



# Financial *focus*

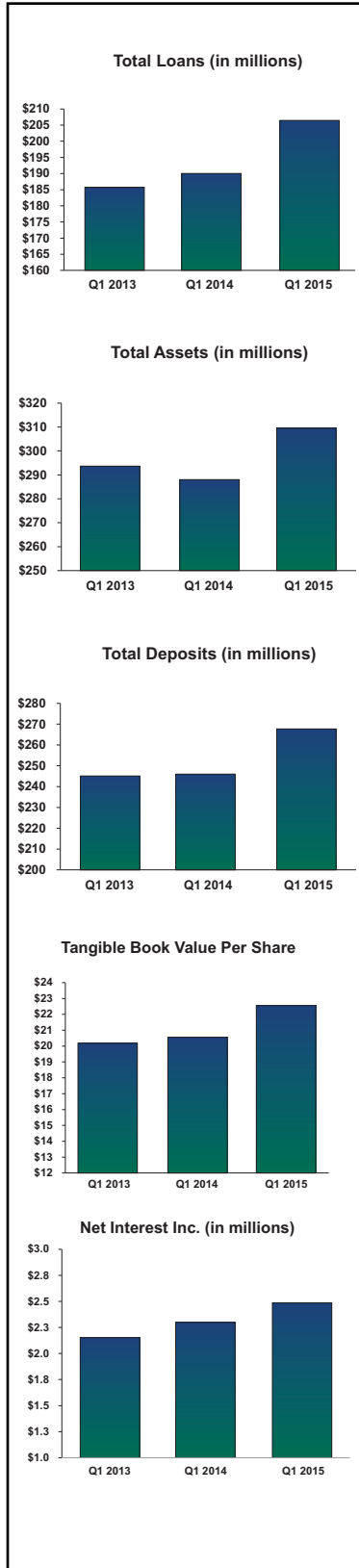
First Quarter  
2015 Financial Report

## Message from President Dirk Meminger

Sauk Valley Bank is off to a strong start in 2015. We are pleased several of our ongoing initiatives have resulted in improved operating performance. Net income for the first quarter of 2015 totaled \$550,000, an increase of \$188,000 (51.9%) from first quarter 2014. This represents \$.58 per share and a 10.4% return on stockholders' equity. Tangible book value per share increased to \$22.55. Net interest income increased \$210,000 (9.1%) to \$2.5 million in first quarter 2015 compared to first quarter 2014. This increase is due to an improved net interest margin, the difference between what we pay for funding and receive on our loans and investments, and ongoing growth of our interest bearing assets. Our loan portfolio increased \$16.1 million (8.5%) between March 31, 2015 and March 31, 2014 while our investment portfolio increased \$2.8 million (3.5%). Noninterest revenues increased significantly in first quarter 2015 reflecting our expanded residential mortgage operation. The sale of mortgage loans generated \$274,000 in net gains in the first quarter of 2015 compared to \$85,000 in the year earlier period. We have invested significantly to expand our residential mortgage capabilities and anticipate continued growth in this area. Investment and trust services increased \$29,000 between first quarter 2015 and 2014, representing a 51.7% increase. We are pleased with the continued growth of assets under management in our investment and trust services area and see this as an excellent opportunity to meet the financial needs of our existing relationships as well as introduce new relationships to the bank. Our positive operating results are due to our growing team of bankers. Consequently, operating expenses increased in the first quarter by \$330,000 (17.8%), the bulk represented by compensation and benefits. It is said so often in the banking industry that our most important asset is our people. We say it, and mean it. We are pleased that the continued growth of Sauk Valley Bank provides the opportunity for additional professional individuals to join our team. The economic force of Sauk Valley Bank goes beyond the loans we make, deposits we accept and funds we manage. Our organization provides a positive impact upon the communities in which we operate via the expenditure of our payroll dollars and just as importantly the investment of countless volunteer hours of our bankers. The type of people who believe and execute upon our RADAR principals are the type of individuals who are continuously giving of themselves both in connection with Sauk Valley Bank and their individual passions and beliefs. The return on our intellectual capital is beyond measurement.

The Sauk Valley Bank team is pleased with the early results for the year and excited with the opportunity and responsibility to delight our existing and new relationships with a high level of service. We believe with that as our primary target positive financial results will follow.

Dirk Meminger, President & CEO





**SVCC Bridal Fair**



**American Cancer Society  
Pie Auction**



**RRDA Spring Clean up**

## Community Involvement

Sauk Valley Bank is proud to support organizational events and volunteer their time to help make a difference in our communities.



**SVCC Sprint and Stroll 5K**



**Teach Children to Save**



**YWCA Luncheon**



**CGH Luau Fundraiser**