

A LETTER FROM THE PRESIDENT

FINANCIAL SUMMARY

Financial performance for the first half of the year was strong with net income totaling \$2.2 million. Current income is lower than the \$2.3 million in 2021, with the main difference attributed to the recognition of Paycheck Protection Program (PPP) fees in 2021. Excluding PPP fees would result in 2022 income exceeding that of the prior year.

We experienced growth in many of our reporting areas this quarter. Total assets were \$612.3 million on June 30, 2022, compared to \$578.5 million on June 30, 2021, or an increase of 5.8%. Our deposits grew \$55.4 million from the same time last year, or an increase of 11%. A significant portion of our growth came from Savings, NOW and Money Market accounts. Looking at our loan portfolio, we were up \$32 million from this time last year. Our portfolio ended at \$384.3 million, or an increase of 9.1%. The largest portion of growth came from our Commercial area with 10.8% growth. Our non-performing loans, as a percentage of total loans, remain at historical lows. Through the end of June, we are at .15% versus this same time last year of 1.28%. Prudent portfolio management will remain a priority to ensure we are mindful of any changes in our key indicators and action that may need to be taken.

It is important to note that our local and global economy will undoubtedly be facing uncertainty in the year ahead. Higher than expected inflation, paired with the rising rate environment will create a myriad of uncertainty. Our capital, liquidity and funding positions all remain strong. It is imperative that we do not lose sight of our strategic initiatives, and we will continue to invest in strengthening our business—more specifically, our people and technology. We also are prepared to assist and support our customers through a broad range of economic environments.

JANESVILLE

Since opening our Loan Production office in Janesville at the end of 2015, we have appreciated the opportunity to partner with the Ag community. One of our strategic initiatives focused on the growth and diversification of product offerings to the Janesville community. In June, we appointed Thomas Nelson as Market President for Janesville. Thomas brings a wealth of knowledge and expertise, and we appreciate his drive to continue our high-touch service approach in Janesville and surrounding communities. While the Janesville community is larger than the communities we are currently located in, we feel it offers many of the same opportunities that have driven our success.

PERFORMANCE AT A GLANCE

TOTAL ASSETS (IN MILLIONS)



TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



NET INTEREST INC. (IN MILLIONS)



TANGIBLE BOOK VALUE



In Our COMMUNITIES Investing



JANESVILLE—CONTINUED

Janesville's focus on driving entrepreneurship and innovation has created an environment where small businesses can achieve success through organizations, such as the Janesville Innovation Center. Often these types of small businesses need access to resources and support, and we are able to provide that assistance with our team, pairing the products and services we offer. We look forward to growing our presence in the Janesville market.

INVESTING IN OUR COMMUNITIES

We believe that investing in our communities is a responsibility we must continually maintain. It is more than simply making a donation; it is stepping in as a true partner to drive community initiatives. At the end of last year, we were fortunate to participate in the groundbreaking and official construction of the new Dixon Park District facility. Partnering with such a strong community ally was a privilege and honor. As construction has been progressing, the building is slated to be completed in late summer/early fall and we are excited to announce that the SVB Courts has been officially named as the fieldhouse portion of the facility.

Dixon has continued to identify key development initiatives with the most recent partnership between the City of Dixon and XSite realty to assist in the I88 development/Gateway Project. This project will open economic development along the I88 corridor off the Dixon exit. We appreciated the opportunity to step in as a financing partner, as this will assist ongoing development in Dixon.

These projects wouldn't have been possible without the support of the organizations and passionate drivers in the Dixon community. We were honored to be part of both of these exciting projects for Dixon and look forward to continuing to support their economic growth.

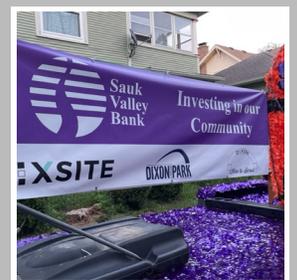
We appreciate the opportunity to serve our customers, communities and you—our shareholder. Thank you for your ongoing support of Sauk Valley Bank.

DIRK MEMINGER
President & CEO



"Sauk Valley Bank is honored to be part of this historic moment in Dixon. We are completely committed to serving the Dixon community and the entire region."

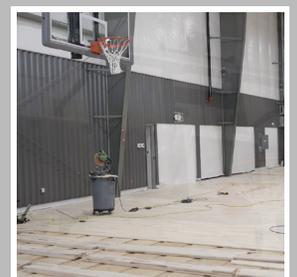
—DIRK MEMINGER



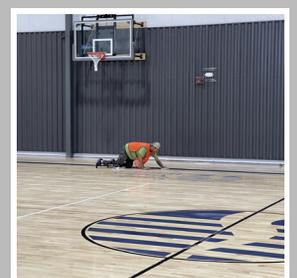
Dixon | Petunia Fest Parade Float



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Dixon Park District Facility | SVB Courts



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