

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
 Michael Peifer
 David D. Reynolds, M.D.
 Aimee M. Skier

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888-4MY-DIME



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> | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|
| | 12/31/2024 | 9/30/2024 | 6/30/2024 | 3/31/2024 | 12/31/2023 |
| Assets | | | | | |
| 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 |
| TOTAL ASSETS | \$ 1,079,785 | \$ 1,068,743 | \$ 1,025,620 | \$ 1,004,268 | \$ 989,961 |
| Liabilities | | | | | |
| 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 |
| TOTAL LIABILITIES | 972,783 | 960,595 | 924,249 | 905,257 | 891,383 |
| TOTAL STOCKHOLDERS' EQUITY | 107,002 | 108,148 | 101,371 | 99,011 | 98,578 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,079,785 | \$ 1,068,743 | \$ 1,025,620 | \$ 1,004,268 | \$ 989,961 |

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 |
| Interest Income | | | | | | | |
| Loans, including fees | \$ 13,201 | \$ 12,995 | \$ 12,162 | \$ 11,615 | \$ 11,833 | \$ 49,973 | \$ 40,268 |
| Investment securities | 2,309 | 2,245 | 1,959 | 1,749 | 1,856 | 8,262 | 7,563 |
| Other | 186 | 108 | 169 | 129 | 148 | 592 | 436 |
| Total interest income | 15,696 | 15,348 | 14,290 | 13,493 | 13,837 | 58,827 | 48,267 |
| Interest Expense | | | | | | | |
| Deposits | 5,237 | 4,509 | 4,740 | 4,439 | 3,802 | 18,925 | 10,705 |
| Short-term borrowings | 48 | 523 | 31 | 180 | 511 | 782 | 2,779 |
| Other borrowed funds | 400 | 304 | 319 | 336 | 343 | 1,359 | 808 |
| Total interest expense | 5,685 | 5,336 | 5,090 | 4,955 | 4,656 | 21,066 | 14,292 |
| Net Interest Income | 10,011 | 10,012 | 9,200 | 8,538 | 9,181 | 37,761 | 33,975 |
| Provision for credit losses | 277 | 218 | 410 | 423 | 284 | 1,328 | 833 |
| Net Interest Income, After Provision for Credit Losses | 9,734 | 9,794 | 8,790 | 8,115 | 8,897 | 36,433 | 33,142 |
| 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 |
| NET INCOME | \$ 3,646 | \$ 3,865 | \$ 3,070 | \$ 2,361 | \$ 3,610 | \$ 12,942 | \$ 10,828 |
| 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 |