

A LETTER FROM THE PRESIDENT

We are pleased to share our third quarter performance as we remained focused on our long-term priorities of investing in our team, customers and communities. The foundation of our success ties back to being a customer-centered organization and we must continue to nurture that culture.

FINANCIAL SUMMARY

General economic indicators show growth despite ongoing effects of the pandemic and the bank is similarly positioned as we see positive indicators from our reporting areas. Net income through the third quarter totaled \$3.6 million versus \$3 million a year ago, or an increase of 20.1%. Total assets were \$602.5 million at the end of the third quarter and grew \$62.8 million, or 11.6% from the same time last year.

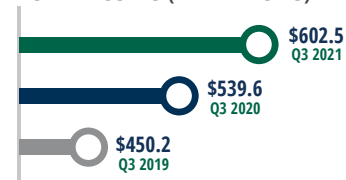
Deposits totaled \$524.6 million at the end of the third quarter, which is an increase of \$57.4 million or 12.3% from this time last year. This increase is primarily driven from the uncertainty of the interest rate environment and the desire of our depositors to maintain liquidity within their demand accounts. The loan portfolio grew to \$363.6 million, an increase of \$19 million or 5.5% from this time last year.

A majority of our Paycheck Protection Program (PPP) loans have been forgiven and as a result, we have recognized additional fee income. We have also used this opportunity to increase our loan loss provision, however, this is not as a result of the deterioration of our loan portfolio, but rather an opportunity to add additional dollars to the reserve.

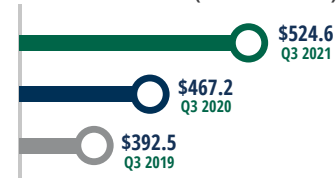
We are pleased with our margin performance, particularly given the low interest rate environment, however our performance has benefited from the Paycheck Protection Program. Net interest income is up 19.8% from this time last year and interest expense is 37.3% lower than this time in 2020. While our net interest margin benefited from stable loan yields and continued reduction of deposit costs, margin will continue to be compressed as rates remain low. As we plan for the coming year, we are cognizant of the advantage we received with the Paycheck Protection Program and understand that the coming year will not provide the same benefit.

PERFORMANCE AT A GLANCE

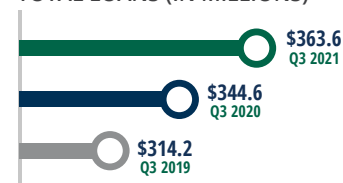
TOTAL ASSETS (IN MILLIONS)



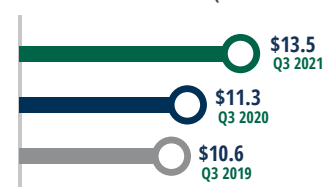
TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



NET INTEREST INC. (IN MILLIONS)



TANGIBLE BOOK VALUE PER SHARE



GRAND OPENING

THE ADVENTURE BEGINS

COME GROW WITH US



Sauk
Valley
Bank



MARKET GROWTH

We were able to celebrate the grand opening of our newest location on the north end of Dixon. Thank you to our team who was responsible for the project and the community partnership that provided the ability to add our second location. We are fortunate to be in the communities we serve and look forward to future partnerships as we all work to continue to strengthen the great community of Dixon.

Construction continues to progress with our new facility in Harvard. As many have experienced supply chain disruption, our construction schedule is experiencing the same with delays of materials. To echo the sentiment of our partnership in Dixon, we appreciate our partners on this project and within the community. Despite the material delays, our project completion continues to be targeted towards the end-of-the-year.

BUILDING OUR ORGANIZATION

We would like to extend a warm welcome to two of our newest team members, Chief Credit Officer, Joseph Stouffer and Regional Community Development Executive, Andy Beswick.

We look forward to Joseph in this role as he and the credit team will provide additional support, direction and enhanced assistance with our portfolio monitoring. Joseph's expertise will be incredibly valuable as our organization and portfolio continue to grow in size and complexity.

Andy Beswick joined our team at the end of August as our Regional Community Development Executive serving and partnering with our markets as we differentiate through service and community collaboration. While his role is unique, this innovation will serve to be a vital partner for our communities and economic drivers who are looking for solutions beyond a mere financial transaction.

GUIDING OUR FUTURE

Our success continues to center around our team—they serve our customers, communities, drive technology and innovation. As we look to next year and beyond, we will continue to invest in our people, drive efficiency, cybersecurity and technology as they are fundamental to our long-term success.

We would like to thank our customers, community and you—our shareholder for your continued investment in Sauk Valley Bank. We also wish our Ag relationships the best as they are wrapping up their harvest season.

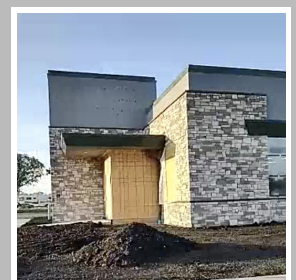
DIRK MEMINGER
President & CEO



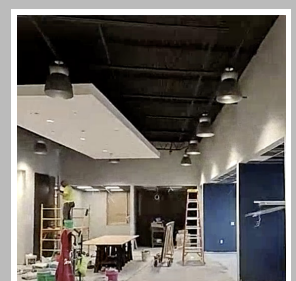
Dixon | Grand Opening - On location River Country Broadcast



Dixon | Grand Opening



Harvard | New Construction - Exterior



Harvard | New Construction - Interior