DACOTAH BANK®

DACOTAH BANKS, INC.
SECOND QUARTER REPORT

JUNE 30, 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)

	Six months ended June 30		
	2025	2024	% change
PERFORMANCE			
Net interest income	**$75,397**	60,727	24.2%
Credit loss expense	**1,500**	900	66.7
Non-interest income	**17,399**	11,978	45.3
Non-interest expenses	**63,054**	59,603	5.8
Net income	**24,298**	11,380	113.5
Per share	**2.18**	1.02	113.7
Cash dividends declared	**3,335**	3,355	(0.6)
Per share	**0.30**	0.30	-
Net interest margin	**3.59%**	3.15%	14.0
Return on average assets	**1.07%**	0.55%	94.5
Return on average equity	**11.46%**	5.87%	95.2
AT JUNE 30			
Total assets	**$4,611,687**	4,309,834	7.0%
Investment securities and deposits with banks	**572,022**	603,065	(5.1)
Loans, net	**3,730,496**	3,393,279	9.9
Deposits	**4,097,461**	3,719,410	10.2
Overnight borrowings	**22,800**	142,100	(84.0)
Stockholders' equity	**444,045**	392,706	13.1
Book value per share	**39.87**	35.15	13.4
Shares of common stock outstanding	**11,137**	11,172	(0.3)
Tier I leverage	**10.12%**	10.17%	(0.5)
Tier I capital	**11.33%**	11.38%	(0.4)
Total capital	**12.31%**	12.43%	(1.0)

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
INTEREST INCOME				
Loans	**$57,584**	50,899	**113,285**	96,790
Securities:				
Taxable	**3,613**	3,552	**7,118**	7,057
Exempt from federal income taxes	**215**	211	**428**	425
Deposits in banks	**43**	52	**92**	106
Federal funds sold	**757**	174	**2,210**	2,060
	62,212	54,888	**123,133**	106,438
INTEREST EXPENSE				
Deposits	**22,799**	22,665	**46,070**	44,443
Borrowings	**144**	368	**166**	368
	22,943	23,033	**46,236**	44,811
NET INTEREST INCOME	**39,269**	31,855	**76,897**	61,627
CREDIT LOSS EXPENSE	**1,500**	900	**1,500**	900
NET INTEREST INCOME AFTER CREDIT LOSS EXPENSE	**37,769**	30,955	**75,397**	60,727
NON-INTEREST INCOME				
Income from fiduciary activities	**746**	790	**1,656**	1,505
Service charges on deposit accounts	**889**	754	**1,721**	1,477
Insurance commissions	**1,657**	1,458	**3,817**	3,077
Fees on sale of residential mortgages	**582**	430	**1,031**	706
Servicing fees on residential mortgages	**241**	103	**715**	226
Other income	**4,121**	2,893	**8,459**	4,987
	8,236	6,428	**17,399**	11,978
NON-INTEREST EXPENSES				
Salaries and employee benefits	**20,799**	19,553	**41,356**	39,569
Occupancy, net	**1,583**	1,502	**3,184**	3,081
Software	**1,517**	1,343	**3,051**	2,778
Marketing	**948**	733	**1,610**	1,457
Furniture and equipment	**631**	678	**1,213**	1,354
FDIC assessment	**829**	621	**1,606**	1,282
Other expenses	**5,682**	5,390	**11,034**	10,082
	31,989	29,820	**63,054**	59,603
INCOME BEFORE INCOME TAXES	**14,016**	7,563	**29,742**	13,102
Applicable income taxes:				
Current	**3,206**	1,794	**5,807**	2,447
Deferred (credit)	**(659)**	(634)	**(363)**	(725)
	2,547	1,160	**5,444**	1,722
NET INCOME	**$ 11,469**	6,403	**24,298**	11,380
PER SHARE OF COMMON STOCK				
Net income - basic	**$ 1.03**	0.57	**2.18**	1.02
Cash dividends declared	**-**	-	**0.30**	0.30

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

	June 30 2025	December 31 2024	June 30 2024
ASSETS			
Cash and due from banks	**$ 78,302**	67,374	79,484
Time deposits in banks	**4,436**	6,180	6,435
Securities:			
Taxable	**536,905**	529,943	562,952
Tax exempt	**35,117**	36,192	40,113
Total securities	**572,022**	566,135	603,065
Loans held for sale	**3,737**	802	2,435
Loans	**3,770,628**	3,618,345	3,432,423
Aowance for credit losses	**(40,132)**	(39,954)	(39,144)
Net loans	**3,730,496**	3,578,391	3,393,279
Interest receivable	**35,723**	43,370	33,338
Premises and equipment, net	**53,890**	54,069	54,949
Foreclosed assets	**73**	118	179
Investment in life insurance contracts	**72,062**	72,287	70,915
Deferred income tax asset	**15,733**	19,014	19,280
Goodwill	**10,248**	10,248	10,248
Intangible assets	**380**	413	453
Mortgage servicing rights	**4,847**	4,668	4,835
Other assets	**29,738**	28,866	30,939
Total assets	**$ 4,611,687**	4,451,935	4,309,834
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 742,093**	786,353	750,214
Interest-bearing	**3,355,368**	3,149,184	2,969,196
Total deposits	**4,097,461**	3,935,537	3,719,410
Federal funds purchased	**22,800**	48,100	142,100
Interest payable	**8,512**	15,775	17,490
Accrued expenses and other liabilities	**38,869**	41,116	38,128
Total liabilities	**4,167,642**	4,040,528	3,917,128
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued and outstanding	**57,144**	57,144	57,144
Capital surplus	**27,103**	26,826	26,560
Retained earnings	**415,414**	394,451	379,461
Unrealized gain on securities available for sale, net	**(26,821)**	(38,542)	(43,325)
Treasury stock, 3,148,953 shares at June 30, 2025, 3,146,172 shares at December 31, 2024, and 3,113,933 shares at June 30, 2024, at cost	**(28,795)**	(28,472)	(27,134)
Total stockholders' equity	**444,045**	411,407	392,706
Total liabilities and stockholders' equity	**$ 4,611,687**	4,451,935	4,309,834

DACOTAH BANKS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Six months ended June 30	
	2025	2024
Operating Activities:		
Net income	**$ 24,298**	11,380
Adjustments to reconcile net income to net cash flows from operating activities:		
Allowance for credit losses	**1,500**	900
Depreciation and amortization	**2,444**	2,759
Benefit from deferred income taxes	**(363)**	(725)
Decrease (increase) in investment in life insurance contracts	**225**	(4,707)
Increase in loans held for sale	**(2,935)**	(1,635)
Decrease in interest receivable	**7,647**	2,918
(Increase) decrease in other assets, net	**(523)**	103
(Decrease) increase in interest payable	**(7,263)**	6,062
Decrease in other accrued expenses and liabilities, net	**(2,247)**	(688)
Net cash from operating activities	**22,783**	16,367
Investing Activities:		
Proceeds from maturities and calls of securities available for sale, interest-bearing deposits with banks and federal funds sold	**49,801**	58,011
Purchases of securities available for sale and interest-bearing deposits with banks	**(38,829)**	(64,442)
Net increase in loans	**(153,605)**	(299,494)
Purchases of premises and equipment	**(2,511)**	(1,518)
Sale (purchase) of foreclosed assets, net	**45**	(66)
Net cash used by investing activities	**(145,099)**	(307,509)
Financing Activities:		
Decrease in noninterest-bearing deposits, net	**(44,260)**	(82,473)
Increase (decrease) in interest-bearing deposits, net	**178,231**	(6,471)
Increase in certificates of deposit, net	**27,953**	81,989
Net change in federal funds purchased	**(25,300)**	142,100
Purchase of treasury stock, net	**(46)**	(305)
Dividends paid to stockholders	**(3,334)**	(3,355)
Net cash from financing activities	**133,244**	131,485
Net change in cash and cash equivalents	**10,928**	(159,657)
Cash and cash equivalents, beginning of year	**67,374**	239,141
Cash and cash equivalents, end of year	**$ 78,302**	79,484

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

Balance, January 1	**$ 39,954**	38,296
Provision for credit losses	**1,500**	900
Recoveries	**284**	278
Loans charged off	**(1,606)**	(330)
Balance, June 30	**$ 40,132**	39,144
As a % of loans	**1.06%**	1.14%

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
President
JORDAN A. EGGESTEIN
Senior Vice President and Chief Deposit 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
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

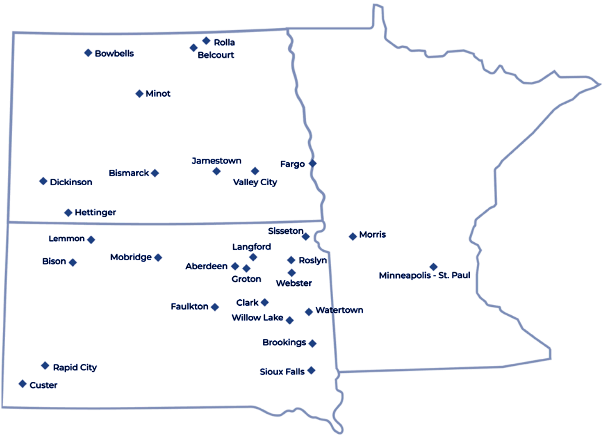
NORTHERN REGION
PAIGE E. BJORNSON, Regional President
DAWN L. FITZGERALD, Market President, Rolla and Belcourt
PATRICK R. ERICKSON, Market President, Fargo
CASEY L. HENDERSON, Market President, Jamestown
TYLER S. MARTHALER, Market President, Valley City
ANDREW T. STEINWAND, Market President, Bismarck

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.

P. O. BOX 1496

ABERDEEN, SOUTH DAKOTA 57402-1496

www.dacotahbank.com