

THIRD QUARTER | 2025 FINANCIAL REPORT

A LETTER FROM THE PRESIDENT

The bank delivered strong financial performance in the third quarter with positive results across a majority of our key reporting areas.

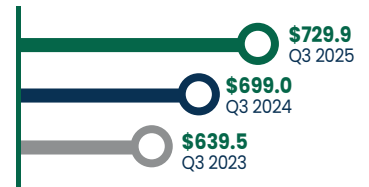
FINANCIAL PERFORMANCE

As of September 30, 2025, consolidated total assets ended at \$729.9 million, up from \$699 million in the prior year. Asset growth was supported by continued strength in loan demand, with the loan portfolio closing the quarter at \$527 million, representing growth of \$36.9 million or 7.5% compared to the prior year. Growth was primarily driven by the commercial portfolio which remains the largest driver of expansion, increasing \$28.3 million year over year. The communities we serve continue to provide opportunities, which will continue to create loan demand through the end of the year. To support ongoing loan growth, provision expense increased to \$600,000 year to date, up from \$350,000 at this point last year, bringing the allowance to 1.33% of total loans.

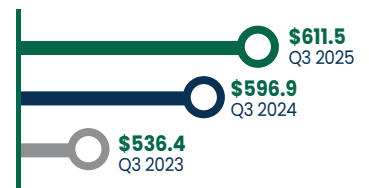
Deposits as of September 30, 2025, totaled \$611.5 million reflecting a 2.4% increase from the same time last year. While overall deposit balances have increased modestly, there has been a notable shift from noninterest bearing to interest bearing deposits as customers seek higher yielding options in the current rate environment. Despite the shift, funding costs have remained steady, supported by the strength of our core deposit relationships. Net interest income through the third quarter totaled \$17.2 million which is an increase of \$2.2 million or 14.8% compared to the prior year. While net interest margin was compressed in the prior year due to the prolonged inverted yield curve, we did see a steady year over year increase in net interest income. We expect this positive momentum to continue throughout the remainder of 2025. Net income through the third quarter totaled \$3.5 million which is an increase of 18.6% compared to the prior year.

PERFORMANCE AT A GLANCE

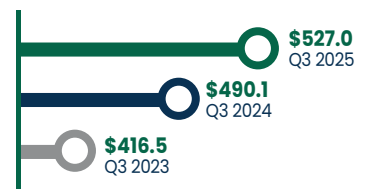
TOTAL ASSETS (IN MILLIONS)



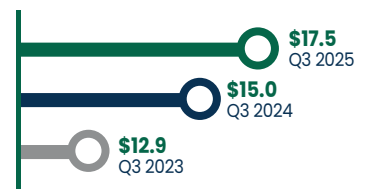
TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



NET INTEREST INC. (IN MILLIONS)



TANGIBLE BOOK VALUE PER SHARE





The Team You Can Trust



COMMUNITY OUTREACH

As our growth continues, we remember that our strength is in the relationships we have with our local communities and customers. To show this appreciation we celebrated with our annual Customer Appreciation Day. This year we had local radio stations interviewing employees and customers to share the message of Sauk Valley Bank's continued support to the community. Our team truly worked together to provide a successful event for all of our customers.

With summer in full effect, our team was able to participate in and support all our communities' efforts. From participating in the NAMI 5k series to celebrating Mexican Independence Day in Woodstock, Illinois, our team members proudly represented Sauk Valley Bank. These efforts reflect Sauk Valley Bank's dedication to building lasting relationships and supporting the communities it serves beyond traditional banking.

Our annual shareholder reception took place at the McCormick Event Center in July. This event is a great opportunity for our shareholders to gather, connect with others, and hear from our team on the successes of the current year.



Timberlake Event
"The Waitress"

GUIDING OUR FUTURE

Guiding Our Future remains at the heart of Sauk Valley Bank's mission as we close the third quarter of 2025. This quarter, we have continued to build momentum around strategic initiatives that position us for long-term growth and resilience. Our commitment to innovation and community-centric banking provides our customers with more intuitive, secure, and accessible financial solutions. These initiatives reflect our dedication to meeting evolving customer expectations while maintaining the personalized service that defines our brand.

Looking ahead, we are investing in talent development and operational excellence to ensure our teams are equipped to lead in a rapidly changing financial landscape. We have expanded our community engagement efforts, reinforcing our role as a trusted partner in our communities. These initiatives are not just about adapting to change—they're about shaping it. By staying true to our values and embracing forward-thinking strategies, Sauk Valley Bank is guiding a future that is both innovative and deeply rooted in the communities we serve.

DIRK MEMINGER

President & CEO