

GREENE COUNTY BANCORP, INC.

2017 ANNUAL REPORT



the power of lasting
RELATIONSHIPS

the power of lasting **RELATIONSHIPS**

Genuine, long-term relationships in business have a return on investment that is both financial and spiritual. The former benefits the bottom line; the latter is good for the soul. ROI isn't always cool and calculated...the Bank of Greene County has found a way to make it heartwarming and organic.



INSIDE:

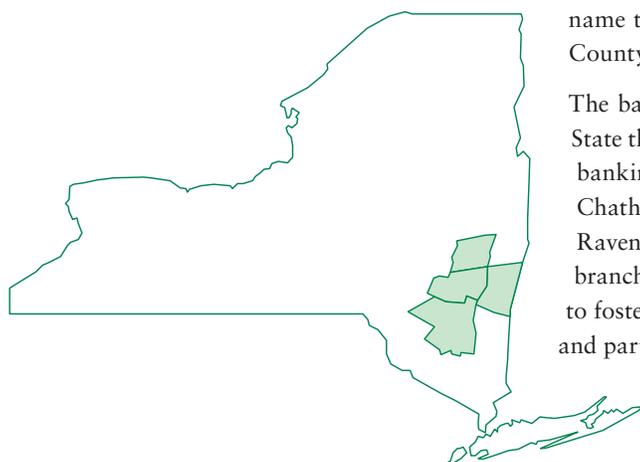
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About Greene County Bancorp, Inc.

Greene County Bancorp, Inc. (GCBC) is the parent company of the Bank of Greene County and its subsidiary, Greene County Commercial Bank. GCBC's consolidated assets as of June 30, 2017, were \$982.3 million.

The Bank of Greene County was founded in 1889 as The Building and Loan Association of Catskill. In 1974, the bank changed to a New York State-chartered mutual savings bank, under the name Greene County Savings Bank. In 1998, the bank converted to the mutual holding company form of ownership, changing its name to The Bank of Greene County. A commercial bank subsidiary, Greene County Commercial Bank, was formed in June 2004.

The bank serves Greene, Albany, Columbia and Ulster counties in New York State through administrative, lending and operations centers in Catskill, and 13 banking offices in Catskill (Main Street and Catskill Commons), Cairo, Chatham, Coxsackie, Germantown, Greenport, Greenville, Hudson, Kingston, Ravena-Coeymans, Tannersville and Westerlo. The bank will open its 14th branch in Copake, NY, in October 2017. As part of its mission, the bank tries to foster a sense of community through personal service, local decision-making and participation with customers in community activities.



20+ years...and going strong!

Our cover features employees with more than 20 years of service, as indicated by the year they started at the company on each card. Longevity has been key to the bank's high-performance culture.



Sharon Perrone, Collections • 1995 *I like the collections efforts when we help a customer get back on track through the kindness the bank extends.*

Joan Robinson, Senior Visa Specialist • 1997 *The lifelong friends I've made in the last 20 years....that's my favorite thing!*

Kathy Proper, Branch Manager • 1996 *Working as a team to help our customers meet all of their financial needs is what we do best!*

Carolyn Palmer, Visa Specialist • 1995 *The bank has been so good to me with flexibility for family emergencies...plus I love my job and learning products!*

Paul Slutzky, Director • 1992 *I have thoroughly enjoyed the privilege and honor of being a part of this great success story.*

Don Gibson, President, CEO & Director • 1987 *I consider myself blessed to work with such a great team in my hometown for over three decades.*

Barbara Spring, Loan Administrator • 1988 *I enjoy working with such an amazing team...we are all one big family.*

Steve Nelson, Executive Vice President & Chief Lending Officer • 1988

We really feel like family and I am so proud to be a part of it.

David Jenkins, Director • 1996

Trish Lamb, Vice President & Director of Residential and Consumer Lending • 1993 *I love our culture—warm spirit, being mindful of the needs of others, thinking outside the box.*

Martin Smith, Chairman of the Board • 1993

Beth Playford, Senior Operations Support • 1988 *The bank is showing communities that we are really here for them and want them to grow along with us.*

Stephanie Bink, Financial Service Representative • 1996 *It is such a pleasure to be a part of the wonderful team at the Bank of Greene County.*

Mary Beth Willt, Loan Originations (not pictured) • 1988 *To see where the bank was 29 years ago and to see where it is today is so amazing.*



Don Gibson has been stopping in at Di Stefano's New York Barber Shop in Catskill since his college days. Pete Di Stefano mans the clippers, having taken over the business from his father Joe in 1994.

A letter from Don Gibson, President & CEO of Greene County Bancorp, Inc.

It's All About Relationships... and 9 Straight Years of Record Earnings

Fellow Shareholders:

Over 30 years ago, I sat down in Di Stefano's New York Barber Shop on Main Street in Catskill for a trim. The quaint little shop, with its old-time swivel chairs and customary clutter, was always a comforting reminder of home for a local kid who had been away at college.

Although I would be finishing up my formal education very soon, I received some life-changing lessons that day, in that chair: I learned firsthand about the power of relationships, and the importance of community.

Shop owner Joe Di Stefano asked about my plans after graduation. I mentioned that while eager to begin a career in banking, an opportunity with Catskill Savings had fallen through. Joe didn't miss a beat. "Well, I think there's someone here you might be interested in meeting," he said.

As fate would have it, Jim Murphy, president of Greene County Savings Bank, was sitting right there, next up for a haircut. He had already heard about me through the grapevine. Joe formally introduced us, and before I left town to finish out my last semester, we shook hands on an employment agreement.

My career at what would become the Bank of Greene County began on June 28, 1987. Three decades later, I have the privilege of serving as president and CEO of your company. And it happened in part because someone knew someone, who knew someone else. That’s the power of relationships!

My encounter at the barbershop so many years ago was something more than luck. I think it was predictable that—in such a small community—a budding banker would eventually cross paths with Mr. Murphy. In fact, I’ve come to recognize that these kinds of organic connections are what have made this company so special, so stable and so successful. It is a “community” bank not by branding decree, but because it was born of—and given purpose by—the communities it serves.

There are many stories like mine in and around the company: local employees, customers and vendors who have forged long-term, mutually beneficial relationships with the bank. You’ll read about several of them later in this report. But first, a quick look at some of the numbers—including our record net income for fiscal 2017.

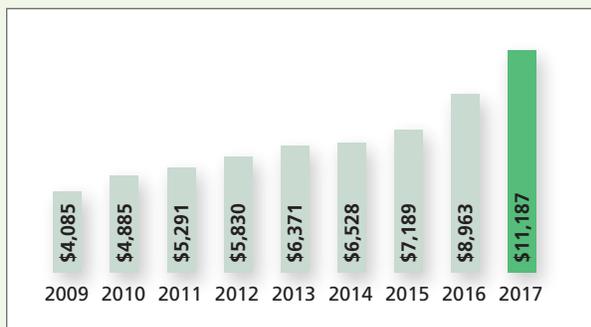
FIVE-YEAR FINANCIAL HIGHLIGHTS

At or for the Years Ended June 30,

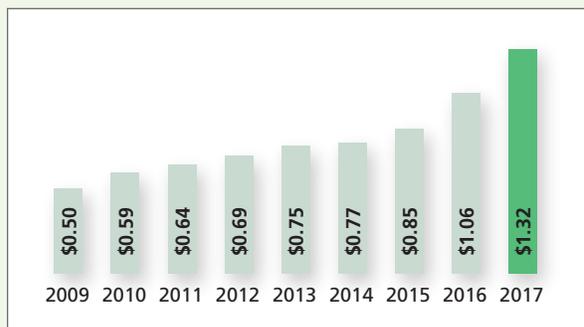
<i>(In thousands)</i>	2017	2016	2015	2014	2013
Total assets	\$982,291	\$868,781	\$738,647	\$674,161	\$633,605
Loans receivable, net	624,187	522,764	443,496	399,309	359,426
Securities available-for-sale	91,483	100,123	86,034	56,151	69,644
Securities held-to-maturity	223,830	204,935	169,000	181,946	176,519
Deposits	859,535	738,887	622,717	589,574	558,439
Shareholders’ equity	83,521	74,301	66,920	61,200	56,108
Net interest income	30,382	26,221	23,398	21,401	21,243
Provision for loan losses	1,911	1,673	1,556	1,500	1,746
Total noninterest income	6,424	5,965	5,697	5,280	4,995
Total noninterest expense	19,967	18,871	18,032	16,116	15,449
Provision for income taxes	3,741	2,679	2,318	2,537	2,672
Net income	11,187	8,963	7,189	6,528	6,371

I'm pleased to report that Greene County Bancorp, Inc. (GCBC) produced record earnings for the ninth straight year in fiscal 2017, generating \$11.2 million in net income, up nearly 25% over 2016. It was the second consecutive year our net income has surpassed the prior year by almost 25%. Does this remarkable run of high performance reflect the power of relationships? I believe it does.

Net Income (dollars in thousands)



Basic Earnings Per Share



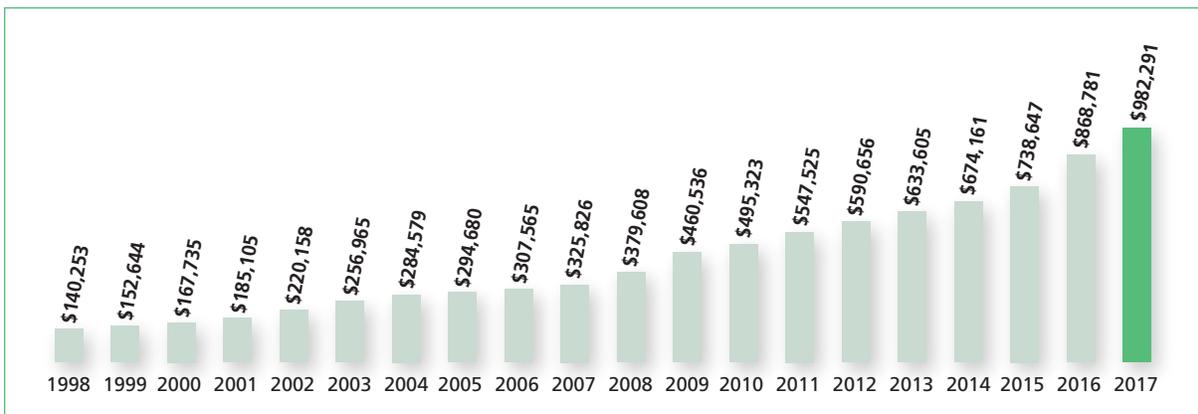
Earnings per share have been restated for prior periods as a result of a 2-for-1 stock split which was paid on March 15, 2016.

Knocking on the \$1 Billion Door

We began fiscal 2017 thinking we might well cross the \$1 billion in assets threshold by the end of the year, well ahead of plan, and we came very close. The company ended the year with total assets of \$982.3 million, an increase of \$113.5 million, or 13.1%, over total assets of \$868.8 million at June 30, 2016.

The steady growth of your company in 2017 was essentially a continuation of the prior year, when our three main lines of business—retail, commercial and municipal—all increased their contributions to the bottom line. We continued to expand and acquire relationships, we continued to leverage our infrastructure and we continued to take advantage of industry consolidation.

Total Assets (dollars in millions)



Deposits + Loans = Relationships

When loans and deposits increase, we know that existing relationships are strong and new customers are coming to the bank. Year over year, total deposits increased by \$120.6 million, or 16.3%, to \$859.5 million at June 30, 2017. Net loans receivable increased by \$101.4 million, or 19.4%, to \$624.2 million at June 30, 2017.

The completion of a merger between two of our competitors, KeyBank and First Niagara, brought thousands of disenfranchised customers to our doorstep. During the last calendar quarter of 2016, we were welcoming over 1,000 new relationships per month—including retail, business and municipal customers. Often, these people were seeking a more personal, responsive banking experience. The new relationships drove both loan and deposit growth.

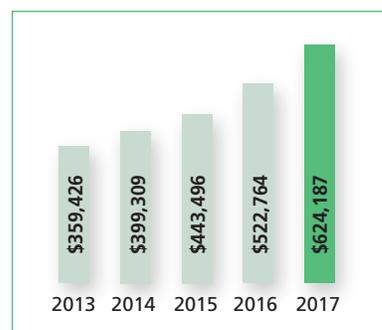
Commercial lending accounted for the bulk of the increase in new loans—about \$90 million of the \$101.4 million total. Commercial loan growth was particularly strong in Albany and Ulster counties, where the opportunity for larger deals is greater than in our more rural communities.

Deposits (dollars in thousands)



■ Certificates of Deposit
■ Checking, Savings & MMDA

Net Loans (dollars in thousands)



Outside Recognition Never Gets Old

2016 KBW Bank Honor Roll 6th Consecutive Year

Investment banking firm KBW again named GCBC one of the nation's top-performing banks. Only 15 institutions out of nearly 400 screened made the honor roll in 2016, down from 18 the prior year. Publicly traded banks with more than \$500 million in assets are eligible.

Winners must meet these conditions (excluding extraordinary items):

- No annual loss in net income per share reported over the past 10 years;
- 2016 annual net income per share equal to or greater than the peak net income per share over the past 10 years; and
- Consecutive increases in net income per share since 2002.

American Banker Top 200 Community Banks 8th Consecutive Year

American Banker magazine ranked publicly traded banks and thrifts with less than \$2 billion in assets (at December 31, 2016) by return on average equity over the last three years.

GCBC advanced from 59th to 42nd on the list.



BauerFinancial, Inc. 5-Star Superior Rating 8th Consecutive Year

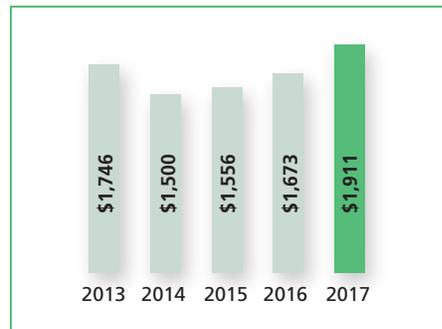
The Bank of Greene County and Greene County Commercial Bank maintained their top “5-Star Superior” ratings for financial strength and safety from BauerFinancial, Inc., a leading independent bank research firm.



Non-Performing to Net Loans



Provision For Loan Losses
(dollars in thousands)



Related to loan growth, net interest income increased \$4.2 million to \$30.4 million for the year ended June 30, 2017, and our indicators for credit quality have continued to improve on a percentage basis. We strive to be conservative when underwriting loans. As a result, the ratio of non-performing loans to net loans has dropped and our reserves for non-performing loans are about as high as they've ever been. We believe the bank is well prepared should the economy hit a rough spot.

www.tbogc.com

Bank Launches New Mobile-Friendly Website

The Bank of Greene County unveiled a completely reimagined website in November 2016. Bolder, brighter colors, simplified navigation and more ways to access bank services all make for a much-improved user experience. The new site employs “responsive” technology, which means the presentation automatically adapts for best viewing on desktops, tablets and phones.



More Efficient. And More Competitive!

Our efficiency ratio, return on average assets and return on average equity were our best ever in the history of the bank. This is partly because we have great people, incentivized to improve how we operate. It's also because we've been able to diversify our business without adding infrastructure.

For example, with branches and backroom functions already in place, we were able to develop a municipal line of business over the last 13 years by adding a relatively small number of team members with highly specialized expertise. Today, our municipal line accounts for about a third of the bank's total assets—meaning a small variable investment has yielded significant returns.

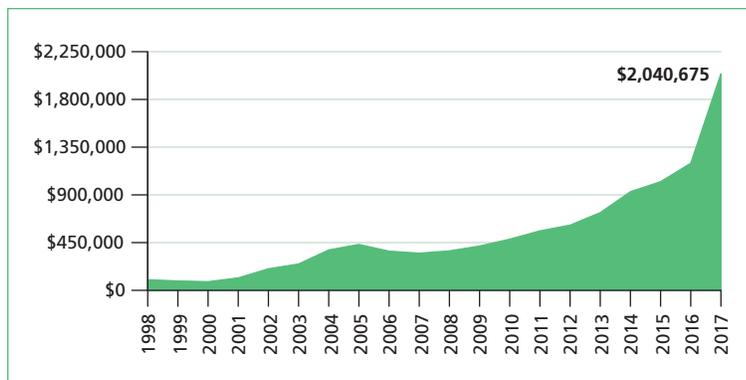
In fiscal 2017, we grew revenue in record fashion without adding any buildings, branches or major departments. Although we did add nine new full-time positions in various areas to ensure the continuance of high-quality customer service and compliance reporting, the increase in staff was modest compared to the corresponding growth.

Our costs as a percentage of assets have dropped over the last couple of years: our non-interest expenses to average total assets ratio is now under 2.2%, with many of our peers hovering around 3.0% to 3.5%. This enables us to price more competitively when we need to, or be more profitable when market conditions allow.

Stock Price Rewarded

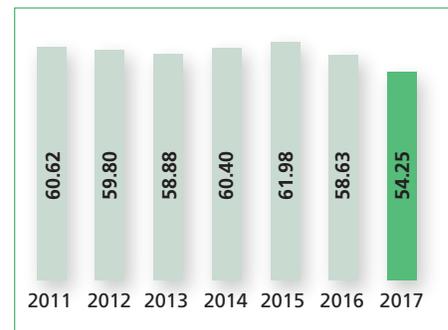
Our long run of record-setting earnings, the inclusion of GCBC on the Russell 2000® Index of small-cap companies in June 2016, the prospect of tax and regulatory relief, predictions of rising interest rates... all of these factors contributed to a 50% increase in our stock price from June 2016 to June 2017.

Growth of a \$100,000 Investment



Source: Data per S&P Global. Return on investment from 12/31/1998 to 6/30/2017. Note: Return on investment calculations assumes the reinvestment of dividends.

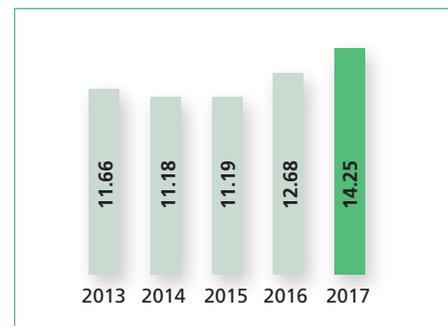
Efficiency Ratio



Return on Average Assets



Return on Shareholders' Equity



While it's unrealistic to expect this kind of increase on a regular basis, investors with long-term positions in GCBC have been rewarded for their patience. A \$100,000 investment in our initial public offering in 1998 was worth over \$2 million at June 30, 2017. This illustrates how long-term relationships can drive long-term shareholder value.

Giving Back—Part of Our Pact with the Community

When the bank went public in 1998, it established the Bank of Greene County Charitable Foundation—part of a long-term commitment to the community. It was set up as a perpetual foundation and funded by an initial cash donation of \$485,000, of which \$385,000 was invested in GCBC stock and \$100,000 was retained in cash. By charter, the foundation donates 5% of its long-term average assets to community causes each year.

Currently the foundation has approximately

\$4 million in assets, thanks primarily to the appreciation of our stock, which means long term it's on track to distribute \$200,000 in grants per year.

We're proud to give back to our communities by supporting nonprofit groups that do great work in education, health and wellness, social and civic services, the arts, affordable housing and youth sports. It's a unique model because when the bank does well, the foundation does well, and more grant money is available to help improve our communities.



Check presentations like this one in Cairo, NY, are becoming more frequent as the bank's charitable foundation fund grows.



Sustaining Success

In each of the past nine years, often amid challenging economic conditions, we have surpassed one earnings record after another, setting the bar higher and higher.

And every time another record fell, we asked: how can we do better?

The answer to that question has usually come from sound strategic planning rolled out over many years, and the potency of a carefully guarded reputation.

Instrumental to our success is the fact that our board of directors and management chose to diversify the company over the last three decades. In 1987, the bank had two branches all in one county and its business was nearly 100% retail. Today, we have 13 branches in four contiguous counties, and our core business mix is equal parts retail, commercial and municipal.

Sometimes diversification has been driven by overwhelming customer demand for services that complement our core banking business. In 2004—the same year we added municipal banking—we launched Greene Investment Services. Ever since, our dedicated team of wealth management professionals has been thoughtfully integrating financial solutions to best serve the unique needs of each client. Greene Investment Services has shown steady growth since its inception, with over \$115 million in assets under management for more than 1,850 clients as of June 30, 2017.

Diversification has been important to our growth *and* stability. If one line of business slows down a bit, the others pick it up. And when all lines are strong, we enjoy a nice run of record performance like the one described in this letter.

The challenge of diversifying—both in terms of our footprint and products and services offered—has been making sure we don't stray from our community roots. Our reputation, or brand, remains our most valuable asset. We preserve and nurture it by doing the right thing, participating in the community and taking care of customers in a personal way. Relationships!



Restored space at 302 Main Street, Catskill, NY, became our Administration Center.

We try to step up to the plate whenever there's an opportunity to have a positive impact on our communities. Here are some examples:

- Purchasing and renovating historic buildings when we need office space.
- Offering special low-interest loans to businesses in distress on main streets in Catskill and Chatham.
- Delivering checks funded by special loans to victims of Tropical Storm Irene before the floodwaters had even receded.
- Offering low-interest auto loans to clients of the Greene County Community Action program who need transportation to and from a job.
- Rolling out low-interest loans to help Catskill residents pay for hookups to a new town sewer line.

This kind of outreach comes naturally to us, because the Bank of Greene County truly is an outgrowth of the community. The bank, its employees, its customers, even its vendors are for the most part homegrown and in it for the long haul. The relationships are symbiotic and deep.

We continue to make long-term investments in our future leaders through very successful training programs that include on-the-job experience and tuition reimbursement. We also familiarize new employees with the company's history, culture and senior management team through a program called Greene 101.

I think it helps that all the company's growth has been organic. We have never expanded by acquiring another bank, which means no culture clashes, no management conflicts and no divergent philosophies. We've been able to shape the organization according to a single vision free of outside interference.

On the topic of organic growth, the bank will soon open its 14th branch in Copake, NY, located in the eastern part of Columbia County near the Massachusetts border. The 2,317-square-foot building, a former KeyBank, is being completely renovated into a full-service office and is expected to open in October 2017.



A new Bank of Greene County branch at 179 County Route 7A in Copake, NY, will feature a cyber-café, drive-up window, drive-up ATM and ample parking on about one acre of property.

The Copake branch will give us access to new markets in eastern Columbia County. Also, for the first time, we'll be lending in western Massachusetts—our maiden foray beyond the borders of New York State.

The path forward is simple: continue to grow deposits and loans in an orderly manner; move quickly as only a community bank can to personally address customer needs; and continue to actively participate in the communities we serve. If we do all of this, new relationships will not only come, they will endure for a long, long time.

I would like to extend my appreciation to the shareholders, directors, employees and customers who helped make fiscal 2017 our best year ever.

Sincerely,

Donald E. Gibson
President & Chief Executive Officer

PS: We will further review the company's results and initiatives at our Annual Shareholder Meeting and Brunch, which will be held at 10 a.m. on Saturday, November 4, 2017, at Columbia-Greene Community College in Hudson, NY. It's a great opportunity for shareholders to learn more and participate in our planning process. I hope you can join us!

Read on for a closer look at a few of the homegrown relationships that have contributed to our success over the years.

Di Stefano's New York Barber Shop • Pete Di Stefano • Catskill, NY

Cutting Hair, Changing History, Banking Happily

Three generations have cut hair in this local mainstay, and their story is both tragic and uplifting. The first was Peter Di Stefano Senior, who opened the shop in 1942. Peter passed away suddenly in a car accident in 1954, compelling his son Joe to leave pharmacy school and take over the business so he could help support the family.

Like most barbers, Joe knew a lot of people in town. He would inadvertently play a role in Bank of Greene County history when he introduced a young Don Gibson to Jim Murphy, president of the bank at the time. Don of course went on to head up the bank himself.

Sadly, adversity once again struck the Di Stefano family when Joe died of cancer in 1994. Joe's son Pete, named after his grandfather, suddenly faced the same decision his dad had made 40 years earlier: stick with his career in finance, or continue the family business. Not surprisingly, Pete enrolled in barber school.

So now Pete cuts most of the hair in town, including Don's, and makes sure everyone knows the best place to bank. "I was born and raised in Catskill, and I've been a Bank of Greene County customer all my life, even as a child."

Over the years Pete has relied on the bank for mortgages, home equity loans, even investing for his retirement. "Any loans I need, I walk in and they write me a check," he adds, only sort of joking. "That's what local banks are for...they know you personally."



Don Gibson, President & CEO of Greene County Bancorp, Inc., outside of Di Stefano's New York Barber Shop in Catskill with owner Pete Di Stefano.



client since
1992

Haines Falls Auto • Rory & Julia France • Haines Falls, NY

Dreaming Big, Banking Local

Childhood sweethearts Rory and Julia France know exactly what it takes to build a home, a business and relationships—step by step, sacrifice by sacrifice. They were never afraid to work hard and dream big.

The couple, married 32 years, began their journey living in a trailer parked outside a two-bay auto repair garage on Route 23A in Haines Falls, NY. They had bought the garage from its previous owner in 1984—Rory fixed cars and went on towing calls, Julia did the books.

As the years rolled by, they added pieces and parts: converting a bar and souvenir store up the street into a body shop, building new structures with additional bays across the street and adding a scrap metal yard. All the while relying on word of mouth in a small community to sustain the business.

Life in the trailer was supposed to last two years...just until they got on their feet. It went on for nine! Their dream of building a home finally became a reality in the early 1990s. That's when they got to know the Bank of Greene County and lending officer Steve Nelson. Steve arranged the construction financing and eventually a permanent mortgage. At the time, it was the largest residential loan the bank had ever made.



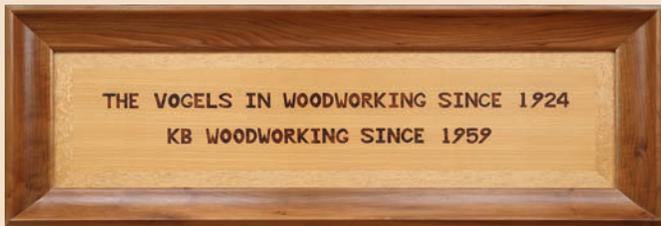
*Opposite Page: Bank of Greene County Tannersville Branch Manager Cathy Wade, Chief Lending Officer Stephen Nelson (on truck) and owners Rory and Julia France, who run the show at Haines Falls Auto.
Above: Rory doesn't need keys to move cars destined for the scrapyards.*

The personal banking relationship soon expanded into a business one when a large regional bank treated them like a number, not a name, on a loan request. Big mistake. Julia went down that day, closed 10 accounts, and moved them all to the Bank of Greene County.

"We probably have 15 personal and business accounts with them," says Julia. "Now our three daughters have accounts with them...they're the next generation of relationships."

Haines Falls Auto employs 12 people and today is divided almost equally between automotive repairs and scrap recycling. Sometimes Rory needs to acquire heavy equipment within a week or two to meet a deadline on a demolition project, which in turn feeds the scrap operation. The bank has been there for him.

"We have the relationship, so it's not like we need to go through two months worth of paperwork to get money when it's important to have it," says Rory. "The local decision making is the most important thing. I call and they say come down and sign the paperwork. I can't tell you how many loans we've done that way."



KB Woodworking, Inc. • Richard & Peter Vogel • Cairo, NY

Carving Out Their Niche

Siegfried Vogel and his father were building cabinets on Long Island, NY, when their lives reached a crossroads in the mid-1970s. The elder Vogel was returning to their native Germany, while Siegfried ultimately decided to move his family upstate to Cairo, where they owned a summer cottage.

“Ziggy” brought with him two young sons, Richard and Peter, and a woodworking heritage that he hoped would be part of their future. But to make that happen he needed funding for his business, and that’s when he reached out to Bruce Whittaker of Greene County Savings Bank.

Bruce knew community banking—years later he would become president of the bank. When Ziggy asked for a \$10,000 personal loan, Bruce suggested he take \$15,000...“just to be safe and so everyone could make a little money.” They shook hands and the deal was done.

Steadied by the working capital, Ziggy started making some inroads. A large manufacturer of metal furniture hired him to construct wooden frames they could clad in metal. Word of mouth from that relationship gained KB Woodworking entry into the decorator market and the manufacture of custom furniture.

Initially, KB started “pressing” veneers solely for use on its own furniture. Pressing is the process of laminating a thin sheet of material like white oak or walnut to a more rigid substrate. Later KB began offering custom veneers to other shops that lacked the capacity to fabricate their own.



Richard and Peter Vogel (far left and right) who run KB Woodworking in Cairo, NY, depend on branch manager Christa Bush for all their banking needs. Bank President Don Gibson opened the account 23 years ago when he managed the branch.

That turned out to be a blessing when the demand for custom furniture tanked after the Great Recession in 2007. KB doubled down on the manufacture of veneers, which today represents the bulk of its revenue. Their architectural panels are used on walls and furniture in places like lobbies, museums and residences.

Brothers Richard and Peter took over the business in the late 1980s. “We had our personal accounts with the Bank of Greene County,” says Richard. “Once they were able to do commercial banking, we moved our business accounts there. They were much easier to deal with.” Don Gibson, who would become president and CEO of the bank, opened the accounts 23 years ago.

“We stuck with the Bank of Greene County because they’re good, honest people,” says Peter. “They want to invest in the future of your business.”

client since
2004



Village of Catskill, NY • Vincent Seeley, President

It Takes a Village...And a Good Bank

Municipal bankers Allen Austin, Don MacCormack and Jon Halligan always stand behind (in this case literally) Vincent Seeley, President of the Village of Catskill.

"It's been an interesting ride," says Vincent Seeley about his 12 years as president of the Village of Catskill. "We've seen this village evolve from being on the brink of bankruptcy to becoming financially strong."

Catskill hasn't always been a desirable place to live, either. "Fifteen years ago it was 'Fort Apache, The Bronx' around here. They were firing shots in the alley," says Vinny. "Now, I'll let my 12- and 13-year-old girls go to the movies on Main Street by themselves."

Vinny, a health care executive by trade, has been proud to preside over the resurgence of Catskill. Village president is a part-time position with little in the way of pay, but he reaps rewards in other ways. "You do it for love of community. I wouldn't want to live anywhere else."

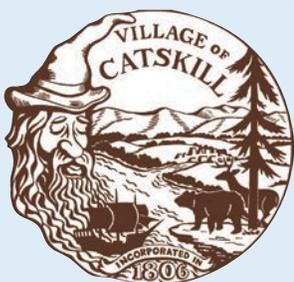
Vinny is quick to share the credit for Catskill's success with others, including the Bank of Greene County. "Not only do they work with us to procure financing for some of our big projects, they've made huge investments in the village...like the buildings they own," he says.

"And their employees are engrained in our community. You see them out to dinner, at Little League games, at fundraisers, and on development boards."

The bank finances a wide range of capital expenditures for the village—including fire trucks, dump trucks and other equipment—and advises the trustees on setting up schedules for purchases so the taxpayers aren't hit with a big bill all in one year.

When the bank started pursuing municipal business 13 years ago, the Village of Catskill was its very first client. Many others have followed, and not a single one has left.

"The Bank of Greene County municipal team and regular commercial team have been so helpful in moving this village forward," says Vinny, "They care about our community, the relationships they have and the investments they make."



An Annual Affair

Ever since the Bank of Greene County became a publicly traded company in 1999, the same creative director has been responsible for the writing and design of its annual report to shareholders. That means this report is the nineteenth one produced under the watchful eye of Stephen Dzinanka at Digital XPress.

Steve has been working in marketing communications since the mid-1980s, when he left his job as a journalist to start his own business. "I've had many bank clients over the last three decades," he says, "including some of the nation's largest. But the Bank of Greene County has always been one of my favorites."

Each year, Steve and his colleagues meet with bank management to determine trends and stories that will be of interest to shareholders, potential investors and customers. Then the process of research, writing, photography and design begins.

"Two things make this fun and rewarding," says Steve. "First, the company has been performing very well, so there's usually good news to be had; more importantly, the people are always open to new ideas and great to work with."

"We always say Steve's team keeps setting the bar higher each year," says Martha Keeler, director of marketing for the bank. "But somehow they manage to out-do themselves. Over the years we've developed good chemistry."

"A lot of clients like to change creative agencies now and then, just to try something new," says Steve. "I get that on one level, but on another they're throwing away a ton of history and experience that can make life easier and produce a better outcome."

Michelle Plummer, chief operating and financial officer of the bank, appreciates the accuracy and timeliness.

"We're presenting a lot of important financial information. It has to be correct, and it has to be in the mail on time."



Bank of Greene County Director of Marketing Martha Keeler (left), Digital XPress Creative Director Stephen Dzinanka, and the bank's Chief Operating and Financial Officer Michelle Plummer have worked together to produce 19 annual reports.

D&J Maintenance • John Ready • Catskill, NY

Keeping Greene Clean

When it comes to keeping bank branches clean, safe and secure, it's hard to put a value on reliability—and familiarity. That's why Brian Whiteman, in charge of security and facilities for the Bank of Greene County, rests easy knowing John Ready and his D&J Maintenance crew are on the job and making the rounds.

"There's an element of trust," says Brian, "because he's been here so long and you know he's not just running things, he's out there emptying the mop bucket."

John, a signal maintenance worker for CSX, bought D&J and its accounts in 1984 when it became apparent his days at the railroad were numbered due to layoffs. He had worked for D&J while in high school, so it was a natural fit. "The owner was moving to Florida... and he made me an offer I couldn't refuse," says John with a wink.

Back then the business was focused on both maintenance and fire restoration. "I had three trucks and 10 employees on the road," says John. "I always wanted to take good care of people. I knew they were depending on me."

At the time, what was then Greene County Savings Bank only had two branches—Catskill and Coxsackie. John inherited not only the cleaning duties, but also the role of bank courier: transporting transactional documents six days a week from the branches, to operations, to the airport. "As the bank grew, I grew," adds John.

His duty roster came to include snowplowing (after the former plow guy backed into the bank president's car), shoveling, and making sure the branches had salt and other supplies. He would hang around when a certain branch manager worked late to make sure she got safely to her car. Over so many miles and years, John has become a fixture in the branches—their go-to guy.

"I can call him up and he's always willing to accommodate. He even keeps an eye out for things that might need fixing in the branches," says Dan Lamarre, facilities manager for the bank.

John is also a loyal customer. "The Bank of Greene County always had all of my accounts," he says. "They helped me buy all of my trucks, equipment and houses."

"As the bank has grown, I appreciate the element of stability," says Brian. "Knowing you have a local guy who knows all the people...that's a benefit you can't measure on a spreadsheet."



It's rare that John Ready, owner of D&J Maintenance, gets to sit while Bank of Greene County Facilities Manager Dan Lamarre (left) and Assistant Vice President of Security and Operational Support Brian Whiteman are on their feet.

GREENE COUNTY BANCORP, INC.
Consolidated Statements of Financial Condition

	June 30,	
<i>(In thousands, except share and per share amounts)</i>	2017	2016
ASSETS		
Total cash and cash equivalents	\$ 16,277	\$ 15,895
Long term certificates of deposit	2,145	2,210
Securities available-for-sale, at fair value	91,483	100,123
Securities held-to-maturity, at amortized cost (fair value \$228,452 at June 30, 2017; \$214,058 at June 30, 2016)	223,830	204,935
Federal Home Loan Bank stock, at cost	2,131	2,752
Loans	634,331	531,290
Allowance for loan losses	(11,022)	(9,485)
Unearned origination fees and costs, net	878	959
Net loans receivable	624,187	522,764
Premises and equipment, net	13,615	14,176
Accrued interest receivable	4,033	3,610
Foreclosed real estate	799	370
Prepaid expenses and other assets	3,791	1,946
Total assets	\$982,291	\$868,781
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest-bearing deposits	\$ 95,929	\$ 88,254
Interest-bearing deposits	763,606	650,633
Total deposits	859,535	738,887
Borrowings from Federal Home Loan Bank, short-term	6,900	26,100
Borrowings from Federal Home Loan Bank, long-term	22,650	20,300
Accrued expenses and other liabilities	9,685	9,193
Total liabilities	898,770	794,480
SHAREHOLDERS' EQUITY		
Preferred stock, Authorized — 1,000,000 shares; Issued — None	—	—
Common stock, par value \$.10 per share; Authorized — 12,000,000 shares; Issued — 8,611,340 shares at June 30, 2017 and 2016; Outstanding — 8,502,614 shares at June 30, 2017, and 8,475,614 shares at June 30, 2016	861	861
Additional paid-in capital	10,990	10,872
Retained earnings	73,072	63,805
Accumulated other comprehensive loss	(992)	(725)
Treasury stock, at cost 108,726 shares at June 30, 2017, and 135,726 shares at June 30, 2016	(410)	(512)
Total shareholders' equity	83,521	74,301
Total liabilities and shareholders' equity	\$982,291	\$868,781

See notes to consolidated financial statements

GREENE COUNTY BANCORP, INC.
Consolidated Statements of Income

	Years Ended June 30,	
<i>(In thousands, except share and per share amounts)</i>	2017	2016
INTEREST INCOME:		
Loans	\$25,884	\$22,118
Investment securities — taxable	605	566
Mortgage-backed securities	3,420	3,080
Investment securities — tax exempt	3,512	2,990
Interest-bearing deposits and federal funds sold	38	48
Total interest income	33,459	28,802
INTEREST EXPENSE:		
Interest on deposits	2,612	2,241
Interest on borrowings	465	340
Total interest expense	3,077	2,581
Net interest income	30,382	26,221
Provision for loan losses	1,911	1,673
Net interest income after provision for loan losses	28,471	24,548
NONINTEREST INCOME:		
Service charges on deposit accounts	3,164	2,880
Debit card fees	2,041	1,824
Investment services	329	383
E-commerce fees	129	97
Other operating income	761	781
Total noninterest income	6,424	5,965
NONINTEREST EXPENSE:		
Salaries and employee benefits	11,672	10,490
Occupancy expense	1,549	1,432
Equipment and furniture expense	485	537
Service and data processing fees	1,973	1,912
Computer software, supplies and support	608	443
Advertising and promotion	387	373
FDIC insurance premiums	380	417
Legal and professional fees	875	1,023
Other	2,038	2,244
Total noninterest expense	19,967	18,871
Income before provision for income taxes	14,928	11,642
Provision for income taxes	3,741	2,679
Net income	\$11,187	\$ 8,963
Basic earnings per share	\$ 1.32	\$ 1.06
Basic average shares outstanding	8,495,022	8,459,327
Diluted earnings per share	\$ 1.31	\$ 1.06
Diluted average shares outstanding	8,513,129	8,476,292
Dividends per share	\$ 0.38	\$ 0.37

See notes to consolidated financial statements



Board of Directors

Left to right (standing): Jay Cahalan, Paul Slutzky, Peter Hogan, David Jenkins. Seated: Donald Gibson, Michelle Plummer, Martin Smith, Charles Schaefer.

BOARD OF DIRECTORS

Greene County Bancorp, Inc., the Bank of Greene County & Greene County Commercial Bank

Jay Cahalan

President & Chief Executive Officer, Columbia Memorial Health

Donald Gibson

President & Chief Executive Officer, Greene County Bancorp, Inc.

Peter Hogan, CPA

Shareholder, Karp, Ackerman, Skabowski & Hogan, CPAs, PC

David Jenkins, DVM

Former owner, Catskill Animal Hospital

Michelle Plummer, CPA

Executive Vice President, Chief Operating Officer & Chief Financial Officer, Greene County Bancorp, Inc.

Charles H. Schaefer, Esq.

Partner, Deily and Schaefer

Paul Slutzky

Former co-owner, Hunter Mountain Ski Bowl, Inc.

Martin Smith

*Chairman of the Board
Retired consultant to Main Bros. Oil Company, Inc.
and former owner, R.E. Smith Fuel Company*

EXECUTIVE OFFICERS

Donald Gibson

President & Chief Executive Officer

Stephen Nelson

Executive Vice President & Chief Lending Officer

Michelle Plummer, CPA

Executive Vice President, Chief Operating Officer & Chief Financial Officer

ADVISORY BOARD OF DIRECTORS

The Bank of Greene County

Sean M. Byrne, Esq.

Attorney

James Campion

President, Columbia-Greene Community College

Christopher Cannucciari, MBA, CPA, ABV

Principal, LCS&Z, LLP

David Crawford, PE

*President and founder, Crawford & Associates
Engineering & Land Surveying, PC*

Bradley Cummings, CPA, CVA

Shareholder, PKHB CPAs, PC

Eric Hannay

President & Chief Executive Officer, Hannay Reels, Inc.

Pamela Hassett

*Executive Director, Division of Urgent Care and
Community Outreach, Albany Medical Center*

Ronald Teator

Owner, Crossroads Ford

DIRECTORS EMERITUS

Walter H. Ingalls

*Retired Chairman of the Board and former
President, GNH Lumber Co.*

Raphael Klein

Retired, former co-owner, Klein Theaters

Dennis O'Grady

Pharmacist, former owner, Mikbitarian Pharmacy

J. Bruce Whittaker

*Retired President & Chief Executive Officer,
Greene County Bancorp, Inc.*

Leadership Team

BRANCHES

Kathryn Bagley

Vice President and Branch Administrator

Amy Conte

Regional Branch Manager

Greenport and Hudson Branch Manager

Andrea DiPace

Regional Branch Manager

Greenville and Westerlo Branch Manager

Christa Bush

Cairo Branch Manager

Kathy Proper

Catskill Branch Manager

Tracy Carroll

Catskill Commons Branch Manager

Kathy Schweizer

Chatham Branch Manager

Gillian Sims-Elster

Copake Branch Manager

Lisa Messina

Coxsackie Branch Manager

Elizabeth Hansen

Germantown Branch Manager

Katie Kusisto

Kingston Branch Manager

Pamela Garrison

Ravena-Coeymans Branch Manager

Catherine Wade

Tannersville Branch Manager

Justin Goldman

Business Development Specialist

and Branch Manager

Linda Kuever

Branch Manager

OPERATIONAL SUPPORT, COMPLIANCE, AND FACILITIES

Cynthia DuPilka

*Vice President of BSA, Compliance
and Operational Support*

Brian Whiteman

*Assistant Vice President of Security, Facilities,
IRA Administrator and Operational Support*

Dan Lamarre

Facilities Manager

FINANCE

Betsy Darrow

Vice President and Controller

Allison Eldred

Investment Portfolio Officer

HUMAN RESOURCES

Jason Meeks

Vice President and Human Resources Director

INVESTMENT SERVICES

Tim Bartholomew

Vice President of Investment Services

INFORMATION TECHNOLOGY

Gregory Spampinato

Vice President and Chief Information Officer

Rick Fernandez

Manager of Application Support

Margaret Tobiassen

Manager of Core Systems

LENDING

Perry Lasher

*Senior Vice President and
Director of Commercial Lending*

Sean DuBois

*Vice President of Commercial Lending
and Business Development*

Trish Lamb

*Vice President and Director of Residential
and Consumer Lending*

Tina Selner

*Vice President and Director
of Credit Administration*

Brian Stickle

*Assistant Vice President,
Commercial Lending and
Business Development*

Robert Agostinoni

*Commercial Lending and
Business Development Officer*

Jennifer Beers

*Commercial and Residential
Loan Servicing Officer*

Joseph Rothrock

*Senior Credit Analyst,
Fire and EMS Financing Specialist*

Mary Zanotelli

Consumer and Residential Lending Manager

MARKETING

Martha Keeler

Vice President and Director of Marketing

Susan Timan

*e-Communications Officer and
Corporate Secretary*

MUNICIPAL BANKING

Donald MacCormack

*Assistant Vice President of Municipal Banking
and Commercial Services*

OPERATIONS

John Olivett

Vice President of Operations

Carmela Hendricks

Assistant Vice President of Operations

Susan Wren

e-Services Officer (Customer Service Center)

Shareholder Information

Annual Meeting of Shareholders

10:00 a.m., November 4, 2017
Columbia-Greene Community College
4400 Route 23
Hudson, NY 12534

Stock Listing

The NASDAQ Capital Market under
the symbol GCBC

Special Counsel

Luse Gorman Pomeranek & Schick, PC
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Suite 780
Washington, D.C. 20015

Independent Auditors

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Harrisburg, PA 17101

Transfer Agent and Registrar

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
800-962-4284

Annual Report on Form 10-K

A copy of Greene County Bancorp, Inc.'s
Form 10-K for the fiscal year ended
June 30, 2017, will be furnished
without charge to shareholders upon
written request to:

Secretary
Greene County Bancorp, Inc.
302 Main Street
P.O. Box 470
Catskill, New York 12414



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CATSKILL

Main Branch
and Investment Center
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Fax: 518-943-3756

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100 Catskill Commons
Catskill, NY 12414
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21 North 7th Street
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2 Miron Lane
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LENDING CENTER

341 Main Street
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Fax: 518-943-3695

OPERATIONS CENTER

288 Main Street
Catskill, NY 12414
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Fax: 518-943-4328

CUSTOMER SERVICE CENTER: 518-943-2600



Administrative Center: 302 Main Street, Catskill, New York 12414

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