



COMMUNITY REINVESTMENT ACT

PUBLIC FILE



WRITTEN COMMENTS

No written comments have been received from the public for the current year or two calendar years prior.

PUBLIC DISCLOSURE

July 11, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Gerber State Bank
Certificate Number: 899

110 East Elm Street
Argenta, Illinois 62501

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	3
SCOPE OF EVALUATION	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	10
APPENDICES	11
SMALL BANK PERFORMANCE CRITERIA.....	11
GLOSSARY	12

INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Gerber State Bank's (GSB) satisfactory Community Reinvestment Act (CRA) performance is supported by the following factors. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm loans in the assessment area, but a majority of small business and home mortgage loans were made outside the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among farms and businesses of different revenues sizes and borrowers of different income levels.
- The bank's assessment area does not contain any low- or moderate-income census tracts; therefore, examiners did not evaluate the geographic distribution of lending, as it would provide no meaningful conclusions.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Background

GSB is a \$93.4 million bank, and a wholly owned subsidiary of Gerber Bancshares, Inc., a one-bank holding company. Both the bank and holding company are headquartered in Argenta, IL. The institution received a “Satisfactory” rating at its previous FDIC Performance Evaluation, dated July 10, 2017, based on Interagency Small Bank Examination Procedures.

Operations

The bank operates two offices, which are both in Macon County, Illinois. The main office is located in Argenta (population 913), which is approximately 12 miles northeast of Decatur. A branch office is located in Oreana (population 891), which is approximately four miles southwest of the main office. There were no offices opened or closed and no merger activity since the previous CRA evaluation.

GSB’s primary business focus is agricultural and commercial lending with residential real estate lending as a secondary focus. Agricultural loan offerings include operating lines of credit, equipment loans, and farm real estate loans. Commercial loan offerings are similar and include real estate loans, as well as term loans and lines of credit to support operations. Home mortgage loan offerings are available directly through the bank and through a referral relationship that is in place for long-term fixed rate loans sold on the secondary market. Traditional consumer purpose loans are also offered, but are not a primary product line.

GSB bank offers a range of deposit products and services for both commercial and retail customers. Retail deposit products include checking, savings, and money market accounts, as well as certificates of deposit. Alternative banking services include online banking and bill pay, mobile banking, and access to automated teller machines. Both offices have similar lobby hours and offer drive-up banking services.

Ability and Capacity

The institution’s assets totaled \$93.4 million as of March 31, 2023, and included total loans of \$35.8 million and total deposits of \$86.9 million. These figures represent growth in both assets and loans since the previous CRA evaluation. The composition of the loan portfolio reflects an increase in commercial lending and a decrease in residential real estate lending. As of the same timeframe, agricultural lending represented 40.4 percent of the institution’s loan portfolio, commercial lending comprises 29.4 percent, and 1-4 family and multi-family residential lending represents 20.4 percent. Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs. Additional details regarding the loan portfolio are included in the following table.

Loan Portfolio Distribution as of 03/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	2,157	6.0
Secured by Farmland	5,763	16.1
Secured by 1-4 Family Residential Properties	7,087	19.8
Secured by Multifamily (5 or more) Residential Properties	183	0.6
Secured by Non-farm Non-Residential Properties	1,329	3.7
Total Real Estate Loans	16,519	46.2
Agricultural	8,704	24.3
Commercial and Industrial Loans	9,191	25.7
Consumer	754	2.1
Other Loans	601	1.7
Total Loans	35,769	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. GSB has designated three adjoining census tracts in two contiguous counties as its assessment area. The area consists of census tracts 22 and 30 in northeastern Macon County and tract 9548 in western Piatt County. The Macon County tracts are part of the Decatur, IL Metropolitan Statistical Area (MSA), and the Piatt County tract is part of the Champaign/Urbana, IL MSA. Both offices are located in the Decatur, IL MSA. There are no offices in Piatt County, but the area is very similar in nature to the adjoining tracts in Macon County. As a result, CRA performance in this area is evaluated with the adjoining Decatur, IL MSA areas. The assessment area does not arbitrarily exclude any low- or moderate -income census tracts, does not reflect illegal discrimination, and otherwise meets the requirements of the regulation.

Economic and Demographic Data

The population in the assessment area is 11,286 based on the 2020 US Census. Macon County tract 30 and Piatt Country tract 9548 are classified as middle-income and Macon County tract 22 is classified as upper-income, which reflects a changes from the previous evaluation when all three tracts were classified as middle-income. Both of GSB's locations are in Macon County. The main office is located in a middle-income tract and the Oreana office is in an upper-income tract. Select demographics of the assessment area are included in the following table.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	0.0	66.7	33.3	0.0
Population by Geography	11,286	0.0	0.0	53.1	46.9	0.0
Housing Units by Geography	4,943	0.0	0.0	54.7	45.3	0.0
Owner-Occupied Units by Geography	3,790	0.0	0.0	51.7	48.3	0.0
Occupied Rental Units by Geography	674	0.0	0.0	67.7	32.3	0.0
Vacant Units by Geography	479	0.0	0.0	59.9	40.1	0.0
Businesses by Geography	615	0.0	0.0	49.3	50.7	0.0
Farms by Geography	81	0.0	0.0	72.8	27.2	0.0
Family Distribution by Income Level	3,206	15.5	16.3	21.4	46.8	0.0
Household Distribution by Income Level	4,464	15.4	16.2	16.1	52.3	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$83,169	Median Housing Value			\$113,806
Median Family Income MSA - 19500 Decatur, IL MSA		\$71,270	Median Gross Rent			\$685
			Families Below Poverty Level			3.8%
Sources: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Under the borrower profile criterion, examiners analyze the bank's home mortgage lending activities by the borrowers' income category using the FFIEC-updated median family income levels. The following table illustrates the low-, moderate-, middle-, and upper-income thresholds for 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Champaign-Urbana, IL MSA Median Family Income (16580)				
2022 (\$91,300)	<\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	≥\$109,560
Decatur, IL MSA Median Family Income (19500)				
2022 (\$84,100)	<\$42,050	\$42,050 to <\$67,280	\$67,280 to <\$100,920	≥\$100,920
<i>Source: FFIEC</i>				

Agriculture and related business remain prevalent in the area. The analysis of small farm lending under the borrower profile criterion compares the distribution of farms by gross annual revenues (GAR) level. According to 2022 D&B data, the assessment area contains 81 farming operations reporting the following GARs: 97.5 percent have \$1 million or less, 1.2 percent have more than \$1 million, and 1.2 percent have unknown revenues. In addition, there are 615 businesses in the assessment area reporting

the following GARs: 80.3 percent have \$1 million or less, 4.7 percent have more than \$1 million, and 15 percent did not report revenues.

Most of the farms and businesses in the area are very small, as 90 percent have fewer than ten employees, and 85.8 percent operate from a single location. Service industries represent the largest portion of businesses at 29.7 percent, followed by agriculture at 11.6 percent and retail trade at 9.2 percent. Farm-related demographics are generally consistent with the previous evaluation; however, the number of businesses reflects an increase from the 406 operations in the area at that time. This data indicates the potential for the financial institutions to participate in small farm and small business lending within the assessment area.

Unemployment rates have generally been consistent with the state and national rates throughout the review period. All of these rates were elevated in 2020 and 2021, primarily due to the impact of the COVID-19 pandemic, but are returning to normal levels. On an annual basis, Macon County's average unemployment rate was 5.5 percent in 2022 while rates in Piatt County were 3.4 percent in 2022. These rates were similar to statewide and national averages during that time; however, the rates in Macon County were slightly higher. A similar trend was observed in May 2023, when Macon County's unemployment rate was 5.4 percent and Piatt County's rate was 3.3 percent compared to the statewide and national unemployment rates of 3.4 and 3.6 percent, respectively.

Competition

The bank operates in a competitive environment for financial services. According to the FDIC Deposit Market Share data as of June 30 2023, 13 financial institutions operated 35 full-service branches in Macon County. Of these institutions, GSB ranked 7th with 3.2 percent of the deposit market share. There is also competition for loans among banks, credit unions, and non-depository mortgage lenders in this assessment area.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying local credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

Examiners conducted three community contacts related to agricultural and commercial lending and reviewed two recently conducted community contacts that primarily focused on housing. These contacts focused on activities throughout Macon and Piatt counties as well as surrounding communities. According to the agricultural and commercial contacts, economic conditions appear to be improving overall. Agriculture and related businesses remain prominent in the area. One contact noted some consolidation among farming operations in the area, which has resulted in respective growth and some larger operations. Healthcare facilities are also major employers in the area and attract commuters from surrounding areas.

The contacts noted that smaller farms and businesses sometimes face challenges obtaining credit when starting their operations, but their needs appear to be met by local financial institutions with no unmet credit needs identified. Both of the contacts related to home mortgage lending explained that there is limited activity in the market. According to one contact, housing supply is very limited

and when homes are listed, they sell very quickly. There has been a period of inflated home prices, but one contact stated that these levels appear to be normalizing. Overall, the contacts indicated that local financial institutions do a good job of meeting the needs of the area, but mentioned the need for financial education and assistance, especially for entry-level borrowers.

Credit Needs

Considering information from the community contacts, bank management, and economic and demographic data, examiners determined that lending for small farms, small businesses, and home mortgages represent credit needs for the assessment area. The bank demonstrated adequate performance in meeting these needs, as detailed throughout this evaluation.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Small Institution Examination Procedures to evaluate GSB's CRA performance. This evaluation covers the period from the prior FDIC performance evaluation dated July 10, 2017, to the current evaluation dated July 11, 2023. The bank's CRA rating is based on its performance in the delineated assessment area, which is where a majority of its lending and deposit-taking activities took place.

Activities Reviewed

Examiners determined that the bank's major product lines are agricultural, commercial, and residential real estate lending. These products represent the largest share of the bank's number and dollar volume of loans originated during the evaluation period. Additionally, these loan products are business focuses for the bank and are representative of credit needs in the assessment area. Small farm and small business lending performance carried the most weight in the overall conclusions and rating. Home mortgage lending received less weight as a secondary product line and business focus for the bank. Consumer lending was not reviewed for this evaluation, as it is not a major product line or lending focus. While the number and dollar volume loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of farm and business operations and individuals served.

Bank management confirmed that the lending activity for the period from January 1, 2022 through December 31, 2022 is representative of the bank's performance during the evaluation period. Examiners reviewed the universe of small farm, small business, and home mortgage loans granted in 2022 to evaluate the bank's assessment area concentration performance. During this time, the bank originated 47 small farm loans totaling \$6.4 million, 81 small business loans totaling \$6 million, and 17 home mortgage loans totaling \$1.3 million.

Examiners used 2022 D&B data as a standard of comparison to evaluate small farm and small business lending and 2020 US Census data for the bank's home mortgage lending for 2022. D&B data includes all businesses and farms in a given area that voluntarily respond to a survey request, including a large number of very small operations that have limited or no credit needs. As such, the

D&B data is primarily an indicator of demographics in a given area and is not considered an absolute reflection of credit needs or lending opportunities.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Lending levels reflect reasonable responsiveness to the credit needs in the assessment area. Performance under the LTD ratio, assessment area concentration, and borrower profile criteria primarily supports this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 45.1 percent over the past 23 calendar quarters from September 30, 2017 to March 31, 2023. Throughout the period, the ratio ranged from a high of 54.7 percent as of December 31, 2019 to a low of 35.1 percent as of March 31, 2022. The LTD ratio reflected an upward trend through 2019 then gradually declined. GSB's average ratio ranked second among that of similarly situated institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. The LTD ratios for these institutions also reflected a similar downward trend throughout the period.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 3/31/2023 \$(000s)	Average Net LTD Ratio (%)
The Gerber State Bank	93,385	45.1
Similarly-Situated Institution #1	112,535	57.1
Similarly-Situated Institution #2	67,980	39.7
Similarly-Situated Institution #3	71,816	36.3
Similarly-Situated Institution #4	125,615	19.5
Source: Reports of Condition and Income 9/30/17 through 3/31/23		

Assessment Area Concentration

The bank originated a majority of small farm loans, by number and dollar volume, within the assessment area. Conversely, a majority of small business and home mortgage loans were originated outside of the assessment area.

Management explained that some of the lending activity outside of the assessment area for all three product lines involved customer referrals and long-standing banking relationships with customers that have relocated or conduct business or farming activities outside the delineated area. Additionally, some new customers were gained through the bank's participation in the COVID-19 pandemic relief programs and additional efforts from lending staff. Given the performance context factors, the lack of a majority of small business and home mortgage loans in the assessment area is not seen as detrimental to the bank's overall CRA performance. Community contacts utilized during the examination did not identify any unmet credit needs in the area, which further supports

this conclusion. Additional details are included in the table below, followed by additional details on the bank's small business and home mortgage lending.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	24	51.1	23	48.9	47	4,340	67.8	2,060	32.2	6,400
Small Business	37	45.7	44	54.3	81	1,377	23.1	4,573	76.9	5,950
Home Mortgage	5	29.4	12	70.6	17	179	13.3	1,165	86.7	1,344
Totals	66	45.5	79	54.5	145	5,896	43.1	7,798	56.9	13,694
Source: Bank Data 1/1/2022 - 12/31/2022. Due to rounding, totals may not equal 100.0%.										

The small business performance is primarily reflective of GSB purchasing small business loans originated through a third-party relationship. These loans account for nearly half (48.1 percent) of the small business loan originations in 2022 and most are for borrowers located outside the assessment area. When focusing on the bank's direct small business lending for 2022, the volume of loans made in the assessment area reflects notable increases to 88.1 percent by number and 54.1 percent by dollar volume.

GSB's home mortgage lending was limited in 2022, but generally consistent with normal volume levels for this secondary business focus. Volume was impacted by various factors including lower activity levels in the housing market throughout the assessment area. The bank continues to offer long-term fixed rates loans sold on the secondary market through a referral relationship, which include programs that particularly benefit low- and moderate-income individuals. Loans originated through this relationship would not be reflected in these figures, but still demonstrate the bank's efforts to meet credit needs in the community. Home mortgage lending products are not a primary loan focus for the bank and are not actively marketed.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels. Examiners focused on the percentage by number of loans to small farms and small businesses reporting GARs of \$1 million or less and the number of home mortgage loans to low- and moderate-income borrowers.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms of different income levels, especially when considering the area demographics, credit needs and opportunities in the area, and the level of long-term customer relationships in the bank's portfolio.

Community contacts noted that some farming operations in the area have become much larger in revenue size throughout the review period due to consolidations and organic growth. According to the 2022 D&B data, there are 81 farming operations in the assessment area, and only one operation (1.2 percent) reported GARs exceeding \$1 million. As detailed further in the following table, the

bank made nine loans to six operations reporting GARs greater than \$1 million. Some of these loans were long-established customers that obtained multiple loans, which somewhat skews figures. No unmet credit needs were identified for small farms, which further supports the conclusion that this is reasonable performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.6	15	62.5	2,158	49.7
>\$1,000,000	1.2	9	37.5	2,182	50.3
Revenue Not Available	1.2	--	--	--	--
Total	100.0	24	100.0	4,340	100.0
<i>Source: 2022 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses of different sizes. The following table shows that 73 percent of the loans were originated to businesses reporting GARs of \$1 million or less, which is comparable to the area demographics. Examiners observed that almost every loan made to operations with GARs of \$1 million or less was for an amount of less than \$100,000, which demonstrates that the bank is helping to meet the smaller credit needs in the area. As reflected in the following table, there were ten loans made to operations reporting GARs greater than \$1 million. These loans were made to eight borrowers, as some had obtained multiple loans. This level of lending reflects reasonable performance, which was supported by comments from community contacts.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	80.3	27	73.0	949	68.9
>\$1,000,000	4.7	10	27.0	428	31.1
Revenue Not Available	15.0	--	--	--	--
Total	100.0	37	100.0	1,377	100.0
<i>Source: 2022 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The limited volume of home mortgage loans originated in the assessment area in 2022 makes it difficult to draw meaningful conclusions and comparisons to area demographic data. It is noted that the bank made loans to both low- and moderate-income borrowers during the period. Specifically, there were two loans to low-income borrowers and one loan to a moderate-income borrower. Home mortgage loans are not a primary loan focus for the bank; therefore, this performance carries less weight in the overall analysis.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion was not considered in the overall rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act and did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



The Gerber State Bank
110 East Elm Street
P.O. Box 410
Argenta, IL 62501

The Gerber State Bank operates two offices, which are both in Macon County, Illinois. The main office is located in Argenta (Census Tract 0030.00). There is one cash dispensing ATM machine located at this site. The Gerber State Bank owns no ATM machines that accept deposits.

The Gerber State Bank
102 Illinois 48
Oreana, IL 62554

The Gerber State Bank's second branch office is located in Oreana (Census Tract 22.00), which is approximately four miles southwest of the main office. There is one cash dispensing ATM machine located at this site.

The Gerber State Bank did not open or close any locations in 2023, 2022, or 2021.

Hours of Operation:

Argenta:

Lobby/Drive-Up Hours

Monday – Thursday 8:30 AM – 4:00 PM
Friday 8:30 AM – 4:30 PM
Saturday 8:30 AM – 12:00 PM

Oreana:

Lobby Hours

Monday – Thursday 8:30 AM – 11:00 AM and 1:00 PM – 4:00 PM
Friday 8:30 AM – 11:00 AM and 1:00 PM – 4:30 PM
Saturday Closed

Drive-Up Hours

Monday – Friday 8:30 AM – 5:00 PM
Saturday 8:30 AM – 12:00 PM

110 E. Elm • P. O. Box 410 • Argenta, Illinois 62501-0410
Phone • 217-795-2331 Fax • 217-795-2203

MEMBER FDIC

www.gerberstatebank.com



Products & Services

Deposit Products

- Consumer Checking
- Consumer Now Accounts
- Consumer Money Market Accounts
- Consumer Savings
- Business Checking
- Business Now Accounts
- Business Money Market Accounts
- Business Savings
- Certificate of Deposit Accounts

Loan Services

- **Real Estate Loans:**
 - Home Purchase
 - Home Improvement
 - Construction
- **Consumer Installment Loans**
 - Auto Loans
 - Personal Installment Loans
 - Boat/Motorcycle
- **Agricultural Loans:**
 - Farm Operating
 - Equipment
 - Farm Real Estate
- **Business/Commercial Loans**
 - Term Loans
 - Operating Lines of Credit
 - Commercial Real Estate
 - Commercial Construction Loans



Electronic Banking Services

- Consumer
 - Online Banking
 - E-statements
 - Bill Pay
 - Mobility App
- Business
 - Business Online Banking
 - Bill Pay

Card Services

- Consumer
 - ATM Cards
 - Mastercard Debit Card
- Business
 - Business Mastercard Debit Card

Other Services

- Trust Services and Estate Administration
- Farm Management
- Individual Retirement Accounts
- Health Savings Accounts
- Automatic Transfers
- Safe Deposit Boxes
- Cashier's Checks
- Wire Transfers
- Night Depository
- ATM's



Fee List

Revised 02/13/2024

Account Closing Fee (within 90 days).....	\$25
Amortization Schedule	\$10
Balancing (per hour)	\$35 /1hr minimum
Cashier Check	
Customer	\$4
Non-Customer	\$10
Checking Accounts	
Minimum Open Balance	\$100
Maintenance Fee	\$5 (average daily balance below \$200)
Collections	
Domestic	\$25
Foreign	\$50
Copy of Statement	\$3 plus research fees
DDA History Snap	\$1 (charged when picked up)
Debit Card	
Issuance	no charge
Replacement	\$12.50
Debit Card International Charges	1.1%
Drafts – Domestic	\$25
Deposited or Cashed Check Returned	\$10
Dormant Account Charge	\$1 monthly*
*Checking, NOW, MMDA after 1 yr of inactivity	
*Savings after 2 yrs of inactivity	
Escrow—Short-year analysis	\$25
Faxes	
Outgoing/Incoming	\$2 up to 5 pages; \$.50 each additional page
Garnishments/Levies	\$75
Health Savings	
Minimum Open Balance	\$25
Annual Fee	\$25 (if last years average balance lower than \$5,000)
Internet Bill Pay (after 2 free months)	\$4 up to 8 debits; over 8 \$0.65 each
Same Day Electronic Payment	\$10
Overnight Check Payment	\$15
Lost CD or Cashier Check	\$10
Minimum Balance Transfer Charge	\$2



Money Market

Minimum Open Balance	\$1,000
Maintenance Fee	\$5 (monthly balance below \$1,000)
Per Item Fee	\$2 (each debit over 6 per month)

Non-Customer Checking Cashing.....2% of check amount, \$5 min., \$50 max.

Non-Customer Coin Counting.....5% of total with a \$3 minimum

Non-Customer Currency Exchange.....5% of total with a \$3 minimum

Non-Customer Notary Fee\$5

Now Account

Minimum Open Balance	\$1,000
Maintenance Fee	\$5 (monthly balance below \$1,000)
Per Item Fee	\$.10 (monthly balance below \$1,000)

Overdraft

Paid/Returned	\$35 per item, per presentment
Daily	\$5

Overdraft Protection Transfer Charge.....\$2

Passbook Savings

Minimum Open Balance	\$5
----------------------------	-----

Photocopies.....\$.25 per page

Research (per hour).....\$35 min

Safe Deposit Box Fees

Drill	\$75 plus locksmith fee. Contact Locksmith
Lost Key	\$25
3x5	\$16
4x5	\$18
5x5	\$20
5x6	\$22
6x6	\$24
3x10	\$28
5x10	\$42
10x10	\$67
13x10	\$87

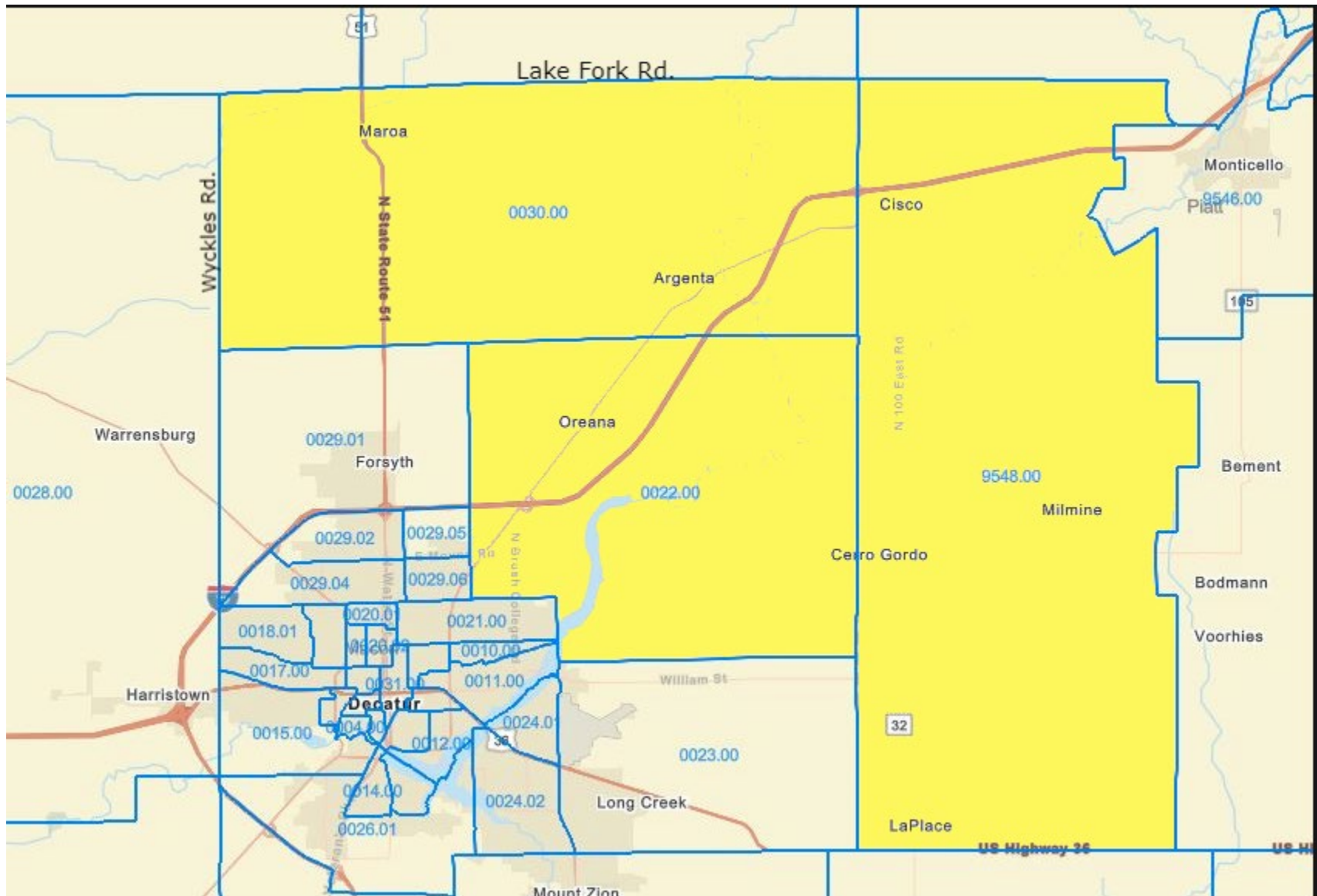
Stop Payment\$40

Telephone Transfer Between Accounts\$3

Wire Transfer fees

Outgoing.....	\$25
Incoming.....	\$15
Wires outgoing & incoming non-customer	\$50
Foreign wires out and incoming	\$50

ASSESSMENT AREA – MACON & PIATT COUNTY



MACON COUNTY TRACTS: 30.00 & 22.00

PIATT COUNTY TRACTS: 9548.00

2023 FFIEC Census Report - Summary Census Demographic Information

State: 17 - ILLINOIS (IL)

County: 115 - MACON COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
17	115	0002.00	Moderate	No	57.36	\$82,200	\$47,150	\$40,882	2327	61.50	1431	326	1143
17	115	0003.00	Moderate	No	71.15	\$82,200	\$58,485	\$50,714	3523	63.18	2226	618	1590
17	115	0004.00	Middle	No	116.63	\$82,200	\$95,870	\$83,125	1175	63.15	742	327	521
17	115	0005.01	Unknown	No	0.00	\$82,200	\$0	\$0	797	58.59	467	86	114
17	115	0005.02	Moderate	No	54.58	\$82,200	\$44,865	\$38,906	2415	47.58	1149	294	856
17	115	0006.00	Low	No	21.09	\$82,200	\$17,336	\$15,037	1625	78.22	1271	280	565
17	115	0009.00	Low	No	43.68	\$82,200	\$35,905	\$31,136	1682	72.24	1215	271	825
17	115	0010.00	Low	No	48.79	\$82,200	\$40,105	\$34,779	1158	34.80	403	322	603
17	115	0011.00	Moderate	No	69.41	\$82,200	\$57,055	\$49,469	3194	29.02	927	1277	1742
17	115	0012.00	Middle	No	82.09	\$82,200	\$67,478	\$58,508	2694	40.57	1093	825	1486
17	115	0013.00	Middle	No	114.44	\$82,200	\$94,070	\$81,563	2275	15.47	352	962	1125
17	115	0014.00	Moderate	No	78.04	\$82,200	\$64,149	\$55,625	2374	18.03	428	643	943
17	115	0015.00	Middle	No	110.99	\$82,200	\$91,234	\$79,103	3961	19.31	765	1494	1820
17	115	0016.00	Middle	No	94.81	\$82,200	\$77,934	\$67,578	2136	30.85	659	476	732
17	115	0017.00	Middle	No	93.75	\$82,200	\$77,063	\$66,818	2129	34.10	726	659	984
17	115	0018.01	Middle	No	101.02	\$82,200	\$83,038	\$72,000	2209	34.09	753	825	1018
17	115	0018.02	Middle	No	81.19	\$82,200	\$66,738	\$57,868	2148	29.52	634	578	1140
17	115	0019.00	Moderate	No	61.19	\$82,200	\$50,298	\$43,611	2476	48.59	1203	538	957
17	115	0020.01	Moderate	No	56.65	\$82,200	\$46,566	\$40,375	1039	36.09	375	84	116
17	115	0020.02	Moderate	No	55.39	\$82,200	\$45,531	\$39,479	2745	59.09	1622	578	1203
17	115	0021.00	Low	No	39.06	\$82,200	\$32,107	\$27,845	1270	30.08	382	373	801
17	115	0022.00	Upper	No	128.44	\$82,200	\$105,578	\$91,544	5293	20.61	1091	1829	2129
17	115	0023.00	Middle	No	114.88	\$82,200	\$94,431	\$81,875	2898	6.52	189	1029	1210
17	115	0024.01	Upper	No	125.18	\$82,200	\$102,898	\$89,222	2464	16.23	400	1063	1104
17	115	0024.02	Middle	No	113.80	\$82,200	\$93,544	\$81,110	5327	11.90	634	1860	2198
17	115	0025.00	Upper	No	124.49	\$82,200	\$102,331	\$88,729	7213	7.65	552	2159	2505

* Will automatically be included in the 2024 Distressed or Underserved Tract List

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
17	115	0026.01	Middle	No	116.92	\$82,200	\$96,108	\$83,333	3938	8.53	336	1612	1865
17	115	0026.02	Middle	No	117.90	\$82,200	\$96,914	\$84,028	1990	4.02	80	612	798
17	115	0027.00	Middle	No	108.44	\$82,200	\$89,138	\$77,292	2233	6.18	138	774	987
17	115	0028.00	Middle	No	107.86	\$82,200	\$88,661	\$76,875	4090	5.75	235	1382	1707
17	115	0029.01	Upper	No	176.10	\$82,200	\$144,754	\$125,513	4242	18.13	769	1326	1505
17	115	0029.02	Middle	No	117.71	\$82,200	\$96,758	\$83,897	4597	28.17	1295	1574	1720
17	115	0029.04	Middle	No	107.32	\$82,200	\$88,217	\$76,488	5120	19.53	1000	1526	2172
17	115	0029.05	Middle	No	90.79	\$82,200	\$74,629	\$64,710	1549	32.54	504	188	324
17	115	0029.06	Moderate	No	56.67	\$82,200	\$46,583	\$40,395	2721	49.69	1352	360	883
17	115	0030.00	Middle	No	117.25	\$82,200	\$96,380	\$83,571	3230	6.19	200	1069	1416
17	115	0031.00	Low	No	30.58	\$82,200	\$25,137	\$21,801	1741	73.69	1283	66	691

* Will automatically be included in the 2024 Distressed or Underserved Tract List



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
17	147	9545.00	Middle	No	106.64	\$99,900	\$106,533	\$88,693	4426	6.57	291	1538	1856
17	147	9546.00	Middle	No	114.60	\$99,900	\$114,485	\$95,313	6310	6.50	410	2039	2497
17	147	9547.00	Moderate	No	69.47	\$99,900	\$69,401	\$57,778	3174	6.11	194	1092	1498
17	147	9548.00	Middle	No	95.08	\$99,900	\$94,985	\$79,079	2763	6.44	178	892	1166
17	147	9999.99	Middle	No	101.71	\$99,900	\$101,608	\$84,599	16673	6.44	1073	5561	7017

* Will automatically be included in the 2024 Distressed or Underserved Tract List



LOAN TO DEPOSIT RATIO

2021

1ST Quarter: 37.84%

2nd Quarter: 37.57%

3rd Quarter: 37.04%

4th Quarter: 39.07%

2022

1ST Quarter: 35.08%

2nd Quarter: 37.74%

3rd Quarter: 39.25%

4th Quarter: 43.96%

2023

1ST Quarter: 40.51%

2nd Quarter: 45.39%

3rd Quarter: 46.84%

4th Quarter: 50.59%



HMDA DISCLOSURE STATEMENT

Per the 2020 HMDA rule reporting thresholds, The Gerber State Bank was not required to collect and report HMDA data from July 1, 2020 to December 31, 2022, therefore there is no HMDA data available for those years.

The 2020 rule was reversed September 23, 2022, returning to previous reporting thresholds which were established under the 2015 HMDA Final Rule. The Gerber State Bank has remained under the threshold in each of the two preceding calendar years, therefore there is no HMDA data available for 2022 and 2023.



The Gerber State Bank remains focused on the continued support of the community in which the bank serves. The bank is committed to the following objectives:

- Have the bank represented and be involved in community activities.
- Continued investment in all community related bond issues and by being a part of funding other viable financial needs of the communities served by the bank.
- Retain a satisfactory or better Community Reinvestment Act (CRA) Rating.

The COVID-19 Pandemic brought hardship to many small businesses. We were able to assist businesses in our community through the SBA CARES Act Paycheck Protection Program (PPP) loans. The bank originated 67 PPP loans in 2020 and 2021, resulting in over \$2,000,000.00 in PPP loans.

Employees frequently support the community in which the bank serves. Employee participation opportunities include but are not limited to: Jean Day (which provides donations for local needs), Argenta-Oreana school sponsorships and events, Farm Bag distribution, Project Pride, CBAI sponsored scholarship opportunities, and an array of Argenta-Oreana community sponsorships and festivals. The following section showcase just some of the ways we are proud to serve our communities.



2023 Community Appreciation

"Thank you for investing in the **Sangamon Valley CEO program** this year. We appreciate your continuous help in allowing young entrepreneurs to thrive."

"We are grateful for your commitment to **The Sangamon Valley CEO program**. With your support, we are ensuring the sustainability and effectiveness of the Sangamon Valley CEO program and the CEO Network well into the future. Your donation will support our efforts and is bringing the transformational power of CEO to our community. Thank you again for your generous support."

"**Argenta In Motion** wishes to thank our sponsors for their support of our **7th Argenta IceFest 2023**. We were able to offer more activities this year. Along with the drive-through to view ice sculptures, we offered the live carving demonstrations, kids' activities and games, a craft/vendor fair, food, and drink. We also offered great music with a band Sidewalk Stompers. Boy Scout Troop 31 performed an impressive Flag Retirement Ceremony, and the Argenta-Oreana chorus performed. Our event brought people from Springfield, Champaign, Oblong, St. Joseph, Bethany, Ramsey, Homer, Decatur, Missouri, and Indiana, and, of course, Argenta and Oreana. Aaric Kendall, some friends, and family carved some wonderful sculptures for all to enjoy. Your generous support makes this happen."

"Thank you so much for your donation to the **Piatt County Animal Shelter**, Monticello, IL on behalf of **Willow Branch Kennel**. Your donation has gone a long way to help us continue to care for all the animals that, for whatever reason, have ended up at the shelter. PCAS is a relatively small shelter that serves all of Piatt County and we are a no-kill shelter. Currently we have around 55-60 animals on site or in foster care, with more waiting to come in. We rely on donations, memorials, and small fundraising events to support our work. Since we do not receive support from either the state or the county, your donation means a lot to us."

"Thank you for the **Jean Day** donations to support our school and students. Your kindness and continued support mean so much. **AOES** is thankful for our community."

"Thank you for supporting **Sean Ryan's Eagle Scout project** at the **Argenta Public Library**. It is the overwhelming generosity of local families and businesses that make our public library district a place of pride for the community. This particular project helps to complete our extensive renovation over this past year. Thank you for your support!"

"Thank you so much for reaching out and for being willing to be a community partner to support the new **AO Drama Club**. We are grateful for your support!"



2023 Farm Bags

The Gerber State Bank delivered 100 snack bags to our local farmers in the Argenta-Oreana area during the Spring 2023. Our lending team drives throughout the countryside to meet and visit with local producers providing the opportunity to engage with current customers as well as potential customers. We do this to show our appreciation and gratitude to those men and women who work hard to contribute to our robust agricultural economy.

Austin M. Pletsch

Loan Officer I Farm Manager