### 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

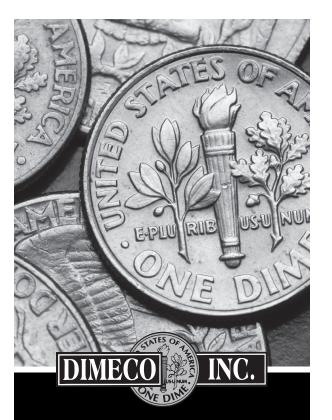
Stifel, Nicolaus & Company, Inc. 800-233-8602

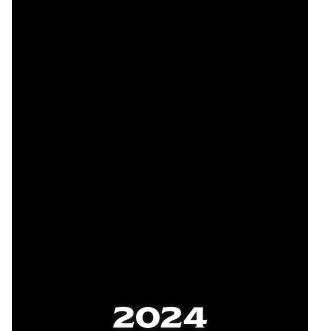
### Directors

John S. Kiesendahl, Chairman Todd J. Stephens, Vice Chairman Peter Bochnovich, President John F. Spall, Secretary

Garv C. Beilman Lorraine Collins Gregory J. Frigoletto Barbara J. Genzlinger Brian T. Kellv Michael Peifer David D. Reynolds, M.D. Aimee M. Skier

> e-mail: dimeco@thedime.bank www.thedime.bank 888-4MY-DIME





# THIRD QUARTER

#### CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited) % Increase (dollars in thousands, except per share) (decrease) 2024 2023 Performance for the nine months ended September 30, Interest income \$ 43.131 \$ 34,430 25.3% 15,381 \$ 9.636 59.6% Interest expense \$ \$ Net interest income \$ 27,750 24,794 11.9% Net income \$ 9,296 \$ 7,218 28.8% Shareholders' Value (per share) Net income - basic 29.6% \$ 3.68 \$ 2.84 Net income – diluted \$ 3.67 \$ 2.84 29.2% 1.20 \$ 5.3% Dividends \$ 1.14 \$ \$ Book value 42.65 35.12 21.4% \$ \$ 37.39 33.60 11.3% Market value 87.7% Market value/book value ratio 95.7% (8.4%) \*Price/earnings multiple 7.6X 8.9X (14.6%) \*Dividend yield 4.28% 4.52% (5.3%) **Financial Ratios** 1.00% 21.0% \*Return on average assets 1.21% 10.47% \*Return on average equity 12.29% 17.4% Efficiency ratio 62.02% 68.11% (8.9%) 3.95% 3.76% 5.1% Net interest margin Shareholders' equity/asset ratio 10.12% 9.02% 12.2% Dividend payout ratio 32.61% 40.14% (18.8%) Nonperforming assets/total assets .87% .53% 64.2% Allowance for credit losses as a % of loans 1.53% 1.55% (1.3%)Net charge-offs/average loans ---Allowance for credit losses/nonaccrual loans 139.23% 243.83% (42.9%) Allowance for credit losses/nonperforming loans 134.68% 220.40% (38.9%) **Financial Position at September 30,** \$ 1,068,743 \$ 985,993 8.4% Assets \$ 774,477 \$ 710,161 9.1% Loans 882,301 Deposits \$ \$ 785.111 12.4%

\$

108,148

\$

88,948

21.6%

\*annualized

Stockholders' equity

### Dear Shareholders:

As the third quarter ends, I am excited to present the results for Dimeco, Inc. As you read the letter, you will see that loan demand has remained strong all year. Deposits continue to grow, especially related to certificates of deposit (CDs). Net income increased 28.8% over the same time last year, resulting in a return on average assets of 1.21% and a return on average equity of 12.29%. The Federal Reserve (Fed) surprised most of us recently by lowering the target range for the federal funds rate by fifty basis points instead of the expected twenty-five basis points. This rate cut is the start of some relief for borrowers that will also help alleviate some pressure on net interest margin for the bank. More rate reductions are expected this year and through next year. Management will continue to pursue the actions that best align with your Company.

Total assets of \$1.069 billion increased \$82.8 million or 8.4% over the third quarter of 2023. The largest component of this increase was loans which grew \$64.3 million or 9.1% over September 30, 2023. Commercial mortgages climbed by \$51.4 million for both owner occupied and other categories. Residential mortgages grew by \$7.3 million through new originations as well as from the purchase of loans totaling \$6.6 million. Consumer loans increased by \$4.1 million, organically and through purchased participations. Investment securities balances of \$222 million were \$21.5 million greater than this time last year. Management strategically bought bonds in 2024, mostly in the second and third quarters, prior to any rate decreases by the Fed, to lock in higher yields and extend duration where possible. In addition, the market value of these bonds increased by \$12.7 million due to the mark to market adjustment to the investment portfolio.

Deposit balances of \$882 million were an increase of \$97.2 million or 12.4% over the same time last year. While growth continued in CDs, which increased \$115 million over September 30, 2023, noninterestbearing deposits expanded by \$8.8 million or 4.9%. CD specials as well as brokered CDs continue to drive the growth in CDs. Brokered CDs are used when rates are more attractive than borrowing from the Federal Home Loan Bank of Pittsburgh (FHLB).

Short-term borrowings decreased by \$29.7 million or 45.6% over September 30, 2023, due to the shift described above to brokered CDs and the increased deposits from CD specials. Other borrowed funds decreased by \$4.7 million over the same time last year due to normal payment amortization which was offset by a \$2.2 million borrowing used to match fund a commercial loan.

Stockholders' equity grew by \$19.2 million to \$108.1 million as of September 30, 3024. This increase was attributable to growth of \$8.9 million in retained earnings as well as a decrease of \$10.1 million in accumulated other comprehensive losses.

Interest income for the nine months of 2024 increased \$8.7 million or 25.3% over the same period 2023. Most of this increase was attributable to loan income, which contributed \$8.3 million of this growth due to higher loan balances, elevated interest rates and the payoff of a troubled debt. Interest expense of \$15.4 million was \$5.7 million greater than the nine months ended September 30, 2023. The shift to CD specials and brokered CDs was the main reason for this increase, along with a slight uptick in three other business deposit categories. This increase was offset by a decline in short-term borrowing expense of \$1.5 million. Noninterest income increased \$680 thousand or 13.8%. Non-interest expenses grew by \$411 thousand or 2%. The provision for credit losses increased by \$502 thousand as our loan portfolio continues to grow and as required by our Current Estimated Credit Losses (CECL) calculation. Net income of \$9.3 million was \$2.1 million more than last year at this time.

I look forward to the fourth quarter of 2024 and the opportunities that lie ahead for us. Let us hope that the momentum from the first three quarters of the year continues for the remainder of the year. As always, we thank you for your continued support and commitment. Please take every opportunity to refer family and friends to Dimeco, Inc. I welcome your comments.

Peter Bochnovich President and Chief Executive Officer

### CONSOLIDATED BALANCE SHEET

(in thousands)				
Assets	9/30/2024	6/30/2024	3/31/2024	9/30/2023
Cash and cash equivalents	\$ 13,498	\$ 10,826	\$ 6,167	\$ 10,330
Mortgage loans held for sale	-	117	-	-
Investment securities available for sale	222,026	211,497	192,464	200,487
Loans, net of allowance for credit losses	762,656	734,154	733,060	699,130
Premises and equipment Accrued interest receivable	19,499 4,292	19,725 4,004	19,935 4,005	20,225 3,744
Other real estate owned	4,252	224	4,003	224
Other assets	46,548	45,073	48,413	51,853
TOTAL ASSETS	\$ 1,068,743	<b>\$</b> 1,025,620	\$ 1,004,268	\$ 985,993
Liabilities Deposits: Noninterest-bearing	\$ 187.914	<b>\$</b> 185.061	\$ 174.087	\$ 179,162
Interest-bearing	694,387	688,513	671,211	605,949
Total deposits	882,301	873,574	845,298	785,111
Short-term borrowings	35,430	5,925	10,672	65,128
Other borrowed funds	28,823	30,102	33,216	33,556
Accrued interest payable Other liabilities	976	930	956	482
	13,065	13,718	15,115	12,768
TOTAL LIABILITIES	960,595	924,249	905,257	897,045
TOTAL STOCKHOLDERS' EQUITY	108,148	101,371	99,011	88,948
TOTAL LIABILITIES AND				
STOCKHOLDERS' EQUITY	\$ <u>1,068,743</u>	\$ <u>1,025,620</u>	\$ <u>1,004,268</u>	\$ <u>985,993</u>

## CONSOLIDATED STATEMENT OF INCOME

(in thousands, except per share data)	Three months ended					Nine months ended						
Interest Income	9	/30/2024	6/	/30/2024	3	/31/2024	9	/30/2023	9	/30/2024	9	/30/2023
Loans, including fees Investment securities Other	\$	12,995 2,245 108	\$	12,162 1,959 169	\$	11,615 1,749 129	\$	10,456 1,873 91	\$	36,772 5,953 406	\$	28,435 5,707 288
Total interest income		15,348		14,290		13,493	_	12,420		43,131		34,430
Interest Expense Deposits Short-term borrowings Other borrowed funds	_	4,509 523 304		4,740 31 319		4,439 180 <u>336</u>		2,672 1,039 311		13,688 734 959		6,903 2,268 465
Total interest expense		5,336		5,090		4,955		4,022		15,381		9,636
Net Interest Income		10,012		9,200		8,538		8,398		27,750		24,794
Provision for credit losses		218		410		423		397		1,051		549
Net Interest Income, After Provision for Credit Losses		9,794		8,790		8,115		8,001		26,699		24,245
Noninterest income Noninterest expense Income before income taxes Income taxes	_	2,059 7,106 4,747 882		1,825 <u>6,862</u> 3,753 683		1,706 6,971 2,850 489		1,716 7,075 2,642 411		5,590 20,939 11,350 2,054		4,910 20,528 8,627 1,409
NET INCOME	\$	3,865	\$	3,070	\$	2,361	\$	2,231	\$	9,296	\$	7,218
Earnings per share-basic Earnings per share-diluted Average shares outstanding-basic Average shares outstanding-diluted	\$ \$	<b>1.53</b> <b>1.53</b> 2,530,335 2,531,876	\$ \$	1.22 1.21 2,528,913 2,529,052	\$ \$	.93 .93 2,528,139 2,528,183	\$ \$	.88 .88 2,529,228 2,529,228	\$ \$	<b>3.68</b> <b>3.67</b> 2,529,438 2,529,626	\$ \$	2.84 2.84 2,540,367 2,540,542

(unaudited)

(unaudited)