DACOTAH BANK®

DACOTAH BANKS, INC.
SECOND QUARTER REPORT

JUNE 30, 2026

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

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

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)

	Six months ended June 30		
	2026	2025	% change
PERFORMANCE			
Net interest income	**$93,478**	76,897	21.6
Credit loss expense	**8,900**	1,500	493.3
Non-interest income	**13,408**	13,220	1.4
Non-interest expenses	**65,380**	58,875	11.0
Net income	**26,300**	24,298	8.2
Per share	**2.39**	2.18	9.6
Cash dividends declared	**3,961**	3,335	18.8
Per share	**0.36**	0.30	20.0
Net interest margin	**4.05%**	3.59%	12.8
Return on average assets	**1.08%**	1.07%	0.9
Return on average equity	**11.12%**	11.46%	(3.0)
AT JUNE 30			
Total assets	**$4,933,970**	4,611,687	7.0
Investment securities and deposits with banks	**592,570**	572,022	3.6
Loans, net	**4,030,772**	3,730,496	8.0
Deposits	**4,343,498**	4,097,461	6.0
Overnight borrowings	**54,200**	22,800	137.7
Stockholders' equity	**487,718**	444,045	9.8
Book value per share	**43.91**	39.87	10.1
Shares of common stock outstanding	**11,107**	11,137	(0.3)
Tier I leverage	**10.23%**	10.12%	1.1
Tier I capital	**11.38%**	11.33%	0.4
Total capital	**12.48%**	12.31%	1.4

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	
	2026	2025	**2026**	2025
INTEREST INCOME				
Loans	**$62,995**	57,584	**124,729**	113,285
Securities:				
Taxable	**4,249**	3,613	**8,327**	7,118
Exempt from federal income taxes	**275**	215	**530**	428
Deposits in banks	**34**	43	**66**	92
Federal funds sold	**166**	757	**1,269**	2,210
	67,719	62,212	**134,921**	123,133
INTEREST EXPENSE				
Deposits	**20,720**	22,799	**41,245**	46,070
Borrowings	**198**	144	**198**	166
	20,918	22,943	**41,443**	46,236
NET INTEREST INCOME	**46,801**	39,269	**93,478**	76,897
CREDIT LOSS EXPENSE	**5,700**	1,500	**8,900**	1,500
NET INTEREST INCOME AFTER CREDIT LOSS EXPENSE	**41,101**	37,769	**84,578**	75,397
NON-INTEREST INCOME				
Service charges	**1,225**	976	**2,503**	1,866
Insurance commissions	**1,759**	1,657	**4,083**	3,817
Income from fiduciary activities	**869**	746	**1,891**	1,656
Fees on sale of residential mortgages	**938**	582	**1,467**	1,031
Servicing fees on residential mortgages	**400**	241	**602**	715
Net card solutions non-interest income	**1,128**	761	**1,781**	1,786
Other	**551**	1,095	**1,081**	2,349
	6,870	6,058	**13,408**	13,220
NON-INTEREST EXPENSES				
Salaries and employee benefits	**22,325**	20,799	**45,666**	41,356
Occupancy, net	**1,586**	1,583	**3,216**	3,184
Marketing	**988**	1,007	**1,869**	1,669
Furniture and equipment	**658**	631	**1,210**	1,213
Software expense	**1,650**	1,517	**3,433**	3,051
FDIC assessment	**1,333**	829	**2,298**	1,606
Outside service fees	**705**	397	**1,297**	861
Charitable contributions	**343**	320	**1,074**	730
Other	**2,509**	2,728	**5,317**	5,205
	32,097	29,811	**65,380**	58,875
INCOME BEFORE INCOME TAXES	**15,874**	14,016	**32,606**	29,742
Applicable income taxes:				
Current	**3,507**	3,206	**7,192**	5,807
Deferred (credit)	**(325)**	(659)	**(886)**	(363)
	3,182	2,547	**6,306**	5,444
NET INCOME	**$ 12,692**	11,469	**26,300**	24,298
PER SHARE OF COMMON STOCK				
Net income - basic	**$ 1.15**	1.03	**2.39**	2.18
Cash dividends declared	**-**	-	**0.36**	0.30

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

	June 30 2026	December 31 2025	June 30 2025
ASSETS			
Cash and due from banks	**$ 68,012**	82,213	78,302
Interest-bearing deposits in banks	**-**	22,700	-
Time deposits in banks	**4,681**	3,946	4,436
Securities:			
Taxable	**537,258**	529,723	523,385
Tax exempt	**39,526**	38,855	35,117
Total securities	**576,784**	568,578	558,502
Other restricted stock	**15,786**	13,079	13,520
Loans held for sale	**3,485**	2,280	3,737
Loans	**4,078,590**	3,965,329	3,770,628
Allowance for credit losses	**(47,818)**	(43,897)	(40,132)
Net loans	**4,030,772**	3,921,432	3,730,496
Interest receivable	**36,582**	44,401	35,723
Premises and equipment, net	**62,567**	56,509	53,890
Foreclosed assets	**217**	131	73
Investment in life insurance contracts	**74,206**	72,959	72,062
Deferred income tax asset	**16,385**	15,534	15,733
Goodwill	**10,248**	10,248	10,248
Intangible assets	**325**	350	380
Mortgage servicing rights	**4,644**	4,606	4,847
Other assets	**29,276**	27,048	29,738
Total assets	**$ 4,933,970**	4,846,014	4,611,687
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	**$ 821,556**	857,721	742,093
Interest-bearing	**3,521,942**	3,462,117	3,355,368
Total deposits	**4,343,498**	4,319,838	4,097,461
Borrowings	**54,200**	-	22,800
Interest payable	**7,655**	13,785	8,512
Accrued expenses and other liabilities	**40,899**	48,156	38,869
Total liabilities	**4,446,252**	4,381,779	4,167,642
Stockholders' equity:			
Common stock, $4 par value; 30,000,000 shares authorized, 14,285,980 shares issued and outstanding	**57,144**	57,144	57,144
Capital surplus	**32,262**	27,749	27,103
Retained earnings	**456,648**	434,309	415,414
Unrealized gain on securities available for sale, net	**(23,678)**	(20,456)	(26,821)
Treasury stock, 3,178,712 shares at June 30, 2026, 3,282,767 shares at December 31, 2025, 3,148,953 shares at June 30, 2025, at cost	**(34,658)**	(34,511)	(28,795)
Total stockholders' equity	**487,718**	464,235	444,045
Total liabilities and stockholders' equity	**$ 4,933,970**	4,846,014	4,611,687

Dacotah Banks, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Six months ended June 30 2026	2025
Operating Activities:		
Net income	**$ 26,300**	24,298
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss expense for credit losses	**8,900**	1,500
Depreciation and amortization	**2,186**	2,444
Benefit from deferred income taxes	**(886)**	(363)
(Increase) decrease in investment in life insurance contracts	**(1,247)**	225
Increase in loans held for sale	**(1,205)**	(2,935)
Decrease in interest receivable	**7,819**	7,647
Increase in other assets, net	**(1,375)**	(523)
Decrease in interest payable	**(6,130)**	(7,263)
Decrease in accrued expenses and liabilities	**(7,257)**	(2,247)
Net cash from operating activities	**27,105**	22,783
Investing Activities:		
Proceeds from maturities and calls of securities available for sale and time deposits in bank	**65,414**	49,801
Purchases of securities available for sale and and time deposits in banks	**(80,725)**	(38,829)
Net increase in loans	**(118,240)**	(153,605)
Purchases of premises and equipment	**(8,635)**	(2,511)
(Purchase) sale of foreclosed assets, net	**(86)**	45
Net cash used by investing activities	**(142,272)**	(145,099)
Financing Activities:		
Decrease in noninterest-bearing deposits, net	**(36,165)**	(44,260)
Increase in interest-bearing deposits, net	**54,184**	178,231
Increase in certificates of deposit, net	**5,641**	27,953
Net change in federal funds purchased	**54,200**	(25,300)
Sale (purchase) of treasury stock, net	**4,367**	(46)
Dividends paid to stockholders	**(3,961)**	(3,334)
Net cash from financing activities	**78,266**	133,244
Net change in cash and cash equivalents	**(36,901)**	10,928
Cash and cash equivalents, beginning of year	**104,913**	67,374
Cash and cash equivalents, end of year	**$ 68,012**	78,302

CONSOLIDATED STATEMENTS OF CHANGES IN THE ALLOWANCE FOR CREDIT LOSSES

	2026	2025
Balance, January 1	**$ 43,897**	39,954
Provision for credit losses	**8,500**	1,500
Recoveries	**389**	284
Loans charged off	**(4,968)**	(1,606)
Balance, June 30	**$ 47,818**	40,132
As a % of loans	**1.17%**	1.06%

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
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
JERRY L. TVEIDT
Senior Vice President Community Banking

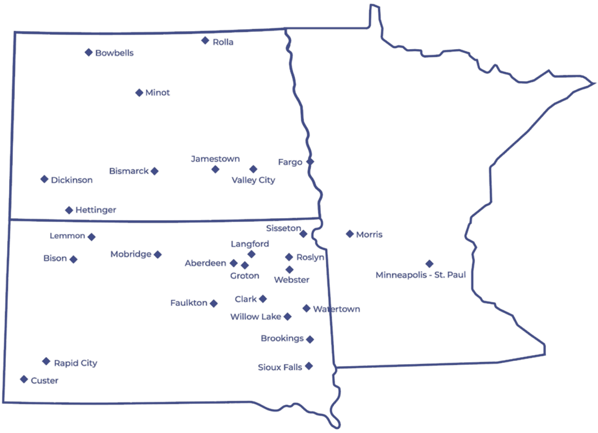
REGIONAL PRESIDENTS

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

MARKET PRESIDENTS

PATRICK R. ERICKSON
Fargo
DAWN L. FITZGERALD
Rolla
KELLY L. HANSON
Sisseton
KELLY L. HANSON
Webster, Groton, Langford and Roslyn
OLAF P. HANSON
Brookings
CASEY L. HENDERSON
Jamestown
BRANDON S. HERR
Clark and Willow Lake
RYAN J. HERTZ
Minot and Bowbells
PHIL P. KRUMP
Minneapolis
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
GALEN G. VAN OTTERLOO
Sioux Falls
TOM D. WEAVER
Rapid City and Custer
TROY J. ZEBROSKI
Watertown

DACOTAH TERRITORY



DACOTAH BANK®

DACOTAH BANKS, INC.

P. O. BOX 1496

ABERDEEN, SOUTH DAKOTA 57402-1496

www.dacotahbank.com