

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.  
Aimee M. Skier

e-mail: dimeco@thedime.bank  
www.thedime.bank  
888-4MY-DIME



CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

(dollars in thousands, except per share)

	2025	2024	% Increase (decrease)
Performance for the year ended December 31,			
Interest income	\$ 67,119	\$ 58,827	14.1%
Interest expense	\$ 21,662	\$ 21,066	2.8%
Net interest income	\$ 45,457	\$ 37,761	20.4%
Net income	\$ 16,571	\$ 12,942	28.0%

Shareholders' Value (per share)

Net income – basic	\$ 6.53	\$ 5.12	27.5%
Net income – diluted	\$ 6.52	\$ 5.11	27.6%
Dividends	\$ 1.71	\$ 1.62	5.6%
Book value	\$ 49.31	\$ 42.17	16.9%
Market value	\$ 43.45	\$ 39.75	9.3%
Market value/book value ratio	88.1%	94.3%	(6.6%)
Price/earnings multiple	6.7X	7.8X	(14.1%)
Dividend yield	3.94%	4.08%	(3.4%)

Financial Ratios

Return on average assets	1.47%	1.25%	17.6%
Return on average equity	14.35%	12.61%	13.8%
Efficiency ratio	55.95%	61.37%	(8.8%)
Net interest margin	4.25%	3.98%	6.8%
Shareholders' equity/asset ratio	10.78%	9.91%	8.8%
Dividend payout ratio	26.19%	31.64%	(17.2%)
Nonperforming assets/total assets	1.70%	1.16%	46.6%
Allowance for credit losses as a % of loans	1.66%	1.43%	16.1%
Net charge-offs/average loans	-	-	-
Allowance for credit losses/nonaccrual loans	114.68%	95.43%	20.2%
Allowance for credit losses/nonperforming loans	70.27%	92.28%	(23.9%)

Financial Position at December 31,

Assets	\$ 1,162,965	\$1,079,785	7.7%
Loans	\$ 824,710	\$ 775,302	6.4%
Deposits	\$ 977,883	\$ 911,012	7.3%
Stockholders' equity	\$ 125,420	\$ 107,002	17.2%

Dear Shareholders:

I am incredibly pleased to present the results for Dimeco, Inc. as of the fourth quarter 2025. Overall, 2025 was a very good year for the Company, including strong growth on the balance sheet, increased earnings and dividends as well as solid performance ratios. Net income of \$16.6 million was an impressive 28% greater than last year while the efficiency ratio of 55.95% improved by 8.8%. Return on average assets ended the year at 1.47%, a 17.6% growth over last year while return on average equity was 14.35% which was 13.8% greater than 2024! Dividends of \$1.71 per share versus \$1.62 last year increased by 5.6%, reflecting our commitment to you.

Total assets of \$1.2 billion increased \$83.2 million or 7.7% from the fourth quarter of 2024. Loans and cash balances drove most of the asset growth year over year. Loan balances of \$824.7 million at the end of the quarter were \$49.4 million or 6.4% greater than December 31, 2024. 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 \$48.1 million while consumer loans expanded by \$4.1 million. Cash and cash equivalents of \$53.2 million were \$35.2 million greater than at year end 2024. This was the result of management strategically using the Federal Home Loan Bank (FHLB) to secure funding at favorable rates in addition to selling low-yielding bonds in the fourth quarter, so those proceeds can be invested in higher yielding interest-bearing accounts, investment securities or to fund loan originations. As a result, the investment portfolio shows only a slight increase of \$2 million or .9%, compared to the fourth quarter of 2024.

Deposit balances of \$977.9 million were an increase of \$66.9 million or 7.3% over the previous year. Noninterest bearing deposits grew by \$27.1 million while interest-bearing deposits added \$39.8 million. Personal and business noninterest bearing accounts continued to show increases over the previous year. Certificates of deposit (CD) specials are the main driver of interest-bearing increases, but certain business demand deposit accounts also produced growth while brokered CDs grew slightly from year end 2024.

Short-term borrowings increased by \$17.2 million over December 31, 2024. Management borrowed from the FHLB at favorable rates to reinvest in higher rate asset accounts. Other borrowed funds decreased by \$20.7 million or 44.6% as existing borrowings were paid down and no new borrowings were needed.

Stockholders’ equity increased by \$18.4 million or 17.2% from December 31, 2024, to \$125.4 million. Retained earnings accounted for \$12.2 million of this growth while accumulated other comprehensive losses improved by \$5.8 million. This improvement is due to the mark to market adjustment on our investment portfolio.

Interest income increased \$8.3 million or 14.1% over the fourth quarter of 2024. Loan income and fees accounted for \$5.6 million of this growth, investment income added \$2 million and other interest income grew by \$706 thousand primarily from interest-bearing deposits at the Federal Reserve. Interest expense of \$21.7 million was \$596 thousand or 2.8% greater than the same period last year. Deposits contributed \$270 thousand of this greater expense due to the growth of CDs even while interest rates decreased. Short-term borrowings added \$78 thousand of expense while other borrowed funds contributed \$247 thousand. Non-interest income grew by \$50 thousand. As mentioned above, management sold bonds in the fourth quarter to reinvest in higher earnings assets. This produced a loss of \$682 thousand which was offset by increases in other categories. Non-interest expenses increased by \$1.9 million or 6.7%, mostly due to salaries and employee benefits, computer software maintenance and certain other operating expenses. The provision for credit losses increased by \$1.3 million 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 and one larger loan relationship. Tax expense increased by \$901 thousand as certain tax credits expired and due to increased income. As mentioned earlier, this resulted in a year-to-date net income of \$16.6 million which was \$3.6 million or 28% greater than December 31, 2024.

I hope you are as excited as we are with these results. The new year is just underway but rest assured that management will continue to guide Dimeco, Inc. by the same sound and prudent banking decisions that we always have. We thank you for your support and commitment and 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)
<i>(in thousands)</i>						
	12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2024	
<b>Assets</b>						
Cash and cash equivalents	\$ 53,198	\$ 15,644	\$ 30,271	\$ 24,198	\$ 17,966	
Investment securities available for sale	228,824	242,845	243,052	240,371	226,804	
Loans, net of allowance for credit losses	810,980	806,592	771,852	771,979	764,178	
Premises and equipment	18,270	18,467	18,909	19,069	19,274	
Accrued interest receivable	4,630	4,623	4,385	4,424	4,163	
Other real estate owned	224	224	224	224	224	
Other assets	46,839	47,999	45,526	46,311	47,176	
<b>TOTAL ASSETS</b>	<b>\$ 1,162,965</b>	<b>\$ 1,136,394</b>	<b>\$ 1,114,219</b>	<b>\$ 1,106,576</b>	<b>\$ 1,079,785</b>	
<b>Liabilities</b>						
Deposits:						
Noninterest-bearing	\$ 204,473	\$ 206,033	\$ 208,383	\$ 192,833	\$ 177,369	
Interest-bearing	773,410	729,805	744,316	741,120	733,643	
Total deposits	977,883	935,838	952,699	933,953	911,012	
Short-term borrowings	17,162	33,717	-	-	-	
Other borrowed funds	25,643	29,580	33,473	47,323	46,297	
Accrued interest payable	1,078	955	866	977	1,072	
Other liabilities	15,779	15,360	13,694	13,415	14,402	
<b>TOTAL LIABILITIES</b>	<b>1,037,545</b>	<b>1,015,450</b>	<b>1,000,732</b>	<b>995,668</b>	<b>972,783</b>	
<b>TOTAL STOCKHOLDERS’ EQUITY</b>	<b>125,420</b>	<b>120,944</b>	<b>113,487</b>	<b>110,908</b>	<b>107,002</b>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY</b>	<b>\$ 1,162,965</b>	<b>\$ 1,136,394</b>	<b>\$ 1,114,219</b>	<b>\$ 1,106,576</b>	<b>\$ 1,079,785</b>	

CONSOLIDATED STATEMENT OF INCOME								(unaudited)
<i>(in thousands, except per share data)</i>								
	Three months ended					Year ended		
	12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2024	12/31/2025	12/31/2024	
<b>Interest Income</b>								
Loans, including fees	\$ 14,501	\$ 14,420	\$ 13,682	\$ 12,992	\$ 13,201	\$ 55,595	\$ 49,973	
Investment securities	2,637	2,630	2,529	2,430	2,309	10,226	8,262	
Other	323	200	411	364	186	1,298	592	
Total interest income	17,461	17,250	16,622	15,786	15,696	67,119	58,827	
<b>Interest Expense</b>								
Deposits	4,618	4,405	4,939	5,233	5,237	19,195	18,925	
Short-term borrowings	321	539	-	-	48	860	782	
Other borrowed funds	310	354	476	467	400	1,607	1,359	
Total interest expense	5,249	5,298	5,415	5,700	5,685	21,662	21,066	
<b>Net Interest Income</b>	<b>12,212</b>	<b>11,952</b>	<b>11,207</b>	<b>10,086</b>	<b>10,011</b>	<b>45,457</b>	<b>37,761</b>	
Provision (credit) for credit losses	932	811	(32)	958	277	2,669	1,328	
<b>Net Interest Income, After Provision for Credit Losses</b>	<b>11,280</b>	<b>11,141</b>	<b>11,239</b>	<b>9,128</b>	<b>9,734</b>	<b>42,788</b>	<b>36,433</b>	
Noninterest income	1,357	2,430	1,947	1,810	1,904	7,544	7,494	
Noninterest expense	7,862	7,613	7,475	7,037	7,173	29,987	28,112	
Income before income taxes	4,775	5,958	5,711	3,901	4,465	20,345	15,815	
Income taxes	880	1,109	1,121	664	819	3,774	2,873	
<b>NET INCOME</b>	<b>\$ 3,895</b>	<b>\$ 4,849</b>	<b>\$ 4,590</b>	<b>\$ 3,237</b>	<b>\$ 3,646</b>	<b>\$ 16,571</b>	<b>\$ 12,942</b>	
Earnings per share-basic	\$ 1.53	\$ 1.91	\$ 1.81	\$ 1.28	\$ 1.44	\$ 6.53	\$ 5.12	
Earnings per share-diluted	\$ 1.53	\$ 1.91	\$ 1.81	\$ 1.28	\$ 1.44	\$ 6.52	\$ 5.11	
Average shares outstanding-basic	2,539,657	2,538,790	2,536,743	2,534,173	2,531,220	2,537,758	2,530,103	
Average shares outstanding-diluted	2,545,362	2,540,306	2,537,227	2,535,398	2,532,882	2,539,725	2,530,473	