

October 18, 2016

Dear Shareholders:

The Dacotah Banks, Inc. Board of Directors has the Company's common stock appraised as of June 30 and December 31 of each year. WIPFLi, an accounting and consulting firm based in Wausau, Wisconsin is the current provider of the semi-annual appraisal. WIPFLi has 148 partners and over 1,200 associates and ranks among the top 25 accounting and consulting firms in the nation. Financial Institutions are an industry focus of WIPFLi.

WIPFLi recently completed an appraisal of Dacotah Banks, Inc. common stock as of June 30, 2016 and concluded that the fair market value per share on a minority, nonmarketable basis, based on 11,128,720 shares of common stock issued and outstanding, is reasonably estimated to be twenty four dollars and fifty four cents (\$24.54). For purposes of the appraisal, "fair market value" is defined as the price at which the Company's common stock would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

At its meeting on August 23, 2016, the Dacotah Banks Inc. Board of Directors accepted the WIPFLi appraisal and determined that \$24.54 per share is adequate consideration to be paid for any shares of common stock to be purchased or issued by Dacotah Banks, Inc. from said date until the December 31, 2016 appraisal is accepted by the Board.

Please contact Chad Bergan, senior vice president and chief financial officer, with any questions or if you or your advisors need additional information.

Sincerely,



Richard L. Westra
Chairman

