

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 broker-age commissions or fees imposed. For more information, contact the Transfer Agent listed above.

Dimeco, Inc. Stock Market Makers

Brean Capital, LLC
 610-766-0015

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

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888-4MY-DIME



CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

(dollars in thousands, except per share)

	2026	2025	% Increase (decrease)
Performance for the three months ended March 31,			
Interest income	\$ 17,445	\$ 15,786	10.5%
Interest expense	\$ 4,928	\$ 5,700	(13.5%)
Net interest income	\$ 12,517	\$ 10,086	24.1%
Net income	\$ 4,814	\$ 3,237	48.7%
Shareholders' Value (per share)			
Net income – basic	\$ 1.89	\$ 1.28	47.7%
Net income – diluted	\$ 1.89	\$ 1.28	47.7%
Dividends	\$.45	\$.42	7.1%
Book value	\$ 50.22	\$ 43.68	15.0%
Market value	\$ 47.00	\$ 36.00	30.6%
Market value/book value ratio	93.6%	82.4%	13.6%
*Price/earnings multiple	6.2X	7.0X	(11.4%)
*Dividend yield	3.83%	4.67%	(18.0%)
Financial Ratios			
*Return on average assets	1.68%	1.18%	42.4%
*Return on average equity	14.96%	11.88%	25.9%
Efficiency ratio	52.14%	58.47%	(10.8%)
Net interest margin	4.68%	4.04%	15.8%
Shareholders' equity/asset ratio	11.15%	10.02%	11.3%
Dividend payout ratio	23.81%	32.81%	(27.4%)
Nonperforming assets/total assets	1.64%	1.12%	46.4%
Allowance for credit losses as a % of loans	1.64%	1.53%	7.2%
Net charge-offs/average loans	.10%	-	-
Allowance for credit losses/nonaccrual loans	124.00%	104.33%	18.9%
Allowance for credit losses/nonperforming loans	74.55%	100.92%	(26.1%)
Financial Position at March 31,			
Assets	\$ 1,146,767	\$ 1,106,576	3.6%
Loans	\$ 845,585	\$ 783,989	7.9%
Deposits	\$ 981,300	\$ 933,953	5.1%
Stockholders' equity	\$ 127,848	\$ 110,908	15.3%

*annualized

Dear Shareholders:

As the first quarter of 2026 came to a close, I am pleased to present the results of Dimeco, Inc. This year is off to a solid start with both loans and deposits showing continued growth and thereby positively affecting our financial ratios. Return on average assets (ROAA) was 1.68% as of March 31, 2026, while return on average equity (ROAE) was 14.96%, an increase of 42.4% and 25.9%, respectively, over the first quarter of 2025. The efficiency ratio of 52.14% was an almost 11% decrease from the same quarter last year. This performance resulted in an earnings per share of \$1.89 which was an increase of 47.7% over last year.

Total assets of \$1.1 billion increased \$40.2 million or 3.6% from the first quarter of 2025. Loan balances of \$845.6 million at the end of the quarter were \$61.6 million or 7.9% greater than March 31, 2025. Loan growth was across all categories; commercial and residential loans increased \$53.5 million, business loans increased \$3.9 million, consumer increased by \$2.2 million and other loans grew by \$2.1 million. Cash and cash equivalents decreased by \$8.6 million while investment securities declined by \$11.1 million as liquidity was needed to fund loan originations. Sales of bonds in the fourth quarter of 2025 contributed to the remaining decrease.

Deposit balances of \$981.3 million were an increase of \$47.3 million or 5.1% over the previous year. Both noninterest-bearing and interest-bearing deposits showed growth with balances rising \$10 million and \$37.3 million, respectively.

Other borrowed funds of \$21.2 million decreased by \$26.2 million or 55.3% from March 31, 2025. No new borrowings were needed due to the increase in deposits and management's use of brokered deposits when necessary. The remainder of the decrease was due to maturities and normal payment amortization.

Stockholders' equity grew by \$16.9 million from March 31, 2025, to \$127.8 million. Retained earnings accounted for most of this growth at \$13.7 million, while accumulated other comprehensive losses declined by \$2.8 million. This adjustment is due to the requirement to mark our investment portfolio to current market values which reflected an improvement.

Interest income increased \$1.7 million or 10.5% over the first quarter of 2025. Loan income and fees added \$1.8 million to this category while investment income

added \$40 thousand. Other income declined by \$157 thousand due to lower balances at the Federal Reserve as well as a lower rate paid on this balance. Interest expense of \$4.9 million was \$772 thousand less than the same period last year. Deposit expense decreased by \$772 thousand while short-term borrowings and other borrowed funds expenses offset each other. Non-interest income increased \$329 thousand or 18.2% due to higher brokerage commissions of \$251 thousand year over year with other categories contributing smaller increases. Non-interest expenses grew by \$679 thousand or 9.6%, mostly due to salaries and employee benefits. The provision for credit losses increased by \$71 thousand or 7.4% as we adjusted our allowance required by our Current Estimated Credit Losses (CECL) calculation. This adjustment was attributed to the growth in the loan portfolio as well as the impact of current market conditions. Income before taxes was \$2 million or 51.5% greater than the same time last year while income taxes increased by \$433 thousand or 65.2%. This resulted in a net income of \$4.8 million which was \$1.6 million or 48.7% greater than the first quarter of 2025.

The bank named our new Chief Operating Officer, Melissa Bowling, as of January 2026. Missy started at the bank in 2008 and worked her way up from head teller to now being named a senior vice president! She held several positions throughout her tenure including assistant branch manager, branch manager, and retail operations officer. Her extensive experience allows Missy to understand almost every aspect of the bank which is invaluable to this position. We wish Missy success in her new role and are here to support her every step of the way.

As the remainder of the year plays out, I am excited for the possibilities as management will continue to explore prudent opportunities to grow the balance sheet and expand the sound performance of your Company. As always, we thank you for your continued support and commitment. Please take any opportunity to refer family and friends to Dimeco, Inc.



Peter Bochnovich
President and Chief Executive Officer

CONSOLIDATED BALANCE SHEET

(unaudited)

(in thousands)

	<u>3/31/2026</u>	<u>3/31/2025</u>
Assets		
Cash and cash equivalents	\$ 15,550	\$ 24,198
Investment securities available for sale	229,229	240,371
Loans, net of allowance for credit losses	831,707	771,979
Premises and equipment	18,088	19,069
Accrued interest receivable	4,912	4,424
Other real estate owned	224	224
Other assets	47,057	46,311
TOTAL ASSETS	<u>\$ 1,146,767</u>	<u>\$ 1,106,576</u>
Liabilities		
Deposits:		
Noninterest-bearing	\$ 202,885	\$ 192,833
Interest-bearing	778,415	741,120
Total deposits	981,300	933,953
Other borrowed funds	21,153	47,323
Accrued interest payable	645	977
Other liabilities	15,821	13,415
TOTAL LIABILITIES	<u>1,018,919</u>	<u>995,668</u>
TOTAL STOCKHOLDERS' EQUITY	<u>127,848</u>	<u>110,908</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,146,767</u>	<u>\$ 1,106,576</u>

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(in thousands, except per share data)

	<u>Three months ended</u>	
	<u>3/31/2026</u>	<u>3/31/2025</u>
Interest Income		
Loans, including fees	\$ 14,768	\$ 12,992
Investment securities	2,469	2,430
Other	208	364
Total interest income	<u>17,445</u>	<u>15,786</u>
Interest Expense		
Deposits	4,461	5,233
Short-term borrowings	206	-
Other borrowed funds	261	467
Total interest expense	<u>4,928</u>	<u>5,700</u>
Net Interest Income	<u>12,517</u>	<u>10,086</u>
Provision for credit losses	1,029	958
Net Interest Income, After Provision for Credit Losses	<u>11,488</u>	<u>9,128</u>
Noninterest income	2,139	1,810
Noninterest expense	7,716	7,037
Income before income taxes	5,911	3,901
Income taxes	1,097	664
NET INCOME	<u>\$ 4,814</u>	<u>\$ 3,237</u>
Earnings per share-basic	\$ 1.89	\$ 1.28
Earnings per share-diluted	\$ 1.89	\$ 1.28
Average shares outstanding-basic	2,543,528	2,534,173
Average shares outstanding-diluted	2,552,482	2,535,398