

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.
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CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

(dollars in thousands, except per share)

	2025	2024	% Increase (decrease)
Performance for the three months ended March 31,			
Interest income	\$ 15,786	\$ 13,493	17.0%
Interest expense	\$ 5,700	\$ 4,955	15.0%
Net interest income	\$ 10,086	\$ 8,538	18.1%
Net income	\$ 3,237	\$ 2,361	37.1%

Shareholders’ Value (per share)

Net income – basic	\$ 1.28	\$.93	37.6%
Net income – diluted	\$ 1.28	\$.93	37.6%
Dividends	\$.42	\$.40	5.0%
Book value	\$ 43.68	\$ 39.07	11.8%
Market value	\$ 36.00	\$ 34.80	3.4%
Market value/book value ratio	82.4%	89.1%	(7.5%)
*Price/earnings multiple	7.0X	9.4X	(25.5%)
*Dividend yield	4.67%	4.60%	1.5%

Financial Ratios

*Return on average assets	1.18%	.95%	24.2%
*Return on average equity	11.88%	9.56%	24.3%
Efficiency ratio	58.47%	67.10%	(12.9%)
Net interest margin	4.04%	3.76%	7.4%
Shareholders’ equity/asset ratio	10.02%	9.86%	1.6%
Dividend payout ratio	32.81%	43.01%	(23.7%)
Nonperforming assets/total assets	1.12%	.95%	17.9%
Allowance for credit losses as a % of loans	1.53%	1.51%	1.3%
Net charge-offs/average loans	-	-	-
Allowance for credit losses/nonaccrual loans	104.33%	128.26%	(18.7%)
Allowance for credit losses/nonperforming loans	100.92%	120.42%	(16.2%)

Financial Position at March 31,

Assets	\$ 1,106,576	\$ 1,004,268	10.2%
Loans	\$ 783,989	\$ 744,284	5.3%
Deposits	\$ 933,953	\$ 845,298	10.5%
Stockholders’ equity	\$ 110,908	\$ 99,011	12.0%

*annualized

Dear Shareholders:

I am happy to present the results of Dimeco, Inc. for the first quarter of 2025. Your Company continues to grow prudently by increasing its loan and investment portfolios as well as its deposit base. We remain vigilant about cost containment and looking for opportunities to generate additional revenue, especially as interest rates remain elevated and have a direct impact to our interest expense. The efficiency ratio continues to improve, showing an almost 13% reduction from the first quarter of 2024. Management will exercise sound and responsible judgment in all decisions, particularly given the current economic uncertainty.

Total assets of \$1.1 billion increased \$102.3 million or 10.2% from the first quarter of 2024. Cash and cash equivalents increased by \$18 million to improve on balance sheet liquidity and prepare for upcoming loan originations. Loan balances of \$784 million at the end of the quarter were \$39.7 million or 5.3% greater than March 31, 2024. Growth continues to be centered mainly in commercial mortgages and consumer loans. Commercial mortgages expanded by \$45.1 million while consumer loans grew by \$7.3 million both organically and through participations purchased. Offsetting these increases were declines in business loans of \$7.9 million and other loans of \$4.6 million. Investment securities grew by \$47.9 million or 24.9% from the first quarter of 2024 as management continues to purchase bonds that match our investment strategy before additional rate cuts by the Federal Reserve (Fed).

Deposit balances of \$934 million were an increase of \$88.7 million or 10.5% over the previous year. Both noninterest-bearing and interest-bearing deposits showed growth with balances rising \$18.7 million and \$69.9 million, respectively. Business checking was the primary driver of noninterest-bearing increases while certificates of deposits (CDs) specials continue to drive interest-bearing growth.

Short-term borrowings decreased by \$10.7 million over March 31, 2024, while other borrowed funds increased by \$14.1 million or 42.5%. Management uses term borrowings, when needed or for strategic purposes, from the Federal Home Loan Bank (FHLB) of Pittsburgh. 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.

Stockholders’ equity grew by \$11.9 million from March 31, 2024, to \$110.9 million. Retained earnings accounted for most of this growth at \$9.7 million, while

accumulated other comprehensive losses declined by \$1.9 million. This adjustment is due to the requirement to mark our investment portfolio to current market values which reflected an improvement.

Interest income increased \$2.3 million or 17% over the first quarter of 2024. Loan income and fees added \$1.4 million to this category while investment income added \$681 thousand. Other income grew by \$235 thousand mainly from interest-bearing deposits at the Fed. Interest expense of \$5.7 million was \$745 thousand greater than the same period last year. Deposits contributed \$794 thousand of this added expense while other borrowed funds contributed \$131 thousand. This increase was offset by a decrease in short-term borrowing expense of \$180 thousand. Non-interest income increased \$104 thousand or 6.1%. Non-interest expenses grew by \$66 thousand or .9%, mostly due to salaries and employee benefits. The provision for credit losses increased by \$535 thousand 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. We are cognizant of the impact that a sluggish economy can have on credit quality, and we are proactive in monitoring and resolving potential issues within our portfolio. Net income of \$3.2 million was \$876 thousand or 37.1% greater than the first quarter of 2024. This resulted in an annualized return on average assets of 1.18% and return on average equity of 11.88%.

At the end of January, our Chief Lending Officer, Bill Boyle, retired and we wish him well in his future endeavors. We also promoted Maurice (Mick) Dennis to Director of Lending. He will assume many of Bill’s responsibilities. We are excited for Mick’s leadership and the continued growth of the bank.

We look forward to the rest of this year and know that while there are many uncertainties especially with the economy, there will be opportunities. Each opportunity will be decisioned by what is best for the Company and bank. 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	3/31/2025	3/31/2024	
Cash and cash equivalents	\$ 24,198	\$ 6,167	
Investment securities available for sale	240,371	192,464	
Loans, net of allowance for credit losses	771,979	733,060	
Premises and equipment	19,069	19,935	
Accrued interest receivable	4,424	4,005	
Other real estate owned	224	224	
Other assets	46,311	48,413	
TOTAL ASSETS	\$ 1,106,576	\$ 1,004,268	
Liabilities			
Deposits:			
Noninterest-bearing	\$ 192,833	\$ 174,087	
Interest-bearing	741,120	671,211	
Total deposits	933,953	845,298	
Short-term borrowings	-	10,672	
Other borrowed funds	47,323	33,216	
Accrued interest payable	977	956	
Other liabilities	13,415	15,115	
TOTAL LIABILITIES	995,668	905,257	
TOTAL STOCKHOLDERS’ EQUITY	110,908	99,011	
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	\$ 1,106,576	\$ 1,004,268	

CONSOLIDATED STATEMENT OF INCOME			(unaudited)
(in thousands, except per share data)			
	Three months ended		
	3/31/2025	3/31/2024	
Interest Income	\$ 12,992	\$ 11,615	
Loans, including fees	2,430	1,749	
Investment securities	364	129	
Other	15,786	13,493	
Total interest income			
Interest Expense	5,233	4,439	
Deposits	-	180	
Short-term borrowings	467	336	
Other borrowed funds	5,700	4,955	
Total interest expense	10,086	8,538	
Net Interest Income	958	423	
Provision for credit losses			
Net Interest Income, After Provision for Credit Losses	9,128	8,115	
Noninterest income	1,810	1,706	
Noninterest expense	7,037	6,971	
Income before income taxes	3,901	2,850	
Income taxes	664	489	
NET INCOME	\$ 3,237	\$ 2,361	
Earnings per share-basic	\$ 1.28	\$.93	
Earnings per share-diluted	\$ 1.28	\$.93	
Average shares outstanding-basic	2,534,173	2,528,139	
Average shares outstanding-diluted	2,535,398	2,528,183	