AA (7.9% as of July 2010).

Borrower Distribution of Residential Real Estate Loans in Knox County, IN								
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 RE	24%	10%	19%	10%	24%	30%	33%	50%

Source: Sample of 20 RRE loans; 2000 U.S. Census data.

Business Loans

The distribution of the bank’s loans to small businesses is reasonable. The percentage of loans to businesses with revenues of \$1 million or less exceeds the market demographic by number and dollar amount of loans extended to businesses in the AA. It is important to note that revenue data is not available on 23% of the businesses in this AA.

Borrower Distribution of Loans to Businesses in Knox County, IN				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	73%	4%	23%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Sample of 20 commercial loans; 2009 Dunn and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of loans reflects a reasonable dispersion throughout the AA when taking into account the strong competition specifically within the city of Vincennes, where four of the five moderate-income geographies are located, and the recent entrance into the competitive market. There were no conspicuous gaps noted in the bank’s lending in this AA. There are no low- or upper-income geographies in the AA.

Residential Real Estate Loans

The geographic distribution of RRE loans originated or purchased during the evaluation period is reasonable. The percentage of RRE loans made to borrowers in moderate-income CTs is below the percentage of owner-occupied housing units located in moderate-income CTs.

Geographic Distribution of Residential Real Estate Loans in Knox County, IN								
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
Residential RE	NA	NA	35%	20%	65%	80%	NA	NA

Source: Sample of 20 RRE loans; 2000 U.S. Census data.

Business Loans

The geographic distribution of small business loans meets the standard for satisfactory performance. The percentage of loans originated or purchased in moderate-income geographies is lower than the percentage of businesses within those geographies.

Geographic Distribution of Loans to Businesses in Knox County, IN								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	NA	NA	48%	35%	52%	65%	NA	NA

Source: Sample of 20 commercial loans; 2009 Dunn and Bradstreet data.

Responses to Complaints

No CRA-related complaints have been received by the bank or the OCC since the prior CRA evaluation.