

INVESTOR INFORMATION

Stock Listing – DIMC

Transfer Agent

Equiniti Trust Company, LLC
PO Box 500
Newark, NJ 07101
800-278-4353
e-mail: HelpAST@equiniti.com
Internet address: equiniti.com/us/ast-access/

Dividend Reinvestment Plan

The Company offers a plan for stockholders to automatically reinvest their dividends in shares of common stock along with the opportunity to purchase additional stock. There are no brokerage commissions or fees imposed. For more information, contact the Transfer Agent listed above.

Dimeco, Inc. Stock Market Makers

Janney Montgomery Scott, LLC
215-665-6000
Raymond James & Associates
800-543-5304
Stifel, Nicolaus & Company, Inc.
866-299-8507

Directors

John S. Kiesendahl, Chairman
Todd J. Stephens, Vice Chairman
Peter Bochnovich, President
John F. Spall, Secretary

Gary C. Beilman
Lorraine Collins
Gregory J. Frigoletto
Barbara J. Genzlinger
Brian T. Kelly
Michael Peifer
David D. Reynolds, M.D.
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CONSOLIDATED FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands, except per share)

	2025	2024	% Increase (decrease)
Performance for the nine months ended September 30,			
Interest income	\$ 49,658	\$ 43,131	15.1%
Interest expense	\$ 16,413	\$ 15,381	6.7%
Net interest income	\$ 33,245	\$ 27,750	19.8%
Net income	\$ 12,676	\$ 9,296	36.4%
Shareholders' Value (per share)			
Net income – basic	\$ 5.00	\$ 3.68	35.9%
Net income – diluted	\$ 4.99	\$ 3.67	36.0%
Dividends	\$ 1.26	\$ 1.20	5.0%
Book value	\$ 47.58	\$ 42.65	11.6%
Market value	\$ 39.00	\$ 37.39	4.3%
Market value/book value ratio	82.0%	87.7%	(6.5%)
*Price/earnings multiple	5.9X	7.6X	(22.4%)
*Dividend yield	4.31%	4.28%	.7%
Financial Ratios			
*Return on average assets	1.52%	1.21%	25.6%
*Return on average equity	15.02%	12.29%	22.2%
Efficiency ratio	55.49%	62.02%	(10.5%)
Net interest margin	4.20%	3.95%	6.3%
Shareholders' equity/asset ratio	10.64%	10.12%	5.1%
Dividend payout ratio	25.20%	32.61%	(22.7%)
Nonperforming assets/total assets	1.04%	.87%	19.5%
Allowance for credit losses as a % of loans	1.56%	1.53%	2.0%
Net charge-offs/average loans	-	-	-
Allowance for credit losses/nonaccrual loans	113.81%	139.23%	(18.3%)
Allowance for credit losses/nonperforming loans	110.50%	134.68%	(18.0%)
Financial Position at September 30,			
Assets	\$ 1,136,394	\$ 1,068,743	6.3%
Loans	\$ 819,344	\$ 774,477	5.8%
Deposits	\$ 935,838	\$ 882,301	6.1%
Stockholders' equity	\$ 120,944	\$ 108,148	11.8%

*annualized

Dear Shareholders:

I am excited to report the results for Dimeco, Inc. as of the third quarter of 2025. The momentum from the first half of the year continued into the most recent quarter. Both loan and deposit growth are stronger than projected and prudent management of the balance sheet produced a net income of \$12.7 million as of September 30, 2025! This resulted in a return on average assets (ROAA) of 1.52% and a return on average equity (ROAE) of 15.02%, an increase of 25.6% and 22.2% over prior year, respectively.

Total assets of \$1.1 billion increased \$67.7 million or 6.3% from the third quarter of 2024. Loans and investments drove most of the balance sheet growth. Loan balances of \$819.3 million at the end of the quarter were \$44.9 million or 5.8% greater than September 30, 2024. As was the case for the previous quarters, commercial and residential mortgages and consumer loans all showed increases which were offset with minor declines in business loans and other loans. Mortgages grew by \$39.7 million while consumer loans expanded by \$8.6 million. Investment securities of \$242.8 million were \$20.8 million or 9.4% greater than the third quarter of last year. Management added bonds throughout the year that supported our strategic plan and met our policy guidelines before expected additional rate cuts by the Federal Reserve (Fed).

Deposit balances of \$935.8 million were an increase of \$53.5 million or 6.1% over the previous year. Noninterest bearing deposits grew by \$18.1 million while interest-bearing deposits added \$35.4 million. Personal and business noninterest bearing accounts continued to show increases over previous year. Certificates of deposit (CD) specials are the main driver of interest-bearing growth. Brokered deposits decreased as the rates offered on these deposits remained elevated throughout the quarter; instead, management used short-term borrowings at more favorable rates.

Short-term borrowings decreased by \$1.7 million or 4.3% over September 30, 2024. Due to the seasonality of our deposit base, the bank does typically borrow from the Federal Home Loan Bank of Pittsburgh in this quarter each year. Other borrowed funds increased slightly by \$757 thousand or 2.6%. Term borrowings in the fourth quarter of 2024 of \$19.3 million and \$9M in the first quarter of 2025 were deployed while payment and maturities offset these borrowings. No new term borrowings were added in the third quarter.

Stockholders' equity grew by \$12.8 million or 11.8% from September 30, 2024, to \$120.9 million. Retained earnings accounted for most of this growth at \$12.1 million or 10.8%. A slight increase in capital surplus with a recovery in the accumulated other comprehensive losses contributed to the remaining growth.

Interest income increased \$6.5 million or 15.1% over the third quarter of 2024. Loan income and fees accounted for \$4.3 million of this growth, investment income added \$1.6 million and other interest income grew by \$569 thousand primarily from interest-bearing deposits at the Fed. Interest expense of \$16.4 million was \$1 million or 6.7% greater than the same period last year. Deposits contributed \$889 thousand of this greater expense which is due to the growth from our CD specials as rates continue to be elevated. Borrowings made up the remaining difference. Non-interest income grew by \$597 thousand or 10.7%, with the largest component coming from a gain on the sale of our downtown Hawley building of \$350 thousand. This sale reduced our non-earning assets while still maintaining our branch presence within the downtown area with the signing of a long-term lease. Non-interest expenses grew by \$1.2 million or 5.7%, mostly due to salaries and employee benefits, computer software maintenance and certain other operating expenses. The provision for credit losses increased by \$686 thousand to adjust the allowance required by our Current Estimated Credit Losses (CECL) calculation. This adjustment was primarily due to the growth in the loan portfolio. Tax expense increased by \$840 thousand as certain tax credits expired and increased income. Year to date net income of \$12.7 million was \$3.4 million or 36.4% greater than September 30, 2024.

While there is still one quarter to go for 2025, I am optimistic of the possible outcomes. Management will continue to look for strategic opportunities for your Company while balancing sound banking principles. As always, we thank you for your continued support and commitment. Please take any opportunity to refer family and friends to Dimeco, Inc. I welcome your comments.



Peter Bochnovich
President and Chief Executive Officer

CONSOLIDATED BALANCE SHEET

(unaudited)

(in thousands)

	9/30/2025	6/30/2025	3/31/2025	9/30/2024
Assets				
Cash and cash equivalents	\$ 15,644	\$ 30,271	\$ 24,198	\$ 13,498
Investment securities available for sale	242,845	243,052	240,371	222,026
Loans, net of allowance for credit losses	806,592	771,852	771,979	762,656
Premises and equipment	18,467	18,909	19,069	19,499
Accrued interest receivable	4,623	4,385	4,424	4,292
Other real estate owned	224	224	224	224
Other assets	47,999	45,526	46,311	46,548
TOTAL ASSETS	\$ 1,136,394	\$ 1,114,219	\$ 1,106,576	\$ 1,068,743
Liabilities				
Deposits:				
Noninterest-bearing	\$ 206,033	\$ 208,383	\$ 192,833	\$ 187,914
Interest-bearing	729,805	744,316	741,120	694,387
Total deposits	935,838	952,699	933,953	882,301
Short-term borrowings	33,717	-	-	35,430
Other borrowed funds	29,580	33,473	47,323	28,823
Accrued interest payable	955	866	977	976
Other liabilities	15,360	13,694	13,415	13,065
TOTAL LIABILITIES	1,015,450	1,000,732	995,668	960,595
TOTAL STOCKHOLDERS' EQUITY	120,944	113,487	110,908	108,148
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,136,394	\$ 1,114,219	\$ 1,106,576	\$ 1,068,743

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(in thousands, except per share data)

	Three months ended				Nine months ended	
	9/30/2025	6/30/2025	3/31/2025	9/30/2024	9/30/2025	9/30/2024
Interest Income						
Loans, including fees	\$ 14,420	\$ 13,682	\$ 12,992	\$ 12,995	\$ 41,094	\$ 36,772
Investment securities	2,630	2,529	2,430	2,245	7,589	5,953
Other	200	411	364	108	975	406
Total interest income	17,250	16,622	15,786	15,348	49,658	43,131
Interest Expense						
Deposits	4,405	4,939	5,233	4,509	14,577	13,688
Short-term borrowings	539	-	-	523	539	734
Other borrowed funds	354	476	467	304	1,297	959
Total interest expense	5,298	5,415	5,700	5,336	16,413	15,381
Net Interest Income	11,952	11,207	10,086	10,012	33,245	27,750
Provision (credit) for credit losses	811	(32)	958	218	1,737	1,051
Net Interest Income, After Provision for Credit Losses	11,141	11,239	9,128	9,794	31,508	26,699
Noninterest income	2,430	1,947	1,810	2,059	6,187	5,590
Noninterest expense	7,613	7,475	7,037	7,106	22,125	20,939
Income before income taxes	5,958	5,711	3,901	4,747	15,570	11,350
Income taxes	1,109	1,121	664	882	2,894	2,054
NET INCOME	\$ 4,849	\$ 4,590	\$ 3,237	\$ 3,865	\$ 12,676	\$ 9,296
Earnings per share-basic	\$ 1.91	\$ 1.81	\$ 1.28	\$ 1.53	\$ 5.00	\$ 3.68
Earnings per share-diluted	\$ 1.91	\$ 1.81	\$ 1.28	\$ 1.53	\$ 4.99	\$ 3.67
Average shares outstanding-basic	2,538,790	2,536,743	2,534,173	2,530,335	2,536,877	2,529,438
Average shares outstanding-diluted	2,540,306	2,537,227	2,535,398	2,531,876	2,537,939	2,529,626