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
800-800-4693

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
Brian T. Kelly
David D. Reynolds, M.D.
Aimee M. Skier

e-mail: dimeco@thedimebank.com
www.thedimebank.com
888-4MY-DIME

DIMECO INC.

2024
FIRST QUARTER

CONSOLIDATED FINANCIAL HIGHLIGHTS

(unaudited)

(dollars in thousands, except per share)

	2024	2023	% Increase (decrease)
Performance for the three months ended March 31,			
Interest income	**$ 13,493**	$ 10,655	26.6%
Interest expense	**$ 4,955**	$ 2,497	98.4%
Net interest income	**$ 8,538**	$ 8,158	4.7%
Net income	**$ 2,361**	$ 2,523	(6.4%)
Shareholders' Value (per share)			
Net income – basic	**$ .93**	$ .99	(6.1%)
Net income – diluted	**$ .93**	$ .99	(6.1%)
Dividends	**$ .40**	$ .38	5.3%
Book value	**$ 39.07**	$ 36.27	7.7%
Market value	**$ 34.80**	$ 37.80	(7.9%)
Market value/book value ratio	**89.1%**	104.2%	(14.5%)
*Price/earnings multiple	**9.4X**	9.5X	(1.1%)
*Dividend yield	**4.60%**	4.02%	14.4%
Financial Ratios			
*Return on average assets	**.95%**	1.05%	(9.5%)
*Return on average equity	**9.56%**	11.12%	(14.0%)
Efficiency ratio	**67.10%**	69.34%	(3.2%)
Net interest margin	**3.76%**	3.78%	(.5%)
Shareholders' equity/asset ratio	**9.86%**	9.62%	2.5%
Dividend payout ratio	**43.01%**	38.38%	12.1%
Nonperforming assets/total assets	**.95%**	.55%	72.7%
Allowance for credit losses as a % of loans	**1.51%**	1.55%	(2.6%)
Net charge-offs/average loans	**-**	-	-
Allowance for credit losses/nonaccrual loans	**128.26%**	229.51%	(44.1%)
Allowance for credit losses/nonperforming loans	**120.42%**	206.05%	(41.6%)
Financial Position at March 31,			
Assets	**$ 1,004,268**	$ 963,274	4.3%
Loans	**$ 744,284**	$ 670,658	11.0%
Deposits	**$ 845,298**	$ 788,261	7.2%
Stockholders' equity	**$ 99,011**	$ 92,655	6.9%

*annualized

Dear Shareholders:

I am pleased to announce that your Company attained a long-time goal of reaching $1 billion in total assets as of the first quarter of 2024! Surpassing this milestone was achieved through responsible growth and prudent banking management. We are proud to share this great news with you, our shareholders, our customers, and the rest of our communities. We look forward to continued growth through 2024 and in future years.

Total assets of $1 billion increased $41 million or 4.3% from the first quarter of 2023. Loan balances of $744 million at the end of the quarter were $73.6 million or 11.0% greater than March 31, 2023. Growth was across all loan types with mortgage loans experiencing the greatest increase of $56 million. Consumer loans grew by $10 million both organically and through participations purchased. Investment securities declined by $28.5 million from the first quarter of 2023 as net proceeds from principal and interest payments, calls, and maturities were used to fund loan growth.

Deposit balances of $845 million were an increase of $57 million or 7.2% over the previous year. Growth was centered in certificates of deposit (CDs) which increased $119.6 million over the same quarter last year. Management purchased brokered CDs during the second half of 2023 to take advantage of better rates than those available from the Federal Home Loan Bank of Pittsburgh (FHLB), thus reducing our exposure to short-term borrowings and their elevated rates. While the CD specials continued to be a source of new funds, we did see some deposit cannibalization from existing accounts.

Short-term borrowings decreased by $49.5 million or 82.3% over March 31, 2023, due to the shift described above to brokered CDs as well as the increased deposits from CD specials. In addition, management took advantage of the funding curve in 2023 to convert some overnight borrowings for fixed term borrowings at lower interest rates and match funded some loans to reduce our interest rate risk. As a result, other borrowed funds increased by $23.1 million over the same time last year.

Stockholders' equity grew by $6.4 million from March 31, 2023, to $99 million. This increase was attributable to growth of $6.7 million in retained earnings but was offset by the purchase of treasury stock totaling $824 thousand.

Interest income increased $2.8 million or 26.6% over the first quarter of 2023. Loan income added $2.9 million to this category while investment income declined slightly primarily due to the decrease in the overall portfolio. Interest expense of $5 million was $2.5 million greater than the same period last year. This increase was offset by a decrease in short-term borrowing expense of $594 thousand. The shift to CD specials was the main reason for this increase, along with a slight increase in other borrowed funds. Non-interest income increased $126 thousand or 8%. Non-interest expenses grew by $117 thousand or 1.7%, mostly due to the losses incurred because of fraud experienced in the first quarter of 2024. The provision for credit losses increased by $555 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. Net income of $2.4 million was $163 thousand less than the first quarter of 2023. This resulted in an annualized return on average assets of .95% and return on average equity of 9.56%.

We will continue to navigate the economic challenges through 2024 including persistent inflation, margin compression and an inverted yield curve. Additionally, fraud is increasing dramatically, and it is impacting every demographic. We encourage you to be vigilant, especially when sharing your personal information. Be wary of any text, e-mail or phone call that is asking for account information or to send money. These fraudsters are bad actors that prey on all of us. Do not hesitate to contact the bank directly if you receive anything questionable or have any questions with which we can assist you. You will see banners, notices, social media posts, and more from the bank to remind us all and help to safeguard our customers and communities.

During the first quarter, Director Henry M. Skier retired from his board position and transitioned to Director Emeritus. We thank Mr. Skier for his 42 years of service, commitment and dedication to Dimeco, Inc. and The Dime Bank. Throughout his tenure, Henry was an integral part of the bank's growth and success. These few words cannot express the gratitude we have for Henry and all his time and effort in helping get the bank and your Company to where it is today.

In January, Lorraine Collins was added as a new board member. Ms. Collins is president of Chant Realtors, owner, vice-president and controller of Joy Beck Builders and president of Lords Valley Associates. Please join me in welcoming Ms. Collins to the board. We look forward to her contributions.

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)

	3/31/2024	3/31/2023
Assets		
Cash and cash equivalents	**$ 6,167**	$ 9,470
Investment securities available for sale	**192,464**	220,940
Loans, net of allowance for credit losses	**733,060**	660,275
Premises and equipment	**19,935**	20,454
Accrued interest receivable	**4,005**	3,312
Other real estate owned	**224**	224
Other assets	**48,413**	48,599
TOTAL ASSETS	**$ 1,004,268**	$ 963,274
Liabilities		
Deposits:		
Noninterest-bearing	**$ 174,087**	$ 191,775
Interest-bearing	**671,211**	596,486
Total deposits	**845,298**	788,261
Short-term borrowings	**10,672**	60,198
Other borrowed funds	**33,216**	10,121
Accrued interest payable	**956**	276
Other liabilities	**15,115**	11,763
TOTAL LIABILITIES	**905,257**	870,619
TOTAL STOCKHOLDERS' EQUITY	**99,011**	92,655
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 1,004,268**	$ 963,274

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

(in thousands, except per share data)

	Three months ended	
	3/31/2024	3/31/2023
Interest Income		
Loans, including fees	**$ 11,615**	$ 8,689
Investment securities	**1,749**	1,888
Other	**129**	78
Total interest income	**13,493**	10,655
Interest Expense		
Deposits	**4,439**	1,671
Short-term borrowings	**180**	774
Other borrowed funds	**336**	52
Total interest expense	**4,955**	2,497
Net Interest Income	**8,538**	8,158
Provision (credit) for credit losses	**423**	(132)
Net Interest Income, After Provision (Credit) for Credit Losses	**8,115**	8,290
Noninterest income	**1,706**	1,580
Noninterest expense	**6,971**	6,854
Income before income taxes	**2,850**	3,016
Income taxes	**489**	493
NET INCOME	**$ 2,361**	$ 2,523
Earnings per share-basic	**$ .93**	$ .99
Earnings per share-diluted	**$ .93**	$ .99
Average shares outstanding-basic	2,528,139	2,544,290
Average shares outstanding-diluted	2,528,183	2,547,623