DACOTAH BANK®

DACOTAH BANKS, INC.
FIRST QUARTER REPORT

MARCH 31, 2025

DACOTAH BANKS, INC. BOARD OF DIRECTORS

ROBERT J. FOUBERG (2020)
Chairman and Chief Executive Officer
Aberdeen, SD
DARYL A. EBACH (2023)
President
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		
	2025	2024	% change
PERFORMANCE			
Net interest income	**$37,628**	29,772	26.4%
Non-interest income	**9,163**	5,550	65.1
Non-interest expenses	**31,065**	29,783	4.3
Net income	**12,829**	4,977	157.8
Per share	**1.15**	0.45	155.6
Cash dividends declared	**3,335**	3,355	(0.6)
Per share	**0.30**	0.30	-
Net interest margin	**3.53 %**	3.09 %	14.2
Return on average assets	**1.14 %**	0.48 %	137.5)
Return on average equity	**12.42 %**	5.13 %	142.1

AT MARCH 31			
Total assets	**$4,609,739**	4,176,261	10.4%
Investment securities and deposits with banks	**566,911**	628,376	(9.8)
Loans, net	**3,582,689**	3,147,653	13.8
Deposits	**4,133,259**	3,739,960	10.5
Stockholders' equity	**428,433**	386,113	11.0
Book value per share	**38.47**	34.51	11.5
Shares of common stock outstanding	**11,137**	11,190	(0.5)
Tier I leverage.	**9.88%**	10.16%	(2.8)
Tier I capital.	**11.46%**	12.05%	(4.9)
Total capital.	**12.46%**	13.15%	(5.2)

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended March 31	
	2025	2024
INTEREST INCOME		
Loans	**$55,701**	45,891
Securities:		
Taxable	**3,505**	3,505
Exempt from federal income taxes	**213**	214
Deposits in banks	**49**	54
Federal funds sold	**1,453**	1,886
	60,921	51,550
INTEREST EXPENSE		
Deposits	**23,271**	21,778
Borrowings	**22**	-
	23,293	21,778
NET INTEREST INCOME	**37,628**	29,772
CREDIT LOSS EXPENSE	**-**	-
NET INTERST INCOME AFTER CREDIT LOSS EXPENSE	**37,628**	29,772
NON-INTEREST INCOME		
Income from fiduciary activities	**910**	715
Service charges on deposit accounts	**832**	723
Insurance commissions	**2,160**	1,619
Fees on sale of residential mortgages	**449**	276
Servicing fees on residential mortgages	**474**	123
Other income	**4,338**	2,094
	9,163	5,550
NON-INTEREST EXPENSES		
Salaries and employee benefits	**20,557**	20,016
Occupancy, net	**1,601**	1,579
Software	**1,534**	1,435
Marketing	**662**	724
Furniture and equipment	**582**	676
FDIC assessment	**777**	661
Other expenses	**5,352**	4,692
	31,065	29,783
INCOME BEFORE INCOME TAXES	**15,726**	5,539
Applicable income taxes:		
Current	**2,601**	653
Deferred (credit)	**296**	(91)
	2,897	562
NET INCOME	**$ 12,829**	4,977
PER SHARE OF COMMON STOCK		
Net income - basic	**$ 1.15**	0.45
Cash dividends declared	**0.30**	0.30

DACOTAH BANKS, INC.
CONSOLIDATED STATEMENTS OF CONDITION

(Dollar amount in thousands)

	March 31 2025	December 31 2024	March 31 2024
ASSETS			
Cash and due from banks	**$ 64,745**	67,374	46,955
Interest-bearing deposits in banks	**158,200**	-	117,500
Time deposits in banks	**5,933**	6,180	6,435
Securities:			
Taxable	**530,799**	529,943	587,103
Tax exempt	**36,112**	36,192	41,273
Total securities	**566,911**	566,135	628,376
Loans held for sale	**1,040**	802	642
Loans	**3,621,980**	3,618,345	3,186,023
Allowance for credit losses	**(39,291)**	(39,954)	(38,370)
Net loans	**3,582,689**	3,578,391	3,147,653
Interest receivable	**43,291**	43,370	36,183
Premises and equipment, net	**53,240**	54,069	55,960
Foreclosed assets	**74**	118	128
Investment in life insurance contracts	**71,798**	72,287	70,412
Deferred income tax asset	**16,838**	19,014	19,396
Goodwill	**10,248**	10,248	10,248
Intangible assets	**396**	413	475
Mortgage servicing rights	**4,876**	4,668	4,984
Other assets	**29,460**	28,866	30,914
Total assets	**$ 4,609,739**	4,451,935	4,176,261
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 798,906**	786,353	771,834
Interest-bearing	**3,334,353**	3,149,184	2,968,126
Total deposits	**4,133,259**	3,935,537	3,739,960
Borrowings	**-**	48,100	-
Interest payable	**9,775**	15,775	14,751
Accrued expenses and other liabilities	**38,272**	41,116	35,437
Total liabilities	**4,181,306**	4,040,528	3,790,148
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued and outstanding	**57,144**	57,144	57,144
Capital surplus	**26,944**	26,826	26,294
Retained earnings	**403,945**	394,451	373,058
Unrealized loss on securities available for sale, net	**(30,941)**	(38,542)	(44,058)
Treasury stock, 3,148,719 shares at March 31, 2025, 3,146,172 shares at December 31, 2024 and 3,095,792 shares at March 31, 2024, at cost	**(28,659)**	(28,472)	(26,325)
Total stockholders' equity	**428,433**	411,407	386,113
Total liabilities and stockholders' equity	**$ 4,609,739**	4,451,935	4,176,261

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in thousands)

	Three months ended March 31	
	2025	2024
Operating Activities:		
Net income	$ **12,829**	4,977
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	**1,211**	1,485
Expense (benefit) from deferred income taxes	**296**	(91)
Decrease (increase) in investment in life insurance contracts	**489**	(4,204)
(Increase) decrease in loans held for sale	**(238)**	158
Decrease in interest receivable	**79**	73
Increase in other assets, net	**(944)**	(576)
(Decrease) increase in interest payable	**(6.000)**	3,323
Decrease in other accrued expenses and liabilities, net	**(2,844)**	(3,379)
Net cash from operating activities	**4,878**	1,766
Investing Activities:		
Proceeds from maturities and calls of securities available for sale, interest-bearing deposits with banks and federal funds sold	**22,178**	16,134
Purchases of securities available for sale and interest-bearing deposits with banks	**(12,960)**	(48,833)
Net increase in loans	**(4,298)**	(52,968)
Purchases of premises and equipment	**(490)**	(1,248)
Sale (purchase) of foreclosed assets	**44**	(15)
Net cash used by investing activities	**4,474**	(86,930)
Financing Activities:		
Increase (decrease) in non-interest-bearing deposits, net	**12,553**	(60,853)
Increase in interest-bearing deposits, net	**178,503**	25,919
Increase in certificates of deposit, net	**6,666**	48,529
Net change in federal funds purchased	**(48,100)**	-
(Purchase) sale of treasury stock, net	**(69)**	238
Dividends paid to stockholders	**(3,334)**	(3,355)
Net cash from financing activities	**146,219**	10,478
Net change in cash and cash equivalents	**155,571**	(74,686)
Cash and cash equivalents, beginning of year	**67,374**	239,141
Cash and cash equivalents, end of year	$ **222,945**	164,455

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

Balance, January 1	$ **39,954**	38,296
Provision for credit losses	**-**	-
Recoveries	**94**	215
Loans charged off	**(757)**	(141)
Balance, March 31	$ **39,291**	38,370
As of % of loans	**1.08%**	1.20%

DACOTAH BANK
STEERING COMMITTEE

DAVID W. BANGASSER
Senior Vice President and Chief Banking 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
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
ALAN L. KJENSTAD
Executive Vice President and Chief Financial Officer
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 and Chief Revenue Officer
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
PATRICK R. ERICKSON, Market President, Fargo
CASEY L. HENDERSON, Market President, Jamestown
TYLER S. MARTHALER, Market President, Valley City
ANDREW T. STEINWAND, Market President, Bismarck

SOUTHERN REGION
JERRY L. TVEIDT, Regional President
OLAF P. HANSON, Market President, Brookings
TOM D. WEAVER, Market President, Rapid City and Custer
BRANDON S. HERR, Market President, Clark 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 and Chief Revenue Officer, Minneapolis

DACOTAH TERRITORY

DACOTAH BANK®

DACOTAH BANKS, INC.

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www.dacotahbank.com