

## A LETTER FROM THE PRESIDENT

### FINANCIAL SUMMARY

The bank began the year with solid performance in the first quarter as we focused on execution of our key strategic initiatives. Financial performance was strong across the majority of our reporting areas.

Net income for the first quarter was \$982,038 versus \$1,011,989 a year ago, or a decrease of 3.0%. It is important to note that net income, as well as other key metrics for the organization in the prior year were impacted by the inclusion of Paycheck Protection Program fees and we don't consider these to be typical comparative metrics. Excluding those dollars for year-over-year comparison would have resulted in a higher net income. Total assets were \$590.9 million at March 31, 2022 compared to \$562.2 million at March 31, 2021, an increase of 5.1%. Deposits totaled \$521.2 million at the end of the first quarter of this year, which is an increase of \$33.1 million or 6.8% from this time last year. Our increased liquidity paired with the low-rate environment has led to significant net interest margin compression. Our loan portfolio, more specifically, Commercial and Ag both reported year-over-year growth. Our loan portfolio total at the end of the first quarter was \$356.5 million compared to \$341.7 million at the end of the first quarter of 2021. Non-interest income was lower than this time in 2021, primarily due to the tempering of the residential mortgage loan market and seasonally lower production volume.

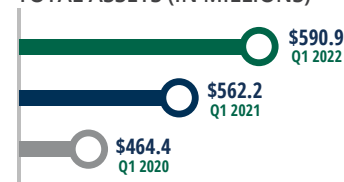
As we look to the remainder of the year and beyond, we know the rising rate environment will continue to impact our net interest margin and place pressure on earnings. Despite the uncertainty related to an economic scenario such as this, we feel we are well-positioned and prepared for this environment.

### CYBERSECURITY

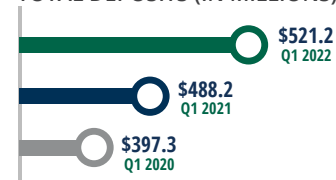
Given the increasing volume and sophistication of cyber threats, it's essential that we prepare for a multitude of scenarios by protecting our customers and the bank through strong controls and risk management. Empowering our employees with the education and tools necessary to be the first line of defense is imperative to a healthy, defensive strategy. We must also remain diligent in identifying, assessing, and mitigating these cybersecurity risks through all access points. By investing in technology, digital offerings and cybersecurity, it will allow us to support our customer's preferences, while remaining agile within the industry and keeping our customers and organization protected.

### PERFORMANCE AT A GLANCE

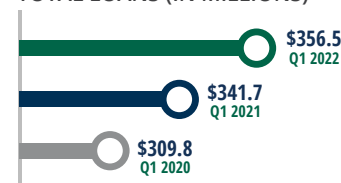
#### TOTAL ASSETS (IN MILLIONS)



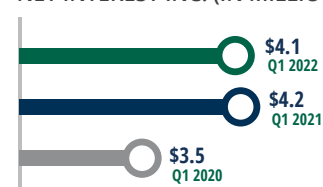
#### TOTAL DEPOSITS (IN MILLIONS)



#### TOTAL LOANS (IN MILLIONS)



#### NET INTEREST INC. (IN MILLIONS)



#### TANGIBLE BOOK VALUE



# Grand OPENING

**SAME ROOTS. DIFFERENT SOIL.**

Member  
**FDIC**  
EQUAL  
LENDER

## MARKET GROWTH

Our organization recognizes the success of our communities is dependent upon being an active partner and making sure the support and resources are available to thrive. In January, we were able to support the ongoing community investment when we opened our newest office in Harvard, Illinois. Our new location replaced our former strip mall residence that we had been in since late 2017. We see this as an exciting new chapter and opportunity to build on our existing foundation, continuing to make investments in the communities we serve that will have a lasting impact.

We view each market as having unique needs, thus differentiated products, services and solutions that are relevant and meaningful for the customers and communities we serve.

We look forward to our partnership with the Harvard and surrounding communities and the opportunity to provide them with resources necessary to address various needs and continue to grow.

## GUIDING OUR FUTURE

Our greatest competitive advantage continues to be our extraordinary team. Collaboration and innovation paired with our RADAR culture allow us to build strong, long-term relationships with our customers, our communities and our organization. We will continue to focus on investing in innovation, ongoing development of our team, technology and cybersecurity, allowing us to remain focused on the areas that will drive continued success.

Thank you for your ongoing support and confidence, we look forward to sharing our successes this year.



**DIRK MEMINGER**  
President & CEO



Through Harvard's market expansion, we look forward to meeting the growing and diverse needs of our customers and community.



Harvard | Grand Opening - Ribbon Cutting



Harvard | Grand Opening - On location Star 105.5



Harvard | Grand Opening



Harvard | Grand Opening