

## A LETTER FROM THE PRESIDENT

Our guiding principles have always focused on taking care of our employees, our customers and our communities. Now more than ever, we remain committed to providing the support, resources and assistance they all need.

Our present crisis tested our Disaster Recovery process, and I am proud to say, it's operating at optimal performance. Our first challenge was to determine how to protect our workforce and assure uninterrupted access to financial services for our customers. During a healthcare crisis such as this, it's imperative that our organization create a safe working environment to keep our team protected. In a matter of days, our team had launched remote capabilities for 30% of our employees. We also split up our on-site teams to reduce the amount of interaction and protect the health of our employees as much as possible. Our Pandemic Response Team meets daily to continue to develop initiatives, evaluate critical infrastructure and to ensure we don't have a disruption to our service standards or technology for our customers and employees.

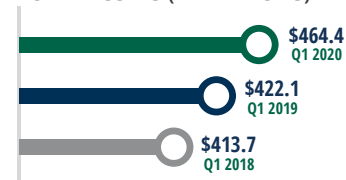
## FINANCIAL SUMMARY

As a community bank, we are here for our customers in good times and in bad. Now more than ever, our customers need a trusted financial partner. That is why we are working on an individual basis to determine solutions that will offer meaningful assistance for our customers. I want to thank our Lending, Credit and Servicing teams that have come together and spent countless hours taking care of our customers. Presently we have issued \$29 million in loan assistance through PPP and another \$45 million in loan deferment options, and we anticipate both of those figures to grow.

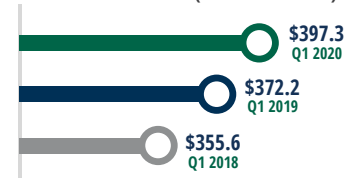
We entered this crisis in a strong position and have continued to see positive indicators from many of our reporting areas. Net income for the first quarter was \$778,617 versus \$564,118 a year ago, or an increase of 38%. Total assets were \$464.4 million at March 31, 2020, compared to \$422.1 million at March 31, 2019. Deposits totaled \$397.3 million at the end of this year's first quarter, which is an increase of \$25.2 million or 6.8% from this time last year. Our loan portfolio experienced growth in both Commercial and Ag. Our total at the end of the first quarter was \$331.6 million, compared to \$307.2 million at the end of the first quarter of 2019. We recognize the uncertainty of the current environment and the physical stress and financial challenges it is placing upon local businesses and farmers. This may result in negative earnings pressure as we progress through the year. We will remain focused on the work before us and hopefully have a clearer picture of how the shutdown has impacted our communities and customers when we communicate next quarter.

### PERFORMANCE AT A GLANCE

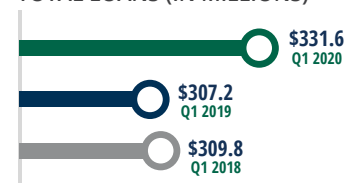
#### TOTAL ASSETS (IN MILLIONS)



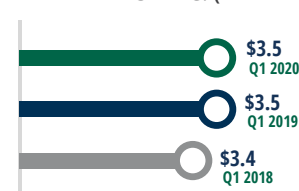
#### TOTAL DEPOSITS (IN MILLIONS)



#### TOTAL LOANS (IN MILLIONS)



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



#### TANGIBLE BOOK VALUE PER SHARE





## FUELING OUR HEROES

We're all in this together and we will get through this difficult time together.

#InThisTogether

### COMMUNITY IMPACT

During this difficult unprecedented time, we recognize that it's understandably stressful for all of our essential workers, which is why we initiated our appreciation campaign, *Fueling our Heroes*. Community partnership is in our DNA, but now, more than ever, it's critical to support our local businesses, helping them to remain intact. That's why we've partnered with our local restaurants to provide meals of appreciation for our essential working heroes. They're on the frontlines every day holding our communities together. They're out there braving the storm to keep our communities running and we want to express our heartfelt thanks. We are honored to help in supporting our communities. They deserve the best and we will continue to be there for them.

### SAUK VALLEY BANK HONORS RUSS SPITZER ON HIS RETIREMENT



Words can't express what your commitment, dedication and guidance have meant to us these past 16 years. We thank you for all the years you helped our organization grow and while you will be missed, we wish you the best as you pursue your next chapter.

Best Wishes,  
Sauk Valley Bank

### GUIDING OUR FUTURE

I am proud of our employees who have been willing to adapt and respond to the challenges presented during these unprecedented times. I also want to thank our frontline employees who have continued to provide an excellent customer experience while enduring these added challenges.

As we forge ahead through these challenging times, I am proud of our team and am confident our organization will be stronger for the future.

On behalf of our Board of Directors and Sauk Valley Bank, I want to thank the healthcare workers, first responders, frontline employees, small businesses and communities, we appreciate all you are doing.



**DIRK MEMINGER**  
President & CEO



Photo by Alex Paschal | Sauk Valley Media, Chief Photographer

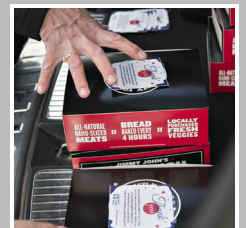


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