



# Financial *focus*

Third Quarter  
2016 Financial Report

## Message from President Dirk Meminger

Sauk Valley Bank continues strong performance as we conclude the third quarter of 2016. Net income for the first nine months was \$2.08 million, an increase of 8% from last year's \$1.93 million. Earnings per share increased to \$2.32 for the first nine months of 2016 compared to \$2.14, for the first nine months of 2015, representing an 8.6% increase. Our net interest income continues to be strong year-over-year, with an increase of 14.3% from this time last year. One of the key drivers is our strong loan portfolio which totaled \$247.1 million as of September 30, 2016. This represents an increase of \$27.9 million (12.7%) from this time in 2015.

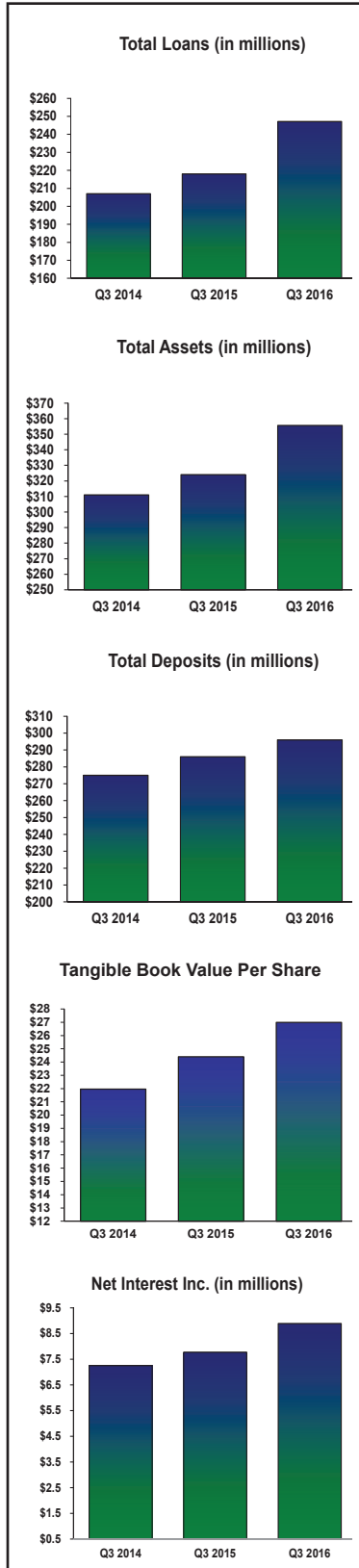
As we head into the 2017 planning process, we see that more of our time and resources will be dedicated to a few key areas: cybersecurity, compliance, and innovation. With the growing sophistication of cybercriminals, the threats are constantly evolving. We recognize that we must have the right controls in place to adapt and identify these new vulnerabilities. While allocating resources to cybersecurity does not create income, we know investing in this area will guard our business and our customers' personal information into the future.

While compliance has always been a part of our business, we find that more of our time and attention will be critical to manage and assess our bank's risks. We have modified our employee training, increased our independent risk management, and analyzed key areas that may require additional support as our organization continues to grow.

When we discuss innovation, our goal is to maintain our message; the heart of a community bank with the features of a big bank. This outlook drives us to approach how we do business in a way that does not follow traditional practices. For us, we want to be the best of both worlds, and that means we look at financial innovation in a different manner. We will continue to offer those products and services that make banking convenient for our customers, but we will also make strategic investments in areas that will drive and support our business plan.

As harvest season is upon us, we wish our Ag community the best.

  
Dirk Meminger, President & CEO





Sauk Fest



School supply drive

Roy G Biv Color Run



Rock County Meat Animal Sale



# Community Involvement

Sauk Valley Bank and our employees are proud to support organizations and enjoy volunteering to help make a difference in our communities.



Food Drive for our local Food Pantries



Local Parades



United Way Chili Cook-Off

