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## **DIMECO, INC. 2017 ANNUAL MEETING OF STOCKHOLDERS**



Honesdale, Pennsylvania / May 4, 2017 – Dimeco, Inc. (the “Company”), the parent holding company of The Dime Bank (the “Bank”), held its 2017 Annual Meeting of Stockholders on April 27, 2017. The Company’s stock is traded on the over-the-counter OTC Pink Marketplace under the symbol “DIMC”, operated by OTC Markets Group. The meeting was brought to order by Chairman of the Board, John S. Kiesendahl. At the meeting, Gary C. Beilman, Thomas A. Peifer, and David D. Reynolds were reelected as directors, each for a three-year term. Stockholders also ratified the appointment of S.R. Snodgrass, P.C. as the Company’s independent auditors for the fiscal year ending December 31, 2017.

President and Chief Executive Officer, Gary C. Beilman, welcomed all and began his presentation with information on recent history. He reminded the group that in 2015 the Company was still dealing with some lingering asset quality issues and that management made some bold decisions late that year by taking prudent and proper steps to address the issues head on. This was done to create a path for a return to more historical operating results and align the Company for continued future success. Beilman added, “Plus, it was the right thing to do.” The results of this move were successful as Beilman presented in his report on the year 2016 for Dimeco, Inc.

Deposits continued to increase, with the Company experiencing growth of nearly \$19 million, or 3.9% from 2015, to end 2016 with deposits of slightly over \$508 million. The deposit types remained basically consistent in size with two exceptions. Savings grew from \$67.6 million to \$80.3 million and non-interest bearing checking grew from \$75.4 million to \$82.0 million.

Next, Beilman discussed loans, stating, “In 2016, our largest asset class, the loan portfolio, expanded to over \$495 million. That’s an uptick of nearly \$24 million, or 5.1% from the year earlier. The portfolio is mainly comprised of commercial loans and commercial real estate, followed by the residential mortgage portfolio and consumer loans, maintaining a loan mix that is pretty consistent year over year.” In 2016, total assets grew to more than \$641 million, which is \$28 million or 4.6% greater than the year earlier. The Company’s second largest asset class is their investment portfolio.

Beilman then went on to discuss performance, “Growth is good but net income is even better. Net Income for 2016 was a major turnaround, with the Company posting \$6.35 million. That’s a whopping increase of almost 75% from the year earlier! A big reason 2016 was so good was the dramatically improved past due ratio which was 1.11% at year end. Another reason we did well is our reduction of non-accrual loans.”

“The Company works to increase capital each year,” stated Beilman. In 2016, capital increased by over \$3 million with an upward trend line over the past five years. The Company’s goal is to always achieve or exceed all regulatory capital requirements in order to be categorized as well capitalized.

Beilman continued by discussing the enhancements to shareholder investment. The per share book value of Dimeco stock for the last five years went from \$36.85 to \$43.41, a 17.8% increase. Beilman enthused, “We think that’s a great feat, especially since it was produced during a couple of tough years. To get where we are today we needed several components. First, our stockholder investment, then it was hard work on our part along with us offering the best products and services. Lastly, customer buy in and acceptance to choose us as their financial partner.”

One of the ways to gauge customer acceptance is to monitor how much deposit share each institution has in each market by using the FDIC’s annual Summary of Deposits report as of June 30th of each year. The 2016 report showed there are 11 financial institutions operating 39 branches in the combined Wayne and Pike Counties market with a total of \$1.9 billion in deposits in this market. The Dime Bank holds the number one position with \$488.5 million in deposits. That’s 25.09% of the Wayne-Pike deposit market. The Lackawanna County market has \$5 billion in deposits with 18 financial institutions and 91 offices. The Company opened their Carbondale branch in 2013 and has attracted \$14 million in deposits as of the FDIC report on June 30, 2016.

Beilman then went on to review the first quarter 2017 highlights compared to the same period 2016. Net income for the first quarter of 2016 was \$1.62 million, a 7.7% increase over a year prior. Book value per share was \$44.08, up 4.6%. Return on average assets was 1.01%, up 4.1% and return on average equity was 8.98%, up 3.2%. Deposits, as forecasted, were flat for the first quarter and loans were up over 6%. Total assets increased 3.6% and stockholders’ equity now stands at \$72.6 million up 4.7%.

Beilman thanked all shareholders, directors, staff, customers, and the community at large. A question and answer period was held. At the conclusion of business, the session was adjourned and light refreshments were served.

Dimeco, Inc. (DIMC) is the holding company of The Dime Bank, a full service financial institution serving Northeast Pennsylvania. For more information on Dimeco, Inc. and The Dime Bank, visit [www.thedimebank.com](http://www.thedimebank.com).

Pictured Dimeco, Inc. Board of Directors: Seated left to right are: Chairman of the Board John S. Kiesendahl, Vice Chairman Thomas A. Peifer, Secretary John F. Spall. Standing left to right are President and Chief Executive Officer Gary C. Beilman; Board Members: Henry M. Skier, B. Jeanne Genzlinger, Todd J. Stephens, Dr. David D. Reynolds.

Source: Dimeco, Inc./ May 4, 2017 / Contact: Deb Unflat 570-253-1970 x7224