

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/](http://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  
800-800-4693

Stifel, Nicolaus & Company, Inc.  
800-233-8602

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  
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2024  
FOURTH QUARTER

CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

(dollars in thousands, except per share)

	2024	2023	% Increase (decrease)
Performance for the year ended December 31,			
Interest income	\$ 58,827	\$ 48,267	21.9%
Interest expense	\$ 21,066	\$ 14,292	47.4%
Net interest income	\$ 37,761	\$ 33,975	11.1%
Net income	\$ 12,942	\$ 10,828	19.5%
Shareholders' Value (per share)			
Net income – basic	\$ 5.12	\$ 4.27	19.9%
Net income – diluted	\$ 5.11	\$ 4.27	19.7%
Dividends	\$ 1.62	\$ 1.54	5.2%
Book value	\$ 42.17	\$ 38.90	8.4%
Market value	\$ 39.75	\$ 34.49	15.3%
Market value/book value ratio	94.3%	88.7%	6.3%
Price/earnings multiple	7.8X	8.1X	(3.7%)
Dividend yield	4.08%	4.47%	(8.7%)
Financial Ratios			
Return on average assets	1.25%	1.11%	12.6%
Return on average equity	12.61%	11.84%	6.5%
Efficiency ratio	61.37%	64.99%	(5.6%)
Net interest margin	3.98%	3.83%	3.9%
Shareholders' equity/asset ratio	9.91%	9.96%	(.5%)
Dividend payout ratio	31.64%	36.07%	(12.3%)
Nonperforming assets/total assets	1.17%	.93%	25.8%
Allowance for credit losses as a % of loans	1.43%	1.50%	(4.7%)
Net charge-offs/average loans	-	-	-
Allowance for credit losses/nonaccrual loans	94.62%	130.00%	(27.2%)
Allowance for credit losses/nonperforming loans	91.53%	120.10%	(23.8%)
Financial Position at December 31,			
Assets	\$ 1,079,785	\$ 989,961	9.1%
Loans	\$ 775,302	\$ 722,446	7.3%
Deposits	\$ 911,012	\$ 826,540	10.2%
Stockholders' equity	\$ 107,002	\$ 98,578	8.5%

Dear Shareholders:

Happy New Year! 2024 was a very good year for Dimeco, Inc. with many positive outcomes. Early in the year, our total assets exceeded the \$1 billion milestone. The momentum from the first three quarters continued through the last quarter of the year. Loan and deposit demand remained strong all year, and your Company continued its steadfast growth with sound prudent bank management. Dimeco ended the year with a net income of \$12.9 million which resulted in earnings per share of \$5.12 and a solid return on average assets (ROAA) of 1.25% and a return average equity (ROAE) of 12.61%.

Total assets of \$1.080 billion increased \$90 million or 9.1% over last year. Loan balances of \$775 million at the end of the year were \$52.9 million or 7.3% greater than December 31, 2023. Growth was centered in commercial and residential mortgage and consumer loans. Mortgage loans grew by \$52.8 million over the previous year. Consumer loans of \$31 million were \$7.6 million or 32.5% greater than at the end of last year, which consisted of new originations and loan purchases. These increases were offset by a decline in business loans of \$5.4 million. The investment portfolio grew by \$29.7 million or 15.1% from the same time last year. Management strategically purchased bonds throughout the year, but mainly in the second quarter before any rate cuts from the Federal Reserve (Fed), thus securing investments that provide higher yields for their duration.

Deposit balances of \$911 million were an increase of \$84.5 million or 10.2% over last year. As was the case throughout the year, the changing deposit mix showed a continued shift to certificates of deposit (CDs) from demand and savings accounts. Overall, CD growth year over year was \$100.4 million or 36.8% greater. Most of this increase was through CD specials and public funds, but there was also a slight increase in brokered CDs.

Short-term borrowings decreased by \$15.7 million due to the repositioning of \$19.3 million of overnight borrowings to lower interest rate, term borrowings in the fourth quarter. Other borrowed funds increased by \$11.8 million or 34.3% as described above. The remaining difference was due to normal payment amortization and maturities.

Stockholders’ equity increased by \$8.4 million from December 31, 2023, to \$107 million. The increase was mainly from \$12.9 million of net income, which was offset by dividends paid. Accumulated other comprehensive losses slightly increased by \$687 thousand or 4.3% over last year. While these losses have a negative effect on the tangible book equity, they do not affect the regulatory capital calculations. Dimeco, Inc.’s capital remains above the regulatory requirements to be considered well capitalized.

Interest income increased by \$10.6 million or 21.9% over 2023. Most of this growth was attributable to loan interest income of \$49.1 million which was \$9.7 million or 24.7% greater due to the additional loans originated and a portion of the portfolio still repricing to higher rates. Interest expense expanded by \$6.8 million or 47.4%. This was the result of the continued shift to CDs which was offset by the reduction in short-term borrowings. Net interest income grew by \$3.8 million as interest income outpaced interest expense paid on the deposits and borrowings. Non-interest income grew by \$810 thousand or 12.1% with several categories contributing to this gain. Non-interest expense increased by \$1.3 million or 4.9%. The largest components were salaries for new and existing staff and the related healthcare benefits. The provision for credit losses increased by \$495 thousand from December 31, 2023, as we adjusted our allowance based on our Current Estimated Credit Losses (CECL) calculation reflecting our loan portfolio growth and changes.

We remain optimistic for what lies ahead and are confident that the momentum achieved in 2024 will continue through 2025. Management continues to evaluate opportunities to safely grow the bank while maintaining our core vision and values. Our shareholders, customers, and communities are the foundation on which we build our mission, and I thank you for your continued support and commitment. Your questions or comments are welcomed, and I appreciate your referrals to Dimeco, Inc.



Peter Bochnovich  
President and Chief Executive Officer

CONSOLIDATED BALANCE SHEET						(unaudited)
<i>(in thousands)</i>						
<b>Assets</b>	<b>12/31/2024</b>	<b>9/30/2024</b>	<b>6/30/2024</b>	<b>3/31/2024</b>	<b>12/31/2023</b>	
Cash and cash equivalents	\$ 17,966	\$ 13,498	\$ 10,826	\$ 6,167	\$ 8,708	
Mortgage loans held for sale	-	-	117	-	-	
Investment securities available for sale	226,804	222,026	211,497	192,464	197,086	
Loans, net of allowance for credit losses	764,178	762,656	734,154	733,060	711,639	
Premises and equipment	19,274	19,499	19,725	19,935	20,154	
Accrued interest receivable	4,163	4,292	4,004	4,005	3,788	
Other real estate owned	224	224	224	224	224	
Other assets	47,176	46,548	45,073	48,413	48,362	
<b>TOTAL ASSETS</b>	<b>\$ 1,079,785</b>	<b>\$ 1,068,743</b>	<b>\$ 1,025,620</b>	<b>\$ 1,004,268</b>	<b>\$ 989,961</b>	
<b>Liabilities</b>						
Deposits:						
Noninterest-bearing	\$ 177,369	\$ 187,914	\$ 185,061	\$ 174,087	\$ 178,553	
Interest-bearing	733,643	694,387	688,513	671,211	647,987	
Total deposits	911,012	882,301	873,574	845,298	826,540	
Short-term borrowings	-	35,430	5,925	10,672	15,677	
Other borrowed funds	46,297	28,823	30,102	33,216	34,466	
Accrued interest payable	1,072	976	930	956	759	
Other liabilities	14,402	13,065	13,718	15,115	13,941	
<b>TOTAL LIABILITIES</b>	<b>972,783</b>	<b>960,595</b>	<b>924,249</b>	<b>905,257</b>	<b>891,383</b>	
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>107,002</b>	<b>108,148</b>	<b>101,371</b>	<b>99,011</b>	<b>98,578</b>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,079,785</b>	<b>\$ 1,068,743</b>	<b>\$ 1,025,620</b>	<b>\$ 1,004,268</b>	<b>\$ 989,961</b>	

CONSOLIDATED STATEMENT OF INCOME								(unaudited)
<i>(in thousands, except per share data)</i>								
	Three months ended					Year ended		
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023	12/31/2024	12/31/2023	
<b>Interest Income</b>	<b>\$ 13,201</b>	<b>\$ 12,995</b>	<b>\$ 12,162</b>	<b>\$ 11,615</b>	<b>\$ 11,833</b>	<b>\$ 49,973</b>	<b>\$ 40,268</b>	
Loans, including fees	2,309	2,245	1,959	1,749	1,856	8,262	7,563	
Investment securities	186	108	169	129	148	592	436	
Other	15,696	15,348	14,290	13,493	13,837	58,827	48,267	
<b>Interest Expense</b>	<b>5,237</b>	<b>4,509</b>	<b>4,740</b>	<b>4,439</b>	<b>3,802</b>	<b>18,925</b>	<b>10,705</b>	
Deposits	48	523	31	180	511	782	2,779	
Short-term borrowings	400	304	319	336	343	1,359	808	
Other borrowed funds	5,685	5,336	5,090	4,955	4,656	21,066	14,292	
Total interest expense	10,011	10,012	9,200	8,538	9,181	37,761	33,975	
<b>Net Interest Income</b>	<b>3,190</b>	<b>2,983</b>	<b>2,962</b>	<b>3,077</b>	<b>2,652</b>	<b>12,212</b>	<b>6,293</b>	
Provision for credit losses	277	218	410	423	284	1,328	833	
<b>Net Interest Income, After Provision for Credit Losses</b>	<b>2,913</b>	<b>2,765</b>	<b>2,552</b>	<b>2,654</b>	<b>2,368</b>	<b>10,884</b>	<b>5,460</b>	
Noninterest income	1,904	2,059	1,825	1,706	1,774	7,494	6,684	
Noninterest expense	7,173	7,106	6,862	6,971	6,271	28,112	26,799	
Income before income taxes	4,465	4,747	3,753	2,850	4,400	15,815	13,027	
Income taxes	819	882	683	489	790	2,873	2,199	
<b>NET INCOME</b>	<b>\$ 3,646</b>	<b>\$ 3,865</b>	<b>\$ 3,070</b>	<b>\$ 2,361</b>	<b>\$ 3,610</b>	<b>\$ 12,942</b>	<b>\$ 10,828</b>	
Earnings per share-basic	\$ 1.44	\$ 1.53	\$ 1.22	\$ .93	\$ 1.43	\$ 5.12	\$ 4.27	
Earnings per share-diluted	\$ 1.44	\$ 1.53	\$ 1.21	\$ .93	\$ 1.43	\$ 5.11	\$ 4.27	
Average shares outstanding-basic	2,531,220	2,530,335	2,528,913	2,528,139	2,524,588	2,530,103	2,537,721	
Average shares outstanding-diluted	2,532,882	2,531,876	2,529,052	2,528,183	2,524,654	2,530,473	2,537,863	