DACOTAH BANK®

DACOTAH BANKS, INC.
FIRST QUARTER REPORT

MARCH 31, 2026

DACOTAH BANKS, INC. BOARD OF DIRECTORS

DACOTAH BANKS, INC.
FINANCIAL HIGHLIGHTS

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

	Three months ended March 31		
	2026	2025	% change
PERFORMANCE			
Net interest income	**$46,677**	37,628	24.0%
Credit Loss Expense	**3,200**	-	-
Non-interest income	**6,538**	7,162	(8.7)
Non-interest expenses	**33,283**	29,064	14.5
Net income	**13,608**	12,829	6.1
Per share	**1.24**	1.15	7.8
Cash dividends declared	**3,961**	3,335	18.8
Per share	**0.36**	0.30	20.0
Net interest margin	**4.07%**	3.53%	15.3
Return on average assets	**1.13%**	1.14%	(0.9)
Return on average equity	**11.70%**	12.42%	(5.8)
AT MARCH 31			
Total assets	**$4,878,734**	4,609,739	5.8%
Investment securities and deposits with banks	**579,175**	566,911	2.2
Loans, net	**3,919,249**	3,582,689	9.4
Deposits	**4,351,019**	4,133,259	5.3
Stockholders' equity	**471,933**	428,433	10.2
Book value per share	**42.90**	38.47	11.5
Shares of common stock outstanding	**11,001**	11,137	(1.2)
Tier I leverage	**9.90%**	9.88%	0.2
Tier I capital	**11.33%**	11.46%	(1.1)
Total capital	**12.43%**	12.46%	(0.2)

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended March 31	
	2026	2025
INTEREST INCOME		
Loans	**$61,734**	55,701
Securities:		
Taxable	**4,078**	3,505
Exempt from federal income taxes	**255**	213
Deposits in banks	**32**	49
Federal funds sold	**1,103**	1,453
	67,202	60,921
INTEREST EXPENSE		
Deposits	**20,525**	23,271
Borrowings	**-**	22
	20,525	23,293
NET INTEREST INCOME	**46,677**	37,628
CREDIT LOSS EXPENSE	**3,200**	-
NET INTERST INCOME AFTER CREDIT LOSS EXPENSE	**43,477**	37,628
NON-INTEREST INCOME		
Service charges	**1,278**	890
Insurance commissions	**2,324**	2,160
Income from fiduciary activities	**1,022**	910
Fees on sale of residential mortgages	**529**	449
Servicing fees on residential mortgages	**202**	474
Net card solutions non-interest income	**653**	1,025
Other	**530**	1,254
	6,538	7,162
NON-INTEREST EXPENSES		
Salaries and employee benefits	**23,341**	20,557
Occupancy, net	**1,630**	1,601
Marketing	**881**	662
Furniture and equipment	**552**	582
Software expense	**1,783**	1,534
FDIC assessment	**965**	777
Outside service fees	**592**	464
Charitable contributions	**731**	410
Other	**2,808**	2,477
	33,283	29,064
INCOME BEFORE INCOME TAXES	**16,732**	15,726
Applicable income taxes:		
Current	**3,685**	2,601
Deferred (credit)	**(561)**	296
	3,124	2,897
NET INCOME	**$ 13,608**	12,829
PER SHARE OF COMMON STOCK		
Net income - basic	**$ 1.24**	1.15
Cash dividends declared	**0.36**	0.30

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF CONDITION

(Dollar amount in thousands)

	March 31 2026	December 31 2025	March 31 2025
ASSETS			
Cash and due from banks	$ **63,534**	82,213	64,745
Interest-bearing deposits in banks	**76,800**	22,700	158,200
Time deposits in banks	**3,946**	3,946	5,933
Securities:			
Taxable	**527,878**	529,723	518,691
Tax exempt	**37,894**	38,855	36,112
Total securities	**565,772**	568,578	554,803
Other restricted stock	**13,403**	13,079	12,108
Loans held for sale	**1,882**	2,280	1,040
Loans	**3,965,959**	3,965,329	3,621,980
Allowance for credit losses	**(46,710)**	(43,897)	(39,291)
Net loans	**3,919,249**	3,921,432	3,582,689
Interest receivable	**41,526**	44,401	43,291
Premises and equipment, net	**59,738**	56,509	53,240
Foreclosed assets	**217**	131	74
Investment in life insurance contracts	**73,583**	72,959	71,798
Deferred income tax asset	**16,042**	15,534	16,838
Goodwill	**10,248**	10,248	10,248
Intangible assets	**337**	350	396
Mortgage servicing rights	**4,528**	4,606	4,876
Other assets	**27,929**	27,048	29,460
Total assets	**$ 4,878,734**	4,846,014	4,609,739
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 836,260**	857,721	798,906
Interest-bearing	**3,514,759**	3,462,117	3,334,353
Total deposits	**4,351,019**	4,319,838	4,133,259
Interest payable	**9,911**	13,785	9,775
Accrued expenses and other liabilities	**45,871**	48,156	38,272
Total liabilities	**4,406,801**	4,381,779	4,181,306
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued and outstanding	**57,144**	57,144	57,144
Capital surplus	**27,912**	27,749	26,944
Retained earnings	**443,957**	434,309	403,945
Unrealized loss on securities available for sale, net	**(22,306)**	(20,456)	(30,941)
Treasury stock, 3,285,081 shares at March 31, 2026, 3,282,767 shares at December 31, 2025 and 3,148,719 shares at March 31, 2025, at cost	**(34,774)**	(34,511)	(28,659)
Total stockholders' equity	**471,933**	464,235	428,433
Total liabilities and stockholders' equity	**$ 4,878,734**	4,846,014	4,609,739

Dacotah Banks, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in thousands)

	Three months ended March 31	
	2026	2025
Operating Activities:		
Net income	**$ 13,608**	12,829
Adjustments to reconcile net income to net cash from operating activities:		
Credit loss expese for credit losses	**3,200**	-
Depreciation and amortization	**1,143**	1,211
(Benefit) expense from deferred income taxes	**(561)**	296
(Increase) decrease in investment in life insurance contracts	**(624)**	489
Decrease (increase) in loans held for sale	**398**	(238)
Decrease in interest receivable	**2,875**	79
Increase in other assets, net	**(258)**	(944)
Decrease in interest payable	**(3.874)**	(6,000)
Decrease in accrued expenses and other liabilities	**(2,285)**	(2,844)
Net cash from operating activities	**13,622**	4,878
Investing Activities:		
Proceeds from maturities and calls of securities available for sale, interest-bearing deposits with banks and federal funds sold	**27,655**	22,178
Purchases of securities available for sale and interest-bearing deposits with banks	**(27,351)**	(12,960)
Net increase in loans	**(1,017)**	(4,298)
Purchases of premises and equipment	**(4,523)**	(490)
(Purchase) sale of foreclosed assets	**(86)**	44
Net cash used by investing activities	**(5,322)**	4,474
Financing Activities:		
(Decrease) increase in non-interest-bearing deposits, net	**(21,461)**	12,553
Increase in interest-bearing deposits, net	**73,883**	178,503
(Decrease) increase in certificates of deposit, net	**(21,241)**	6,666
Net change in federal funds purchased	**-**	(48,100)
Purchase of treasury stock, net	**(99)**	(69)
Dividends paid to stockholders	**(3,961)**	(3,334)
Net cash from financing activities	**27,121**	146,219
Net change in cash and cash equivalents	**35,421**	155,571
Cash and cash equivalents, beginning of year	**104,913**	67,374
Cash and cash equivalents, end of year	**$ 140,334**	222,945

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

Balance, January 1	**$ 43,897**	39,954
Provision for credit losses	**3,000**	-
Recoveries	**151**	94
Loans charged off	**(338)**	(757)
Balance, March 31	**$ 46,710**	39,291
As of % of loans	**1.18%**	1.08%

DACOTAH BANK
STEERING COMMITTEE

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

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Rolla and Belcourt
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Sisseton
KELLY L. HANSON
Webster, Groton, Langford and Rosyln
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Brookings
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Jamestown
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Clark and Willow Lake
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Hettinger
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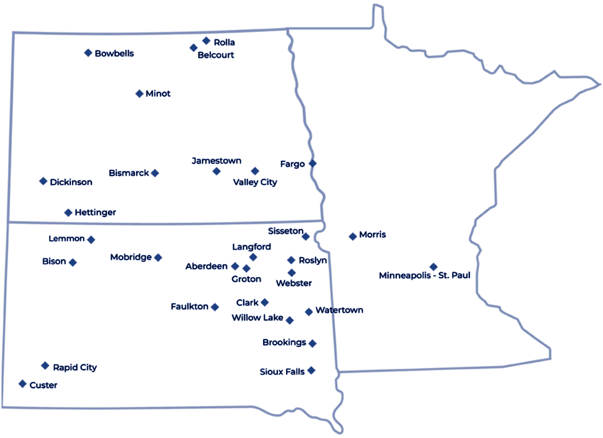
GALEN G. VAN OTTERLOO
Sioux Falls
TOM D. WEAVER
Rapid City and Custer
TROY J. ZEBROSKI
Watertown

DACOTAH TERRITORY



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