

A LETTER FROM THE PRESIDENT

FINANCIAL SUMMARY

The bank reported net interest income of \$4.7 million, which was \$545,841 higher than this time last year. Net income increased to \$820,096 compared to \$717,986 in first quarter 2023, an increase of 14.2%. Total assets ended the quarter at \$663.2 million, compared to \$622.8 million at the same time last year, an increase of 6.5%. A significant contributor to our increase in assets was the expansion of our loan portfolio. Our loan portfolio ended the quarter at \$462.2 million, an increase of 17% from the prior year. All reporting areas of the loan portfolio reported growth, with the largest contributor coming from our Commercial portfolio which had an increase of \$39.6 million, or 17.1% from this time in 2023. Our non-performing loans as a percentage of loans has increased compared to the same time last year, primarily due to the addition of two relationships. We do not anticipate any significant losses associated with our non-performing loans and are working closely with borrowers toward collection or restoration to accrual status.

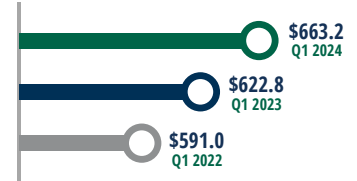
Our deposit base has shown healthy growth with an increase of \$34.1 million or 6.5% from the same time last year. A significant portion of balance growth resulted from our checking accounts and Certificate of Deposits. Amid ongoing economic uncertainties, some of our customers prefer the rate and fixed term option that our Certificate of Deposits provide and have migrated balances from their NOW and Money Market accounts.

DIGITAL TRANSFORMATIONS

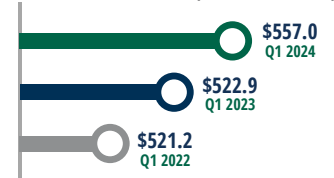
As we step into the second quarter of the year, we are excited to launch the digital transformation of our online and mobile banking environment. We recognize the critical role that innovative technology plays in delivering exceptional service, enhancing the customer experience and remaining competitively aligned with customer expectations. Our new user experience will feature customized navigation, innovative features to simplify banking tasks and implement communication channels to easily interact with bankers. While the customer experience is our priority, we must also place security at the top of the list. Our new digital banking platform has robust security features that will provide a safe and secure digital environment, allowing customers to manage their finances with trust and peace of mind.

PERFORMANCE AT A GLANCE

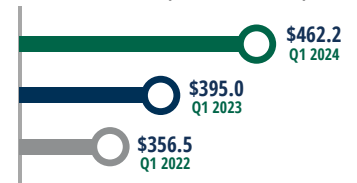
TOTAL ASSETS (IN MILLIONS)



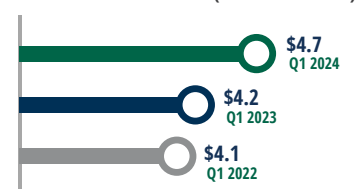
TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



NET INTEREST INC. (IN MILLIONS)



TANGIBLE BOOK VALUE





Celebrating 25 YEARS



LOOKING AHEAD

This summer, Sauk Valley Bank will celebrate its 25th anniversary. While the anniversary is in early July, preparations and events are already underway. A milestone of this magnitude provides an important opportunity to reflect on the guiding principles that gave the bank a purpose and mission within our communities. Our success was and continues to be a result of a continued focused to deliver a higher level of service as a trusted financial partner. We have weathered economic fluctuations, embraced advancements in technology and navigated the evolving regulatory landscape. Yet, amidst these challenges, our focus has never changed. As we celebrate this milestone, we reaffirm our dedication to our mission. We look forward to sharing more information and invite you to share in the celebration over the coming months.

Looking ahead, we remain optimistic about the growth opportunities for Sauk Valley Bank. We will continue to focus on executing our strategic priorities, adapting to the needs of our customers and seizing opportunities for innovation and growth, while remaining steadfast in our commitment to our RADAR values and principles.

A New Digital Banking Experience

Our online and mobile banking systems will be upgraded to a simpler, smoother and more secure platform.

Thank you for your continued trust and support in Sauk Valley Bank.

DIRK MEMINGER
 President & CEO



Dixon South | Employees wearing the new 25th anniversary shirts and celebrating on one of our dedicated monthly celebration dates.



Sterling East



Rock Falls



Harvard