DACOTAH BANKS, INC.
FIRST QUARTER REPORT

MARCH 31, 2024

DACOTAH BANKS, INC. BOARD OF DIRECTORS

ROBERT J. FOUBERG (2020)
Chairman and Chief Executive Officer
Aberdeen, SD
DARYL A. EBACH (2023)
President and Chief Revenue Officer
Aberdeen, SD
ARTHUR R. RUSSO (1985)
Partner
RhodesAnderson Insurance
Aberdeen, SD
BRADFORD J. WHEELER (1997)
Vice President
Wheeler Manufacturing, Inc.
Lemmon, SD
RICHARD L. WESTRA (2005)
Retired Chairman and CEO
Aberdeen, SD
CATHERINE O. SMITH (2012)
Businesswoman
Sioux Falls, SD
ELIZABETH A. LEWIS (2014)
Attorney
Woods, Fuller, Shultz & Smith P.C.
Sioux Falls, SD
JOSEPH A. SENGER (2015)
Retired President and CEO
Aberdeen, SD
LORI LAMONT LANGE (2016)
Meeting, Event and Travel Planner
HelmsBriscoe
Rapid City, SD
FREDERICK M. LAMONT (2020)
Private Investor
Santa Fe, NM
PAULA KAY CARLSON (2021)
Retired Chief Loan Program and Services Officer
Great Lakes Educational Loan Services, Inc.
Aberdeen, SD
JOANN R. HOOPER (2021)
Certified Public Accountant
Valley City, ND
JOSHUA J. PAULI (2021)
Department Head and Professor
University of Arizona
Sioux Falls, SD

Corporate Secretary
DIANA L. PFISTER
Senior Vice President and General Counsel
Aberdeen, SD

( ) Year First Elected

DACOTAH BANKS, INC.
FINANCIAL HIGHLIGHTS

(Dollar and share amounts in thousands, except per share data)

	Three months ended March 31		
	2024	2023	% change
PERFORMANCE			
Net interest income	**$29,772**	28,020	6.3%
Non-interest income	**5,550**	5,506	0.8
Non-interest expenses	**29,783**	26,219	13.6
Net income	**4,977**	6,171	(19.3)
Per share	**0.45**	0.55	(18.2)
Cash dividends declared	**3,355**	3,932	(14.7)
Per share	**0.30**	0.35	(14.3)
Net interest margin	**3.09 %**	3.33 %	(7.2)
Return on average assets	**0.48 %**	0.69 %	(30.4)
Return on average equity	**5.13 %**	6.93 %	(26.0)

AT MARCH 31			
Total assets	**$4,176,261**	3,670,522	13.8%
Investment securities and deposits with banks	**628,376**	611,060	2.8
Loans, net	**3,147,653**	2,714,370	16.0
Deposits	**3,739,960**	3,257,859	14.8
Borrowings	**-**	4,000	(100.0)
Stockholders' equity	**386,113**	367,289	5.1
Book value per share	**34.51**	32.69	5.6
Shares of common stock outstanding	**11,190**	11,237	(0.4)
Tier I leverage.	**10.16%**	11.15%	(8.9)
Tier I capital.	**12.05%**	13.23%	(8.9)
Total capital.	**13.15%**	14.45%	(9.0)

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF INCOME

(Dollar and share amounts in thousands, except per share data)

	Three months ended March 31	
	2024	2023
INTEREST INCOME		
Loans	**$45,891**	33,214
Securities:		
Taxable	**3,505**	2,832
Exempt from federal income taxes	**214**	253
Deposits in banks	**54**	70
Federal funds sold	**1,886**	801
	51,550	37,177
INTEREST EXPENSE		
Deposits	**21,778**	8,966
Borrowings	**-**	191
	21,778	9,157
NET INTEREST INCOME	**29,772**	28,020
CREDIT LOSS EXPENSE	**-**	-
NET INTERST INCOME AFTER CREDIT LOSS EXPENSE	**29,772**	28,020
NON-INTEREST INCOME		
Income from fiduciary activities	**715**	702
Service charges on deposit accounts	**723**	606
Insurance commissions	**1,619**	1,119
Fees on sale of residential mortgages	**276**	224
Servicing fees on residential mortgages	**123**	216
Other income	**2,094**	2,639
	5,550	5,506
NON-INTEREST EXPENSES		
Salaries and employee benefits	**20,016**	18,111
Occupancy, net	**1,579**	1,680
Software	**1,435**	1,114
Marketing	**724**	532
Furniture and equipment	**676**	682
FDIC assessment	**661**	238
Other expenses	**4,692**	3,862
	29,783	26,219
INCOME BEFORE INCOME TAXES	**5,539**	7,307
Applicable income taxes:		
Current	**653**	1,136
Deferred	**(91)**	-
	562	1,136
NET INCOME	**$ 4,977**	6,171
PER SHARE OF COMMON STOCK		
Net income - basic	**$ 0.45**	0.55
Cash dividends declared	**0.30**	0.35

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF CONDITION

(Dollar amount in thousands)

	March 31 2024	December 31 2023	March 31 2023
ASSETS			
Cash and due from banks	$ **46,955**	87,341	48,523
Interest-bearing deposits in banks	**117,500**	151,800	85,500
Time deposits in banks	**6,435**	6,930	9,669
Securities:			
Taxable	**587,103**	556,999	561,426
Tax exempt	**41,273**	42,324	49,634
Total securities	**628,376**	599,323	611,060
Loans held for sale	**642**	800	248
Loans	**3,186,023**	3,132,981	2,751,784
Allowance for credit losses	**(38,370)**	(38,296)	(37,414)
Net loans	**3,147,653**	3,094,685	2,714,370
Interest receivable	**36,183**	36,256	26,669
Premises and equipment, net	**55,960**	56,163	55,621
Foreclosed assets	**128**	113	376
Investment in life insurance contracts	**70,412**	66,208	64,624
Deferred income tax asset	**19,396**	18,599	21,995
Goodwill	**10,248**	10,248	10,248
Intangible assets	**475**	498	600
Mortgage servicing rights	**4,984**	5,112	4,567
Other assets	**30,914**	30,049	16,452
Total assets	**$ 4,176,261**	4,164,125	3,670,522
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 771,834**	832,697	949,291
Interest-bearing	**2,968,126**	2,893,668	2,308,568
Total deposits	**3,739,960**	3,726,365	3,257,859
Borrowings	**-**	-	4,000
Interest payable	**14,751**	11,428	5,215
Accrued expenses and other liabilities	**35,437**	38,816	36,159
Total liabilities	**3,790,148**	3,776,609	3,303,233
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued and outstanding	**57,144**	57,144	57,144
Capital surplus	**26,294**	26,099	25,014
Retained earnings	**373,058**	371,436	355,363
Unrealized loss on securities available for sale, net	**(44,058)**	(40,795)	(46,602)
Treasury stock, 3,095,792 shares at March 31, 2024, 3,101,832 shares at December 31, 2023 and 3,049,319 shares at March 31, 2023, at cost	**(26,325)**	(26,368)	(23,630)
Total stockholders' equity	**386,113**	387,516	367,289
Total liabilities and stockholders' equity	**$ 4,176,261**	4,164,125	3,670,522

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in thousands)

	Three months ended March 31	
	2024	2023
Operating Activities:		
Net income	**$ 4,977**	6,171
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	**1,485**	1,687
Benefit from deferred income taxes	**(91)**	-
Increase in investment in life insurance contracts	**(4,204)**	(4,732)
Decrease in loans held for sale	**158**	199
Decrease (increase) in interest receivable	**73**	(125)
Increase in other assets, net	**(576)**	(2,982)
Increase in interest payable	**3,323**	2,814
(Decrease) increase in other accrued expenses and liabilities, net	**(3,379)**	1,509
Net cash from operating activities	**1,766**	4,541
Investing Activities:		
Proceeds from maturities and calls of securities available for sale, interest-bearing deposits with banks and federal funds sold	**16,134**	17,907
Purchases of securities available for sale and interest-bearing deposits with banks	**(48,833)**	(1,245)
Net increase in loans	**(52,968)**	(14,752)
Purchases of premises and equipment	**(1,248)**	(1,675)
Purchase of foreclosed assets	**(15)**	(206)
Net cash used by investing activities	**(86,930)**	29
Financing Activities:		
Decrease in non-interest-bearing deposits, net	**(60,853)**	(61,658)
Increase in interest-bearing deposits, net	**25,919**	31,902
Increase in certificates of deposit, net	**48,529**	167,480
Repayments of overnight borrowings	**-**	(85,300)
Sale of treasury stock, net	**238**	107
Dividends paid to stockholders	**(3,355)**	(3,932)
Net cash from financing activities	**10,478**	48,599
Net change in cash and cash equivalents	**(74,686)**	53,169
Cash and cash equivalents, beginning of year	**239,141**	80,854
Cash and cash equivalents, end of year	**$ 164,455**	134,023

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

Balance, January 1	**$ 38,296**	37,397
Provision for credit losses	**-**	-
Recoveries	**215**	80
Loans charged off	**(141)**	(63)
Balance, March 31	**$ 38,370**	37,414
As of % of loans	**1.20%**	1.36%

DACOTAH BANK
STEERING COMMITTEE

DAVID W. BANGASSER
Senior Vice President and Chief Banking Officer
CHAD D. BERGAN
Executive Vice President and Chief Financial Officer
PAIGE E. BJORNSON
Northern Region President
KIMBERLY R. BOWMAN
Senior Vice President and Chief Talent Officer
KEVIN J. BURCKHARD
Senior Vice President and Chief Retail Officer
DARYL A. EBACH
Presidet and Chief Revenue Officer
KRISTEN N. FAUTH
Executive Vice President and Chief Operating Officer
ROBERT J. FOUBERG
Chairman and Chief Executive Officer
TRAVIS L. GEPPERT
Senior Vice President Insurance Services
KIP J. HANSEN
Mid-Dakota Region President
CHAD B. JAGER
Western Region President
ROBERT D. KEIL
Senior Vice President and Chief Credit Officer
ALEX C. KING
Senior Vice President Trust and Wealth Management
MeCHELLE L. LANG
Senior Vice President Mortgage Banking
DAVE W. MILLER
Senior Vice President Technology Services
DIANA L. PFISTER
Senior Vice President and General Counsel
DAVID J. SANDVIG
Senior Vice President and Chief Strategy Officer
TODD J. SENGER
Senior Vice President Corporate Banking
JERRY L. TVEIDT
Southern Region President

DACOTAH BANK
LOCATIONS AND MANAGEMENT

MID-DAKOTA REGION
KIP J. HANSEN, Regional President
KELLY L. HANSON, Market President, Sisseton
KELLY L. HANSON, Market President, Webster, Groton, Langford and Rosyln
MICHAEL J. MAHONEY, Market Presdent, Morris
KRISTIE M. MARTIN, Market President, Aberdeen
BRANDON R. SPANIER, Market President, Faulkton

NORTHERN REGION
PAIGE E. BJORNSON, Regional President
DAWN L. FITZGERALD, Market President, Rolla and Belcourt
JUDD F. GRAHAM, Market President, Fargo
CASEY L. HENDERSON, Market President, Jamestown
TYLER S. MARTHALER, Market President, Valley City
JACOB K. NESVIG, Market President, Bismarck

SOUTHERN REGION
JERRY L. TVEIDT, Regional President
STEVEN J. CARNES, Market President, Brookings
TOM D. WEAVER, Market President, Rapid City and Custer
BRANDON S. HERR, Market President, Clark, Henry and Willow Lake
MATTHEW J. SMITH, Market President, Sioux Falls
TROY J. ZEBROSKI, Market President, Watertown

WESTERN REGION
CHAD B. JAGER, Regional President
RYAN J. HERTZ, Market President, Minot and Bowbells
GARRETT M. SCHWEITZER, Market President, Lemmon, Bison and Dickinson
SETH J. SKOGEN, Market President, Hettinger
KEVIN T. WIENTJES, Market President, Mobridge

CORPORATE BANKING DIVISION
TODD J. SENGER, Senior Vice President

Dacotah Territory

DACOTAH BANK

DACOTAH BANKS, INC.

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