



# Financial *focus*

Second Quarter  
2019 Financial Report

## Message from President Dirk Meminger:

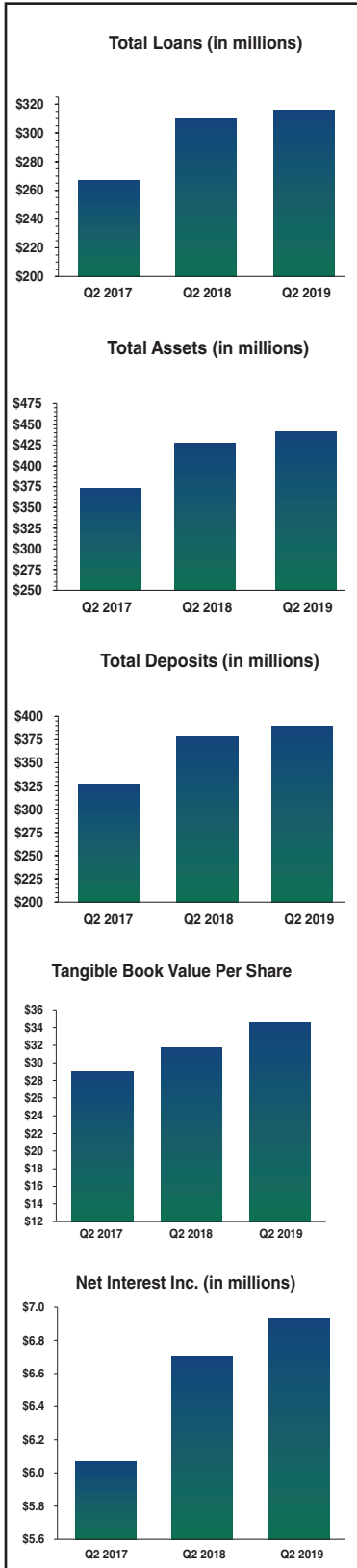
This quarter we completed the successful integration of the Sterling and Rock Falls locations of Illinois Bank & Trust. Our acquisition was consistent with the strategy and culture of our organization and was a natural fit in our community. On behalf of Sauk Valley Bank, we would like to welcome our new customers and look forward to serving you. We are also excited to provide a new location for our existing customers on Sterling's north side.

Financial performance for the first half of the year was strong with net income totaling \$1.33 million, an increase of 9.4% from last year's \$1.21 million. Total assets were \$441.15 million at June 30, 2019, compared to \$427.42 million at June 30, 2018. Deposits grew \$11.52 million, or 3.1% from this time last year. Our loan portfolio increased \$6.17 million or 1.99%. While our Commercial portfolio grew \$8 million, or 4.9%, our Ag portfolio was \$1.11 million lower than this time in 2018, due largely to pay downs within the portfolio. Our net interest income increased 3.5% year-over-year. We did experience an increase in operating expenses as the result of integrating the two locations of Illinois Bank & Trust as well as the addition of positions in preparation of continuing growth. We anticipate acquisition-related expenses to continue to impact next quarter as we wrap-up the project.

As we look ahead to the remainder of the year, we are continuing to build the organization for the future. We are making significant investments in intellectual capital and employee development to build a strong foundation that allows us to continue to grow profitably. Over the last 20 years, building relationships has defined our success. This is a result of how we interact with our customers, the products we offer, customized solutions, expert guidance and increasingly, the integration of digital services. Innovation is reshaping our industry and we continue to invest in our digital capabilities and how they drive our customer experiences to provide long-term value for our customers.

I want to thank you for your continued support. Our success would not be possible without the support of our employees, directors, customers, communities and you, our shareholders. We look forward to sharing our continued success for the remainder of the year.

Dirk Meminger, President & CEO





A strong foundation for continued success.

**BUILDING FOR THE FUTURE**



**Sauk Valley Bank  
Sterling and Rock Falls Acquisitions**

"We are excited to welcome the Sterling and Rock Falls Illinois Bank & Trust customers to Sauk Valley Bank. For the last several months, our team has been working very hard to make this transition to Sauk Valley Bank as seamless as possible," says Dirk Meminger, Sauk Valley Bank President & CEO.

Our Grand Opening took place at 2403 North Locust St in Sterling on May 31st 2019.