DACOTAH BANK®

DACOTAH BANKS, INC.
THIRD QUARTER REPORT

SEPTEMBER 30, 2025

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
Executive 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)

	Nine months ended September 30		
	2025	2024	% change
PERFORMANCE			
Net interest income	**$117,333**	95,089	23.4%
Credit loss expense	**3,150**	2,100	50.0
Non-interest income	**25,774**	19,124	34.8
Non-interest expenses	**95,454**	89,755	6.3
Net income	**36,321**	19,031	90.9
Per share	**3.26**	1.70	91.8
Cash dividends declared	**6,895**	6,714	2.7
Per share	**0.62**	0.60	3.3
Net interest margin	**3.59%**	3.18%	12.9
Return on average assets	**1.06%**	0.60%	76.7
Return on average equity	**11.16%**	6.48%	72.2
AT SEPTEMBER 30			
Total assets	**$4,797,407**	4,384,911	9.4%
Investment securities and deposits with banks	**572,169**	609,740	(6.2)
Loans, net	**3,825,996**	3,469,710	10.3
Deposits	**4,289,456**	3,876,833	10.6
Overnight borrowings	**-**	44,800	(100.0)
Stockholders' equity	**456,339**	411,076	11.0
Book value per share	**40.98**	36.82	11.3
Shares of common stock outstanding	**11,136**	11,163	(0.2)
Tier I leverage	**10.08%**	9.96%	1.2
Tier I capital	**11.27%**	11.27%	-
Total capital	**12.26%**	12.34%	(0.6)

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended September 30		Nine months ended September 30	
	2025	2024	**2025**	2024
INTEREST INCOME				
Loans	**$59,892**	54,887	**173,177**	151,677
Securities:				
Taxable	**3,744**	3,537	**10,862**	10,594
Exempt from federal income taxes	**229**	227	**657**	652
Deposits in banks	**39**	54	**131**	160
Federal funds sold	**459**	22	**2,669**	2,082
	64,363	58,727	**187,496**	165,165
INTEREST EXPENSE				
Deposits	**23,845**	23,951	**69,915**	68,394
Borrowings	**82**	1,314	**248**	1,682
	23,927	25,265	**70,163**	70,076
NET INTEREST INCOME	**40,436**	33,462	**117,333**	95,089
CREDIT LOSS EXPENSE	**1,650**	1,200	**3,150**	2,100
NET INTEREST INCOME AFTER CREDIT LOSS EXPENSE	**38,786**	32,262	**114,183**	92,989
NON-INTEREST INCOME				
Income from fiduciary activities	**704**	635	**2,360**	2,140
Service charges on deposit accounts	**993**	799	**2,714**	2,276
Insurance commissions	**1,693**	1,660	**5,510**	4,737
Fees on sale of residential mortgages	**826**	830	**1,857**	1,536
Servicing fees on residential mortgages	**219**	344	**934**	570
Other income	**3,940**	2,878	**12,399**	7,865
	8,375	7,146	**25,774**	19,124
NON-INTEREST EXPENSES				
Salaries and employee benefits	**21,168**	19,579	**62,524**	59,148
Occupancy, net	**1,571**	1,381	**4,755**	4,462
Software	**1,571**	1,333	**4,622**	4,111
Marketing	**843**	785	**2,453**	2,242
Furniture and equipment	**574**	689	**1,787**	2,043
FDIC assessment	**832**	811	**2,438**	2,093
Other expenses	**5,841**	5,574	**16,875**	15,656
	32,400	30,152	**95,454**	89,755
INCOME BEFORE INCOME TAXES	**14,761**	9,256	**44,503**	22,358
Applicable income taxes:				
Current	**3,317**	1,860	**9,124**	4,307
Deferred (credit)	**(579)**	(255)	**(942)**	(980)
	2,738	1,605	**8,182**	3,327
NET INCOME	**$ 12,023**	7,651	**36,321**	19,031
PER SHARE OF COMMON STOCK				
Net income - basic	**$ 1.08**	0.69	**3.26**	1.70
Cash dividends declared	**0.32**	0.30	**0.62**	0.60

DACOTAH BANKS, INC.

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

	September 30 2025	December 31 2024	September 30 2024
ASSETS			
Cash and due from banks	**$ 60,261**	67,374	67,595
Interest-bearing deposits in banks	**103,300**	-	-
Time deposits in banks	**4,436**	6,180	6,430
Securities:			
Taxable	**534,314**	529,943	569,427
Tax exempt	**37,855**	36,192	40,313
Total securities	**572,169**	566,135	609,740
Loans held for sale	**846**	802	1,733
Loans	**3,867,258**	3,618,345	3,510,210
Allowance for credit losses	**(41,262)**	(39,954)	(40,500)
Net loans	**3,825,996**	3,578,391	3,469,710
Interest receivable	**44,194**	43,370	43,273
Premises and equipment, net	**54,800**	54,069	54,339
Foreclosed assets	**111**	118	126
Investment in life insurance contracts	**72,210**	72,287	71,419
Deferred income tax asset	**14,774**	19,014	15,592
Goodwill	**10,248**	10,248	10,248
Intangible assets	**365**	413	433
Mortgage servicing rights	**4,779**	4,668	4,914
Other assets	**28,918**	28,866	29,359
Total assets	**$ 4,797,407**	4,451,935	4,384,911
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 788,253**	786,353	750,579
Interest-bearing	**3,501,203**	3,149,184	3,126,254
Total deposits	**4,289,456**	3,935,537	3,876,833
Federal funds purchased	**-**	48,100	44,800
Interest payable	**9,946**	15,775	11,036
Accrued expenses and other liabilities	**41,666**	41,116	41,166
Total liabilities	**4,341,068**	4,040,528	3,973,835
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued, and 11,135,885 outstanding	**57,144**	57,144	57,144
Capital surplus	**27,406**	26,826	26,726
Retained earnings	**423,876**	394,451	383,754
Unrealized gain on securities available for sale, net	**(23,000)**	(38,542)	(28,981)
Treasury stock, 3,150,095 shares at September 30, 2025, 3,146,172 shares at December 31, 2024, and 3,122,883 shares at September 30, 2024, at cost	**(29,087)**	(28,472)	(27,567)
Total stockholders' equity	**456,339**	411,407	411,076
Total liabilities and stockholders' equity	**$ 4,797,407**	4,451,935	4,384,911

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Nine months ended September 30	
	2025	2024
Operating Activities:		
Net income	**$ 36,321**	19,031
Adjustments to reconcile net income to net cash flows from operating activities:		
Allowance for credit losses	**3,150**	2,100
Depreciation and amortization	**3,601**	3,993
Benefit from deferred income taxes	**(942)**	(980)
Decrease (increase) in investment in life insurance contracts	**77**	(5,211)
Increase in loans held for sale	**(44)**	(933)
Decrease in interest receivable	**(824)**	(7,017)
Decrease in other assets, net	**894**	1,735
Decrease in interest payable	**(5,829)**	(392)
Decrease in other accrued expenses and liabilities, net	**550**	2,350
Net cash from operating activities	**36,954**	14,676
Investing Activities:		
Proceeds from maturities and calls of securities available for sale, interest-bearing deposits with banks and federal funds sold	**90,239**	110,121
Purchases of securities available for sale and interest-bearing deposits with banks	**(74,455)**	(105,010)
Net increase in loans	**(250,755)**	(377,125)
Purchases of premises and equipment	**(4,691)**	(2,177)
Sale (purchase) of foreclosed assets, net	**7**	(13)
Net cash used by investing activities	**(239,655)**	(374,204)
Financing Activities:		
Increase (decrease) in noninterest-bearing deposits, net	**1,900**	(82,108)
Increase in interest-bearing deposits, net	**321,453**	90,335
Increase in certificates of deposit, net	**30,566**	142,241
Net change in federal funds purchased	**(48,100)**	44,800
Purchase of treasury stock, net	**(36)**	(572)
Dividends paid to stockholders	**(6,895)**	(6,714)
Net cash from financing activities	**298,888**	187,982
Net change in cash and cash equivalents	**96,187**	(171,546)
Cash and cash equivalents, beginning of year	**67,374**	239,141
Cash and cash equivalents, end of year	**$ 163,561**	67,595

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

Balance, January 1	**$ 39,954**	38,296
Provision for credit losses	**3,483**	2,100
Recoveries	**585**	520
Loans charged off	**(2,760)**	(416)
Balance, September 30	**$ 41,262**	40,500
As a % of loans	**1.07%**	1.15%

DACOTAH BANK
STEERING COMMITTEE

DAVID W. BANGASSER
Senior Vice President and Chief Banking Officer
PAIGE E. BJORNSON
Regional 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
ALEXANDRA L. GRIEBEN
Senior Vice President and Chief Risk Officer
KIP J. HANSEN
Regional President
CHAD B. JAGER
Regional President
ROBERT D. KEIL
Executive Vice President and Chief Credit Officer
CURRY C. KUEHL
Senior Vice President Credit Administration
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
Executive Vice President and General Counsel
DAVID J. SANDVIG
Senior Vice President and Chief Marketing and Innovative Officer
KRISTINA M. SCHAEFER
Senior Vice President, Associate General Counsel and
Director of Government Relations
TODD J. SENGER
Executive Vice President and Chief Revenue Officer
MATTHEW J. SMITH
Regional President
JERRY L. TVEIDT
Senior Vice President Community Banking

DACOTAH BANK
LOCATION MANAGEMENT

TODD J. SENGER
Executive Vice President and Chief Revenue Officer
Minneapolis

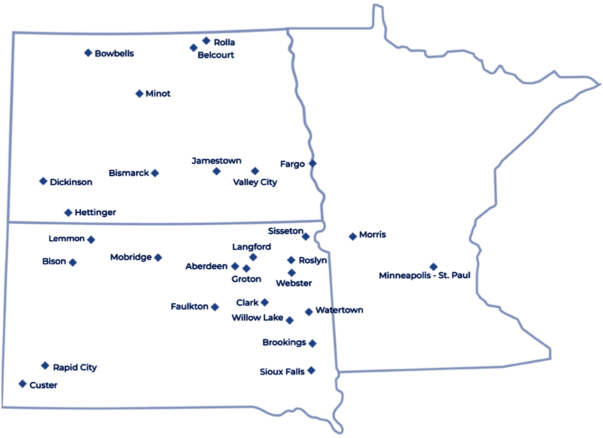
REGIONAL PRESIDENTS

PAIGE E. BJORNSON
KIP J. HANSEN
CHAD B. JAGER
MATTHEW J. SMITH

MARKET PRESIDENTS

PATRICK R. ERICKSON
Fargo
DAWN L. FITZGERALD
Rolla and Belcourt
KELLY L. HANSON
Sisseton
KELLY L. HANSON
Webster, Groton, Langford and Rosyln
OLAF P. HANSON
Brookings
CASEY L. HENDERSON
Jamestown
BRANDON S. HERR
Clark and Willow Lake
RYAN J. HERTZ
Minot and Bowbells
MICHAEL J. MAHONEY
Morris
TYLER S. MARTHALER
Valley City
KRISTIE M. MARTIN
Aberdeen
GARRETT M. SCHWEITZER
Lemmon, Bison and Dickinson
SETH J. SKOGEN
Hettinger
BRANDON R. SPANIER
Faulkton
ANDREW T. STEINWAND
Bismarck
TOM D. WEAVER
Rapid City and Custer
TROY J. ZEBROSKI
Watertown

Dacotah Territory



DACOTAH BANK ®

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