

March 15, 2017

Dear Shareholders:

Starting with the first quarter of 2017, the Dacotah Banks, Inc. Board of Directors will quarterly have the Company's common stock appraised, and will make determinations as to adequate consideration to be paid for shares purchased or issued. WIPFLi, LLP, an accounting and consulting firm based in Wausau, Wisconsin is the current provider of the appraisals. 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 December 31, 2016 and concluded that the fair market value per share on a minority, nonmarketable basis, based on 11,136,905 shares of common stock issued and outstanding, is reasonably estimated to be **\$26.91**. 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 February 21, 2017, the Dacotah Banks, Inc. Board of Directors accepted the WIPFLi appraisal and determined that **\$26.91** 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 next quarterly value determination is made by the Board.

This will be the last such letter mailed by the Company. Future letters will be posted in the investor relations section of the Company's website at [www.dacotahbank.com](http://www.dacotahbank.com) at a new link called "Company Stock Appraisals."

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

