

► FIRST QUARTER | 2021 FINANCIAL REPORT

A LETTER FROM THE PRESIDENT

As our economy continues to weather the COVID-19 pandemic, I would like to thank the entire Sauk Valley Bank team for their exceptional work under extraordinarily difficult circumstances. This past year has tested us and I'm proud to say that our team has responded incredibly well—continuing to deliver for our customers, our communities and our shareholders.

The foundation of our success ties back to being a customer-centered organization and we must continue to nurture that culture. While our investments in technology and cybersecurity are critical, it's more important that we continue to invest in our talent and culture. These long-term investments will strengthen our team, our community and ultimately, our performance.

FINANCIAL SUMMARY

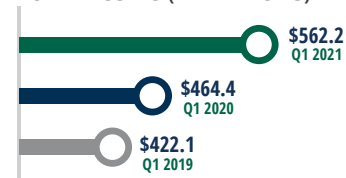
We had a strong start to the year with \$1 million in net income compared to \$778,617 from this time last year—an increase of 30%. Total assets were \$562.2 million on March 31, 2021 versus \$464.4 million on March 31, 2020. Our loan portfolio is up slightly, driven primarily from the funding of loans to area small businesses through the Paycheck Protection Program. Sauk Valley Bank will continue to advance loans in this program until its current deadline of May 31st. Total loans at the end of the first quarter were \$341.7 million, compared to \$331.6 million at the end of the first quarter of 2020. We continue to closely manage our asset quality and while we do not anticipate significant credit issues, we feel it is prudent to continue our planned provision expense for potential future losses.

Deposits totaled \$488.2 million at the end of the quarter, which is an increase of \$90.8 million, or 22.9%. Total non-interest income is up by 33.6% from this time last year, due largely to strong, continued performance of our mortgage lending team. We anticipate the origination and sale of mortgage loans to slow throughout the remainder of the year.

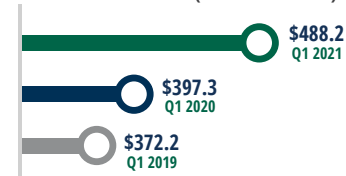
Undoubtedly, we continue to face challenges related to the pandemic, but it is important to keep our focus on investing in initiatives that deliver sustainable performance. Developing our talent, enhancing our product offering, investing in our digital channel and cybersecurity are key areas we have defined that will position us for the evolving environment.

PERFORMANCE AT A GLANCE

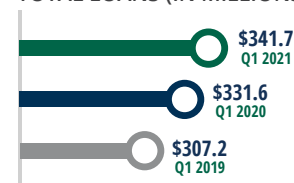
TOTAL ASSETS (IN MILLIONS)



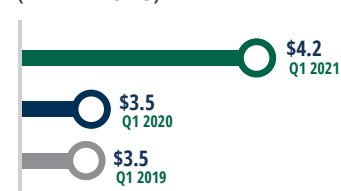
TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



YEAR-TO-DATE NET INTEREST INC. (IN MILLIONS)



TANGIBLE BOOK VALUE PER SHARE



Helping Keep The SAUK VALLEY OPEN



\$51.3M

In small business
PPP loans made



4,223

Small business
jobs saved



516

Small businesses/
borrowers helped

Activity Since 2020



Sauk
Valley
Bank



PAYCHECK PROTECTION PROGRAM

In mid-January, the SBA authorized a second draw for the Paycheck Protection Program (PPP). These loans were designed to help businesses keep their workforce employed during the COVID-19 crisis. I am proud to share that in the first quarter of this year, we funded 391 PPP loans totaling more than \$20 million to businesses in our communities. With the assistance of these loans, our customers were able to pay their employees, avoid layoffs and support continued operations. These loans were truly designed to benefit our businesses and the communities they serve. We appreciate having the opportunity to step in and be a resource for them, especially during these difficult times.

NEW MARKET GROWTH

DIXON

The renovation project is progressing along at our second location in Dixon. We have appreciated the enthusiasm and new partnerships with our market expansion and look forward to meeting the needs of the community. We anticipate opening sometime in the second quarter and will keep you updated with our continued progress.

HARVARD

After many months of preparation, we are pleased to announce, construction has officially begun at our new Harvard location. The new building will offer the services our customers currently enjoy, along with new technology and expansion of additional services. We look forward to being a financial partner and providing more for our customers and the surrounding Harvard community.

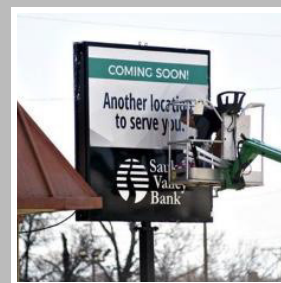
GUIDING OUR FUTURE

I would like to express my gratitude and appreciation for our team as they continue to adapt and work through ongoing challenges while remaining focused on delighting our customers. While we have had to adjust our approach, it has not changed our focus to serve our customers and community.

Despite what we faced last year and continue to face, we remain optimistic for our future and focused on being a trusted financial partner. Thank you for your support. We look forward to continuing to serve our communities, our customers and you-our shareholder.

DIRK MEMINGER

President & CEO



Dixon | Second Location
Photo by Alex Paschal | Sauk Valley Media, Chief Photographer



Dixon | Second Location Renovation



Harvard | New Construction Location



Harvard | New Construction Location