

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.
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CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

(dollars in thousands, except per share)

	2026	2025	% Increase (decrease)
Performance for the six months ended June 30,			
Interest income	\$ 35,468	\$ 32,408	9.4%
Interest expense	\$ 10,075	\$ 11,115	(9.4%)
Net interest income	\$ 25,393	\$ 21,293	19.3%
Net income	\$ 9,973	\$ 7,827	27.4%
Shareholders' Value (per share)			
Net income – basic	\$ 3.92	\$ 3.09	26.9%
Net income – diluted	\$ 3.90	\$ 3.09	26.2%
Dividends	\$.90	\$.84	7.1%
Book value	\$ 52.09	\$ 44.65	16.7%
Market value	\$ 55.51	\$ 36.56	51.8%
Market value/book value ratio	106.3%	81.9%	29.8%
*Price/earnings multiple	7.1X	5.9X	20.3%
*Dividend yield	3.24%	4.60%	(29.6%)
Financial Ratios			
*Return on average assets	1.71%	1.41%	21.3%
*Return on average equity	15.37%	14.18%	8.4%
Efficiency ratio	52.68%	57.27%	(8.0%)
Net interest margin	4.63%	4.08%	13.5%
Shareholders' equity/asset ratio	11.12%	10.19%	9.1%
Dividend payout ratio	22.96%	27.18%	(15.5%)
Nonperforming assets/total assets	1.57%	1.05%	49.5%
Allowance for credit losses as a % of loans	1.62%	1.53%	5.9%
Net charge-offs/average loans	.11%	-	-
Allowance for credit losses/nonaccrual loans	125.70%	109.00%	15.3%
Allowance for credit losses/nonperforming loans	76.36%	106.43%	(28.3%)
Financial Position at June 30,			
Assets	\$ 1,195,511	\$ 1,114,219	7.3%
Loans	\$ 873,627	\$ 783,874	11.4%
Deposits	\$ 1,009,077	\$ 952,699	5.9%
Stockholders' equity	\$ 132,897	\$ 113,487	17.1%

*annualized

Dear Shareholders:

I am excited to present the results of Dimeco, Inc. for the second quarter of 2026. So far, the year is off to a great start. Loans, deposits, and stockholders’ equity all demonstrated strong year-over-year growth, while net interest income increased by 19.3%. This resulted in net income of almost \$10 million through six months, producing a solid return on average assets of 1.71% and a return on average equity of 15.37%, increases of 21.3% and 8.4%, respectively, over the same period last year. Earnings per share of \$3.92 represented a 26.9% increase over last year, while the market value of our stock increased by 51.8% to \$55.51 as of June 30, 2026. I am looking forward to the rest of the year and hope you are, too!

Total assets of \$1.2 billion increased by \$81.3 million, or 7.3%, from the second quarter of 2025. Loan balances of \$873.6 million at the end of the quarter were \$89.8 million, or 11.4%, higher than June 30, 2025. As was the case in the first quarter, loan growth was across all categories. Commercial and residential loans experienced the largest increase, growing by \$78.8 million. Business loans grew by \$9.5 million, consumer loans increased by \$1.1 million, and other loans showed a slight increase of \$732 thousand. Cash and cash equivalents increased by \$3 million, while investment securities declined by \$10.3 million as bond payments were used to fund loan originations.

Deposit balances of \$1 billion were an increase of \$56.4 million, or 5.9%, over the previous year. Both noninterest-bearing and interest-bearing deposits experienced growth with balances rising \$5.3 million and \$51 million, respectively. Business deposits accounted for much of the growth in interest-bearing checking accounts.

Short-term borrowings increased by \$20 million over June 30, 2025, as additional liquidity was necessary to fund loan demand. Other borrowed funds of \$17.2 million decreased by \$16.2 million, or 48.5%, compared to the same quarter last year.

Stockholders’ equity grew by \$19.4 million to \$132.9 million from same time last year. Retained earnings accounted for most of this growth, increasing by \$14.2 million, while other comprehensive losses declined by \$4.7 million. This adjustment is due to the requirement to mark our investment portfolio to current market values, which improved during the period.

Interest income increased by \$3.1 million, or 9.4%, over the second quarter of 2025. Loan income and

fees contributed just over \$3 million to this category while investment income added \$256 thousand. Other income declined by \$226 thousand. Interest expense of \$10.1 million was \$1 million lower than the same period last year. Deposit expense decreased by \$920 thousand, or 9%, while short-term borrowings increased by \$347 thousand. This increase was partially offset by a \$467 thousand decline in expenses associated with other borrowed funds.

Non-interest income increased by \$524 thousand, or 13.9%, primarily due to higher brokerage commissions which rose by \$397 thousand year over year, with other categories contributing smaller increases. Non-interest expenses grew by \$1.3 million, or 8.8%, mostly due to salaries and employee benefits. The provision for credit losses increased by \$625 thousand, or 67.5%, as we adjusted our allowance required by our Current Estimated Credit Losses (CECL) calculation. This adjustment was attributable to growth in the loan portfolio as well as the impact of current economic conditions.

Income before taxes was \$2.7 million, or 28.4%, greater than the same time last year while income taxes increased by \$580 thousand or 32.5%. This resulted in a net income of \$10 million which was \$2.1 million, or 27.4%, greater than the second quarter of 2025.

I am pleased to report the bank received approval to open a new branch in Throop, Pennsylvania, which will be named our Mid Valley branch. We are thrilled to open our third branch in Lackawanna County and are excited about the opportunities that our tenth branch will bring. We look forward to serving the financial needs of the community and expect to open this location near the end of the third or the fourth quarter of this year.

During the remaining six months of 2026, management will remain focused on making strategic decisions that position the bank and the Company for continued growth and long-term success, benefiting both the organization and its shareholders. 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)				
Assets	6/30/2026	3/31/2026	6/30/2025	
Cash and cash equivalents	\$ 33,319	\$ 15,550	\$ 30,271	
Investment securities available for sale	232,753	229,229	243,052	
Loans, net of allowance for credit losses	859,455	831,707	771,852	
Premises and equipment	17,994	18,088	18,909	
Accrued interest receivable	4,664	4,912	4,385	
Other real estate owned	224	224	224	
Other assets	47,102	47,057	45,526	
TOTAL ASSETS	\$ 1,195,511	\$ 1,146,767	\$ 1,114,219	
Liabilities				
Deposits:				
Noninterest-bearing	\$ 213,723	\$ 202,885	\$ 208,383	
Interest-bearing	795,354	778,415	744,316	
Total deposits	1,009,077	981,300	952,699	
Short-term borrowings	20,000	-	-	
Other borrowed funds	17,238	21,153	33,473	
Accrued interest payable	667	645	866	
Other liabilities	15,632	15,821	13,694	
TOTAL LIABILITIES	1,062,614	1,018,919	1,000,732	
TOTAL STOCKHOLDERS' EQUITY	132,897	127,848	113,487	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,195,511	\$ 1,146,767	\$ 1,114,219	

CONSOLIDATED STATEMENT OF INCOME						(unaudited)
(in thousands, except per share data)						
	Three months ended			Six months ended		
	6/30/2026	3/31/2026	6/30/2025	6/30/2026	6/30/2025	
Interest Income	\$ 14,936	\$ 14,768	\$ 13,682	\$ 29,704	\$ 26,674	
Loans, including fees	2,746	2,469	2,529	5,215	4,959	
Investment securities	341	208	411	549	775	
Other	18,023	17,445	16,622	35,468	32,408	
Total interest income	18,023	17,445	16,622	35,468	32,408	
Interest Expense	4,791	4,461	4,939	9,252	10,172	
Deposits	141	206	-	347	-	
Short-term borrowings	215	261	476	476	943	
Other borrowed funds	5,147	4,928	5,415	10,075	11,115	
Total interest expense	5,147	4,928	5,415	10,075	11,115	
Net Interest Income	12,876	12,517	11,207	25,393	21,293	
Provision (credit) for credit losses	522	1,029	(32)	1,551	926	
Net Interest Income, After Provision for Credit Losses	12,354	11,488	11,239	23,842	20,367	
Noninterest income	2,142	2,139	1,947	4,281	3,757	
Noninterest expense	8,069	7,716	7,475	15,785	14,512	
Income before income taxes	6,427	5,911	5,711	12,338	9,612	
Income taxes	1,268	1,097	1,121	2,365	1,785	
NET INCOME	\$ 5,159	\$ 4,814	\$ 4,590	\$ 9,973	\$ 7,827	
Earnings per share-basic	\$ 2.03	\$ 1.89	\$ 1.81	\$ 3.92	\$ 3.09	
Earnings per share-diluted	\$ 2.01	\$ 1.89	\$ 1.81	\$ 3.90	\$ 3.09	
Average shares outstanding-basic	2,547,074	2,543,528	2,536,743	2,545,369	2,535,635	
Average shares outstanding-diluted	2,562,151	2,552,482	2,537,227	2,557,793	2,536,483	