

A LETTER FROM THE PRESIDENT

FINANCIAL SUMMARY

As we close the second quarter of 2024, I am pleased to share that Sauk Valley Bank continues to demonstrate growth and resilience amidst an ongoing dynamic economic landscape.

We experienced growth in many of our reporting areas this quarter. Total assets were \$671.1 million on June 30, 2024, compared to \$635.2 million on June 30, 2023, or an increase of 5.7%. Our deposits grew \$25.4 million from the same time last year, or an increase of 4.6%. Given our numerous municipal relationships, second quarter becomes a busy time processing property tax payments and distributions. We appreciate the opportunity to serve our community partners and provide personalized service and tailored solutions.

Our loan portfolio increased \$73.3 million from this time last year with the portfolio ending at \$475.2 million, or an increase of 18.2%. All areas of the portfolio experienced growth with the largest portion in Commercial, representing 23.9%. Growth primarily consisted of business expansion with a long-term customer in our Dixon market and four larger business acquisition deals with existing customers of the bank. A review of the primary drivers of the volume increase shows the growth is evenly spread amongst different business sectors. The growth was further geographically dispersed amongst our core footprint between Rock Falls, Sterling and Dixon. Non-performing loans increased from .47% to 1.25% as a percentage of loans. This increase is mainly attributed to two relationships that the bank is actively working through with the borrowers.

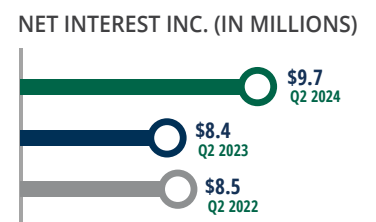
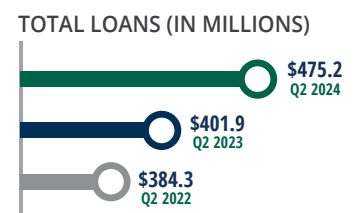
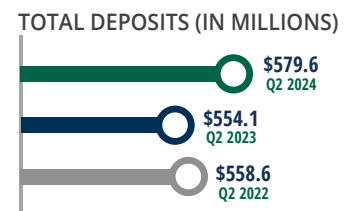
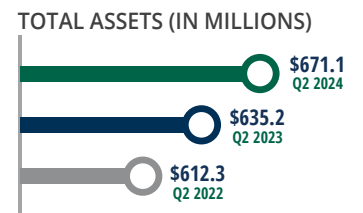
Looking at the second half of the year, we will continue to focus on who we are and how we do business, ensuring we remain focused on investing in technology, training and development and the customer experience.

BIDDING FAREWELL

It is with a mix of gratitude and sadness we announce the retirement of two key individuals who have been a cornerstone of Sauk Valley Bank for over two decades. Debbie Vivarelli, our Executive Services Officer retired on June 7th with 25 years of service and Chris Mitchell, VP of Business Services retired on June 28th with 22 years of service at the bank.

It is difficult to put into words the impact each of these individuals had. Their dedication, expertise and unwavering commitment have played a pivotal role in our

PERFORMANCE AT A GLANCE



TANGIBLE BOOK VALUE



IT'S TIME TO CLOCK OUT!

Happy Retirement!



success and growth. Additionally, their talent and leadership have left a lasting mark on our team and communities. We are profoundly grateful for their years of service and legacy of excellence they leave behind. While we will miss their daily presence, we wish Debbie and Chris all the best in their well-deserved retirement.

COMMUNITY OUTREACH

Community partnership and outreach are the foundation of our culture and mission. By engaging with our local organizations, businesses and residents, we provide valuable services to strengthen our communities. These collaborations enable us to tailor our financial services, support local initiatives and contribute to the broader economic vitality of our communities. This quarter, we invited our small businesses to attend a seminar to combat fraud and explore solutions to protect their business from fraud. Our small businesses can benefit from crucial insights into safeguarding their financial operations and how their bank partner can assist as a trusted partner in the process.

Additionally, we hosted our second, First Time Homebuyer Seminar of the year. These seminars provide prospective buyers with critical knowledge in the home purchasing process, including financing options, budgeting and market trends. Looking ahead, we are committed to expanding our outreach and education opportunities, focused on continuing to make a positive impact in the communities we serve.

LOOKING AHEAD

As we move into the second half of the year, we will continue to approach our business as we have for the last 25 years. We are committed to making thoughtful, long-term decisions rather than opting for short-term gains. Our focus remains on strategies that will ensure sustainable growth and value for our customers, community and you-our shareholder.

We thank you for your ongoing trust and support of Sauk Valley Bank.

DIRK MEMINGER
 President & CEO



Chris Mitchell's Retirement Party | Chris and members of the Business Services team.



Chris Mitchell's Retirement Party | Chris with President & CEO, Dirk Meminger.



Debbie Vivarelli's Retirement Party | Debbie pictured with Cat Sheets, Tonja Davis, Monica Olalde and Kit Barton.



Debbie Vivarelli's Retirement Party | Debbie with President & CEO, Dirk Meminger.