

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

Brean Capital, LLC  
610-766-0015  
  
Raymond James & Associates  
800-543-5304  
  
Stifel, Nicolaus & Company, Inc.  
866-299-8507

Directors

Todd J. Stephens, Chairman  
Brian T. Kelly, Vice Chairman  
Peter Bochnovich, President  
John F. Spall, Secretary

Gary C. Beilman  
Lorraine Collins  
Gregory J. Frigoletto  
Barbara J. Genzlinger  
John S. Kiesendahl  
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)

|                                                     | 2026      | 2025      | % Increase<br>(decrease) |
|-----------------------------------------------------|-----------|-----------|--------------------------|
| Performance for the nine months ended September 30, |           |           |                          |
| Interest income                                     | \$ 54,405 | \$ 49,658 | 9.6%                     |
| Interest expense                                    | \$ 15,521 | \$ 16,413 | (5.4%)                   |
| Net interest income                                 | \$ 38,884 | \$ 33,245 | 17.0%                    |
| Net income                                          | \$ 16,115 | \$ 12,676 | 27.1%                    |

Shareholders' Value (per share)

|                               |          |          |         |
|-------------------------------|----------|----------|---------|
| Net income – basic            | \$ 6.32  | \$ 5.00  | 26.4%   |
| Net income – diluted          | \$ 6.30  | \$ 4.99  | 26.3%   |
| Dividends                     | \$ 1.35  | \$ 1.26  | 7.1%    |
| Book value                    | \$ 51.86 | \$ 47.58 | 9.0%    |
| Market value                  | \$ 63.00 | \$ 39.00 | 61.5%   |
| Market value/book value ratio | 121.5%   | 82.0%    | 48.2%   |
| *Price/earnings multiple      | 7.5X     | 5.9X     | 27.1%   |
| *Dividend yield               | 2.86%    | 4.31%    | (33.6%) |

Financial Ratios

|                                                 |         |         |         |
|-------------------------------------------------|---------|---------|---------|
| *Return on average assets                       | 1.81%   | 1.52%   | 19.1%   |
| *Return on average equity                       | 16.35%  | 15.02%  | 8.9%    |
| Efficiency ratio                                | 51.88%  | 55.49%  | (6.5%)  |
| Net interest margin                             | 4.61%   | 4.20%   | 9.8%    |
| Shareholders' equity/asset ratio                | 10.17%  | 10.64%  | (4.4%)  |
| Dividend payout ratio                           | 21.36%  | 25.20%  | (15.2%) |
| Nonperforming assets/total assets               | 1.40%   | 1.04%   | 34.6%   |
| Allowance for credit losses as a % of loans     | 1.58%   | 1.56%   | 1.3%    |
| Net charge-offs/average loans                   | .11%    | -       | -       |
| Allowance for credit losses/nonaccrual loans    | 133.23% | 113.81% | 17.1%   |
| Allowance for credit losses/nonperforming loans | 80.21%  | 110.50% | (27.4%) |

Financial Position at September 30,

|                      |              |              |       |
|----------------------|--------------|--------------|-------|
| Assets               | \$ 1,305,075 | \$ 1,136,394 | 14.8% |
| Loans                | \$ 914,914   | \$ 819,344   | 11.7% |
| Deposits             | \$ 1,035,975 | \$ 935,838   | 10.7% |
| Stockholders' equity | \$ 132,704   | \$ 120,944   | 9.7%  |

\*annualized

Dear Shareholders:

It is my pleasure to present the results of Dimeco, Inc. for the third quarter of 2026. The bank had another solid quarter driven by strong loan and deposit growth. Net income for the nine months was \$16.1 million or 27.1% greater than the same period last year. That resulted in a return on average assets of 1.81% and a return on average equity of 16.35%, an increase of 19.1% and 8.9%, respectively, over September 30, 2025. The market value of your stock increased to \$63.00, an increase of 61.5% from this time last year. This resulted in a market value to book value ratio of 121.5%. I am looking forward to the fourth quarter, and I hope the same momentum carries through the rest of the year.

Total assets of \$1.3 billion increased by \$168.7 million, or 14.8%, from the third quarter of 2025. Loan balances of \$914.9 million at the end of the quarter were \$95.6 million, or 11.7%, higher than September 30, 2025. Mortgage loans, both residential and commercial, showed the greatest growth of \$87.6 million while business loans increased by \$12.7 million. Cash and cash equivalents ended the quarter at \$88.2 million, \$72.5 million greater than the same period last year, as management borrowed from Federal Home Loan Bank (FHLB) to fund upcoming loan demand, as indicated by our loan pipeline.

Deposit balances of \$1 billion increased by \$100 million, or 10.7%, over the previous year. Both noninterest-bearing and interest-bearing deposits experienced growth with balances rising by \$15.8 million and \$84.3 million, respectively. Business deposits continue to account for much of the growth in interest-bearing checking accounts while both business and personal accounts grew in noninterest-bearing accounts. Additionally, brokered deposits were used for liquidity needs.

Short-term borrowings grew by \$66.3 million over September 30, 2025, as additional liquidity was necessary to fund loan demand as described above. Other borrowed funds of \$13.9 million decreased by \$15.7 million, or 53%, compared to the same quarter last year as borrowing needs shifted to short-term FHLB products.

Stockholders’ equity grew by \$11.8 million to \$132.7 million from the same time last year. Retained earnings accounted for most of this growth, increasing by \$15.4 million, which was offset by accumulated other comprehensive losses which increased by \$4.5 million. Along with the Federal Reserve rate hike of 25 basis points in September, the valuation of our bonds was adjusted as per Generally Accepted Accounting Principles (GAAP)

requirement to mark our investment portfolio to current market values.

Interest income increased by \$4.7 million, or 9.6%, over the third quarter of 2025. Loan income and fees contributed \$4.6 million to this category which includes a one-time prepayment penalty of \$234 thousand while investment income added \$182 thousand. Interest expense of \$15.5 million was \$893 thousand lower than the same period last year. Deposit expense decreased by \$665 thousand, or 4.6%, and interest expense on other borrowed funds declined by \$646 thousand or 49.8%. This decrease was partially offset by short-term borrowings expense which increased by \$419 thousand.

Non-interest income increased by \$348 thousand, or 5.6%, primarily due to higher brokerage commissions which rose by \$470 thousand year over year, with most other categories contributing smaller increases. Offsetting these gains was a decrease in other income mainly because of a one-time gain in the third quarter of 2025 of \$351 thousand for the sale of a fixed asset that was not repeated in 2026. Non-interest expenses grew by \$1.7 million, or 7.5%, mostly due to salaries and employee benefits. The provision for credit losses decreased by \$51 thousand, or 2.9%, as we adjusted the allowance required by the Current Expected Credit Losses (CECL) calculation. This decrease was mainly attributed to historical loss changes.

Income before taxes was \$4.4 million, or 28.1%, greater than the same time last year while income taxes increased by \$934 thousand, or 32.3%. This resulted in a net income of \$16.1 million which was \$3.4 million, or 27.1%, greater than the third quarter of 2025, as mentioned earlier.

We are making progress with the opening of our Mid Valley Branch located in Throop. Construction is well underway and all personnel are hired and ready to welcome our customers. The opening is expected by December, and we are excited to serve this part of Lackawanna County. There will be more information to come about our newest branch.

As always, we thank you for your continued support and commitment. Please take the opportunity to refer your family and friends to Dimeco, Inc.

  
Peter Bochnovich  
President and Chief Executive Officer

| CONSOLIDATED BALANCE SHEET                        |                     |                     |                     |                     | (unaudited) |
|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| (in thousands)                                    |                     |                     |                     |                     |             |
| <b>Assets</b>                                     | <b>9/30/2026</b>    | <b>6/30/2026</b>    | <b>3/31/2026</b>    | <b>9/30/2025</b>    |             |
| Cash and cash equivalents                         | \$ 88,174           | \$ 33,319           | \$ 15,550           | \$ 15,644           |             |
| Investment securities available for sale          | 240,360             | 232,753             | 229,229             | 242,845             |             |
| Loans, net of allowance for credit losses         | 900,413             | 859,455             | 831,707             | 806,592             |             |
| Premises and equipment                            | 18,793              | 17,994              | 18,088              | 18,467              |             |
| Accrued interest receivable                       | 5,056               | 4,664               | 4,912               | 4,623               |             |
| Other real estate owned                           | 224                 | 224                 | 224                 | 224                 |             |
| Other assets                                      | 52,055              | 47,102              | 47,057              | 47,999              |             |
| <b>TOTAL ASSETS</b>                               | <b>\$ 1,305,075</b> | <b>\$ 1,195,511</b> | <b>\$ 1,146,767</b> | <b>\$ 1,136,394</b> |             |
| <b>Liabilities</b>                                |                     |                     |                     |                     |             |
| Deposits:                                         |                     |                     |                     |                     |             |
| Noninterest-bearing                               | \$ 221,821          | \$ 213,723          | \$ 202,885          | \$ 206,033          |             |
| Interest-bearing                                  | 814,154             | 795,354             | 778,415             | 729,805             |             |
| Total deposits                                    | 1,035,975           | 1,009,077           | 981,300             | 935,838             |             |
| Short-term borrowings                             | 100,000             | 20,000              | -                   | 33,717              |             |
| Other borrowed funds                              | 13,905              | 17,238              | 21,153              | 29,580              |             |
| Accrued interest payable                          | 964                 | 667                 | 645                 | 955                 |             |
| Other liabilities                                 | 21,527              | 15,632              | 15,821              | 15,360              |             |
| <b>TOTAL LIABILITIES</b>                          | <b>1,172,371</b>    | <b>1,062,614</b>    | <b>1,018,919</b>    | <b>1,015,450</b>    |             |
| <b>TOTAL STOCKHOLDERS’ EQUITY</b>                 | <b>132,704</b>      | <b>132,897</b>      | <b>127,848</b>      | <b>120,944</b>      |             |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY</b> | <b>\$ 1,305,075</b> | <b>\$ 1,195,511</b> | <b>\$ 1,146,767</b> | <b>\$ 1,136,394</b> |             |

| CONSOLIDATED STATEMENT OF INCOME                              |                    |                  |                  |                  |                   |                  | (unaudited) |
|---------------------------------------------------------------|--------------------|------------------|------------------|------------------|-------------------|------------------|-------------|
| (in thousands, except per share data)                         |                    |                  |                  |                  |                   |                  |             |
|                                                               | Three months ended |                  |                  |                  | Nine months ended |                  |             |
|                                                               | 9/30/2026          | 6/30/2026        | 3/31/2026        | 9/30/2025        | 9/30/2026         | 9/30/2025        |             |
| <b>Interest Income</b>                                        | <b>\$ 15,953</b>   | <b>\$ 14,936</b> | <b>\$ 14,768</b> | <b>\$ 14,420</b> | <b>\$ 45,657</b>  | <b>\$ 41,094</b> |             |
| Loans, including fees                                         | 2,556              | 2,746            | 2,469            | 2,630            | 7,771             | 7,589            |             |
| Investment securities                                         | 428                | 341              | 208              | 200              | 977               | 975              |             |
| Other                                                         | 18,937             | 18,023           | 17,445           | 17,250           | 54,405            | 49,658           |             |
| Total interest income                                         | 4,660              | 4,791            | 4,461            | 4,405            | 13,912            | 14,577           |             |
| <b>Interest Expense</b>                                       | <b>611</b>         | <b>141</b>       | <b>206</b>       | <b>539</b>       | <b>958</b>        | <b>539</b>       |             |
| Deposits                                                      | 175                | 215              | 261              | 354              | 651               | 1,297            |             |
| Short-term borrowings                                         | 5,446              | 5,147            | 4,928            | 5,298            | 15,521            | 16,413           |             |
| Other borrowed funds                                          | 13,491             | 12,876           | 12,517           | 11,952           | 38,884            | 33,245           |             |
| Total interest expense                                        | 135                | 522              | 1,029            | 811              | 1,686             | 1,737            |             |
| <b>Net Interest Income</b>                                    | <b>13,356</b>      | <b>12,354</b>    | <b>11,488</b>    | <b>11,141</b>    | <b>37,198</b>     | <b>31,508</b>    |             |
| Provision for credit losses                                   | 2,254              | 2,142            | 2,139            | 2,430            | 6,535             | 6,187            |             |
| <b>Net Interest Income, After Provision for Credit Losses</b> | <b>8,005</b>       | <b>8,069</b>     | <b>7,716</b>     | <b>7,613</b>     | <b>23,790</b>     | <b>22,125</b>    |             |
| Noninterest income                                            | 7,605              | 6,427            | 5,911            | 5,958            | 19,943            | 15,570           |             |
| Noninterest expense                                           | 1,463              | 1,268            | 1,097            | 1,109            | 3,828             | 2,894            |             |
| Income before income taxes                                    | \$ 6,142           | \$ 5,159         | \$ 4,814         | \$ 4,849         | \$ 16,115         | \$ 12,676        |             |
| Income taxes                                                  | \$ 2.40            | \$ 2.03          | \$ 1.89          | \$ 1.91          | \$ 6.32           | \$ 5.00          |             |
| <b>NET INCOME</b>                                             | <b>\$ 2.39</b>     | <b>\$ 2.01</b>   | <b>\$ 1.89</b>   | <b>\$ 1.91</b>   | <b>\$ 6.30</b>    | <b>\$ 4.99</b>   |             |
| Earnings per share-basic                                      | 2,554,897          | 2,547,074        | 2,543,528        | 2,538,790        | 2,548,669         | 2,536,877        |             |
| Average shares outstanding-basic                              | 2,572,860          | 2,562,151        | 2,552,482        | 2,540,306        | 2,559,179         | 2,537,939        |             |
| Earnings per share-diluted                                    |                    |                  |                  |                  |                   |                  |             |
| Average shares outstanding-diluted                            |                    |                  |                  |                  |                   |                  |             |