

**STANDING WITH YOU**



**WE'RE STRONGER  
THAN EVER**

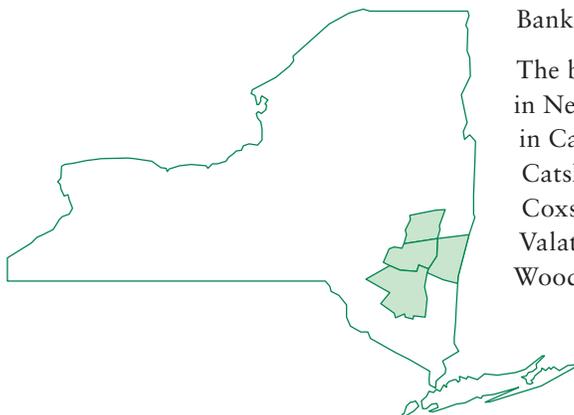
**GREENE COUNTY BANCORP, INC.**

**2020 ANNUAL REPORT**



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, 2020, were \$1.7 billion.

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 17 banking offices in Albany (opened September 2020), Catskill (Main Street and Catskill Commons), Cairo, Chatham, Copake, Cossackie, Germantown, Greenport, Greenville, Hudson, Kinderhook-Valatie, Kingston, Ravena-Coeymans, Tannersville, Westerlo and Woodstock. 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.

## FIVE-YEAR FINANCIAL HIGHLIGHTS

At or for the Years Ended June 30,

| <i>(In thousands)</i>         | <u>2020</u>        | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------------------------|--------------------|-------------|-------------|-------------|-------------|
| Total assets                  | <b>\$1,676,803</b> | \$1,269,462 | \$1,151,478 | \$982,291   | \$868,781   |
| Loans receivable, net         | <b>993,522</b>     | 785,738     | 704,431     | 624,187     | 522,764     |
| Securities available-for-sale | <b>226,709</b>     | 122,728     | 120,806     | 91,299      | 99,971      |
| Securities held-to-maturity   | <b>383,657</b>     | 304,208     | 274,550     | 223,830     | 204,935     |
| Equity securities             | <b>267</b>         | 253         | 217         | 184         | 152         |
| Deposits                      | <b>1,501,075</b>   | 1,120,569   | 1,025,234   | 859,535     | 738,887     |
| Shareholders' equity          | <b>128,805</b>     | 112,369     | 96,191      | 83,521      | 74,301      |
| Net interest income           | <b>44,833</b>      | 40,000      | 34,914      | 30,382      | 26,221      |
| Provision for loan losses     | <b>3,905</b>       | 1,659       | 1,530       | 1,911       | 1,673       |
| Total noninterest income      | <b>8,650</b>       | 8,361       | 7,481       | 6,424       | 5,965       |
| Total noninterest expense     | <b>27,822</b>      | 25,676      | 22,362      | 19,967      | 18,871      |
| Provision for income taxes    | <b>3,029</b>       | 3,542       | 4,095       | 3,741       | 2,679       |
| Net income                    | <b>18,727</b>      | 17,484      | 14,408      | 11,187      | 8,963       |

# STANDING WITH OUR COMMUNITIES.

# WE'RE STRONGER THAN EVER.

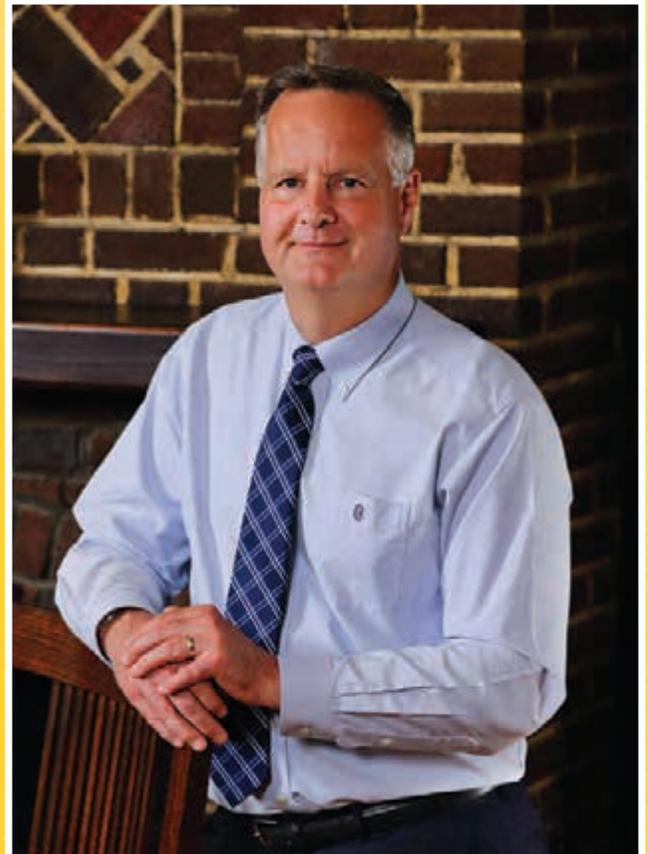
## **Fellow Shareholders,**

*Our bank was built for moments like this.*

We are strong, agile and independent. And we are fully engaged with our communities. So when the COVID-19 pandemic wreaked havoc on the people and places we serve, we were ready.

Ready to secure government financing to help local businesses survive. Ready to defer millions in consumer and commercial loans to help keep our customers whole. Ready to fast-track emergency grants for local nonprofits whose fundraisers had been cancelled.

And despite the social and economic chaos of COVID-19, our company still finished fiscal 2020 with record earnings, forward momentum in new and emerging markets, and growing support from a base of loyal customers.



*Don Gibson, President & CEO*

Greene County Bancorp, Inc. earned \$18.7 million in net income for the fiscal year ended June 30, 2020, setting a record for the 12th straight year. That represents an increase of \$1.2 million, or 7.1%, year over year (\$2.20 per basic and diluted share compared to \$2.05 for fiscal 2019).

In addition to record net income, we set new high marks for deposits, assets, loans and capital. Total assets for the company were \$1.7 billion at June 30, 2020, an increase of \$407.3 million, or 32.1%, over the prior year-end. Total deposits from retail, commercial and municipal customers were \$1.5 billion at the end of the fiscal year.

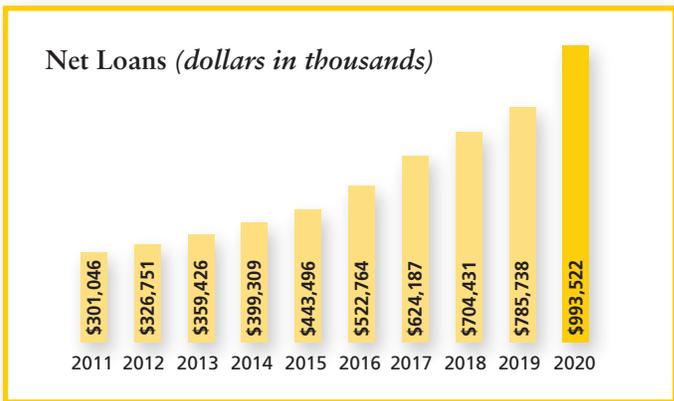
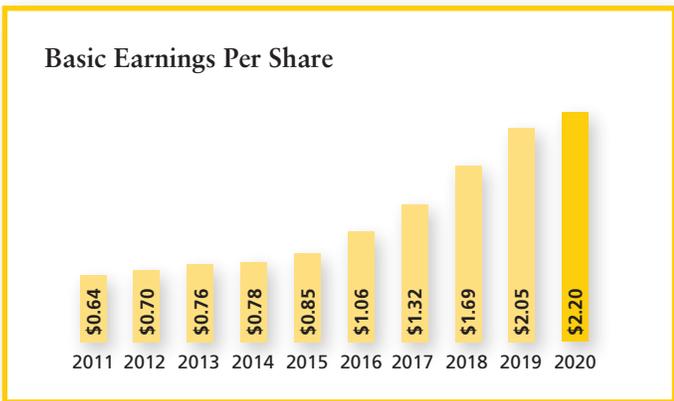
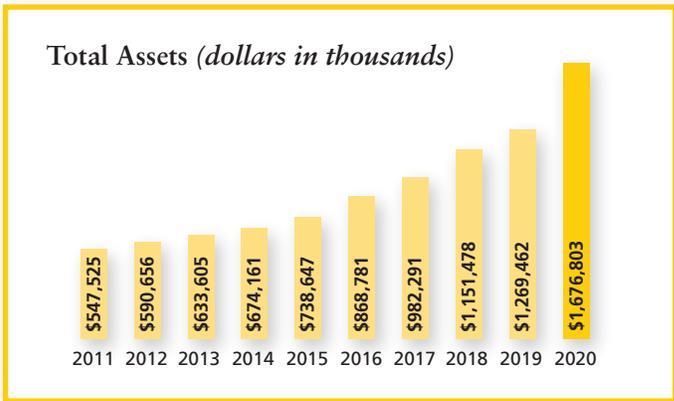
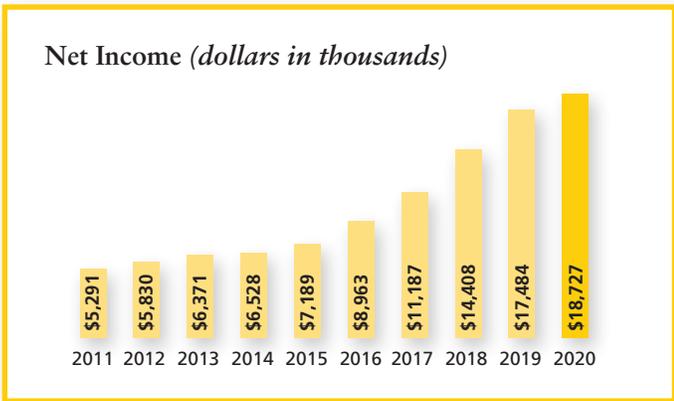
Our Kinderhook-Valatie branch, opened in July 2019, was a major contributor to the large increase in total assets. The new branch seems

to have sparked an overall lift to our business in Columbia County.

Importantly, our strong balance sheet, liquidity and ample reserves afforded us the means to help people and businesses experiencing distress due to COVID. It also provides peace of mind that we are well positioned to push through any headwinds yet to come.

Because of the uncertainty created by COVID, we made allocations to loan loss reserves totaling \$1.25 million before the end of fiscal 2020—just as a precaution. Also, since we were having a solid year, we made a \$250,000 contribution to the bank’s charitable foundation—our largest single donation ever. If not for these moves, net income for the year likely would have been about \$1.5 million higher.

## KEY PERFORMANCE TRENDS



*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.*

While pleased to report on this record performance, I am most proud of our employees who came to the aid of so many communities in crisis.

Many owners who received loans were not customers, but I'm betting they will be now.

**Chief Lender Steve Nelson and Chairman Martin Smith set to retire. Some parting thoughts...Pages 6-7**



I thank the lending team for their dedication. We processed nearly 1,300 applications and secured over \$100 million in loans for local businesses in a short period of time. Those loans saved 12,832 jobs in our communities.

## **Tireless Pursuit of PPP Loans for Local Businesses**

The federal Payroll Protection Program (PPP) was designed to save jobs and help small businesses survive in an economy shut down by COVID-19. A worthy idea, but conceived and executed with such haste, its rollout was flawed in many ways.

Under PPP, companies could apply for low-interest Small Business Administration loans that would be forgiven if certain conditions were met. The funds available were limited and the competition to obtain a loan was fierce. Employers needed to submit their applications through an approved SBA (Small Business Administration) lender promptly or risk missing out.

John Antalek, Vice President of Commercial Lending and Business

Development, took charge of our PPP operation and the entire lending team rallied around him. Not surprisingly, the SBA portal set up to process applications was immediately overwhelmed and began crashing. So John and his team set up a schedule for entering applications late at night and early mornings when traffic on the portal was lighter. Text messages flew back and forth 24/7 to coordinate efforts and report on whether the system was available.

We decided to open the program to all businesses in our footprint, whether or not they banked with us.

It appeared the bank would lose money on the program because the government had set the interest rate so low, but we couldn't allow businesses in our communities to be shut out.

Ultimately the government established a loan origination fee structure to compensate banks for their efforts. It's likely we will realize some fee income in fiscal 2021 as the loans are forgiven. What's important, however, is that hundreds of businesses turned away by other banks were able to obtain loans through us and thousands of jobs were saved.



**How BOGC helped two local companies with PPP. And how they in turn helped our communities...Pages 8-15**

## **Easing Financial Hardship for Borrowers**

Our team has been reaching out to help borrowers who are having difficulty making loan payments due to COVID-related business closures, slowdowns and unemployment. Everyone's situation is different. We talk each person through their options, explain the long-term consequences and suggest a personalized solution.

As an independent community bank, we never sell our loans in the secondary market. As a result, we can be more flexible and restructure terms on the spot without the approval of outside agencies like Fannie Mae or Freddie Mac. We can restructure



*The bank opened its first branch in Albany at 103 Wolf Road in mid-September 2020.*

principal, interest, even tax escrow payments and approve the changes the same day.

The bank had received requests to defer payments on over 700 loans totaling \$193.5 million as of June 30, 2020. We will continue to work with borrowers as this health crisis runs its course.

**Providing Urgent Support to Local Charities**

The COVID-19 shutdown also created severe hardship for nonprofit organizations that depend upon events like galas and auctions for fundraising. In an effort to ease their burden, the Bank of Greene County Charitable Foundation accelerated the distribution of \$250,000 in grants and allowed some flexibility in how the money was used.

The \$250,000 in disbursements surpassed the \$239,000 distributed in fiscal 2019. The foundation was established in 1998 when the company went public and has been a centerpiece of the bank’s community presence ever since.

**A Breakthrough Branch in Albany**

Our newest branch in our largest market yet opened in mid-September at 103 Wolf Road in Albany, NY. Located on one of the area’s busiest retail thoroughfares, we have high expectations for this office.

There are of course many banking options in the Albany market, but there is also great opportunity. The population density surrounding this location is far greater than anywhere else in our footprint.



*New Wolf Road branch under construction.*

We're confident that our genuine community banking approach will help us stand out.

The fact that we've been able to develop commercial and municipal relationships in the market with no physical presence at all is encouraging. The new Wolf Road branch will reassure current and prospective customers that there's assistance nearby if they need it. Breaking down that psychological barrier should help us achieve great success in Albany.

### Standing With You

I've talked a lot about how the bank has supported its communities. The reverse is also true: community support for the bank has been crucial. We could not have stayed open without your help. Thanks to the IT professionals, attorneys, accountants, cleaners,

suppliers, health care workers, teachers and all the rest of you. It truly has been a two-way street. We do not know how or when the pandemic will end. Nor will we understand its full impact for some time to come. But here's what we do know: No matter how hard this virus tries to keep us apart, we are stronger together.

Thank you for your time and attention.  
Stay safe out there!

Sincerely,



Donald E. Gibson  
President & Chief Executive Officer

*This year, due to concerns relating to COVID-19 (otherwise known as the "coronavirus"), we will not be holding the brunch which typically happens at our Annual Meeting. We look forward to continuing that tradition at the 2021 Annual Meeting. For the 2020 Annual Meeting, however, we are asking shareholders to vote by proxy and discouraging in-person attendance at the Annual Meeting in compliance with the restrictions in place for large gatherings.*

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## CONTINUED INDUSTRY RECOGNITION

### 2020 KBW Bank Honor Roll 9th Consecutive Year

Investment banking firm Keefe, Bruyette & Woods, Inc. again named GCBC one of the nation's top-performing banks. Only 15 of nearly 375 institutions screened made the honor roll in 2020. Honor roll candidates are publicly traded banks with more than \$500 million in total assets that consistently reported increases in earnings per share over the last ten years.

### American Banker Top 200 Community Banks 11th Consecutive Year

GCBC was ranked 8th on the *American Banker* magazine list of the nation's top community banks. Each year the magazine ranks publicly traded banks and thrifts with less than \$2 billion in assets (at December 31, 2019) by return on average equity over the last three years.



### BauerFinancial, Inc. 5-Star Superior Rating 11th Consecutive Year

The Bank of Greene County and Greene County Commercial Bank again earned "5-Star Superior" ratings for financial strength and safety from BauerFinancial, Inc., a leading independent bank research firm.

## A WELL-DESERVED FAREWELL

# TWO OF THE BANK'S "CORNER

Stephen Nelson and Martin Smith have both made transformative contributions to the Bank of Greene County—Steve as a pioneering force on our lending team, and Martin as a North Star in shaping the company's mission and ethos. It is not an exaggeration to describe them as cornerstones in the bank's development.

Steve helped build our commercial lending department basically from scratch. He's a terrific mentor, very forthright and open. While some people tend to hold information back, Steve's attitude has always been let's bring people along... the more they know, the better it is for the organization.

**What was your most significant accomplishment as a board member?** The biggest thing that happened was when we decided to establish a mutual holding company and go public. And I think that we did it right—we made sure that there wouldn't be a buyout and that Greene County would continue to have a locally controlled community bank.

**Why is it so important to have an independent bank in the community?** It's the service we can give. We can make fast decisions. We can know the real story. In a lot of cases, you can take someone who's struggling, look them in the eye, and you can tell whether they're going to make the loan you gave them good.

**What's the story behind the bow ties you love to wear?** When I was in the army,

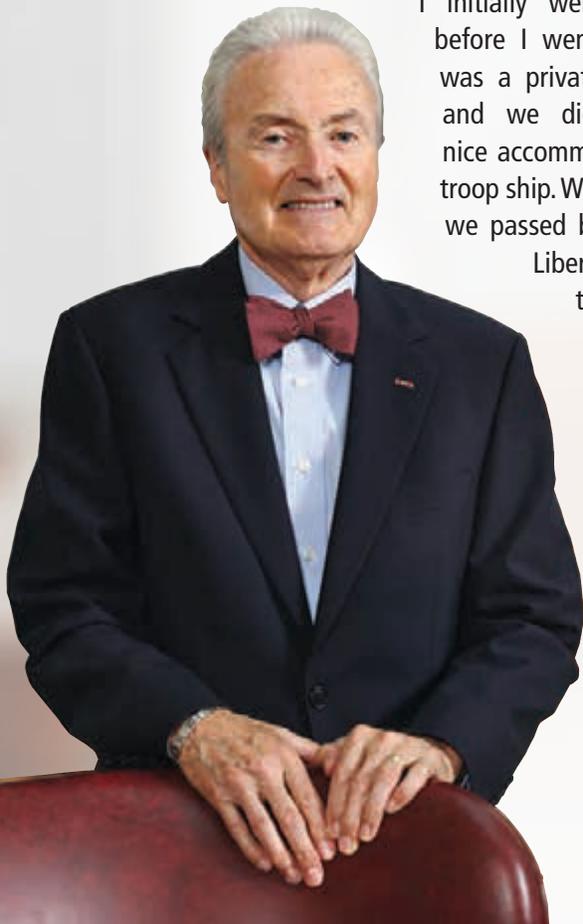
I initially went to Germany before I went to Vietnam. I was a private at that point and we didn't have very nice accommodations on the troop ship. When we went out we passed by the Statue of Liberty. I told myself that someday I'm going to go on a classy boat and go by the statue.

My wife Robin and I consider ourselves kind of veteran travelers...always looking for a bargain. One morning I'm reading the New York Times and I saw the QE2 had two-for-one fares round-trip to England. I said to Robin we can do it, we can go on the QE2, go right by the Statue of Liberty, and I can salute her from a nice bed instead of a bunk with soldiers three deep.

As luck would have it, when we finally went it was right after 9/11 and the boat left out of Boston instead of New York, so I never did get to do that. One of the requirements on the QE2 was you had to dress for dinner, and they would rent you a tuxedo for the five- or six-day crossing. Being very frugal I wasn't going to spend the money to rent a tuxedo, so I asked my wife to buy a couple of bow ties and I'd buy a dark suit that I could wear after the trip. Nobody would ever notice that I didn't have a tuxedo on if I had a dark tie and a dark suit. So I learned how to tie a bow tie then, and I've worn one ever since.

**What's one piece of advice you'd like to offer the bank as you depart?** Keep it mutual. Stay independent. Remember to take care of the customer—that's most important.

*Note: Longtime Director Paul Slutzky will succeed Mr. Smith as Chairman of the Board. Mr. Slutzky is a former co-owner of Hunter Mountain Ski Bowl, Inc.*



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## MARTIN SMITH

### Chairman of the Board

*Catskill Native · Former Owner of R.E. Smith Fuel Company  
Joined bank as a Director in 1993; named Chairman in 2005.  
Retiring November 17, 2020.*

# STONES” RETIRING

Martin was instrumental in structuring the holding company to prevent the bank from ever being taken over and ensuring it would always be accountable to the community. He also advocated for using proceeds from the initial stock sale to establish our charitable foundation, which has had a huge impact on local nonprofits over the last 22 years.

I have no doubt that Martin and Steve will endure as compelling figures in the bank’s history. I thank them for their service, their friendship and wish them the best in retirement.

**Don Gibson**  
*President & Chief Executive Officer*

**What are some of your best memories about working at the bank?** First, I’m very thankful for the opportunities that were given to me. I’m leaving knowing that I gave 100% every single day that I came to work. And I was able to help many individuals and businesses in our community over the years. I look at it as just doing my job. And I like to think the bank is in a better position because of it.

I’ll also take away the relationships I’ve had. Tremendous support through the years from all the people that I’ve worked with, our Board of Directors, and most importantly my family. It takes a lot of time and dedication to do your job right. You really need the understanding of your family. My mom and dad have been supportive, and my wife Marlena has been over-the-top supportive.

**You more or less developed the commercial lending department, correct?** Yes, but we had a great team. I

remember some of our first deals were in today’s world relatively small dollars. It was a new area for us, and we wanted to make sure we were making the right decisions.

Once we got rolling in the commercial business, it really took off.

As it took off we brought in some expertise to fill in—lenders, credit, servicing.

You’re really only as good as your support team. Others have said it: surround yourself with people who are a lot smarter than you. I’m blessed to have several of those in my department.

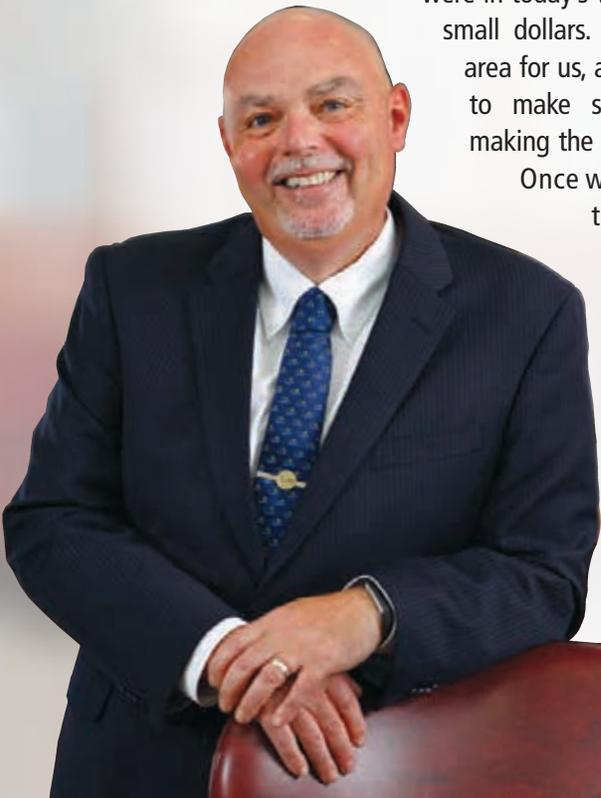
**What are your plans for the future?** I’m an avid gardener. I love being outside. My plan is to go somewhere a little warmer in the winter. Spend some time in Florida. I also love upstate New York and Cairo where I live. I enjoy playing golf, I serve on a couple boards of directors, I’m involved with our church. And I think there are a lot of opportunities where I can give some of my time back to the community. It’s difficult to volunteer as much as you’d like to when you’re still working.

It’s bittersweet. Working at the bank has truly been a great experience—one I’ll never forget.

**Where would you like to see the bank go from here?**

I think the bank should continue on the path that we’ve been on. There are tremendous growth opportunities for community banking. We’re still small enough to be able to provide that personal attention to our customers. Honestly, that’s been an important part of my career. We’re located and live in the communities we serve, and I think that’s a big advantage for us.

*Note: Perry Lasher, Senior Vice President and Director of Commercial Lending, will replace Mr. Nelson as Chief Lending Officer. John Antalek, currently Vice President of Commercial Lending and Business Development, will move up to fill Mr. Lasher’s vacated position.*



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## STEPHEN NELSON

**Executive Vice President  
& Chief Lending Officer**

*Rensselaerville Native*

*Joined bank right out of college as a teller and lender in 1988.*

*Retiring December 31, 2020.*



# PUTTING FIRST RESPONDERS FIRST

*Joe Rothrock (EMS and Fire Lending Specialist, BOGC), Blake Garrison (Owner, Garrison Fire & Rescue), Tina Selner (Vice President and Chief of Credit Administration, BOGC), Aden Hughes (General Manager, Garrison Fire & Rescue), Kelly Brainard (Office Manager, Garrison Fire & Rescue) at Garrison's headquarters in Palenville, NY.*

When public officials started describing the COVID-19 pandemic as a grass fire burning out of control, the comparison hit home for Blake Garrison. As a volunteer firefighter and former chief, he had battled his share of blazes. He knew of their ferocity and how they indiscriminately destroyed lives.

COVID wasn't all that different. Sitting in his office at Garrison Fire & Rescue in Palenville, NY, Blake wondered what havoc the virus might wreak upon his customers, his business and his employees. He knew his clients' need to respond to fire and medical

emergencies would not stop, but he feared the orders and his company's revenue would.

He was right. Municipalities simply were not meeting to approve purchases for fire companies. From March through June 2020, the sale of fire trucks and firefighting gear at Garrison declined by 80%.

"Trucks were still breaking down, so the service part of our business remained strong," said Blake. "But that's only about a third of what we do." He wasn't sure how he would be able to pay his 16 employees and keep the doors open.



Garrison's company has sold highly customized fire and rescue trucks to first responders throughout upstate New York for nearly 50 years. Garrison also sells a wide range of turnout gear and related equipment: gloves, boots, hats, hoses, breathing apparatus, gas detection and thermal imaging devices,

and hydraulic rescue tools. Now, COVID-19 had put that vital mission at risk.

"There would still be fires. People would still have accidents. The virus wasn't going to stop all of that from happening," said Blake. "We needed to be here for our customers."

**The solution to Blake's problem found him.** Joe Rothrock, an EMS and Fire Lending Specialist with the Bank of Greene County, showed up on Blake's doorstep to discuss low-interest, forgivable loan options available through the soon-to-be-released federal Payroll Protection Program.

“They were proactive with Payroll Protection,” said Blake. “They came to us and said here’s what’s available—talk to your accountant and tell us what you need. They were on top of everything.”

“I worked with Blake and his staff gathering all the information, double checking it, and getting the application ready so it could be uploaded to the Small Business Administration,” said Joe. Then, importantly, bank staff had to ensure the application made it in before the PPP funds were depleted.

“We had to quickly get our PPP administration systems set up internally in order to get the money to our customers,” said Tina Selner, Vice President and Chief of Credit Administration for the bank. “We needed systems for inputting the data, processing the data and servicing the loans.”

In the end Blake closed on a \$220,000 PPP loan, all of which was used to keep his employees on the job. “We’ve had no furloughs and no layoffs, in large part thanks to the loan,” Blake said.

Blake’s relationship with the Bank of Greene County dates back to 2011, when he bought the business from his uncle and aunt who were retiring. They negotiated a buyout, but all Blake had for collateral was his home. “Our bank at the time—a national bank—didn’t want to touch it,” he said.

So he approached Steve Nelson, then a loan officer at the Bank of Greene County. Blake knew Steve and knew he had history as a firefighter. “They were familiar with our business so we started looking at numbers,” he said. “It was an intricate contract because my aunt and uncle were going to hold some paper. Steve put his neck out for me personally, and on December 1, 2011, I took over ownership.



“We moved all of our banking to Bank of Greene County and we’ve had a tremendous relationship ever since,” Blake added.

“I don’t normally hold grudges, but when a bank you’ve had a relationship with for 20 years turns its back on you...it doesn’t feel good,” said Blake. “Then to find another bank with open arms that asks what can we do for you...what a difference in confidence for me.”

Blake wasn’t necessarily born with a calling to fight fires. He studied journalism at college with the hope of breaking into television. But with on-air opportunities shrinking, he ended up following a different career path—literally a path through the woods that led from his home to his uncle’s, where Garrison Fire & Rescue got its start.

“I grew up around it. My father was our county fire coordinator. My uncle lived next door and there were always fire trucks in the driveway. Both of them were members of the Palenville Fire Department.”

The company’s first offices were in his uncle’s basement, with the garage converted into a warehouse. After graduating college in 1990, Blake helped his uncle computerize some of the inventory. “Then he asked me to watch the shop for a few weeks while he went to Florida at the end of the year,” said Blake. While his uncle was gone, calls came in from people wanting to see equipment.

“I wasn’t a firefighter at the time. But my uncle said: ‘You’ve done all the research putting the stuff in the computer, just go see them,’” Blake recalled. “So I went out, visited the customers, and they ended up buying. Now here I am in 2020, owner of the company.”

Garrison Fire & Rescue built its current home on Route 23A in 1992-93. The firm represents the Rosenbauer line of fire trucks in an exclusive 25-county territory—from





Westchester and Rockland counties up to the Canadian border. While most of their customers are fire and rescue companies, they do sell to a handful of commercial accounts like General Electric and National Grid.

Blake spent his first 10 years with the company, from 1990 to 2000, selling fire and rescue gear. For the last 20 years, his focus has been designing and selling fire trucks.

The trucks take about a year to design and build and typically carry a price tag approaching \$1 million. It's all custom work that requires solving any number of unique problems: fitting the vehicle in the firehouse, meeting a budget or some "crazy" idea the customer may have.

As president, Blake is involved in all aspects of the business, but he still loves the process of building trucks. "It's a passion for the fire service, but it's also a passion for firefighters," he said. "It's a treat to be engaged with them, to sit down, find out what's important to them, and find solutions. That's what we do."

Garrison Fire & Rescue sells and designs about 20 trucks a year, each with an intricate set of specifications that can total 160 pages or more. "We have enough to worry about getting the truck built. I don't need to be worrying about the details on the financing side," said Blake.

That's why he usually brings in Joe and the Bank of Greene County lending team. "The bank does the majority of our deals. Almost all of them require financing with trucks getting more complex and expensive," added Blake.

"They know the ins and outs of fire services because they're firefighters. They can walk the walk."

"The financing can be tricky depending on how the fire company is funded," said Joe. "We advise the customers on whether they're best suited for financing from our commercial side or our municipal side."

Blake noted that Steve Nelson, who went on to become Chief Lending Officer at the bank, molded his team after himself. "You can see their professionalism and true caring for the end user."

From the time he purchased the company, to the recent challenges of the global pandemic, Blake is grateful to have had the bank at his side.

**"Bank of Greene County is still a community bank, but they've grown large enough that they can do creative things for you."**

Most important to Blake was keeping his employees on the job. The majority of them have been with Garrison Fire & Rescue for over 10 years. Many are firefighters and have held upper positions in their companies.

"We all feel gratified when we see equipment we sold on the evening news saving lives and property," he said. "That's what it's all about."



# KEEPING COMMUNITIES CONNECTED DURING COVID

Suddenly, it was all about doing things remotely. Working remotely. Learning remotely. Practicing medicine remotely. Some even had to say goodbye to loved ones remotely.

This was the world after COVID-19. Where Internet access was much more than a convenience, an amusement, or a new pair of shoes.

James Reynolds, President of Mid-Hudson Cable, knew that a surge in demand for the company's data services was coming. He also knew that communities lacking a connection could no longer continue without one.

"But we could not have predicted the magnitude of the increase in demand," said James. "People working from home, shopping from home, kids learning virtually.



*Steve Souky (CFO, Mid-Hudson Cable), Don Gibson (President & CEO, BOGC), James Reynolds (President, Mid-Hudson Cable) and John Antalek (Vice President of Commercial Lending and Business Development, BOGC) at the MHC data center in Hudson, NY.*

Knock on wood, we've had very few interruptions when in fact our utilization has gone up dramatically.

"All of this meant we had to purchase a lot more customer premises equipment—converters and modems—and be out there in force doing installations," he added.

Mid-Hudson Cable provides television, Internet and phone services to about 34,000 subscribers in Columbia, Greene and Southern Albany counties. It employs about 100 people including an in-house advertising group.

"There was a huge increase in demand for Internet services from local school districts," said James.

"They contacted us and asked whether we could provide a discount to students, which we did... offering them our standard plan for \$20. All they had to do was show a report card."

Columbia-Greene Community College also contacted MHC with concerns about students in rural and mountain areas where no Internet service existed. To help, MHC established free student hot spots in places like the boat launch in Hudson, the point in Catskill, Livingston Town Hall and parks in Maple Crest and Ashland.

James said the cable provider was happy to help the community cope with the pandemic.

**"But we did take on some challenges," said Steve Souky, CFO. "Our capital expenditures were well above expectations... Due to the pandemic, the demand for new equipment increased significantly driven by the need to work from home. And we were paying a lot of overtime to keep up."**



On top of that, the Federal Communications Commission had mandated that telecommunications companies maintain everyone's service regardless of late payments and waive all late fees.

The federal Payroll Protection Program, or PPP, was created to provide low-interest loans to small businesses impacted by COVID-19. Applications had to go through a bank with access to a Small Business Administration loan portal.

"The purpose of the Payroll Protection Program was to help businesses out," said James. "We really were a poster child for that kind of assistance, because we had to stay open and had considerable expenditures related to the pandemic."

Mid-Hudson Cable first turned to a relationship it had with a larger bank to apply for a PPP loan. "But their portal was crashing, and as a result, we could not complete the application," said Steve.

Then, with time and money running out on the first phase of PPP, the cable company executives rang up Don Gibson, President and CEO of the Bank of Greene County. In turn, Don mobilized his lending team headed up by John Antalek, Vice President of Commercial Lending and Business Development.

"We were able to be nimble," said John. "Once we realized that we needed to take this program on, we rallied the troops and went at it."

Cracking the code on getting PPP loans processed through the SBA system was mostly a matter of tenacity. "The secret sauce for us was accessing the portal late nights and early mornings," said John. "Avoiding the heaviest traffic in the afternoons...texting each other, working in shifts."

The lending team developed an assembly line process from the application side right on through to preparing each loan for portal entry. "Then we would just sit down and key them in. The logjam was getting them through the SBA portal," said John. "Every time we got an approval number, that was one more set of dollars out the door. We didn't necessarily need to fund it at that point."

**Despite all of the government chaos, the Bank of Greene County secured MHC its loan in a week. The next day, the program ran out of funds.**

"I received a call at like 7:15 in the morning—which is not a problem because my dogs have to eat," said James. "It was Don and he says: 'Sorry for calling you so early, I just wanted to tell you that your PPP loan has been approved.' I said Don, when you're going to approve a loan, you can call me anytime you want."

**“Mid-Hudson Cable was able to maintain its employees, grow the infrastructure when it was badly needed, and expand the network to support schools,” said John. “It was a big win.”**

“My father George Reynolds started MHC in 1971,” said James. “The genesis of the company was based on providing better television reception. Because of the topography around here, a lot of people couldn’t get good signals. So we put a tower up on a mountain, ran lines down to the homes, and gave them off-air signals. That’s all it was.”

The senior Reynolds set about obtaining permission to use the public rights of way in the area’s more densely populated communities—Hudson and Catskill. Later MHC began “edging out” its service to rural parts of the region.

James Reynolds graduated college in 1972 and started selling cable TV door-to-door. “That was a lot of fun. I got a lot of doors slammed on me,” he said. “If you had a good rooftop antenna, you could probably get the Albany broadcast signals. So why would you want to pay for TV—other than to get the Yankees and Mets games? Paying for TV was a brand-new concept.”

It didn’t stay that way for long, however. HBO launched in 1978 and an explosion of satellite channels like TNT and CNN ensued. Then came pay-per-view, high-definition television and perhaps the most cataclysmic invention—the Internet.

MHC started with just 13 channels, according to James. “On our first rebuild, we went to 33 channels thinking, who’s going to want more than 33 channels? Sounds pretty funny now.”

With the proliferation of the Internet in the 1990s, MHC undertook a major rebuild to unify its network and boost capacity. Columbia and Greene counties were linked together by a bundle of fiber optic cable laid beneath the Hudson River. From there MHC went through its entire system and installed fiber on the main trunks, minimizing its reliance on wireless microwave connections.

The focus on building up its data capacity was well placed. As the Internet began playing a role in just about everything, and more people turned to streaming services like Netflix for entertainment, MHC saw the

ratio of video customers to data customers completely flip. Today the provider has more than twice as many data subscribers compared to video.

“We’ve really watched over the transformation of a video business into a broadband business,” said James. “Our system includes about 1,400 miles of plant [cable].

“I used to think our worst day would be losing video during a Super Bowl, which actually did happen,” he added. “But if you lose the Internet—particularly since this pandemic started—there’s too much riding on it. It has to be up and running.”

MHC’s relationship with the Bank of Greene County goes back to the company’s early days. Throughout its 40-year history, there have been numerous lending arrangements to finance large capital expenditures and acquisitions. The bank also processes credit card payments from all of MHC’s subscribers.

“Our footprints are kind of similar, so we’ve always looked for ways to work together,” said Don Gibson. “It’s been a good partnership.”

Mid-Hudson Cable helped the bank modernize its data infrastructure by replacing its T-1 lines with fiber and setting up micro links for locations that couldn’t be hard wired.

“In the world of cable television and broadband, Mid-Hudson is a tiny little company,” said James. “But that enables us to provide good service to customers at every level. And that’s also true of the Bank of Greene County.

“Our two organizations have worked together during this pandemic—and before—to provide service to the community that you couldn’t get from a larger company.”



**GREENE COUNTY BANCORP, INC.**  
**Consolidated Statements of Financial Condition**

|   | June 30,           |                    |
|---|--------------------|--------------------|
| <i>(In thousands, except share and per share amounts)</i>   | 2020               | 2019               |
| <b>ASSETS</b>   |                    |                    |
| Total cash and cash equivalents   | \$ 40,463          | \$ 29,538          |
| Long term certificates of deposit   | 4,070              | 2,875              |
| Securities available-for-sale, at fair value  | 226,709            | 122,728            |
| Securities held-to-maturity, at amortized cost<br>(fair value \$405,512 at June 30, 2020; \$313,613 at June 30, 2019)   | 383,657            | 304,208            |
| Equity securities, at fair value  | 267                | 253                |
| Federal Home Loan Bank stock, at cost   | 1,226              | 1,759              |
| Loans   | 1,012,660          | 798,105            |
| Allowance for loan losses   | (16,391)           | (13,200)           |
| Unearned origination fees and costs, net  | (2,747)            | 833                |
| Net loans receivable  | 993,522            | 785,738            |
| Premises and equipment, net   | 13,658             | 13,255             |
| Accrued interest receivable   | 8,207              | 5,853              |
| Foreclosed real estate  | —                  | 53                 |
| Prepaid expenses and other assets   | 5,024              | 3,202              |
| Total assets  | <b>\$1,676,803</b> | <b>\$1,269,462</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                    |                    |
| Noninterest-bearing deposits  | \$ 138,187         | \$ 107,469         |
| Interest-bearing deposits   | 1,362,888          | 1,013,100          |
| Total deposits  | 1,501,075          | 1,120,569          |
| Borrowings from Federal Home Loan Bank, short-term  | —                  | 8,000              |
| Borrowings from other banks, short-term   | 17,884             | —                  |
| Borrowings from Federal Home Loan Bank, long-term   | 7,600              | 13,600             |
| Accrued expenses and other liabilities  | 21,439             | 14,924             |
| Total liabilities   | 1,547,998          | 1,157,093          |
| <b>SHAREHOLDERS' EQUITY</b>   |                    |                    |
| Preferred stock, Authorized — 1,000,000 shares; Issued — None   | —                  | —                  |
| Common stock, par value \$.10 per share;<br>Authorized — 12,000,000 shares;<br>Issued — 8,611,340<br>Outstanding — 8,513,414 shares at June 30, 2020,<br>and 8,537,814 at June 30, 2019 | 861                | 861                |
| Additional paid-in capital  | 11,017             | 11,017             |
| Retained earnings   | 118,263            | 101,774            |
| Accumulated other comprehensive loss  | (428)              | (1,006)            |
| Treasury stock, at cost 97,926 shares at June 30, 2020,<br>and 73,526 shares at June 30, 2019   | (908)              | (277)              |
| Total shareholders' equity  | 128,805            | 112,369            |
| Total liabilities and shareholders' equity  | <b>\$1,676,803</b> | <b>\$1,269,462</b> |

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> | 2020                 | 2019      |
| <b>INTEREST INCOME:</b>                                   |                      |           |
| Loans   | \$39,159             | \$35,050  |
| Investment securities — taxable                           | 654                  | 798       |
| Mortgage-backed securities                                | 5,804                | 4,285     |
| Investment securities — tax exempt                        | 7,075                | 5,723     |
| Interest-bearing deposits and federal funds sold          | 622                  | 452       |
| Total interest income                                     | 53,314               | 46,308    |
| <b>INTEREST EXPENSE:</b>                                  |                      |           |
| Interest on deposits                                      | 8,241                | 5,696     |
| Interest on borrowings                                    | 240                  | 612       |
| Total interest expense                                    | 8,481                | 6,308     |
| Net interest income                                       | 44,833               | 40,000    |
| Provision for loan losses                                 | 3,905                | 1,659     |
| Net interest income after provision for loan losses       | 40,928               | 38,341    |
| <b>NONINTEREST INCOME:</b>                                |                      |           |
| Service charges on deposit accounts                       | 3,926                | 4,117     |
| Debit card fees   | 2,980                | 2,624     |
| Investment services                                       | 559                  | 544       |
| E-commerce fees   | 113                  | 139       |
| Other operating income                                    | 1,072                | 937       |
| Total noninterest income                                  | 8,650                | 8,361     |
| <b>NONINTEREST EXPENSE:</b>                               |                      |           |
| Salaries and employee benefits                            | 17,170               | 15,488    |
| Occupancy expense   | 1,865                | 1,722     |
| Equipment and furniture expense                           | 749                  | 580       |
| Service and data processing fees                          | 2,450                | 2,149     |
| Computer software, supplies and support                   | 1,064                | 926       |
| Advertising and promotion                                 | 473                  | 461       |
| FDIC insurance premiums                                   | 321                  | 461       |
| Legal and professional fees                               | 1,111                | 1,146     |
| Other   | 2,619                | 2,743     |
| Total noninterest expense                                 | 27,822               | 25,676    |
| Income before provision for income taxes                  | 21,756               | 21,026    |
| Provision for income taxes                                | 3,029                | 3,542     |
| Net income  | \$18,727             | \$17,484  |
| Basic earnings per share                                  | \$ 2.20              | \$ 2.05   |
| Basic average shares outstanding                          | 8,529,927            | 8,537,814 |
| Diluted earnings per share                                | \$ 2.20              | \$ 2.05   |
| Diluted average shares outstanding                        | 8,529,927            | 8,537,814 |
| Dividends per share                                       | \$ 0.44              | \$ 0.40   |

See notes to consolidated financial statements



**BOARD OF DIRECTORS**

*From Top, Left to Right: Charles Schaefer, Paul Slutzky, Martin Smith, Jay Cabalan, Michelle Plummer, Donald Gibson, Peter Hogan, David Jenkins.*

## **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, Small & Hogan, CPAs, PC*

### **David Jenkins, DVM**

*Former owner, Catskill Animal Hospital*

### **Michelle Plummer, CPA, CGMA**

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

### **Charles H. Schaefer, Esq.**

*Founding 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*

### **Michelle Plummer, CPA, CGMA**

*Executive Vice President, Chief Operating Officer  
& Chief Financial Officer*

### **Stephen Nelson**

*Executive Vice President & Chief Lending Officer*

## **ADVISORY BOARD OF DIRECTORS**

The Bank of Greene County

### **Frances Spreer Albert, CPA**

*Executive Vice President, COO & CFO,  
Albany Medical Center*

### **John Brust**

*Principal & Owner, Delaware Engineering, D.P.C.*

### **Sean M. Byrne, Esq.**

*Executive Deputy Commissioner, NYS Office  
of Addiction Services & Supports*

### **James Campion**

*President Emeritus, Columbia-Greene  
Community College*

### **Christopher Cannucciari, MBA, CPA, ABV**

*Partner, Lutz, Selig & Zeronda, LLP*

### **David Crawford, PE**

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

### **Bradley Cummings, CPA, CVA**

*Managing Director, UHY Advisors*

### **Eric Hannay**

*President & Chief Executive Officer, Hannay Reels, Inc.*

### **Pamela Hassett**

*Principal Member, PSH Management  
Consulting Services, LLC*

### **Daniel Leader**

*Owner, Founder & Board Chair, Bread Alone*

### **Ronald Teator**

*Owner, Crossroads Ford*

## **DIRECTORS EMERITUS**

### **Walter H. Ingalls**

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

### **Dennis O'Grady**

*Pharmacist, former owner, Mikhitarian Pharmacy*

### **J. Bruce Whittaker**

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

## Leadership Team

### BRANCH ADMINISTRATION

**Andrea DiPace**  
*Vice President  
and Branch Administrator*

**Christa Bush**  
*Regional Branch Manager*

**Amy Conte**  
*Regional Branch Manager*

### BRANCH MANAGERS

**Betsy Braley**

**Keith DeMichele**

**Pamela Garrison**

**Heather Hart**

**Lisa Messina**

**Kathy Proper**

**Kristen Schiffer**

**Gillian Sims-Elster**

**Olivia Soltan**

**Sarah VanAlphen**

**Karishma Vermani**

**Catherine Wade**

### CORPORATE CASH MANAGEMENT

**Allen Austin**  
*Assistant Vice President, Director  
of Corporate Cash Management  
and Administrative Officer*

### FINANCE

**Betsy Darrow**  
*Vice President and Controller*

**John Dudek**  
*Finance Officer and Assistant  
Controller*

**Allison Eldred**  
*Investment Portfolio Officer*

### HUMAN RESOURCES

**Mary Seely**  
*Vice President and Director  
of Human Resources*

**Kathryn Nelson**  
*Human Resources Officer*

### INVESTMENT SERVICES

**Timothy Bartholomew**  
*Vice President and Director  
of Investment Services*

### INFORMATION TECHNOLOGY

**Gregory Spampinato**  
*Vice President and Chief  
Information Officer*

**Margaret Tobiassen**  
*Assistant Vice President of IT  
Application Support*

**Nathan Jones**  
*Manager of IT Infrastructure*

### LENDING

**Perry Lasher**  
*Senior Vice President and  
Director of Commercial Lending*

**John Antalek**  
*Vice President of Commercial Lending  
and Business Development*

**Sean DuBois**  
*Vice President, Southern Region,  
and Commercial Lender*

**Trish Lamb**  
*Vice President and Director  
of Residential and Consumer Lending*

**Tina Selner**  
*Vice President and Chief  
of Credit Administration*

**Tim Penk**  
*Vice President and Chief  
Credit Officer*

**Robert Agostinoni**  
*Assistant Vice President, Commercial  
Lending and Business Development*

**Brian Stickle**  
*Assistant Vice President, Commercial  
Lending and Business Development*

**Jennifer Beers**  
*Assistant Vice President, Commercial  
Loan Originations*

**Justin Goldman**  
*Commercial Lending  
and Business Development*

**Stephanie Premo**  
*Business Development Officer*

**Cheryl Rothkranz**  
*Credit Manager*

**Jackie Stiffler**  
*Consumer and Residential  
Lending Manager*

**Joseph Rothrock**  
*Fire and EMS Specialist*

**Ashley Scott**  
*Loan Servicing Manager*

### MARKETING

**Martha Keeler**  
*Vice President and Director  
of Marketing*

**Susan Timan**  
*Assistant Vice President  
of e-Communications  
and Corporate Secretary*

### MUNICIPAL BANKING

**Donald MacCormack**  
*Vice President of Municipal Banking*

**Jonathan Halligan**  
*Municipal Banking Officer*

### OPERATIONAL SUPPORT, COMPLIANCE, AND FACILITIES

**Cynthia DuPilka**  
*Vice President of BSA, Compliance  
and Operational Support*

**Rick Fernandez**  
*Information Security Officer*

**Nicholas Frantjeskos**  
*BSA and Operational Support Officer*

**Dan Lamarre**  
*Facilities Director  
and Security Officer*

### OPERATIONS

**John Olivett**  
*Vice President of Operations*

**Susan Wren**  
*Assistant Vice President  
of e-Services (Customer Service  
Center)*

**Debra Guilzon**  
*Operations Manager*

## **Branch and Office Locations**

### **ALBANY**

103 Wolf Road  
Albany, NY 12205  
518-458-6150

### **CATSKILL**

Main Branch  
and Investment Center  
425 Main Street  
Catskill, NY 12414  
518-943-3700

### **CATSKILL COMMONS**

100 Catskill Commons  
Catskill, NY 12414  
518-719-8060

### **CAIRO**

230 Matthew Simons Road  
Cairo, NY 12413  
518-622-2662

### **CHATHAM**

2631 Route 66  
Ghent, NY 12075  
518-392-9600

### **COPAKE**

179 County Route 7A  
Copake, NY 12516  
518-329-2265

### **COXSACKIE**

2 Technology Drive  
Coxsackie, NY 12051  
518-731-2731

### **GERMANTOWN**

4266 State Route 9G  
Germantown, NY 12526  
518-537-5596

### **GREENPORT**

160 Fairview Avenue  
Hudson, NY 12534  
518-697-3421

### **GREENVILLE**

4 Garland Lane  
Greenville, NY 12083  
518-966-5200

### **HUDSON**

Proprietor's Hall  
21 North 7th Street  
Hudson, NY 12534  
518-697-3311

### **KINDERHOOK-VALATIE**

2827 U.S. 9  
Valatie, NY 12184  
518-758-6911

### **KINGSTON**

2 Miron Lane  
Kingston, NY 12401  
845-336-4797

### **RAVENA-COEYMANS**

2494 U.S. Route 9W  
Ravena, NY 12143  
518-756-3003

### **TANNERSVILLE**

6176 Main Street  
Tannersville, NY 12485  
518-589-0800

### **WESTERLO**

593 Route 143  
Westerlo, NY 12193  
518-797-3934

### **WOODSTOCK**

81 Mill Hill Road  
Woodstock, NY 12498  
845-679-8900

### **ADMINISTRATIVE CENTER**

302 Main Street  
Catskill, NY 12414  
518-943-2600

### **LENDING CENTER**

341 Main Street  
Catskill, NY 12414  
518-943-1424

### **OPERATIONS & CUSTOMER SERVICE CENTER**

288 Main Street  
Catskill, NY 12414  
518-943-2600

## **Shareholder Information**

### **Annual Meeting of Shareholders**

3:00 p.m., November 17, 2020  
288 Main Street  
Catskill, NY 12414

### **Stock Listing**

The NASDAQ Capital Market under  
the symbol GCBC

### **Special Counsel**

Luse Gorman, PC  
5335 Wisconsin Avenue, N.W., Suite 780  
Washington, D.C. 20015

### **Independent Auditors**

Bonadio & Co. LLP  
432 North Franklin Street  
Syracuse, NY 13204

### **Stock Transfer Agent and Registrar**

Shareholders needing to report a  
change of name or address, as well as  
request information about shareholder's  
records, lost or stolen certificates,  
dividend checks, dividend direct  
deposit, and dividend reinvestment  
plan should contact:

Computershare Investor Services  
P.O. Box 505000  
Louisville, KY 40233-5000  
(888) 294-8217

Investor Centre™ Portal:  
[www.computershare.com/investor](http://www.computershare.com/investor)

Requests for transfers of shares should  
be directed to the address above.

### **Annual Report on Form 10-K**

A copy of Greene County Bancorp, Inc.'s  
Form 10-K for the fiscal year ended  
June 30, 2020, 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



Administrative Center: 302 Main Street, Catskill, New York 12414  
Mailing Address: P.O. Box 470, Catskill, New York 12414  
518-943-2600  
[www.tbogc.com](http://www.tbogc.com)