

ANNUAL REPORT

A YEAR IN REVIEW

FINANCIAL SUMMARY
COMMUNITY IMPACT



2025

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2025 ANNUAL REPORT

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About Us

Headquartered in Sterling, Illinois, Sauk Valley Bank is a locally owned, community financial institution that provides the highest quality products and services. Sauk Valley Bank offers solutions that fit various customer financial needs; including personal, commercial, and agricultural.

Sauk Valley Bank has achieved great success in its 25+ year history, including the expansion of its footprint. With various banking locations, the company serves communities throughout Illinois including: Sterling, Rock Falls, Dixon, Harvard, and that of Janesville, Wisconsin.

Our Mission

Sauk Valley Bank aims to build *relationships* around *accountability* to our customers and team members by *delighting* them with the *attention* and *respect* they deserve.

Building lifelong relationships, one customer at a time.



2025 Sauk Valley Favorites
Favorite Bank

2025 Best of Dixon
Business of the Year

Rock Falls
Chamber of Commerce
Professional Service Award

Suzy Perino

Sauk Valley Area
Chamber of Commerce
Ambassador of the year

Tygen Bausman

Letter from the President

As we close another year at Sauk Valley Bank, it is my honor to reflect on our progress and share the milestones that have shaped this organization. Each year brings new opportunities and new challenges, and 2025 was no exception. What remains constant, however, is the commitment of our team to our customers and our communities.

This past year, we made significant strides in strengthening our presence and investment in the long term vitality in the Sauk Valley Region as well as the Harvard and Janesville communities we proudly serve. From supporting local businesses with expanded lending programs to enhancing our digital banking experience, our efforts have centered around creating meaningful value for the people who rely on us.

Our mission to build relationships, empower financial success, and invest in the communities we call home continues to guide every decision we make. It is a mission rooted in service, and one that has helped shape our identity as a bank that puts people first. Whether through small business growth, homeownership opportunities, financial literacy education, or community partnerships, we remain dedicated to ensuring our impact extends far beyond our branches.

This year, we also deepened our commitment to accessibility and inclusion, launching initiatives that broaden how and where we support our customers. These efforts reflect our belief that strong communities are built when everyone has access to the tools and resources they need to thrive.

Throughout this report, you will see stories that illustrate the heart of Sauk Valley Bank: people helping people, investing in futures, and working together to build stronger communities. These stories are a testament to what is possible when vision and purpose come together.

Thank you for your trust, your partnership, and your continued belief in Sauk Valley Bank. We look forward to building on this momentum in the year ahead and continuing to serve as a reliable partner for our customers, businesses, and communities.

Together, we are creating growth, opportunity, and lasting impact.



Dirk Meminger
President & CEO
Sauk Valley Bank



A Year of Strategic Growth, Innovation, & Community Commitment

Expansion of the Board of Directors

As part of its ongoing commitment to strong governance and strategic oversight, Sauk Valley Bank welcomed a new member, Mark Scholl, to its Board of Directors in 2025. He brings many years of cybersecurity, IT training, and social engineering experience to our industry. As we continue to grow within our market, Mark brings a wealth of knowledge and financial insight.



With experience spanning leadership, business strategy, and community engagement, the new Board member complements the diverse backgrounds already represented on the Board. This appointment supports Sauk Valley Bank's focus on thoughtful decision-making, long-term stability, and responsible stewardship on behalf of customers, employees, and shareholders.

Appointment of Chief Operating Officer

Sauk Valley Bank strengthened its executive leadership team with the appointment of a Chief Operating Officer, Tracy Downs, reflecting the bank's continued growth and increasing operational complexity. This newly elevated role was established to support the bank's long-term strategic objectives, enhance operational efficiency, and ensure alignment across all departments.



The COO provides day-to-day operational oversight, supports enterprise-wide initiatives, and plays a key role in executing strategic priorities tied to market expansion, technology investments, and customer experience. This leadership addition reinforces the bank's commitment to disciplined growth while maintaining the personalized service and community focus that define Sauk Valley Bank.

Appointment of Chief Credit Officer

Aligning with the needs of our customers, Sauk Valley Bank appointed Warren Laube as Chief Credit Officer. In this role, Warren will maintain sound lending practices, monitor portfolio quality, and shape credit strategy that supports sustainable growth across Sauk Valley Bank's markets.



Warren brings more than three decades of experience shaped by work in credit administration, risk evaluation, and commercial lending. His career reflects a consistent focus on strengthening credit practices and supporting the long-term health of the financial institutions he has served. He is known for a thoughtful leadership style that emphasizes deliberate strategic guidance and genuine collaboration across departments.

A Year of Strategic Growth, Innovation, & Community Commitment

New Sterling Market President

Sauk Valley Bank is pleased to welcome Bailey Schneiderbauer as the Sterling Market President. In this role, Bailey will oversee market operations, community partnerships, and customer service initiatives for the Sterling area, continuing Sauk Valley Bank's mission of delivering trusted, local financial services.

Bailey brings nearly eight years of experience with Sauk Valley Bank. In this newly created role as Sterling Market President, Bailey will address the needs of our largest market, which includes three locations.



New Janesville Market President

Sauk Valley Bank is pleased to welcome Sarah Schwarz to the role of Janesville Market President. Sarah is known for a leadership style that combines approachability with strategic focus and for creating environments where employees, customers, and partners feel supported and able to succeed. Her background reflects a steady commitment to improving organizational performance through clear communication and strong, trustworthy relationships.

As Market President, Sarah will oversee local operations, strengthen community engagement, and support business development throughout the Janesville market. She will focus on delivering high-quality service, advancing organizational growth priorities, and fostering meaningful partnerships with clients, employees, and community stakeholders.



New Harvard Market President

Sauk Valley Bank has welcomed Lori Gajdzik to the role of Harvard Market President. Lori brings more than 25 years of leadership experience, shaped by a career centered on organizational development, workforce strategy, and operational oversight. Her work reflects steady communication, thoughtful judgment, and a genuine interest in the people she supports.

Lori will oversee local operations, strengthen community relationships, and support business development across the Harvard market. She will focus on delivering high-quality service, supporting organizational growth initiatives, and fostering meaningful engagement with clients and community partners.



Travis Howell and Mandi Ballard join our Lending team.

Travis Howell joined our Harvard team as Vice President of Commercial and Agriculture Lending. Travis brings 8 years of lending experience from previous roles. Travis' tenure in lending has equipped him with exceptional leadership skills and an expertise in managing complex lending operations. With a commitment to his customers and experience in building lasting relationships, Travis is a welcome addition to our lending team. We look forward to having his commercial and ag lending expertise as a resource to the bank and our customers in Northern Illinois and Southern Wisconsin.



Mandi Ballard was named as Vice President of Agricultural and Commercial Lending. Mandi brings more than 15 years of community banking experience and a lifelong connection to agriculture. In her career, Mandi has held senior leadership roles spanning agricultural and commercial lending, operations, and team leadership. She has worked closely with customers to navigate complex financial decisions related to growth, expansion, and transition planning, while also helping organizations strengthen performance and processes.

Community Impact & Volunteerism

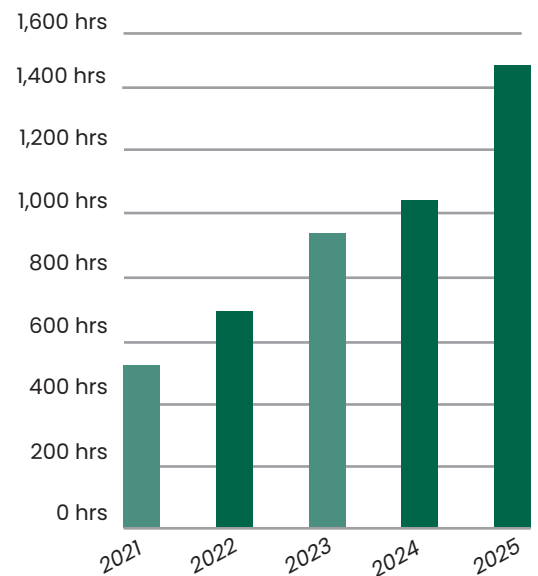
Our commitment to service remained at the heart of our mission. In 2025, the Be Great, Donate 8 employee volunteerism program surpassed previous years, with team members dedicating more hours than ever before to local nonprofits, youth programs, and community development initiatives.



Dixon Park District Spark Camp

Donate 8

Hours Donated



Community Impact & Volunteerism

This program brought support to over 60 community organizations across Illinois and Wisconsin.



Milton Food Pantry



Lowell Parkway Trail Cleanup



Sauk Valley Food Pantry

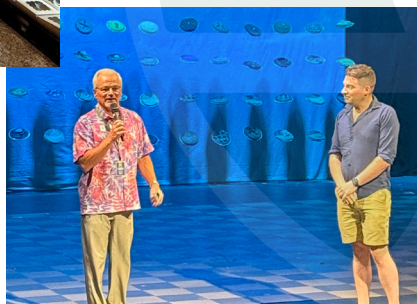
1,464.1 hrs

In 2025, our employees donated a total of 1464.1 hours to support nonprofits in our communities.



Supporting the Local Arts

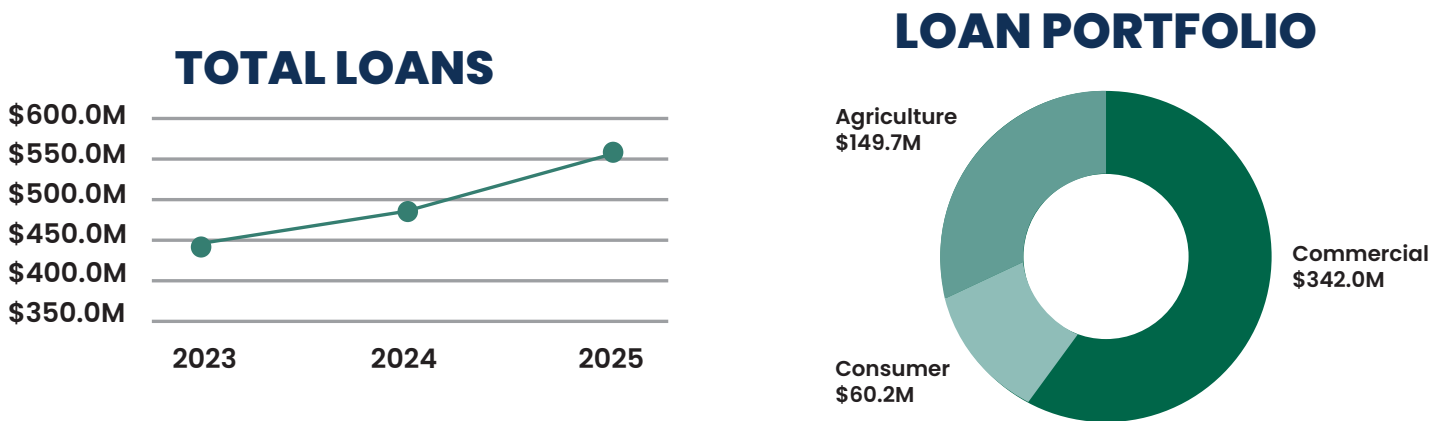
This year, we had an opportunity to support the arts with sponsoring “Waitress” at Timberlake Playhouse. This event brought together many of our board members, business partners, and community members for a night out supporting Timberlake and their staff.



Financial Performance

This year, the bank experienced continued balance sheet growth and improved operating performance. Total assets ended the year at \$748.2 million, an increase of \$62.9 million, or 9.2%, compared to the prior year. Growth was driven primarily from the loan portfolio.

Total loans increased to \$551.9 million, up \$58.4 million, or 11.8%, from the prior year. Loan growth was spread across lending areas, with continued activity in commercial and agricultural portfolios. This is consistent with the bank's relationship-driven business model, and the credit needs of our local markets.

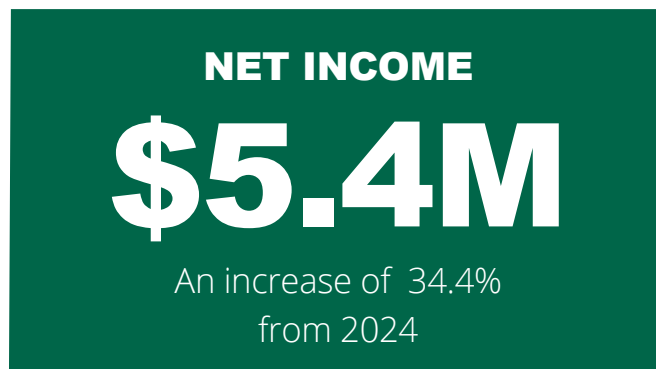


Deposits increased to \$615.2 million, an increase of \$33.3 million, or 5.7%, over the prior year. Deposit growth reflected strong customer relationships and competitive product offerings. As interest rate conditions evolved during the year, customers adjusted deposit balances toward higher-yielding products. Overall funding remained stable, diversified, and well aligned with balance sheet growth.

Non-performing loans represented 1.07% of total loans at year-end, compared to 0.96% in the prior year. Non-performing loans remained within manageable levels and reflected the bank's continued emphasis on proactive credit monitoring. The provision for loan losses totaled \$832,000 for the year and was driven primarily by portfolio expansion rather than deterioration in overall credit quality.

Financial Performance

Net income increased to \$5.4 million, up from \$4.0 million in the prior year, representing a 34.4% increase. Net interest income increased to \$24.3 million, up 19.4% from the prior year, driven by growth in loan balances, improved asset yields, and reduced funding costs. Non-interest income totaled \$3.2 million, supported by fee-based revenue streams. Non-interest expense totaled \$19.5 million, reflecting continued investment in personnel, technology, and infrastructure to support long-term growth.



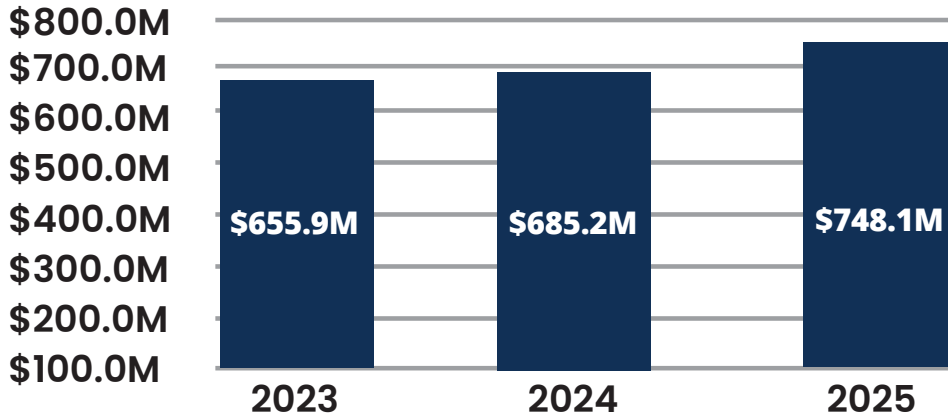
Looking ahead, the bank remains focused on disciplined growth, sound credit administration, and prudent balance sheet management.

At the end of the year, Book Value excluding comprehensive income and loss increased by 9.6%, ending the year at \$62.11 compared to \$56.66 in the prior year. Earnings per common share rose to \$5.91 from \$4.38 in the prior year, reflecting growth in net interest income and steady performance in non-interest income.

Strategic priorities remain centered on credit quality, liquidity management, operational efficiency, and continued investment in technology. Our performance reflects a deliberate and sustainable strategy focused on long-term value creation, community partnership, and consistent returns for shareholders.

Financial Performance

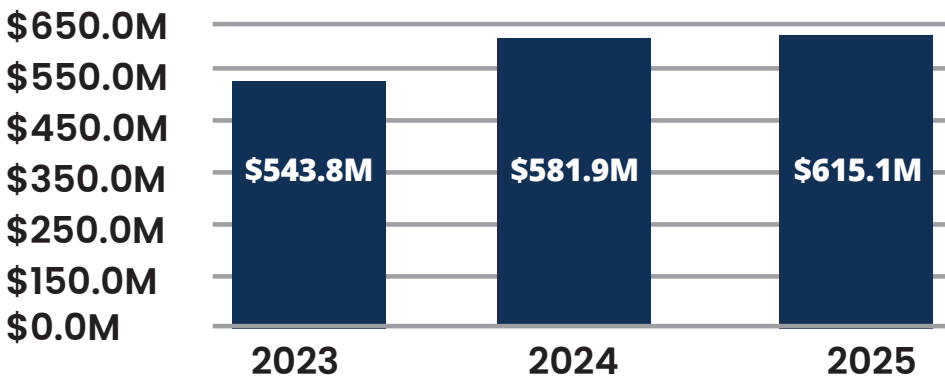
Total Assets



Total Assets



Total Deposits



Total Deposits



Financial Highlights

SV FINANCIAL INC.

Selected Consolidated Financial Data

YEAR ENDED DECEMBER 31,

	2025	2024	2023
Income Statement Data			
Interest Income	39,905,173	36,016,934	\$29,493,236
Interest Expense	15,590,452	15,659,083	12,270,914
Net Interest Income	24,314,721	20,357,851	17,222,322
Provision for Loan Losses	832,000	700,000	16,000
Non-Interest Income	3,196,555	2,832,590	2,635,262
Non-Interest Expense	19,496,951	17,311,273	15,865,131
Pre-Tax Earnings	7,182,325	5,174,168	3,976,453
Income Tax Expense	1,812,812	1,177,786	803,313
Net Income	5,369,513	3,996,382	3,173,140
Per Common Share Data			
Earnings	5.91	4.38	3.62
Book Value per Share excluding AOCI	62.11	56.62	52.82
Book Value per Share	55.07	44.79	41.01
Shares Outstanding	908,544	913,206	876,628
Balance Sheet Data at Period End			
Total Assets	748,188,498	685,249,062	655,858,611
Total Loans	551,891,000	493,468,082	443,837,755
Allowance for Loan Losses	7,261,553	6,337,914	5,992,623
Total Investment Securities	157,134,590	156,469,441	173,833,244
Total Deposits	615,166,895	581,869,141	543,772,653
Total Stockholders' Equity	50,030,573	40,907,021	35,946,439
Loan to Deposit Ratio	89.71%	84.81%	80.52%
Average Ratios			
Return on Average Assets	0.74%	0.58%	0.48%
Return on Average Stockholders' Equity excluding AOCI	8.51%	7.71%	6.85%
Net Interest Margin	3.53%	3.30%	2.93%
Asset Quality Ratios			
Net Charge-Offs as a Percentage of Average Total Loans	0.00%	0.02%	-0.02%
Non-Performing Loans as a Percentage of Total Loans	1.07%	0.96%	1.19%
Allowance for Loan Losses as a Percentage of Total Loans	1.32%	1.28%	1.35%



CEO's Closing Statement

It is a privilege to serve our communities and make a meaningful impact in the lives of the customers and communities we proudly support.

In closing, I want to extend my sincere appreciation to our entire team for their dedication, resilience, and commitment throughout this past year. The progress we have made is a direct reflection of their hard work and their unwavering focus on delivering exceptional experiences for our customers and communities. Their collaboration and shared purpose continue to drive our mission forward.

As we look to the year ahead, we do so with optimism and confidence. The momentum we have built through strengthened relationships, expanded services, and continued investment

in our communities positions us well for continued growth and meaningful impact. It is a privilege to serve the people and businesses that place their trust in us every day.

Dirk Meminger
President & CEO
Sauk Valley Bank



Chairman's Statement

As we reflect on another successful year at Sauk Valley Bank, I am filled with deep appreciation for the continued strength and momentum of our organization. While last year we celebrated a significant milestone in our 25th anniversary, this year has been defined by our steady forward progress grounded in our mission, strengthened by our people, and guided by our commitment to the communities we serve.

To our shareholders, thank you for your steadfast confidence and support. Your belief in our vision enables us to invest thoughtfully in our growth, expand our reach, and enhance the banking experience for our customers. Our success continues to be rooted in staying true to the values that have shaped us from the beginning: personalized service, community partnership, and responsible leadership.

As we look toward the future, we remain focused on building upon this strong foundation. We are committed to embracing new opportunities, advancing innovation that enhances value for our customers, and ensuring Sauk Valley Bank remains a trusted financial partner for generations to come. Together, we will continue shaping the next chapter of our story with purpose, integrity, and a shared commitment to excellence.

Sincerely,



Robert Hill
Chairman of the Board
Sauk Valley Bank



Board of Directors

Board of Directors

Sauk Valley Bank's Board of Directors is comprised of individuals from the business, financial, medical, agricultural, and legal communities. The Board includes a diverse range of skills, experience and perspective necessary to continually guide strong and reliable performance, ultimately driving growth for shareholders.



Robert Hill
Chairman of the Board



Kelly Keaschall
Vice Chair



Dirk Meminger
President and CEO



John Berge
Director



Dr. David Yeager
Director



Mary Whelan
Director



Steve Munson
Director



Tim Zollinger
Director



Todd Dail
Director



Mark Scholl
Director



Ronald Gerken
Chairman Emeritus

