UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

AMENDMENT NO. 1

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission File Number: 000-56049

TEB Bancorp, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**83-2040340**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2290 North Mayfair Road, Wauwatosa, Wisconsin	**53226**
(Address of principal executive offices)	(Zip code)

(414) 476-6434
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None		

Securities registered pursuant to Section 12(g) of the Act: **Common stock, par value $0.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate value of the voting and non-voting common stock held by non-affiliates of the registrant, computed by reference to the closing price of the common stock of $7.50 as of December 31, 2020 (the last business day of the Registrant's most recently completed second fiscal quarter) was $19.2 million.

As of September 23, 2021 there were 2,624,343 shares outstanding of the registrant's common stock.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note.

TEB Bancorp, Inc. (the "Company") is filing this Amendment No. 1 on Form 10-K/A to its Annual Report on Form 10-K for the year ended June 30, 2021, as filed with the Securities and Exchange Commission on September 23, 2021 to revise Item 9A. For purposes of this amendment, and in accordance with Rule 12b-15 under the Exchange Act, Part II has been amended and restated in its entirety. Except as stated herein, this amendment does not reflect events occurring after the filing of the Form 10-K and no attempt has been made in this amendment to modify or update other disclosures as presented in the Form 10-K

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PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the OTC Pink Marketplace under the symbol "TBBA." As of September 23, 2021, we had 209 stockholders of record (excluding the number of persons or entities holding stock in street name through various brokerage firms), and 2,624,343 shares of common stock outstanding. The following table sets forth market price information for our common stock for the last two fiscal years. We did not declare a dividend for the period listed.

	Price Per Share			
	2021		2020	
	High	Low	High	Low
Quarter ended June 30,	$ 9.67	$ 9.25	$ 7.49	$ 6.35
Quarter ended March 31,	$ 9.70	$ 7.50	$ 8.50	$ 6.00
Quarter ended December 31,	$ 7.74	$ 5.65	$ 9.00	$ 8.20
Quarter ended September 30,	$ 6.61	$ 5.20	$ 9.45	$ 8.05

We do not currently intend to pay cash dividends to our stockholders, and no assurances can be given that any such dividends will be paid in the future. The payment and amount of any dividend payments will be subject to statutory and regulatory limitations, and will depend upon a number of factors, including the following: regulatory capital requirements; our financial condition and results of operations; our other uses of funds for the long-term value of stockholders; tax considerations; the ability of mutual holding companies to waive of dividends; and general economic conditions.

We are subject to state law limitations and federal bank regulatory policy on any future payment of dividends. Maryland law generally limits dividends if the corporation would not be able to pay its debts in the usual course of business after giving effect to the dividend or if the corporation's total assets would be less than the corporation's total liabilities plus the amount needed to satisfy the preferential rights upon dissolution of stockholders whose preferential rights on dissolution are superior to those receiving the distribution.

The Federal Reserve Board has issued a policy statement providing that dividends should be paid only out of current earnings and only if our prospective rate of earnings retention is consistent with our capital needs, asset quality and overall financial condition. Regulatory guidance also provides for prior regulatory consultation with respect to capital distributions in certain circumstances such as where the holding company's net income for the past four quarters, net of dividends previously paid over that period, is insufficient to fully fund the dividend or the holding company's overall rate or earnings retention is inconsistent with its capital needs and overall financial condition. In addition, The Equitable Bank's ability to pay dividends to TEB Bancorp, Inc. will be limited if The Equitable Bank does not have the capital conservation buffer required by regulatory capital rules, which may limit our ability to pay dividends to stockholders. See "Regulation and Supervision—Dividends."

If TEB Bancorp, Inc. pays dividends to its stockholders, it will likely pay dividends to TEB MHC. The Federal Reserve Board's current policy restricts the ability of mutual holding companies that are regulated as bank holding companies to waive dividends declared by their subsidiaries. Accordingly, we do not currently anticipate that TEB MHC will waive dividends paid by TEB Bancorp, Inc.

There were no sales of unregistered securities during the quarter ended June 30, 2021.

There were no repurchases of shares of TEB Bancorp, Inc.'s common stock during the quarter ended June 30, 2021.

ITEM 6. Selected Financial Data

The summary information presented below at each date or for each of the periods presented is derived in part from the financial statements of TEB Bancorp, Inc. and The Equitable Bank, S.S.B. The financial condition data at June 30, 2021 and 2020, and the operating data for the fiscal years ended June 30, 2021 and 2020 were derived from the audited consolidated financial statements of TEB Bancorp, Inc. included elsewhere in this annual report. The information at and for the year ended June 30, 2019, the nine months ended June 30, 2018 and June 30, 2017 and for the year ended September 30, 2017 was derived in part from audited financial statements that are not included in this annual report. The following information is only a summary, and should be read in conjunction with our consolidated financial statements and notes included in this annual report.

	At June 30,				At September 30,
	2021	2020	2019	2018	2017
	(In thousands)				
Selected Financial Condition Data:					
Total assets	$ 315,702	$ 305,475	$ 312,248	$ 313,424	$ 307,840
Cash and cash equivalents	49,377	13,106	5,631	6,134	5,618
Available for sale securities	32,869	20,298	20,542	20,906	20,650
Loans, net of allowance for loan losses	215,420	237,300	259,873	263,999	262,073
Loans held for sale	6,867	18,690	7,080	6,416	4,062
Other real estate owned, net	168	2,288	4,080	3,957	4,371
Premises and equipment, net	7,912	7,960	8,165	8,252	8,328
Federal Home Loan Bank stock	1,031	1,346	2,061	2,070	1,141
Deposits	269,886	256,072	234,561	244,463	260,511
Borrowings	5,000	9,000	44,200	46,000	22,700
Deferred tax asset valuation allowance	8,243	11,046	10,868	10,503	14,353
Total equity	33,124	23,512	24,408	14,102	14,390

	For the Years Ended June 30,			For the Nine Months Ended June 30,		For the Year Ended September 30,
	2021	2020	2019	2018	2017	2017
	(In thousands)					
Selected Operating Data:						
Interest income	$ 10,489	$ 11,879	$ 12,530	$ 8,822	$ 8,760	$ 11,736
Interest expense	1,271	2,222	2,673	1,256	936	1,265
Net interest income before provision for loan losses	9,218	9,657	9,857	7,566	7,824	10,471
Provision for loan losses	150	135	—	425	—	—
Net interest income after provision for loan losses	9,068	9,522	9,857	7,141	7,824	10,471
Non-interest income	13,227	6,247	2,598	1,895	1,946	2,612
Non-interest expenses	15,909	14,677	12,909	10,063	9,794	12,871
Income (loss) before income tax expense (benefit)	6,386	1,092	(454)	(1,027)	(24)	212
Income tax expense (benefit)	—	—	(55)	(425)	—	—
Net income (loss)	$ 6,386	$ 1,092	$ (399)	$ (602)	$ (24)	$ 212

	At or For the Years Ended June 30,			At or For the Nine Months Ended June 30, (1)		At or For the Years Ended September 30,
	2021	2020	2019	2018	2017	2017
Performance Ratios:						
Return (loss) on average assets	2.11 %	0.36 %	(0.13)%	(0.27)%	(0.01)%	0.07 %
Return (loss) on average equity	23.81 %	4.30 %	(2.5)%	(5.72)%	(0.24)%	1.60 %
Interest rate spread (2)	3.30 %	3.36 %	3.37 %	3.57 %	3.65 %	3.68 %
Net interest margin (3)	3.39 %	3.48 %	3.44 %	3.61 %	3.68 %	3.71 %
Non-interest expenses to average assets	5.26 %	4.84 %	4.21 %	4.48 %	4.33 %	4.26 %
Efficiency ratio (4)	70.88 %	92.28 %	103.64 %	106.37 %	100.25 %	98.39 %
Average interest-earning assets to average interest-bearing liabilities	119.50 %	114.57 %	107.59 %	106.10 %	106.35 %	106.15 %
Earnings per share	$ 2.43	$ 0.42	$ (0.15)	N/A	N/A	N/A
Dividend payout ratio	— %	— %	— %	N/A	N/A	N/A
Capital Ratios:						
Average equity to average assets	8.87 %	8.37 %	5.20 %	4.68 %	4.38 %	4.38 %
Tangible capital equity to total assets	10.49 %	7.70 %	7.82 %	4.50 %	4.27 %	4.67 %
Total capital to risk weighted assets	18.84 %	15.02 %	14.01 %	8.90 %	9.10 %	9.24 %
Tier 1 capital to risk weighted assets	18.09 %	14.32 %	13.36 %	8.23 %	8.15 %	8.29 %
Common equity tier 1 capital to risk weighted assets	18.09 %	14.32 %	13.36 %	8.23 %	8.15 %	8.29 %
Tier 1 capital to average assets	11.26 %	9.30 %	8.55 %	5.46 %	5.37 %	5.46 %
Asset Quality Ratios:						
Allowance for loan losses as a percentage of total loans	0.65 %	0.57 %	0.50 %	0.50 %	0.73 %	0.71 %
Allowance for loan losses as a percentage of non-performing loans	178.09 %	100.91 %	84.86 %	91.68 %	130.32 %	106.47 %
Net (charge-offs) recoveries to average outstanding loans during the period	(0.04)%	(0.03)%	(0.01)%	(0.51)%	(1.78)%	(1.01)%
Non-performing loans as a percentage of total loans	0.37 %	0.56 %	0.58 %	0.54 %	0.56 %	0.67 %
Non-performing loans as a percentage of total assets	0.25 %	0.44 %	0.49 %	0.46 %	0.48 %	0.57 %
Total non-performing assets as a percentage of total assets	0.30 %	1.19 %	1.80 %	1.72 %	2.06 %	1.99 %
Other:						
Number of banking offices	6	6	6	6	6	6
Number of loan production offices	1	1	1	1	1	1
Number of full-time equivalent employees	103	104	105	106	107	109

(1) Annualized.

(2) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.

(3) Represents net interest income as a percentage of average interest-earning assets.

(4) Represents non-interest expenses divided by the sum of net interest income and non-interest income.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis reflects our consolidated financial statements and other relevant statistical data, and is intended to enhance your understanding of our financial condition and results of operations. The information in this section has been derived from the consolidated financial statements, which appear elsewhere in this annual report. You should read the information in this section in conjunction with the other business and financial information provided in this annual report.

Overview

Total assets increased $10.2 million, or 3.3%, to $315.7 million at June 30, 2021 from $305.5 million at June 30, 2020, primarily reflecting increases in cash and cash equivalents and available for sale securities offset by decreases in loans held for investment and loans held for sale. Total deposits increased $13.8 million, or 5.4%, to $269.9 million at June 30, 2021 from $256.1 million at June 30, 2020. This resulted from an increase in interest-bearing savings and NOW accounts, which increased $12.8 million, or 16.9%, to $88.2 million at June 30, 2021 from $75.4 million at June 30, 2020, and an increase in demand deposits, which increased $15.4 million, or 16.4%, to $109.0 million at June 30, 2021 from $93.6 million at June 30, 2020.

Borrowed funds, consisting solely of Federal Home Loan Bank of Chicago ("FHLB") advances, decreased $4.0 million, or 44.4%, to $5.0 million at June 30, 2021 from $9.0 million at June 30, 2020. Increased levels of deposits and cash during the year reduced our reliance on borrowed funds.

Net income was $6.4 million for the year ended June 30, 2021, compared to $1.1 million for the year ended June 30, 2020. The increase in income was due to an increase in non-interest income during the year ended June 30, 2021, offset by a decrease in net interest income and an increase in non-interest expense. Net interest income after provision for loan losses decreased $454,000, or 4.8%, to $9.1 million for the year ended June 30, 2021 from $9.5 million for the year ended June 30, 2020, primarily as a result of a lower average balance of loans. Non-interest income increased by $7.0 million, or 111.7%, to $13.2 million for the year ended June 30, 2021 from $6.2 million for the year ended June 30, 2020, primarily resulting from a $6.9 million, or 135.0%, increase in gain on sales of mortgage loans. Non-interest expenses increased $1.2 million, or 8.4%, to $15.9 million for the year ended June 30, 2021 compared to $14.7 million for the year ended June 30, 2020. The increase in non-interest expenses was due to an increase in compensation and benefits expense during the year ended June 30, 2021.

Change in Fiscal Year

The Equitable Bank changed its fiscal year to June 30 from September 30, effective with the June 30, 2018 fiscal year.

Summary of Significant Accounting Policies

The discussion and analysis of the financial condition and results of operations are based on our financial statements, which are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses. We consider the accounting policies discussed below to be significant accounting policies. The estimates and assumptions that we use are based on historical experience and various other factors and are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions, resulting in a change that could have a material impact on the carrying value of our assets and liabilities and our results of operations.

The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company" we may delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We determined to take advantage of the benefits of this extended transition period. Accordingly, our financial statements may not be comparable to companies that comply with such new or revised accounting standards.

The following represent our significant accounting policies:

Allowance for Loan Losses. The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to operations. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance for loan losses. The allowance for loan losses consists of specific reserves on certain impaired loans from analyses developed through specific credit allocations for individual loans. The specific reserve relates to all loans for which the allowance for loan losses is estimated on a loan by loan basis using either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. The general reserve is based on our historical loss experience along with consideration of certain qualitative factors such as (i) changes in the nature, volume and terms of loans, (ii) changes in lending personnel, (iii) changes in the quality of the loan review function, (iv) changes in nature and volume of past-due, non-accrual and/or classified loans, (v) changes in concentration of credit risk, (vi) changes in economic and industry conditions, (vii) changes in legal and regulatory requirements, (viii) unemployment and inflation statistics, and (ix) changes in underlying collateral values.

There are many factors affecting the allowance for loan losses, some are quantitative while others require qualitative judgment. The allowance for loan losses reflects management's best estimate of the probable and inherent losses on loans. The adequacy of the allowance for loan losses is reviewed and approved by our board of directors. Allocations of the allowance for loan losses may be made for specific loans, but the entire allowance for loan losses is available for any loan that, in management's judgment, should be charged-off.

As an integral part of their examination process, various regulatory agencies review the allowance for loan losses as well. Such agencies may require that changes in the allowance for loan losses be recognized when such regulatory credit evaluations differ from those of management based on information available to the regulators at the time of their examinations.

Income Taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

We recognize the tax effects from an uncertain tax position in the consolidated financial statements only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. We recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized, upon ultimate settlement with the relevant tax authority. We recognize interest and penalties accrued or released related to uncertain tax positions in current income tax expense or benefit.

COVID-19 Outbreak

In December 2019, a coronavirus (COVID-19) was reported in China, and, in March 2020 was declared a national emergency in the United States. The COVID-19 pandemic has caused significant economic dislocation in the United States as many state and local governments ordered non-essential businesses to close and residents to shelter in place at home. Certain industries have been particularly hard-hit, including the travel and hospitality industry, the restaurant industry, and the retail industry. The following table shows the Company's exposure within these hard-hit industries.

Commercial Loan Type	June 30, 2021	Percentage of Portfolio Loans
Restaurant, food service, bar	$ 1,572,457	0.73 %
Retail	2,255,298	1.04 %
Hospitality and tourism	—	— %
	$ 3,827,755	1.77 %

The Company's allowance for loan losses increased $59,000 to $1.4 million at June 30, 2021 compared to $1.4 million at June 30, 2020. Provisions were booked totaling $150,000 during the year ended June 30, 2021, compared to $135,000 during the year ended June 30, 2020. At June 30, 2021 and June 30, 2020, the allowance for loan losses represented 0.65% and 0.57% of total loans, respectively. In determining its allowance for loan loss level at June 30, 2021, the Company considered the health and composition of its loan portfolio going into the COVID-19. At June 30, 2021, approximately 98.8% of the Company's loan portfolio was collateralized by real estate. Approximately 1.8% of the Company's loan portfolio is to borrowers in the more particularly hard-hit industries (including the restaurant and food service industries, retail industry, and hospitality and tourism industries) and the Company has no international exposure.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the full impact of the COVID-19 outbreak on our business. The extent of such impact will depend on future developments, which are highly uncertain, including when the coronavirus can be controlled and abated and when and how the economy continues to reopen. As the result of the COVID-19 pandemic and the related adverse local and national economic consequences, we could be subject to any of the following risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations:

- demand for our products and services may decline, making it difficult to grow assets and income;
- if the economy is unable to continue to reopen, and/or high levels of unemployment return, loan delinquencies, problem assets, and foreclosures may increase, resulting in increased charges and reduced income;
- collateral for loans, especially real estate, may decline in value, which could cause loan losses to increase;
- our allowance for loan losses may have to be increased if borrowers experience financial difficulties beyond forbearance periods, which will adversely affect our net income;
- the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us;
- as the result of the decline in the Federal Reserve Board's target federal funds rate to near 0%, the yield on our assets may decline to a greater extent than the decline in our cost of interest-bearing liabilities, reducing our net interest margin and spread and reducing net income;
- our uninsured investment revenues may decline with continuing market turmoil;
- our cyber security risks are increased as the result of an increase in the number of employees working remotely;
- we rely on third-party vendors for certain services and the unavailability of a critical service due to the COVID-19 outbreak could have an adverse effect on us; and
- Federal Deposit Insurance Corporation premiums may increase if the agency experiences additional resolution costs.

Moreover, our future success and profitability substantially depends on the management skills of our executive officers and directors, many of whom have held officer and director positions with us for many years. The unanticipated loss or unavailability of key employees due to the outbreak could harm our ability to operate our business or execute our business strategy. We may not be successful in finding and integrating suitable successors in the event of key employee loss or unavailability.

Any one or a combination of the factors identified above could negatively impact our business, financial condition, and results of operations and prospects.

As of June 30, 2021, the Company originated 26 PPP loans totaling $1.8 million and generated approximately $76,000 from the processing fees. All PPP loan originations occurred before the end of the June 30, 2021 reporting period. As of June 30, 2021, 18 PPP loans totaling $1.1 million have been forgiven.

As of June 30, 2021, the Company had modified 88 loans aggregating $22.9 million, primarily consisting of the deferral of principal and interest payments and the extension of the maturity date. Of these modifications, $22.8 million, or 99.5%, were performing in accordance with the accounting treatment under Section 4013 of the CARES Act and therefore did not qualify as TDRs. As of June 30, 2021, all of these modifications have resumed monthly loan payments and no modifications remain in a deferred status. Three loans totaling $294,000 that were modified did not qualify for the favorable accounting treatment under Section 4013 of the CARES Act and therefore each loan was reported as a TDR; however, one of the loans was transferred out of TDR status after receiving six consecutive monthly payments after the end of the deferral period. Management has evaluated the loans and determined that based on the liquidation value of the collateral, no specific reserve is necessary.

	As of June 30, 2021			
	Payments Resumed		Payments Deferred	
Loan Classification	Number of Loans	Balance	Number of Loans	Balance
Construction, land, development	2	$ 113,324	—	$ —
1-4 family owner occupied	50	6,928,668	—	—
1-4 family non-owner occupied	16	2,255,510	—	—
Multifamily	13	10,716,179	—	—
Commercial owner occupied	2	1,419,056	—	—
Commercial non-owner occupied	2	1,408,571	—	—
Consumer and installment loans	3	40,655	—	—
Total loan modification requests	88	$ 22,881,963	—	$ —

Comparison of Financial Condition at June 30, 2021 and June 30, 2020

Total assets increased $10.2 million, or 3.3%, to $315.7 million at June 30, 2021 from $305.5 million at June 30, 2020, primarily reflecting increases in cash and cash equivalents and available for sale securities offset by decreases in loans held for investment and loans held for sale.

Cash and cash equivalents increased $36.3 million, or 276.8%, to $49.4 million at June 30, 2021 from $13.1 million at June 30, 2020 due to the increased balance in deposit accounts and decrease in total loans outstanding during the year.

Available-for-sale securities increased $12.6 million, or 61.9%, to $32.9 million at June 30, 2021 from $20.3 million at June 30, 2020, due to utilizing excess cash to purchase securities totaling $16.9 million, offset by maturities and calls of $4.3 million.

Loans held for investment decreased $21.8 million, or 9.1%, to $216.8 million at June 30, 2021 from $238.7 million at June 30, 2020, primarily reflecting a decrease in one- to four-family owner occupied loans of $28.5 million, or 28.4%, to $72.0 million at June 30, 2021 from $100.5 million at June 30, 2020. The decrease in one- to four-family owner occupied loans resulted from increased refinances and loan paydowns. These decreases were partially offset by an increase in multifamily loans of $15.4 million, or 20.2%, to $91.9 million at June 30, 2021 from $76.4 million at June 30, 2020, as we continue to focus on originating this type of loan.

Loans held for sale decreased $11.8 million, or 63.3%, to $6.9 million at June 30, 2021 from $18.7 million at June 30, 2020. We currently sell a majority of the fixed-rate one- to four-family residential real estate loans that we originate. The balances at any month end vary based on the timing and volume of loan originations and sales. The decrease in mortgage interest rates due to COVID-19 resulted in a greater volume of loans originated and sold in the last quarter of the fiscal year ended June 30, 2020.

Total deposits increased $13.8 million, or 5.4%, to $269.9 million at June 30, 2021 from $256.1 million at June 30, 2020. The increase was due to increases in demand deposits of $15.4 million, or 16.4%, to $109.0 million at June 30, 2021, from $93.6 million at June 30, 2020 and interest-bearing savings and NOW accounts of $12.8 million, or 16.9%, to $88.2 million at June 30, 2021 from $75.4 million at June 30, 2020, offset by a decrease in certificates of deposit of $14.3 million, or 16.4%, to $72.7 million at June 30, 2021 from $87.0 million at June 30, 2020. These increases are largely due to increased economic stimulus payments with decreases in certificates of deposit balances resulting from decreases in interest rates offered.

Borrowed funds, consisting solely of FHLB advances, decreased $4.0 million, or 44.4%, to $5.0 million at June 30, 2021 from $9.0 million at June 30, 2020. During the year, deposits increased and assets decreased, which allowed us to pay down borrowings.

Total equity increased $9.6 million, or 40.9%, to $33.1 million at June 30, 2021 from $23.5 million at June 30, 2020 as a result of net income for the year. Accumulated other comprehensive loss decreased as a result of higher yields on our pension investments, resulting in a net positive funded status as of June 30, 2021.

Average Balance Sheet

The following table sets forth average balance sheets, average yields and costs, and certain other information at and for the periods indicated. No tax-equivalent yield adjustments have been made, as the effects would be immaterial. All average balances are daily average balances. Non-accrual loans were included in the computation of average balances.

The yields set forth below include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense. Loan balances exclude loans held for sale.

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	Average Outstanding Balance	Interest	Average Yield/Rate	Average Outstanding Balance	Interest	Average Yield/Rate
	(Dollars in thousands)					
Interest-earning assets:						
Loans	$ 229,258	$ 9,879	4.31 %	$ 249,657	$ 11,173	4.48 %
Securities	21,867	577	2.64 %	21,719	604	2.78 %
Federal Home Loan Bank of Chicago stock	1,116	30	2.69 %	1,288	53	4.12 %
Other	19,602	3	0.01 %	4,688	49	1.05 %
Total interest-earning assets	271,843	10,489	3.86 %	277,352	11,879	4.28 %
Non-interest-earning assets	30,707			25,971		
Total assets	$ 302,550			$ 303,323		
Interest-bearing liabilities:						
Demand deposits	$ 61,442	37	0.06 %	$ 49,837	29	0.06 %
Savings and NOW deposits	82,191	69	0.08 %	74,453	62	0.08 %
Certificates of deposit	78,629	1,158	1.47 %	94,481	1,733	1.84 %
Total interest-bearing deposits	222,262	1,264	0.57 %	218,771	1,824	0.83 %
Borrowings	5,215	7	0.14 %	23,300	398	1.71 %
Total interest-bearing liabilities	227,477	1,271	0.56 %	242,071	2,222	0.92 %
Non-interest-bearing liabilities	48,249			35,852		
Total liabilities	275,726			277,923		
Total equity	26,824			25,400		
Total liabilities and equity	$ 302,550			$ 303,323		
Net interest income		$ 9,218			$ 9,657	
Net interest rate spread (1)			3.30 %			3.36 %
Net interest-earning assets (2)	$ 44,366			$ 35,281		
Net interest margin (3)			3.39 %			3.48 %
Average interest-earning assets to interest-bearing liabilities	119.50 %			114.57 %		

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(3) Net interest margin represents net interest income divided by average total interest-earning assets.

Rate/Volume Analysis

The following table presents the effects of changing rates and volumes on our net interest income for the years indicated. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately based on the changes due to rate and the changes due to volume.

	Year Ended June 30, 2021 vs. 2020			Year Ended June 30, 2020 vs. 2019		
	Increase (Decrease) Due to		Total Increase	Increase (Decrease) Due to		Total Increase
	Volume	Rate	(Decrease)	Volume	Rate	(Decrease)
			(In thousands)			
Interest-earning assets:						
Loans	$ (879)	$ (415)	$ (1,294)	$ (508)	$ (81)	$ (589)
Securities	4	(30)	(26)	20	(7)	13
Federal Home Loan Bank of Chicago stock	(5)	(18)	(23)	(38)	(31)	(69)
Other	2	(49)	(47)	22	(28)	(6)
Total interest-earning assets	(878)	(512)	(1,390)	(504)	(147)	(651)
Interest-bearing liabilities:						
Demand deposits	7	1	8	2	(1)	1
Savings and NOW deposits	6	1	7	(6)	2	(4)
Certificates of deposit	(233)	(342)	(575)	73	254	327
Total interest-bearing deposits	(220)	(340)	(560)	69	255	324
Borrowings	(25)	(366)	(391)	(415)	(360)	(775)
Total interest-bearing liabilities	(245)	(706)	(951)	(346)	(105)	(451)
Change in net interest income	$ (633)	$ 194	$ (439)	$ (158)	$ (42)	$ (200)

Comparison of Operating Results for the Years Ended June 30, 2021 and 2020

General. Net income was $6.4 million for the year ended June 30, 2021, compared to $1.1 million for year ended June 30, 2020. The increase in income was due to an increase in non-interest income offset by a decrease in net interest income and an increase in non-interest expense, described in more detail below.

Interest Income. Interest income decreased $1.4 million, or 11.7%, to $10.5 million for the year ended June 30, 2021 compared to $11.9 million for the year ended June 30, 2020. Interest income on loans, which is our primary source of interest income, decreased $1.3 million, or 11.6%, to $9.9 million for the year ended June 30, 2021 compared to $11.2 million for the year ended June 30, 2020. Our average yield on loans decreased 17 basis points to 4.31% for the year ended June 30, 2021 from 4.48% for the year ended June 30, 2020, reflecting recent decreases in market interest rates. The average balance of loans also decreased by $20.4 million, or 8.2%, to $229.3 million for the year ended June 30, 2021 from $249.7 million for the year ended June 30, 2020.

Interest Expense. Interest expense decreased $951,000, or 42.8%, to $1.3 million for the year ended June 30, 2021 compared to $2.2 million for the year ended June 30, 2020, due to decreases in interest expense on borrowings and decreases in interest rates paid on deposits.

Interest expense on borrowings decreased $391,000 to $7,000 for the year ended June 30, 2021 from $398,000 for the year ended June 30, 2020. This decrease resulted from the decreases in both the average balance of borrowings and the average rate we paid on borrowings. The average balance of borrowings decreased $18.1 million to $5.2 million for the year ended June 30, 2021 from $23.3 million for the year ended June 30, 2020, and the annualized average rate we paid on borrowings decreased 157 basis points to 0.14% for the year ended June 30, 2021, from 1.71% for the year ended June 30, 2020. As described above, increased levels of deposits and cash during the year ended June 30, 2021 reduced our reliance on borrowed funds. The decrease in rates paid on borrowings reflects recent decreases in market interest rates.

Interest expense on deposits decreased $560,000, or 30.7%, to $1.3 million for the year ended June 30, 2021 from $1.8 million for the year ended June 30, 2020. Specifically, interest expense on certificates of deposit decreased $575,000, or 33.2%, to $1.2 million for the year ended June 30, 2021 from $1.7 million for the year ended June 30, 2020. This decrease resulted from an decrease in the annualized average rate we paid on certificates of deposit, which decreased 37 basis points to 1.47% for the year ended June 30, 2021 from 1.84% for the year ended June 30, 2020. The decrease in rates paid on certificates of deposit reflects decreases in market interest rates during the year ended June 30, 2021.

Net Interest Income. Net interest income decreased $454,000, or 4.8%, to $9.1 million for the year ended June 30, 2021 from $9.5 million for the year ended June 30, 2020, primarily as a result of the decreased interest income from loans. Our net interest rate spread decreased by six basis points to 3.30% for the year ended June 30, 2021 from 3.36% for the year ended June 30, 2020, and our net interest margin decreased by nine basis points to 3.39% for the year ended June 30, 2021 from 3.48% for the year ended June 30, 2020.

Provision for Loan Losses. Provisions for loan losses are charged to operations to establish an allowance for loan losses at a level necessary to absorb known and inherent losses in our loan portfolio that are both probable and reasonably estimable at the date of the financial statements. In evaluating the level of the allowance for loan losses, management analyzes several qualitative loan portfolio risk factors including, but not limited to, management's ongoing review and grading of loans, facts and issues related to specific loans, historical loan loss and delinquency experience, trends in past due and non-accrual loans, existing risk characteristics of specific loans or loan pools, changes in the nature, volume and terms of loans, the fair value of underlying collateral, changes in lending personnel, current economic conditions and other qualitative and quantitative factors which could affect potential credit losses. See "—Summary of Significant Accounting Policies" for additional information.

After an evaluation of these factors, we recorded a $150,000 provision for the year ended June 30, 2021 and $135,000 for the year ended June 30, 2020. Our allowance for loan losses increased $59,000, or 4.4%, to $1.4 million at June 30, 2021 from $1.4 million at June 30, 2020. The allowance for loan losses to total loans increased to 0.65% at June 30, 2021 from 0.57% at June 30, 2020, and the allowance for loan losses to non-performing loans increased to 178.09% at June 30, 2021 from 100.91% at June 30, 2020.

To the best of our knowledge, we have recorded all loan losses that are both probable and reasonable to estimate at June 30, 2021. However, future changes in the factors described above, including, but not limited to, actual loss experience with respect to our loan portfolio, could result in material increases in our provision for loan losses. In addition, the WDFI and the Federal Deposit Insurance Corporation, as an integral part of their examination process, will periodically review our allowance for loan losses, and as a result of such reviews, we may have to adjust our allowance for loan losses.

Non-interest Income. Non-interest income information is as follows.

	Year Ended June 30,		Change	
	2021	2020	Amount	Percent
	(Dollars in thousands)			
Service fees on deposits	$ 409	$ 430	$ (21)	(4.9)%
Service fees on loans	224	238	(14)	(5.9)
Gain on sale of mortgage loans	12,033	5,120	6,913	135.0
Income on sale of uninsured products	503	321	182	56.7
Gain (loss) on sale of other real estate owned	33	118	(85)	(72.0)
Other	25	20	5	25.0
Total non-interest income	$ 13,227	$ 6,247	$ 6,980	111.7 %

Gain on sale of mortgage loans (consisting solely of one- to four-family residential real estate loans) increased as we earned a higher servicing release premium in addition to selling $496.5 million of mortgage loans during the year ended June 30, 2021 compared to $334.9 million of such sales during the year ended June 30, 2020. Gain on sale of other real estate owned decreased as we made one sale of other real estate during the year eneded June 30, 2021 in excess of the principal balance and four sales of other real estate during the year ended June 30, 2020 in excess of the principal balance.

Non-interest Expenses. Non-interest expenses information is as follows.

	Year Ended June 30,		Change	
	2021	2020	Amount	Percent
	(Dollars in thousands)			
Compensation and benefits	$ 10,000	$ 8,503	$ 1,497	17.6 %
Occupancy	2,121	1,969	152	7.7
Advertising	164	227	(63)	(27.8)
Data processing services	1,067	1,096	(29)	(2.6)
FDIC assessment	90	112	(22)	(19.6)
Cost of operations of other real estate owned	174	1,047	(873)	(83.4)
Insurance	116	156	(40)	(25.6)
Professional Fees	525	489	36	7.4
Other	1,652	1,078	574	53.2
Total non-interest income	$ 15,909	$ 14,677	$ 1,232	8.4 %

Compensation and benefits expense increased primarily as a result of the increased commissions from greater loan volume. Advertising expenses decreased due to the large volume of applications received without the need to advertise. FDIC assessments decreased due to improved financial condition. Cost of operations of other real estate owned decreased due to a large write off on other real estate loans during the year ending June 30, 2020. Insurance expenses decreased as we were able to renegotiate our contract and lock in a multi-year term. Other expenses increased due the increase in sold loan commsion fees offset due to the increased volume in loans sold, which are offset within compensation and benefits once the loans are sold.

Income Tax Expense. We recognized no income tax expense or benefit for the years ended June 30, 2021 and June 30, 2020 due to a full valuation allowance being recorded against the Company's deferred tax assets.

Management of Market Risk

General. Our most significant form of market risk is interest rate risk because, as a financial institution, the majority of our assets and liabilities are sensitive to changes in interest rates. Therefore, a principal part of our operations is to manage interest rate risk and limit the exposure of our financial condition and results of operations to changes in market interest rates. Our Asset/Liability Management Committee, consisting of members of our senior management, is responsible for evaluating the interest rate risk inherent in our assets and liabilities, for determining the level of risk that is appropriate, given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the policy and guidelines approved by our board of directors. The board of directors receives a monthly report from the Asset/Liability Management Committee. We currently utilize a third-party modeling program, prepared on a quarterly basis, to evaluate our sensitivity to changes in interest rates.

We have sought to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. The following represent our primary strategies to manage our interest rate risk:

- selling a majority of our longer-term, fixed-rate loans into the secondary market;
- limiting our reliance on non-core/wholesale funding sources;
- growing our volume of transaction deposit accounts; and
- diversifying our loan portfolio by adding more commercial-related loans, which typically have shorter maturities and/or balloon payments.

By following these strategies, we believe that we are better positioned to react to increases in market interest rates.

We do not engage in hedging activities, such as engaging in futures, options or swap transactions, or investing in high-risk mortgage derivatives, such as collateralized mortgage obligation residual interests, real estate mortgage investment conduit residual interests or stripped mortgage backed securities.

Net Interest Income. We analyze our sensitivity to changes in interest rates through a net interest income model. Net interest income is the difference between the interest income we earn on our interest-earning assets, such as loans and securities, and the interest we pay on our interest-bearing liabilities, such as deposits and borrowings. We estimate what our net interest income would be for a 12-month period. We then calculate what the net interest income would be for the same period under the assumptions that the United States Treasury yield curve increases or decreases instantaneously by 200 and 400 basis point increments, with changes in interest rates representing immediate and permanent, parallel shifts in the yield curve. A basis point equals one-hundredth of one percent, and 100 basis points equals one percent. An increase in interest rates from 3% to 4% would mean, for example, a 100 basis point increase in the "Change in Interest Rates" column below.

The tables below set forth, as of June 30, 2021, the calculation of the estimated changes in our net interest income that would result from the designated immediate changes in the United States Treasury yield curve.

	June 30, 2021	
Change in Interest Rates (basis points) (1)	**Net Interest Income Year 1 Forecast**	**Year 1 Change from Level**
	(Dollars in thousands)	
+400	$ 11,198	25.97 %
+200	10,160	14.29 %
Level	8,889	— %
-200	8,284	(6.81)%
-400	8,052	(9.42)%

(1) Assumes an immediate uniform change in interest rates at all maturities.

The table above indicates that at June 30, 2021, in the event of an instantaneous parallel 200 basis point increase in interest rates, we would have experienced a 14.29% increase in net interest income, and in the event of an instantaneous 200 basis point decrease in interest rates, we would have experienced an 6.81% decrease in net interest income. At June 30, 2020 in the event of an instantaneous parallel 200 basis point increase in interest rates, we would have experienced a 7.33% increase in net interest income, and in the event of an instantaneous 200 basis point decrease in interest rates, we would have experienced a 4.69% decrease in net interest income.

Net Economic Value. We also compute amounts by which the net present value of our assets and liabilities (net economic value or "NEV") would change in the event of a range of assumed changes in market interest rates. This model uses a discounted cash flow analysis and an option-based pricing approach to measure the interest rate sensitivity of net portfolio value. The model estimates the economic value of each type of asset, liability and off-balance sheet contract under the assumptions that the United States Treasury yield curve increases or decreases instantaneously by 200 and 400 basis point increments, with changes in interest rates representing immediate and permanent, parallel shifts in the yield curve.

The tables below set forth, as of June 30, 2021, the calculation of the estimated changes in our NEV that would result from the designated immediate changes in the United States Treasury yield curve.

	At June 30, 2021				
				NEV as a Percentage of Present Value of Assets (3)	
Change in Interest Rates (basis points) (1)	Estimated NEV (2)	Estimated Increase (Decrease) in NEV		NEV Ratio (4)	Increase (Decrease) (basis points)
		Amount	Percent		
		(Dollars in thousands)			
+400	$ 54,555	$ 6,557	13.66 %	19.11 %	407
+200	53,122	5,124	10.68 %	17.58 %	254
—	47,998	—	— %	15.04 %	—
-200	38,872	(9,126)	(19.01)%	11.64 %	(340)
-400	44,460	(3,538)	(7.37)%	13.00 %	(204)

(1) Assumes an immediate uniform change in interest rates at all maturities.
(2) NEV is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.
(3) Present value of assets represents the discounted present value of incoming cash flows on interest-earning assets.
(4) NEV Ratio represents NEV divided by the present value of assets.

The table above indicates that at June 30, 2021, in the event of an instantaneous parallel 200 basis point increase in interest rates, we would have experienced a 10.68% increase in net economic value, and in the event of an instantaneous 200 basis point decrease in interest rates, we would have experienced a 19.01% decrease in net economic value. At June 30, 2020 in the event of an instantaneous parallel 200 basis point increase in interest rates, we would have experienced a 14.97% increase in net economic value, and in the event of an instantaneous 200 basis point decrease in interest rates, we would have experienced a 6.41% decrease in net economic value.

Certain shortcomings are inherent in the methodologies used in the above interest rate risk measurements. Modeling changes require making certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. In this regard, the net interest income and net economic value tables presented assume that the composition of our interest-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and assumes that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although the net interest income and NEV tables provide an indication of our interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on net interest income and NEV and will differ from actual results. Furthermore, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Additionally, certain assets, such as adjustable-rate loans, have features that restrict changes in interest rates both on a short-term basis and over the life of the asset.

Interest rate risk calculations also may not reflect the fair values of financial instruments. For example, decreases in market interest rates can increase the fair values of our loans, deposits and borrowings.

Liquidity and Capital Resources

Liquidity describes our ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, proceeds from the sale of loans, and proceeds from maturities of securities. We also have the ability to borrow from the FHLB and from U.S. Bank. At June 30, 2021, we had a $121.4 million line of credit with the FHLB, and had $5.0 million of borrowings outstanding as of that date, and we also had a $5.0 million line of credit with U.S. Bank, with no borrowings outstanding as of that date.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and short-term investments including interest-bearing demand deposits. The levels of these assets are dependent on our operating, financing, lending, and investing activities during any given period.

Our cash flows are comprised of three primary classifications: cash flows from operating activities, investing activities, and financing activities. Net cash provided by (used in) operating activities was $12.4 million and ($4.7) million for the year ended June 30, 2021 and the year ended June 30, 2020. Net cash provided by investing activities, which consists primarily of disbursements for loan originations and the purchase of securities, offset by principal collections on loans, and proceeds from maturing securities and pay downs on securities, was $13.5 million and $26.2 million for the year ended June 30, 2021, and the year ended June 30, 2020. Net cash provided by (used in) financing activities, consisting of activity in deposit accounts, borrowings, and advance payments by borrowers for property taxes and insurance, was $10.4 million and ($14.0) million for the year ended June 30, 2021 and the year ended June 30, 2020.

We are committed to maintaining a strong liquidity position. We monitor our liquidity position on a daily basis. We anticipate that we will have sufficient funds to meet our current funding commitments. Based on our deposit retention experience, current pricing strategy and regulatory restrictions, we anticipate that a substantial portion of maturing time deposits will be retained, and that we can supplement our funding with borrowings in the event that we allow these deposits to run off at maturity.

At June 30, 2021, we exceeded all of our regulatory capital requirements, and we were categorized as well capitalized at June 30, 2021. Management is not aware of any conditions or events since the most recent notification that would change our category.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Commitments. As a financial services provider, we routinely are a party to various financial instruments with off-balance-sheet risks, such as commitments to extend credit and unused lines of credit. While these contractual obligations represent our future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. Such commitments are subject to the same credit policies and approval process accorded to loans we make. At June 30, 2021, we had outstanding commitments to originate loans of $20.9 million, and outstanding commitments to sell loans of $41.0 million. We anticipate that we will have sufficient funds available to meet our current lending commitments. Time deposits that are scheduled to mature in one year or less from June 30, 2021 totaled $32.1 million. Management expects that a substantial portion of the maturing time deposits will be renewed. However, if a substantial portion of these deposits is not retained, we may utilize FHLB advances or other borrowings to offset projected portfolio loan production.

Contractual Obligations. In the ordinary course of our operations, we enter into certain contractual obligations. Such obligations include data processing services, operating leases for premises and equipment, agreements with respect to borrowed funds and deposit liabilities.

Recent Accounting Pronouncements

Please refer to Note 1 to the Financial Statements included as Item 8 in this Annual Report for a description of recent accounting pronouncements that may affect our financial condition and results of operations.

Impact of Inflation and Changing Prices

The financial statements and related data presented herein have been prepared in accordance with U.S. GAAP, which requires the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates, generally, have a more significant impact on a financial institution's performance than does inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

For information regarding market risk, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations".

ITEM 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements, including supplemental data, of TEB Bancorp, Inc. begin on page F-1 of this Annual Report.

ITEM 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Management of TEB Bancorp, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting.

TEB Bancorp, Inc.'s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. TEB Bancorp, Inc.'s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of TEB Bancorp, Inc.; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of TEB Bancorp, Inc. are being made only in accordance with authorizations of management and directors of TEB Bancorp, Inc.; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of TEB Bancorp, Inc.'s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2021. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013). Based on our assessment we concluded that, as of June 30, 2021, the Company's internal control over financial reporting was effective based on those criteria.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. As the Company is a non-accelerated filer, management's report is not subject to attestation by the Company's registered public accounting firm pursuant to provision of the Dodd-Frank Act that permit the Company to provide only the management's report in this annual report.

There were no changes made in our internal controls during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, TEB Bancorp, Inc.'s internal control over financial reporting.

ITEM 9B. Other Information

None.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

3.1 Articles of Incorporation of TEB Bancorp, Inc. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 of TEB Bancorp, Inc. (File No. 333-227307), initially filed with the Securities and Exchange Commission on September 12, 2018)

3.2 Bylaws of TEB Bancorp, Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 of TEB Bancorp, Inc. (File No. 333-227307), initially filed with the Securities and Exchange Commission on September 12, 2018)

4.1 Form of Common Stock Certificate of TEB Bancorp, Inc. (incorporated by reference to Exhibit 4 to the Registration Statement on Form S-1 of TEB Bancorp, Inc. (File No. 333-227307), initially filed with the Securities and Exchange Commission on September 12, 2018)

4.2 Descriptions of Registrant's Securities

21 Subsidiaries of Registrant

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101 The following materials from TEB Bancorp, Inc.'s Annual Report on Form 10-K, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statements

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† Management contract or compensation plan or arrangement.

ITEM 16. Form 10-K Summary

Not applicable

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEB BANCORP, INC.

Date: February 22, 2022

By: /s/ Jennifer L. Provancher
Jennifer L. Provancher
President and Chief Executive Officer
(Duly Authorized Representative)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of TEB Bancorp Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of TEB Bancorp Inc. (the "Company") as of June 30, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 23, 2021

TEB BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30, 2021	June 30, 2020
ASSETS		
Cash and due from banks	$ 5,577,965	$ 2,763,126
Federal funds sold	43,799,524	10,342,915
Cash and cash equivalents	49,377,489	13,106,041
Interest bearing deposits in banks	326,245	2,713,164
Available for sale securities - stated at fair value	32,868,700	20,297,595
Loans, less allowance for loan losses of $1,412,489 and $1,353,427 at June 30, 2021 and June 30, 2020, respectively	215,419,951	237,300,478
Loans held for sale	6,866,900	18,690,027
Other real estate owned, net	167,590	2,288,255
Premises and equipment, net	7,912,493	7,960,041
Federal Home Loan Bank stock	1,031,200	1,345,500
Accrued interest receivable and other assets	1,731,234	1,773,486
TOTAL ASSETS	$ 315,701,802	$ 305,474,587
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand	$ 108,991,043	$ 93,627,648
Savings and NOW	88,156,887	75,397,948
Certificates of deposit	72,738,385	87,045,935
Total Deposits	269,886,315	256,071,531
Federal Home Loan Bank borrowings	5,000,000	9,000,000
Advance payments by borrowers for property taxes and insurance	3,434,519	2,882,067
Accrued interest payable and other liabilities	4,257,101	14,008,786
Total Liabilities	282,577,935	281,962,384
STOCKHOLDERS' EQUITY		
Preferred stock ($0.01 par value, 5,000,000 authorized, no shares issued or outstanding as of June 30, 2021 and June 30, 2020, respectively)	—	—
Common stock ($0.01 par value, 20,000,000 authorized, 2,624,343 issued and outstanding as of June 30, 2021 and June 30, 2020)	26,243	26,243
Additional paid in capital	11,319,328	11,319,328
Retained earnings	23,388,455	17,002,468
Accumulated other comprehensive loss	(1,610,159)	(4,835,836)
Total Stockholders' Equity	33,123,867	23,512,203
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 315,701,802	$ 305,474,587

See accompanying notes to consolidated financial statements.

TEB BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the year ended June 30, 2021	For the year ended June 30, 2020
INTEREST AND DIVIDEND INCOME		
Interest and fees on loans	$ 9,878,788	$ 11,173,105
Interest and dividends on investment securities	607,612	656,909
Interest on federal funds sold	1,877	40,773
Interest on deposits in banks	865	8,298
Total Interest and Dividend Income	10,489,142	11,879,085
INTEREST EXPENSE		
Interest on deposits	1,264,092	1,824,544
Interest on Federal Home Loan Bank borrowings	6,806	397,726
Interest on federal funds purchased	264	308
Total Interest Expense	1,271,162	2,222,578
Net interest income before provision for loan losses	9,217,980	9,656,507
Provision for loan losses	150,000	135,000
Net interest income after provision for loan losses	9,067,980	9,521,507
NON-INTEREST INCOME		
Service fees on deposits	408,867	429,531
Service fees on loans	224,397	238,133
Gain on sales of mortgage loans	12,032,795	5,120,325
Income on sale of uninsured products	503,254	321,285
Net gain on sale of other real estate owned	33,066	117,657
Other income	25,081	20,439
Total Non-Interest Income	13,227,460	6,247,370
NON-INTEREST EXPENSES		
Compensation and benefits	10,000,197	8,503,018
Occupancy	2,121,311	1,969,002
Advertising	164,180	227,320
Data processing services	1,066,607	1,095,609
FDIC assessment	89,945	112,418
Cost of operations for other real estate owned	174,340	1,046,646
Insurance expense	115,950	156,312
Professional fees	524,787	488,803
Other expenses	1,652,136	1,077,650
Total Non-Interest Expenses	15,909,453	14,676,778
Income before income taxes	6,385,987	1,092,099
Income tax expense	—	—
NET INCOME	$ 6,385,987	$ 1,092,099
Basic income per share	$ 2.43	$ 0.42
Diluted income per share	$ 2.43	$ 0.42

See accompanying notes to consolidated financial statements.

TEB BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	For the year ended June 30, 2021	For the year ended June 30, 2020
Net income	$ 6,385,987	$ 1,092,099
Other comprehensive income (loss), net of tax		
Unrealized gains/losses on securities		
Net unrealized holding gains (losses) arising during the year	(75,243)	359,589
Tax effect	—	—
Change in unfunded pension obligation	3,300,920	(2,347,060)
Tax effect	—	—
Other comprehensive income (loss), net of tax	3,225,677	(1,987,471)
COMPREHENSIVE INCOME (LOSS)	$ 9,611,664	$ (895,372)

See accompanying notes to consolidated financial statements.

TEB BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
BALANCES - July 1, 2019	2,624,343	$ 26,243	$ 11,319,328	$ 15,910,369	$ (2,848,365)	$ 24,407,575
Comprehensive income (loss)						
Net income				1,092,099		1,092,099
Other Comprehensive Income (Loss), net of tax					(1,987,471)	(1,987,471)
BALANCES - June 30, 2020	2,624,343	$ 26,243	$ 11,319,328	$ 17,002,468	$ (4,835,836)	$ 23,512,203
Comprehensive income (loss)						
Net income				6,385,987		6,385,987
Other Comprehensive Income (Loss), net of tax					3,225,677	3,225,677
BALANCES - June 30, 2021	2,624,343	$ 26,243	$ 11,319,328	$ 23,388,455	$ (1,610,159)	$ 33,123,867

See accompanying notes to consolidated financial statements.

TEB BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended June 30, 2021	For the year ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 6,385,987	$ 1,092,099
Adjustments to reconcile net income to net cash flows provided by (used in) operating activities		
Provision for loan losses	150,000	135,000
Depreciation	554,500	552,952
Net amortization and accretion	(34,309)	60,556
Origination of mortgage loans held for sale	(496,487,911)	(334,927,997)
Proceeds from sales of mortgage loans held for sale	520,343,833	328,437,843
Gain on sale of mortgage loans held for sale	(12,032,795)	(5,120,325)
Gain on sale of other real estate owned, net	(33,066)	(117,657)
(Gain) loss on sale or disposal of assets, net	(7,510)	1,650
Changes in assets and liabilities:		
Accrued interest receivable and other assets	42,252	(631,800)
Accrued interest payable and other liabilities	(6,450,768)	5,779,637
Net cash flows provided by (used in) operating activities	12,430,213	(4,738,042)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities or calls of securities available for sale	4,282,964	3,937,991
Purchase of securities available for sale	(16,895,000)	(3,394,432)
Change in loans	21,698,908	22,237,069
Change from redemption of FHLB stock	314,300	715,500
Change in interest bearing deposits in banks	2,386,919	960,851
Proceeds from sale of other real estate owned	2,032,585	1,158,306
Charge-offs on other real estate owned	152,765	952,353
Proceeds from sale of premises and equipment	26,400	8,000
Purchase of premises and equipment, net	(525,842)	(357,369)
Net cash flows provided by investing activities	13,473,999	26,218,269
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	13,814,784	21,510,072
FHLB advance proceeds	50,500,000	1,087,350,000
FHLB advance repayments	(54,500,000)	(1,122,550,000)
Change in advance payments by borrowers for property taxes and insurance	552,452	(315,028)
Net cash flows provided by (used in) financing activities	10,367,236	(14,004,956)
Net Change in Cash and Cash Equivalents	36,271,448	7,475,271
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	13,106,041	5,630,770
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 49,377,489	$ 13,106,041
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	$ 1,202,600	$ 1,830,030
Loans transferred to other real estate owned	31,619	200,856

See accompanying notes to consolidated financial statements.

NOTE 1 – Summary of Significant Accounting Policies

Organization

On April 30, 2019, The Equitable Bank, S.S.B. (the "Bank") converted to a stock savings bank and is now organized in the mutual holding company structure. The Bank issued all of its outstanding stock to a new holding company, TEB Bancorp, Inc. (the "Bancorp"), which sold 1,309,547 shares of common stock to the public at $10.00 per share, representing 49.9% of its outstanding shares of common stock for gross proceeds of approximately $13.1 million. The net proceeds received were approximately $11.4 million after offering costs. TEB Bancorp, Inc. is organized as a corporation under the laws of the State of Maryland. The Bank utilized $100,000 of proceeds received from the offering as initial capitalization of TEB MHC. TEB MHC has been organized as a mutual holding company under the laws of the State of Wisconsin and owns 1,314,796 shares, or 50.1% of the outstanding common stock of TEB Bancorp, Inc.

The Bank is a state-chartered savings bank providing a full range of financial services. The Bank grants commercial, residential and consumer loans, and accepts deposits from customers primarily in the Metropolitan Milwaukee area, which is in southeastern Wisconsin. The Bank is subject to competition from other financial institutions and nonfinancial institutions providing financial products. Additionally, the Bank is subject to the regulations of certain regulatory agencies and undergoes periodic examination by those regulatory agencies.

All depositors who had liquidation rights with respect to the Bank as of the effective date of the reorganization continue to have such rights solely with respect to TEB MHC so long as they continue to hold their deposit accounts with the Bank. In addition, all persons who become depositors of the Bank subsequent to the reorganization will have such liquidation rights with respect to TEB MHC.

At June 30, 2021, the significant assets of TEB Bancorp, Inc. were the capital stock of the Bank and a deposit account held at the Bank. The liabilities of TEB Bancorp, Inc. were insignificant. The Company is subject to the financial reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company is subject to regulation and examination by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board").

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts and operations of TEB Bancorp, Inc. and its wholly-owned subsidiaries, the Bank, Equitable Investment Corp., and Equity Credit Corp. (the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Emerging Growth Company Status

Under the Jumpstart Our Business Startups Act (the "JOBS Act"), a company with total annual gross revenues of less than $1.07 billion during its most recently completed fiscal year qualifies as an "emerging growth company". The Company qualifies as an emerging growth company and believes that it will continue to qualify as an emerging growth company.

An emerging growth company may elect to comply with new or amended accounting pronouncements in the same manner as a private company, but must make such election when the company is first required to file a registration statement. Such an election is irrevocable during the period a company is an emerging growth company. The Company has elected to comply with new or amended accounting pronouncements in the same manner as a private company. Accordingly, the financial statements may not be comparable to the financial statements of companies that comply with such new or revised accounting standards.

Use of Estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management of the Company is required 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 balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the pension actuarial assumptions, and the valuation of deferred tax assets.

Revenue Recognition

Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services recognized as performance obligations are satisfied.

The majority of the Company's revenue-generating transactions are not subject to ASC 606, including all interest and dividend income generated from financial instruments. Certain noninterest income items, including gain on sales of loans, gain on sales of securities, and other noninterest income have been evaluated and determined to not fall within the scope of ASC 606. Elements of noninterest income that fall within the scope of ASC 606 are as follows:

Service charges and other fees The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Management reviewed the deposit account agreements and determined that the agreements can be terminated at any time by either the Company or the account holder. Transaction fees, such as wires and overdraft charges, are settled the day the performance obligation is satisfied. The Company's monthly service charges and maintenance fees are for services provided to the customer on a monthly basis and are considered a series of servies that have the same pattern of transfer each month. The review of service charges assessed on deposit accounts included the amount of variable consideration that is a part of the monthly charges. It was found that the waiver of service charges due to insufficient funds and dormant account fees is immaterial and would not require a change in the accounting treatment for these fees under the new revenue standards. Recognition of revenue under ASC 606 did not materially change the timing or magnitude of revenue recognition for service charges and other fees.

Interchange fees Customers use a Bank-issued debit card to purchase goods and services, and the Company earns interchange fees on those transactions, typically a percentage of the sale amount of the transaction. The Company records the amount due when it receives the settlement from the payment network. Payments from the payment network are received and recorded into income on a daily basis. These funds are included in "Service fees on deposits" on the Consolidated Statements of Operations. There are no contingent debit card interchange fees recorded by the Company that could be subject to a clawback in future periods. Recognition of revenue under ASC 606 did not materially change the timing or magnitude of revenue recognition for interchange fees.

Cash and Due From Banks

For purposes of reporting cash flows, cash and cash equivalents include cash and balances due from banks and federal funds sold, all of which mature within 90 days. The Company maintains amounts due from banks, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Interest Bearing Deposits in Banks

Interest bearing deposits in banks mature within one year and are carried at cost, which approximates fair value.

Securities

Available for sale securities are stated at fair value and unrealized holding gains and losses on available for sale securities are reported as accumulated other comprehensive income (loss), net of applicable deferred income tax and adjusted for any applicable valuation allowance, a separate component of equity. Available for sale securities are written down to market value through operations if an impairment of value is deemed other than temporary due to credit issues. Gains or losses on the sale of securities, if any, are determined on the specific identification method. Securities transactions are recorded on the trade date.

Loans

Loans are carried at the unpaid principal balance adjusted for deferred loan fees and costs and charge-offs. Loan origination and commitment fees and certain direct loan origination costs are deferred and the net amounts amortized as an adjustment of the related loan's yield over the contractual life of the related loan.

Interest on loans is accrued on the unpaid principal balances as earned. Loans are normally placed on nonaccrual status when contractually past due 90 days or more as to interest or principal payments. Additionally, whenever management becomes aware of facts or circumstances that may adversely impact the collectability of principal or interest on a loan, it is management's practice to place such loan on nonaccrual status immediately, rather than delaying such action until the loan becomes 90 days past due. When a loan is placed on nonaccrual, previously accrued and uncollected interest on such loan is reversed, amortization of related loan fees is suspended, and income is recorded only to the extent that loan payments are subsequently received in cash and a determination has been made that the principal balance of the loan is collectible. If collectability of the principal is in doubt, payments received are applied to loan principal.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status and the probability of collecting scheduled principal and interest payment when due.

A troubled debt restructuring ("TDR") includes a loan modification where a borrower is experiencing financial difficulty and a concession is granted to that borrower that would not otherwise have been considered except for the borrower's financial difficulties. TDRs may be on accrual or nonaccrual status based upon the performance of the borrower and management's assessment of collectability. TDRs placed on nonaccrual may return to accrued status based on performance in accordance with terms of the restructuring, generally six months.

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Net unrealized losses are recognized through a valuation allowance by charges to operations. All sales are made without recourse.

Allowance for Loan Losses

The allowance for loan losses ("ALL") is established as losses are estimated to have occurred through a provision for loan losses charged to expense. Loan losses are charged against the ALL when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the ALL. The ALL consists of specific reserves on certain impaired loans from analyses developed through specific credit allocations for individual loans. The specific reserve relates to all loans for which the ALL is estimated on a loan by loan basis using either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. The general reserve is based on the Company's historical loss experience along with consideration of certain qualitative factors such as (i) changes in the nature, volume, and terms of loans, (ii) changes in lending personnel, (iii) changes in the quality of the loan review function, (iv) changes in nature and volume of past-due, nonaccrual, and/or classified loans, (v) changes in concentration of credit risk, (vi) changes in economic and industry conditions, (vii) changes in legal and regulatory requirements, (viii) unemployment and inflation statistics, and (ix) changes in underlying collateral values.

There are many factors affecting the ALL; some are quantitative while others require qualitative judgment. The ALL reflects management's best estimate of the probable and inherent losses on loans. The adequacy of the ALL is reviewed and approved by the Company's Board of Directors. Allocations of the ALL may be made for specific loans, but the entire ALL is available for any loan that, in management's judgment, should be charged-off.

As an integral part of their examination process, various regulatory agencies review the ALL as well. Such agencies may require that changes in the ALL be recognized when such regulatory credit evaluations differ from those of management based on information available to the regulators at the time of their examinations.

Premises and Equipment, Net

Premises and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization expense is provided on the straight-line method over the estimated useful life of the asset for financial reporting purposes, and the straight-line and accelerated methods for income tax purposes. Amortization of leasehold improvements is provided on the straight-line method over the lesser of the term of the respective lease or the estimated economic life of the improvements.

Other Real Estate Owned, Net

Other real estate owned is initially recorded at the fair market value of the real estate acquired less the estimated costs to sell the real estate at the date title is received, establishing a new cost basis, with any write-down charged to the allowance for loan losses. Costs relating to development or improvement of property are capitalized up to the fair value of the property. Valuations are periodically performed by management and independent third parties and a charge to expense is taken if the carrying value of a property exceeds its fair value less estimated costs to sell. Income and expense related to the operations of other real estate owned is recorded net in "Cost of operations of other real estate owned" as a component of non-interest expenses on the consolidated statements of operations. Gains and losses on the sale of other real estate owned are recorded in "Gain on sale of other real estate owned" as a component of non-interest income in the consolidated statements of operations.

Federal Home Loan Bank Stock

The Bank is a member of the Federal Home Loan Bank ("FHLB") system. Members are required to own a certain amount of FHLB stock based on the Bank's level of borrowings from the FHLB and other factors, and may invest in additional amounts of FHLB stock. The Bank's investment in FHLB of Chicago stock meets the minimum amount required by current regulations and is carried at cost, which approximates fair value. FHLB stock is evaluated quarterly for impairment. Based on management's evaluation, no impairment has been recorded on these securities. Both cash and stock dividends are reported as income.

Defined Benefit Pension Plan

The Bank has a defined benefit pension plan (the "Plan") covering substantially all of its employees hired prior to March 31, 2012. The benefits are based on years of service and the employee's average monthly pay received during the five highest consecutive calendar years in the last 10 years of employment under the Plan. Management contributes annually the amounts necessary to provide for defined benefit payments upon retirement or death as determined by the Plan's actuary. The Plan was frozen effective March 31, 2012 for all employees. No additional benefits are being accrued for active participants after that date and no new participants will be entered into the Plan.

The Bank records annual amounts relating to the Plan based on calculations that incorporate various actuarial and other assumptions including discount rates, mortality, assumed rates of return, compensation increases, and turnover rates. The Bank reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends where appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive income (loss) and amortized to net periodic pension cost over future periods. The Bank believes that the assumptions utilized in recording its obligations under its plan are reasonable based on its experience and market conditions.

Comprehensive Income (Loss)

U.S. GAAP generally requires that recognized revenue, expenses, gains, and losses be included in income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section and changes in the funded status of the pension plan, such items, along with net income are components of comprehensive income (loss).

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the tax effects from an uncertain tax position in the consolidated financial statements only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized, upon ultimate settlement with the relevant tax authority. The Company recognizes interest and penalties accrued or released related to uncertain tax positions in current income tax expense or benefit.

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, (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.

Advertising

Advertising costs are accrued and expensed in the period incurred.

Off-Balance Sheet Financial Instruments

In the ordinary course of business, the Bank has entered into off-balance-sheet financial instruments consisting of commitments to extend credit, commitments under credit card arrangements, commercial letters of credit and standby letters of credit. Such financial instruments are recorded in the consolidated financial statements when they are funded or related fees are incurred or received.

COVID -19

In December 2019, a coronavirus (COVID-19) was reported in China and in March 2020 was declared a national emergency in the United States. The COVID-19 pandemic caused significant economic dislocation as many state and local governments have ordered non-essential businesses to close and residents to shelter in place at home. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the full impact of the COVID-19 outbreak on our business. The extent of such impact will depend on future developments, which are highly uncertain, including when the coronavirus can be controlled and abated and how the economy continues to reopen. Nonetheless, the Company has not incurred any significant disruptions to its business activities.

The Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, was signed into law on March 27, 2020 and provided over $2.0 trillion in emergency economic relief to individuals and businesses impacted by the COVID-19 pandemic. The CARES Act authorized the Small Business Administration (“SBA”) to temporarily guarantee loans under a new 7(a) loan program call the Paycheck Protection Program (“PPP”). Although we were not already a qualified SBA lender, we enrolled in the PPP by completing the required documentation.

In October 2020, the SBA approved an extension of the deferment period without modifications on the PPP loans originated. The Company agreed to extend the deferment period for six months from the first payment date.

In late December of 2020, as part of the Taxpayer Certainty and Disaster Recovery Act, the PPP loan portal was reopened for first draw PPP loan applications. A second draw was made available to qualified businesses starting January 13, 2021. Eligible borrowers will qualify for full forgiveness if employee and compensations levels are maintained with at least 60 percent attributed to payroll costs. The remaining can be used for interest on mortgages, rents, and utilities.

Eligibility for first draws required, that together with their affiliates, employers have 500 or fewer employees. Second draw eligibility required borrowers to have received a first draw PPP Loan and will or had used the full amount only for authorized use, had no more than 300 employees and demonstrated at least a 25% reduction in gross receipts between comparable quarters of 2019 and 2020.

Since the reopening in January 2021, the Company has originated 9 first and second draw PPP loans totaling $729,000 and netting fees of $32,000. As of June 30, 2021, one of those loans received full forgiveness in the amount of $3,000.

Prior the reopening, The Company had recorded 17 PPP loans totaling $1.1 million. These 17 loans generated fees net to the Company of $44,000. As of March 24, 2021 all of the 17 loans had received full forgiveness from the SBA.

To work with customers impacted by COVID-19, the Company is offering short-term (i.e., three months or less with the potential to extend up to six months, if necessary) loan modifications on a case by case basis to borrowers who were current in their payments at the inception of the loan modification program. Under Section 4013 of the CARES Act, loans less than 30 days past due as of December 30, 2020 are considered current for COVID-19 modifications. A financial institution can then suspend the requirements under U.S. GAAP for loan modifications related to COVID-19 that would otherwise be categorized as a TDR, and suspend any determination of a loan modified as a result of COVID-19 as being a TDR, including the requirement to determine impairment for accounting purposes. Financial institutions wishing to utilize this authority must make a policy election, which applies to any COVID-19 modification made between March 1, 2020 and the earlier of either January 1, 2021 or the 60th day after the end of the COVID-19 national emergency. Similarly, the Financial Accounting Standards Board ("FASB") has confirmed that short-term modifications made on a good faith basis in response to COVID-19 to loan customers who were current prior to any relief are not TDRs. Lastly, prior to the enactment of the CARES Act, the banking regulatory agencies provided guidance as to how certain short-term modifications would not be considered TDRs, and have subsequently confirmed that such guidance could be applicable for loans that do not qualify for favorable accounting treatment under Section 4013 of the CARES Act. The Consolidated Appropriations Act, 2020 (the "CAA Act"), which both funds the federal government until September 30, 2021 and broadly addresses additional COVID-19 responses and relief. Amoung the additional relief measures included are certain extensions to elements of the CARES Act, including extension of temporary relief from TDRs established under Section 4013 of the CARES Act to the earlier of a) January 1, 2022, or b) the date that is 60 days after the date on which the national COVID-19 emergency terminates.

As of June 30, 2021, the Company had received requests to modify 88 loans aggregating $22.9 million, primarily consisting of the deferral of principal and interest payments and the extension of the maturity date. Of these modifications, $22.8 million, or 99.5%, were performing in accordance with the accounting treatment under Section 4013 of the CARES Act and therefore did not qualify as TDRs. Three loans totaling $294,000 did not qualify for the favorable accounting treatment under Section 4013 of the CARES Act and therefore each loan was reported as a TDR; however, one of the loans was transferred out of TDR status after receiving six consequtive monthly payments after the end of the deferral period. Management has evaluated the loan and determined that based on the liquidation value of the collateral, no specific reserve will be necessary. Details with respect to loan modification requests are as follows:

	As of June 30, 2021			
	Payments Resumed		Payments Deferred	
Loan Classification	**Number of Loans**	**Balance**	**Number of Loans**	**Balance**
Construction, land, development	2	$ 113,324	—	$ —
1-4 family owner occupied	50	6,928,668	—	—
1-4 family non-owner occupied	16	2,255,510	—	—
Multifamily	13	10,716,179	—	—
Commercial owner occupied	2	1,419,056	—	—
Commercial non-owner occupied	2	1,408,571	—	—
Consumer and installment loans	3	40,655	—	—
Total loan modification requests	88	$ 22,881,963	—	$ —

Subsequent Events

Management has reviewed the Company's operations for potential disclosure or financial statement impacts related to events occurring after June 30, 2021, but prior to the release of these financial statements. Based on the results of this review, no subsequent event disclosure or financial statement impacts to these financial statements are required as of September 23, 2021.

Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates ("ASU"s) to the FASB ASC. This section provides a summary description of recent ASUs that had or that management expects may have an impact on the consolidated financial statements issued upon adoption. The Company is classified as an emerging growth company and has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Effective dates reflect this election.

Recently Adopted Accounting Pronouncements

In March 2017, the FASB issued ASU 2017-08, "Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities." ASU 2017-08 amends guidance on the amortization period of premiums on certain purchased callable debt securities. The amendments shorten the amortization period of premiums on certain purchased callable debt securities to the earliest call date. ASU 2017-08 is effective for annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company adopted ASU 2017-08 effective July 1, 2020 and the adoption did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement." ASU 2018-13 modifies the disclosure requirements on fair value measurements in Topic 820, including the removal, modification to, and addition of certain disclosure requirements. This ASU is effective for fiscal years beginning after December 15, 2019 with early adoption permitted. Although this ASU impacted the Company's fair value disclosures, there was no additional impact to the Company's consolidated financial statements. All footnote disclosures were properly updated.

Recently Issued, But Not Yet Effective Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." Topic 842 was subsequently amended by ASU 2018-10, "Codification Improvements to Topic 842, Leases" and ASU 2018-11, "Leases (Topic 842)". The amendments in this update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. For leases with a term of 12 months or less, the amendments permit lessees to make an accounting policy election by class of underlying assets not to recognize lease assets and lease liabilities. For finance leases, the amendments in this update require a lessee to (1) recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, on the balance sheet; (2) recognize interest on the lease liability separately from amortization of the right-of-use asset in the statement of operations; (3) classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the least liability and variable lease payments within operating activities in the statement of cash flows. For operating leases, the amendments in this update require a lessee to (1) recognized a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; (2) recognized a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; (3) classify all cash payments within operating activities in the statement of cash flows. On October 16, 2019, the FASB approved the proposal to delay the effective date for this standard for private and all other entities. Due to the Company's extended transition period election, the amendments are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company's current leases are comprised predominantly of leases for real estate which are classified as operating leases under current accounting standards and, as such, are excluded from the consolidated balance sheet. ASU 2016-02 will require the Company to record these leases within its consolidated balance sheet. Management is currently evaluating other impacts this guidance will have on the consolidated financial statements of the Company.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments." Topic 326 was subsequently amended by ASU 2018-19, "Codification

Improvements to Topic 326, Financial Instruments – Credit Losses; ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses"; and ASU 2019-05, "Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief." This ASU replaces the current incurred loss impairment methodology with a methodology that reflected expected credit losses measured at amortized cost and certain other instruments, including loans, held-to-maturity debt securities, net investments in leases, and off-balance-sheet credit exposures. On October 16, 2019, the FASB approved the proposal to delay the effective date for this standard for private and all other entities. Due to the Company's extended transition period election, the update is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Management is currently evaluating the potential impact on its consolidated financial statements of the Company; however, due to the significant differences in the revised guidance from existing U.S. GAAP, the implementation of this guidance may result in material changes in the Company's accounting for credit losses on financial instruments.

In August 2018, the FASB issued ASU No. 2018-14, "Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans." ASU 2018-14 applies to all employers that sponsor defined benefit pension or other postretirement plans. The amendments require that an employer disclose an explanation of the reasons for significant gains and losses related to changes in the net benefit obligation for the period. Multiple disclosure requirements are also removed with this amendment, including: (1) the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year; (2) the amount and timing of plan assets expected to be returned to the employer; (3) related party disclosures about significant transactions between the employer or related parties and the plan; and (4) the effects of a one-percentage-point change in assumed health care cost trend rates on the aggregate of the service and interest cost components of net periodic benefit costs. Additional disclosure requirements contained within Subtopic 715-20 are also clarified. The amendments are effective for fiscal years ending after December 15, 2021. Early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the consolidated results of operations, financial position, or cash flows of the Company.

In January 2021, the FASB issued ASU No. 2021-01, "Reference Rate Reform (Topic 848)." ASU 2021-01 responds to concerns about structural risks of interbank offered rates (IBORs) and particularly the risk of cessation of the London Interbank Offered Rate (LIBOR). The amendments clarify the scope of Topic 848 as to the accounting for derivatives within a company's portfolio and amend the expedients and exceptions to capture the incremental consequences of the scope clarification and tailor the existing guidance to derivative instruments affected by the discounting transition. While the Company has no hedging instruments, it does have loans that adjust to LIBOR at varying periods within the term on the loan. This ASU was effective upon its issuance on January 7, 2021, however the amendments related to the discounting transition are optional. The Company has yet to adopt this ASU, but management does not expect it to have a material impact on the Company's financial statements.

NOTE 2 – Income Per Share

Income per share is based on net income divided by the weighted average number of shares outstanding during the period. Income per share is presented for the period for which shares were outstanding.

	Year Ended June 30, 2021	Year Ended June 30, 2020
Net income	$ 6,385,987	$ 1,092,099
Basic potential common shares		
Weighted average shares outstanding	2,624,343	2,624,343
Basic weighted average shares outstanding	2,624,343	2,624,343
Diluted potential common shares	—	—
Diluted weighted average shares outstanding	2,624,343	2,624,343
Basic earnings per share	$ 2.43	0.42
Diluted earnings per share	$ 2.43	0.42

NOTE 3 – Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer liabilities in an orderly transaction between market participants at the measurement date (exit price) and establishes a framework for measuring fair value.

To determine fair value, the Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company is able to classify fair value balances based on the observability of those inputs. The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

> Level 1 - Fair value is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as listed equities and U.S. Treasury securities.

> Level 2 - Fair value is based upon quoted prices for similar, but not identical, assets and liabilities in active markets, and other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. This also includes quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

> Level 3 - Fair value is based upon financial models using primarily unobservable inputs. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets

Available for sale securities Where quoted prices for securities are available in an active market, those securities are classified within Level 1 of the valuation hierarchy. If such quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of securities with similar characteristics, which would generally be classified within Level 2 of the valuation hierarchy, include certain AAA-rated U.S. government sponsored agency securities, municipal obligations, and mortgage-backed securities. A security using financial models based upon primarily unobservable inputs, such as commercial paper, would generally be classified within Level 3 of the valuation hierarchy.

Loans The Company does not record loans at fair value on a recurring basis. However, from time to time, a loan is considered impaired and an allowance for loan losses may be established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement are considered impaired. Once a loan is identified as individually impaired, management measures impairment. The fair value of impaired loans is estimated using one of several methods, including collateral value, market value of similar debt, enterprise value, or liquidation value and discounted cash flows. Those impaired loans not requiring an allowance represent loans for which the fair value of the collateral exceeds the recorded investments in such loans and for which carrying amount will remain at amortized cost. Impaired loans where an allowance is established based on the fair value of collateral or expected cash flows require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value, less selling costs, the Company records the impaired loan as a non-recurring Level 3 valuation.

Other real estate owned, net Assets on which the underlying collateral has been repossessed are initially recorded at the fair market value of the real estate acquired less estimated costs to sell, establishing a new cost basis.

Subsequently, other real estate owned is carried at the lower of carrying value or fair value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price or a current appraised value, less selling costs, the Company records the repossessed asset as a non-recurring Level 3 valuation.

The following tables set forth, by level within the fair value hierarchy, the Company's financial assets that were accounted for at fair value on a recurring and non-recurring basis as of June 30, 2021 and 2020, respectively. According to fair value guidance, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The following table presents assets measured at fair value on a recurring basis:

	Fair Value as of June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Securities classified as available for sale:				
Obligations of states and political subdivisions	$ —	$ 23,775,999	$ —	$ 23,775,999
US government agency obligations	—	5,981,978	—	5,981,978
Mortgage-backed securities	—	1,274,916	—	1,274,916
Municipal leases		1,002,989	—	1,002,989
Certificates of deposit	—	832,818	—	832,818
Total	$ —	$ 32,868,700	$ —	$ 32,868,700

	Fair Value as of June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Securities classified as available for sale:				
Obligations of states and political subdivisions	$ —	$ 18,005,082	$ —	$ 18,005,082
Mortgage-backed securities	—	1,443,643	—	1,443,643
Certificates of deposit	—	848,870	—	848,870
Total	$ —	$ 20,297,595	$ —	$ 20,297,595

Assets measured at fair value on non-recurring basis:

	Fair Value as of June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Impaired loans with a valuation allowance, net	$ —	$ —	$ 116,906	$ 116,906
Other real estate owned, net	—	—	167,590	167,590
Total	$ —	$ —	$ 284,496	$ 284,496

	Fair Value as of June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Impaired loans with a valuation allowance, net	$ —	$ —	$ 248,930	$ 248,930
Other real estate owned, net	—	—	2,288,255	2,288,255
Total	$ —	$ —	$ 2,537,185	$ 2,537,185

Loans with a carrying amount of approximately $206,000 and $455,000 were considered impaired as of June 30, 2021 and June 30, 2020 and a specific allowance for loan losses of $89,000 and $206,000, respectively, was established against these loans.

Other real estate owned with carrying amounts of approximately $168,000 and $2.3 million were determined to be at their fair value as of June 30, 2021 and June 30, 2020, respectively.

The following presents quantitative information about nonrecurring Level 3 fair value measurements:

	As of June 30, 2021			
	Fair Value	**Valuation Technique**	**Unobservable Input(s)**	**Range/Weighted Average**
Impaired loans with a valuation allowance, net	$ 116,906	Market price or appraised value	Discount on appraised values for selling costs	5% - 15%
Other real estate owned, net	$ 167,590	Market price or appraised value	Discount on appraised values for selling costs	5% - 15%

	As of June 30, 2020			
	Fair Value	Valuation Technique	Unobservable Input(s)	Range/Weighted Average
Impaired loans with a valuation allowance, net	$ 248,930	Market price or appraised value	Discount on appraised values for selling costs	5% - 15%
Other real estate owned, net	$ 2,288,255	Market price or appraised value	Discount on appraised values for selling costs	5% - 15%

Financial Disclosures about Fair Value of Financial Instruments

Accounting guidance requires disclosures of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair values. Certain financial instruments and all non-financial instruments are excluded from the scope of the guidance.

The estimated fair values of financial instruments are as follows:

	June 30, 2021		June 30, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
FINANCIAL ASSETS				
Cash and cash equivalents	$ 49,377,489	$ 49,377,489	$ 13,106,041	$ 13,106,041
Interest bearing deposits in banks	$ 326,245	$ 326,245	$ 2,713,164	$ 2,713,164
Available for sale securities	$ 32,868,700	$ 32,868,700	$ 20,297,595	$ 20,297,595
Loans, net	$ 215,419,951	$ 217,957,441	$ 237,300,478	$ 247,100,558
Loans held for sale	$ 6,866,900	$ 6,866,900	$ 18,690,027	$ 18,690,027
Federal Home Loan Bank stock	$ 1,031,200	$ 1,031,200	$ 1,345,500	$ 1,345,500
Accrued interest receivable	$ 790,884	$ 790,884	$ 933,729	$ 933,729
FINANCIAL LIABILITIES				
Deposits	$ 269,886,315	$ 258,477,900	$ 256,071,531	$ 251,928,460
Federal Home Loan Bank advances	$ 5,000,000	$ 5,000,000	$ 9,000,000	$ 9,000,000
Accrued interest payable	$ 35,020	$ 35,020	$ 56,726	$ 56,726

The methods and assumptions that were used to estimate the fair value of financial assets and financial liabilities that are measured at fair value on a recurring and non-recurring basis have been previously disclosed. The following methods and assumptions were used to estimate the fair value of other financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents – Due to their short term nature, the carrying amount of cash equivalents approximates fair value and is categorized in level 1 of the fair value hierarchy.

Interest bearing deposits in banks – The carrying amount approximates fair value and is categorized in level 2 of the fair value hierarchy.

Available for sale securities – The fair value is estimated using quoted market prices or by using pricing models and is categorized in level 2 of the fair value hierarchy.

Loans– The fair value of variable rate loans that reprice frequently are based on carrying values. The fair value of other loans is estimated by discounting future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and is categorized in level 3 of the fair value hierarchy.

Loans held for sale – Fair value is based on commitments on hand from investors or prevailing market prices and is categorized in level 2 of the fair value hierarchy.

Federal Home Loan Bank stock – No secondary market exists for FHLB stock. The stock is bought and sold at par by the FHLB and management believes the carrying amount approximates fair value and is categorized in level 2 of the fair value hierarchy.

Accrued interest receivable – Due to their short term nature, the carrying amount approximates fair value and is categorized in level 1 of the fair value hierarchy.

Deposits – Fair value of deposits with no stated maturity, such as demand deposits, savings, and money market accounts, by definition, is the amount payable on demand on the reporting date. Fair value of fixed rate time deposits is estimated using discounted cash flows applying interest rates currently offered on similar time deposits. Deposits are categorized in level 3 of the fair value hierarchy.

Federal Home Loan Bank borrowings – The carrying amount approximates fair value and is categorized in level 2 of the fair value hierarchy.

Accrued interest payable – Due to their short term nature, the carrying amount approximates fair value and is categorized in level 1 of the fair value hierarchy.

The estimated fair value of fee income on letters of credit at June 30, 2021 and 2020 is insignificant. Loan commitments on which the committed interest rate is less than the current market rate are also insignificant at June 30, 2021 and 2020.

NOTE 4 – Cash and Due From Banks

In March 2020, the Federal Reserve Board reduced reserve requirements to U.S. banks to 0%. Accordingly, the Bank had no required reserves with the Federal Reserve Bank of Chicago at June 30, 2021 and 2020.

NOTE 5 – Available for Sale Securities

Amortized costs and fair values of available for sale securities are summarized as follows:

	June 30, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of states and political subdivisions	$ 23,350,108	$ 508,588	$ 82,697	$ 23,775,999
U.S. government agency obligations	5,999,632	15	17,669	5,981,978
Mortgage-backed securities	1,229,820	45,096	—	1,274,916
Municipal leases	1,002,239	2,185	1,435	1,002,989
Certificates of deposit	800,000	32,818	—	832,818
	$ 32,381,799	$ 588,702	$ 101,801	$ 32,868,700

	June 30, 2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of states and political subdivisions	$ 17,563,698	$ 457,440	$ 16,056	$ 18,005,082
Mortgage-backed securities	1,371,753	71,890	—	1,443,643
Certificates of deposit	800,000	48,870	—	848,870
	$ 19,735,451	$ 578,200	$ 16,056	$ 20,297,595

The following tables present the portion of the Company's available for sale securities portfolio which has gross unrealized losses, reflecting the length of time that individual securities have been in a continuous unrealized loss position:

	June 30, 2021					
	Continuous Unrealized Losses Existing for Less Than 12 Months		Continuous Unrealized Losses Existing for 12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of states and political subdivisions	$ 4,487,481	$ 82,697	$ —	$ —	$ 4,487,481	$ 82,697
U.S. government agency obligations	5,481,963	17,669	—	—	5,481,963	17,669
Municipal leases	588,000	1,435	—	—	588,000	1,435
	$ 10,557,444	$ 101,801	$ —	$ —	$ 10,557,444	$ 101,801

Management does not believe any individual unrealized loss as of June 30, 2021 represents other than temporary impairment. The Company held no securities at June 30, 2021 that have an unrealized loss existing for 12 months or greater. Management believes the temporary impairment in fair value was caused by market fluctuations in interest rates. Although these securities are classified as available for sale, management does not have the intent to sell the security and it is more likely than not it will be able to hold the security through a recovery period or until maturity.

	June 30, 2020					
	Continuous Unrealized Losses Existing for Less Than 12 Months		Continuous Unrealized Losses Existing for 12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of states and political subdivisions	$ —	$ —	$ 693,687	$ 16,056	$ 693,687	$ 16,056

Management does not believe any individual unrealized loss as of June 30, 2020 represents other than temporary impairment. The Company held $693,687, comprised of two securities, in obligations of states and political subdivisions at June 30, 2020 that have an unrealized loss existing for 12 months or greater. Management believes the temporary impairment in fair value was caused by market fluctuations in interest rates. Although these securities are classified as available for sale, management does not have the intent to sell the security and it is more likely than not it will be able to hold the security through a recovery period or until maturity.

The amortized cost and fair value of available for sale securities as of June 30, 2021 are shown below by contractual maturity. Expected maturities of mortgage-backed securities will differ from contractual maturities since the anticipated maturities are not readily determinable.

	Amortized Cost	Fair Value
Due in one year or less	$ 985,832	$ 992,813
Due after one year through 5 years	12,923,027	13,134,220
Due after 5 years through 10 years	7,771,776	7,926,891
Due after 10 years	9,471,344	9,539,860
Subtotal	31,151,979	31,593,784
Mortgage backed securities		
Due after one year through 5 years	—	—
Due after 5 years through 10 years	1,229,820	1,274,916
Total	$ 32,381,799	$ 32,868,700

During the year ended June 30, 2021 and 2020, the Company did not sell any available for sale securities. The Company did not have any available for sale securities pledged at June 30, 2021 and June 30, 2020 as collateral on public deposits and for other purposes as required or permitted by law.

NOTE 6 – Loans

Major classifications of loans are as follows:

	June 30, 2021	June 30, 2020
Construction, land, development	$ 2,458,461	$ 4,598,382
1-4 family owner occupied	72,011,570	100,506,311
1-4 family non-owner occupied	22,368,557	21,213,680
Multifamily	91,876,323	76,444,156
Commercial owner occupied	6,405,226	6,733,183
Commercial non-owner occupied	14,182,106	20,237,534
Consumer and installment loans	7,530,197	8,920,659
Total loans	216,832,440	238,653,905
Less:		
Allowance for loan losses	(1,412,489)	(1,353,427)
Loans, net	$ 215,419,951	$ 237,300,478

Deferred loan fees, net of costs are included within the unpaid principal balances above.

The Company engages in a variety of lending activities, including commercial, residential real estate and consumer transactions. The Company focuses its lending activities on individuals, professionals and small to medium sized businesses. Risks associated with lending activities include economic conditions and changes in interest rates, which can adversely impact both the ability of borrowers to repay their loans and the value of the associated collateral.

Commercial and industrial loans, commercial real estate loans, construction loans and residential real estate loans with a business purpose are generally perceived as having more risk of default than residential real estate loans with a personal purpose and consumer loans. These types of loans involve larger loan balances to a single borrower or groups of related borrowers and are more susceptible to a risk of loss during a downturn in the business cycle. Commercial real estate and residential real estate loans secured for a business purpose are originated primarily within the metropolitan Milwaukee market area at conservative loan-to-value ratios and often backed by the individual guarantees of the borrowers or owners. Repayment of this kind of loan is dependent upon either the ongoing cash flow of the borrowing entity or the resale of or lease of the subject property. Commercial real estate loans may be affected to a greater extent than residential loans by adverse conditions in real estate markets or the economy because commercial real estate borrowers' ability to repay their loans depends on successful development of their properties, as well as the factors affecting residential real estate borrowers. Commercial and industrial loans may involve greater risk because the availability of funds to repay these loans depends on the successful operation of the borrower's business. The assets financed are used within the business for its ongoing operation. Repayment of these kinds of loans generally comes from the cash flow of the business or the ongoing conversions of assets, such as accounts receivable and inventory, to cash. Typical collateral for commercial and industrial loans includes the borrower's accounts receivable, inventory and machinery and equipment.

The Company originates fixed-rate and adjustable-rate real estate-residential mortgage loans for personal purposes that are secured by first liens on the underlying 1-4 family residential properties. Credit risk exposure in this area of lending is minimized by the evaluation of the credit worthiness of the borrower, including debt-to-income ratios, credit scores and adherence to underwriting policies that emphasize conservative loan-to-value ratios of generally no more than 80%. Residential mortgage loans granted in excess of the 80% loan-to-value ratio criterion are generally insured by private mortgage insurance.

The real estate-home equity portfolio primarily consists of variable-rate home equity lines of credit, and to a lesser extent, fixed-rate home equity loans. Risks associated with loans secured by residential properties are generally lower than commercial loans and include general economic risks, such as the strength of the job market, employment stability and the strength of the housing market. Since most loans are secured by a primary or secondary residence, the borrower's continued employment is the greatest risk to repayment.

The Company offers a variety of loans to individuals for personal and household purposes. Consumer loans are generally considered to have greater risk than first or second mortgages on real estate because they may be unsecured, or, if they are secured, the value of the collateral may be difficult to assess and is more likely to decrease in value than real estate. Credit risk in this portfolio is controlled by conservative underwriting standards that consider debt-to-income levels and the creditworthiness of the borrower and, if secured, collateral values.

Policies have been established that set standards for the maximum commercial real estate loan amount by type of property, loan terms, pricing structures, loan-to-value limits by property type, as well as policies and procedures for granting exceptions to established underwriting standards.

The Company's residential real estate lending policies require all loans to have viable repayment sources. Residential real estate loans are evaluated for the adequacy of these repayment sources at the time of approval using such factors as credit scores, debt-to-income ratios and collateral values. Home equity loans and lines of credit are generally governed by the same lending policies.

Origination activities for construction real estate loans are similar to those described above for commercial real estate and residential real estate lending.

The Company has purchased loan participations in which they are not the primary lender. At June 30, 2021 and 2020, the aggregate amount of purchased participations was $5.5 million and $5.6 million, respectively. The Company has also participated out portions of loans that exceeded its loans-to-one borrower legal lending limit and for risk diversification. At June 30, 2021 and 2020 the Company had participated out portions of loans with aggregate balances of $29.3 million and $9.0 million, respectively.

Non-performing loans are as follows:

	June 30, 2021	June 30, 2020
Nonaccrual Loans	$ 793,141	$ 1,341,174
Total non-performing loans	$ 793,141	$ 1,341,174
Restructured loans, accruing	$ —	$ —
Total impaired loans	$ 793,141	$ 1,341,174

Impaired loans are as follows as of:

	June 30, 2021							
	Construction, Land, Development	1-4 Family Owner Occupied	1-4 Family Non-Owner Occupied	Multifamily	Commercial Owner Occupied	Commercial Non-Owner Occupied	Consumer & Installment	Total
With related allowance recorded								
Recorded investment	$ —	$ —	$ —	$ —	$ 182,532	$ —	$ 23,133	$ 205,665
Unpaid principal balance	—	—	—	—	182,532	—	23,133	205,665
Related allowance	—	—	—	—	65,626	—	23,133	88,759
With no related allowance recorded								
Recorded investment	$ —	$ 587,476	$ —	$ —	$ —	$ —	$ —	$ 587,476
Unpaid principal balance	—	587,476	—	—	—	—	—	587,476
Related allowance	—	—	—	—	—	—	—	—
Total								
Recorded investment	$ —	$ 587,476	$ —	$ —	$ 182,532	$ —	$ 23,133	$ 793,141
Unpaid principal balance	—	587,476	—	—	182,532	—	23,133	793,141
Related allowance	—	—	—	—	65,626	—	23,133	88,759
Average recorded balance	$ —	$ 780,405	$ 41,013	$ —	$ 181,950	$ —	$ 109,214	$ 1,112,582
Interest income recognized while impaired	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Interest income recognized on a cash basis while impaired	—	20,084	—	—	—	—	—	20,084
Total interest on impaired loans	$ —	$ 20,084	$ —	$ —	$ —	$ —	$ —	$ 20,084

Impaired loans are as follows as of:

	June 30, 2020							
	Construction, Land, Development	1-4 Family Owner Occupied	1-4 Family Non-Owner Occupied	Multifamily	Commercial Owner Occupied	Commercial Non-Owner Occupied	Consumer and Installment	Total
With related allowance recorded								
Recorded investment	$ —	$ 161,931	$ —	$ —	$ 189,249	$ —	$ 103,673	$ 454,853
Unpaid principal balance	—	161,931	—	—	189,249	—	103,673	454,853
Related allowance	—	64,780	—	—	79,351	—	61,792	205,923
With no related allowance recorded								
Recorded investment	$ —	$ 803,803	$ 57,574	$ —	$ —	$ —	$ 24,944	$ 886,321
Unpaid principal balance	—	803,803	57,574	—	—	—	24,944	886,321
Related allowance	—	—	—	—	—	—	—	—
Total								
Recorded investment	$ —	$ 965,734	$ 57,574	$ —	$ 189,249	$ —	$ 128,617	$ 1,341,174
Unpaid principal balance	—	965,734	57,574	—	189,249	—	128,617	1,341,174
Related allowance	—	64,780	—	—	79,351	—	61,792	205,923
Average recorded balance	$ —	$ 1,020,175	$ 14,948	$ —	$ 191,166	$ —	$ 132,521	$ 1,358,810
Interest income recognized while impaired	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Interest income recognized on a cash basis while impaired	—	16,071	298	—	4,382	—	712	21,463
Total interest on impaired loans	$ —	$ 16,071	$ 298	$ —	$ 4,382	$ —	$ 712	$ 21,463

Loans are individually evaluated for impairment once a weakness or adverse trend is identified that may jeopardize the repayment of the loan in accordance with the terms of the loan.

The following are the Company's risk rating definitions:

Pass: Loans in this category are to persons or entities that span from having financial characteristics of unquestioned strength to entities that have potential risks that if left uncorrected could at some point result in deterioration of the Bank's credit position. Loans in this category are rated "1" through "4" with the lower risk being identified with a lower numerical rating. General characteristics that are monitored include borrower net worth, liquidity and entity profitability.

Special Mention: Loans in this category contain some weakness or potential weakness that if left uncorrected may result in the deterioration of the repayment capacity. Loans in this category are rated as a "5".

Substandard: Loans in this category exhibit the same characteristics as "5" rated credits and are inadequately protected by the current net worth and paying capacity of the obligor and/or of the collateral pledged as security for the asset. Loans in this category are rated as a "6".

Real Estate in Judgement: Loans in this category have been placed in non-accrual and the Bank has taken legal action to preserve its position. Loans in this category are rated as a "7".

The following is a summary of loans by risk rating:

	June 30, 2021							
	Construction, Land,	**1-4 Family Owner Occupied**	**1-4 Family Non-Owner Occupied**	**Multifamily**	**Commercial Owner Occupied**	**Commercial Non-Owner Occupied**	**Consumer and Installment**	**Total**
1-4	$ 2,458,461	$ 71,319,957	$ 22,368,557	$ 91,876,323	$ 5,064,818	$ 10,917,142	$ 7,507,064	$ 211,512,322
5	—	104,137	—	—	1,157,876	3,264,964	—	4,526,977
6	—	587,476	—	—	182,532	—	23,133	793,141
7	—	—	—	—	—	—	—	—
Total	$ 2,458,461	$ 72,011,570	$ 22,368,557	$ 91,876,323	$ 6,405,226	$ 14,182,106	$ 7,530,197	$ 216,832,440

	June 30, 2020							
	Construction, Land, Development	**1-4 Family Owner Occupied**	**1-4 Family Non-Owner Occupied**	**Multifamily**	**Commercial Owner Occupied**	**Commercial Non-Owner Occupied**	**Consumer and Installment**	**Total**
1-4	$ 4,598,382	$ 99,344,653	$ 21,156,106	$ 76,444,156	$ 6,543,934	$ 12,313,923	$ 8,792,042	$ 229,193,196
5	—	195,924	—	—	—	7,923,611	—	8,119,535
6	—	851,208	57,574	—	189,249	—	52,448	1,150,479
7	—	114,526	—	—	—	—	76,169	190,695
Total	$ 4,598,382	$ 100,506,311	$ 21,213,680	$ 76,444,156	$ 6,733,183	$ 20,237,534	$ 8,920,659	$ 238,653,905

The following is a summary of past due loans:

	June 30, 2021							
	Construction, Land, Development	**1-4 Family Owner Occupied**	**1-4 Family Non-Owner Occupied**	**Multifamily**	**Commercial Owner Occupied**	**Commercial Non-Owner Occupied**	**Consumer and Installment**	**Total**
30-59 days, accruing	$ —	$ 535,696	$ —	$ —	$ —	$ —	$ —	$ 535,696
60-89 days, accruing	—	—	—	—	—	—	—	—
90 days & over or nonaccrual	—	587,476	—	—	182,532	—	23,133	793,141
Total	$ —	$ 1,123,172	$ —	$ —	$ 182,532	$ —	$ 23,133	$ 1,328,837

	June 30, 2020							
	Construction, Land, Development	1-4 Family Owner Occupied	1-4 Family Non-Owner Occupied	Multifamily	Commercial Owner Occupied	Commercial Non-Owner Occupied	Consumer and Installment	Total
30-59 days, accruing	$ 69,174	$ 1,274,585	$ —	$ —	$ —	$ —	$ 63,765	$ 1,407,524
60-89 days, accruing	—	114,338	—	—	—	—	—	114,338
90 days & over or nonaccrual	—	965,734	57,574	—	189,249	—	128,617	1,341,174
Total	$ 69,174	$ 2,354,657	$ 57,574	$ —	$ 189,249	$ —	$ 192,382	$ 2,863,036

As of June 30, 2021 and 2020 there were no loans 90 days or over that were not on nonaccrual.

Certain directors and executive officers of the Company, and their related interests, had loans outstanding in the aggregate amounts of $1,063,485 and $1,080,531 at June 30, 2021 and 2020, respectively. During the year ended June 30, 2021, one new loan was made totaling $384,000, one loan was paid off totaling $357,261 and repayments totaled $43,784. During the year ended June 30, 2020, one new loan was made totaling $90,400 and repayments totaled $49,768. Except for loans with a discounted interest rate made to executive officers pursuant to a program that is available to all Company employees and that complies with applicable banking regulations, these loans were made on substantially the same terms, including collateral, as those prevailing at the same time for comparable transactions with unrelated persons and did not involve more than normal risks of collectability or present other unfavorable features.

TDRs involve the granting of some concession to a distressed borrower resulting in a loan modification such as; payment schedule changes, interest rate reductions, or principal charge-offs. There were two new TDRs during the year ending June 30, 2021, totaling $105,000 and one new TDR during the year ending June 30, 2020, totaling $195,924. There were no TDRs that defaulted during the period that were modified within the previous year as of June 30, 2021. One TDR was transferred out of TDR status during the year ended June 30, 2021. There were two TDRs as of June 30, 2021 and one TDR as of June 30, 2020. As discussed within Note 1, under Section 4013 of the CARES Act, a financial institution can suspend the requirements under U.S. GAAP for loan modifications related to COVID-19 that would otherwise be categorized as a TDR and suspend any determination of a loan modified as a result of COVID-19 as being a TDR, including the requirement to determine impairment for accounting purposes. Management has evaluated the loan and determined that based on the liquidation value of the collateral, no specific reserve is necessary.

Loans that have previously been restructured in a troubled debt restructuring and are no longer impaired based on the terms specified in their restructuring agreement and are now at a rate equal to or greater than a rate the Bank is willing to accept for a loan with comparable risk are transferred out of TDR status. One loan was transferred out of TDR status during the year ended June 30, 2021.

The following is a summary of TDRs as of June 30, 2021:

	Construction, Land, Development	1-4 Family Owner Occupied	1-4 Family Non-Owner Occupied	Multifamily	Commercial Owner Occupied	Commercial Non-Owner Occupied	Consumer & Installment	Total
Accruing								
Beginning balance June 30, 2020	$ —	$ 195,924	$ —	$ —	$ —	$ —	$ —	$ 195,924
Transfer to other loan category	—	—	—	—	—	—	—	—
Principal payments	—	(4,868)	—	—	—	—	—	(4,868)
Charge-offs	—	—	—	—	—	—	—	—
Sales	—	—	—	—	—	—	—	—
New restructureds	—	104,375	—	—	—	—	—	104,375
Transfers out of TDR status	—	(191,294)	—	—	—		—	(191,294)
Transfers to foreclosed properties	—	—	—	—	—	—	—	—
Transfers to nonaccrual	—	—	—	—	—	—	—	—
Transfers out of nonaccrual	—	—	—	—	—	—	—	—
Ending balance	$ —	$ 104,137	$ —	$ —	$ —	$ —	$ —	$ 104,137
Nonaccrual								
Beginning balance	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Principal payments	—	—	—	—	—	—	—	—
Charge-offs	—	—	—	—	—	—	—	—
Sales	—	—	—	—	—	—	—	—
Transfers to foreclosed properties	—	—	—	—	—	—	—	—
Transfers from accrual	—	—	—	—	—	—	—	—
Transfers to accrual	—	—	—	—	—	—	—	—
Ending balance	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Totals								
Beginning balance	$ —	$ 195,924	$ —	$ —	$ —	$ —	$ —	$ 195,924
Transfer to other loan category	—	—	—	—	—	—	—	—
Principal payments	—	(4,868)	—	—	—	—	—	(4,868)
Charge-offs	—	—	—	—	—	—	—	—
Sales	—	—	—	—	—	—	—	—
New restructureds	—	104,375	—	—	—	—	—	104,375
Transfers out of TDR status	—	(191,294)	—	—	—		—	(191,294)
Transfers to foreclosed properties	—	—	—	—	—	—	—	—
Transfers to nonaccrual	—	—	—	—	—	—	—	—
Transfers from accrual	—	—	—	—	—	—	—	—
Transfers out of nonaccrual	—	—	—	—	—	—	—	—
Ending balance	$ —	$ 104,137	$ —	$ —	$ —	$ —	$ —	$ 104,137

NOTE 7 – Allowance for Loan Losses

The allowance for loan losses reflected in the accompanying consolidated financial statements represents the allowance available to absorb probable and inherent loan losses in the loan portfolio. An analysis of changes in the allowance is presented in the following tables:

	June 30, 2021								
	Construction, Land, Development	**1-4 Family Owner Occupied**	**1-4 Family Non-Owner Occupied**	**Multifamily**	**Commercial Owner Occupied**	**Commercial Non-Owner Occupied**	**Consumer**	**Unallocated**	**Total**
Allowance									
Balance at 6/30/20	$ 13,795	$ 356,434	$ 77,220	$ 286,665	$ 95,711	$ 312,670	$ 97,312	$ 113,620	$ 1,353,427
Charge-offs	—	(61,491)	—	—	—	—	(29,994)	—	(91,485)
Recoveries	—	—	—	—	—	—	547	—	547
Provision	(2,732)	31,465	38,425	172,717	4,140	(82,211)	(1,342)	(10,462)	150,000
Balance at 6/30/21	$ 11,063	$ 326,408	$ 115,645	$ 459,382	$ 99,851	$ 230,459	$ 66,523	$ 103,158	$ 1,412,489
Allowance									
Ending balance individually evaluated for impairment	$ —	$ —	$ —	$ —	$ 65,626	$ —	$ 23,133	$ —	$ 88,759
Ending balance collectively evaluated for impairment	11,063	326,408	115,645	459,382	34,225	230,459	43,390	103,158	1,323,730
Ending balance	$ 11,063	$ 326,408	$ 115,645	$ 459,382	$ 99,851	$ 230,459	$ 66,523	$ 103,158	$ 1,412,489
Loans									
Ending balance individually evaluated for impairment	$ —	$ 587,476	$ —	$ —	$ 182,532	$ —	$ 23,133	$ —	$ 793,141
Ending balance collectively evaluated for impairment	2,458,461	71,424,094	22,368,557	91,876,323	6,222,694	14,182,106	7,507,064	—	216,039,299
Total loans	$ 2,458,461	$ 72,011,570	$ 22,368,557	$ 91,876,323	$ 6,405,226	$ 14,182,106	$ 7,530,197	$ —	$ 216,832,440
Less allowance	$ 11,063	$ 326,408	$ 115,645	$ 459,382	$ 99,851	$ 230,459	$ 66,523	$ 103,158	$ 1,412,489
Total loans, net	$ 2,447,398	$ 71,685,162	$ 22,252,912	$ 91,416,941	$ 6,305,375	$ 13,951,647	$ 7,463,674	$ (103,158)	$ 215,419,951

	June 30, 2020								
	Construction, Land, Development	**1-4 Family Owner Occupied**	**1-4 Family Non-Owner Occupied**	**Multifamily**	**Commercial Owner-Occupied**	**Commercial Non-Owner Occupied**	**Consumer**	**Not Specifically Allocated**	**Total**
Allowance									
Balance at 6/30/19	$ 4,319	$ 67,593	$ 26,630	$ 109,870	$ 61,193	$ 738,366	$ 70,058	$ 215,936	$ 1,293,965
Charge-offs	—	(57,572)	—	—	—	—	(45,157)	—	(102,729)
Recoveries	—	5,155	—	—	—	—	22,036	—	27,191
Provision	9,476	341,258	50,590	176,795	34,518	(425,696)	50,375	(102,316)	135,000
Balance at 6/30/20	$ 13,795	$ 356,434	$ 77,220	$ 286,665	$ 95,711	$ 312,670	$ 97,312	$ 113,620	$ 1,353,427
Allowance									
Ending balance individually evaluated for impairment	$ —	$ 64,780	$ —	$ —	$ 79,351	$ —	$ 61,792	$ —	$ 205,923
Ending balance collectively evaluated for impairment	13,795	291,654	77,220	286,665	16,360	312,670	35,520	113,620	1,147,504
Ending balance	$ 13,795	$ 356,434	$ 77,220	$ 286,665	$ 95,711	$ 312,670	$ 97,312	$ 113,620	$ 1,353,427
Loans									
Ending balance individually evaluated for impairment	$ —	$ 965,734	$ 57,574	$ —	$ 189,249	$ —	$ 128,617	$ —	$ 1,341,174
Ending balance collectively evaluated for impairment	4,598,382	99,540,577	21,156,106	76,444,156	6,543,934	20,237,534	8,792,042	—	237,312,731
Total loans	$ 4,598,382	$ 100,506,311	$ 21,213,680	$ 76,444,156	$ 6,733,183	$ 20,237,534	$ 8,920,659	$ —	$ 238,653,905
Less allowance	$ 13,795	$ 356,434	$ 77,220	$ 286,665	$ 95,711	$ 312,670	$ 97,312	$ 113,620	$ 1,353,427
Total loans, net	$ 4,584,587	$ 100,149,877	$ 21,136,460	$ 76,157,491	$ 6,637,472	$ 19,924,864	$ 8,823,347	$ (113,620)	$ 237,300,478

NOTE 8 – Loan Servicing

The unpaid principal balance of loans serviced for others, which is not included in the consolidated financial statements, was $12,471,488 and $2,696,078 at June 30, 2021 and 2020, respectively. The Company maintained no custodial balances at June 30, 2021 and June 30, 2020 in connection with the foregoing loan servicing.

NOTE 9 – Other Real Estate Owned, Net

Other real estate owned properties are summarized as follows:

	June 30, 2021	June 30, 2020
Beginning balance	$ 2,288,255	$ 4,080,401
Charge offs	(152,765)	(989,205)
Capital expenditures	—	36,852
Transfer from loans	31,619	200,856
Sale proceeds	(2,032,585)	(1,158,306)
Net gain on sale of other real estate owned	33,066	117,657
Other real estate owned, net	$ 167,590	$ 2,288,255

There was no recorded investment in 1-4 family owner occupied properties that were in process of foreclosure at June 30, 2021, compared to $190,695 at June 30, 2020. At June 30, 2021, no residential real estate property collateralizing 1-4 family owner occupied properties were included in other real estate owned. At June 30, 2020, legal title for all residential real estate property collateralizing 1-4 family owner occupied properties held in other real estate owned had been transferred to the Company.

NOTE 10 – Premises and Equipment, net

Premises and equipment are stated at cost less accumulated depreciation are summarized as follows:

	June 30, 2021	June 30, 2020
Land	$ 2,319,381	$ 2,319,381
Office buildings and improvements	10,798,643	10,573,741
Leasehold improvements	470,951	470,952
Furniture and fixtures	6,528,150	6,351,443
	20,117,125	19,715,517
Less: Accumulated depreciation	(12,204,632)	(11,755,476)
Premises and equipment, net	$ 7,912,493	$ 7,960,041

Depreciation expense amounted to $554,500 and $552,952 for the year ended June 30, 2021 and 2020, respectively.

NOTE 11 – Accrued Interest Receivable and Other Assets

A summary of accrued interest receivable and other assets is as follows:

	June 30, 2021	June 30, 2020
Accrued interest receivable	$ 790,884	$ 933,729
Prepaid expenses and other assets	940,350	839,757
Totals	$ 1,731,234	$ 1,773,486

NOTE 12 – Deposits

The aggregate amount of certificates of deposit, each with a minimum denomination of $250,000, was approximately $6,985,816 at June 30, 2021 and $9,377,750 at June 30, 2020.

At June 30, 2021, the scheduled maturities of certificates of deposit are as follows:

2022	$ 32,110,014
2023	7,601,999
2024	32,838,512
2025	101,576
2026	57,629
Thereafter	28,655
	$ 72,738,385

The aggregate amount of overdrafts reclassified into loans was $20,725 at June 30, 2021 and $58,121 at June 30, 2020.

Deposits from directors and executive officers of the Company, and their related interests, totaled $825,785 and $914,214 at June 30, 2021 and June 30, 2020, respectively.

NOTE 13– Borrowings

Borrowings consist of the following:

	June 30, 2021	June 30, 2020
FHLB fixed rate advance (0.61%, matured 9/11/20)	$ —	$ 5,000,000
FHLB fixed rate advance (0.00%, matured 5/3/21)	—	4,000,000
FHLB fixed rate advance (0.00%, matures 5/23/22)	5,000,000	—
	$ 5,000,000	$ 9,000,000

The Bank has a master contract agreement with the FHLB, which provides for borrowing up to the maximum $121,390,788 at June 30, 2021. The FHLB provides both fixed and floating rate advances. Fixed rate advances are priced in reference to market rates of interest at the time of the advance, namely the rates that FHLB pays to borrowers at various maturities. Variable rate advances are adjusted at the end of each business day based on the actual Federal Funds rate earned by the FHLB that day. The Bank has an open line of credit with the FHLB with a variable interest rate. The open line of credit matures daily, automatically renewing. The Bank had $0 outstanding on the open line of credit at June 30, 2021 and 2020. Additionally, the Bank had $5,000,000 and $9,000,000 outstanding in term advances at June 30, 2021 and 2020, respectively. FHLB 30-day advances are pre-payable with a two-day notice by the FHLB. The advances are collateralized by a security agreement pledging a portion of the Bank’s 1-4 family and multifamily real estate mortgages with a carrying value of $158,804,624 and $170,769,631 at June 30, 2021 and 2020, respectively.

The Bank has an agreement with U.S. Bank, which provides for borrowing up to the maximum of $5,000,000 at a rate of 0.75%, at June 30, 2021 and June 30, 2020. There were no amounts outstanding as of June 30, 2021 and June 30, 2020. U.S. Bank provides overnight fixed rate advances which are not collateralized as of June 30, 2021 and 2020.

NOTE 14 – Income Taxes

The provision for income taxes included in the accompanying consolidated financial statements consists of the following components:

	June 30, 2021	June 30, 2020
Current tax expense (benefit):		
Federal	$ —	$ (30,589)
State	—	—
	—	(30,589)
Deferred tax expense (benefit):		
Federal	—	30,589
State	—	—
	—	30,589
Total income tax expense (benefit)	$ —	$ —

	June 30, 2021	June 30, 2020
Deferred tax assets		
Loss carryforwards	$ 5,539,951	$ 6,619,829
Other real estate owned	48,432	683,379
State loss and contribution	2,615,504	2,963,488
Bad debt reserve	384,776	368,687
Pension	—	719,294
Other assets	117,274	67,370
Total deferred tax assets	8,705,937	11,422,047
Deferred tax liabilities		
Pension	(33,429)	—
Deferred loan fees	(58,007)	(91,078)
Depreciation	(174,760)	(212,240)
Unrealized gain on available for sale securities	(132,571)	(153,067)
Other liabilities	(64,648)	(66,045)
Total deferred tax liabilities	(463,415)	(522,430)
Valuation allowance	(8,242,522)	(10,899,617)
Net deferred tax asset	$ —	$ —

	June 30, 2021		June 30, 2020	
	Amount	Percent of Pretax Income	Amount	Percent of Pretax Income
Reconciliation of statutory to effective rates				
Federal income taxes at statutory rate	$ 1,341,057	21.00 %	$ 229,340	21.00 %
Adjustments for				
True up of deferreds	101,940	1.60 %	47,207	4.32 %
Federal valuation allowance	(1,449,702)	(22.70)%	(281,400)	(25.77)%
Other - Net	6,705	0.10 %	4,853	0.45 %
Effective income taxes - operations	$ —	0.00 %	$ —	0.00 %

Deferred tax assets primarily relate to the difference in the allowance for loan losses (and other real estate owned) for book and tax purposes and net operating losses. The Company has loss carryforwards of approximately $26.4 million and $31.5 million as of June 30, 2021 and 2020, respectively. The Company has state loss carryforwards of approximately $41.9 million and $46.9 million as of June 30, 2021 and 2020, respectively. The federal losses begin to expire as of September 30, 2029 and the state losses begin to expire as of September 30, 2025. Deferred tax liabilities primarily relate to the difference in loan fees, depreciation on premises and equipment, FHLB stock basis, and prepaid pension costs.

Under U.S. GAAP, a valuation allowance is required to be recognized if it is “more likely than not” that a deferred tax asset will not be realized. The determination of the realizability of the deferred tax assets is highly subjective and dependent on judgment concerning management’s evaluation of both positive and negative evidence, the forecasts of future income, applicable tax planning strategies, and assessments of the current and future economic and business conditions. Management considered both positive and negative evidence regarding the ultimate realizability of the Company’s deferred tax assets. Positive evidence includes the existence of taxes paid in available carryback years as well as the probability that taxable income will be generated in future periods while negative evidence includes losses in the prior years as well as general business and economic trends. At June 30, 2021 and June 30, 2020, management determined that a valuation allowance relating to the Company’s deferred tax asset was necessary. This determination was based largely on the negative evidence represented by cumulative losses in prior years caused by the significant loan loss provisions recorded during recent years associated with our loan portfolio. In addition, general uncertainty surrounding future economic and business conditions have increased the potential volatility and uncertainty of our projected earnings. Therefore, a valuation allowance of $8.2 million and $10.9 million was recorded as of June 30, 2021 and 2020, respectively.

The Company’s policy is to recognize interest and penalties related to uncertain tax positions as components of interest expense and miscellaneous expense, respectively. The Company recognized no interest and penalties related to uncertain tax positions in its Consolidated Statement of Operations during the year ended June 30, 2021 and 2020. The Company had no accrual for the payment of interest and penalties related to income tax issues as of June 30, 2021 and 2020.

The Company is no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for years before September 30, 2018. The Company is no longer subject to Wisconsin income tax examinations by the Wisconsin Department of Revenue for the years before September 30, 2017. The Bank is not currently under examination by any taxing jurisdiction.

Under the Internal Revenue Code and Wisconsin Statutes, the Company is permitted to deduct, for tax years beginning before 1996, an annual addition to a reserve for bad debts. This amount differs from the provision for loan losses recorded for financial accounting purposes. Under prior law, bad debt deductions for income tax purposes were included in taxable income of later years only if the bad debt reserves were used for purposes other than to absorb bad debt losses. Because the Bank did not intend to use the reserve for purposes other than to absorb losses, no deferred income taxes were provided. Retained earnings at June 30, 2021 and 2020, respectively, includes approximately $7.8 million for which no deferred Federal or state income taxes were provided.

NOTE 15 – Defined Benefit Pension Plan

The following table sets forth the Plan's funded status and amounts recognized in the Company's consolidated balance sheets:

	June 30, 2021	June 30, 2020
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$ 12,363,236	$ 10,601,032
Interest cost	335,720	371,932
Benefits paid	(418,160)	(297,103)
Actuarial (gain) loss	(269,252)	1,687,375
Settlement	—	—
Projected benefit obligation at end of year	12,011,544	12,363,236
Change in plan assets		
Fair value of plan assets at beginning of year	9,268,753	9,770,170
Actual return on assets	3,257,972	(204,314)
Employer contributions	—	—
Expenses paid from trust	—	—
Benefits paid	(418,160)	(297,103)
Fair value of plan assets at end of year	12,108,565	9,268,753
Funded status at end of year	$ 97,021	$ (3,094,483)

Amounts recognized in the consolidated balance sheets in accrued interest payable and other liabilities consist of:

	June 30, 2021	June 30, 2020
Pension asset (liability)	$ 97,021	$ (3,094,483)

Amounts recognized in accumulated other comprehensive loss consist of:

	June 30, 2021	June 30, 2020
Accumulated pension actuarial loss, net of income tax benefit of $1,522,485 and $1,522,485, respectively	$ 1,552,435	$ 4,853,355

The accumulated benefit obligation for the Plan was $12,011,544 and $12,363,236 at June 30, 2021 and 2020, respectively.

The components of net periodic pension cost (income) included in compensation and benefits on the statements of operations are as follows:

	June 30, 2021	June 30, 2020
Interest cost	$ 335,720	$ 371,932
Expected return on plan assets	(634,851)	(671,118)
Amortization of net actuarial loss	408,547	215,747
Net periodic pension (income) loss	$ 109,416	$ (83,439)

For the years ended June 30, 2021 and 2020, actuarial assumptions include an assumed discount rate on benefit obligations of 2.82% and 2.76% respectively, and an expected long-term rate of return of 7.0% for June 30, 2021 and 2020. The expected long-term rate of return for the Plan's total assets is based on the expected returns of each of the below asset categories, weighted based on the current target allocation for each class. The trustees evaluate whether adjustments are needed based on historical returns to more accurately reflect expectations of future returns. An annual salary increase of 0% was utilized for the year ended June 30, 2021 and 2020.

There were no contributions paid to the Plan during the years ended June 30, 2021 and 2020.

At June 30, 2021, the projected benefit payments for future fiscal years were estimated as follows:

2022	$ 1,180,800
2023	703,700
2024	696,200
2025	1,582,100
2026	969,000
2025-2029	4,089,600
	$ 9,221,400

At June 30, 2021 and 2020, all Plan assets supporting the Bank's defined benefit plan are held at fair value and represent Level 1 classified investments.

The percentage of the fair value of total Plan assets for each major category is as follows:

	June 30, 2021	June 30, 2020
Cash Equivalents	15.5 %	0.9 %
Equities		
Large Cap	29.2 %	48.6 %
Mid Cap	8.4 %	4.3 %
Small Cap	4.5 %	25.3 %
International	6.3 %	4.0 %
Other	16.0 %	8.3 %
Alternatives/Multi-Asset	0.9 %	8.6 %
Fixed Income		
Government Securities	4.0 %	— %
Corporate Bonds	2.4 %	
Mutual Funds	12.8 %	— %
Total	100.0 %	100.0 %

The Bank's investment policies and strategies for the Plan use target allocations for the individual asset categories. Current allocations are all within policy guidelines. The Bank's investment goals are to maximize returns subject to specific risk management policies.

The Bank anticipates making at least the minimum required contribution in fiscal year 2022.

NOTE 16 – Accumulated Other Comprehensive Loss

The following table sets forth the ending balance in accumulated other comprehensive loss as recorded on the accompanying consolidated balance sheets for each component as of:

	June 30, 2021	June 30, 2020
Accumulated pension actuarial loss	$ (3,074,920)	$ (6,375,840)
Deferred taxes related to accumulated pension actuarial loss	1,522,485	1,522,485
Unrealized net gain on securities available for sale	486,902	562,144
Deferred taxes related to unrealized net gain on securities available for sale	(544,626)	(544,625)
Total accumulated other comprehensive loss	$ (1,610,159)	$ (4,835,836)

The following table sets forth changes in accumulated other comprehensive loss:

	Available for Sale Securities	Defined Benefit Pension Plan	Total
Balance, June 30, 2019	$ (1,010,616)	(1,837,749)	$ (2,848,365)
Other comprehensive (loss) income before reclassifications, net of tax	359,589	(2,562,807)	(2,203,218)
Amounts reclassified from other comprehensive loss, net of tax	—	215,747	215,747 *
Net current period other comprehensive (loss) income	359,589	(2,347,060)	(1,987,471)
Balance, June 30, 2020	(651,027)	(4,184,809)	(4,835,836)
Other comprehensive (loss) income before reclassifications, net of tax	(75,243)	2,892,373	2,817,130
Amounts reclassified from other comprehensive loss, net of tax	—	408,547	408,547 *
Net current period other comprehensive (loss) income	(75,243)	3,300,920	3,225,677
Balance, June 30, 2021	$ (726,270)	$ (883,889)	$ (1,610,159)

* - These amounts are included in the computation of net periodic pension income.
See Note 15, Defined Benefit Pension Plan, for additional details.

NOTE 17 – Commitments and Contingencies

In the normal course of business, the Company is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the consolidated financial statements.

The Company is party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, financial guarantees and standby letters of credit. They involve, to varying degrees, elements of credit risk in excess of amounts recognized on the consolidated balance sheets.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual notional amount of those instruments. The Company uses the same credit policies in making commitments and issuing letters of credit as they do for on-balance-sheet instruments.

A summary of the contract or notional amount of the Company's exposure to off-balance-sheet risk is as follows:

	June 30, 2021	June 30, 2020
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit to borrowers	$ 20,938,071	$ 15,853,034
Sold loan commitments	$ 41,039,038	$ 105,961,238
Credit card commitments	$ 500,204	$ 567,763

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income-producing commercial properties. Credit card commitments are unsecured.

As of June 30, 2021 and June 30, 2020, the Company does not engage in the use of interest rate swaps, futures or option contracts.

NOTE 18 – Concentration of Credit Risk

Practically all of the Company's loans and commitments have been granted to customers in the Company's market area, generally Southeastern Wisconsin. Although the Company has a diversified loan portfolio, the ability of its debtors to honor their contracts is dependent on the economic conditions of the counties surrounding the Company. The concentration of credit by type of loan is set forth in Note 6.

NOTE 19 – Regulatory Capital Requirements

The Bank is subject to various regulatory capital requirements administered by the federal and state 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 Bank'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 its assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings, and other factors.

On November 13, 2019, the federal regulators finalized and adopted a regulatory capital rule establishing a new community bank leverage ratio ("CBLR"), which became effective on January 1, 2020. The intent of the CBLR is to provide a simple alternative measure of capital adequacy for electing qualifying depository institutions as directed under the Economic Growth, Regulatory Relief, and Consumer Protection Act. Under the CBLR, if a qualifying depository institution elects to use such measure, such institutions will be considered well capitalized if its ratio of Tier 1 capital to average total consolidated assets (i.e. leverage ratio) exceeds a 9% threshold, subject to a limited two quarter grace period, during which the leverage ratio cannot go 100 basis points below the then applicable threshold, and will not be required to calculate and report risk-based capital ratios.

In April 2020, under the CARES Act, the 9% leverage ratio threshold was temporarily reduced to 8% in response to the COVID-19 pandemic. The threshold increased to 8.5% in 2021 and will return to 9% in 2022. The Bank elected to begin using the CBLR for the quarter ended March 31, 2020 and intends to utilize this measure for the foreseeable future. Eligibility criteria to utilize the CBLR includes the following:

- Total assets of less than $10 billion,
- Total trading assets plus liabilities of 5% or less of consolidated assets,
- Total off-balance sheet exposures of 25% or less of consolidated assets,
- Cannot be an advanced approaches banking organization, and
- Leverage ratio greater than 9%, or temporarily prescribed threshold established in response to COVID-19.

As of June 30, 2021 and 2020, the Bank was categorized as well capitalized. Listed in the table below is a comparison of the Bank's actual capital amounts with the minimum requirements for well capitalized banks, as defined above.

	June 30, 2021			
	Actual		To be Considered Well Capitalized	
	Amount	Ratio	Amount	Ratio
As of June 30, 2021				
CBLR Framework				
Tier 1 capital (to average assets) (i.e., leverage ratio)	$ 34,108,270	11.26 %	25,744,847	8.50 %

	June 30, 2020			
	Actual		To be Considered Well Capitalized	
	Amount	Ratio	Amount	Ratio
As of June 30, 2020				
CBLR Framework				
Tier 1 capital (to average assets) (i.e., leverage ratio)	27,574,753	9.30 %	23,715,029	8.00 %

A Wisconsin state-chartered savings bank is required by state law to maintain minimum net worth in an amount equal to at least 6.0% of its total assets. At June 30, 2020, the Bank's net worth was $22,472,487 and general loan loss reserve was $1,147,504, totaling 7.7% of total assets, which meets the state of Wisconsin's minimum net worth requirements. At June 30, 2021, the Bank's net worth was $32,504,792 and general loan loss reserve was $1,323,730, totaling 10.7% of total assets, which meets the state of Wisconsin's minimum net worth requirements.

Exhibit 4.2

Description of Registrant's Securities

Unless otherwise indicated or the context otherwise requires, references in this Exhibit 4.2 to "we, "us" and "our" refer collectively to TEB MHC, TEB Bancorp, Inc. and The Equitable Bank, S.S.B. or to any of those entities, depending on the context. In addition, we may refer to The Equitable Bank, S.S.B. as "The Equitable Bank."

General

TEB Bancorp, Inc. is authorized to issue 20,000,000 shares of common stock having a par value of $0.01 per share and 5,000,000 shares of serial preferred stock, par value of $0.01 per share. Each share of TEB Bancorp, Inc.'s common stock will have the same relative rights as, and will be identical in all respects with, each other share of common stock. All outstanding shares of our common stock are duly authorized, fully paid and nonassessable.

Our board of directors can, without stockholder approval, issue additional shares of common stock, although TEB MHC, so long as it is in existence, must own a majority of TEB Bancorp, Inc.'s outstanding shares of common stock. TEB Bancorp, Inc.'s issuance of additional shares of common stock could dilute the voting strength of the holders of the common stock and may assist management in impeding an unfriendly takeover or attempted change in control. TEB Bancorp, Inc. has no present plans to issue additional shares of common stock.

Common Stock

Distributions**.** TEB Bancorp, Inc. may pay dividends on its common stock if, after giving effect to such dividends, it would be able to pay its debts in the usual course of business and its total assets would exceed the sum of its total liabilities plus the amount needed to satisfy the preferential rights upon dissolution of stockholders whose preferential rights on dissolution are superior to those receiving the dividends. However, even if TEB Bancorp, Inc.'s assets are less than the amount necessary to satisfy the requirement set forth above, TEB Bancorp, Inc. may pay dividends from: its net earnings for the fiscal year in which the distribution is made; its net earnings for the preceding fiscal year; or the sum of its net earnings for the preceding eight fiscal quarters. The payment of dividends by TEB Bancorp, Inc. is also subject to limitations that are imposed by applicable regulation. The holders of common stock of TEB Bancorp, Inc. will be entitled to receive and share equally in dividends as may be declared by our board of directors out of funds legally available therefor. If TEB Bancorp, Inc. issues shares of preferred stock, the holders thereof may have a priority over the holders of the common stock with respect to dividends.

If TEB Bancorp, Inc. pays dividends to its stockholders, it would likely pay dividends to TEB MHC, unless TEB MHC is permitted by the Federal Reserve Board to waive the receipt of dividends. The Federal Reserve Board's current policy restricts the ability of mutual holding companies organized as bank holding companies to waive dividends declared by their subsidiaries. Accordingly, because dividends would be required to be paid to TEB MHC along with all other stockholders, the amount of dividends available for all other stockholders would be less than if TEB MHC were permitted to waive the receipt of dividends.

Voting Rights**.** The holders of common stock of TEB Bancorp, Inc. have exclusive voting rights in TEB Bancorp, Inc. They elect TEB Bancorp, Inc.'s board of directors and act on other matters as are required to be presented to them under Maryland law or as are otherwise presented to them by the board of directors. Generally, each holder of common stock is entitled to one vote per share and does not have any right to cumulate votes in the election of directors. Any person who beneficially owns more than 10% of the then-outstanding shares of TEB Bancorp, Inc.'s common stock, however, is not entitled or permitted to vote any shares of common stock held in excess of the 10% limit. If TEB Bancorp, Inc. issues shares of preferred stock, holders of the preferred stock may also possess voting rights. Certain matters require the approval of 80% of our outstanding common stock.

Liquidation**.** In the event of any liquidation, dissolution or winding up of The Equitable Bank, TEB Bancorp, Inc., as the holder of 100% of The Equitable Bank's capital stock, would be entitled to receive all assets of The Equitable Bank available for distribution, after payment or provision for payment of all debts and liabilities of The Equitable Bank, including all deposit accounts and accrued interest thereon. In the event of liquidation, dissolution or winding up of TEB Bancorp, Inc., the holders of its common stock would be entitled to receive, after payment or provision for payment of all its debts and liabilities, all of the assets of TEB Bancorp, Inc. available for distribution. If preferred stock is issued, the holders thereof may have a priority over the holders of the common stock in the event of liquidation or dissolution.

Preemptive Rights. Holders of the common stock of TEB Bancorp, Inc. are not entitled to preemptive rights with respect to any shares that may be issued. The common stock is not subject to redemption.

Preferred Stock

Preferred stock may be issued with such preferences and designations as our board of directors may from time to time determine. Our board of directors can, without stockholder approval, issue preferred stock with voting, dividend, liquidation and conversion rights which could dilute the voting strength of the holders of the common stock and may assist management in impeding an unfriendly takeover or attempted change in control. TEB Bancorp, Inc. has no present plans to issue preferred stock.

Mutual Holding Company Structure

TEB MHC owns a majority of the outstanding common stock of TEB Bancorp, Inc. and, through its board of directors, is able to exercise voting control over virtually all matters put to a vote of stockholders. For example, TEB MHC may exercise its voting control to prevent a sale or merger transaction or to defeat a stockholder nominee for election to the board of directors of TEB Bancorp, Inc. It is not be possible for another entity to acquire TEB Bancorp, Inc. without the consent of TEB MHC. TEB MHC, as long as it remains in the mutual form of organization, will control a majority of the voting stock of TEB Bancorp, Inc.

Federal Law and Regulations

Under the Change in Bank Control Act, no person, or group of persons acting in concert, may acquire control of a bank holding company unless the Federal Reserve Board has been given 60 days' prior written notice and not disapproved the proposed acquisition. The Federal Reserve Board considers several factors in evaluating a notice, including the financial and managerial resources of the acquirer and competitive effects. Control, as defined under the applicable regulations, means the power, directly or indirectly, to direct the management or policies of the company or to vote 25% or more of any class of voting securities of the company. Acquisition of more than 10% of any class of a bank holding company's voting securities constitutes a rebuttable presumption of control under certain circumstances, including where, as is the case with TEB Bancorp, Inc., the issuer has registered securities under Section 12 of the Securities Exchange Act of 1934.

In addition, federal regulations provide that no company may acquire control (as defined in the Bank Holding Company Act) of a bank holding company without the prior approval of the Federal Reserve Board. Any company that acquires such control becomes a "bank holding company" subject to registration, examination and regulation by the Federal Reserve Board.

Federal Reserve Board regulations generally prohibit any person from acquiring or making an offer to acquire beneficial ownership of more than 10% of the stock of TEB Bancorp, Inc. or The Equitable Bank without the Federal Reserve Board's prior approval within a period of three years following TEB Bancorp's completion of its offering.

Maryland Law and Articles of Incorporation and Bylaws of TEB Bancorp, Inc.

Maryland law, as well as TEB Bancorp, Inc.'s articles of incorporation and bylaws, contain a number of provisions relating to corporate governance and rights of stockholders that may discourage future takeover attempts. As a result, stockholders who might desire to participate in such transactions may not have an opportunity to do so. In addition, these provisions will also render the removal of the board of directors or management of TEB Bancorp, Inc. more difficult.

Directors. The board of directors are divided into three classes. The members of each class are elected for a term of three years and only one class of directors will be elected annually. Thus, it would take at least two annual elections to replace a majority of the board of directors. The bylaws establish qualifications for board members, including restrictions on affiliations with competitors of The Equitable Bank and restrictions based upon prior legal or regulatory violations. Further, the bylaws impose notice and information requirements in connection with the nomination by stockholders of candidates for election to the board of directors or the proposal by stockholders of business to be acted upon at an annual meeting of stockholders. Such notice and information requirements are applicable to all stockholder business proposals and nominations, and are in addition to any requirements under the federal securities laws.

Restrictions on Calling Special Meetings. The bylaws provide that special meetings of stockholders can be called by the president, the chief executive officer, the chairman, by a majority of the whole board of directors or upon the written request of stockholders entitled to cast at least a majority of all votes entitled to vote at the meeting. The board of directors has the sole power to fix (i) the record date for determining stockholders entitled to request a special meeting of stockholders and the record date for determining stockholders entitled to notice of and to vote at the special meeting and (ii) the date, time and place of the special meeting and the means of remote communication, if any, by which stockholders and proxy holders may be considered present in person and may vote at the special meeting.

Prohibition of Cumulative Voting. The articles of incorporation prohibit cumulative voting for the election of directors.

Limitation of Voting Rights. The articles of incorporation provide that in no event will any person who beneficially owns more than 10% of the then-outstanding shares of common stock, be entitled or permitted to vote any of the shares of common stock held in excess of the 10% limit. This provision has been included in the articles of incorporation in reliance on Section 2-507(a) of the Maryland General Corporation Law, which entitles stockholders to one vote for each share of stock unless the articles of incorporation provide for a greater or lesser number of votes per share or limit or deny voting rights.

Restrictions on Removing Directors from Office. The articles of incorporation provide that directors may be removed only for cause, and only by the affirmative vote of the holders of at least two-thirds of the voting power of all of TEB Bancorp, Inc.'s then-outstanding common stock entitled to vote (after giving effect to the limitation on voting rights discussed above in "—Limitation of Voting Rights").

Forum Selection for Certain Stockholder Lawsuits. TEB Bancorp, Inc.'s articles of incorporation provide that, unless TEB Bancorp, Inc. consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of TEB Bancorp, Inc., (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of TEB Bancorp, Inc. to TEB Bancorp, Inc. or TEB Bancorp, Inc.'s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Maryland General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Maryland, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

Under the articles of incorporation, any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of TEB Bancorp, Inc. shall be deemed to have notice of and consented to the exclusive forum provisions of the articles of incorporation. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors and officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees.

Because this provision permits claims to be brought in federal courts located in the state of Maryland, this provision would apply to a claim made under the U.S. federal securities laws where there is exclusive federal jurisdiction for such a claim. However, a court may find the choice of forum provision contained in our articles of incorporation to be inapplicable or unenforceable in an action. As a result, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

Authorized but Unissued Shares. After the reorganization, TEB Bancorp, Inc. will have authorized but unissued shares of common and preferred stock. See "Description of Capital Stock of TEB Bancorp, Inc." The articles of incorporation authorize 5,000,000 shares of serial preferred stock. TEB Bancorp, Inc. is authorized to issue preferred stock from time to time in one or more series subject to applicable provisions of law, and the board of directors is authorized to fix the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the shares of each such series. In the event of a proposed merger, tender offer or other attempt to gain control of TEB Bancorp, Inc. that the board of directors does not approve, it may be possible for the board of directors to authorize the issuance of a series of preferred stock with rights and preferences that would impede the completion of the transaction. An effect of the possible issuance of preferred stock therefore may be to deter a future attempt to gain control of TEB Bancorp, Inc. The board of directors has no present plan or understanding to issue any preferred stock.

Amendments to Articles of Incorporation and Bylaws. Amendments to the articles of incorporation must be approved by the board of directors and by the affirmative vote of at least two-thirds of the outstanding shares of common stock, or by the affirmative vote of a majority of the outstanding shares of common stock if at least two-thirds of the members of the whole board of directors approves such amendment; provided, however, that approval by at least 80% of the outstanding voting stock is generally required to amend the following provisions:

(i) the limitation on voting rights of persons who directly or indirectly beneficially own more than 10% of the outstanding shares of common stock;

(ii) the division of the board of directors into three staggered classes;

(iii) the ability of the board of directors to fill vacancies on the board;

(iv) the requirement that directors may only be removed for cause and by the affirmative vote of at least two-thirds of the votes eligible to be cast by stockholders;

(v) the ability of the board of directors to amend and repeal the bylaws;

(vi) the ability of the board of directors to evaluate a variety of factors in evaluating offers to purchase or otherwise acquire TEB Bancorp, Inc.;

(vii) the authority of the board of directors to provide for the issuance of preferred stock;

(viii) the validity and effectiveness of any action lawfully authorized by the affirmative vote of the holders of a majority of the total number of outstanding shares of common stock;

(ix) the number of stockholders constituting a quorum or required for stockholder consent;

(x) the indemnification of current and former directors and officers, as well as employees and other agents, by TEB Bancorp, Inc.;

(xi) the limitation of liability of officers and directors to TEB Bancorp, Inc. for money damages;

(xii) the inability of stockholders to cumulate their votes in the election of directors;

(xiii) the advance notice requirements for stockholder proposals and nominations;

(xiv) The requirement that the forum for certain actions or disputes will be a state or federal court located within the State of Maryland; and

(xv) the provision of the articles of incorporation requiring approval of at least 80% of the outstanding voting stock to amend the provisions of the articles of incorporation provided in (i) through (xiv) of this list.

The articles of incorporation also provide that the bylaws may be amended by the affirmative vote of a majority of TEB Bancorp, Inc.'s directors or by the affirmative vote of at least 80% of the total votes eligible to be cast by stockholders at a duly constituted meeting of stockholders. Any amendment of this super-majority requirement for amendment of the bylaws would also require the approval of 80% of the total votes eligible to be cast.

The provisions requiring the affirmative vote of 80% of the total eligible votes eligible to be cast for certain stockholder actions have been included in the articles of incorporation of TEB Bancorp, Inc. in reliance on Section 2-104(b)(4) of the Maryland General Corporation Law. Section 2-104(b)(4) permits the articles of incorporation to require a greater proportion of votes than the proportion that would otherwise be required for stockholder action under the Maryland General Corporation Law.

Business Combinations with Interested Stockholders. Under Maryland law, “business combinations” between TEB Bancorp, Inc. and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, statutory share exchange or, in circumstances specified in the statute, certain transfers of assets, certain stock issuances and transfers, liquidation plans and reclassifications involving interested stockholders and their affiliates or issuance or reclassification of equity securities. Maryland law defines an interested stockholder as: (i) any person who beneficially owns 10% or more of the voting power of TEB Bancorp, Inc.’s voting stock after the date on which TEB Bancorp, Inc. had 100 or more beneficial owners of its stock; or (ii) an affiliate or associate of TEB Bancorp, Inc. at any time after the date on which TEB Bancorp, Inc. had 100 or more beneficial owners of its stock who, within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding voting stock of TEB Bancorp, Inc. A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between TEB Bancorp, Inc. and an interested stockholder generally must be recommended by the board of directors of TEB Bancorp, Inc. and approved by the affirmative vote of at least: (i) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of TEB Bancorp, Inc., and (ii) two-thirds of the votes entitled to be cast by holders of voting stock of TEB Bancorp, Inc. other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder. These super-majority vote requirements do not apply if TEB Bancorp, Inc.’s common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

Mergers, Consolidations and Sales of Assets. As a result of an election made in TEB Bancorp, Inc.’s articles of incorporation, a merger or consolidation of TEB Bancorp, Inc. requires approval of a majority of all votes entitled to be cast by stockholders. However, no approval by stockholders is required for a merger if:

- the plan of merger does not make an amendment to the articles of incorporation that would be required to be approved by the stockholders;
- each stockholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and rights, immediately after; and
- the number of shares of any class or series of stock outstanding immediately after the effective time of the merger will not increase by more than 20% the total number of voting shares outstanding immediately before the merger.

In addition, under certain circumstances the approval of the stockholders shall not be required to authorize a merger with or into a 90% owned subsidiary of TEB Bancorp, Inc.

Under Maryland law, a sale of all or substantially all of TEB Bancorp, Inc.’s assets other than in the ordinary course of business, or a voluntary dissolution of TEB Bancorp, Inc., requires the approval of its board of directors and the affirmative vote of two-thirds of the votes of stockholders entitled to be cast on the matter.

Evaluation of Offers. The articles of incorporation provide that TEB Bancorp, Inc.’s board of directors, when evaluating a transaction that would or may involve a change in control of TEB Bancorp, Inc. (whether by purchases of its securities, merger, consolidation, share exchange, dissolution, liquidation, sale of all or substantially all of its assets, proxy solicitation or otherwise), may, in connection with the exercise of its business judgment in determining what is in the best interests of TEB Bancorp, Inc. and its stockholders and in making any recommendation to the stockholders, give due consideration to all relevant factors, including, but not limited to:

- the economic effect, both immediate and long-term, upon TEB Bancorp, Inc.'s stockholders, including stockholders, if any, who do not participate in the transaction;

- the social and economic effect on the present and future employees, creditors and customers of, and others dealing with, TEB Bancorp, Inc. and its subsidiaries and on the communities in which TEB Bancorp, Inc. and its subsidiaries operate or are located;

- whether the proposal is acceptable based on the historical, current or projected future operating results or financial condition of TEB Bancorp, Inc.;

- whether a more favorable price could be obtained for TEB Bancorp, Inc.'s stock or other securities in the future;

- the reputation and business practices of the other entity to be involved in the transaction and its management and affiliates as they would affect the employees of TEB Bancorp, Inc. and its subsidiaries;

- the future value of the stock or any other securities of TEB Bancorp, Inc. or the other entity to be involved in the proposed transaction;

- any antitrust or other legal and regulatory issues that are raised by the proposal;

- the business and historical, current or expected future financial condition or operating results of the other entity to be involved in the transaction, including, but not limited to, debt service and other existing financial obligations, financial obligations to be incurred in connection with the proposed transaction, and other likely financial obligations of the other entity to be involved in the proposed transaction; and

- the ability of TEB Bancorp, Inc. to fulfill its objectives as a financial institution holding company and the ability of its subsidiary financial institution(s) to fulfill the objectives of a federally insured financial institution under applicable statutes and regulations.

If the board of directors determines that any proposed transaction should be rejected, it may take any lawful action to defeat such transaction.

Purpose and Anti-Takeover Effects of TEB Bancorp, Inc.'s Articles of Incorporation and Bylaws. Our board of directors believes that the provisions described above are prudent and will reduce our vulnerability to takeover attempts and certain other transactions that have not been negotiated with and approved by our board of directors. These provisions also will assist us in the orderly deployment of the offering proceeds into productive assets during the initial period after the stock offering. We believe these provisions are in the best interests of TEB Bancorp, Inc. and its stockholders. Our board of directors believes that it will be in the best position to determine the true value of TEB Bancorp, Inc. and to negotiate more effectively for what may be in the best interests of all our stockholders. Accordingly, our board of directors believes that it is in the best interests of TEB Bancorp, Inc. and all of our stockholders to encourage potential acquirers to negotiate directly with the board of directors and that these provisions will encourage such negotiations and discourage hostile takeover attempts. It is also the view of our board of directors that these provisions should not discourage persons from proposing a merger or other transaction at a price reflective of the true value of TEB Bancorp, Inc. and that is in the best interests of all our stockholders.

Takeover attempts that have not been negotiated with and approved by our board of directors present the risk of a takeover on terms that may be less favorable than might otherwise be available. A transaction that is negotiated and approved by our board of directors, on the other hand, can be carefully planned and undertaken at an opportune time in order to obtain maximum value for our stockholders, with due consideration given to matters such as the management and business of the acquiring corporation.

Although a tender offer or other takeover attempt may be made at a price substantially above the current market price, such offers are sometimes made for less than all of the outstanding shares of a target company. As a result, stockholders may be presented with the alternative of partially liquidating their investment at a time that may be disadvantageous, or retaining their investment in an enterprise that is under different management and whose objectives may not be similar to those of the remaining stockholders.

Despite our belief as to the benefits to stockholders of these provisions of TEB Bancorp, Inc.'s articles of incorporation and bylaws, these provisions also may have the effect of discouraging a future takeover attempt that would not be approved by our board of directors, but pursuant to which stockholders may receive a substantial premium for their shares over then current market prices. As a result, stockholders who might desire to participate in such a transaction may not have any opportunity to do so. Such provisions will also make it more difficult to remove our board of directors and management. We believe, however, that the potential benefits outweigh the possible disadvantages.

Benefit Plans

In addition to the provisions of TEB Bancorp, Inc.'s articles of incorporation and bylaws described above, benefit plans of TEB Bancorp, Inc. and The Equitable Bank that may authorize the issuance of equity to its board of directors, officers and employees adopted in connection with or following the offering contain or may contain provisions which also may discourage hostile takeover attempts which the board of directors of The Equitable Bank might conclude are not in the best interests of TEB Bancorp, Inc. and The Equitable Bank or TEB Bancorp, Inc.'s stockholders.

Exhibit 21

Significant Subsidiaries of the Registrant

Name	Percent Ownership	State of Incorporation
The Equitable Bank, S.S.B.	100 %	Wisconsin
Equitable Investment Corp.*	100 %	Nevada
Equity Credit Corp.*	100 %	Wisconsin

*Subsidiary of The Equitable Bank, S.S.B.

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jennifer L. Provancher, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of TEB Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2022

/s/ Jennifer L. Provancher
Jennifer L. Provancher
President and Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John Udvare, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of TEB Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2022

/s/ John Udvare
John Udvare
Chief Financial Officer

Exhibit 32

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Jennifer L. Provancher, President and Chief Executive Officer, of TEB Bancorp, Inc. (the “Company”) and John Udvare, Chief Financial Officer of the Company, each certify in her or his capacity as an officer of the Company that they have reviewed Amendment No. 1 to the annual report on Form 10-K/A for the year ended June 30, 2021 (the “Report”) and that to the best of their knowledge:

1. the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2022

/s/ Jennifer L. Provancher
Jennifer L. Provancher
President and Chief Executive Officer

Date: February 22, 2022

/s/ John Udvare
John Udvare
Chief Financial Officer

The purpose of this statement is solely to comply with Title 18, Chapter 63, Section 1350 of the United States Code, as amended by Section 906 of the Sarbanes-Oxley Act of 2002.

A signed original of this written statement required by Section 906 has been provided to TEB Bancorp, Inc. and will be retained by TEB Bancorp, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.