

GREENE COUNTY BANCORP INC  
Form 8-K  
April 25, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 24, 2013

GREENE COUNTY BANCORP, INC.  
(Exact Name of Registrant as Specified in its Charter)

No.) (I.R.S. Employer of Identification No.)  
Federal 0-25165 14-1809721  
(State or Other Jurisdiction) (Commission File  
Incorporation)

NY 12414 302 Main Street, Catskill  
(Zip Code) (Address of Principal Executive Offices)

code: (518) 943-2600 Registrant's telephone number, including area

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 2.02 Results of Operations and Financial Condition.

On April 24, 2013, Greene County Bancorp, Inc. issued a press release disclosing financial results at and for the nine and three months ended March 31, 2013 and 2012. A copy of the press release is included as exhibit 99.1 to this report.

The information in the preceding paragraph, as well as Exhibit 99.1 referenced therein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable.
- (d) Exhibits.

| Exhibit No. | Description                        |
|-------------|------------------------------------|
| <u>99.1</u> | Press release dated April 24, 2013 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

GREENE COUNTY BANCORP, INC.

DATE: April 24, 2013  
Donald E. Gibson  
President and Chief Executive Officer

By: /s/ Donald E. Gibson

FOR RELEASE

Date: April 24, 2013

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### Greene County Bancorp, Inc. - Reports Quarterly Earnings

Catskill, N.Y. -- (BUSINESS WIRE) – April 24, 2013-- Greene County Bancorp, Inc. (the “Company”) (NASDAQ: GCBC), the holding company for The Bank of Greene County and its subsidiary Greene County Commercial Bank, today reported net income for the nine months and quarter ended March 31, 2013, which is the third quarter of the Company’s fiscal year ending June 30, 2013. For the nine months ended March 31, 2013, net income totaled \$5.0 million, or \$1.19 per basic and \$1.18 per diluted share, representing an increase of \$483,000, or 10.8%, as compared to net income of \$4.5 million, or \$1.08 per basic and \$1.07 per diluted share, for the nine months ended March 31, 2012. For the quarter ended March 31, 2013, net income totaled \$1.5 million, or \$0.37 per basic and \$0.36 per diluted share, representing an increase of \$54,000, or 3.6%, as compared to \$1.5 million, or \$0.36 per basic and \$0.35 per diluted share, for the quarter ended March 31, 2012.

Donald Gibson, President and Chief Executive Officer stated, “We are pleased to report another solid quarter. Despite the weak economy, we continue to achieve our goals of growing both loans and our core deposit base, which we believe is fundamental to creating long term shareholder value.”

Selected highlights for the nine months and quarter ended March 31, 2013 are as follows:

- Net interest income increased \$482,000 to \$16.1 million for the nine months ended March 31, 2013 compared to \$15.6 million for the nine months ended March 31, 2012, and increased \$142,000 to \$5.3 million for the quarter ended March 31, 2013 compared to \$5.2 million for the quarter ended March 31, 2012. The increase in average balances of loans and securities, along with a decrease in rates paid on deposit accounts, primarily led to an increase in net interest income when comparing the nine months and quarters ended March 31, 2013 and 2012.
- Net interest rate spread decreased 26 basis points to 3.52% for the nine months ended March 31, 2013 from 3.78% for the nine months ended March 31, 2012, and decreased 34 basis points to 3.40% for the three months ended March 31, 2013 from 3.74% for the three months ended March 31, 2012. Net interest margin decreased 29 basis points to 3.61% for the nine months ended March 31, 2013 from 3.90% for the nine months ended March 31, 2012, and decreased 36 basis points to 3.49% for the quarter ended March 31, 2013 as compared to 3.85% for the quarter ended March 31, 2012. Despite increased net interest income from increased volume of loans and securities and a lower cost of funds, declines in the yields on interest-earning assets resulted in our net interest spread and net interest margin decreasing when comparing the three and nine months ended March 31, 2013 and 2012, respectively. Although the Company has benefited from re-pricing its interest-bearing liabilities in the continuing historically low interest rate environment, the average interest rates earned on our loans and investments have similarly continued to re-price into lower yields.

- The provision for loan losses amounted to \$1.3 million and \$1.4 million for the nine months ended March 31, 2013 and 2012, respectively. The provision for loan losses amounted to \$331,000 and \$541,000 for the quarters ended March 31, 2013 and 2012, respectively. The level of allowance for loan losses to total loans receivable increased to 1.94% at March 31, 2013 compared to 1.86% at June 30, 2012.
- Net charge-offs amounted to \$571,000 and \$539,000 for the nine months ended March 31, 2013 and 2012, respectively, an increase of \$32,000.
- Nonperforming loans amounted to \$7.0 million at March 31, 2013 and June 30, 2012. Nonperforming loans remain high compared to historical levels as a result of adverse changes in the economy and local unemployment, which have been compounded by the extended length of time required to complete foreclosures in New York State. At March 31, 2013, nonperforming assets were 1.15% of total assets and nonperforming loans were 2.01% of net loans.
- Noninterest income increased \$117,000 and decreased \$36,000 when comparing the nine months and quarters ended March 31, 2013 and 2012, respectively. Noninterest income amounted to \$3.7 million and \$1.1 million for the nine months and quarter ended March 31, 2013, respectively. The increase for the nine months ended March 31, 2013 was primarily the result of higher service charges on deposit accounts due to growth in the number of deposit accounts, as well as an increase in fees earned through investment services.
- Noninterest expense increased \$218,000 and \$225,000 when comparing the nine months and quarters ended March 31, 2013 and 2012, respectively. The increase for the nine months and quarter ended March 31, 2013 was primarily the result of an increase of \$207,000 and \$78,000, respectively in salaries and employee benefits which was partially due to an increase in medical insurance expenses and also to growth in staffing within the Company's lending department. During the nine months and quarter ended March 31, 2013, the Company prepaid \$6.0 million and \$5.0 million, respectively, in long term borrowings and recognized prepayment penalties of \$155,000 and \$112,000.
- Total assets of the Company were \$650.2 million at March 31, 2013 as compared to \$590.7 million at June 30, 2012, an increase of \$59.5 million, or 10.1%.
- Securities available for sale and held to maturity amounted to \$239.0 million, or 36.8% of assets, at March 31, 2013 as compared to \$233.9 million, or 39.6% of assets, at June 30, 2012, an increase of \$5.1 million or 2.2%.
- Net loans receivable increased to \$350.1 million at March 31, 2013 from \$326.8 million at June 30, 2012, an increase of \$23.3 million, or 7.1%. The loan growth experienced during the nine months primarily consisted of \$6.8 million in nonresidential real estate loans, \$15.4 million in residential mortgage loans, \$859,000 in construction loans, \$50,000 in multi-family mortgage loans and \$2.5 million in non-mortgage loans, and was partially offset by a \$1.6 million decrease in home equity loans and a \$745,000 increase in the allowance for loan loss. We believe that the continued low interest rate environment and strong customer satisfaction from personal service continued to enhance loan growth.
- Total deposits increased to \$586.7 million at March 31, 2013 from \$511.9 million at June 30, 2012, an increase of \$74.8 million, or 14.6%. This increase was primarily the result of an increase of \$60.8 million in balances at Greene County Commercial Bank due primarily to the annual collection of taxes by several local municipalities.
- Borrowings decreased \$17.0 million from \$21.0 million at June 30, 2012 to \$4.0 million at March 31, 2013. During the quarter and nine months ended March 31, 2013, the Company prepaid \$5.0 million and \$6.0 million, respectively, in long term borrowings and recognized prepayment penalties of \$112,000 and \$155,000.
- Total shareholders' equity increased \$3.1 million to \$55.8 million at March 31, 2013, or 8.6% of total assets, from \$52.7 million at June 30, 2012 primarily resulting from \$5.0 million in net income for the nine month period less the payment of \$1.8 million in dividends during the period.

Headquartered in Catskill, New York, the Company provides full-service community-based banking in its twelve branch offices located in Greene, Columbia and Albany Counties. Customers are offered 24-hour services through ATM network systems, an automated telephone banking system and Internet Banking through its web site at <http://www.tbogc.com>.

This press release contains statements about future events that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, general economic conditions, changes in interest rates, regulatory considerations, competition, technological developments, retention and recruitment of qualified personnel, and market acceptance of the Company's pricing, products and services.

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|  | At or for the Nine     |           | At or for the Three    |           |
|--|------------------------|-----------|------------------------|-----------|
|  | Months Ended March 31, |           | Months Ended March 31, |           |
|  | 2013                   | 2012      | 2013                   | 2012      |
| Dollars In thousands,<br>except share and per share data |                        |           |                        |           |
| Interest income  | \$18,223               | \$18,362  | \$5,985                | \$5,999   |
| Interest expense   | 2,157                  | 2,778     | 681                    | 837       |
| Net interest income                                      | 16,066                 | 15,584    | 5,304                  | 5,162     |
| Provision for loan losses                                | 1,316                  | 1,437     | 331                    | 541       |
| Noninterest income                                       | 3,716                  | 3,599     | 1,141                  | 1,177     |
| Noninterest expense                                      | 11,365                 | 11,147    | 3,946                  | 3,721     |
| Income before taxes                                      | 7,101                  | 6,599     | 2,168                  | 2,077     |
| Tax provision  | 2,131                  | 2,112     | 631                    | 594       |
| Net Income   | \$4,970                | \$4,487   | \$1,537                | \$1,483   |
| Basic EPS  | \$1.19                 | \$1.08    | \$0.37                 | \$0.36    |
| Weighted average<br>shares outstanding                   | 4,185,707              | 4,150,978 | 4,187,671              | 4,159,093 |
| Diluted EPS  | \$1.18                 | \$1.07    | \$0.36                 | \$0.35    |
| Weighted average<br>diluted shares outstanding           | 4,224,814              | 4,192,567 | 4,227,166              | 4,197,430 |
| Dividends declared per share 3                           | \$0.525                | \$0.525   | \$0.175                | \$0.175   |
| Selected Financial Ratios                                |                        |           |                        |           |
| Return on average assets <sup>1</sup>                    | 1.08                   | % 1.08    | % 0.98                 | % 1.06    |
| Return on average equity <sup>1</sup>                    | 12.23                  | % 11.99   | % 11.14                | % 11.59   |
| Net interest rate spread <sup>1</sup>                    | 3.52                   | % 3.78    | % 3.40                 | % 3.74    |
| Net interest margin <sup>1</sup>                         | 3.61                   | % 3.90    | % 3.49                 | % 3.85    |
| Efficiency ratio <sup>2</sup>                            | 57.45                  | % 58.11   | % 61.23                | % 58.70   |
| Non-performing assets<br>to total assets                 | 1.15                   | % 1.25    | %                      |           |
| Non-performing loans<br>to net loans                     | 2.01                   | % 2.19    | %                      |           |
| Allowance for loan losses to<br>non-performing loans     | 98.31                  | % 87.33   | %                      |           |
| Allowance for loan losses to<br>total loans              | 1.94                   | % 1.88    | %                      |           |
| Shareholders' equity to total assets                     | 8.59                   | % 8.95    | %                      |           |
| Dividend payout ratio <sup>3</sup>                       | 44.12                  | % 48.61   | %                      |           |
| Book value per share                                     | \$13.32                | \$12.42   |                        |           |

1 Ratios are annualized when necessary.

2 Noninterest expense divided by the sum of net interest income and noninterest income.

3 Greene County Bancorp, MHC (the "MHC"), the owner of 55.1% of the shares outstanding by the Company, waived its right to receive the dividends during the nine months ended March 31, 2012, and no adjustment has been made to

account for this waiver. The MHC waived its right to receive the dividend declared during the three months ended March 31, 2013, and no adjustment has been made to account for this waiver. However, the MHC was not permitted to waive its receipt of dividends declared during the quarter ended December 31, 2012 because it did not yet have the non-objection from the Federal Reserve Board for such waiver.

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|   | As of<br>March 31,<br>2013 | As of June<br>30, 2012 |
|---|----------------------------|------------------------|
| Dollars In thousands                            |                            |                        |
| Assets  |                            |                        |
| Total cash and cash equivalents                 | \$38,428                   | \$7,742                |
| Long term certificate of deposit                | 250                        | ---                    |
| Securities- available for sale, at fair value   | 76,840                     | 87,528                 |
| Securities- held to maturity, at amortized cost | 162,207                    | 146,389                |
| Federal Home Loan Bank stock, at cost           | 979                        | 1,744                  |
| Gross loans receivable                          | 356,425                    | 332,450                |
| Less: Allowance for loan losses                 | (6,922 )                   | (6,177 )               |
| Unearned origination fees and costs, net        | 592                        | 478                    |
| Net loans receivable                            | 350,095                    | 326,751                |
| Premises and equipment                          | 14,503                     | 14,899                 |
| Accrued interest receivable                     | 2,875                      | 2,688                  |
| Foreclosed real estate                          | 435                        | 260                    |
| Prepaid expenses and other assets               | 3,565                      | 2,655                  |
| Total assets                                    | \$650,177                  | \$590,656              |
| Liabilities and shareholders' equity            |                            |                        |
| Noninterest bearing deposits                    | \$52,688                   | \$52,783               |
| Interest bearing deposits                       | 534,030                    | 459,154                |
| Total deposits                                  | 586,718                    | 511,937                |
| Borrowings from FHLB, short term                | ---                        | 14,000                 |
| Borrowings from FHLB, long term                 | 4,000                      | 7,000                  |
| Accrued expenses and other liabilities          | 3,624                      | 5,055                  |
| Total liabilities                               | 594,342                    | 537,992                |
| Total shareholders' equity                      | 55,835                     | 52,664                 |
| Total liabilities and shareholders' equity      | \$650,177                  | \$590,656              |
| Common shares outstanding                       | 4,191,671                  | 4,182,671              |
| Treasury shares                                 | 113,999                    | 122,999                |

