

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 six months ended June 30, | | | |
| Interest income | \$ 32,408 | \$ 27,783 | 16.6% |
| Interest expense | \$ 11,115 | \$ 10,045 | 10.7% |
| Net interest income | \$ 21,293 | \$ 17,738 | 20.0% |
| Net income | \$ 7,827 | \$ 5,431 | 44.1% |
| Shareholders’ Value (per share) | | | |
| Net income – basic | \$ 3.09 | \$ 2.15 | 43.7% |
| Net income – diluted | \$ 3.09 | \$ 2.14 | 44.4% |
| Dividends | \$.84 | \$.80 | 5.0% |
| Book value | \$ 44.65 | \$ 39.98 | 11.7% |
| Market value | \$ 36.56 | \$ 35.89 | 1.9% |
| Market value/book value ratio | 81.9% | 89.8% | (8.8%) |
| *Price/earnings multiple | 5.9X | 8.3X | (28.9%) |
| *Dividend yield | 4.60% | 4.46% | 3.1% |
| Financial Ratios | | | |
| *Return on average assets | 1.41% | 1.08% | 30.6% |
| *Return on average equity | 14.18% | 10.96% | 29.4% |
| Efficiency ratio | 57.27% | 64.18% | (10.8%) |
| Net interest margin | 4.08% | 3.86% | 5.7% |
| Shareholders’ equity/asset ratio | 10.19% | 9.88% | 3.1% |
| Dividend payout ratio | 27.18% | 37.21% | (26.9%) |
| Nonperforming assets/total assets | 1.05% | .94% | 11.7% |
| Allowance for credit losses as a % of loans | 1.53% | 1.56% | (1.9%) |
| Net charge-offs/average loans | - | - | - |
| Allowance for credit losses/nonaccrual loans | 109.00% | 128.42% | (15.1%) |
| Allowance for credit losses/nonperforming loans | 106.43% | 124.38% | (14.4%) |
| Financial Position at June 30, | | | |
| Assets | \$ 1,114,219 | \$ 1,025,620 | 8.6% |
| Loans | \$ 783,874 | \$ 745,816 | 5.1% |
| Deposits | \$ 952,699 | \$ 873,574 | 9.1% |
| Stockholders’ equity | \$ 113,487 | \$ 101,371 | 12.0% |

*annualized

Dear Shareholders:

It is hard to believe that we are halfway through the year. So far, 2025 is off to a good start for Dimeco, Inc. The bank continued to prudently grow its balance sheet and, in return, its earnings. Loan demand started the year off slowly but has picked up nicely in the second quarter despite some unexpected payoffs, while deposit balances remained strong. Net income is up more than 44% over the second quarter of 2024 and the efficiency ratio continues to trend in the right direction. I am excited for the rest of the year and look forward to the opportunities.

Total assets of \$1.1 billion increased \$88.6 million or 8.6% from the second quarter of 2024. Cash and cash equivalents increased by \$19.4 million to fund upcoming loan originations and maintain a sufficient level of on balance sheet liquidity. Loan balances of \$771.9 million at the end of the quarter were \$37.7 million or 5.1% greater than June 30, 2024. Commercial and residential mortgages increased \$35.2 million or 5.7% and consumer loans grew \$7 million or 28.1%. Offsetting these increases were declines in business loans of \$5.7 million and other loans of \$734 thousand. Investment securities grew by \$31.6 million or 14.9% from the second quarter of 2024. Management continues to add bonds that match our investment strategy before additional rate cuts by the Federal Reserve (Fed).

Deposit balances of \$952.7 million were an increase of \$79.1 million or 9.1% over the previous year. Both noninterest-bearing and interest-bearing deposits showed growth with balances rising \$23.3 million and \$55.8 million, respectively. Business checking was the primary driver of noninterest-bearing increases, but personal categories also had growth. Interest-bearing deposits showed increases in business money markets and personal savings, while certificates of deposit (CDs) specials continue to drive interest-bearing growth.

Short-term borrowings decreased by \$5.9 million over June 30, 2024, while other borrowed funds increased by \$3.4 million or 11.2%. 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 second quarter.

Stockholders’ equity grew by \$12.1 million from June 30, 2024, to \$113.5 million. Retained earnings accounted for most of this growth at \$11.1 million, while accumulated other comprehensive losses declined by \$631 thousand or 3.8%. This adjustment is due to the requirement to mark our investment portfolio to current market values which reflected an improvement.

Interest income increased \$4.6 million or 16.6% over the second quarter of 2024. Loan income and fees added \$2.9 million to this category while investment income added \$1.3 million. Other income grew by \$477 thousand primarily from interest-bearing deposits at the Fed. Interest expense of \$11.1 million was \$1.1 million greater than the same period last year. Deposits contributed \$993 thousand of this expense while other borrowed funds contributed \$288 thousand. This increase was offset by a decrease in short-term borrowing expense of \$211 thousand. Non-interest income increased \$226 thousand or 6.4%. Non-interest expenses grew by \$679 thousand or 4.9%, mostly due to salaries and employee benefits and certain other expenses. The provision for credit losses increased by \$93 thousand to adjust the allowance required by our Current Estimated Credit Losses (CECL) calculation. This adjustment was mainly due to the growth in the loan portfolio. Net income of \$7.8 million was \$2.4 million greater than the second quarter of 2024. This resulted in an annualized return on average assets of 1.41% and return on average equity of 14.18%.

I hope you are as happy as we are with the results for the first half of this year. While there are still six months to go, rest assured that management will continue to make decisions that are best for the Company. 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) | | | | |
| Assets | 6/30/2025 | 3/31/2025 | 6/30/2024 | |
| Cash and cash equivalents | \$ 30,271 | \$ 24,198 | \$ 10,826 | |
| Mortgage loans held for sale | - | - | 117 | |
| Investment securities available for sale | 243,052 | 240,371 | 211,497 | |
| Loans, net of allowance for credit losses | 771,852 | 771,979 | 734,154 | |
| Premises and equipment | 18,909 | 19,069 | 19,725 | |
| Accrued interest receivable | 4,385 | 4,424 | 4,004 | |
| Other real estate owned | 224 | 224 | 224 | |
| Other assets | 45,526 | 46,311 | 45,073 | |
| TOTAL ASSETS | \$ 1,114,219 | \$ 1,106,576 | \$ 1,025,620 | |
| Liabilities | | | | |
| Deposits: | | | | |
| Noninterest-bearing | \$ 208,383 | \$ 192,833 | \$ 185,061 | |
| Interest-bearing | 744,316 | 741,120 | 688,513 | |
| Total deposits | 952,699 | 933,953 | 873,574 | |
| Short-term borrowings | - | - | 5,925 | |
| Other borrowed funds | 33,473 | 47,323 | 30,102 | |
| Accrued interest payable | 866 | 977 | 930 | |
| Other liabilities | 13,694 | 13,415 | 13,718 | |
| TOTAL LIABILITIES | 1,000,732 | 995,668 | 924,249 | |
| TOTAL STOCKHOLDERS' EQUITY | 113,487 | 110,908 | 101,371 | |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,114,219 | \$ 1,106,576 | \$ 1,025,620 | |

| CONSOLIDATED STATEMENT OF INCOME | | | | | | (unaudited) |
|---|--------------------|------------------|------------------|------------------|------------------|-------------|
| (in thousands, except per share data) | | | | | | |
| | Three months ended | | | Six months ended | | |
| | 6/30/2025 | 3/31/2025 | 6/30/2024 | 6/30/2025 | 6/30/2024 | |
| Interest Income | \$ 13,682 | \$ 12,992 | \$ 12,162 | \$ 26,674 | \$ 23,777 | |
| Loans, including fees | 2,529 | 2,430 | 1,959 | 4,959 | 3,708 | |
| Investment securities | 411 | 364 | 169 | 775 | 298 | |
| Other | 16,622 | 15,786 | 14,290 | 32,408 | 27,783 | |
| Total interest income | 16,622 | 15,786 | 14,290 | 32,408 | 27,783 | |
| Interest Expense | 4,939 | 5,233 | 4,740 | 10,172 | 9,179 | |
| Deposits | - | - | 31 | - | 211 | |
| Short-term borrowings | 476 | 467 | 319 | 943 | 655 | |
| Other borrowed funds | 5,415 | 5,700 | 5,090 | 11,115 | 10,045 | |
| Total interest expense | 5,415 | 5,700 | 5,090 | 11,115 | 10,045 | |
| Net Interest Income | 11,207 | 10,086 | 9,200 | 21,293 | 17,738 | |
| (Credit) provision for credit losses | (32) | 958 | 410 | 926 | 833 | |
| Net Interest Income, After Provision for Credit Losses | 11,239 | 9,128 | 8,790 | 20,367 | 16,905 | |
| Noninterest income | 1,947 | 1,810 | 1,825 | 3,757 | 3,531 | |
| Noninterest expense | 7,475 | 7,037 | 6,862 | 14,512 | 13,833 | |
| Income before income taxes | 5,711 | 3,901 | 3,753 | 9,612 | 6,603 | |
| Income taxes | 1,121 | 664 | 683 | 1,785 | 1,172 | |
| NET INCOME | \$ 4,590 | \$ 3,237 | \$ 3,070 | \$ 7,827 | \$ 5,431 | |
| Earnings per share-basic | \$ 1.81 | \$ 1.28 | \$ 1.22 | \$ 3.09 | \$ 2.15 | |
| Earnings per share-diluted | \$ 1.81 | \$ 1.28 | \$ 1.21 | \$ 3.09 | \$ 2.14 | |
| Average shares outstanding-basic | 2,536,743 | 2,534,173 | 2,528,913 | 2,535,635 | 2,528,667 | |
| Average shares outstanding-diluted | 2,537,227 | 2,535,398 | 2,529,052 | 2,536,483 | 2,528,782 | |